



BANCA D'ITALIA
EUROSISTEMA

Annual Accounts

Ordinary Meeting of Shareholders
Rome, 31 March 2026

132nd FINANCIAL YEAR

2025

Financial Year

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ISSN 2499-7951 (print)

ISSN 2499-796X (online)

Designed by the Printing and Publishing Division of Banca d'Italia

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* Official Italian version

BANCA D'ITALIA'S ANNUAL ACCOUNTS

The annual accounts of Banca d'Italia (BI or the Bank) consist of the balance sheet, the profit and loss account and the notes to the accounts and are accompanied by the management report pursuant to Article 37 of BI's Statute.

The draft annual accounts are transmitted to the Ministry of Economy and Finance (MEF) in accordance with Article 117 of the Consolidated Law on banks of issue passed by Royal Decree 204/1910.

MANAGEMENT REPORT

Banca d'Italia's functions and their implications for the annual accounts

The management report briefly describes BI's governance and contains information on assets, liabilities and profit and loss, which is aimed at helping readers better understand BI's activity. It illustrates the main risks to which BI is exposed and the available resources.

The items in the balance sheet highlight the numerous tasks carried out by BI. The implementation of the monetary policy decisions taken by the Governing Council of the European Central Bank (ECB) is reflected, on the asset side, in the securities purchased for monetary policy purposes and in lending to euro-area credit institutions and, on the liability side, in the latter's deposits with BI.

Assets and liabilities denominated in foreign currency reflect the management of Italy's official reserves, which include gold. The item *Banknotes in circulation*, under liabilities, reflects BI's task of issuing currency, a role it shares with the other Eurosystem central banks. Liquidity is distributed across the euro area through the TARGET settlement platform developed and managed by BI together with other national central banks (NCBs). This generates intra-Eurosystem claims and liabilities. The treasury services BI performs on behalf of the government are reflected in general government deposits recorded under liabilities.

The income arising from these activities, along with that generated by the investment portfolio, is entered in the profit and loss account together with the operating expenses connected to them and those incurred in relation to the other functions performed by BI, mainly in the domains of banking supervision and crisis resolution, economic research and statistical analysis, markets, payment systems and payment instruments oversight, anti-money laundering, financial

education and customer protection in banking and finance. The utmost attention is paid to the efficient use of resources.

The primary goal of the Eurosystem is to maintain price stability, not to generate a profit. Monetary policy decisions are taken to fulfil this mandate, even though this could temporarily result in a reduction in the financial results reported by the individual central banks. A strong commitment to achieving price stability, as well as the effectiveness of monetary policy measures, are key to the Eurosystem's credibility.

The Eurosystem central banks' financial results for recent years were affected by key interest rate hikes, which were exceptional in terms of pace and extent, but were needed to counter the surge in inflation. This led to significant losses, which, however, have not impaired the central banks' ability to maintain price stability. Key interest rate hikes, amid still high excess liquidity, resulted in a substantial increase in the interest paid by national central banks on credit institutions' deposits, which was not offset by an equivalent increase in interest earned on financial assets, which are largely long-term assets with fixed-rate coupons (e.g. securities held for monetary policy purposes). The negative mismatch between the average return on assets and the cost of liabilities persisted even after the reduction in key interest rates started in June 2024.

The financial years that closed with losses for the Eurosystem central banks followed a period when monetary policy measures (such as securities purchase programmes) had generated a positive impact on the real economy and particularly high profits for the central banks themselves, allowing them to build up financial buffers, which together with risk management frameworks help them to preserve their financial independence.

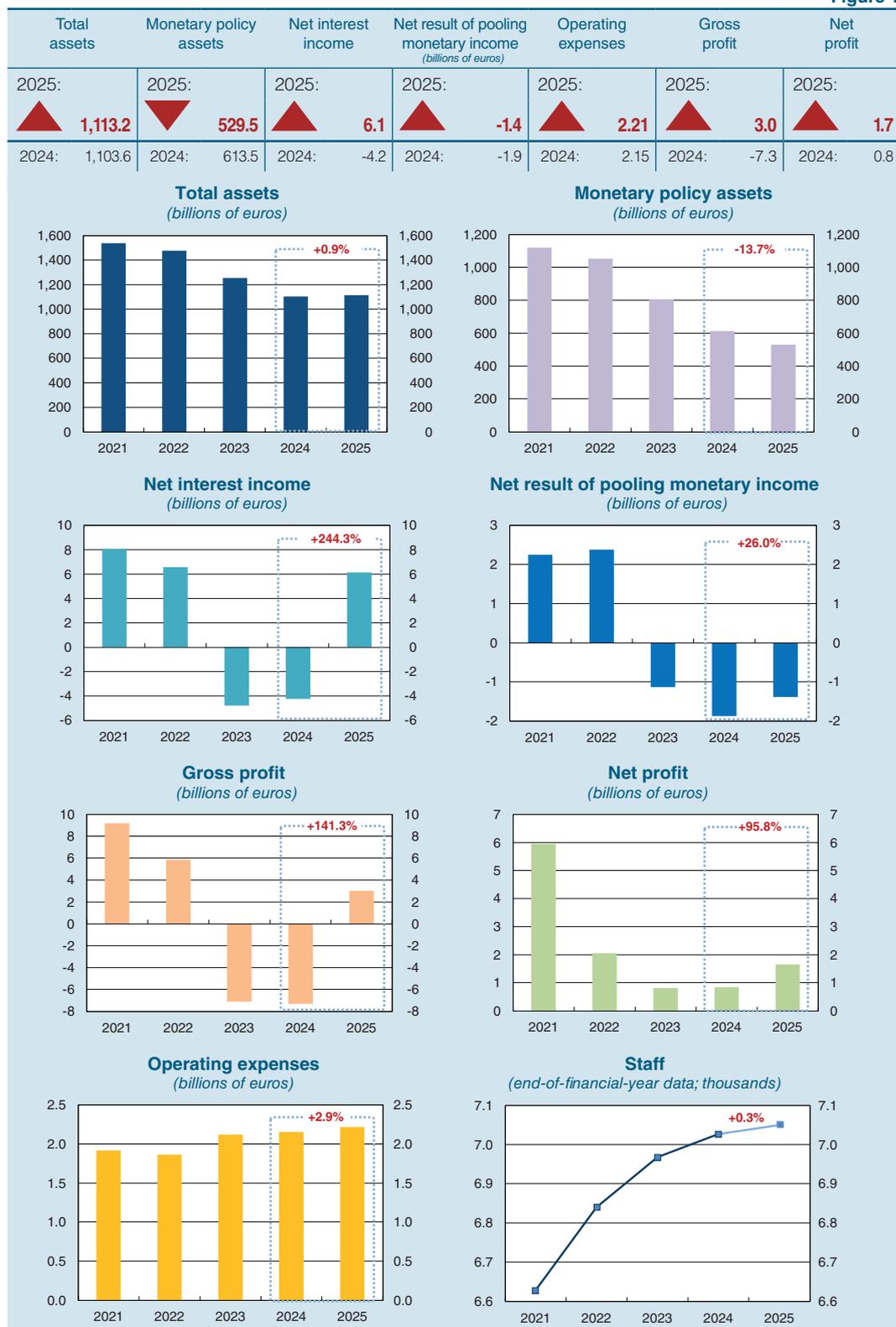
The magnitude of losses and the time needed to return to positive profitability may vary significantly within the Eurosystem, owing to the different structure of each central bank's balance sheet in terms of size, composition and return.

After gross losses of €7.1 billion in 2023 and €7.3 billion in 2024, Banca d'Italia returned to gross profit in 2025 (€3.0 billion), in line with the forecasts reported in the Bank's annual accounts for previous years. An allocation of €0.9 billion was made to the general risk provision, which is the first financial buffer to cover losses, following a total release of €11.4 billion to cover the gross losses for the two previous years. Taxes for the year amounted to €0.4 billion. The Bank therefore closed its annual accounts for 2025 with a net profit of €1.7 billion, significantly up on 2024 (€0.8 billion).

Further non-financial information can be found in BI's *Activity and Sustainability Report*.

Highlights of Banca d'Italia's annual accounts

Figure 1



Governance

Banca d'Italia's governing bodies are, in accordance with its Statute, the Governing Board, the Board of Directors, the Board of Auditors and the Meeting of Shareholders.

The Governing Board is a collegial body that adopts measures of external relevance concerning the exercise of BI's public functions, without prejudice to the Governor's powers and competencies as a member of the decision-making bodies of the ECB. The Governing Board is made up of the Governor, the Senior Deputy Governor, and three Deputy Governors.

The Board of Directors is chaired by the Governor and is responsible for the general administration, the management supervision, and the internal control of BI. Neither the Board of Directors nor the Shareholders may interfere in any matters relating to the exercise of the public functions assigned to BI or its Governor by law and by BI's Statute for the pursuit of its institutional aims.

The Board of Auditors oversees the administration of BI to ensure compliance with the law, the Statute, and the General Regulations. It supervises the adequacy of the accounting system, examines the annual accounts, and expresses an opinion on the distribution of the net profit.

The Meeting of Shareholders appoints the members of the Board of Directors, the Board of Auditors and the audit firm, and approves the annual accounts and the distribution of the net profit.

The approval process for the annual accounts

The draft annual accounts and the management report are approved by the Board of Directors, on a proposal from the Governing Board and after consulting the Board of Auditors. The Board of Directors then submits them to the Meeting of Shareholders for approval, together with the Report of the Board of Auditors and that of the audit firm. Figure 2 shows the tasks of BI's governing bodies relating to the annual accounts.

In accordance with Article 27 of the Statute of the European System of Central Banks (ESCB) and Article 42 of Banca d'Italia's Statute, BI's accounts are audited by an external auditor or by an audit firm, which expresses an opinion on the annual accounts for the year in a dedicated report. The audit firm appointed for the financial years 2023-27 is Deloitte & Touche SpA, which is also responsible for checking the proper keeping of the accounts and the accurate recording of events over the course of the financial year.

Figure 2



Internal control system and risk management

BI has an internal control system designed to ensure the pursuit of its objectives, the quality of its services and the efficient use of resources, as well as to oversee risk management and compliance with internal and external regulations. The internal control system is based on the internationally recognized Three Lines model. This model provides a comprehensive approach to the control system, defines roles and responsibilities, and encourages ongoing interaction between the control and risk management functions within the limits of their independence.

The first line consists of the units responsible for operational processes and for the identification, measurement and management of the related risks.

The second line consists of organizational functions that are separate from process management units. These functions monitor specific types of risk (financial, operational, accounting, tax, IT, cyber, legal, workplace health and safety, crime, corruption and data protection) for the entire Bank, with a cross-cutting approach to its operations, and report directly to the governing bodies. The activities carried out by these functions provide advice and support to the first line to manage risks and to calibrate the control measures in line with the proportionality criteria.

The third line is the internal audit function, which works independently of the first two lines and is subject to periodic external review, in compliance with international standards. It also conducts audits at ESCB level.

An advisory Committee on Internal Auditing (composed of three members of the Board of Directors and a member of the Board of Auditors as an observer) has been set up to strengthen the control system. It provides advice and support to the Board of Directors and to the Governor on matters concerning the oversight of the internal control system. In carrying out its oversight of the internal audit function, the Committee assesses the adequacy of its performance and its compliance with the audit policy and international standards.

Financial risk

BI manages its financial risks on an integrated basis, taking into account the interactions between the various risk profiles. These risks stem chiefly from monetary policy operations and from the management of gold and foreign currency reserves and of the investment portfolio. In accordance with the Statute of the ESCB, the risks associated with monetary policy operations are generally shared by the euro-area NCBs in proportion to their shares in the ECB's capital (capital key;¹ see the box 'Rules on risk sharing in monetary policy operations').

RULES ON RISK SHARING IN MONETARY POLICY OPERATIONS

As a rule, the risks associated with refinancing operations are shared. Under Article 32.4 of the ESCB Statute, any losses associated with these operations can, by decision of the ECB Governing Council, be shared among the Eurosystem NCBs in proportion to their respective capital key.

Table

	Programme	Risk sharing
SMP	<i>Securities Market Programme</i>	YES
	<i>Asset-Backed Securities Purchase Programme (ABSPP) (1)</i>	YES
	<i>Covered Bond Purchase Programme (CBPP3)</i>	YES
APP	<i>Corporate Sector Purchase Programme (CSPP)</i>	YES
	<i>Public Sector Purchase Programme (PSPP) supranational bonds</i>	YES
	<i>Public Sector Purchase Programme (PSPP) government bonds</i>	NO
PEPP	<i>Pandemic Emergency Purchase Programme covered bonds</i>	YES
	<i>Pandemic Emergency Purchase Programme corporate bonds</i>	YES
	<i>Pandemic Emergency Purchase Programme asset-backed securities (1)</i>	YES
	<i>Pandemic Emergency Purchase Programme supranational bonds</i>	YES
	<i>Pandemic Emergency Purchase Programme government bonds</i>	NO

(1) These securities are reported solely in the ECB's accounts.

¹ Percentage share in the ECB's capital subscribed by each NCB in the ESCB. Article 29 of the Statute of the ESCB and of the ECB provides that the share subscribed by each NCB shall be determined based on the percentage weight of the respective Member State in relation to its total population and GDP; these data, which contribute equally to a Member State's weight, are communicated to the ECB by the European Commission. The weighting coefficients are adjusted every five years and whenever a new Member State enters the European Union.

The ESCB Statute states that all Eurosystem refinancing operations must be backed by adequate collateral, in the form of the transfer of ownership or pledging of eligible financial assets. According to the rules established by the ECB Governing Council, NCBs may accept specific financial assets as collateral in addition to those considered eligible under the general framework, bearing the resulting financial risks at individual level.

For securities held under the various monetary policy purchase programmes, the risk-sharing rules are decided by the Governing Council on a case-by-case basis (see the table).

The risk sharing system indirectly includes all the securities purchased by the ECB, given that the NCBs hold its capital.

BI measures financial risk using a methodology very similar to the one developed by the Eurosystem, with some adjustments to ensure it reflects more closely BI's core characteristics. The methodology makes it possible to take account of the distinction between credit and market risks and is based on two different analytical perspectives: financial and accounting. From the financial perspective, the model estimates risk exposure and its impact on BI's net equity at current market values, without considering the accounting rules applied to the balance sheet items. From the accounting perspective, which is used in the preparation of the annual accounts in order to lay down capital strengthening policies (reserves and provisions), the model estimates the impact of risk exposure on the profit and loss account and on net equity, taking into consideration the Eurosystem accounting rules.² In both approaches, BI's metric is highly conservative since it provides an estimate of potential losses characterized by low probability and high impact on the profit and loss account and the balance sheet (expected shortfalls).³ Table 1 shows in detail all the risk control and impact mitigation measures taken for each type of financial risk.

At the end of 2025, BI's overall financial risk, measured from the accounting perspective, was lower than in the previous year owing to the smaller holdings of monetary policy securities (see 'Decisions of the Eurosystem') and to the improvement in Italy's credit rating. From the accounting perspective, the changes in financial risk are not affected by gold price fluctuations, which, although significant (see 'Assets'), are reflected in the gold revaluation account, which includes the unrealized gains recorded in previous years.

² More specifically, from the accounting perspective, revaluation accounts (including in particular the gold revaluation account) provide protection against the market risk of the underlying financial asset, but not against the market risk of other financial assets, nor against the credit risk of securities valued at amortized cost. From the financial perspective, by contrast, revaluation accounts are assumed to be able to absorb losses arising from all types of risk, i.e. both credit and market risks.

³ As a rule, an expected shortfall at a 99 per cent confidence level is applied, which represents the average expected loss in the worst 1 per cent of scenarios.

Table 1

Financial risk map			
Component	Type	Risk source	Measures for risk control and impact mitigation
Credit risk	<ul style="list-style-type: none"> ▪ Insolvency risk ▪ Downgrade risk ▪ Counterparty risk 	<ul style="list-style-type: none"> ▪ Foreign currency assets ▪ Investment portfolio 	<ul style="list-style-type: none"> ▪ Rigorous selection of investment instruments and counterparties ▪ Individual and segment exposure limits monitored daily
		<ul style="list-style-type: none"> ▪ Monetary policy assets ▪ Refinancing operations (1) 	<ul style="list-style-type: none"> ▪ For securities purchase programmes, eligibility criteria and limits applying to issues and issuers ▪ Collateralization of refinancing operations and stringent credit quality criteria for assets pledged as collateral and for issuers of monetary policy securities (2) ▪ Daily monitoring of collateral and use of haircuts, margin calls and concentration limits ▪ Similar to monetary policy refinancing operations, for emergency liquidity assistance BI defines adequate credit quality criteria for assets pledged as collateral, their daily monitoring and the use of haircuts, margin calls and concentration limits
Market risk	<ul style="list-style-type: none"> ▪ Risk of incurring losses owing to unfavourable changes in exchange rates and in the prices of gold and securities 	<ul style="list-style-type: none"> ▪ Gold, assets and liabilities denominated in foreign currency ▪ Investment portfolio 	<ul style="list-style-type: none"> ▪ Risk measurement and monitoring (3) ▪ Revaluation accounts (4)
	<ul style="list-style-type: none"> ▪ Risk of incurring losses owing to the different sensitivity of the remuneration of assets and liabilities to changes in interest rates 	<ul style="list-style-type: none"> ▪ Balance sheet assets and liabilities 	<ul style="list-style-type: none"> ▪ Risk measurement and monitoring ▪ Profitability projections for monitoring the impact on net interest income
Liquidity risk	<ul style="list-style-type: none"> ▪ Risk of incurring losses owing to the need to sell financial assets in a rapid time frame 	<ul style="list-style-type: none"> ▪ Foreign currency assets (5) 	<ul style="list-style-type: none"> ▪ Highly liquid financial instruments ▪ Very prudent criteria for selecting instruments and counterparties ▪ Restrictions on maturity ▪ Restrictions on purchases of individual issues

(1) They can take the form of emergency liquidity assistance (ELA) or collateralized securities lending. – (2) Credit risk control and management measures for monetary policy assets (securities and refinancing operations) are defined at Eurosystem level, while those for ELA operations are set by BI. – (3) Among the indicators used for this are: the elasticity of the bond portfolio's value to interest rate fluctuations (duration); the maximum potential loss estimated over a one-year horizon for the short-term and long-term components (cyclical VaR and structural VaR) and separately for the various asset classes and portfolios. – (4) The revaluation accounts, which record unrealized gains on assets valued at current market exchange rates and prices, limit the impact on the financial results for the period of fluctuations in the prices and exchange rates of the relevant assets. Unrealized losses in excess of the corresponding revaluation accounts, instead, are recorded directly in the profit and loss account. – (5) Liquidity risk mainly affects foreign currency reserves, which, owing to their functions, might have to be liquidated promptly.

Operational risk

The goal of the operational risk management (ORM) system is to prevent and contain the effects of adverse events that could negatively impact BI's ability to perform its tasks, its reputation or its capital. The ORM system operates in tandem with the business continuity management system to ensure that the work processes continue without interruption and at the designated levels of quality and security. The ORM system also covers the risk of non-compliance with the rules applying to BI's activities.

The Operational Risk Committee assists the Governing Board in promoting and coordinating ORM and business continuity initiatives and in monitoring their implementation and inclusion in BI's strategic planning process. Operational risks are assessed on an ongoing and systematic basis, in response to significant changes in internal and external threats, in work processes and in the existing rules and controls. The Committee is also responsible for internal cyber resilience.

In 2025, the following initiatives were launched, which will be stepped up in the 2026-28 strategic planning cycle: (a) developing guidelines and methodological updates for managing and reporting specific types of risk, such as IT and third-party risks; and (b) assessing emerging risks in relation to the geopolitical situation and the uptake of artificial intelligence (AI).

In line with best international practices and with the general principles laid down by national law and by the Eurosystem, an ethical compliance and anti-corruption function is operational within the Bank. BI's [‘Three-year corruption prevention plan 2026-2028’](#) is available on its website.

Background to Eurosystem monetary policy

The changes in BI's balance sheet figures, risks and financial results can only be analysed and assessed in relation to its institutional functions and, especially, to the decisions taken within the context of Eurosystem monetary policy.

Decisions of the Eurosystem

In June 2025, the ECB Governing Council updated its monetary policy strategy,⁴ confirming its symmetrical inflation target of 2 per cent over the medium term. Maintaining the symmetry of the target requires appropriately forceful or persistent monetary policy action in response to large, sustained deviations of inflation from

⁴ The next assessment of the appropriateness of the monetary policy strategy is expected in 2030. See ECB, [‘ECB’s Governing Council updates its monetary policy strategy’](#), press release, 30 June 2025.

the target in either direction.⁵ The ECB Governing Council also confirmed that all monetary policy tools currently available will remain in its toolkit. Their use at any time will continue to be subject to a comprehensive proportionality assessment. Their choice, design and implementation will be sufficiently flexible to enable an agile response to changes in the inflation environment. When two or more tools are equally effective in pursuing price stability, the most efficient one will be used, including in terms of their impact on income and risk profiles.

In the first half of 2025, the ECB Governing Council, based on an updated assessment of the inflation outlook, the path of underlying inflation and the strength of monetary policy transmission, lowered its key interest rates by a total of 100 basis points, bringing the deposit facility rate (DFR) to 2 per cent, the rate on main refinancing operations (MRO) to 2.15 per cent and the marginal lending facility rate to 2.4 per cent.

Since last July, with the inflation rate stabilizing around the 2 per cent target, the ECB Governing Council has kept its key interest rates unchanged. The war in the Middle East that broke out in late February 2026 has made the outlook significantly more uncertain, creating upside risks for inflation and downside risks for economic growth. It will have a material impact on near-term inflation through higher energy prices. Its medium-term implications will depend both on the intensity and duration of the conflict and on how energy prices affect consumer prices and the economy. The incoming information in the period ahead will help the ECB Governing Council assess how the war will affect the inflation outlook and the risks surrounding it.

The ECB Governing Council reiterated that it will continue to follow a data-dependent and meeting-by-meeting approach to determining the appropriate monetary policy stance. Interest rate decisions will be based on its assessment of the inflation outlook and the risks surrounding it – in light of the incoming economic and financial data – as well as the dynamics of underlying inflation and the strength of monetary policy transmission, without pre-committing to a particular rate path.

The downsizing of the portfolios of securities held under the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP) continued in 2025 at a measured and predictable pace, as the Eurosystem no longer reinvests principal payments from maturing securities.

The Transmission Protection Instrument (TPI) will remain available to the ECB Governing Council.⁶

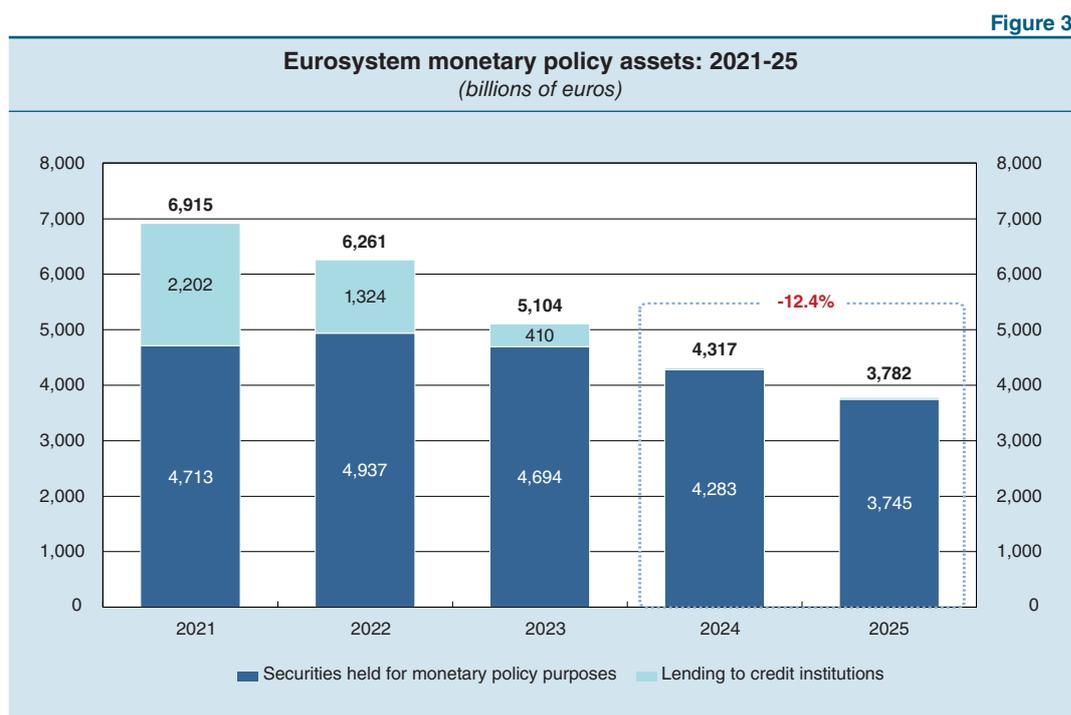
⁵ This is particularly important in an inflation environment made more uncertain and potentially more volatile by the ongoing structural changes stemming from the geopolitical situation, digitalization, the increasing use of AI, demographic factors, environmental sustainability hazards and shifts in the global financial system.

⁶ The TPI was approved in July 2022 to counter unwarranted fragmentation of capital markets along national lines, which poses a serious threat to the uniform transmission of monetary policy across all euro-area countries. Should the TPI be activated, securities purchases would not be restricted ex ante and would be concentrated in secondary markets for public sector securities with a remaining maturity of one to ten years.

