

PRESS RELEASE

**Fintech, banks: Spunta, sector blockchain in production**

Banks operating in Italy can now use blockchain for the reconciliation of reciprocal accounts. Spunta Banca DLT, the project promoted by Abi and coordinated by Abi Lab, has successfully completed the technical tests and it is in production for the first group of banks partaking in the initiative. Today, 32 banks are operating on a blockchain, and have moved the whole process from a traditional method of exchanging phone calls and messages to a distributed ledger technology. The application of a blockchain for the Italian banking sector is therefore operational.

After the simulations and 1680 tests carried out between the end of January and the beginning of February all the target times were reached. From the beginning of March the process is operational. The query of the data and the execution of the simplest operations is performed in less than a second, even in the most complex cases, while the report generation takes place in half a minute. During the tests, 103 reciprocal accounts were generated, bilateral registers, fed with 7 million movements in terms of real data. The automatic matching rate recorded was 94.5%

On the basis of these satisfactory results, the pilot banks participating in the project agreed to go in production as per the scheduled plan.

The 23 banks that will operate in the second migration wave are already in the implementation phase. This group will go into production in May 2020. The third wave is already scheduled for October.

**The partners**

The project promoted by Abi, coordinated by Abi Lab - the banking research and innovation centre - promoted by the Italian banking association, for the application of a blockchain to the interbank reconciliation process, sees the commitment of the technical partners NTT DATA and SIA, in addition to R3 with the Corda Enterprise platform.

**The interbank reconciliation**

The update of the Agreement for the maintenance of reciprocal accounts between banks has allowed the whole sector to adopt the new procedure starting from March. As mentioned earlier, two more migration waves are expected in May and in October.

The new platform verifies the correspondence of activities involving two different banks. The interbank reconciliation process in Italy is linked to operations traditionally carried out by the back office, aimed at reconciling the transactions flows that generate accounting entries in the mutual accounts in Italy and manage pending transactions. Until now, reconciliation was based on bilateral registers, with a low level of standardisation and operating processes that were not very advanced. The application of a distributed ledger technology (DLT) to the reconciliation process in Italy makes possible to automatically detect mismatched transactions using a shared algorithm; to standardise processes and communications, and to give the interested parties the possibility of being able to view the reciprocal transactions. Therefore, the new Spunta enables banks to have full visibility of the reciprocal movements; to perform checks on a

daily rather than on a monthly basis; to share the matching rules; to rely on an integrated communications and processes management in the event of an imbalance.

### **Blockchain - Distributed ledger technology (DLT)**

The blockchain, also intended as distributed ledger technology (DLT), allows a large database to be spread and distributed on multiple nodes, i.e. on multiple machines connected to each other. This allows to think and design the relation and exchanges between the participants in a different way.

With the Spunta Banca DLT project, the Italian banking association aims to bring the blockchain into the Italian banking sector in a concrete way, through an infrastructure for banks operating in Italy that in the future will also be able to host other applications. With the Spunta blockchain, banks have a way for possible future developments. The Italian banking sector is a major player in the blockchain landscape and therefore in innovation.

### **Pilot banks**

18 banks / banking groups work and govern the project, representing 78% of the banking world in terms of number of employees. Up to now, have actively participated in the choices, implementation and testing of the new distributed technology:

Banca Mediolanum, Banca Monte dei Paschi di Siena, Banca Popolare di Puglia e Basilicata, Banca Popolare di Sondrio, Banca Sella, Banco di Desio e della Brianza, Banco BPM, BNL - BNP Paribas Group, BPER Banca, CheBanca!, Crédit Agricole Italia, Credito Emiliano, Credito Valtellinese, DEPObank, ICCREA Banca, Intesa Sanpaolo, UBI Banca, UniCredit.

The project activities involved a community, coordinated by ABI Lab, of over 150 representatives of the pilot banks, from the operators to the management, in addition to the development team, consisting of the partners SIA, NTT DATA and R3, with over 80 people.

### **And those in migration**

32 banks went in production since the beginning of March.

Banca Akros, Banca Aletti, Banca di Sassari, Banca Fideuram, Banca Mediolanum, Banca Monte dei Paschi di Siena, Banca Patrimoni Sella & C., Banca Popolare di Puglia e Basilicata, Banca Popolare di Sondrio, Banca Sella, Banca Sella Holding, Banco di Desio e della Brianza, Banco di Sardegna, Banco BPM, BNL - BNP Paribas Group, BPER Banca, Cassa di Risparmio di Bra, Cassa di Risparmio di Saluzzo, CheBanca!, Crédit Agricole Friuladria, Crédit Agricole Italia, Credito Valtellinese, DEPObank, ICCREA Banca, Intesa Sanpaolo, Intesa Sanpaolo Private Banking, IW Bank, MPS Capital Services, MPS Leasing e Factoring, UBI Banca, UniCredit, Widiba.

### **Additional 23 banks on the blockchain from May**

Banca del Fucino, Banca del Piemonte, Banca di Cividale, Banca di Imola, Banca Euromobiliare, Banca Generali, Banca IFIS, Banca Popolare del Frusinate, Banca Popolare del Lazio, Banca Popolare di Fondi, Banca Popolare Valconca, Banca Privata Leasing, Banca Sviluppo Tuscia, Banca UBAE, Banca Valsabbina, Banco di Lucca e del Tirreno, Banca Popolare di Bari, Cassa di Risparmio di Fermo, Cassa di Risparmio di Orvieto, Cassa di Risparmio di Volterra, Credito Emiliano, Imprebanca, La Cassa di Ravenna.

Rome, 28 april 2020