

Introduction to
the role and responsibilities of the

European Central Bank

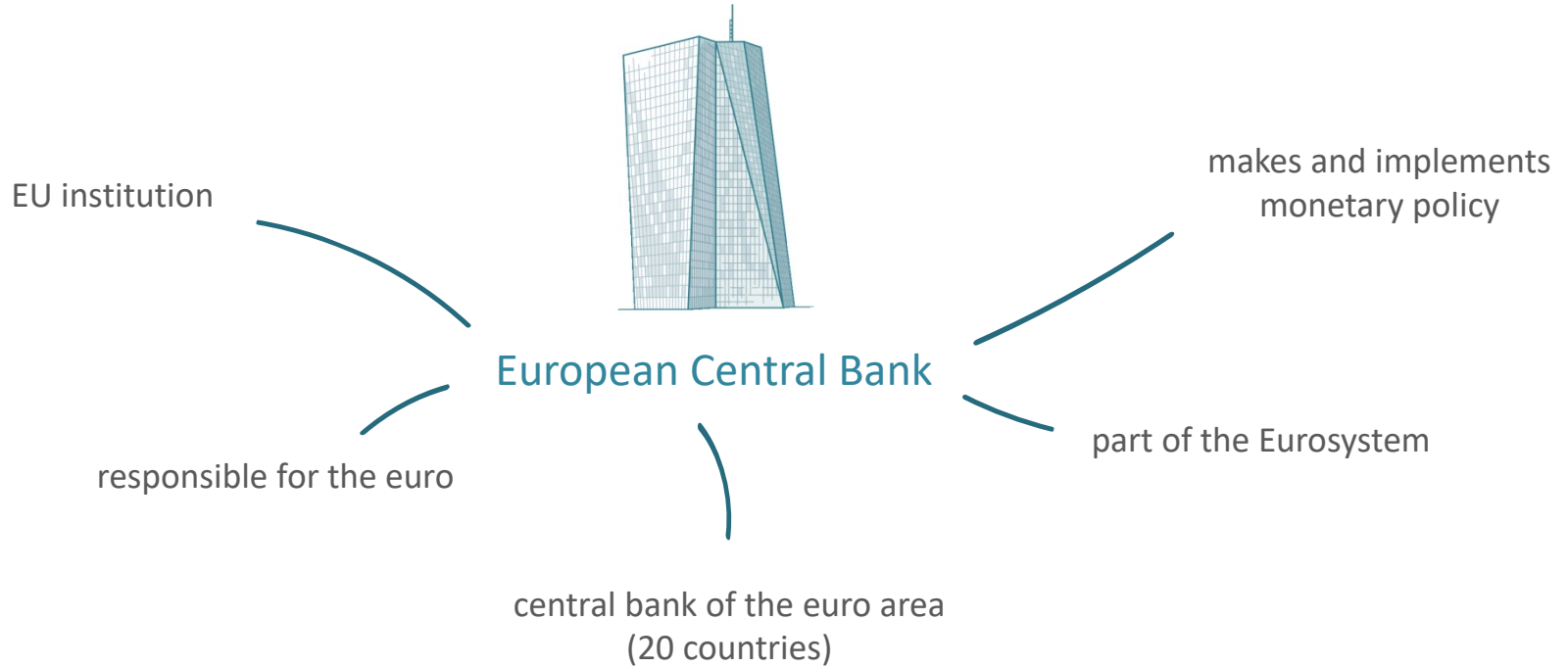
ECB Back to school: Pythagorean Lyceum of Samos

Maria Frantzi, Supervisory Data Technologies Team Lead

3 April 2024, Samos - Greece



Bank of banks in Europe



European integration

European Coal and Steel Community

Treaty of Paris

"make war between France and Germany [...] not merely unthinkable, but materially impossible ..."

Robert Schuman



1952

1958



European Economic Community
European Atomic Energy Community
Treaties of Rome

European Communities

Treaty of Brussels

(so-called Merger Treaty)