The Eurosystem continued to provide liquidity to credit institutions through refinancing operations with full allotment of the funds requested.⁷

Overview of Eurosystem monetary policy

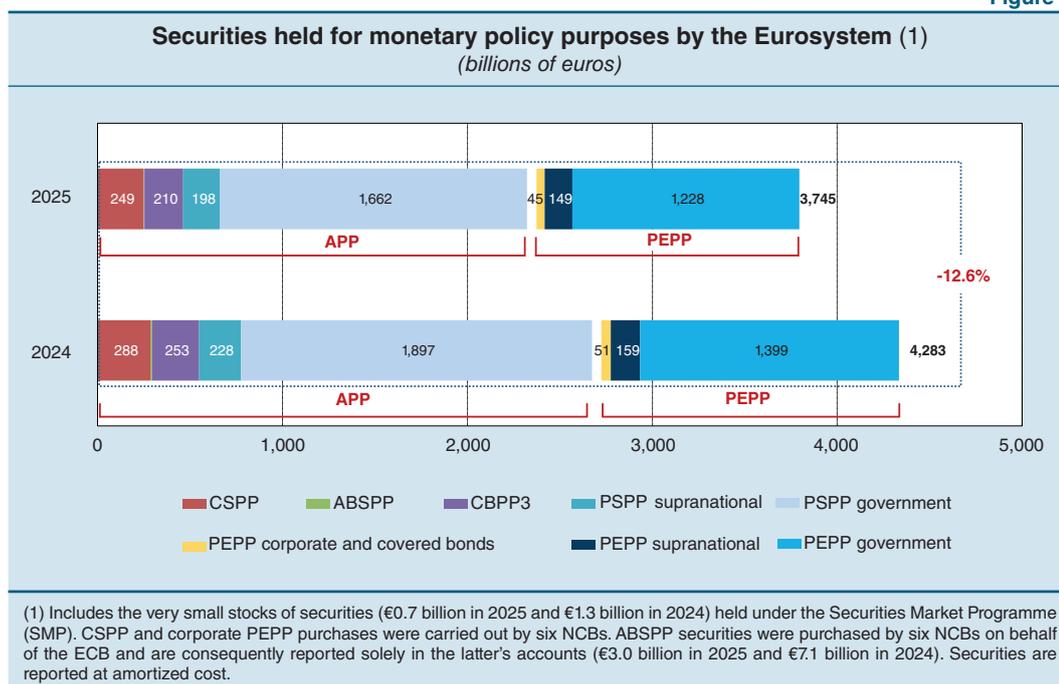
Monetary policy assets continued to decline in 2025 (Figure 3) due to the smaller holdings of the securities portfolio following the discontinuation of reinvestments for the full year.



The amount of securities held for monetary policy purposes fell by 12.6 per cent compared with end-2024, from €4,283 billion to €3,745 billion (Figure 4), continuing the decline that started in 2023. At 31 December 2025, the securities held by the NCBs through the programmes subject to risk sharing amounted to €834 billion (€959 billion at the end of 2024), while those for which the risk is borne by the individual NCBs that purchased these securities totalled €2,586 billion (€2,947 billion in 2024). The securities held by the ECB amounted to €325 billion (€377 billion in 2024).

⁷ There were no changes in how the allotments were made or in how counterparty eligibility was assessed. As part of its collateral framework, the ECB announced that: (a) as of June 2026, a new measure will come into force to mitigate financial risks stemming from the green transition, specifically requiring to take into account climate factors when assessing eligible securities issued by non-financial corporations; and (b) the new haircuts following the regular review of risk control measures will be effective no earlier than November 2026.

Figure 4



The amount of financing granted to credit institutions through Eurosystem refinancing operations edged up from €34 billion at the end of 2024 to €37 billion at the end of 2025. However, these volumes were significantly lower than in previous years, as the third series of targeted longer-term refinancing operations (TLTRO III) was fully repaid at the end of 2024.⁸ More specifically, main refinancing operations grew to €25 billion (from €17 billion at the end of 2024), while the volume of longer-term operations with a three-month maturity fell to €12 billion (from €17 billion at the end of 2024). The weighted average maturity of refinancing operations declined further, from 40 to 26 days.

As regards funding in US dollars, a total of \$3.2 billion was granted through seven-day operations, equal to about €2.9 billion, down from \$8.9 billion in 2024.⁹

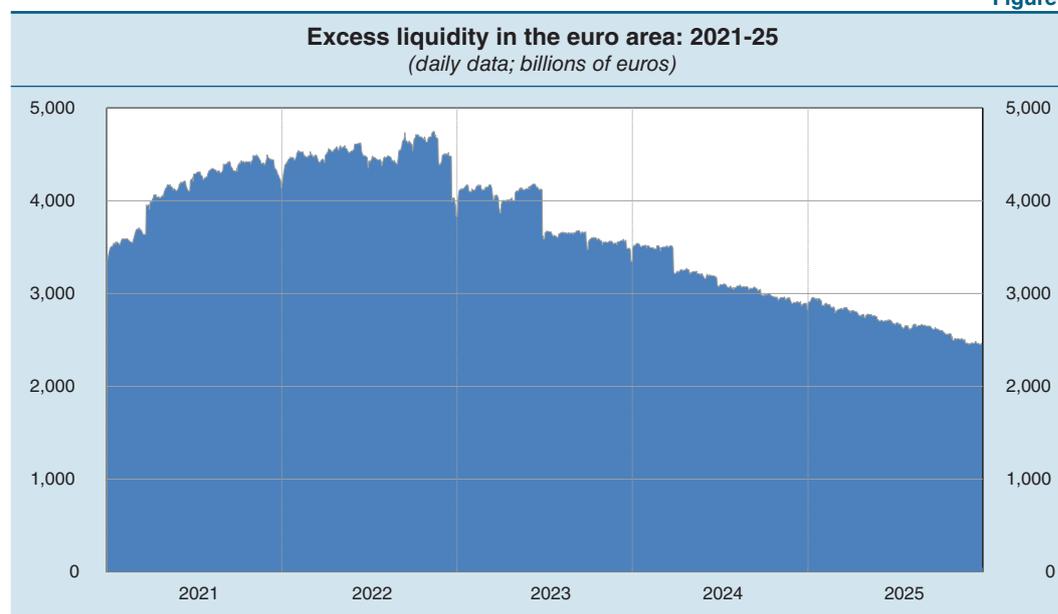
Daily excess liquidity in the euro area is calculated as the sum of bank reserves held in excess of minimum reserve requirements and banks' recourse to the deposit facility net of their recourse to the marginal lending facility. This surplus continued to shrink in 2025, averaging €2,694 billion (€3,174 billion in 2024; Figure 5). Excess liquidity declined mainly as a result of the downsizing of the monetary policy securities portfolio, to €2,432 billion at end-2025 (€2,827 billion at end-2024).

⁸ Starting from September 2019, a total of ten TLTRO III operations have been carried out on a quarterly basis, each with a maturity of three years, with funds granted at Eurosystem level totalling €2,339 billion.

⁹ Italian counterparties applied for a total of \$0.35 billion, worth €0.3 billion, down from \$1.1 billion in 2024.

In November 2022, it had reached a historical high of €4,748 billion. In 2025, almost all of the liquidity surplus was deposited overnight with the Eurosystem.¹⁰

Figure 5



Key developments in Banca d'Italia's annual accounts

Assets

After three years of contraction, the size of BI's balance sheet increased slightly in 2025 (+0.9 per cent compared with the end of 2024), reflecting the significant appreciation of gold (€91 billion, +46.1 per cent), which more than offset the decline in monetary policy assets (Figure 6).

In line with what was observed at Eurosystem level, assets held for monetary policy purposes continued to fall in 2025, from €614 billion to €529 billion, almost entirely due to smaller securities holdings (-€83 billion; Figure 7).¹¹ Their share in total assets dropped from 55.6 to 47.5 per cent.

At the end of 2025, BI's holdings of APP and PEPP securities accounted for 12.6 and 15.1 per cent of the Eurosystem total, respectively (13.0 and 15.2 per cent at the end of 2024).

¹⁰ The liquidity held on current account deposits, including under the reserve requirements, is not remunerated. In December 2025, the ECB Governing Council decided that reserves held in excess of minimum reserve requirements will be remunerated at the deposit facility rate. This measure will be implemented by the end of June 2026.

¹¹ Lending to euro-area credit institutions decreased by €2 billion. Weighted average maturity decreased from 41 to 27 days.

Figure 6

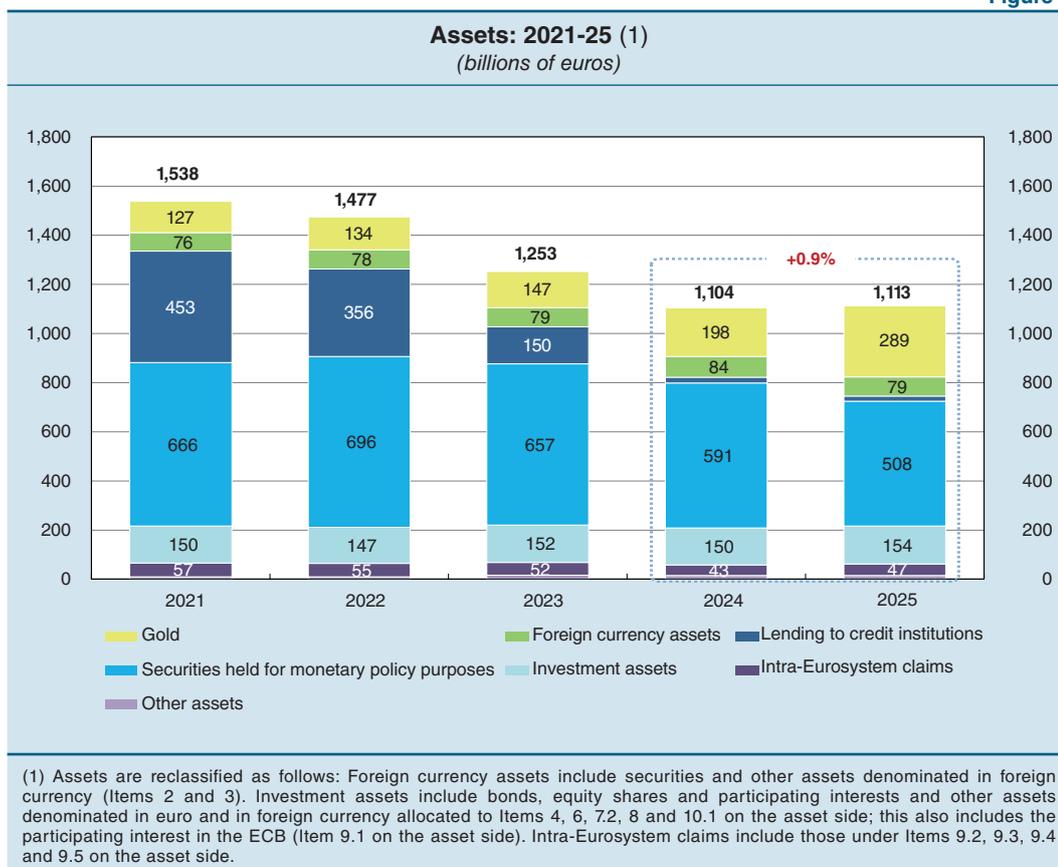


Figure 7

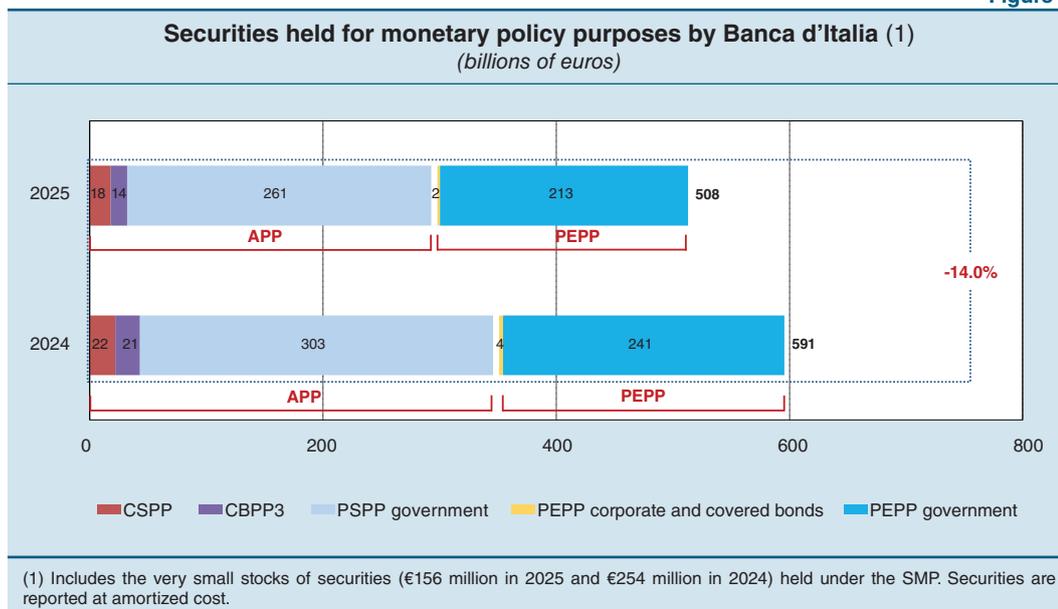
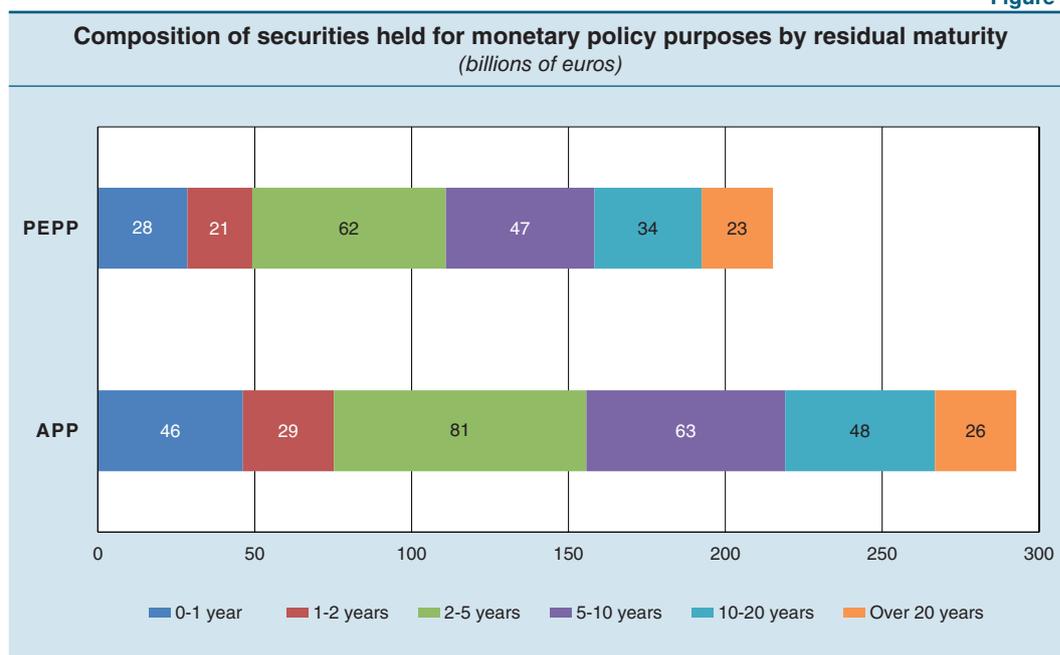


Figure 8 shows the breakdown by residual maturity of securities held by BI under the APP and PEPP at the end of 2025.

Figure 8



At 31 December 2025, gold reserves were worth €289.2 billion (€197.9 billion at the end of 2024). The €91.3 billion increase was entirely due to the rise in the metal's market price (+46.1 per cent for the year in euro terms).¹² This resulted in an equivalent increase in the corresponding revaluation account (recorded under Item 12 on the liability side). In terms of geographical distribution, 44.9 per cent of the Bank's gold reserves are held in Italy, 43.3 per cent in the United States, 6.1 per cent in Switzerland and 5.7 per cent in the United Kingdom.¹³

At the end of 2025, net assets denominated in foreign currency¹⁴ – for which the percentage composition is shown in Figure 9 – totalled €53.4 billion (€56.8 billion at the end of 2024). Their decrease (-€3.4 billion) reflects the depreciation of major foreign currencies in the portfolio against the euro (-€5.7 billion), particularly the depreciation of the US dollar,¹⁵ which was only partly offset by larger overall holdings (+€2.3 billion).¹⁶

¹² Gold appreciated from \$2,608.7 to \$4,311.2 per ounce in 2025, up by 65.3 per cent. The lower growth in euro terms reflects the appreciation of the euro against the dollar.

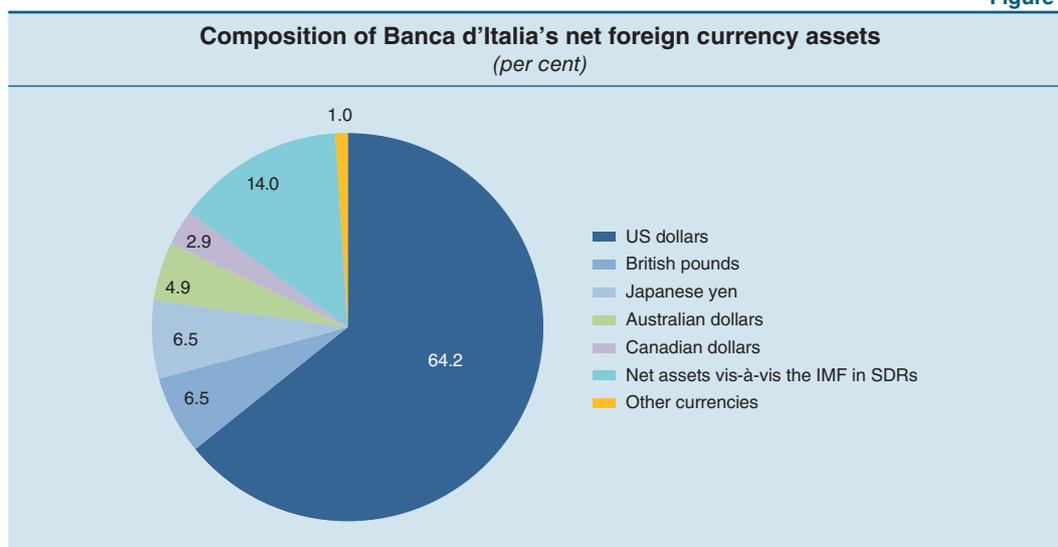
¹³ For more information, see Banca d'Italia's website, 'Gold reserves'.

¹⁴ Net assets denominated in foreign currency include asset Items 2 and 3 (*Foreign currency assets*) and liability Items 6, 7 and 8 (*Foreign currency liabilities*).

¹⁵ The reduction in the value of net assets denominated in US dollar was fully absorbed by the corresponding revaluation accounts on the liability side, without affecting the profit and loss account (see 'Notes on the items of the balance sheet' – *Gold and foreign currency assets/liabilities*).

¹⁶ Particularly of assets denominated in US dollar, Australian dollar and special drawing rights (SDRs).

Figure 9



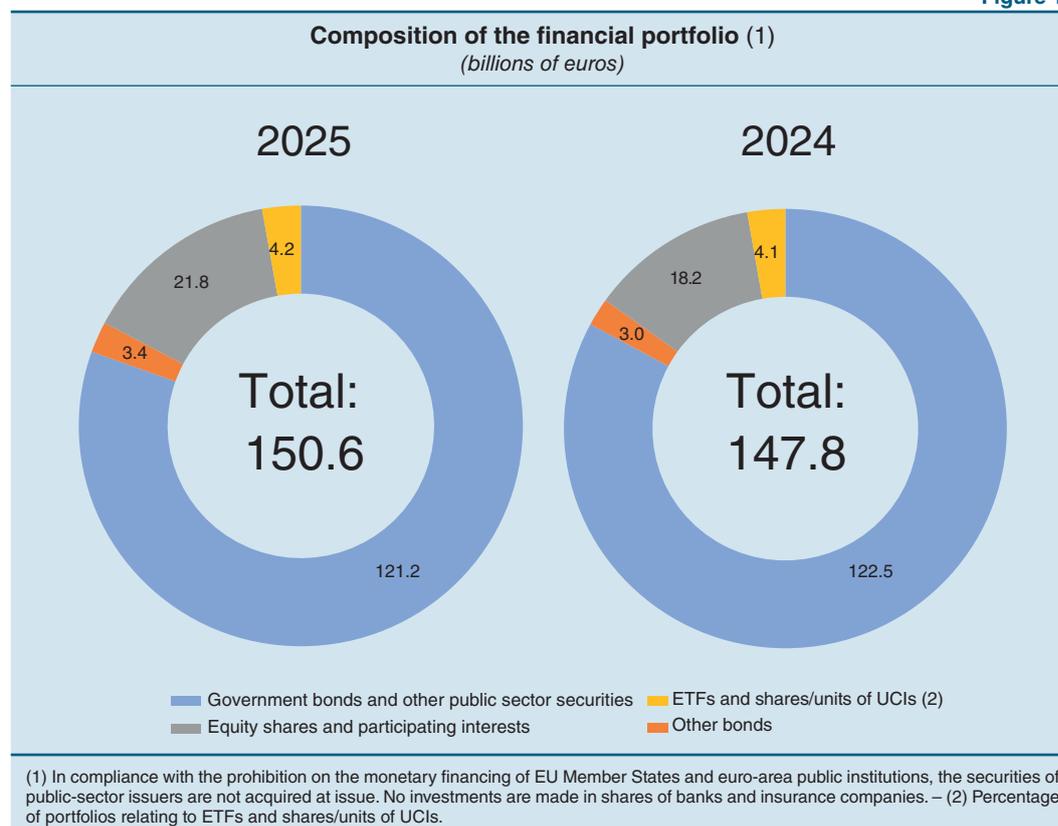
Italy's official reserves consist of gold and claims on non-euro-area residents denominated in foreign currency; they are held by Banca d'Italia under the Treaty on the Functioning of the European Union and the Statute of the ESCB. With regard to gold, Article 1(2) of the 2026 Budget Law (Law 199/2025) specifies that, without prejudice to the powers conferred by the Treaty, Article 4(2) of Italy's consolidated law on foreign exchange regulations (Presidential Decree 148/1988) must be construed as meaning that gold reserves managed and held by Banca d'Italia, as recorded on its balance sheet, belong to the Italian people. This rule does not change how they are recorded on the balance sheet nor does it affect BI's tasks or purposes in terms of holding gold. By managing the official reserves, BI can service the Italian Republic's foreign currency debt and meet its commitments to international organizations such as the International Monetary Fund (IMF). The official reserves are an integral part of the Eurosystem's reserves: their overall level and proper management help to safeguard the credibility of the Eurosystem itself. The foreign currency reserves are managed primarily with the aim of guaranteeing high levels of liquidity and safety while also taking account of long-term expected yields. BI also manages a part of the ECB's foreign currency reserves in accordance with the guidelines laid down by the ECB Governing Council.

At the end of 2025, the assets held for investment purposes amounted to €153.9 billion (€150.3 billion at the end of 2024). These assets consist almost entirely of the securities portfolio (€150.6 billion, compared with €147.8 billion in 2024; Figure 10). They also include reverse repos and margins paid to guarantee repos connected with direct securities lending (€1.7 billion overall, compared with €1 billion in 2024).

This portfolio is mainly composed of Italian and other euro-area government bonds (80.5 per cent of the total at end-2025); the other bonds (2.3 per cent of the portfolio) are those issued by international organizations and private corporations. The part invested in equities (17.2 per cent) consists primarily of

listed instruments (equity shares and, to a lesser extent, investment fund units). Compared with the previous financial year, the value of the portfolio increased by €2.8 billion, mainly as a result of new investments in European equity shares and the rise in share prices.

Figure 10



NET FINANCIAL ASSETS

At 31 December 2025, BI's net financial assets (NFAs) totalled €131.9 billion, up from the end of 2024 (€124.9 billion), mainly owing to the reduction in liabilities to non-residents denominated in euro. NFAs are calculated as the algebraic sum of balance sheet financial assets and liabilities that are not directly related to monetary policy. They are governed by a specific agreement between the NCBs of the euro-area countries and the ECB (Agreement on Net Financial Assets – ANFA). The agreement sets rules and limits that NCBs must comply with to ensure that purchases of financial assets connected with their functions under national law do not interfere with the conduct of the single monetary policy.

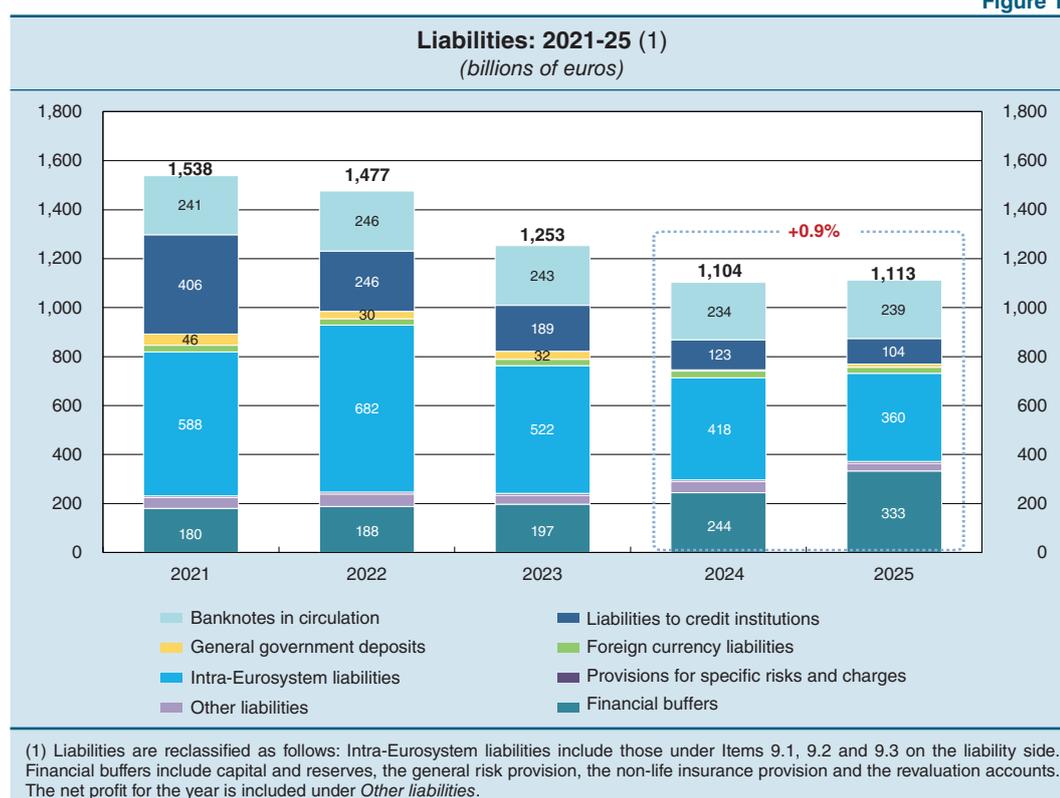
Further information on NFAs can be found on the website of the ECB, which publishes for each NCB and for the ECB: (a) the monthly financial statement; and (b) the annual average amount of NFAs.

BI also manages the defined-contribution pension fund for staff hired starting on or after 28 April 1993. The fund constitutes a separate asset for administrative and accounting purposes pursuant to Article 2117 of the Italian Civil Code. Its investments and earmarked funding contributions are included in BI's balance sheet under *Other assets* and *Other liabilities*, respectively. Investments are made observing benchmarks. At the end of 2025, the fund's total assets and corresponding liabilities on the Bank's balance sheet amounted to €1.3 billion (€1.1 billion in 2024).

