



BANCA D'ITALIA
EUROSISTEMA

Report on Operations and Activities of the Bank of Italy

Key figures for 2020



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Unless otherwise specified, the data refer to the period from 1 January to 31 December 2020

The big picture

In 2020, the Bank of Italy allocated a total of €7.3 billion in net profits and taxes to the State.

During the pandemic emergency period, the Bank adopted extraordinary measures to ensure the performance of its functions at the service of the community.

A significant number of employees mainly worked remotely, thanks to the digitalization of work processes and the longstanding availability of technological devices. The activities to be done in the workplace were modified so that they can be carried out safely and in compliance with strict health protocols.

Following a long period in which staff numbers declined, there was a slight increase at the end of 2020. The number of employees seconded to foreign organizations remained the same.

Gross profit

€10.2 billion

Taxes and profits allocated to the State

€7.3 billion

Dividends paid to shareholders

€0.3 billion

Staff

6,671 employees

38% women

62% men

Staff turnover

280 new hires

202 retirements/resignations

Offices in Italy* and abroad

39 Branches in Italy

3 Delegations abroad, in London, New York and Tokyo

Staff seconded to foreign institutions and organizations

14 financial attachés**

109 employees***

32 employees at other supranational organizations

Remote working during the COVID-19 emergency

59% average share of employees working remotely****

350,000 online meetings

Website access statistics

541,000 users a month on average

2.5 million downloads*****

* Head office in Rome – ** That monitor the economies of 52 countries – *** At the European Central Bank and the Single Supervisory Mechanism – **** Using 7,320 laptops/tablets and 2,770 mobile phones – ***** The Bank of Italy's leading institutional and research publications

Money



The Bank of Italy collaborated with the Eurosystem in drawing up extraordinary monetary policy measures to provide liquidity to the markets and to support lending to households and firms during the pandemic crisis.

The purchases of public and private sector securities as part of the Asset Purchase Programme (APP) and the Pandemic Emergency Purchase Programme (PEPP) together with the additional refinancing operations brought the Bank's operativity to much higher levels than in previous years. To respond to the public's demand for cash, the Bank guaranteed the production of banknotes and continuity in cash distribution throughout Italy from the very beginning of the public health emergency.

Monetary policy

Purchases under the Eurosystem's APP* and PEPP** programmes

€201.4 billion
+178 billion compared with 2019

Monetary policy refinancing

€374 billion of loans
+70% compared with 2019

Collateral for refinancing operations and intraday credit

€436 billion – total guarantees
€ 147 billion – share of total guarantees relative to bank loans
+93% compared with 2019***

In-house Credit Assessment System (ICAS) for Italian non-financial companies

4,000 assessments
+3% compared with 2019

Banknotes

Euro banknotes printed

692 million

Euro banknotes put into circulation

2.45 billion

Counterfeit euro banknotes

65,200 sent to law enforcement agencies

* Asset Purchase Programme (APP) – ** Pandemic Emergency Purchase Programme (PEPP) – *** Variation relative to bank loans



The Bank continued its commitment to managing payment services. In TARGET2, the total value of operations settled rose slightly; in TARGET2-Securities, the volumes grew markedly in conjunction with the financial tensions caused by the pandemic; and in TIPS, the service for settling instant payments in real time, the number of reachable European banks increased. Dialogue with market operators was stepped up, with the aim of promoting innovation in the payments industry and facilitating concrete benefits for the financial system, consumers and firms. The Bank of Italy strengthened its commitment to the development of digital financial services (FinTech) and extended its monitoring to cover cyber threats.

Payment systems

Payments settled on TARGET2

345,000 per day
€1,810 billion
16% of euro-area GDP

TARGET2-Securities operations

687,500 per day
€673 billion*

Payments in TIPS**

5 seconds (maximum time for settling payments)
4.000 reachable financial intermediaries in Europe

Markets, payment system and payment instruments oversight

FinTech channel***

38,000 contacts****

Decisions on European and international oversight

406 to which the Bank contributed

CERTFin*****

1,850 reports
+54% compared with 2019

* In 2020, there was a reduction in the total amount settled because of a change in the methodology for TARGET2-Securities statistics – ** TARGET Instant Payment Settlement – *** Point of contact through which operators can present innovative projects in the financial services field – **** Made by operators that provide financial and payment services by means of innovative technology – ***** Computer Emergency Response Team of the Italian financial sector for cyber threats

The financial system



Supervision of banking and financial intermediaries focused on preventing and containing the impact of the COVID-19 emergency on the stability and smooth functioning of the banking and financial system. There were more supervisory actions, such as analyses, meetings, measures and intervention letters.