1967

European Central Bank

Established on 1 June 1998



1998

1993



European Union
Treaty of Maastricht

Economic and Monetary Union

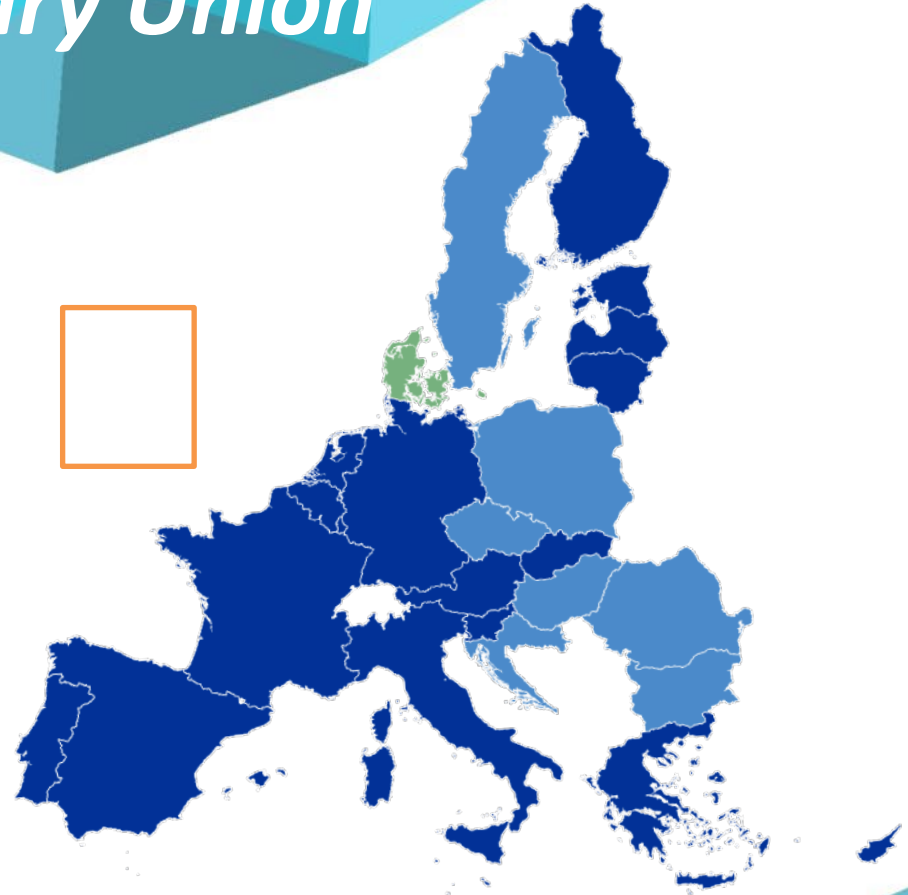
- EU Member States that have adopted the euro
- EU Member State with a special status
- EU Member States with a derogation



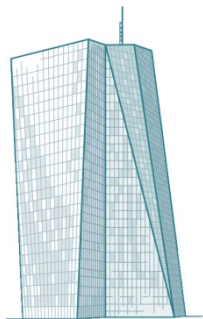
Monetary policy is centralised at supranational level



Fiscal, economic and financial policies are partly formulated at the national level



Main tasks of the ECB



European Central Bank



Monetary policy: Eurosystem

Responsible for the single monetary policy aimed at keeping prices stable



Banking supervision: SSM

Works to keep banks sound through the Single Supervisory Mechanism (SSM)

Eurosystem



Centralised decision making
with local implementation



Objective

“1. The primary objective of the European System of Central Banks [ESCB] shall be to maintain price stability.

Without prejudice to the objective of price stability, the ESCB shall support the general economic policies in the Union with a view to contributing to the objectives of the Union as laid down in Article 3 of the Treaty on European Union.”

Treaty on the Functioning of the European Union (Article 127)



Definition of price stability

A year-on-year increase in the
Harmonised Index of Consumer Prices (HICP)
for the euro area

of below, but close to, 2%
over the medium term.

Price stability

Why below, but close to, 2%?