Liabilities

In 2025, the reduction in monetary policy assets continued to be reflected mainly in intra-Eurosystem liabilities (consisting largely of the negative TARGET balance) and in the deposits of credit institutions (Figure 11). By contrast, general government deposits, the amount of banknotes in circulation and financial buffers increased. The latter rose mostly as a result of the larger gold revaluation account.

Figure 11

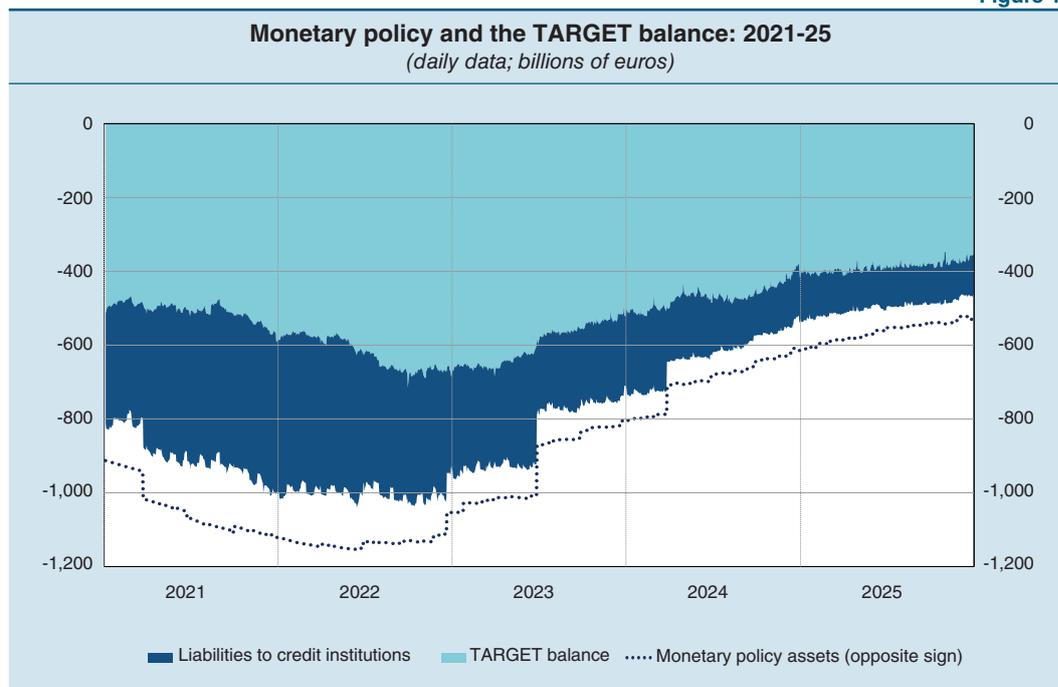


The negative TARGET balance¹⁷ narrowed by 13.8 per cent (from €416 billion to €358 billion at the end of 2025; Figure 12). This decline – which has been under way

¹⁷ The TARGET balance can be considered as the accounting counterbalance of all the transactions carried out between residents and non-residents in Italy.

since 2023 – reflects net liquidity inflows mainly coming from foreign investment in Italian securities, mostly public sector securities. The disbursement of the seventh and eighth tranches of Recovery and Resilience Facility funds to the Italian State through TARGET also contributed to the decrease in BI’s negative balance. At the end of 2025, the negative balance was half its September 2022 peak (€715 billion).

Figure 12

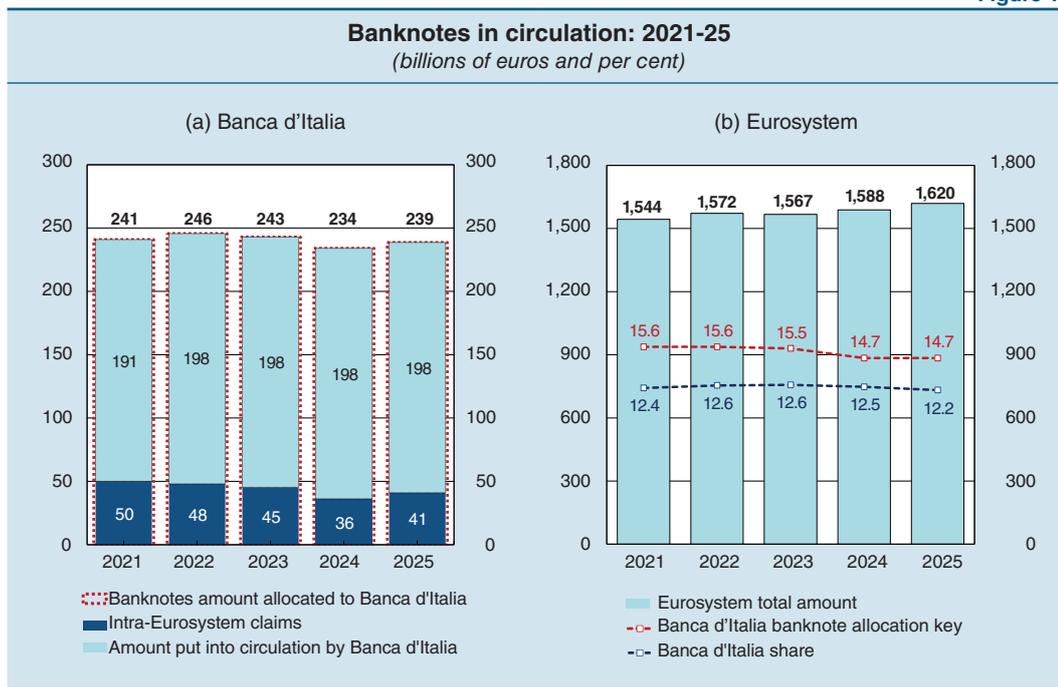


The total value of banknotes in circulation in the Eurosystem,¹⁸ amounting to €1,620 billion at the end of 2025, is allocated among the central banks as follows: the ECB is allocated 8 per cent by convention, while the remaining 92 per cent goes to the NCBs according to their banknote allocation key (see *Legal basis, method of preparation and structure of the annual accounts*). The total amount allocated to Banca d’Italia, €239 billion, is reported under the liability item *Banknotes in circulation*. The difference between the value of the banknotes allocated to BI and that of the banknotes it actually puts into circulation (net of returned banknotes), equal to €198 billion in 2025, gives rise to a remunerated intra-Eurosystem claim (liability) if positive (negative), which is recorded under *Net claims (liabilities) related to the allocation of euro banknotes within the Eurosystem*. BI’s claim at the end of 2025 amounted to €41 billion (Figure 13).

The amount of banknotes allocated to BI rose in 2025 (+€4.6 billion) as a result of the increase in overall circulation in the Eurosystem (Figure 13). As the value of banknotes actually put into circulation by the Bank declined by €0.3 billion, BI’s intra-Eurosystem claim increased by €4.9 billion.

¹⁸ The value of banknotes in circulation is equal to the cumulative difference between banknotes issued and returned to central banks since the introduction of the euro.

Figure 13



The average amount of banknotes put into circulation by BI in 2025 was €192.9 billion (€193.4 billion in 2024), showing a decline of 0.3 per cent compared with an average increase of 1.8 per cent for the euro area (see the box ‘The evolution of money: the digital euro’).

THE EVOLUTION OF MONEY: THE DIGITAL EURO

Digitalization is affecting many aspects of people’s lives, including the use of money. In order to keep up with the times, money needs to evolve in line with the public’s payment preferences. Moreover, the digital euro will preserve Europe’s monetary sovereignty and economic security.

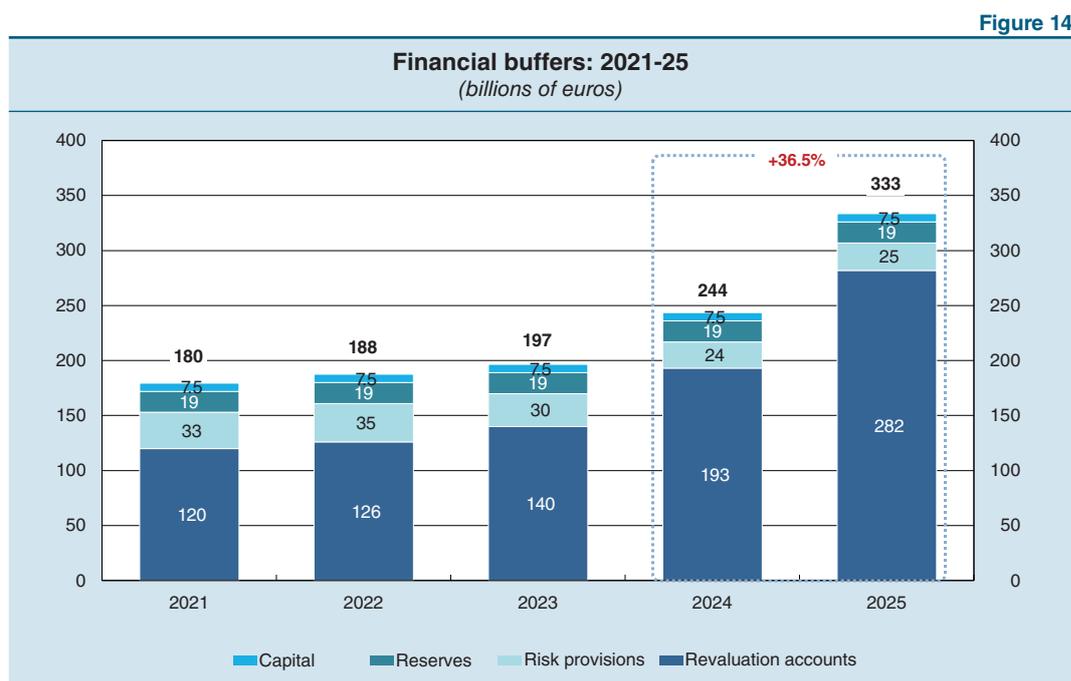
On 29 October 2025, following the successful completion of the digital euro preparation phase launched by the Eurosystem in November 2023, the ECB Governing Council decided to move to the next phase of the project, so as to be ready for a potential first issuance in 2029.¹ This timeline is based on the assumption that European co-legislators will adopt the digital euro regulation over the course of 2026. A digital euro, issued and backed by the Eurosystem, would be the natural evolution of cash in the digital age. It would provide euro-area citizens with an additional payment option, secure and free-of-charge, to be used alongside banknotes and coins – without replacing them – in online and offline daily payments.

¹ For further details, see ECB, ‘Eurosystem moving to next phase of digital euro project’, press release, 30 October 2025.

Banca d'Italia is playing a primary role in the project as it is part of the small group of central banks tasked with developing the internal components of the service platform. The costs of the project will be refunded by the Eurosystem (see 'Operating expenses and other costs').

Financial buffers

Financial buffers¹⁹ rose by 36.5 per cent in 2025 (Figure 14).



Over the past five years, financial buffers grew thanks to the revaluation accounts, especially for gold owing to its appreciation, which was particularly strong in 2024-25.

After being released in the financial years 2023 and 2024 (€11.4 billion overall) to cover the gross losses recorded in the profit and loss account, the general risk provision was increased by €0.9 billion in 2025 to counter the risks to which the Bank is exposed, including in the most adverse scenarios. The partial replenishment of the general risk provision takes into account the current level of overall risks (see 'Financial risk'),

¹⁹ BI's financial buffers consist of capital, reserves, risk provisions, especially the general risk provision, and the revaluation accounts. Allocations to reserves are made at the time of the distribution of the net profit; allocations to risk provisions are transferred out of gross profits to offset the risks associated with the different sectors of operation on the basis of an overall evaluation of adequacy. The revaluation accounts include unrealized gains on gold, foreign currencies and securities not entered in the profit and loss account under income. These balances are used to offset the impact of potential unfavourable fluctuations in prices and/or exchange rates and therefore constitute a first financial buffer against these specific sources of risk for the Bank.

as well as their expected evolution, which, despite being affected by the high degree of uncertainty, will benefit from the balance sheet downsizing associated with the reduction in monetary policy assets. Therefore, the level of risk coverage is confirmed to be adequate in the medium term.

Banca d'Italia's capital

BI's capital is equal to €7,500,000,000 and is divided into 300,000 registered shares that by law can be held solely by: (a) banks with registered offices and head offices in Italy; (b) insurance and re-insurance companies with registered offices and head offices in Italy; (c) foundations as per Article 27 of Legislative Decree 153/1999; and (d) social security and insurance bodies with registered offices in Italy and pension funds established under Article 4.1 of Legislative Decree 252/2005.

Shareholders' ownership rights are limited to the value of the capital and to the dividends (Article 3 of the Statute). The law establishes the maximum share of the capital (i.e. 5 per cent) that can be held, directly or indirectly, by each shareholder. Shares held above this limit shall not bestow voting rights and the corresponding dividends shall be allocated to the Bank's statutory reserves.

Dividends are due only to Shareholders that owned shares at the end of the fortieth day prior to the date of the first call of the Meeting of Shareholders (Article 38 of the Statute). They numbered 174 at 19 February 2026, the last date for acquiring shares with the right to dividends for 2025, with the nominal value of the shares above the 5 per cent limit totalling €26 million (see 'Notes on the items of the balance sheet' – *Capital and reserves*).

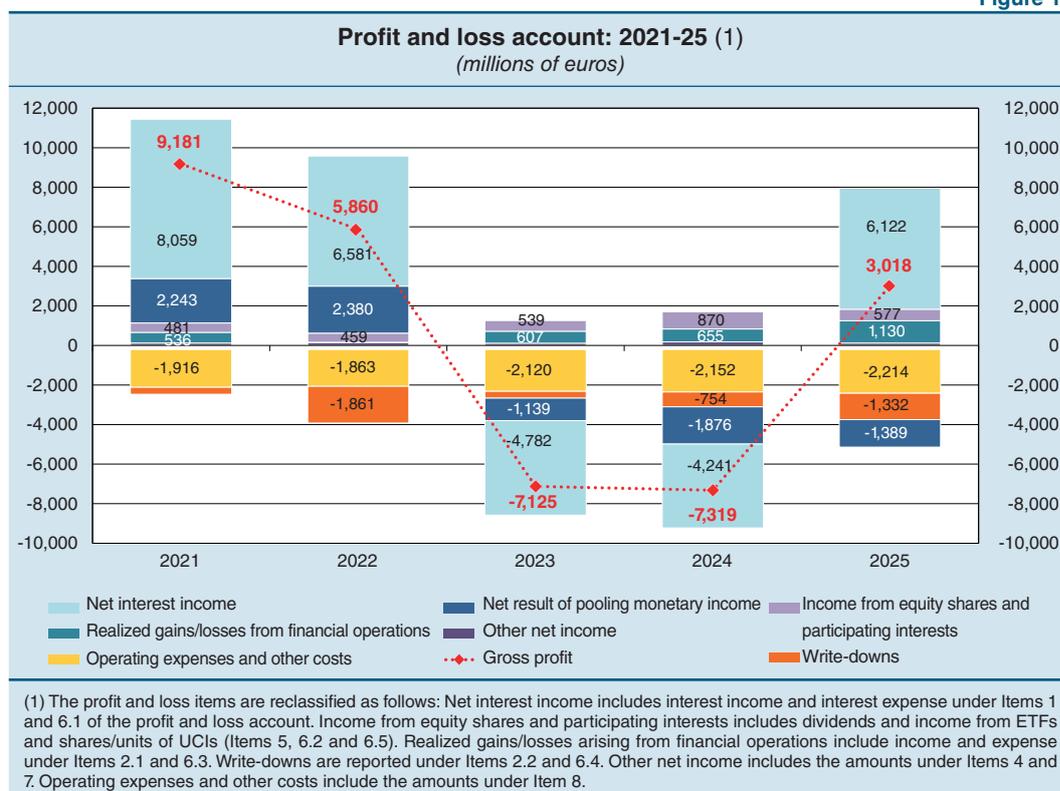
The profit and loss account

After two financial years that closed with a loss (-€7,319 million in 2024 and -€7,125 million in 2023), the Bank returned to a gross profit of €3,018 million in 2025, before the allocation to the general risk provision and before tax.

This change was primarily due to the impact of monetary policy, which affects the size and composition of financial assets and liabilities and their respective rates of return, thereby influencing significantly the trends in net interest income and in the net result of pooling the Eurosystem's monetary income,²⁰ which are the main components of BI's profit and loss account (Figure 15).

²⁰ The net result is the difference between the share of total monetary income distributed to the NCBs in proportion to their capital key and the higher or lower income earned by the individual NCBs. Monetary income is calculated in accordance with the rules established by the ECB Governing Council: in 2025, for example, interest income on monetary policy securities not subject to risk sharing (PSPP and PEPP public-sector securities) was calculated at the deposit facility rate and may therefore differ significantly from the actual interest income, as reported in net interest income (see the box 'Monetary income').

Figure 15



The significant improvement in net interest income (+€10,363 million), which in 2025 turned positive by €6,122 million (-€4,241 million in 2024), was mainly due to the lower cost of liabilities denominated in euro (e.g. banks' deposits and the negative TARGET balance)²¹ as a result of the decline in key interest rates and, to a lesser extent, of the reduction in their amounts. Mirroring the lower cost of liabilities denominated in euro, there was a smaller decline in interest earned on assets denominated in euro, which are largely fixed-rate and longer-term assets (such as securities held for monetary policy purposes).²²

As in the previous year, the net result of pooling monetary income was negative in 2025 (-€1,389 million), though to a lesser extent than in 2024 (-€1,872 million; see 'Notes on the items of the profit and loss account' – *Net result of pooling monetary income* and the box 'Monetary income').

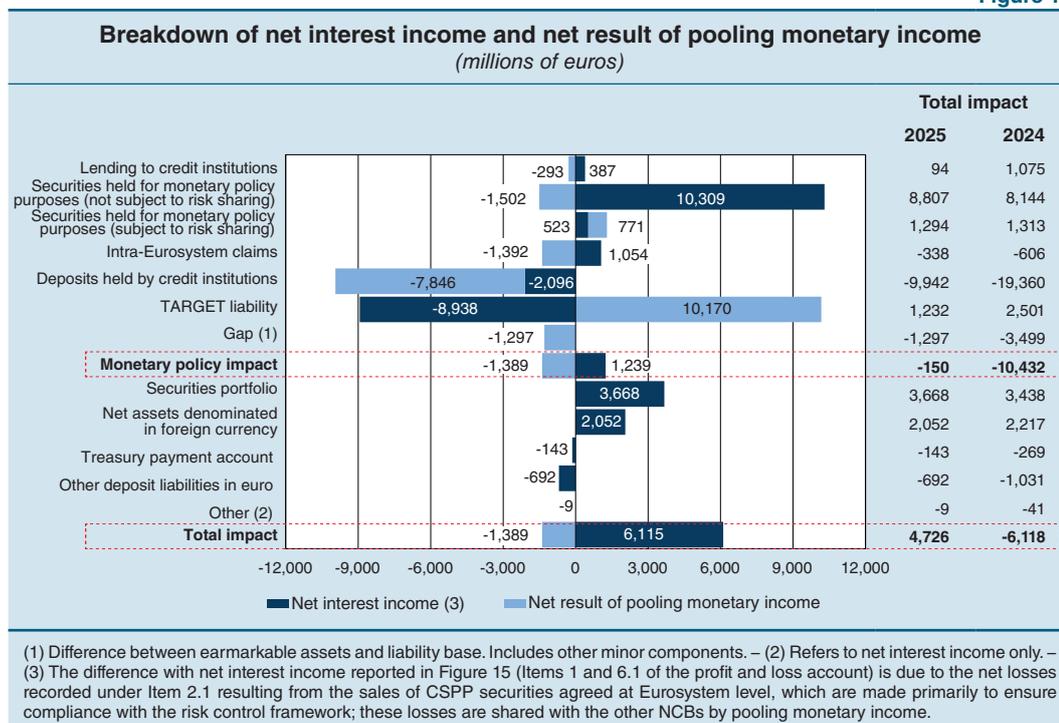
The overall impact of monetary policy, arising from the combination of the relevant components of net interest income and the net result of pooling the Eurosystem's monetary income, albeit still negative in 2025 (-€150 million), improved significantly compared with 2024 (-€10,432 million). This was mainly due to the lower interest expense on

²¹ As of 1 January 2025, the TARGET balance is remunerated at the deposit facility rate; until 31 December 2024, it was remunerated at the higher rate on main refinancing operations.

²² The spread between the remuneration on monetary policy securities and the cost of banks' overnight deposits and of the TARGET liability improved significantly in 2025, albeit remaining negative.

deposits held by credit institutions, as a result of the reduction in key interest rates and excess liquidity in the Eurosystem (Figure 16; see the box ‘The impact of monetary policy on the profit and loss account’). Net income earned on other assets and liabilities shows a positive contribution of €4,876 million (€4,314 million in 2024).

Figure 16



THE IMPACT OF MONETARY POLICY ON THE PROFIT AND LOSS ACCOUNT

The Eurosystem’s income on assets subject to risk sharing and on monetary policy liabilities is distributed among the NCBs in proportion to their capital key. In the context of a single monetary policy, where liquidity moves across euro-area countries depending on market participants’ transactions, the redistribution of monetary income ensures that each NCB’s profitability is not affected by how liquidity is distributed within the Eurosystem, but only reflects its capital key. As a result, for example, Banca d’Italia bore 16.02 per cent of the total interest paid by the Eurosystem on deposits held by credit institutions. Interest expense on these deposits negatively affected the Bank’s profit and loss account by a total of €9,942 million (€19,360 million in 2024), of which €2,096 million were paid to Italian banks and reported in net interest income (€5,498 million in 2024) and €7,846 million were recorded in the net result of pooling monetary income (€13,862 million in 2024), as the share of Italian banks’ deposits in the Eurosystem total was lower than BI’s capital key. Income earned on monetary policy securities, mainly on government bonds not subject to risk and return sharing, provided a positive contribution of €10,101 million (€9,457 million in 2024). Overall, the TARGET liability had a positive net impact of €1,232

million (€2,501 million in 2024)¹ on BI's profit and loss account through monetary income pooling, while intra-Eurosystem claims generated a negative impact of €338 million (-€606 million in 2024).²

¹ Overall, the euro-area NCBs hold a net claim in the TARGET system (corresponding to the negative balance on the balance sheet of the ECB, whose income is not involved in monetary income pooling). BI's interest income on this claim (€1,232 million) is therefore equal to the difference between the net result of monetary income allocated to BI (€10,170 million) and the interest expense paid by BI on its negative balance, which is recorded in net interest income (-€8,938 million).

² Overall, the euro-area NCBs hold a net liability with reference to the allocation of banknotes in circulation (corresponding to the claim recorded on the ECB's balance sheet). Each NCB has a liability or a claim vis-à-vis the other NCBs in relation to its banknote allocation key. BI's interest expense (-€465 million) is equal to the difference between the net result of monetary income pooling (-€1,392 million) and the interest income received by the Bank on its claim, which is recorded in net interest income (€927 million). This effect is partially offset by the positive impact of the Bank's interest income on the claim arising from the transfer of foreign reserves to the ECB, equal to that recorded in net interest income (€127 million).

The improvement in the gross profit for the year was partly due to higher realized gains from financial operations (+€475 million),²³ while it was negatively affected by higher write-downs (+€578 million)²⁴ and lower income from equity shares and participating interests (-€293 million; see 'Notes on the items of the profit and loss account' – *Income from participating interests*).²⁵

Total operating expenses and other costs amounted to €2,214 million, up from the previous year (+€62 million; see 'Operating expenses and other costs').

The general risk provision was increased by €900 million (see 'Key developments in Banca d'Italia's annual accounts' – *Financial buffers*),²⁶ while taxes for the year amounted to €466 million (compared with a positive contribution of €2,363 million in 2024).²⁷

The year 2025 closed with a net profit of €1,652 million (€844 million in 2024), up by €808 million on the previous year.

Operating expenses and other costs

The trend and composition of costs are detailed in Figure 17.

²³ This increase was due in particular to higher net profits on euro-denominated equities and US dollar-denominated government bonds.

²⁴ The increase, due to higher exchange rate write-downs, especially on Japanese yen and SDR holdings in foreign exchange reserves and on US dollar investments under the sub-item *Financial assets*, was only partially offset by lower price write-downs, especially on US dollar-denominated government bonds.

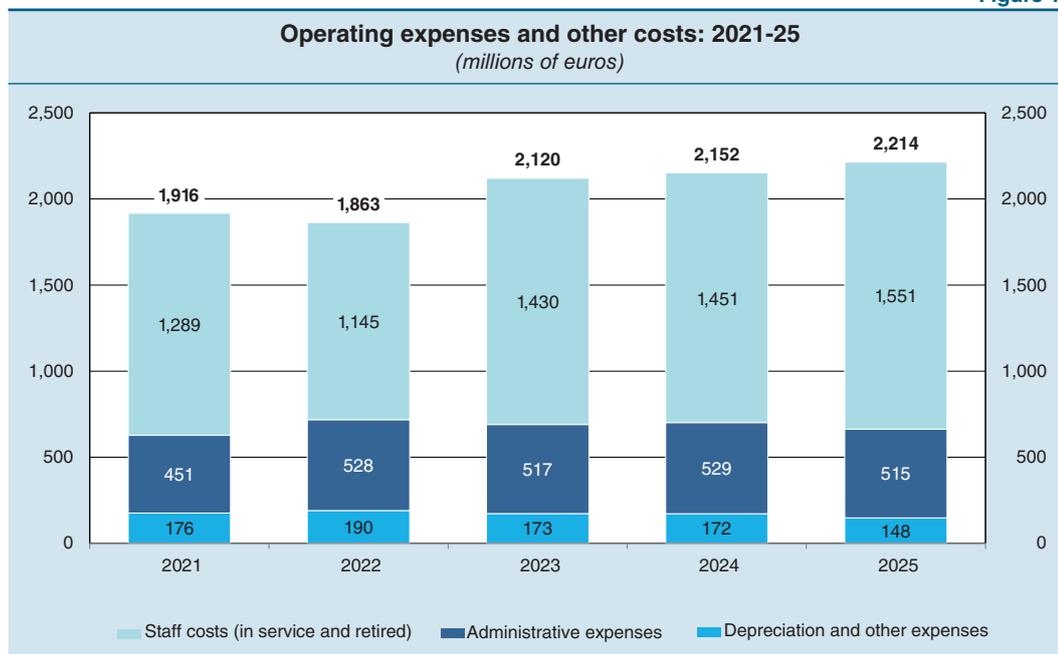
²⁵ By contrast, the gross profit generated by assets and liabilities denominated in foreign currency fell to €1,246 million, from €2,363 million in 2024.

²⁶ In 2023, there had been a release of €5,600 million against a gross loss of €7,125 million, while in 2024 there was a release of €5,800 million against a gross loss of €7,319 million.

²⁷ This positive contribution was mainly due to the recognition of the deferred tax assets on the corporate income tax (IRES) resulting from the carryforward of the tax loss for the financial year.

