



SUPPLEMENT ON CONTINGENT LIABILITIES AND POTENTIAL OBLIGATIONS

2019
2020
2021
2022

Supplement on contingent liabilities and potential obligations to the EDP related questionnaire

under the provisions of Council Regulation 479/2009, as amended, and the Council Directive 2011/85/EU

Table 1:	Government guarantees	}	<i>Published December 2021</i>
Table 2:	Off-balance sheet Public-Private Partnerships (PPPs)		
Table 3:	Non-performing loans		
Table 4:	Liabilities of public corporations		
Table 5:	Value of government participation		

Abbreviations:
Not applicable: M
Not available: L

Table 1. Government guarantees (% GDP)				
Outstanding amount of guarantees	2017	2018	2019	2020
Total General Government	3,9	4,3	4,8	13,2
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	2,5	2,6	2,9	5,6
of which: public corporations	1,0	1,5	1,6	3,3
Memo item: financial corporations	1,4	1,2	1,4	0,8
Standardised guarantees				
Total stock of government guarantees	1,4	1,7	1,9	7,6
Central Government	3,7	4,2	4,6	13,1
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	2,3	2,5	2,8	5,4
of which: public corporations	1,0	1,5	1,6	3,3
Memo item: financial corporations	1,4	1,2	1,4	0,8
Standardised guarantees				
Total stock of government guarantees	1,4	1,7	1,9	7,6
State Government¹	M	M	M	M
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	M	M	M	M
of which: public corporations	M	M	M	M
Memo item: financial corporations	M	M	M	M
Standardised guarantees				
Total stock of government guarantees	M	M	M	M
Local Government²	0,2	0,2	0,2	0,2
One-off guarantees				
Total stock of guarantees, excluding debt assumed by government	0,2	0,2	0,2	0,2
of which: public corporations	L	L	L	L
Memo item: financial corporations	L	L	L	L
Standardised guarantees				
Total stock of government guarantees	L	L	L	L

Source: for Central Government data provided by the Ministry of Economy and Finance, for Local Government by the Bank of Italy.

Footnote 1: State government does not exist in Italy

Footnote 2: Local government contains: municipalities, provinces, local health units, regions, etc.

About the tables:

Data are coherent with ESA 2010 and MGDD 2014.

One-off guarantees: A one-off guarantee is defined as individual, and guarantors are not able to make a reliable estimate of the risk of calls. One-off guarantees are linked to debt instruments (e.g. loans, bonds).

Standardised guarantees: Standardised guarantees are guarantees that are issued in large numbers, usually for fairly small amounts, along identical lines. There are three parties involved in these arrangements- the borrower, the lender and the guarantor. Either the borrower or the lender may contract with the guarantor to repay the lender if the borrower defaults. It is not possible to estimate precisely the risk of each loan being in default but it is possible to estimate how many, out of a large number of such loans, will default. Examples are mortgage loan guarantees, student loan guarantees, etc.

Data do not include:

- Government guarantees issued within the guarantee mechanism under the Framework Agreement of the European Financial Stability Facility (EFSF)
- Derivative-type guarantees, that is guarantees that meet the definition of a financial derivative
- Deposit insurance guarantees and comparable schemes
- Government guarantees issued on events which occurrence is very difficult to cover via commercial insurance (earth quakes, large scale flooding, nuclear accidents, certain art exhibitions, etc).

Link to Eurostat site, on contingent liabilities and non-performing loans of government. These data have been provided by the EU Member States in the context of the Enhanced Economic Governance package2 (the "six pack"):

<https://ec.europa.eu/eurostat/documents/2995521/10396655/2-30012020-BP-EN.pdf/3096e14d-fa27-9f9e-0b29-0b7a59651dc2>

Table 2. Total outstanding liabilities related to PPPs recorded off-balance sheet of government (% GDP)				
	2017	2018	2019	2020
Adjusted capital value of off-balance PPPs				
Total General Government	0,01	0,01	0,01	0,01
<i>By sub-sector:</i>				
Central Government	0	0	0	0
State Government1	M	M	M	M
Local Government2	0,01	0,01	0,01	0,01
Social Security Funds	0	0	0	0

Source: Istat (data provided by the Department of Prime Minister -Technical Financial Project Unit)

Footnote 1: State government does not exist in Italy

About the tables:

Data are coherent with ESA 2010 and MGDD 2014.

Adjusted capital value: Initial contractual capital value in the contract is progressively reduced over time by the amount of the "economic depreciation" which is calculated on the basis of estimates or actual data. The adjusted capital value reflects the current value of the asset at the time of reporting. The amount is deemed to reflect the GFCF and debt impact in case that government would have to take over the assets during the life of the contract.

Comments:

Initial contractual capital value in the contract is progressively reduced over time by the amount of the "economic depreciation".

Table 3. Stock of non-performing loans provided by government (% GDP)

	2017	2018	2019	2020
Total General Government (consolidated)	0,01	0,01	0,00	0,01
<i>By sub-sector:</i>				
Central Government	0,01	0,01	0,01	0,01
State Government¹	M	M	M	M
Local Government²	0,00	0,00	0,00	0,00
Social Security Funds	L	L	L	L

GDP (million euro)

	2017	2018	2019	2020
	1.736.593	1.771.391	1.794.935	1.653.577

Footnote 1: State government does not exist in Italy

Footnote 2: Local government contains municipalities, provinces, health units, regions, etc.

About the tables:

Non-performing loans (government assets): A loan is non-performing when payments of interest or principal are past due by 90 days or more, or interest payments equal to 90 days or more have been capitalized, refinanced, or delayed by agreement, or payments are less than 90 days overdue, but there are other good reasons (such as a debtor filing for bankruptcy) to doubt that payments will be made in full.

Table 4. Liabilities of public corporations exceeding 0,01% of GDP - Year 2020 * (in % of GDP)					
ITALY	Total stock liabilities	of which by controlling sub sector			
		Central government	State government	Local government	Social security funds
Total outstanding liabilities of government controlled entities classified outside general government	65,0	61,8	M	3,2	M
of which:					
Liabilities of units involved in financial activities	42,1	42,0	M	0,1	M
Liabilities of units involved in other activities	22,9	19,8	M	3,1	M
<i>of which loss-making non-financial units</i>	<i>2,9</i>	<i>2,4</i>	-	<i>0,4</i>	M

* When data for the reference year are not available, data from previous years are taken into account.

Table 5. Participation of Government in the capital of Corporations exceeding 0,01% of GDP - year 2020* (in % of GDP)

A. Public corporations	5,1
detail 1	
detail 2	
B. Private corporations	0,2
detail 1	
detail 2	

* List of entities refers to the year 2019. Data for the reference year are provisional.