Measurement buffer

To account for the fact that inflation figures can be slightly overstated



Safety margin

To provide protection against the potential risk of deflation



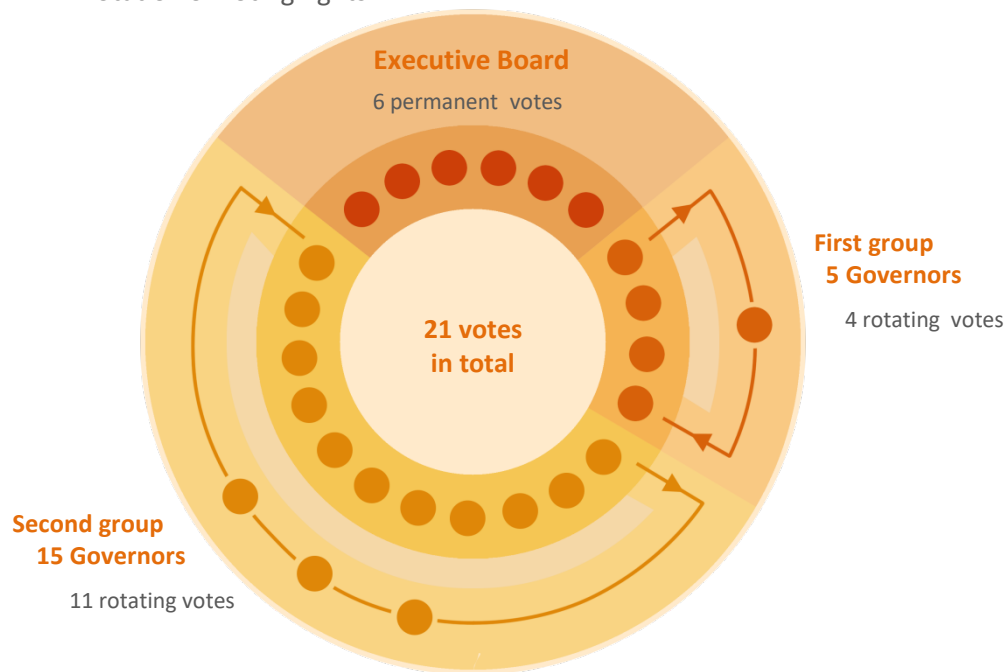
Country differences

To leave room for variations in inflation levels across the euro area

Decision makers

Governing Council

rotation of voting rights



Executive Board



Christine Lagarde
President of the ECB



Luis de Guindos
Vice-President
of the ECB



Philip R. Lane



Frank Elderson



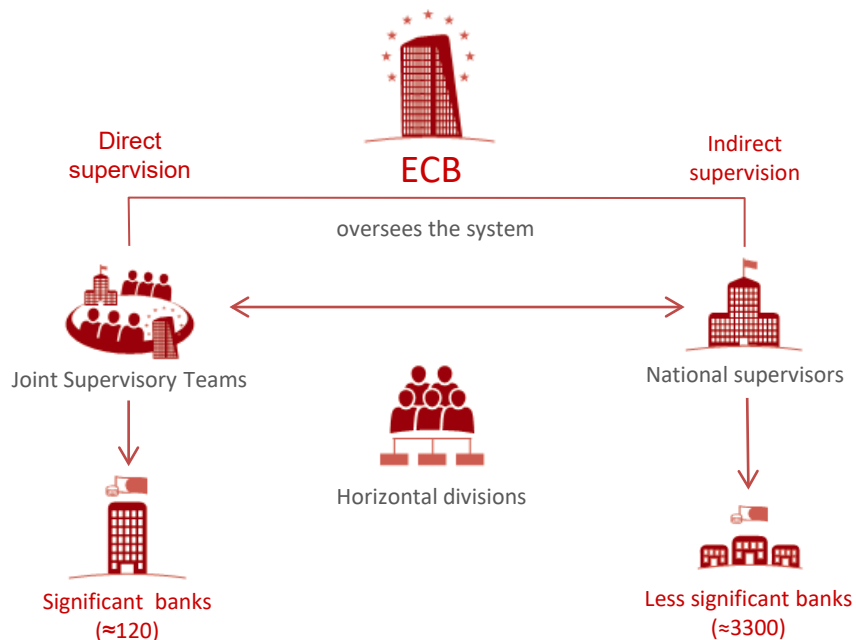
Piero Cipollone



Isabel Schnabel

European banking supervision

Single Supervisory Mechanism



Significant banks

Some of the significance criteria:

- total value of assets exceeds €30 billion
- one of the three largest banks in a country
- requested or received funding from the European Stability Mechanism or the European Financial Stability Facility