In 2025, operating expenses and other costs rose by €62 million compared with the previous year, due to an increase in staff costs, for both persons in service and retired.

Figure 17



More specifically, (a) costs for salaries of staff in service rose (+€48 million), owing to adjustments for inflation²⁸ and higher performance bonus payments, as well as to the qualitative and quantitative change in the workforce; (b) €18 million were set aside for voluntary early retirement measures under the plan to develop BI's functions and reorganize the branch network (see 'Other information' – *Organizational measures*); (c) severance payments increased (+€56 million) owing to the higher number and different composition of employment terminations in 2025; and (d) by contrast, the release of €59 million from the provision for severance pay and pensions in the profit and loss account, which exceeded the outstanding commitments at year-end, had a positive impact (see 'Notes on the items of the profit and loss account – *Expenses and sundry charges*').

Administrative expenses, equal to 23 per cent of total operating expenses decreased from €529 million in 2024 to €515 million in 2025 (-€14 million), mainly due to the lower costs incurred for purchasing raw materials for banknote production (see 'Notes on the items of the profit and loss account' – *Expenses and sundry charges*).

Development and management costs for technological infrastructure and applications remained high in 2025 and accounted for 30 per cent of total administrative expenses. Banca d'Italia continued to be involved in a number

²⁸ Based on Istat's harmonized index of consumer prices (HICP) net of imported energy.

of IT initiatives, particularly in connection with its role as a service provider at Eurosystem level. In 2025, the Bank received a total of €106 million in income and fees for the development and operation of Eurosystem infrastructure (see the box ‘Income and expenses for Eurosystem infrastructure’).

INCOME AND EXPENSES FOR EUROSYSYEM INFRASTRUCTURE

Together with other national central banks, Banca d’Italia provides services for developing and managing the Eurosystem’s technological infrastructures. The NCBs acting as service providers pay for the related costs upfront and are later refunded by all participating central banks, as co-owners of shared infrastructures, based on their respective capital keys. The reimbursements received by BI are recorded under *Other income* and amounted to €71 million in 2025 (€117 million in 2024).

The costs borne by the Bank as a co-owner of shared infrastructures (both for projects in which it is also a provider and for projects carried out or managed by other central banks) are booked according to their type: costs for projects under development are capitalized and recorded under *Intangible assets under development* until the infrastructure becomes available for use, at which point it becomes subject to amortization. While the infrastructure is in operation, operating costs are instead recorded under *Administrative expenses*. In 2025, amortization amounted to €17 million (€16 million in 2024) and operating costs to €35 million (€38 million in 2024).

Likewise, any fees received for services are allocated among co-owner NCBs according to their capital key and are recorded under *Fee income*. In 2025, the fee income redistributed to the Bank amounted to €35 million (€38 million in 2024).

Looking ahead, BI’s role as service provider for the Eurosystem is set to expand, particularly in the digital euro project. Last year, BI’s resources allocated to the project were about 80 full-time equivalents (FTEs) and are expected to become more than 100 over the next years.

The Bank also helped roll out the Eurosystem Collateral Management System (ECMS). Lastly, BI started to work on the following projects: (a) providing an instant payment system based on a clone of the TARGET Instant Payment Settlement (TIPS) system to be used by the central banks of western Balkan countries; (b) interconnecting TIPS with the Indian instant payment system; and (c) setting up a pilot project for Pontes, the Eurosystem’s solution to settle financial transactions recorded on distributed ledger technology (DLT) platforms in central bank money.

At national level, BI completed the project to decommission domestic mainframe computers, an initiative that, in addition to generating financial benefits, made it possible to upgrade work processes and renew the software base for monetary policy, payment system, State Treasury and branch operations. In addition, new IT services were released to support: (a) the dissemination of statistics produced or collected by BI to external users; (b) document management; and (c) public debt management

activities. The project to create an enterprise data lake (EDL) platform for storing and processing large volumes of data is nearing completion. This initiative is intended to leverage the Bank's wealth of information for its institutional and corporate activities through a variety of tools for data sharing and analysis.

The multi-year digital transformation programme continued in 2025 to overhaul processes, technologies and services and to strengthen BI's ability to operate in a rapidly evolving economic and regulatory environment. More specifically, the Bank maintained its efforts in research on advanced technologies, with a focus on generative artificial intelligence. BI provided its staff with new solutions to support individual productivity and integrated them with other AI paradigms already in use in the organization and with traditional economic research tools, with a view to enhancing the reliability and accuracy of its analysis. In this regard, an AI subcommittee was set up within the Management Coordination Committee to guide technological choices and ensure their regulatory compliance.

Property management and maintenance costs, included in *Administrative expenses*, remained stable compared with 2024, partly because of the streamlining of building maintenance operations. The activities envisaged in the plan for the logistical reorganization of BI's head office buildings continued, with additional investments in 2025. The increasing availability of office space in BI's properties, also thanks to the hybrid work model, has made and will continue to make it possible to gradually terminate the lease agreements for non-owned buildings, with positive effects in terms of cost cutting. Under the existing maintenance contracts, further work was carried out to improve BI's ecological footprint and to ensure the conservation and improvement of its real estate.

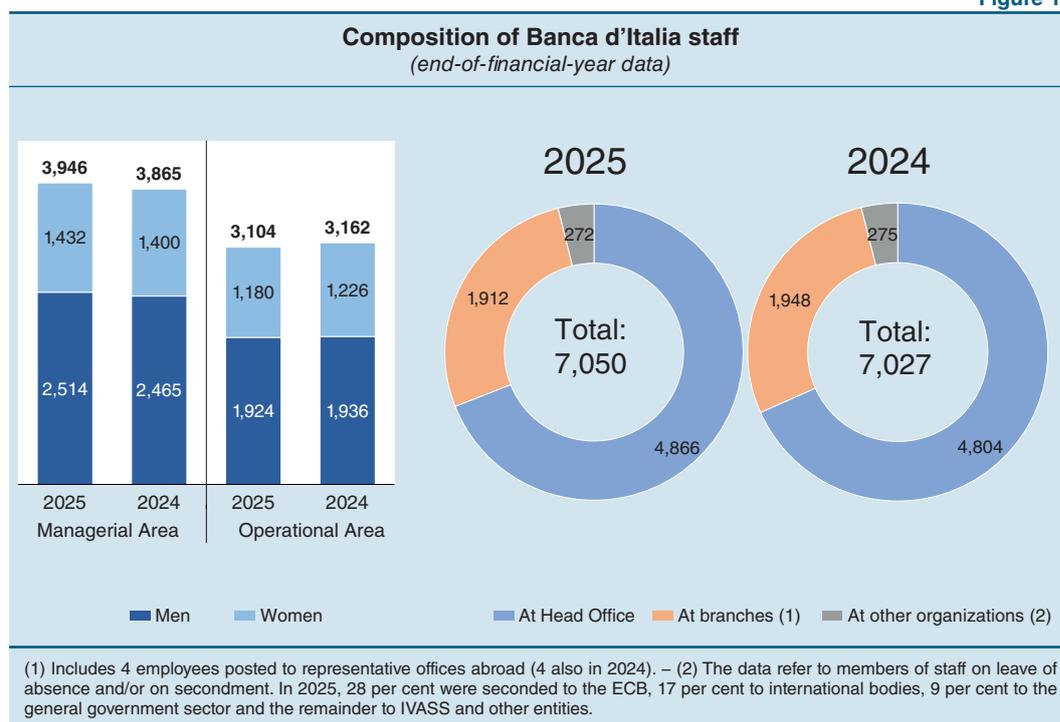
Other costs, mainly including local and indirect taxes, have held broadly stable in recent years.

Banca d'Italia staff

At 31 December 2025, the Bank's employees numbered 7,050, of which 4,866 working at the head office, 1,908 at branch offices, 4 at representative offices abroad, and 272 seconded to other organizations (Figure 18). The total number of staff was up by 23 compared with the end of 2024 and will increase more significantly in the coming years to step up efforts in institutional activities, major European projects, the reorganization of the branch network and the digital transformation. There were 268 new employees in 2025 (230 in 2024), of whom about 71 per cent hold a required university degree. Terminations totalled 245 (171 in 2024).

As at end-2025, the managerial and high-level professional area accounted for 56 per cent of total staff (55 per cent in the previous year). The staff's average age at the end of 2025 was 49.1 years (49.2 years in 2024) and 37 per cent of the Bank's employees were women (37.4 per cent in 2024).

Figure 18



Distribution of the net profit for the year

Pursuant to Article 38 of BI's Statute, the Board of Directors, acting on a proposal of the Governing Board and after hearing the opinion of the Board of Auditors, determines the plan for the distribution of the net profit and the relevant proposal to be submitted to the Meeting of Shareholders for approval.²⁹

Under the current dividend policy, approved by the Board of Directors on 30 April 2015, the dividends to be allocated to the Shareholders normally range between €340 million and €380 million, provided that the net profit is sufficient and without prejudice to the Bank's capital adequacy. Shareholders' dividends may fall outside this range where overall financial market conditions or the Bank's profitability change significantly. An amount equal to the difference between the upper bound of the range indicated in the current dividend policy and the dividend actually distributed, up to a maximum amount of €450 million, is allocated annually to the special item for stabilizing dividends created by the resolution of the Meeting of Shareholders of 31 March 2017.

In line with this guideline, considering that the Bank returned to gross profit in 2025, a dividend of €340 million is paid out to the Shareholders from net profit

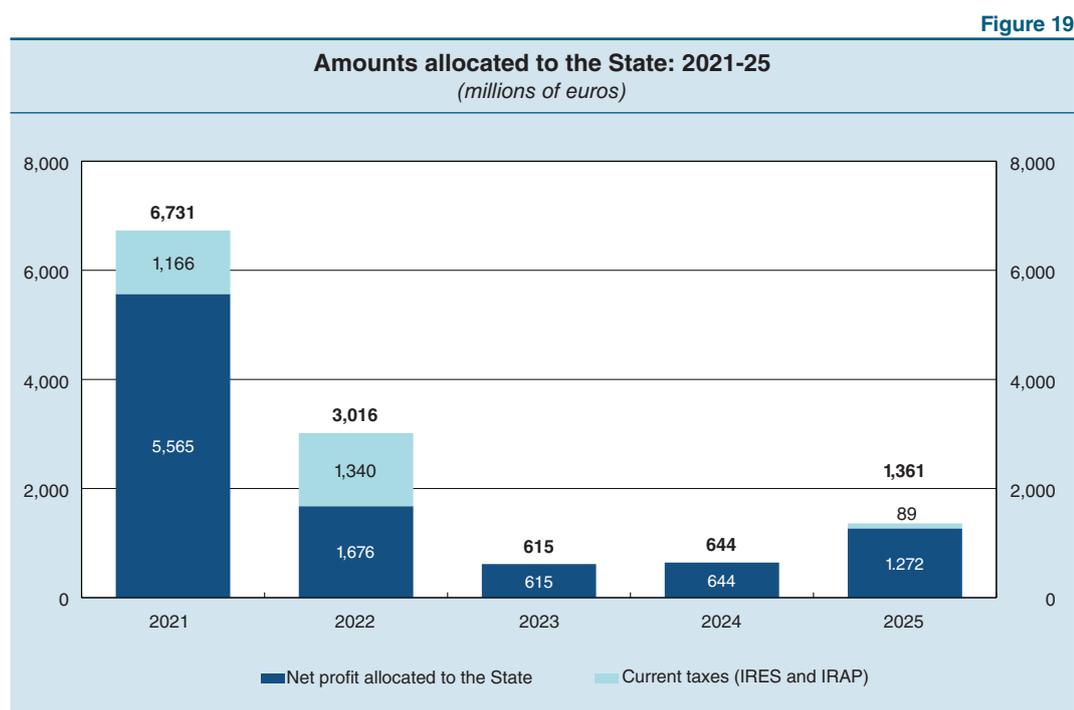
²⁹ Pursuant to Article 38.2, the net profit is allocated as follows and in order of priority: to the statutory reserves, up to 20 per cent; to the Shareholders, up to 6 per cent of the capital; to the special reserve and any special provisions, up to 20 per cent; to the State, for the remaining amount.

(€1,652 million) and €40 million are allocated to the special item. The remaining amount (€1,272 million) is allocated to the State³⁰ (see ‘Proposals of the Board of Directors’). The Shareholders’ dividend is equal to the total dividend allocated last year including the supplemental amount paid out of the special item for stabilizing dividends. The amounts actually paid to the Shareholders amount to €339 million, as €1 million relating to shares exceeding the legal threshold is allocated to the Bank’s statutory reserves.

For financial years 2021 to 2025, the dividend paid out of net profit totalled €1,419 million. Taking into account the supplemental dividend paid out of the special item for stabilizing dividends (€280 million), the total amount actually allocated to the Shareholders was €1,699 million.

Over the same five-year period, the profits transferred to the State amounted to €9,772 million (Figure 19); including current taxes (€2,595 million),³¹ the total amount transferred to the State was €12,367 million.

Over the last ten years, the resources allocated to the State amounted to €41,268 million (of which €34,776 million were paid out of net profit), while the Shareholders actually received €2,875 million.



³⁰ For 2025, Banca d’Italia also paid the State €143 million in interest on the Treasury payment account (€269 million in 2024; see ‘Notes on the items of the profit and loss account’ – *Net interest income* and the box ‘Remuneration of government deposits’).

³¹ Includes only current taxes for IRES and IRAP purposes recognized in each period under Item 10 of the profit and loss account (*Taxes on income for the year and on productive activities*).

Other information

Strategic planning

In March 2026, Banca d'Italia published its '[Strategic Plan for 2026-2028](#)', outlining its vision, priorities and lines of action. The Bank's strategic objectives, involving all the functions of the head office and local branch network, include: (a) responding proactively to changes in the external environment and to exogenous shocks and communicating effectively the results of the Bank's institutional action; (b) developing and leveraging its human capital, as well as steering the digital transformation, especially through the use of AI, in order to streamline operational and decision-making processes; (c) strengthening the Bank's role in domestic and cross-border payment systems, particularly in the digital euro project; and (d) monitoring the evolution of new technologies in the financial system. Further details can be found on the Bank's website.

Organizational measures

In 2026, the IT department's organizational reform, which began in 2025, will be completed to step up the Bank's digital transformation process, to address the challenges posed by the evolution of frontier technologies, and to support the Bank's role as a service provider to the Eurosystem. The reform also aims to strengthen defence capabilities against cyber threats, which are increasingly sophisticated and pervasive, and to enhance quality controls on IT processes, particularly with regard to payment services, statistics and digital-euro platforms.

BI will also complete the implementation of its plan to develop the functions and reorganize the structure of the local branch network, which is intended to: (a) strengthen the role of branches in key strategic activities; (b) enhance their contribution at local level; and (c) ensure their operations match their resources, including through greater integration with the corresponding functions at the head office. More specifically, new dedicated units were set up across the branch network in the areas of customer protection and financial education, anti-money laundering, firms' creditworthiness assessments, and user services. Upon completion of the project, the number of branches will be reduced from 38 to 36; of these, 21 regional branches will perform a wide range of functions, albeit with differences between individual branches, while 15 branches will primarily handle cash and provide information services. The plan includes voluntary early retirement measures agreed with the trade unions for employees meeting certain requirements and initiatives to promote mobility and work-life balance for those who change their place of work.

Environmental policy and workplace safety

The Bank continued its efforts to reduce its ecological footprint.

In January 2026, it published its '[Transition Plan for Climate Change Mitigation and Adaptation](#)', in line with the goals set at European and international level and with best practices adopted by other central banks. The Plan outlines the Bank's course of

action to mitigate climate-related risks and progressively reduce the carbon footprint of its operations, with the goal of achieving net zero greenhouse gas emissions by 2050. It will be updated every three years as part of BI's strategic planning.

In its *Activity and Sustainability Report*, published at the end of May, the Bank reports annually on its activities and results and addresses the issues of environmental, social and governance (ESG) sustainability. BI also publishes an *Annual report on sustainable investments and climate-related risks*, which follows through on the commitment made with the publication of the *Responsible Investment Charter*³² to illustrate the strategies and the results of the management of its non-monetary policy investments and to provide information on the methodologies used in considering sustainability risks.

The Bank integrates ESG criteria into its investment decisions. In addition to portfolios managed against a large benchmark, the Bank holds a thematic portfolio that focuses on the energy transition and invests in selected companies based on their operations, mostly in the sectors of alternative energy, energy efficiency systems, electric mobility and green construction.

In 2025, BI continued to invest in shares of alternative investment funds offered by leading asset management companies and investing – primarily in Italy – in equity and debt issued by small and medium-sized enterprises, in infrastructure or energy transition projects, as well as in shares of companies participating in the green transition, and in green bonds issued by supranational entities.

In terms of workplace safety, the 2025 initiatives to protect people's health, safety and well-being required some changes in the overall methodology for risk assessment and investigations into specific risks for the purpose of the annual update of risk assessment documents.

Disclosure of transactions with subsidiary and associate companies

Banca d'Italia is the sole shareholder of Società Italiana di Iniziative Edilizie e Fondiarie SpA (SIDIEF), which is directed and coordinated by BI with regard to its corporate strategy, without prejudice to its managerial autonomy.

The subsidiary, which leases and manages its own properties, adopts a one-tier governance model. A special agreement regulates relations between SIDIEF and the Bank and sets out the rental policies applying to the latter's employees and to the buildings used by the Bank itself. In 2025, total rents remitted by the Bank to SIDIEF amounted to about €1 million.

³² The Charter concerns financial assets managed under the Bank's own responsibility, namely its financial portfolio and foreign exchange reserves investments. It sets out the Bank's vision of sustainability and includes the principles and criteria underlying the sustainable management of its financial investments; it also outlines the precise commitments through which the Bank plans to make tangible contributions to sustainable growth.

Banca d'Italia also holds a participating interest in the capital of Valordicarta SpA, a company formed in 2018 by the State printing works and mint, Istituto Poligrafico e Zecca dello Stato SpA (IPZS), to manufacture special papers and embedded holographic security and anti-counterfeiting components. Valordicarta SpA is owned by a majority shareholder (IPZS, with 81.74 per cent) and a minority shareholder (BI, with 18.26 per cent), which exercise joint control over the company according to the in-house providing model governed by Directive 2014/24/EU. Lastly, the Bank holds a 0.50 per cent participating interest in EuropaFi Sas, the paper manufacturer formed by Banque de France. In this case as well, Banca d'Italia exercises joint control according to the criteria of in-house providing. Shareholders' agreements set out the relationship between the Shareholders with regard to their stakes in the two companies and the functioning of the corporate bodies.

In 2025 too, the watermarked paper needs were met through the Bank's two in-house paper manufacturers.³³

³³ For watermarked paper, the Bank can take advantage of the special in-house providing system if joint control requirements are met and if there are benefits in terms of economies, turnaround times or strategic interests pursuant to Legislative Decree 36/2023.

ANNUAL ACCOUNTS

BALANCE SHEET

ASSETS	NOTE	Amounts in euros	
		31.12.2025	31.12.2024
1 GOLD AND GOLD RECEIVABLES	[1]	289,231,206,931	197,944,544,953
2 CLAIMS ON NON-EURO-AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY	[1]	76,347,124,332	81,671,792,212
2.1 Claims on the IMF		31,986,697,633	34,046,577,810
2.2 Securities		40,637,910,835	41,288,484,968
2.3 Current accounts and deposits		2,653,399,740	5,916,579,708
2.4 Other assets		1,069,116,124	420,149,726
3 CLAIMS ON EURO-AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY	[1]	2,679,534,338	2,415,109,876
3.1 Securities		609,886,165	439,930,146
3.2 Current accounts and deposits		781,923,057	912,370,336
3.3 Other assets		1,287,725,116	1,062,809,394
4 CLAIMS ON NON-EURO-AREA RESIDENTS DENOMINATED IN EURO	[4]	2,164,120,991	1,972,260,256
5 LENDING TO EURO-AREA CREDIT INSTITUTIONS RELATED TO MONETARY POLICY OPERATIONS	[2]	21,447,000,000	22,857,000,000
5.1 Main refinancing operations		14,186,000,000	11,363,000,000
5.2 Longer-term refinancing operations		7,261,000,000	11,494,000,000
5.3 Other operations		–	–
6 OTHER CLAIMS ON EURO-AREA CREDIT INSTITUTIONS DENOMINATED IN EURO	[3]	165,163,042	535,721,215
7 SECURITIES OF EURO-AREA RESIDENTS DENOMINATED IN EURO		576,857,815,982	653,650,112,583
7.1 Securities held for monetary policy purposes	[2]	508,059,661,509	590,626,874,007
7.2 Other securities	[4]	68,798,154,473	63,023,238,576
8 GENERAL GOVERNMENT DEBT DENOMINATED IN EURO	[4]	12,935,416,412	13,014,584,841
9 INTRA-EUROSYSTEM CLAIMS	[5]	48,904,340,379	44,048,937,254
9.1 Participating interest in the ECB		1,418,000,151	1,418,000,151
9.2 Claims arising from the transfer of foreign reserves to the ECB		6,498,050,913	6,498,050,913
9.3 Claims related to TARGET		–	–
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem		40,988,289,315	36,132,886,190
9.5 Other claims within the Eurosystem (net)		–	–
10 OTHER ASSETS	[6]	82,508,567,631	85,503,923,006
10.1 Financial assets	[4]	68,421,003,819	70,319,430,760
10.2 Tangible and intangible fixed assets		1,547,726,947	1,582,308,020
10.3 Deferred tax assets		4,783,790,760	5,121,320,977
10.4 Sundry		7,756,046,105	8,480,863,249
TOTAL		1,113,240,290,038	1,103,613,986,196

THE ACCOUNTANT GENERAL: PAOLO SESTITO

THE GOVERNOR: FABIO PANETTA

BALANCE SHEET

LIABILITIES	NOTE	Amounts in euros	
		31.12.2025	31.12.2024
1 BANKNOTES IN CIRCULATION	[7]	238,695,165,975	234,098,080,440
2 LIABILITIES TO EURO-AREA CREDIT INSTITUTIONS RELATED TO MONETARY POLICY OPERATIONS	[2]	103,980,849,309	122,595,144,588
2.1 Current accounts (covering the minimum reserve system)		22,363,849,845	19,338,818,870
2.2 Deposit facility		81,616,999,464	103,256,325,718
2.3 Other liabilities		–	–
3 OTHER LIABILITIES TO EURO-AREA CREDIT INSTITUTIONS DENOMINATED IN EURO		26,659,354	427,473,996
4 LIABILITIES TO OTHER EURO-AREA RESIDENTS DENOMINATED IN EURO	[8]	34,517,244,547	26,468,400,721
4.1 General government		13,463,422,258	4,869,885,193
4.2 Other counterparties		21,053,822,289	21,598,515,528
5 LIABILITIES TO NON-EURO-AREA RESIDENTS DENOMINATED IN EURO	[9]	5,585,954,007	19,008,263,214
6 LIABILITIES TO EURO-AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY	[1]	1,158,770,336	914,753,431
6.1 Current accounts and deposits		–	–
6.2 Other liabilities		1,158,770,336	914,753,431
7 LIABILITIES TO NON-EURO-AREA RESIDENTS DENOMINATED IN FOREIGN CURRENCY	[1]	2,842,042	3,093,042
7.1 Current accounts and deposits		2,842,042	3,093,042
7.2 Other liabilities		–	–
8 COUNTERPART OF SDRS ALLOCATED BY THE IMF	[1]	24,500,945,152	26,367,523,678
9 INTRA-EUROSISTEM LIABILITIES	[5]	359,745,275,598	417,801,087,537
9.1 Liabilities related to TARGET		358,362,066,948	415,923,786,132
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem		–	–
9.3 Other liabilities within the Eurosystem (net)		1,383,208,650	1,877,301,405
10 OTHER LIABILITIES	[10]	3,047,566,238	3,733,521,021
11 PROVISIONS	[11]	7,447,712,320	7,460,502,667
11.1 Staff-related provisions		6,947,131,106	6,968,910,898
11.2 Other provisions		500,581,214	491,591,769
12 REVALUATION ACCOUNTS	[12]	281,861,504,296	193,774,723,181
13 GENERAL RISK PROVISION	[11]	24,713,675,075	23,813,675,075
14 CAPITAL AND RESERVES	[13]	26,304,085,739	26,304,085,739
14.1 Capital		7,500,000,000	7,500,000,000
14.2 Statutory reserves		11,064,574,818	11,064,574,818
14.3 Other reserves		7,739,510,921	7,739,510,921
15 NET PROFIT FOR THE YEAR		1,652,040,050	843,657,866
TOTAL		1,113,240,290,038	1,103,613,986,196

THE ACCOUNTANT GENERAL: PAOLO SESTITO

THE GOVERNOR: FABIO PANETTA

PROFIT AND LOSS ACCOUNT

	NOTE	Amounts in euros	
		2025	2024
1 NET INTEREST INCOME	[14]	5,023,107,076	-5,306,000,556
1.1 Interest income		17,674,925,066	22,413,770,528
1.2 Interest expense		-12,651,817,990	-27,719,771,084
2 NET RESULT OF FINANCIAL OPERATIONS AND WRITE-DOWNS	[15]	-804,604,671	-321,980,367
2.1 Realized gains/losses arising from financial operations		78,196,190	67,040,960
2.2 Write-downs on financial assets and positions		-882,800,861	-389,021,327
3 NET RESULT OF POOLING MONETARY INCOME	[16]	-1,388,841,150	-1,875,701,464
4 NET INCOME FROM FEES AND COMMISSIONS	[17]	32,859,475	36,711,499
5 INCOME FROM PARTICIPATING INTERESTS	[18]	–	284,055,783
6 NET INCOME FROM FINANCIAL ASSETS RELATED TO THE INVESTMENT OF RESERVES AND PROVISIONS	[19]	2,278,445,407	1,874,229,566
6.1 Interest income		1,098,476,349	1,064,825,403
6.2 Dividends from equity shares and participating interests		569,666,193	574,439,465
6.3 Realized gains/losses arising from financial operations		1,052,219,914	588,602,731
6.4 Write-downs on financial assets and positions		-449,158,511	-365,243,412
6.5 Other components		7,241,462	11,605,379
7 OTHER INCOME	[20]	90,918,181	141,977,730
TOTAL NET INCOME		5,231,884,318	-5,166,707,809
8 EXPENSES AND SUNDRY CHARGES	[21]	-2,214,069,261	-2,152,445,205
8.1 Staff wages and salaries		-833,753,768	-786,298,609
8.2 Social security and insurance		-208,266,148	-197,689,343
8.3 Other staff costs		-72,012,963	-61,413,661
8.4 Pensions and severance payments		-358,798,481	-298,860,127
8.5 Transfers to/from provisions for staff severance pay and pensions, contributions to the supplementary pension fund and other expenses		-78,289,118	-106,597,601
8.6 Emoluments paid to head office and branch collegial bodies		-3,074,070	-3,012,569
8.7 Administrative expenses		-514,797,774	-528,937,243
8.8 Depreciation and amortization of tangible and intangible fixed assets		-103,512,354	-121,624,324
8.9 Banknote production services		–	–
8.10 Other expenses		-41,564,585	-48,011,728
GROSS PROFIT BEFORE CHANGES IN RISK PROVISIONS AND TAX		3,017,815,057	-7,319,153,014
9 TRANSFERS TO/FROM RISK PROVISIONS		-900,000,000	5,800,000,000
10 TAXES ON INCOME FOR THE YEAR AND ON PRODUCTIVE ACTIVITIES	[22]	-465,775,007	2,362,810,880
NET PROFIT FOR THE YEAR		1,652,040,050	843,657,866

THE ACCOUNTANT GENERAL: PAOLO SESTITO

THE GOVERNOR: FABIO PANETTA

NOTES TO THE ANNUAL ACCOUNTS

Legal basis, method of preparation and structure of the annual accounts

Legal basis of the annual accounts. – The annual accounts of Banca d'Italia are drawn up in compliance with special regulatory provisions issued by the ECB. Where these do not provide any guidance, Banca d'Italia, where applicable, follows the rules in the Italian Civil Code and refers to national accounting principles. The figures in the balance sheet and in the profit and loss account are presented in units of euros, while those in the notes to the accounts are given in millions of euros, unless otherwise stated.

