



BANCA D'ITALIA
EUROSISTEMA

Report on Operations and Activities of the Bank of Italy

Key figures for 2021



Index

[The big picture](#)

[Money](#)

[Financial system](#)

[Research and statistics](#)

[Services for the state](#)

[Consumer protection and other services for the community](#)

[Commitment to culture, society and the environment](#)

Unless otherwise specified, the data refer to the period from 1 January to 31 December 2021

The big picture

In 2021, the Bank of Italy allocated a total of €6.8 billion in net profits and taxes to the State.

Over the year, the Bank made widespread use of remote working to protect the health of its employees and ensure the continuity of the services provided to the public, in part thanks to the further upgrading of the IT equipment made available to staff. In-person work was carried out in compliance with the health protocols in order to prevent the spread of COVID-19.

At the end of 2021, the number of staff remained essentially stable compared with the previous year. The slight reduction in staff numbers is linked to the slowdown in the hiring procedures because of the restrictions on holding selection exams imposed by the legislation introduced to combat the pandemic emergency. The number of employees seconded to foreign organizations rose compared with the previous year.



Gross profit

€9.2 billion



Taxes and profits allocated to the State

€6.8 billion



Dividends paid to shareholders

€0.3 billion



Staff

6,629 employees

38% female

62% male



Staff turnover

114 new hires

156 retirements/resignations



Bank offices in Italy and abroad¹

38 Branches in Italy²

3 Delegations abroad, in London, New York and Tokyo



Staff seconded to foreign institutions and organizations

14 financial attachés³

126 employees at ECB⁴ and SSM⁵

39 employees at other supranational organizations



Remote working during the public health emergency

59% average share of employees working remotely

450,000 online meetings



Website access statistics

785,000 users a month on average

2 million downloads⁶

¹ The Bank's Head Office is in Rome. - ² Data refer to 31/12/2021. The Rome Subsidiary Branch was closed down in November 2021. - ³ To monitor the economies of 52 countries. - ⁴ European Central Bank (ECB) - ⁵ Single Supervisory Mechanism (SSM). - ⁶ The figure refers to the Bank of Italy's leading institutional and research publications.

Money

The Bank of Italy helped to define the monetary policy decisions adopted by the ECB Governing Council and to implement them in Italy. It provided liquidity to credit institutions, mainly through targeted longer-term refinancing operations aimed at encouraging the supply of credit, and made further purchases of public and private sector securities under the asset purchase programme (APP) and the pandemic emergency purchase programme (PEPP), adjusting them to take account of changes in market and liquidity conditions. The Bank of Italy is also involved in the plan of action set out by the Eurosystem to include climate change in its framework for implementing monetary policy.

The Bank guaranteed the production and selection of banknotes, and continuity in their distribution throughout Italy, and met the public's demand for cash, adopting strict health protocols and targeted organizational measures made necessary by the ongoing health emergency.

Monetary policy



Purchases made by the Bank of Italy under the APP¹ and PEPP² programmes

€186.4 billion

€666 billion, total portfolio at the end of the year



Monetary policy refinancing

€453 billion worth of loans

72 transactions



Collateral for refinancing operations and intraday credit

€513 billion worth of total guarantees

€161 billion (share of total guarantees relative to bank loans)



In-house Credit Assessment System (ICAS) for Italian non-financial companies³

334,000 assessments based on the statistical model

4,000 assessments also based on a subsequent qualitative and quantitative review⁴



Contributions to the decisions of the Eurosystem Committees⁵

430 written procedures

Banknotes



Euro banknotes printed⁶

663 million banknotes



Euro banknotes put into circulation⁷

2.28 billion banknotes



Counterfeit euro banknotes

50,600 banknotes sent to law enforcement agencies



Contributions to the decisions of the Eurosystem Committees⁸

280 written procedures

¹ The Eurosystem's Asset Purchase Programme (APP). – ² The Eurosystem's Pandemic Emergency Purchase Programme (PEPP). – ³ The In-house Credit Assessment System (ICAS) produces both ratings prepared by analysts and estimates of the probability of default made using a statistical model. – ⁴ Prepared by financial analysts. – ⁵ On monetary policy operations and risk control. – ⁶ Number of banknotes printed by the Bank during the year, according to the amounts established by the ECB for each Eurosystem national central bank. – ⁷ Includes newly printed banknotes, also produced in different years, and those collected that, having been checked and deemed fit for purpose, are returned to circulation. – ⁸ On the production and circulation of banknotes.

The Bank continued in its commitment to managing payment services. In TARGET2, the number of transactions and their value increased, exceeding pre-pandemic levels; in TARGET2-Securities, the volumes settled continued to grow, and in TIPS, the service for settling instant payments in real time, the numbers of the transactions settled and of reachable European banks both increased.