The restrictions imposed by the pandemic led to hybrid inspections of banks, consisting of remote analyses combined with on-site inspections. The number of sanctions proceedings was virtually the same as in 2019, although there was an increase in the total amount of sanctions imposed. Crisis management was characterized by the increase in the number of resolution plans for Italy's less significant banks; the number of compulsory administrative liquidation procedures remained stable.

As regards financial stability, the pandemic crisis meant that the macroprudential authorities had to adopt numerous measures to sustain the flow of credit. The Bank stepped up its participation in the work of international and European organizations in this area.

Supervision of banking and financial intermediaries

Contributions to the decisions of the Basel Committee, the EBA* and the SSM**

3,100 meetings, memos and written procedures

Supervisory interventions regarding banks and other financial intermediaries

15,900 analyses, meetings, intervention letters and main measures

Inspections

67 inspections

Sanctions

51 entities
€10 million

Crisis management

Compulsory administrative liquidation procedures managed

23 concerning banks
22 concerning other intermediaries

Resolution plans for Italian banks***

119 less significant banks
12 significant banks (contributions to the SRB)****

Financial stability and macroprudential policy

Contributions to the work on financial stability of the FSB, the ESRB and the ECB (FSC and MPF)*****

1,100 meetings, memos and written procedures

* European Banking Authority (EBA) – ** Single Supervisory Mechanism (SSM) – *** Resolution plans are documents drawn up by the resolution authorities for each intermediary – updated yearly – with the aim of identifying the strategy to be implemented in the event of a bank being in distress – **** Single Resolution Board (SRB) – ***** Financial Stability Board (FSB), European Systemic Risk Board (ESRB), Financial Stability Committee (FSC) and Macroprudential Forum (MPF)



Consumer protection

The Bank of Italy strengthened its commitment to protecting the customers of banks and financial firms by creating the Consumer Protection and Financial Education Directorate General. Monitoring the behaviour of banking and financial intermediaries is intended to verify compliance with the regulations on consumer protection. In confirmed cases of payments of fees that were not owed, intermediaries also refunded their customers.

During the pandemic crisis, the Banking and Financial Ombudsman (ABF) continued with its activity. The number of decisions, largely in favour of customers, was more or less the same as in 2019. The action of the Bank of Italy facilitated dialogue between banks and customers to resolve the issues raised in complaints, which in 45 per cent of cases were settled wholly or partly in favour of the customer. The increase in the number of complaints is largely linked to problems in accessing the support measures introduced because of the public health emergency.

To raise financial education levels, the initiatives aimed at the general public or at specific population sectors were enhanced: the portal called 'L'Economia per tutti' (Economics for Everyone), teaching materials for schools, 'Financial Education Month', themed events, webinars and work experience projects for students, which were also carried out online.

Consumer protection

ABF decisions

27,400 decisions
74% largely in favour of customers
€29 million awarded to complainants by the Panels

Complaints

15,000 complaints examined
45% with an outcome wholly or partially in favour of customers

Amounts refunded to customers*

€70 million
€630 million in the last six years

Financial education

Financial Education Month (October 2020) **25** online events
3,900 participants

Financial education publications distributed **92,000** total copies
87,000 copies for students

Work experience projects **188** online work experience projects offered
1,850 students involved

Financial education portal 'L'Economia per tutti' **20,000** web pages viewed on average per month

* Refunds by intermediaries following supervisory controls

Research and statistics



The high levels of analysis and research in the fields of economics, statistics and law led to an increase in the number of papers published. There were various studies on the effects of the pandemic on the economy and on the financial system.

The in-depth papers published in the collection of COVID-19 Notes informed the wider debate.

Two new series of publications were launched, one on the labour market and one on markets, infrastructures and payment systems. Another important research area is the impact of climate change on the economic and financial system.