The main relevant statutory provisions are:

- Article 8.1 of Legislative Decree 43/1998 ('Adaptation of Italian law to the provisions of the Treaty establishing the European Community for matters concerning monetary policy and the European System of Central Banks'). It states that 'in drawing up its annual accounts, Banca d'Italia may adapt, in derogation from the rules in force, its accounting and reporting criteria to comply with the rules established by the ECB pursuant to Article 26.4 of the Statute of the ESCB and with the ECB recommendations issued in this regard. The annual accounts drawn up in accordance with this paragraph, particularly as concerns the methods used in their preparation, are also valid for tax purposes.' This validity is recognized by Article 114 of Presidential Decree 917/1986 (Consolidated Income Tax Law) as amended by Legislative Decree 247/2005, for the purposes of the corporate income tax (IRES), and by Article 6.7 of Legislative Decree 446/1997 for the purposes of the regional tax on productive activities (IRAP).

On the basis of the authority granted by Article 8, Banca d'Italia fully applies the accounting rules and recommendations issued by the ECB, including those on the structure of the profit and loss account and the structure of the balance sheet. The latter is similar to that used for the monthly financial statement approved by the Minister of Economy and Finance pursuant to Article 8.2 of Legislative Decree 43/1998. The rules adopted by the ECB are set out in Guideline No. 31 of 14 November 2024 (published in OJ L of 11 December 2024), which contains provisions mainly in relation to items of the annual accounts that refer to the institutional activities of the ESCB and non-binding recommendations for the other items of the annual accounts.

- Banca d'Italia's Statute, approved by the Presidential Decree of 27 June 2022, which lays down the principles and rules for the allocation of the net profit for the year and the creation of reserves and provisions.

For matters not covered by the foregoing rules, Legislative Decree 127/1991, as amended, shall apply.

Accounting policies. – The accounting policies and criteria applied to the main balance sheet items in the annual accounts for 2025 are described below. Where provided for by civil law, they were agreed with the Board of Auditors.

GOLD, FOREIGN CURRENCY ASSETS/LIABILITIES, SECURITIES AND PARTICIPATING INTERESTS

Gold and foreign currency assets/liabilities

- holdings, including those consisting of securities, are valued by applying, for each currency and for gold, the method based on the daily average net cost determined in the manner established by the ECB, which requires also taking into account operations carried out during the year but settled in the following year;
- gold and foreign currency assets/liabilities (including forward transactions) are valued on the basis of the year-end gold price and exchange rates communicated by the ECB. Unrealized gains are included in the corresponding revaluation account, while losses are covered first by earlier unrealized gains recognized on the same foreign currencies and any amount in excess is included in the profit and loss account, resulting in a change in the average cost of the foreign exchange position.

Assets denominated in foreign currency, recorded in the balance sheet sub-item *Financial assets*, are not included in the net foreign exchange position but shown as a separate item.

Securities and participating interests

- each security (identified by its International Securities Identification Number – ISIN) is valued for each portfolio by applying the method of the daily average cost determined in the manner established by the ECB. In the case of bonds, account is taken of the amount of the premium/discount (equal to the difference between the purchase cost and the redemption value).³⁴ This amount is recorded daily for foreign currency assets and monthly for other assets;
- the year-end valuation is made:
 - 1) in the case of securities held for monetary policy purposes, at amortized cost subject to impairment (lasting reduction in recoverable value with respect to book value);
 - 2) in other cases:
 - a) at amortized cost subject to impairment, for non-marketable securities and those held to maturity;

³⁴ For inflation-linked bonds that pay the indexation of the principal at maturity, the redemption value is adjusted to changes in price indices.

- b) at cost subject to impairment, for non-marketable equity instruments and for participating interests and investment fund shares held as permanent investments. The participating interest in the capital of the ECB is valued at cost. Banca d'Italia's annual accounts are not consolidated with those of investee companies, as BI is not among the entities listed in Article 25 of Legislative Decree 127/1991;
- c) at market price recorded at the end of the year, for shares, investment fund shares and securities not held to maturity; for units of undertakings for collective investment (UCIs), at the value available at the end of the year announced by the management company. Unrealized gains are included in the corresponding revaluation accounts; losses are covered first by earlier unrealized gains on the same instruments within each portfolio and any amount in excess is taken to the profit and loss account, resulting in a change in the average cost of the position.

Options embedded in securities and participating interests are not valued separately.

Impairment losses are recognized in the profit and loss account; reversals of impairment are recognized in subsequent years, up to the original cost, only if the reasons that led to the write-down no longer apply.

Dividends are recognized on a cash basis.

CLAIMS AND REVERSE TRANSACTIONS

Claims are recorded at their nominal value, except for decreases in value regarding particular situations attributable to the counterparty.

Reverse transactions represented by the purchase of securities for cash with a simultaneous agreement to sell them back to the counterparty at an agreed price on a set future date (reverse repos) are recorded on the asset side as collateralized loans. Reverse transactions represented by the sale of securities for cash with a simultaneous agreement to repurchase them from the counterparty at an agreed price on a set future date (repos) are recorded on the liabilities side as collateralized deposits.

Securities lending transactions conducted directly with the same counterparty and for the same amount, for which collateral is provided in the form of securities, are also reported as two separate transactions – a repo and a reverse repo – whereas those for which collateral is provided in the form of cash are recorded in the same manner as repos.

Reverse transactions in connection with automatic securities lending programmes are recognized in the balance sheet only where collateral has been provided in the form of cash deposited in an account of the central bank and this cash remains uninvested at the end of the year.

TANGIBLE FIXED ASSETS

Property

- is stated at cost, including improvement expenses, plus revaluations made pursuant to specific laws. The depreciation of Banca d'Italia's premises and the depreciation of investment property, unusable for other purposes without radical restructuring, is calculated on a straight-line basis using the annual rate of 4 per cent established by the ECB. Land is not depreciated.

Buildings for sale and those no longer in use or usable for Banca d'Italia's activities are not depreciated and are valued at the lower of net book value and realizable value based on market prices. Write-downs and recoveries of value are recorded in the profit and loss account under *Other expenses* and *Other income* respectively.

Plant, furniture and equipment

- are stated at cost, including improvement expenses. They are depreciated on a straight-line basis using the rates established by the ECB (10 per cent for plant, furniture, and equipment; 25 per cent for computers and related hardware and basic software, and motor vehicles). Artwork is not depreciated.

Depreciation begins in the quarter subsequent to that of acquisition both for buildings and for plant, furniture and equipment. Tangible fixed assets are subject to impairment in the event of a lasting reduction in value.

INTANGIBLE FIXED ASSETS

The procedures developed as part of the Eurosystem IT projects are capitalized at purchase price and, once completed, are amortized on the basis of amortization rates deemed consistent with the remaining useful life of the assets.

The costs relating to internally developed application software are recorded in the profit and loss accounts in the years in which they are incurred, even if the software's useful life covers a multi-year period.

Software licences are stated at cost and amortized on a straight-line basis over the life of the contract or, where no time limit is established, over the estimated useful life.

The costs of improvements to buildings owned by third parties and leased to BI are amortized on a straight-line basis over the remaining life of the lease agreement.

Expenses of less than €10,000 are not capitalized, with the exception of those incurred for software licences.

ACCRUALS AND PREPAYMENTS

Accrued income and expenses are recorded in the period in which they arise. Prepaid income and expenses represent costs or revenues that arise in future periods but that are paid or received in the current accounting period. Interest accrued on foreign exchange assets and liabilities is recorded on a daily basis and included in the net foreign exchange position, while interest accrued on bonds denominated in euro is recorded monthly.

BANKNOTES IN CIRCULATION

The ECB and the euro-area NCBs, which together form the Eurosystem, issue euro banknotes (Decision ECB/2010/29 on the issue of euro banknotes, OJ L35 of 9 February 2011, as amended).

The total value of euro banknotes in circulation is allocated within the Eurosystem on the last working day of each month on the basis of the criteria set out below.

The ECB is allocated 8 per cent of the total value of euro banknotes in circulation, while the remaining 92 per cent is allocated to the NCBs according to their shares in the capital of the ECB ('capital key'). The share of banknotes allocated to each NCB is disclosed under the balance sheet liability item *Banknotes in circulation*. The difference between the value of the banknotes allocated to each NCB and that of the banknotes it actually puts into circulation gives rise to remunerated intra-Eurosystem balances. From the year of the cash changeover of each Member State that has adopted the euro and for the five subsequent years, the intra-Eurosystem balances arising from the allocation of euro banknotes are adjusted in order to avoid significant changes in the NCBs' relative income positions with respect to previous years. The adjustments take into account the differences between the average value of banknotes in circulation of each NCB in the reference period established by law and the average value of banknotes that would have been allocated to them during that period under the ECB's capital key. The adjustments are reduced in annual steps for five years starting from the year of the cash changeover, after which income on banknotes is allocated fully in proportion to the NCBs' paid-up shares in the ECB's capital (Decision ECB/2016/36 on the allocation of monetary income of the national central banks of Member States whose currency is the euro). The outstanding adjustments in 2025 stem from the accession of the Central Bank of Croatia to the Eurosystem (1 January 2023) and will end at the end of 2028.

The Governing Council of the ECB has ruled that the seigniorage income of the ECB arising from the 8 per cent share of banknotes allocated to the ECB and the income deriving from the securities held in connection with the SMP, CBPP3, ABSPP, PSPP and PEPP must be recognized to the euro-area NCBs with reference to the financial year in which they accrued and are distributed in January of the following year, or later, in the form of an interim distribution of profit (Decision ECB/2014/57, OJ L53 of 25 February 2015, as amended). The seigniorage income and the

income arising from the above securities purchase programmes are distributed in full unless, based on a reasonable estimate, the Governing Council expects the ECB to report a loss for the year or to report a net profit for the year that is lower than these incomes. The Governing Council can also decide to transfer all or part of the income to a provision for financial risks. It may also decide to reduce the seigniorage income to be recognized by the amount of the expenses incurred in connection with the issue and handling of banknotes.

The interim distribution of ECB profit is recorded on an accrual basis in the year to which the income refers, in derogation from the cash basis applied in general to dividends. The amount distributed to the NCBs is entered in the profit and loss account under *Income from participating interests*.

INTRA-EUROSYSTEM CLAIMS AND LIABILITIES

Intra-Eurosystem balances arise mainly from cross-border payments in euro within the EU that are settled in central bank money. These transactions, most of which are ordered by private individuals, are settled in TARGET – the Eurosystem’s real-time gross settlement system – giving rise to bilateral balances in the TARGET accounts of EU Member States’ central banks. Payments conducted by the ECB and the NCBs also affect these accounts. All settlements are automatically aggregated and adjusted to form part of a single position vis-à-vis the ECB. Movements in the TARGET accounts are recorded on a daily basis in the accounting records of the ECB and the NCBs. Banca d’Italia’s balance with the ECB arising from TARGET is recorded under *Claims related to TARGET* or under *Liabilities related to TARGET*. The other intra-Eurosystem balances denominated in euro, including the provisional distribution of the ECB’s profit to the NCBs and the result of pooling monetary income, are recorded in the balance sheet as a single net position, appearing on the asset side under *Other claims within the Eurosystem (net)* or on the liability side under *Other liabilities within the Eurosystem (net)*.

The net intra-Eurosystem balance arising from the allocation of euro banknotes is included among the net claims or liabilities related to the allocation of banknotes within the Eurosystem.

The intra-Eurosystem claims arising from the subscription of the ECB’s capital and the transfer of official reserves to the ECB are included under *Participating interest in the ECB* and *Claims arising from the transfer of foreign reserves to the ECB*.

Participating interest in the ECB also includes the amounts paid in connection with increases in the capital key against the other components of the ECB’s net equity.

The interest income and expense on intra-Eurosystem balances are disclosed in the profit and loss account under *Net interest income (expense)*.

PROVISIONS FOR RISKS

In determining the provisions for risks, the riskiness of each sector of Banca d'Italia's operations is taken into account in an overall evaluation of adequacy.

According to Banca d'Italia's Statute, the general risk provision covers risks connected with BI's overall activity, including those that cannot be determined individually or allocated objectively.

Market and credit risks are estimated by the methods developed within the Eurosystem, with consideration also given to the size of the revaluation accounts. The risk of incurring losses in the profit and loss account owing to the different sensitivity of the balance sheet assets/liabilities to changes in rates is monitored periodically using profitability estimates conducted for different scenarios.

TAX PROVISION

The provision for taxation includes deferred tax liabilities for IRES and IRAP and any amounts arising from possible fiscal checks and disputes with the tax authorities.

STAFF-RELATED PROVISIONS

The recorded amounts are determined as follows:

- transfers to the provision for severance pay and pensions of staff hired before 28 April 1993 are included in the annual accounts under Article 3 of the staff retirement rules (*Regolamento per il trattamento di quiescenza del personale*) for an amount that comprises the severance pay accrued at the end of the year, the mathematical reserves for the disbursements to pensioners, and those corresponding to the situation of staff having entitlement;
- transfers to the provisions for staff voluntary early retirement in connection with BI's reorganization are calculated on the basis of the expected costs at year end;
- transfers to the provision for severance pay for staff who do not participate in pension funds or who pay only a part of the contributions for retirement benefits are determined in accordance with Law 297/1982;
- transfers arising from lump-sum disbursements to staff hired on or after 28 April 1993 who joined the defined-contribution supplementary pension fund, to be settled upon their leaving service, are funded on the basis of measures agreed upon with the trade unions and partly tied to the achievement of certain productivity, quality, efficiency and effectiveness targets;

- the provision for staff costs related to remuneration components accrued but not paid by year-end are recognized based on the amounts accrued as at the end of the year.

OTHER ASSETS AND LIABILITIES

Pursuant to Recommendation ECB/1999/NP7 of the ECB Governing Council, banknote production costs are not included in the valuation of stocks but are taken in full to the profit and loss account in the year in which they are incurred.

Deferred tax assets and liabilities are included in the financial statements on the basis of their presumable tax effect in future years. The recognition of deferred tax assets in the balance sheet is based on the reasonable expectation of recovering them in future years. The amount of deferred tax assets and liabilities is calculated using the tax rates that are expected to be in force at the time in which the temporary differences that have generated them are reversed.

The items *Other assets* and *Other liabilities* include, respectively, the investments and separate capital of the defined-contribution supplementary pension fund created for staff hired on or after 28 April 1993. The fund is invested in financial instruments, which are valued at year-end market prices. The resulting revaluation gains (losses) are treated as revenue (expense) and, in the same way as for other operating revenue (expense), add to (subtract from) the fund's assets.

Other liabilities include the amount of IRES and IRAP tax payables, net of payments on account, due for the reference period, determined on the basis of a realistic estimate of the foreseeable costs under the tax rules in force. Any excess payments on account are recorded correspondingly under *Other assets*.

Other liabilities also include the special item made up of allocations of the net profit in accordance with Article 38.2.b of the Statute, whose purpose is to stabilize over time the amount of net profit paid to the Shareholders under the dividend policy in force.

The other components are stated at nominal value or at cost depending on their nature.

COMMITMENTS AND COLLATERAL GRANTED

Commitments and collateral granted are explained in a dedicated section of the notes to the accounts.

Commitments include the following types of operations:

Forward purchases and sales of foreign currency

- forward purchases and sales are recorded in off-balance-sheet accounts from the trade date to the settlement date, at the ECB reference rate at the trade

date. The difference between this exchange rate and the forward exchange rate is recorded, on a *pro rata temporis* basis, under interest in the profit and loss account;

- forward sales of the currencies included in the special drawing rights (SDR) basket to cover the SDR position are valued in conjunction with the latter and therefore do not affect the net positions in the single currencies.

Foreign currency swaps

- forward and spot purchases and sales are recorded in the off-balance-sheet accounts from the trade date to the settlement date, at the spot exchange rate of the transaction. The difference between this exchange rate and the forward exchange rate is recorded, on a *pro rata temporis* basis, under interest in the profit and loss account.

At the time of the settlement of forward purchases and sales of foreign currency and foreign currency swaps, the entries in the off-balance-sheet accounts are transferred to the appropriate items of the balance sheet.

Futures contracts

- are recorded in the off-balance-sheet accounts on a net basis at the trade date at their notional value. Initial margins in cash are recorded in the balance sheet among claims, those in securities are recorded in the off-balance-sheet accounts. Positive and negative daily variation margins are communicated by the clearer and taken to the profit and loss account; those denominated in foreign currency are converted at the exchange rate of the day.

Forward foreign currency transactions and other financial instruments involving an exchange of one currency for another at a future date are included in the calculation, at the spot settlement date, of the outstanding net foreign currency positions for the purposes of applying the daily net average cost method and of determining the foreign exchange gains and losses.

Other commitments in respect of foreign currency transactions are shown at the contractually agreed exchange rate.

Collateral granted includes:

- Banca d'Italia's own securities lent under an automatic securities lending programme; they are recorded at their year-end market value when the collateral received in exchange is in the form of cash that remains invested at year end, or in the form of securities;
- other collateral, which is reported at its value or, where this cannot be determined, at the best estimate of the risk assumed.

Notes on the items of the balance sheet

The items *Gold, assets and liabilities denominated in foreign currency, Monetary policy operations* and *Securities portfolio* are aggregated according to the purpose or type of operation. Comments on the other items follow the structure of the balance sheet.

[1] Gold, assets and liabilities denominated in foreign currency

The value of gold amounted to €289,231 million at the end of 2025 (Table 2). The increase of €91,286 million was entirely due to the rise of 46.1 per cent in the metal's price compared with the end of 2024 (from €2,511.069 to €3,669.106 per ounce). The holding remained steady at 79 million ounces, equal to 2,452 tonnes.

Table 2

Gold, assets and liabilities denominated in foreign currency (1) (millions of euros)			
	31.12.2025	31.12.2024	Change
Gold (Item 1)	289,231	197,945	91,286
Net assets denominated in foreign currency	53,364	56,802	-3,438
Assets denominated in foreign currency	79,027	84,087	-5,060
Claims on the IMF (Sub-item 2.1)	31,987	34,047	-2,060
Securities (Sub-items 2.2 and 3.1)	41,248	41,728	-480
Current accounts and deposits (Sub-items 2.3 and 3.2)	3,435	6,829	-3,394
Other assets (Sub-items 2.4 and 3.3)	2,357	1,483	874
Reverse operations	2,354	1,480	874
Other	3	3	-
Liabilities denominated in foreign currency	25,663	27,285	-1,622
Counterpart of SDRs allocated by the IMF (Item 8)	24,501	26,367	-1,866
Current accounts and deposits (Sub-items 6.1 and 7.1)	3	3	-
Other liabilities (Sub-items 6.2 and 7.2)	1,159	915	244
Advances of general government departments	1,159	834	325
Reverse operations	-	81	-81

(1) The figures do not include financial assets denominated in foreign currency related to the investment of the overall amount of own funds and classified under *Other assets* in the sub-item *Financial assets*, as they constitute a separate foreign currency position.

The value of net assets denominated in foreign currency declined by 6.1 per cent, from €56,802 million to €53,364 million, owing to the depreciation of all major foreign currencies in the portfolio against the euro,³⁵ which was only partly offset by the increase in the holdings, above all of US dollars, Australian dollars and SDRs.³⁶ The unrealized exchange rate gains occurred during the year and recognized in the revaluation accounts were equal to €91,286 million, entirely due to the appreciation of gold (Table 3). Unrealized losses, amounting to €5,735 million, were covered by the

³⁵ The currencies that depreciated compared with the end of the previous year were: the US dollar (from \$1.0389 to \$1.1750), the SDRs (from €1.2544 to €1.1656 per SDR), the British pound (from £0.82918 to £0.87260), the Japanese yen (from ¥163.06 to ¥184.09), the Australian dollar (from A\$1.6772 to A\$1.7581), the Canadian dollar (from C\$1.4948 to C\$1.6088) and the Chinese renminbi (from ¥7.5833 to ¥8.2262).

³⁶ The remaining holdings of South Korean won were sold in full during the year.

corresponding revaluation accounts for €4,994 million, while the remaining amount of €741 million was recorded in the profit and loss account.

Table 3

Unrealized foreign exchange gains and losses (millions of euros)					
	Revaluation accounts at 31.12.2024	Gains reported in the revaluation accounts	Losses reported		Revaluation accounts at 31.12.2025 (1)
			in the revaluation accounts	in the profit and loss account	
Gold	178,524	91,286	–	–	269,810
US dollars	5,859	–	-4,367	–	1,492
British pounds	356	–	-179	–	177
Japanese yen	–	–	–	-364	–
Australian dollars	–	–	–	-108	–
Canadian dollars	60	–	-60	-55	–
SDRs	360	–	-360	-196	–
Chinese renminbi	28	–	-28	-18	–
Total	185,187	91,286	-4,994	-741	271,479

(1) For the purposes of the corresponding revaluation account, the value of the foreign currency position includes foreign currency accruals reported under *Other assets* and *Other liabilities* and off-balance-sheet instruments. It excludes both the balances reported under *Claims on the IMF*, for which the exchange risk is borne by the Ministry of Economy and Finance, and the price revaluation gains recognized under securities denominated in foreign currency.

Claims on the IMF, expressed in SDRs, decreased by €2,060 million (Table 4; see the box ‘The IMF in Banca d’Italia’s balance sheet’). The change was mainly due to the depreciation of the SDRs against the euro, only partly offset by the lower IMF holdings deposited with BI as a result of the withdrawals made during the year.

Table 4

Accounts with the International Monetary Fund (millions of euros)			
	31.12.2025	31.12.2024	Change
Assets			
Claims on the IMF (Sub-item 2.1)	31,987	34,047	-2,060
a) Reserve Tranche Position in the IMF	4,602	4,595	7
Quota in the IMF	17,566	18,904	-1,338
IMF holdings	-12,964	-14,309	1,345
b) Participation in the PRGT	1,392	1,578	-186
c) Participation in the RST	808	662	146
d) SDRs	25,185	27,212	-2,027
Liabilities			
Counterpart of SDRs allocated by the IMF (Item 8)	24,501	26,368	-1,867

THE IMF IN BANCA D’ITALIA’S BALANCE SHEET

Italy’s position vis-à-vis the International Monetary Fund is recorded in Banca d’Italia’s balance sheet according to arrangements with the Ministry of Economy and Finance.

Specifically:

- a) Italy's reserve tranche position – subscribed in gold, SDRs and national currency and amounting to €4,602 million at the end of 2025 – represents the difference between Italy's participation quota in the IMF (€17,566 million, equal to SDR 15,070 million)¹ and the IMF's holdings deposited in its account with BI (€12,964 million, equal to SDR 11,122 million) which are funded by the participation quota subscribed over time in national currency;
- b) The contribution to the Poverty Reduction and Growth Trust (PRGT), amounting to €1,392 million (SDR 1,194 million), is used to grant long-term loans on favourable terms to countries facing structural difficulties in the balance of payments;
- c) The contribution to the Fund for the provision of loans to vulnerable low- and medium-income countries, the Resilience and Sustainability Trust (RST), equal to €808 million (SDR 693 million), helps to finance medium- and long-term investments to mitigate climate and pandemic risks;
- a) Italy's SDR holdings have been allocated by the IMF in proportion to the country's participation quota since 1969. The total allocated to Italy is SDR 21,020 million. Net of withdrawals and new purchases, its holdings at the end of 2025 amounted to SDR 21,607 million, equal to €25,185 million. The amount assigned is recorded as a liability vis-à-vis the IMF under the item *Counterpart of SDRs allocated by the IMF* (Item 8), totalling €24,501 million at the end of the year.

Under Italian law, Banca d'Italia is authorized to participate in various financing arrangements, receiving from the Ministry of Economy and Finance a guarantee against credit risk and, for loans granted in euro, a guarantee against exchange rate risk. This exchange-rate guarantee also covers the exchange rate differences arising from transactions carried out using the IMF's euro holdings and from the valuation of Italy's quota in the IMF expressed in domestic currency.

¹ In 2023, the IMF approved the revision of the quotas; Italy's Law 165/2023 authorized the MEF to increase its participation quota in the IMF, from SDR 15,070 million to SDR 22,605 million. The increase is subject to: (a) the ratification by countries representing at least 85 per cent of total quotas; (b) the approval of the downsizing of the financial resources made available to the IMF (from SDR 364.4 billion to SDR 303.1 billion) through the signing of the New Arrangements to Borrow (NAB) by participating countries representing at least 90 per cent of the resources contributed under the NAB.

On the liability side, the SDR allocations by the IMF declined solely due to the year-end exchange rate valuation.

The portfolio of securities denominated in foreign currency and classified as not held to maturity declined slightly from €41,728 million to €41,248 million on account of the depreciation of the US dollar against the euro, which was only partially offset by the higher amounts of securities denominated mainly in US dollar, Japanese yen and Australian dollar (Table 5). The portfolio consists almost entirely of bonds and certificates of deposit issued by foreign government bodies and international

organizations. Of the total portfolio, 74.8 per cent is denominated in US dollar, 8.1 per cent in Japanese yen, 6.3 per cent in Australian dollar, 5.8 per cent in British pound, 3.7 per cent in Canadian dollar, and 1.3 per cent in Chinese renminbi.