The Bank of Italy strengthened its commitment to the digital development of financial services, thanks to the launch of two additional channels for dialogue with the market: Milano Hub and the regulatory sandbox. Milano Hub is the space dedicated to developing innovative projects to support Italy's economy; the regulatory sandbox is a controlled environment where intermediaries and operators in the FinTech sector can test technologically innovative solutions for a limited period of time. These two initiatives have been added alongside the FinTech Channel. The Bank of Italy stepped up its dialogue with operators of technological and network systems and infrastructures and enhanced its monitoring of cyber threats.

Payment systems



Payments settled in TARGET2

373,000 per day⁹
€1,876 billion¹⁰
15% of euro-area GDP¹¹



Payments in TIPS¹²

6.9 million (2021)¹³
18.4 million (January - April 2022)¹⁴
6,500 reachable financial intermediaries in Europe



Transactions in TARGET2-Securities

726,000 per day¹⁵
€691 billion¹⁶



Contributions to the decisions of the Eurosystem Committees¹⁷

288 written procedures

Markets, payment system and payment instruments oversight



Hits on the Bank of Italy website:

15,626 FinTech channel
13,106 Milano Hub
16,312 Regulatory sandbox



Meetings with business managers

310



Contributions to the decisions of the Eurosystem Committees¹⁸

334 written procedures



CERTFin¹⁹

2,439 reports

⁹ Average daily number. – ¹⁰ Average daily value. – ¹¹ Average daily value for payments in relation to GDP. – ¹² TARGET Instant Payment Settlement. – ¹³ Total number of payments over the year. – ¹⁴ Total number of payments from January 2022 to April 2022. – ¹⁵ Average daily number. – ¹⁶ Average daily value. – ¹⁷ On payment systems and settlement of Eurosystem securities. – ¹⁸ On oversight, market infrastructures and payment systems. – ¹⁹ Computer Emergency Response Team of the Italian financial sector.

Financial system

There was an increase in supervisory actions regarding banks and non-banking intermediaries, such as analyses, meetings, measures and intervention letters.

In 2021, inspections continued to be carried out by making ample recourse to a hybrid approach that combines remote analyses with on-site inspections. There were more inspections compared with the previous year.

The number of entities subjected to sanctions increased compared with last year; the total amount of sanctions imposed remained essentially stable.

As regards crisis management, there were fewer compulsory administrative liquidation procedures. The drawing up of resolution plans for banks continued. For less significant banks, almost total coverage was achieved during the 2021 cycle.

With respect to financial stability, the Bank contributed to the work of international and European institutions dealing with systemic risk analysis and coordinating policies for preserving financial stability.

Supervision of banking and financial intermediaries



Contributions to the decisions of the Basel Committee, the EBA¹ and the SSM

3,200

meetings, documents and written procedures



Supervisory interventions regarding banks and non-banking intermediaries

16,300

analyses, meetings, intervention letters and measures



Inspections

122

inspections



Sanctions

**109
€9**

entities
million



New authorized financial intermediaries

45

Crisis management



Compulsory administrative liquidation procedures managed

20

concerning banks

21

concerning other intermediaries



Resolution plans for Italian banks²

112

less significant banks

12

significant banks (contributions to the SRB³)



Compulsory liquidations of funds managed by asset management companies (SGRs)

16

funds



Contributions to the decisions of the SRB, the EBA and the SSM

197

written procedures

Safeguarding financial stability and macroprudential policies



Contributions to the work on financial stability of the FSB⁴, the ESRB⁵ and the ECB (FSC and MPF)⁶

1,100

meetings, documents and written procedures

¹ European Banking Authority (EBA). – ² Resolution plans are documents drawn up by the resolution authorities for each intermediary – and updated yearly – with the aim of identifying the strategy to be implemented in the event of a bank being in distress. – ³ Single Resolution Board (SRB). – ⁴ Financial Stability Board (FSB). – ⁵ European Systemic Risk Board (ESRB). – ⁶ Financial Stability Committee (FSC) and Macroprudential Forum (MPF).

Research and statistics

The Bank of Italy's analysis and research areas continued to provide their support to the Eurosystem's monetary policy decision-making process and to the drafting of the measures adopted by the Italian government and the European authorities to foster economic recovery following the serious crisis caused by the health emergency.

Another important research area is the study of the impact of climate change on the economic and financial system.

The Bank's publications expanded to include a new series, designed to spread awareness of the impact of innovation and digital technologies on the functioning of payment systems.

The total number of research papers of an economic and financial nature reached the highest level of the last twenty years. There was an increase in the number of international conferences and workshops organized by the Bank, often in collaboration with universities, international organizations and other central banks.