Compared with the previous year, the number of questionnaires increased for the sample surveys sent to firms, economic operators and households. There was an increase in the number of training schemes for the central banks of emerging countries, which saw greater participation thanks to the use of online formats.

Papers published

225 publications*

Research papers

760,000 downloads*

Annual Report for 2019

36,000 downloads**

Statistical publications

1,100,000 downloads

Sample surveys

19,000 questionnaires sent to firms and economic operators

4,000 personalized reports giving feedback to respondent firms

7,000 interviews on households' economic conditions

Seminars and scientific conferences***

39 seminars

11 scientific conferences

Training for the central banks of emerging countries***

102 events

500 experts took part

56 participating countries

* Includes data on the new collection of COVID-19 Notes – ** Data refer to the period from 31 May 2020 to 30 April 2021 – *** As a result of the public health emergency, all activities have been carried out online since March 2020



Services for the State and for the general public

The volume of services provided to the State increased, such as the collections and payments carried out on behalf of central government and other public entities, and the placement of government securities.

Via the 'Online services for the public' platform, the Bank gives the public the chance to use information services easily and quickly, such as access to data held by the Central Credit Register and the Interbank Register of Bad Cheques and Payment Cards. The number of requests for these services rose compared with 2019.

There is now a help desk along with the Bank of Italy's toll-free number (800 19 69 69) for assistance in the event of problems in accessing the funding to support households and firms linked to the COVID-19 emergency.

Services for the State

Collections and payments on behalf of central government and public entities

107 million transactions
26 million worth of transactions because of the COVID-19 emergency (equal to around € **22,5** billion)

Siope+*

9,900 entities**

Placement of Italian government securities

260 transactions
€539 billion

Information services

Central Credit Register***

340,000 accesses

Interbank Register of Bad Cheques and Payment Cards****

32,000 reports sent to applicants

Toll-free number for access to funding linked to the COVID-19 emergency

1,200 requests*****

Exchange rates portal

40 million pages viewed

* Platform public entities can use to send payments and receipts to their treasurers – ** Figure for Regions, local entities and healthcare structures – *** Collects data on debt exposure of citizens and firms towards the banking and financial system – **** Automated database for bank and postal cheques and payment cards – ***** Reference period: 27 April 2020 - 30 April 2021

Commitment to culture, society and the environment



The Bank of Italy disbursed €85.5 million of extraordinary contributions to support the authorities and entities involved in managing the public and social health emergency. It also funded specific socially useful initiatives.

It continued with its commitment to high-level consultancy to the Parliament, to sharing the results of its research, to enhancing the Bank's artistic, bibliographic and archival heritage, to training young people and to promoting culture.

The carbon footprint of its equity portfolio improved; there was a further integration of sustainability criteria into financial investments, not only to all equity instruments but also to corporate bonds. There were also purchases of green bonds in dollars and in euros.

There were further reductions in CO₂ emissions thanks to the decrease in staff commuting and in business travel during the period of the epidemiological emergency.

Culture and society

Extraordinary contributions because of the COVID-19 emergency

€85.5 million
28 recipients

Contributions to socially useful initiatives

€4,3 million
144 initiatives

Contributions to the economic debate and parliamentary hearings

59 speeches by Governing Board members and other Bank officials
22 parliamentary hearings*

Internships

170 internships
30 universities involved

Research initiatives funded

27 research projects and fellowships

Environment

Carbon footprint of the euro-denominated equity portfolio

-12% carbon intensity compared with 2019**
-24% energy intensity compared with 2019***

CO₂ emissions

-28% total emissions compared with 2019
-81% business travel emissions compared with 2019
-49% commuter travel emissions compared with 2019

* Reference period: January 2020 - April 2021 - ** Ratio of CO₂ emissions of portfolio companies to the respective turnover -24% - *** Ratio of energy consumption of portfolio companies to the respective turnover

A series of seven horizontal lines in various colors (teal, brown, blue, orange, purple, green, yellow) spanning the width of the page.

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This brochure contains the key figures for the Bank of Italy's activities, described in the *Report on Operations and Activities of the Bank of Italy* on 2020 (only in Italian), available on the Bank's website



or accessible directly
by scanning this QR Code

A detailed description of the role and institutional objectives assigned by law to the Bank is given in the volume *The Bank of Italy. Functions and Objectives* (only in Italian), available on the Bank's website



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