Table 5

Movements in securities denominated in foreign currency (millions of euros)				
	Non-euro-area residents (1)		Euro-area residents (2)	Total
	Bonds	Units of UCIs	Bonds	
Opening balance	41,090	198	440	41,728
Increases	35,010	15	224	35,249
Purchases (3)	34,115	–	211	34,326
Transfers	2	–	–	2
Net gains	109	15	–	124
Net price revaluations (4)	299	–	6	305
Premiums and discounts	485	–	7	492
Decreases	-35,566	-109	-54	-35,729
Sales and redemptions (3)	-30,986	-89	-7	-31,082
Transfers	–	–	-2	-2
Net price revaluations (4)	–	-8	–	-8
Net exchange rate revaluation (4)	-3,889	-12	-44	-3,945
Write-downs due to price changes (5)	-89	–	–	-89
Write-downs due to exchange rate changes (5)	-602	–	-1	-603
Closing balance	40,534	104	610	41,248

(1) Sub-item 2.2. – (2) Sub-item 3.1. – (3) Includes the adjustments to the average cost of currency. – (4) Increase/decrease in revaluation accounts. – (5) Recognized in the profit and loss account.

The other foreign currency assets (Sub-items 2.3, 2.4, 3.2 and 3.3), denominated primarily in US dollar, British pound and Japanese yen, consist of reverse transactions (€2,354 million),³⁷ fixed-term deposits (€1,838 million), current accounts (€1,597 million) and foreign banknotes (€3 million).

Among the other liabilities denominated in foreign currency (Sub-items 6.2 and 7.2), mainly in US dollar, the most important are the general government holdings for the management of foreign currency cross-border payments and receipts (€1,159 million).

[2] Monetary policy operations

Table 6 shows the amounts at the end of the year and the average for the year regarding monetary policy operations.

³⁷ Of which €221 million related to the US-dollar financing programme for Italian counterparties (€982 million in 2024).

Table 6

Monetary policy operations (millions of euros)						
	Balances			Averages		
	31.12.2025	31.12.2024	Change	2025	2024	Change
Lending to euro-area credit institutions (Item 5) (1)	21,447	22,857	-1,410	15,476	68,037	-52,561
5.1 Main refinancing operations	14,186	11,363	2,823	6,560	3,859	2,701
5.2 Longer-term refinancing operations	7,261	11,494	-4,233	8,915	64,177	-55,262
5.3 Other operations	–	–	–	1	1	–
<i>of which: marginal lending facility</i>	–	–	–	1	1	–
Securities held for monetary policy purposes (Sub-item 7.1)	508,060	590,627	-82,567	547,359	629,156	-81,797
Liabilities to euro-area credit institutions (Item 2)	103,981	122,595	-18,614	109,726	161,380	-51,654
2.1 Current accounts (covering the minimum reserve system)	22,364	19,339	3,025	19,152	18,658	494
2.2 Deposit facility	81,617	103,256	-21,639	90,574	142,722	-52,148
2.3 Other liabilities	–	–	–	–	–	–

(1) At 31 December 2025, the collateral for lending to euro-area credit institutions, deposited with Banca d'Italia, amounted to €177 billion (€189 billion at the end of 2024).

Lending to euro-area credit institutions related to monetary policy operations (Item 5) fell from €22,857 million to €21,447 million at the end of the financial year. The annual average value declined significantly too (from €68,037 million to €15,476 million) as a result of the remaining TLTRO III repayments in 2024. At year-end, longer-term refinancing operations consisted exclusively of those with a three-month maturity, which fell from €11,494 million to €7,261 million, while main refinancing operations increased, both in terms of average holding and year-end value (from €11,363 million to €14,186 million). At the end of 2025, the share of total euro-area refinancing provided to Italian credit institutions was equal to 58.4 per cent (66.9 per cent at the end of 2024), compared with a capital key of 16.02 per cent.

Liabilities to euro-area credit institutions related to monetary policy operations (Item 2) declined both in terms of year-end balance (from €122,595 million to €103,981 million) and of the annual average amount (from €161,380 million to €109,726 million). At the end of 2025, the share of total euro-area deposits held by Italian credit institutions was equal to 4.0 per cent (4.1 per cent at the end of 2024).

The year-end amount of *Securities held for monetary policy purposes* (Sub-item 7.1) decreased from €590,627 million to €508,060 million; of these, €473,234 million were Italian government bonds (€543,544 million at the end of 2024). The average amount also declined, albeit to a somewhat lesser extent than the year-end balance. These lower amounts reflect the decision of the ECB Governing Council to discontinue reinvestments for maturing securities under all programmes (most recently, under the PEPP, starting from the beginning of 2025). Table 7 shows the breakdown of the movements in *Securities held for monetary policy purposes* (Sub-item 7.1).

Table 7

Movements in securities held for monetary policy purposes (Sub-item 7.1) (millions of euros)								
	Bonds							Total
	SMP	CBPP3	PSPP	CSPP	PEPP covered bonds	PEPP government bonds	PEPP corporate bonds	
Opening balance	254	21,441	302,536	22,328	216	241,104	2,748	590,627
Increases	2	-	-	-	-	-	-	2
Net gains	-	-	-	-	-	-	-	-
Net premiums and discounts	2	-	-	-	-	-	-	2
Decreases	-100	-7,308	-41,796	-4,463	-23	-28,588	-291	-82,569
Sales and redemptions	-100	-7,274	-41,125	-4,414	-21	-27,162	-286	-80,382
Net losses (1)	-	-	-	-7	-	-	-	-7
Net premiums and discounts	-	-34	-671	-42	-2	-1,426	-5	-2,180
Closing balance	156	14,133	260,740	17,865	193	212,516	2,457	508,060

(1) Losses arising from sales of securities agreed at Eurosystem level; these sales are made to ensure compliance with the risk control framework.

In accordance with the ECB Governing Council's decisions, all securities purchased under monetary policy programmes are valued at amortized cost subject to impairment (see *Legal basis, method of preparation and structure of the annual accounts*). If indicators of impairment are observed, further analysis is carried out to identify any impact on the expected cash flows of the related securities. The year-end impairment tests conducted on these securities at Eurosystem level did not show evidence of any losses.

Table 8 shows, for comparison purposes, the market value of the securities held by Banca d'Italia for monetary policy purposes.

Table 8

Comparison with market value of securities held for monetary policy purposes (Sub-item 7.1) (millions of euros)							
	31.12.2025		31.12.2024		Difference between market value and book value		
	Book value	Market value	Book value	Market value	31.12.2025	31.12.2024	
SMP	156	160	254	265	4	11	
CBPP3	14,133	13,323	21,441	20,392	-810	-1,049	
PSPP government bonds	260,740	248,462	302,536	288,351	-12,278	-14,185	
CSPP	17,865	16,999	22,328	21,163	-866	-1,165	
PEPP covered bonds	193	173	216	193	-20	-23	
PEPP government bonds	212,516	199,196	241,104	225,461	-13,320	-15,643	
PEPP corporate bonds	2,457	2,328	2,748	2,581	-129	-167	
Total	508,060	480,641	590,627	558,406	-27,419	-32,221	

At the end of the financial year, the market value of the securities held for monetary policy purposes amounted to €480,641 million. The difference with the book value,

which was negative by €27,419 million (-5.4 per cent), is mainly attributable to PSPP and PEPP public sector securities and narrowed since the end of 2024, when it was -€32,221 million.

[3] Other claims on euro-area credit institutions denominated in euro

Item 6 on the asset side, amounting to €165 million (€536 million in 2024), mainly includes current accounts in connection with the management of cross-border euro payments and receipts for government bodies.

[4] Securities portfolio

Table 9 shows the book value of the securities portfolio and, for comparison purposes, the market value of the securities valued at cost.

Securities included in Total A of Tables 9 and 10 consist exclusively of bonds denominated in euro and are shown in relation to the issuer's residency under:

- Item 4 (*Claims on non-euro-area residents denominated in euro*), which consists mostly of bonds issued by international organizations;
- Sub-item 7.2 (*Securities of euro-area residents denominated in euro – Other securities*), which consists mainly of bonds issued by the Italian government and by other Member States and public institutions of the euro area;
- Item 8 (*General government debt denominated in euro*), which contains the Italian government securities assigned to Banca d'Italia following the bond conversion under Law 289/2002.

Securities included in Total B of Tables 9 and 11 are denominated in euro and in foreign currency (mainly in US dollar). Banca d'Italia's foreign currency investments related to reserves and provisions constitute a separate foreign currency position with respect to the other foreign currency assets and liabilities (see *Gold, assets and liabilities denominated in foreign currency*). At year-end, 61 per cent of the portfolio consisted of bonds, mostly government securities, and 39 per cent of equity shares, participating interests, ETFs and shares/units of UCIs. The majority of issuers of the securities were residents of euro-area countries; almost all of the investments in equity instruments were listed securities.

The bond portfolio consists almost entirely (95.8 per cent) of securities held to maturity and is therefore valued at amortized cost subject to impairment. The annual impairment tests conducted on these securities applying the same criteria defined at Eurosystem level for securities held for monetary policy purposes did not show evidence of any losses.

Table 9

Securities portfolio and comparison with market value (millions of euros)						
	31.12.2025		31.12.2024		Difference between market value and book value	
	Book value	Market value	Book value	Market value	31.12.2025	31.12.2024
A. SECURITIES DENOMINATED IN EURO (Items 4 and 8 and Sub-item 7.2)						
1. Securities held to maturity	78,664	78,462	72,922	72,910	-202	-12
a) Government bonds and other public sector securities (Sub-item 7.2)	64,412	63,169	58,606	57,293	-1,243	-1,313
b) Other bonds (Item 4 and Sub-item 7.2)	1,317	1,228	1,301	1,229	-89	-72
c) Government securities assigned to Banca d'Italia (Item 8)	12,935	14,065	13,015	14,388	1,130	1,373
2. Securities other than those held to maturity	5,234	5,234	5,088	5,088	-	-
a) Government bonds and other public sector securities (Sub-item 7.2)	3,520	3,520	3,777	3,777	-	-
b) Other bonds (Item 4 and Sub-item 7.2)	1,714	1,714	1,311	1,311	-	-
Total A	83,898	83,696	78,010	77,998	-202	-12
B. SECURITIES DENOMINATED IN EURO AND IN FOREIGN CURRENCY RELATED TO THE INVESTMENT OF RESERVES AND PROVISIONS (Sub-item 10.1)						
1. Securities held to maturity and other permanent investments	41,556	40,599	48,250	46,867	-957	-1,383
a) Government bonds and other public sector securities	40,322	39,449	47,041	45,741	-873	-1,300
b) Other bonds	409	325	413	330	-84	-83
c) Equity shares and participating interests (1)	652	652	652	652	-	-
- in subsidiary companies and entities	587	587	587	587	-	-
- in other companies and entities	10	10	10	10	-	-
- in other companies and entities denominated in foreign currency	55	55	55	55	-	-
d) ETFs and shares/units of UCIs (1)	173	173	144	144	-	-
2. Securities other than those held to maturity and other permanent investments	25,164	25,164	21,508	21,508	-	-
a) Equity shares and participating interests in other companies and entities (denominated in euro)	21,115	21,115	17,567	17,567	-	-
b) ETFs and shares/units of UCIs (denominated in foreign currency)	4,049	4,049	3,941	3,941	-	-
Total B	66,720	65,763	69,758	68,375	-957	-1,383
Total (A+B)	150,618	149,459	147,768	146,373	-1,159	-1,395
(1) For non-marketable instruments and permanent investments, which have a low value, the market value is set equal to the book value (cost subject to impairment).						

At the end of the financial year, the market value of the securities portfolio was €149,459 million, while its book value was €150,618 million (see Table 9). The securities held to maturity, whose book value (€54,932 million) was higher than the market value at year-end (€50,546 million), were mainly government securities.

Permanent investments include: (a) participating interests in subsidiary and associate companies (Table 12; see 'Disclosure of transactions with subsidiary and associate companies'); (b) other participating interests in unlisted companies; and (c)

shares in alternative investment funds specializing in Italian small and medium-sized enterprises and in infrastructure or climate transition projects.

Table 10

A. Movements in securities denominated in euro (millions of euros)						
	Bonds					Total
	Held to maturity		Other than those held to maturity			
	Item 4	Sub-item 7.2	Item 8	Item 4	Sub-item 7.2	
Opening balance	1,301	58,606	13,015	671	4,417	78,010
Increases	151	10,532	–	344	508	11,535
Purchases	148	5,591	–	337	478	6,554
Transfers	–	4,941	–	–	–	4,941
Net gains	–	–	–	2	3	5
Net premiums and discounts	3	–	–	5	27	35
Decreases	-135	-4,726	-80	-168	-538	-5,647
Sales and redemptions	-135	-4,614	–	-158	-453	-5,360
Net revaluations (1)	–	–	–	-5	-37	-42
Net premiums and discounts	–	-112	-80	–	–	-192
Write-downs (2)	–	–	–	-5	-48	-53
Closing balance	1,317	64,412	12,935	847	4,387	83,898

(1) Increase/decrease in revaluation accounts. – (2) Recognized in the profit and loss account.

Table 11

B. Movements in securities related to the investment of reserves and provisions (Sub-item 10.1) (millions of euros)						
	Bonds (1)	Equity shares and participating interests		ETFs and shares/units of UCIs		Total
		Permanent	Other than permanent	Permanent	Other than permanent	
Opening balance	47,454	652	17,567	144	3,941	69,758
Increases	201	–	6,689	32	737	7,659
Purchases (2)	201	–	4,437	32	248	4,918
Net gains	–	–	947	–	118	1,065
Net price revaluation (3)	–	–	1,305	–	371	1,676
Decreases	-6,924	–	-3,141	-3	-629	-10,697
Sales and redemptions (2)	-1,743	–	-2,874	-3	-311	-4,931
Transfers	-4,941	–	–	–	–	-4,941
Net exchange rate revaluations (3)	–	–	–	–	-136	-136
Net premiums and discounts	-240	–	–	–	–	-240
Write-downs due to price changes (4)	–	–	-267	–	–	-267
Write-downs due to exchange rate changes (4)	–	–	–	–	-182	-182
Closing balance	40,731	652	21,115	173	4,049	66,720

(1) Entirely classified as held to maturity. – (2) Includes the adjustments to the average cost of currency. – (3) Increase/decrease in revaluation accounts. – (4) Recognized in the profit and loss account.

Banca d'Italia is the sole shareholder of SIDIEF. Banca d'Italia's annual accounts are not consolidated with those of this company, as BI is not among the entities listed in Article 25 of Legislative Decree 127/1991. Moreover, consolidation would be immaterial for the purpose of providing a true and fair view of BI's balance sheet, financial position and profit and loss account.

Banca d'Italia also holds:

- a 0.50 per cent participating interest in EuropaFi. Based on Shareholders' agreements, Banca d'Italia – together with other Eurosystem NCBs with participating interests – exercises joint control over the company, according to the in-house providing principles set out in Directive 2014/24/EU;
- an 18.26 per cent participating interest in Valoricarta. The governance of this company is regulated by a Shareholders' agreement signed with Istituto Poligrafico e Zecca dello Stato, the holder of the rest of the capital. In this case as well, Banca d'Italia exercises joint control over the company, according to the in-house providing principles.

Table 12

Participating interests in subsidiary and associate companies						
	At end-2025			Investee company data for 2024 (millions of euros)		
	Number of shares held	% of capital held	Book value (millions of euros)	Net equity (1)	Profit/Loss	
Società Italiana di Iniziative Edilizie e Fondiarie SpA - Rome (Capital of €567,000,000 represented by 567,000 shares with a par value of €1,000 each)	567,000	100	586.8	652.4	6.1	
EuropaFi Sas - Longues, Vic-le-Comte, France (Capital of €133,000,000 represented by 1,330,000 shares with a par value of €100 each)	6,650	0.5	0.7	155.9	6.0	
Valoricarta SpA - Rome (Capital of €43,800,000 represented by 43,800,000 shares with a par value of €1 each)	8,000,000	18.26	7.4	40.7	0.1	

(1) Includes the profit or loss for the year.

The other participating interests in unlisted companies held as permanent investments include shares of the Bank for International Settlements (BIS), which are denominated in SDRs, valued at cost and translated at historic exchange rates. Banca d'Italia's stake is equal to 9.25 per cent of BIS's capital.

[5] Intra-Eurosystem claims and liabilities

Table 13 sets out in detail Banca d'Italia's claims and liabilities with respect to the Eurosystem and the changes that occurred during the year. On the asset side:

- the value of the *Participating interest in the ECB*³⁸ and *Claims arising from the transfer of foreign reserves to the ECB*³⁹ did not change and amounted to €1,418 million and €6,498 million respectively;
- *Net claims related to the allocation of euro banknotes within the Eurosystem* amounted to €40,988 million (€36,133 million in 2024; see ‘Banknotes in circulation’).

Table 13

Positions with the ECB and the other euro-area NCBs (millions of euros)			
	31.12.2025	31.12.2024	Change
Assets			
9.1 Participating interest in the ECB	1,418	1,418	–
9.2 Claims arising from the transfer of foreign reserves to the ECB	6,498	6,498	–
9.3 Claims related to TARGET	–	–	–
9.4 Net claims related to the allocation of euro banknotes within the Eurosystem	40,988	36,133	4,855
9.5 Other claims within the Eurosystem (net)	–	–	–
Total	48,904	44,049	4,855
Liabilities			
9.1 Liabilities related to TARGET	358,362	415,924	-57,562
9.2 Net liabilities related to the allocation of euro banknotes within the Eurosystem	–	–	–
9.3 Other liabilities within the Eurosystem (net)	1,383	1,877	-494
Total	359,745	417,801	-58,056

On the liability side:

- *Liabilities related to TARGET* amounted to €358,362 million (€415,924 million in 2024) and represent BI’s net debtor position in the TARGET payment system;
- *Other liabilities within the Eurosystem (net)* amounted to €1,383 million (€1,877 million in 2024) and included €1,389 million of debt arising from the net result of pooling monetary income recorded in 2025 (see ‘Notes on the items of the profit and loss account’ – *Net result of pooling monetary income*). This sub-item is partly reduced by a €6 million claim for managing loans from the European Commission under its instrument for temporary Support to mitigate Unemployment Risks in an Emergency (SURE).

³⁸ Pursuant to Article 28 of the Statute of the ESCB, the NCBs are the sole subscribers and holders of the capital of the ECB. Subscriptions are determined on the basis of the key established in Article 29 of the Statute and adjusted every five years or when the composition of the ESCB changes. At the end of 2025, Banca d’Italia’s share in the ECB’s capital amounted to 13.0993 per cent of the subscribed capital. Considering only the NCBs belonging to the Eurosystem, Banca d’Italia’s share was 16.0201 per cent.

³⁹ *Claims arising from the transfer of foreign reserves to the ECB* represent the interest-bearing claim denominated in euro that was recorded at the start of the third stage of the EMU following the transfer of gold, foreign securities and foreign currencies. Pursuant to Article 30.2 of the Statute of the ESCB, the contributions of each NCB in the form of transfers of foreign reserve assets to the ECB shall be fixed in proportion to its share in the subscribed capital of the ECB.

[6] Other assets

The item *Other assets* contains all the assets that cannot be classified under any of the preceding items (Table 14). This item consists mostly of securities related to the investment of reserves and provisions included in Sub-item 10.1 (see *Securities portfolio*).

Sub-item 10.1 includes €1,701 million in reverse repo operations and margins paid to guarantee repo transactions carried out with financial institutions other than credit institutions, within the direct securities lending service for securities in monetary policy portfolios (€517 million in 2024).⁴⁰

Table 14

Other assets (Item 10) (millions of euros)			
	31.12.2025	31.12.2024	Change
10.1 Financial assets	68,421	70,320	-1,899
10.2 Tangible and intangible fixed assets	1,548	1,582	-34
10.3 Deferred tax assets	4,784	5,121	-337
10.4 Sundry	7,756	8,481	-725
Euro-area coins	73	72	1
Accruals and prepaid expenses	5,320	5,874	-554
Other investments for staff severance pay and pensions	57	66	-9
Supplementary pension fund	1,302	1,143	159
Other components	1,004	1,326	-322
Total	82,509	85,504	-2,995

The composition and movements of *Tangible and intangible fixed assets* (Sub-item 10.2) during the year are shown in Tables 15, 16 and 17. The estimated year-end market value of Banca d'Italia's property was €1,951 million (€1,932 million at the end of 2024).

The composition of *Deferred tax assets* (Sub-item 10.3) is detailed in Table 18.

Deferred tax assets recorded at the end of 2025 are mainly the result of tax losses relating to IRES for the financial years 2023 and 2024, which are carried forward in accordance with Article 84 of the Consolidated Income Tax Law (*Testo unico delle imposte sui redditi*, TUIR).⁴¹

⁴⁰ The offsetting entry is recorded under *Other counterparties*, i.e. Sub-item 4.2 of *Liabilities to other euro-area residents denominated in euro* (see 'Liabilities to other euro-area residents denominated in euro').

⁴¹ The tax loss carryforward scheme under Article 84 of the TUIR provides that losses may be deducted indefinitely from the income of subsequent tax periods for a maximum of 80 per cent of the taxable income of each tax period and in full, subject to tax capacity.

Table 15

Movements in tangible assets (property) (millions of euros)							
	Premises		Investment property for allocations to severance and pension provision (1)		Other property (1)		Total
	Buildings	Land (2)	Buildings	Land	Buildings	Land	
Opening balance (gross)	2,775	914	2	1	242	38	3,972
Accumulated depreciation	-2,470	–	-1	–	-194	–	-2,665
Opening balance (net)	305	914	1	1	48	38	1,307
Increases	4	2	–	–	–	–	6
Purchases and improvement costs	–	2	–	–	–	–	2
Transfers (cost)	4	–	–	–	–	–	4
Decreases	-47	–	–	–	-5	-5	-57
Sales and/or disposals (cost)	–	–	–	–	-35	-5	-40
Sales and/or disposals (accumulated depreciation)	–	–	–	–	31	–	31
Depreciation	-47	–	–	–	–	–	-47
Other changes (cost)	–	–	–	–	-1	–	-1
Closing balance (gross)	2,779	916	2	1	206	33	3,937
Accumulated depreciation	-2,517	–	-1	–	-163	–	-2,681
Closing balance (net)	262	916	1	1	43	33	1,256

(1) Buildings/land for sale and/or no longer in use or usable for Banca d'Italia's activities. – (2) Land, including that on which buildings stand, is not depreciated.

Table 16

Movements in tangible fixed assets (other) (millions of euros)					
	Equipment, furniture and furnishings	Plant	Artwork, coins and collections	Assets under development and related advances	Total
Opening balance (gross)	222	698	27	36	984
Accumulated depreciation	-182	-587	–	–	-769
Opening balance (net)	40	111	27	36	215
Increases	10	30	–	16	56
Purchases and improvement costs	10	29	–	16	55
Transfers (cost)	–	1	–	–	1
Decreases	-7	-26	–	-5	-38
Sales and/or disposals (cost)	-4	-18	–	–	-22
Sales and/or disposals (accumulated depreciation)	4	19	–	–	23
Depreciation	-7	-27	–	–	-34
Transfers (cost)	–	–	–	-5	-5
Closing balance (gross)	228	710	27	47	1,012
Accumulated depreciation	-185	-595	–	–	-780
Closing balance (net)	43	115	27	47	232

Table 17

Movements in intangible fixed assets (Sub-item 10.2) (millions of euros)				
	Procedures (1)	Multi-year software licence fees	Assets under development (1) and related advances	Total
Opening balance	31	5	24	60
Increases	25	5	17	47
Purchases and improvement costs	–	5	17	22
Transfers	25	–	–	25
Decreases	-16	-6	-25	-47
Amortization	-16	-6	–	-22
Transfers	–	–	-25	-25
Closing balance	40	4	16	60

(1) Relating to procedures developed as part of the Eurosystem's IT projects.

Table 18

Deferred tax assets (Sub-item 10.3) (millions of euros)								
	31.12.2025				31.12.2024			
	Temporary differences	IRES	IRAP	Total	Temporary differences	IRES	IRAP	Total
Financial losses for previous years	15,714	4,321	–	4,321	16,573	4,558	–	4,558
Undeducted ACE for the year 2023 (1)	215	59	–	59	430	118	–	118
Staff costs accrued but not paid	133	37	10	47	122	33	7	40
Gap between the civil law value and the tax value of the equity shares portfolio (2)	1,299	357	–	357	1,472	405	–	405
Other	–	–	–	–	1	–	–	–
Total	17,361	4,774	10	4,784	18,598	5,114	7	5,121

(1) Allowance for corporate equity (ACE). – (2) Temporary differences arise mainly from non-deductible civil law write-downs.

The recognition in the balance sheet is based on the reasonable certainty, taking into account BI's income projections, of generating positive taxable income that will result in the losses being fully recovered in future years.

Deferred tax assets recorded a net reduction of €337 million, mainly (€296 million) owing to the use, against the 2025 IRES tax base, of part of the tax losses carried forward from previous years and of the undeducted Allowance for Corporate Equity (ACE) from 2023. This reduction also reflects the sales of shares, which led to a smaller gap between the civil law value and the tax value of the equity shares portfolio.

The movements in deferred tax assets during the year are detailed in Table 41 of ‘Notes on the items of the profit and loss account’ – *Taxes on income for the year and on productive activities*.

Sundry (Sub-item 10.4) under *Other assets* also includes accruals and prepaid expenses, as detailed in Table 19, which decreased almost exclusively due to the reduction in interest accrued on public sector securities under the PSPP and PEPP government programmes.

Table 19

Accruals and prepaid expenses (millions of euros)			
	31.12.2025	31.12.2024	Change
Accrued income	5,269	5,829	-560
Interest accrued on securities denominated in euro	4,816	5,353	-537
Interest accrued on refinancing operations	19	24	-5
Interest accrued on securities denominated in foreign currency	278	239	39
Interest accrued on other foreign-currency assets	156	212	-56
Other	–	1	-1
Prepaid expenses	51	45	6
Administrative expenses	51	45	6
Total	5,320	5,874	-554

Sub-item 10.4 (*Sundry*) also includes:

- total assets (€1,302 million) of the defined-contribution supplementary pension fund for staff hired on or after 28 April 1993, which is matched on the liability side by an equal amount recorded in *Other liabilities* (Item 10). The fund constitutes a separate asset for administrative and accounting purposes pursuant to Article 2117 of the Italian Civil Code. Banca d’Italia manages its investments observing the reference benchmarks;
- in other components, claims on tax authorities totalling €447 million for the IRES, Additional IRES and IRAP taxes resulting from tax returns for previous financial years.