Papers published

248 publications



Research papers

663,900 downloads



Annual Report for 2020

43,991 downloads¹



Sample surveys

19,000 questionnaires sent to firms and economic operators

13,000 interviews on households' economic and financial conditions



Statistical publications

710,000 downloads



Training for the central banks of emerging countries²

67 events

60 participating countries

950 experts took part



Seminars and scientific conferences²

68 seminars

17 scientific conferences

¹ Data refer to the period from 31 May 2021 to 30 April 2022. – ² As a result of the public health emergency, activities have been carried out in hybrid form or online since March 2020.

Services for the state

The volume of services provided to the State, such as the collections and payments carried out on behalf of central government and the placement of government securities, remains high compared with the years prior to the pandemic emergency, although it is slightly down against the peak recorded in 2020. Both the number of operations carried out on the Siope+ platform and the number of entities increased.



Collections and payments on behalf of central government and public entities

99 million transactions



Siope+¹

62 million transactions

10,000 entities involved²



Placement of Italian government securities

229 transactions

€471 billion

¹ A platform that public entities can use to send payments and receipts to their treasurers. – ² Figure for Regions, local entities, healthcare structures and schools.

Consumer protection and other services for the community

The Bank of Italy is committed to protecting the customers of banks and financial firms by means of its dedicated Directorate General for Consumer Protection and Financial Education. Monitoring the conduct 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 must refund their customers. The Banking and Financial Ombudsman (ABF) decides on disputes between private citizens and banking and financial intermediaries. The number of decisions, largely in favour of customers, was more or less the same as in 2020. The Bank of Italy also facilitates dialogue between banks and their customers to resolve the issues raised in complaints. In recent years, just under half of the cases were settled wholly or partly in favour of customers. To raise financial education levels, the Bank offers several initiatives aimed at the general public or at specific population sectors: the portal called 'Economics for Everyone', teaching materials for schools, 'Financial Education Month', themed events, webinars and work experience projects for students. Participation in these initiatives increased in 2021. 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 2020.

Consumer protection



ABF decisions

27,400 decisions
65% largely in favour of customers
€31 million awarded to complainants by the Panels



Complaints

13,300 complaints examined
42% with an outcome wholly or partially in favour of customers



Amounts refunded to customers¹

€35 million
€668 million in the last seven years

Financial Education



Financial Education Month (October 2021)

114 events, mainly held online
11,000 participants



Teaching materials distributed to schools

115,300 total copies
107,000 copies for students



Work experience projects

240 work experience projects
2,400 students involved



Financial education portal 'Economics for everyone'

47,000 web pages viewed on average per month

Information services



Central Credit Register²

500,000 accesses



Interbank Register of Bad Cheques and Payment Cards³

40,000 reports sent to applicants



Exchange rates portal

132 million web pages viewed

¹ By intermediaries following the requisite checks. – ² Collects data on debt exposure of citizens and firms towards the banking and financial system. – ³ Automated database for bank and postal cheques and payment cards.

Commitment to culture, society and the environment

The Bank continued to provide high-level consultancy to the Parliament, to share the results of its research, to enhance the Bank's artistic, bibliographic and archival heritage, to train young people and to foster culture.

In 2021, the Bank of Italy funded several socially beneficial initiatives.

The Bank integrates environmental, social and governance (ESG) aspects into its investment decisions. The ESG criteria are applied to financial portfolio and foreign exchange reserves investments. In relation to the financial portfolio, all asset classes reported a lower carbon intensity compared with the benchmarks in 2021, while that of the foreign currency reserves was higher.

CO₂ emissions increased compared with 2020, mainly owing to a higher consumption of natural gas, due to the different ways in which central heating systems were to be operated, as established by Italian health protocols to combat the spread of the coronavirus. Electricity consumption instead fell by 2 per cent compared with the previous year.

Culture and society



Research initiatives funded

28

research projects and fellowships



Internships

230

internships



Contributions to the economic debate and parliamentary hearings

80

speeches by members of the Governing Board and other Bank officials

14

parliamentary hearings¹

8

written reports¹



Contributions to socially beneficial initiatives

€4.8

million

146

initiatives

Environmental



Carbon intensity of equity investments²

-24%

for euro-area equity investments

-40%

for US and Japanese equity instruments through units of collective investment undertakings



Greenhouse gas emissions

+7%

total emissions compared with 2020

-27%

total emissions compared with 2019



Electricity consumption

-2%

compared with 2020

¹ Reference period January 2021 - April 2022. - ² Greenhouse gas emissions of issuers in relation to turnover. The change is calculated in relation to the benchmark indices.

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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 2021* (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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