[7] **Banknotes in circulation**

This item, which represents Banca d’Italia’s share of banknotes in circulation issued by the Eurosystem (see *Legal basis, method of preparation and structure of the annual accounts*), increased by €4,597 million in 2025 (from €234,098 million to €238,695 million) as a result of growth in the overall Eurosystem circulation. The value of banknotes actually put into circulation by BI declined slightly (by €258 million, from €197,965 to €197,707 million).

Since this value was lower than the notional amount assigned to Banca d’Italia, the difference of €40,988 million is shown as an interest-earning claim on the Eurosystem under Sub-item 9.4 on the asset side, as *Net claims related to the allocation of euro banknotes within the Eurosystem*.

[8] Liabilities to other euro-area residents denominated in euro

Liabilities to other euro-area residents denominated in euro (Table 20), which amounted to €34,517 million at the end of 2025 (€26,468 million in 2024), refer mainly to Treasury payment accounts and to deposits held by counterparties other than credit institutions, mainly clearing houses. Sub-item 4.2 also includes the National Resolution Fund's deposits (see the box 'The National Resolution Fund') and repo transactions amounting to €3,763 million (€1,855 million at the end of 2024), including those connected with direct securities lending, whose corresponding claims are reported in Sub-item 10.1 (*Financial assets*), under *Other assets*.⁴²

Table 20

Liabilities to other euro-area residents denominated in euro (Item 4) (millions of euros)			
	31.12.2025	31.12.2024	Change
4.1 General government	13,463	4,870	8,593
Treasury payment account	13,243	4,744	8,499
Other treasury-related accounts	57	–	57
Other liabilities	163	126	37
4.2 Other counterparties	21,054	21,598	-544
Total	34,517	26,468	8,049

THE NATIONAL RESOLUTION FUND

Legislative Decree 180/2015 transposing Directive 2014/59/EU (Bank Recovery and Resolution Directive) provides that one or more Italian resolution funds be set up to finance the resolution of credit institutions and investment firms in financial difficulty. These funds are financed mainly by contributions from financial intermediaries and provide the national resolution authority with the necessary financial resources to carry out resolutions. On 18 November 2015, as the designated national resolution authority, Banca d'Italia issued a measure creating the National Resolution Fund (NRF). The NRF has its own capital that is in all respects independent and separate from that of BI and from any other capital BI manages, as well as from the capital of each of the contributors to its resources. The Fund's assets and liabilities are therefore not reported on BI's balance sheet, except for the cash holdings registered to the Fund and held with BI.¹ To ensure transparency, an *Annual Report of the National Resolution Fund* is published.

¹ The operating and administrative costs of Banca d'Italia's Resolution and Crisis Management Unit – which is responsible for managing the NRF – are reported among those of BI, and so are the indirect costs for resolution activity. The NRF has separate fiscal personality for IRES and IRAP taxation purposes.

⁴² At the end of the year, the market value of the securities lent by BI as part of direct securities lending from its monetary policy portfolios was equal to €3,597 million.

Compared with 2024, the year-end balance of the Treasury payment account increased, while the annual average balance declined slightly (from €7,803 million to €6,948 million). In 2025, the Treasury continued to use repos backed by government securities and uncollateralized deposits, with the aim of improving the efficiency of its liquidity management.

Sub-item 4.1 also includes other liabilities to general government (€163 million), which consisted mostly of debt positions with general government in respect of advances received for the management of cross-border euro payments and receipts.

[9] Liabilities to non-euro area residents denominated in euro

This item amounts to €5,586 million (€19,008 million in 2024) and includes €264 million (€334 million in 2024) in accounts held by customers using the Eurosystem Reserves Management Services (ERMS)⁴³ and €5,322 million (€18,674 million in 2024) in other deposits by non-euro area institutional customers on behalf of which BI provides investment services.

[10] Other liabilities

The composition of this item is shown in Table 21.

Table 21

Other liabilities (Item 10) <i>(millions of euros)</i>			
	31.12.2025	31.12.2024	Change
Cashier's cheques	24	43	-19
Accruals and income collected in advance	117	158	-41
Supplementary pension fund	1,302	1,143	159
Special item for stabilizing dividends	–	140	-140
Items in course of settlement	–	1	-1
Other components	1,605	2,249	-644
Total	3,048	3,734	-686

Other components include debt for interest expense on TARGET balances accrued at year-end and to be settled in the following year, which fell by €513 million compared with 2024. After using a total of €280 million in 2023 and 2024 to supplement the dividend paid to the Shareholders, the special item for stabilizing dividends was fully depleted as at 31 December 2025.

⁴³ Eurosystem NCBs can offer ERMS to central banks and government bodies of non-euro countries and to international organizations within a framework of harmonized terms and conditions.

Accruals and income collected in advance are detailed in Table 22.

Table 22

Accruals and income collected in advance (millions of euros)			
	31.12.2025	31.12.2024	Change
Accrued expenses	117	158	-41
Interest accrued on monetary policy deposits	5	8	-3
Interest accrued on liabilities denominated in foreign currency	112	149	-37
Other	–	1	-1
Income collected in advance	–	–	–
Total	117	158	-41

[11] Provisions and general risk provision

Balances and movements for *Provisions* (Item 11) are shown in Tables 23, 24 and 25; those for the *General risk provision* (Item 13) are shown in Table 26.

Table 23

Movements in staff-related provisions (Sub-item 11.1) (millions of euros)				
	For staff severance pay and pensions	Fund for staff costs	For severance pay (1)	Total
Opening balance	6,690	276	3	6,969
Increases	–	155	1	156
Allocations	–	155	–	155
Other increases	–	–	1 (2)	1
Decreases	-60	-118	–	-178
Releases	–	-118	–	-118
Other decreases	-60 (2)	–	–	-60
Closing balance	6,630	313	4	6,947

(1) Includes severance pay accrued by contract staff and ordinary staff prior to joining the supplementary pension fund. – (2) Includes the transfer for €1 million of severance pay contributions for new members of the supplementary pension fund.

Staff-related provisions (Sub-item 11.1) amounted to €6,947 million (€6,969 million in 2024). More specifically:

- the provision for severance pay and pensions declined by €60 million, of which €59 million were released in the profit and loss account as they exceeded the outstanding commitments for pensions and severance payments estimated at the end of the financial year. A small surplus of €100 million remains prudentially allocated to this item;

- the provision for staff costs increased by €37 million, especially owing to transfers to the provision for the reorganization of the branch network in 2025 (€18 million; see ‘Other information: Organizational measures’). The agreement reached in October 2025 with the trade unions provides for voluntary early retirement measures for eligible staff who meet age and contribution seniority requirements and express their intention to leave service within the prescribed timeframe. The provision for the year was made based on the best estimate of the uptake of the early retirement scheme. The provision for staff costs also includes €53 million (€46 million in 2024) in charges for lump-sum disbursements to staff hired on or after 28 April 1993 who joined the defined-contribution supplementary pension fund, to be settled upon their leaving service.

Table 24

Movements in other provisions (Sub-item 11.2) (millions of euros)			
	Non-life insurance provision	Tax provision (1)	Total
Opening balance	310	182	492
Increases	–	10	10
Allocations	–	–	–
Other increases	–	10	10
Decreases	–	-1	-1
Releases	–	–	–
Other decreases	–	-1	-1
Closing balance	310	191	501

(1) The tax provision includes liabilities for deferred IRES and IRAP taxes. *Other increases* and *Other decreases* include the change in deferred tax liabilities.

The tax provision only includes deferred tax liabilities, as reported in Table 25. The movements in deferred tax liabilities during the year are shown in Table 42 of ‘Notes on the items of the profit and loss account’ – *Taxes on income for the year and on productive activities*.

Table 25

Deferred tax liabilities (millions of euros)								
	31.12.2025				31.12.2024			
	Temporary differences	IRES	IRAP	Total	Temporary differences	IRES	IRAP	Total
Gap between the civil law value and the tax value of property (1)	570	157	32	189	542	149	30	179
Other	9	2	–	2	10	3	–	3
Total	579	159	32	191	552	152	30	182

(1) Net temporary differences with regard to all the Bank’s property.

The *General risk provision* (Item 13) covers Banca d’Italia’s financial and operational risks, which include those relating to litigation. In 2025, it rose by €900 million to strengthen BI’s financial buffers against its risk exposure, including under the most

adverse scenarios, after €11,400 million were used to cover the gross losses recorded in 2023 and 2024 (Table 26; see ‘Financial buffers’).

Table 26

Movements in the general risk provision (Item 13) (millions of euros)		
	31.12.2025	31.12.2024
Opening balance	23,814	29,614
Increases	900	–
Allocations	900	–
Decreases	–	-5,800
Releases	–	-5,800
Closing balance	24,714	23,814

[12] Revaluation accounts

The item includes unrealized gains from the market price and market rate valuation of gold, foreign currency, securities and forward operations (see *Gold, assets and liabilities denominated in foreign currency, Securities portfolio*, and ‘Commitments and collateral granted’). Net revaluations for the year mainly refer to the appreciation of gold and, to a lesser extent, of equities against reserves and provisions,⁴⁴ only partly offset by the decline in revaluation accounts owing to the depreciation of the main foreign currencies against the euro (Table 27).

Table 27

Revaluation accounts (Item 12) (millions of euros)			
	Opening balance	Net revaluations	Closing balance
Exchange rate revaluations	185,323	86,156	271,479
<i>of which:</i> gold	178,524	91,286	269,810
net assets denominated in foreign currency	6,663	-4,994	1,669
financial assets related to the investment of reserves and provisions	136	-136	–
Price revaluations	8,452	1,931	10,383
<i>of which:</i> securities denominated in foreign currency	107	297	404
securities denominated in euro	119	-42	77
financial assets related to the investment of reserves and provisions	8,226	1,676	9,902
Total	193,775	88,087	281,862

⁴⁴ Net price revaluations (€1,676 million) are mostly due to the appreciation of equity shares and other participating interests in other companies and entities (€1,305 million) and, to a lesser extent, of ETFs and shares/units of UCIs denominated in foreign currency (€371 million; Table 11).

[13] Capital and reserves

The composition of this item is detailed in Table 28.

Table 28

Capital and reserves (Item 14) <i>(millions of euros)</i>			
	31.12.2025	31.12.2024	Change
14.1 Capital	7,500	7,500	–
14.2 Statutory reserves	11,064	11,064	–
Ordinary	6,469	6,469	–
Extraordinary	4,595	4,595	–
14.3 Other reserves	7,740	7,740	–
Monetary revaluation reserves (1)	3,813	3,813	–
Special fund for the renewal of tangible fixed assets	1,805	1,805	–
Surplus from the merger of UIC (Legislative Decree 231/2007)	2,122	2,122	–
Total	26,304	26,304	–

(1) Under Laws 72/1983, 408/1990, 413/1991, 342/2000 and 266/2005.

Banca d'Italia's Statute provides that Shareholders' ownership rights be limited exclusively to the value of capital and dividends; the latter cannot exceed 6 per cent of capital in a given year. The equity reserves, regardless of their origin, may only be used to cover possible losses for the year.

The composition of BI's Shareholders changed in 2025. Specifically, five banks, two insurance companies, one banking foundation and one pension fund joined, while two banks and one pension fund (due to mergers by acquisition) and three insurance companies (two following a merger by acquisition, one owing to a spin-off) exited. These transactions, completed during the year, led to the transfer of 3.7 per cent of BI's capital. As at 31 December 2025, there were 174 Shareholders. At consolidated level, one Shareholder held a number of shares exceeding the statutory limit.⁴⁵ The composition of the Shareholders and their capital shares are shown in Table 29 (see 'Banca d'Italia's capital').

⁴⁵ There were still 174 Shareholders at 19 February 2026, the last date for acquiring shares with the right to dividends for 2025. On that date, there was still one Shareholder holding a total number of shares exceeding the 5 per cent statutory limit. Dividends for €1.2 million relating to shares exceeding the legal threshold were allocated to BI's statutory reserve.

Table 29

	Shareholders in Banca d'Italia					
	At the end of 2025			At the end of 2024		
	Number	Shares	% of capital held	Number	Shares	% of capital held
Banks	100	145,459	48.5	97	144,719	48.2
Social security institutions	14	92,460	30.8	14	94,180	31.4
Banking foundations	43	25,701	8.6	42	25,521	8.5
Pension funds	9	18,440	6.1	9	17,640	5.9
Insurance companies	8	17,940	6.0	9	17,940	6.0
Total	174	300,000	100	171	300,000	100.0

Commitments and collateral granted

Commitments and collateral granted by Banca d'Italia are reported in Table 30, which also shows the year-end market value of the securities lent under the automatic securities lending programmes managed by specialized intermediaries.

Table 30

Commitments and collateral granted (1)			
<i>(millions of euros)</i>			
	31.12.2025	31.12.2024	Change
Commitments	36,009	39,363	-3,354
Outstanding orders	1,261	1,332	-71
Purchases	981	961	20
Sales	280	371	-91
Forward operations (2)	2,211	3,399	-1,188
Forward sales of foreign currencies	860	2,171	-1,311
Forward purchases of foreign currencies	638	1,199	-561
Futures contracts	713	29	684
To the IMF for loans granted	32,210	34,375	-2,165
Other	327	257	70
Collateral granted	15,467	14,956	511
Securities lending under automatic programmes	15,430	14,918	512
Other	37	38	-1

(1) The 2024 amounts were reclassified following the elimination of the previous items *Third-party securities and valuables on deposit with Banca d'Italia*, *Total balance sheet of the National Resolution Fund* and *Commitments of the supplementary pension fund*. Moreover, the item *Collateral granted* no longer includes the nominal value of own securities posted as collateral for repos, which are recorded under liabilities in the balance sheet. – (2) The market value of forward sales and purchases is €840 million and €631 million respectively (€2,174 and €1,232 million in 2024).

Forward sales of foreign currency include €222 million (€972 million in 2024) for the forward commitment with the ECB arising from the US-dollar financing programme for Italian counterparties.

Commitments to the IMF for granting loans relate to measures by the IMF for financing to be disbursed on behalf of the Italian government.⁴⁶ Other commitments mainly include the amounts to be paid for subscriptions of units of investment funds.

At the end of 2025, the market value of securities lent by BI under the automatic securities lending programmes managed by specialized intermediaries amounted to €15,430 million (€14,918 million in 2024), of which €515 million for foreign currency securities (€786 million in 2024) and €14,915 million for securities held for monetary policy purposes (€14,132 million in 2024). The corresponding market value of collateral received was €529 million and €15,315 million respectively (€813 million and €15,470 million in 2024).

Notes on the items of the profit and loss account

[14] Net interest income

In 2025, net interest income⁴⁷ turned positive by €5,023 million (it was negative by €5,306 million in 2024), an improvement of €10,329 million. Specifically, net interest income in euro rose by €10,494 million (from -€7,523 million to €2,971 million), while net interest income in foreign currency fell by €165 million (from €2,217 million to €2,052 million).⁴⁸

Interest income amounted to €17,675 million (Table 31), down by €4,739 million from 2024.

Interest income on securities denominated in euro amounted to €13,409 million (€14,614 million in 2024). Interest income on securities held for monetary policy purposes (€10,839 million) fell by €1,402 million, of which €1,286 million on the APP and €108 million on the PEPP, as a result of lower average amounts due to the discontinuation of reinvestments for the entire financial year.

Interest income on main refinancing operations increased from €155 million to €162 million, mainly on account of the higher average amounts.

⁴⁶ It includes the commitments for the multilateral NAB and the Bilateral Borrowing Agreement (BBA), as Italy's Law 165/2025 authorized the Bank to extend their maturities to 31 December 2030 and 31 December 2027 respectively.

⁴⁷ *Net interest income* (Item 1) represents the balance of interest income and interest expense accrued in the year, excluding interest income from financial assets related to the investment of reserves and provisions, which is shown under Item 6.

⁴⁸ Net interest income in foreign currency refers to: US dollars for €1,505 million (€1,608 million in 2024), SDRs for €220 million (€284 million in 2024), British pounds for €147 million (€150 million in 2024), Australian dollars for €99 million (€93 million in 2024), Canadian dollars for €49 million (€62 million in 2024), Japanese yen for €21 million (€6 million in 2024) and Chinese renminbi for €11 million (€14 million in 2024).

Table 31

Interest income (Sub-item 1.1) (millions of euros)			
	2025	2024	Change
Securities denominated in euro	13,409	14,614	-1,205
<i>of which:</i> SMP	12	20	-8
CBPP3	184	241	-57
PSPP government bonds	6,247	7,430	-1,183
CSPP	294	340	-46
PEPP corporate bonds	39	37	2
PEPP government bonds	4,062	4,172	-110
PEPP covered bonds	1	1	–
Government bond conversion under Law 289/2002	715	715	–
Other bonds	1,855	1,658	197
Main refinancing operations	162	155	7
Longer-term refinancing operations	225	2,586	-2,361
Intra-Eurosystem claims	1,054	1,760	-706
Other in euro	11	67	-56
Securities denominated in foreign currency	1,607	1,525	82
Claims on the IMF	964	1,278	-314
Other in foreign currency	243	429	-186
Total	17,675	22,414	-4,739

Conversely, interest income on longer-term refinancing operations, relating only to operations with a three-month maturity, contracted markedly (from €2,586 million to €225 million), mainly owing to the repayment of the residual TLTRO III operations in 2024.⁴⁹

Intra-Eurosystem interest income also decreased, from €1,760 million to €1,054 million, owing to the reduction in interest income on *Net claims related to the allocation of euro banknotes within the Eurosystem* (from €1,526 million to €927 million) as well as on *Claims arising from the transfer of foreign reserves to the ECB* (from €232 million to €127 million), due to the lower average remuneration rate for the year (see ‘Notes on the items of the balance sheet’ – *Intra-Eurosystem claims and liabilities*).⁵⁰

Other interest denominated in euro, amounting to €11 million (€67 million in 2024), was mainly in the form of interest income on reverse repo operations in connection with direct securities lending.

⁴⁹ Interest on three-month operations declined (from €279 million to €225 million) owing to the lower average remuneration rate for the year, despite the increase in the average outstanding amount.

⁵⁰ The average interest rate declined both as a result of the cuts in key interest rates decided by the ECB Governing Council starting in June 2024 and because, as of 1 January 2025, the remuneration of both claims changed. Balances from the allocation of banknotes within the Eurosystem are remunerated at the interest rate on the deposit facility, while claims arising from the transfer of foreign reserves to the ECB are remunerated at the same rate minus 15 per cent to take account of the part of reserves consisting of gold, which does not generate interest. In both cases, the rate on the deposit facility replaced the higher interest rate on main refinancing operations.

Interest income on securities denominated in foreign currency rose compared with the previous financial year (from €1,525 million to €1,607 million), due to higher average amounts.⁵¹

By contrast, interest income declined both on claims to the IMF (from €1,278 million to €964 million), mainly owing to the lower average rate of return, and on other assets denominated in foreign currency (from €429 million to €243 million, mainly relating to US dollar deposits), due to lower average holdings.

Interest expense amounted to €12,652 million (Table 32), down by €15,068 million from 2024.

Table 32

Interest expense (Sub-item 1.2) <i>(millions of euros)</i>			
	2025	2024	Change
Deposit facility	2,096	5,498	-3,402
Treasury payment account	143	269	-126
Other deposits in euro	692	1,031	-339
TARGET liability	8,938	19,797	-10,859
Other in euro	21	110	-89
Counterpart of SDRs allocated by the IMF	743	994	-251
Other in foreign currency	19	21	-2
Total	12,652	27,720	-15,068

The significant reduction in interest expense on TARGET liabilities (from €19,797 million to €8,938 million) was due to the lower average rate of remuneration for the year⁵² and, to a lesser extent, to the reduction in the average balance.

Interest income on banks' overnight deposits fell significantly too (from €5,498 million to €2,096 million), owing to both the lower average rate of remuneration

⁵¹ Interest income was recognized for foreign currency securities denominated in: US dollar for €1,336 million (€1,269 million in 2024), British pound for €96 million (€94 million in 2024), Australian dollar for €93 million (€82 million in 2024), Canadian dollar for \$49 million (€61 million in 2024), Japanese yen for €22 million (€5 million in 2024) and Chinese renminbi for €11 million (€14 million in 2024).

⁵² The average rate fell both as a result of the key interest rate cuts decided by the ECB Governing Council starting in June 2024 and because, as of 1 January 2025, the TARGET position is remunerated at the rate on the deposit facility, with the exception of balances relating to the settlement of operations with the ECB on foreign exchange funding programmes to euro-area counterparties that are not remunerated. Until 31 December 2024, the remuneration rate was the higher rate on main refinancing operations.

for the year and the reduction in the amounts; current account deposits were not remunerated for the whole financial year.⁵³

The decrease in interest expense on the Treasury payment account (from €269 million to €143 million) mainly reflects the lower average rate of remuneration in 2025 (see the box ‘The remuneration of government deposits’).

THE REMUNERATION OF GOVERNMENT DEPOSITS

The remuneration of government deposits held with the central banks of the Eurosystem is governed by ECB Guidelines ECB/2014/8 and ECB/2019/7 (as amended) and by ECB Decision ECB/2024/11. These provisions establish that overnight and fixed-term government deposits be remunerated, for their full amount, at a rate no higher than, respectively, the euro short-term rate (€STR) and the €STR-based overnight index swap (OIS) rate for the corresponding maturity, both reduced by 20 basis points.

Interest on other deposits denominated in euro, which decreased from €1,031 million to €692 million due to the reduction in the average remuneration rates, refers to deposits by euro-area counterparties other than credit institutions, ERMS customers and other non-euro-area institutional customers (see ‘Notes on the items of the balance sheet’ – *Liabilities to other euro-area residents denominated in euro* and *Liabilities to non-euro-area residents denominated in euro*).

Other interest denominated in euro, amounting to €21 million (€110 million in 2024), refers mainly to repo transactions, including those relating to direct securities lending.

Interest paid on SDR allocations by the IMF fell too (from €994 million to €743 million), as did interest on other liabilities denominated in foreign currency (from €21 million to €19 million).

[15] Net result of financial operations and write-downs

Item 2 of the profit and loss account was negative by €805 million (Table 33), down by €483 million compared with the previous year (-€322 million in 2024).⁵⁴

⁵³ The minimum reserve is not remunerated. Current account deposits held in excess of reserve requirements are remunerated at the lower of the deposit facility rate and zero. In order to simplify the remuneration mechanism, in December 2025, the ECB Governing Council decided that excess reserves will be remunerated at the deposit facility rate at all times. This measure will be implemented by the end of June 2026.

⁵⁴ The net result of financial operations and write-downs in foreign currency was negative by €757 million (-€314 million in 2024) and refers to: Japanese yen for -€422 million (-€68 million in 2024), SDRs for -€201 million (€14 million in 2024), Australian dollars for -€135 million (-€83 million in 2024), Canadian dollars for -€49 million (€3 million in 2024) and Chinese renminbi for -€15 million (€1 million in 2024); a net positive result of €45 million was recorded for the US dollar (-€159 million in 2024), €7 million for the British pound (-€17 million in 2024) and €13 million for the South Korean won (-€5 million in 2024).

The net result of financial operations was positive by €78 million, up by €11 million compared with the previous year (€67 million in 2024). This change reflects, above all, higher net profits on securities denominated in foreign currency (€124 million, against €3 million of net losses in 2024),⁵⁵ which were only partly offset by lower exchange rate gains (from €76 million to €8 million)⁵⁶ and by higher losses on derivatives denominated in foreign currency (from €8 million to €60 million).⁵⁷

Write-downs increased (from -€389 million to -€883 million) due to higher exchange rate write-downs (from -€112 million to -€741 million), especially in Japanese yen and SDRs (see 'Notes on the items of the balance sheet' – *Gold, assets and liabilities denominated in foreign currency*), while write-downs due to price changes declined (from -€277 million to -€142 million) owing to lower write-downs on foreign currency securities.⁵⁸

Table 33

Net result of financial operations and write-downs (Item 2) (millions of euros)			
	2025	2024	Change
Realized profits (+) and losses (-) on financial operations	78	67	11
Foreign exchange transactions	8	76	-68
Transactions in securities denominated in euro	-2	-11	9
Transactions in securities denominated in foreign currency	124	-3	127
Derivatives contracts denominated in foreign currency	-60	-8	-52
Other transactions	8	13	-5
Write-downs (-) of financial assets and positions	-883	-389	-494
Due to exchange rate changes	-741	-112	-629
Due to price changes	-142	-277	135
- securities denominated in euro	-53	-8	-45
- securities denominated in foreign currency	-89	-269	180
Total	-805	-322	-483

[16] Net result of pooling monetary income

The *Net result of pooling monetary income* (Item 3), negative at -€1,389 million (-€1,876 million in 2024),⁵⁹ is the difference between the monetary income redistributed

⁵⁵ Specifically, realized gains from financial operations on US dollar securities rose from €2 million to €94 million.

⁵⁶ Specifically, realized exchange rate gains in US dollar fell from €61 million to €21 million.

⁵⁷ These are the daily variation margins of futures contracts that are recognized in the profit and loss account (see *Legal basis, method of preparation and structure of the annual accounts*).

⁵⁸ Write-downs due to price changes in US dollar securities went from -€215 million to -€8 million.

⁵⁹ The amount for 2024 also included the negative effect of €11 million for the recalculation of amounts for previous years and the positive effect of €7 million due to the full use of the provision for monetary policy operations set up in 2023.

to Banca d'Italia in proportion to its capital key, amounting to €3,954 million,⁶⁰ and that pooled by BI, equal to €5,343 million (see the box 'Monetary income').

MONETARY INCOME

The monetary income to be pooled by each NCB is equal to its annual income derived from the earmarkable assets held against its liability base.

An NCB's earmarkable assets comprise mainly: (a) lending to euro-area credit institutions relating to monetary policy operations; (b) securities held for monetary policy purposes; (c) intra-Eurosystem claims arising from the transfer of reserves to the ECB; (d) net intra-Eurosystem claims resulting from TARGET transactions; (e) net intra-Eurosystem claims related to the allocation of euro banknotes within the Eurosystem; (f) a pre-set amount of gold and gold receivables in proportion to the capital key. Gold is not considered to generate interest. Public sector securities purchased under the PSPP (Decision ECB/2015/10) and the PEPP (Decision ECB/2020/17 et seq.) are considered to bear interest at a reference interest rate equal to that on the deposit facility (the rate on main refinancing operations was applied until 31 December 2024).

An NCB's liability base consists primarily of: (a) banknotes in circulation; (b) liabilities to euro-area credit institutions related to monetary policy operations denominated in euro; (c) net intra-Eurosystem liabilities resulting from TARGET transactions; and (d) net intra-Eurosystem liabilities related to the allocation of euro banknotes within the Eurosystem. The interest on the liabilities included in the liability base is deducted from the monetary income to be pooled. Where the value of an NCB's earmarkable assets is higher (or lower) than the value of its liability base, the difference (gap) is considered to bear negative (or positive) interest based on the deposit facility rate (the rate on main refinancing operations was applied until 31 December 2024).

The total monetary income pooled by the NCBs in the Eurosystem is redistributed to each NCB according to its capital key. The difference between the share of monetary income redistributed to each NCB and the amount pooled by that NCB, which may be larger or smaller, is reported in Item 3 of the profit and loss account and is settled at the end of January of the year following the reference year. The amount of the difference depends on two factors: (a) the first (yield effect) relates to possible differences between NCBs regarding the interest income received on specific earmarkable assets and the interest expense due on some components of the liability base; (b) the second (composition effect) arises from the fact that the amounts of the above assets and liabilities in the NCBs' balance sheets do not generally coincide with their capital keys.

Pursuant to Article 33.2 of the Statute of the ESCB, in the event of a loss incurred by the ECB which cannot be offset against the general reserve fund, the ECB Governing

⁶⁰ The significant decline in the Eurosystem's monetary income from €45,035 million to €24,684 million was due to the reduction in key interest rates and the change in the rate conventionally used to remunerate certain items, as of 1 January 2025 (using the deposit facility rate rather than the rate on main refinancing operations; see the box 'Monetary income').

Council may decide to withhold part or all of the Eurosystem's monetary income to offset the shortfall in proportion and up to the amounts allocated to the NCBs. For the financial year 2025, as in the previous two years, the ECB Governing Council decided not to withhold the Eurosystem's monetary income and to carry forward the ECB's loss; this loss will be offset against future profits.

The €483 million improvement in the net result of pooling monetary income in 2025 reflects a decrease in income redistributed to BI (-€3,261 million) that was smaller than the decrease in income pooled by BI (-€3,744 million). The factors that contributed to this improvement are shown in Table 34.

Table 34

Breakdown of the net result of pooling monetary income								
<i>(millions of euros)</i>								
	Monetary income							
	2025				2024			
	Eurosystem total	Pooled by Banca d'Italia (A)	Redistributed to Banca d'Italia (B)	Net result (B-A)	Eurosystem total	Pooled by Banca d'Italia (A)	Redistributed to Banca d'Italia (B)	Net result (B-A)
Lending to euro-area credit institutions	587	387	94	-293	6,710	2,741	1,075	-1,666
Securities held for monetary policy purposes (subject to risk sharing) (1)	8,081	523	1,294	771	8,202	635	1,314	679
Securities held for monetary policy purposes (not subject to risk sharing) (2)	63,406	11,660	10,158	-1,502	130,281	24,329	20,871	-3,458
Intra-Eurosystem claims equivalent to the transfer of foreign reserves to the ECB	790	127	127	–	1,448	232	232	–
Net intra-Eurosystem claims related to the allocation of euro banknotes	-2,900	927	-465	-1,392	-5,232	1,526	-838	-2,364
Deposits held by euro-area credit institutions	-62,060	-2,096	-9,942	-7,846	-120,847	-5,498	-19,360	-13,862
Intra-Eurosystem liabilities/claims resulting from TARGET transactions	7,689	-8,938	1,232	10,170	15,609	-19,797	2,501	22,298
Gap (3)	9,091	2,753	1,456	-1,297	8,864	4,919	1,420	-3,499
Total	24,684	5,343	3,954	-1,389	45,035	9,087	7,215	-1,872

(1) Pooled and redistributed income includes realized gains and losses arising from sales of securities agreed at Eurosystem level, which are made primarily to ensure compliance with the risk control framework. – (2) For the purpose of calculating monetary income, they are considered to bear interest at the deposit facility rate as of 1 January 2025. Therefore, the corresponding pooled income (€11,660 million) is different from interest income as recorded in Sub-item 1.1 (€10,309 million). – (3) Difference between earmarkable assets and liability base. Includes other minor components.

[17] Net income from fees and commissions

Net income from fees and commissions (Item 4) was €33 million, down from the previous year (€37 million), mainly owing to lower fee income connected with the management of TARGET systems (Table 35).

Table 35

Net income from fees and commissions (Item 4) (millions of euros)			
	2025	2024	Change
Fee and commission income	51	56	-5
TARGET services	34	38	-4
Financial services to the public sector	8	8	–
Management of securities used as collateral for monetary policy operations	2	3	-1
Correspondent Central Banking Model	1	1	–
Other	6	6	–
Fee and commission expense	-18	-19	1
Centralized securities and custodian services management	-14	-15	1
Other	-4	-4	–
Total	33	37	-4

[18] Income from participating interests

No *Income from participating interests* was recognized in 2025 (Item 5). In the previous year, instead, Banca d'Italia had received an income (€284 million) due to the change in its share in the components of the ECB's net equity.⁶¹

[19] Net income from financial assets related to the investment of reserves and provisions

Item 6 of the profit and loss account amounted to €2,278 million (Table 36),⁶² up by €404 million on 2024. The change was mainly driven by: (a) higher net realized gains from financial operations (from €588 million to €1,052 million), mainly attributable to equity shares denominated in euro (from €156 million to €947 million) owing to the periodic rebalancing of the equity portfolio; (b) higher interest income (from €1,065 million to €1,098 million) as a result of higher average rates of return, despite smaller bond holdings; and (c) higher write-downs (from -€365 million to -€449 million) due to the increase in exchange rate write-downs, mainly on the US dollar position.

⁶¹ Following the five-yearly adjustment of the capital key on 1 January 2024, BI received a compensatory payment from the other NCBs equal to the decrease in its capital key multiplied by the value of the ECB's net equity at the end of 2023 (excluding capital and taking into account revaluation accounts and loss carried forward).

⁶² Of this amount, the foreign currency balance was negative by €49 million (it was positive by €463 million in 2024).

Table 36

Net income from financial assets related to the investment of reserves and provisions (Item 6) (millions of euros)			
	2025	2024	Change
Interest	1,098	1,065	33
Dividends from equity shares and participating interests	570	574	-4
Realized gains/losses	1,052	588	464
Write-downs	-449	-365	-84
Other components	7	12	-5
Total	2,278	1,874	404

[20] Other income

Other income (Item 7), amounting to €91 million (€142 million in 2024), includes €71 million (€117 million in 2024) of reimbursements from other Eurosystem NCBs for the development of IT platforms, applications and infrastructures by Banca d'Italia in its capacity as a service provider (see the box 'Income and expenses for Eurosystem infrastructure').

[21] Expenses and sundry charges

Expenses and sundry charges (Item 8) amounted to €2,214 million, up by €62 million compared with 2024 (Table 37).

Table 37

Expenses and sundry charges (Item 8) (millions of euros)			
	2025	2024	Change
Staff wages and salaries	834	786	48
Social security and insurance	208	198	10
Other staff costs (1)	72	61	11
Pensions and severance payments	359	299	60
Transfers to/from provisions for staff severance pay and pensions, contributions to the supplementary pension fund and other expenses	78	106	-28
Emoluments paid to head office and branch collegial bodies	3	3	-
Administrative expenses	515	529	-14
Depreciation/amortization of tangible/intangible fixed assets	103	122	-19
Banknote production services (2)	-	-	-
Other expenses	42	48	-6
Total	2,214	2,152	62

(1) Includes, in particular, expenses for missions, transfers and corporate welfare. – (2) Costs for external banknote production services and for purchases of banknotes.

The growth in staff remuneration is mainly due to inflation adjustments (based on the HICP net of imported energy) and to higher performance bonus payments, as well as

to qualitative and quantitative changes in staff (Table 38). In addition, severance payments rose by €56 million owing to the greater number of terminations and the different composition of staff leaving service; pension expenses (included in the same sub-item) also went up slightly (+€4 million). In 2025, the sub-item *Transfers to/from provisions for staff severance pay and pensions, contributions to the supplementary pension fund and other expenses* included the release of €59 million from the provision for severance pay and pensions, as this amount was in excess of the outstanding commitments estimated at year-end.

Table 38

Banca d'Italia staff				
Composition of staff	Average number of employees in service		Percentage composition	
	2025	2024	2025	2024
Managerial and High-Level Professional Area	3,899	3,839	55.5	54.9
Operational Area	3,131	3,158	44.5	45.1
Total (1)	7,030	6,997	100.0	100.0

(1) The average number of employees, counting part-time employees pro rata, totalled 7,000 (6,963 in 2024).

Emoluments paid to head and branch office collegial bodies comprise the emoluments paid to the Board of Directors (€502,808), standing members of the Board of Auditors (€167,108) and the Governing Board. In 2025, emoluments for members of the Governing Board remained unchanged and amounted to €480,000 for the Governor, €430,000 for the Senior Deputy Governor and €350,000 for each of the three Deputy Governors.

Administrative expenses decreased by €14 million compared with the previous year, from €529 million to €515 million (Table 39), mainly owing to the lower costs incurred for purchasing raw materials for banknote production.

Table 39

Administrative expenses (millions of euros)			
	2025	2024	Change
Services	466	470	-4
ICT (1)	157	161	-4
Security services, banknote escort and guards	75	75	–
Building and equipment maintenance	89	89	–
Utilities	28	26	2
Equipment rental	11	12	-1
Canteen and cleaning services	33	32	1
Other	73	75	-2
Materials and consumables	49	59	-10
Banknote production	29	38	-9
Subscriptions to publications and information providers	17	18	-1
Other supplies	3	3	–
Total	515	529	-14

(1) Includes the costs of using the Eurosystem's IT infrastructure, which amounted to €35 million in 2025 (€38 million in 2024). The expenses relating to the rental and maintenance of hardware are included respectively in *Equipment rental* and in *Building and equipment maintenance*.

Other expenses, amounting to €42 million (€48 million in 2024), include €29 million for local and indirect taxes.

[22] Taxes on income for the year and on productive activities

Taxes for the year (Item 10), which comprise the current taxes owed to the State, taxes for prior years and the change in deferred tax assets and liabilities, showed an expense equal to €466 million (against a positive net contribution of €2,363 million in 2024; Tables 40, 41 and 42 and 'Notes on the items of the balance sheet' – *Other assets and Provisions and general risk provision*).

Table 40

Composition of taxes on income for the year (Item 10) (millions of euros)						
	2025			2024		
	IRES	IRAP	Total	IRES	IRAP	Total
Current taxes (-)	-	-89	-89	-	-	-
Taxes for prior years (+/-)	-31	-	-31	-27	-	-27
Change in deferred tax assets (+/-)	-340	3	-337	2,401	1	2,402
Change in deferred tax liabilities (+/-)	-7	-2	-9	-10	-2	-12
Taxes for the year (+/-)	-378	-88	-466	2,364	-1	2,363

The IRES tax expense for the year amounted to €347 million (against a positive contribution of €2,391 million in 2024) and corresponds to the net change in deferred tax assets and liabilities, which mainly reflects the reduction in deferred tax assets arising mostly from the offsetting of previous tax losses.

Table 41

Movements in deferred tax assets (millions of euros)			
	IRES	IRAP	Total
Initial amount	5,114	7	5,121
Increases	109	9	118
Deferred tax assets recognized in the financial year	109	9	118
Decreases	-449	-6	-455
Deferred tax assets cancelled in the financial year	-449	-6	-455
of which: relating to tax losses for previous years	-237	-	-237
Final amount	4,774	10	4,784

The total charge for IRAP was €88 million (€1 million in 2024), consisting of current tax amounting to €89 million and the net change in deferred tax assets and liabilities.

Table 42

Movements in deferred tax liabilities (millions of euros)			
	IRES	IRAP	Total
Initial amount	152	30	182
Increases	8	2	10
Deferred tax liabilities recognized in the financial year	8	2	10
Decreases	-1	-	-1
Deferred tax liabilities cancelled in the financial year	-1	-	-1
Final amount	159	32	191

Post-balance-sheet events

Pursuant to Decision 2025/1407 of 8 July 2025 of the Council of the European Union, adopted in accordance with Article 140.2 of the Treaty on the Functioning of the European Union, Bulgaria adopted the single currency on 1 January 2026. In accordance with Article 48.1 of the Statute of the ESCB and the legal acts adopted by the ECB Governing Council on 31 December 2025, the Central Bank of Bulgaria paid up its remaining share of the subscribed capital of the ECB. In accordance with Article 48.1, in conjunction with Article 30.1, of the Statute of the ESCB, the Central Bank of Bulgaria transferred foreign reserve assets to the ECB for an amount corresponding to its share in the subscribed capital. Following Bulgaria's entry into the euro area, Banca d'Italia's share in the ECB's capital, considering only the Eurosystem countries, decreased from 16.0201 per cent to 15.8307 per cent. Accordingly, as of 1 January 2026, the latter percentage is used in the financial relations between the Bank and the other NCBs of the Eurosystem, as is the case, for example, for the distribution of the ECB's net profit and for the allocation of monetary income.

PROPOSALS OF THE BOARD OF DIRECTORS

The Board of Directors, having considered that:

- The financial result for 2025 returned to profit after two years of gross losses;
- the Ordinary Meeting of Shareholders of 31 March 2017, following a proposal by the Board of Directors and having received the approval of the Board of Auditors, decided to create a special item in the balance sheet to be used to stabilize over the long term the amount of net profit paid to the Shareholders under the dividend policy in force;
- this item may be credited annually with an amount equal to the difference between the upper bound of the range set out in the dividend policy in force at the time and the dividend actually distributed;
- on the date indicated in Article 38.2.b of the Statute, there were shares exceeding the 5 per cent threshold, above which the dividend must be allocated to BI's statutory reserves;

acting on the proposal of the Governing Board and after hearing the opinion of the Board of Auditors, proposes the following allocation of the net profit for 2025 for approval by the Meeting of Shareholders:

– a dividend to the Shareholders	340,000,000
<i>of which:</i> to be allocated to the statutory reserve (under Article 3.4 of the Statute)	1,178,667
– to the special item for stabilizing dividends	40,000,000
– the remaining amount to the State	<u>1,272,040,050</u>

Total 1,652,040,050

On the date indicated in Article 38.2.b of the Statute, there were 1,040 shares exceeding the threshold; the corresponding dividend of €1,178,667 is allocated to the statutory reserve.

THE GOVERNOR

Fabio Panetta

**DOCUMENTS ATTACHED
TO THE ANNUAL ACCOUNTS**

REPORT OF THE BOARD OF AUDITORS
ON THE 132ND FINANCIAL YEAR OF BANCA D'ITALIA
AND THE ANNUAL ACCOUNTS FOR THE YEAR ENDING
31 DECEMBER 2025

To the Shareholders,

We have examined the Annual Accounts of Banca d'Italia for the year ending 31 December 2025, drawn up in accordance with the accounting policies and valuation methods decided by the Board of Directors and agreed by us, which are described in detail in the Notes to the Annual Accounts.

We have conducted our examination of the Annual Accounts in accordance with the rules and principles of conduct for the Board of Auditors issued by the Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili.

The audit firm has issued its own report confirming that Banca d'Italia's Annual Accounts give a true and fair view of the financial position and the profit or loss for the financial year.

In our opinion, the Annual Accounts of Banca d'Italia for the year ending 31 December 2025 have been prepared in accordance with the accounting policies and valuation methods indicated in the Notes to the Annual Accounts. They comply with the laws in force and with the harmonized accounting rules laid down by the ECB Governing Council and endorsed by Article 8 of Legislative Decree 43/1998 for reporting purposes.

We call particular attention to the following matters, which are covered extensively in the Notes to the Annual Accounts and in the Management Report:

- a) The recognition of deferred tax assets in the balance sheet is based on the reasonable expectation of offsetting their full amount, considering Banca d'Italia's projected income. The decline of €337 million for the year (from €5,121 million to €4,784 million) was mainly due (for €296 million) to the use, against the 2025 IRES tax base, of part of the tax losses carried forward from previous years and of the undeducted Allowance for Corporate Equity (ACE) from 2023;
- b) The Board of Directors approved the transfer of €900 million to the general risk provision as expressly established under Article 39 of Banca d'Italia's Statute;
- c) The general risk provision and other financial buffers ensure a level of risk coverage that remains adequate in the medium term.

We attest that in our opinion the total amount of the Bank's provisions, equal to €7,448 million, is prudent. Specifically, the provision for severance pay and pensions shows a €100 million excess amount after the release of the provision, which remains prudently allocated to the corresponding item.

To the Shareholders,

Bearing in mind the provisions of Article 37.2 of the Statute, we recommend that you approve the Annual Accounts for 2025 that have been submitted to you (the Balance Sheet, the Profit and Loss Account, the Notes to the Accounts and the accompanying Management Report) and the proposed allocation of the net profit for the year pursuant to Article 37.3 and Article 38.1 of the Statute.

Rome, 9 March 2026

THE BOARD OF AUDITORS

Gaetano Presti (Chairman)

Giuliana Birindelli

Giovanni Liberatore

Giuseppe Melis

Anna Lucia Muserra

RELAZIONE DELLA SOCIETÀ DI REVISIONE INDIPENDENTE AI SENSI DELL'ART. 37 DELLO STATUTO DELLA BANCA D'ITALIA

Ai Partecipanti al capitale della Banca d'Italia

Giudizio

Abbiamo svolto la revisione contabile del bilancio d'esercizio della Banca d'Italia (di seguito anche "Istituto") costituito dallo stato patrimoniale al 31 dicembre 2025, dal conto economico per l'esercizio chiuso a tale data e dalla nota integrativa.

A nostro giudizio, il bilancio d'esercizio fornisce una rappresentazione veritiera e corretta della situazione patrimoniale e finanziaria dell'Istituto al 31 dicembre 2025 e del risultato economico per l'esercizio chiuso a tale data in conformità ai principi e criteri contabili dettati dalle norme speciali descritti nella nota integrativa.

Elementi alla base del giudizio

Abbiamo svolto la revisione contabile in conformità ai principi di revisione internazionali (ISA Italia). Le nostre responsabilità ai sensi di tali principi sono ulteriormente descritte nella sezione *Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio* della presente relazione. Siamo indipendenti rispetto all'Istituto in conformità alle norme e ai principi in materia di etica e di indipendenza applicabili nell'ordinamento italiano alla revisione contabile del bilancio. Riteniamo di aver acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio.

Responsabilità degli Organi di Amministrazione dell'Istituto e del Collegio Sindacale per il bilancio d'esercizio

Gli Organi di Amministrazione dell'Istituto sono responsabili per la redazione del bilancio d'esercizio che fornisca una rappresentazione veritiera e corretta in conformità ai principi e criteri contabili dettati dalle norme speciali descritti nella nota integrativa e per quella parte del controllo interno dagli stessi ritenuta necessaria per consentire la redazione di un bilancio che non contenga errori significativi dovuti a frodi o a comportamenti o eventi non intenzionali.

Gli Organi di Amministrazione sono responsabili per la valutazione della capacità dell'Istituto di continuare ad operare come un'entità in funzionamento e, nella redazione del bilancio d'esercizio, per l'appropriatezza dell'utilizzo del presupposto della continuità aziendale.

Il Collegio Sindacale, nei termini previsti dallo Statuto dell'Istituto, svolge funzioni di controllo sull'amministrazione dell'Istituto per l'osservanza della legge, dello Statuto, del regolamento generale; vigila sull'adeguatezza dell'assetto contabile dell'Istituto, esamina il bilancio ed esprime il proprio parere sulla destinazione dell'utile netto.

Responsabilità della società di revisione per la revisione contabile del bilancio d'esercizio

I nostri obiettivi sono l'acquisizione di una ragionevole sicurezza che il bilancio d'esercizio nel suo complesso non contenga errori significativi, dovuti a frodi o a comportamenti o eventi non intenzionali, e l'emissione di una relazione di revisione che includa il nostro giudizio. Per ragionevole sicurezza si intende un livello elevato di sicurezza che, tuttavia, non fornisce la garanzia che una revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia) individui sempre un errore significativo, qualora esistente. Gli errori possono derivare da frodi o da comportamenti o eventi non intenzionali e sono considerati significativi qualora ci si possa ragionevolmente attendere che essi, singolarmente o nel loro insieme, siano in grado di influenzare le decisioni economiche prese dagli utilizzatori sulla base del bilancio d'esercizio.

Nell'ambito della revisione contabile svolta in conformità ai principi di revisione internazionali (ISA Italia), abbiamo esercitato il giudizio professionale e abbiamo mantenuto lo scetticismo professionale per tutta la durata della revisione contabile. Inoltre:

- Abbiamo identificato e valutato i rischi di errori significativi nel bilancio d'esercizio, dovuti a frodi o a comportamenti o eventi non intenzionali; abbiamo definito e svolto procedure di revisione in risposta a tali rischi; abbiamo acquisito elementi probativi sufficienti ed appropriati su cui basare il nostro giudizio. Il rischio di non individuare un errore significativo dovuto a frodi è più elevato rispetto al rischio di non individuare un errore significativo derivante da comportamenti o eventi non intenzionali, poiché la frode può implicare l'esistenza di collusioni, falsificazioni, omissioni intenzionali, rappresentazioni fuorvianti o forzature del controllo interno.
- Abbiamo acquisito una comprensione del controllo interno rilevante ai fini della revisione contabile allo scopo di definire procedure di revisione appropriate nelle circostanze e non per esprimere un giudizio sull'efficacia del controllo interno dell'Istituto.
- Abbiamo valutato l'appropriatezza dei principi contabili utilizzati nonché la ragionevolezza delle stime contabili effettuate dagli Organi di Amministrazione, inclusa la relativa informativa.
- Siamo giunti ad una conclusione sull'appropriatezza dell'utilizzo da parte degli Organi di Amministrazione del presupposto della continuità aziendale e, in base agli elementi probativi acquisiti, sull'eventuale esistenza di una incertezza significativa riguardo a eventi o circostanze che possono far sorgere dubbi significativi sulla capacità dell'Istituto di continuare ad operare come un'entità in funzionamento. In presenza di un'incertezza significativa, siamo tenuti a richiamare l'attenzione nella relazione di revisione sulla relativa informativa di bilancio, ovvero, qualora tale informativa sia inadeguata, a riflettere tale circostanza nella formulazione del nostro giudizio. Le nostre conclusioni sono basate sugli elementi probativi acquisiti fino alla data della presente relazione.

- Abbiamo valutato la presentazione, la struttura e il contenuto del bilancio d'esercizio nel suo complesso, inclusa l'informativa, e se il bilancio d'esercizio rappresenti le operazioni e gli eventi sottostanti in modo da fornire una corretta rappresentazione.

Abbiamo comunicato ai responsabili delle attività di governance, identificati ad un livello appropriato come richiesto dagli ISA Italia, tra gli altri aspetti, la portata e la tempistica pianificate per la revisione contabile e i risultati significativi emersi, incluse le eventuali carenze significative nel controllo interno identificate nel corso della revisione contabile.

DELOITTE & TOUCHE S.p.A.



Antonio Sportillo
Socio

Roma, 9 marzo 2026

ADMINISTRATION OF BANCA D'ITALIA

AT 31 DECEMBER 2025

GOVERNING BOARD

Fabio PANETTA	- GOVERNOR
Luigi Federico SIGNORINI	- SENIOR DEPUTY GOVERNOR
Paolo ANGELINI	- DEPUTY GOVERNOR
Chiara SCOTTI	- DEPUTY GOVERNOR
Sergio NICOLETTI ALTIMARI	- DEPUTY GOVERNOR

BOARD OF DIRECTORS

Franca Maria ALACEVICH	Andrea ILLY
Mirella BOMPADRE	Teo LUZI
Nicola CACUCCI	Donatella SCIUTO
Renata CODELLO	Orietta Maria VARNELLI
Francesca COZZANI	Marco ZIGON
Salvatore DI VITALE	

BOARD OF AUDITORS

Gaetano PRESTI - CHAIRMAN	
Giuliana BIRINDELLI	Giuseppe MELIS
Giovanni LIBERATORE	Anna Lucia MUSERRA

ALTERNATE AUDITORS

Paola CHIRULLI	Andrea NERVI
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HEAD OFFICE

MANAGING DIRECTORS

Marino Ottavio PERASSI	- GENERAL COUNSEL
Magda BIANCO	- DIRECTOR GENERAL FOR CONSUMER PROTECTION AND FINANCIAL EDUCATION
Gian Luca TREQUATTRINI	- SECRETARY TO THE GOVERNING BOARD
Giuseppe SIANI	- DIRECTOR GENERAL FOR FINANCIAL SUPERVISION AND REGULATION
Giuseppe ZINGRILLO	- DIRECTOR GENERAL FOR INFORMATION TECHNOLOGY
Paolo SESTITO	- DIRECTOR GENERAL FOR PLANNING, ORGANIZATION AND ACCOUNTING
Paolo DEL GIOVANE	- DIRECTOR GENERAL FOR MARKETS AND MONETARY POLICY OPERATIONS
Stefano SIVIERO	- DIRECTOR GENERAL FOR PAYMENTS AND MARKET INFRASTRUCTURES
Francesco GIAGULLI	- DIRECTOR GENERAL FOR PROPERTY AND TENDERS
Massimo DORIA	- DIRECTOR GENERAL FOR HUMAN RESOURCES, INFORMATION AND BANKNOTE PRODUCTION
Ida MERCANTI	- ON SECONDMENT AS SECRETARY GENERAL OF THE INSTITUTE FOR THE SUPERVISION OF INSURANCE (IVASS)
Andrea BRANDOLINI	- DIRECTOR GENERAL FOR ECONOMICS, STATISTICS AND RESEARCH
	* * *
Enzo SERATA	- DIRECTOR OF THE FINANCIAL INTELLIGENCE UNIT FOR ITALY

ADMINISTRATION OF BANCA D'ITALIA

AT 31 MARCH 2026

GOVERNING BOARD

Fabio PANETTA	- GOVERNOR
Luigi Federico SIGNORINI	- SENIOR DEPUTY GOVERNOR
Paolo ANGELINI	- DEPUTY GOVERNOR
Chiara SCOTTI	- DEPUTY GOVERNOR
Sergio NICOLETTI ALTIMARI	- DEPUTY GOVERNOR

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	* * *
Enzo SERATA	- DIRECTOR OF THE FINANCIAL INTELLIGENCE UNIT FOR ITALY

ADMINISTRATION OF BANCA D'ITALIA

AT 1 APRIL 2026

GOVERNING BOARD

Fabio PANETTA	- GOVERNOR
Paolo ANGELINI	- SENIOR DEPUTY GOVERNOR
Chiara SCOTTI	- DEPUTY GOVERNOR
Sergio NICOLETTI ALTIMARI	- DEPUTY GOVERNOR
Gian Luca TREQUATTRINI	- DEPUTY GOVERNOR

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Andrea BRANDOLINI	- DIRECTOR GENERAL FOR ECONOMICS, STATISTICS AND RESEARCH
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Enzo SERATA	- DIRECTOR OF THE FINANCIAL INTELLIGENCE UNIT FOR ITALY