ECB “call back right” for non-significant banks

Separation from monetary policy function

Single supervision in general

Based on common rules and supervisory practices

Open to EU countries that are not part of the euro area

#InsideOut #inNumbers



4300 staff from all **27** EU member states



26 average age of trainees and
31 of graduate programme participants



30 Business Areas



> 500 trainees in 2023



51% of staff between 18-40 years



18 new starters in the Graduate Programme

#BusinessAreas

Banknotes

Communications

Corporate Services

Data Office

Economics

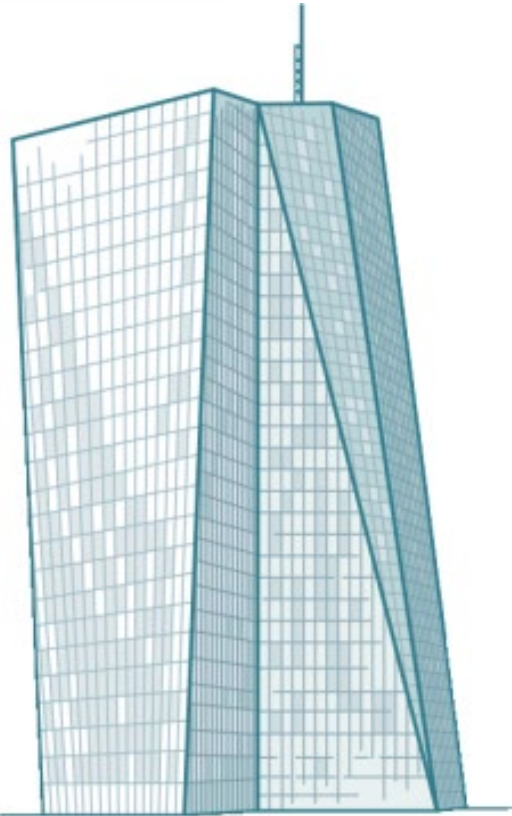
European Systemic Risk Board

Executive Board

Financial Stability

Internal Audit

International Relations



Human Resources

Legal Services

Market Infrastructure & Payments

Market Operations

Monetary Policy

Research

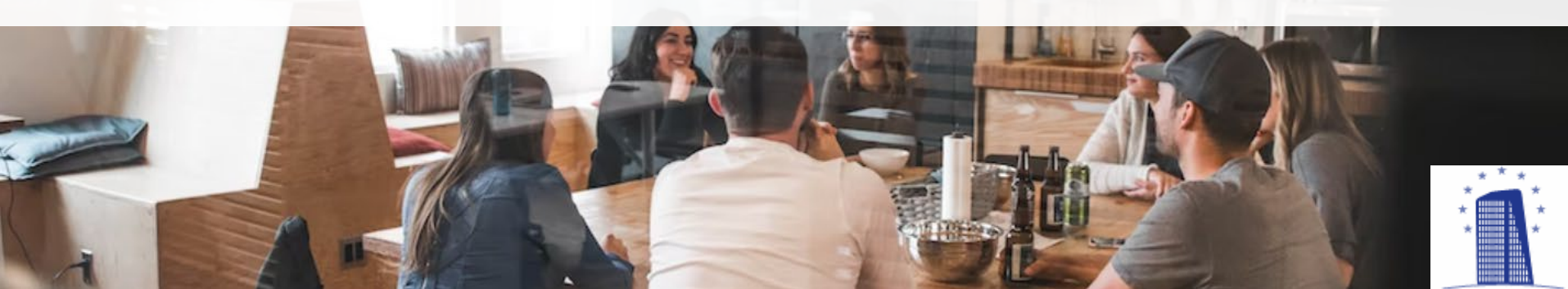
Risk Management

Secretariat

SSM Banking Supervision

Statistics

#InsideOut



Multicultural environment

- People from all over Europe, and beyond
- Diversity & Inclusion Networks

Pioneer

- Impact on central banking and banking supervision

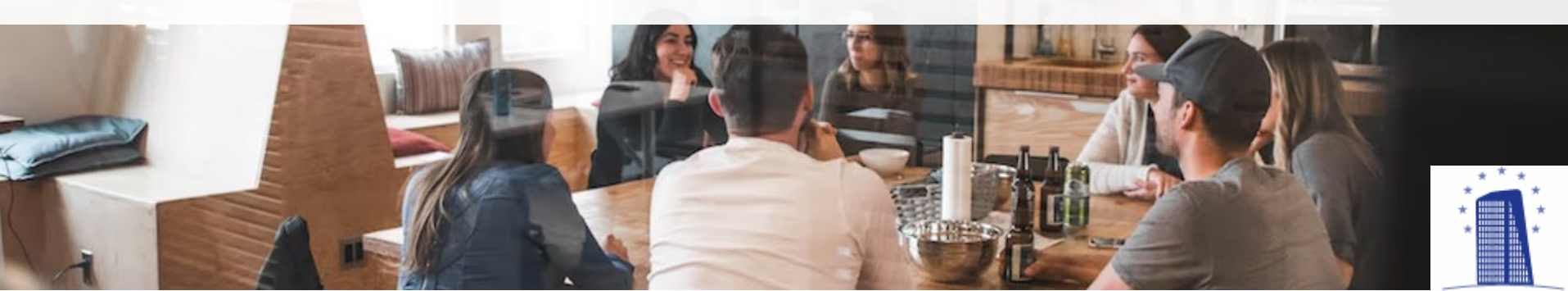
Climate commitment

- Managing climate-related risks
- Supporting the green transition
- Fostering wider action

Cutting-edge technology

- Setting the pace of cutting-edge solutions

#InsideOut #tellMeMore



Supporting Staff Professional Growth

- Mentoring
- Job shadowing
- External Job Experience
- Trainings & TechTalks
- Master studies relative to job position
- Access to various online resources

Well-being and personal growth

- Medical Centre
- Virtual Centre of Wellbeing
- Social Counsellors and Employee Assistance Programme
- Training offer on mindfulness, stress management

#D&I

ECB DIVERSITY NETWORKS
WHO WE ARE, WHAT WE DO, HOW TO JOIN US
United in Diversity



DiversAbility Network

Ethnic & Cultural Group

Parents Network



Rainbow Network

Women Organise Women

Women in Leadership

After 25 years, the euro prepares for the digital age

Digital payments: on the rise*

From 2019 to 2022:



Cash payments fell from 72% to 59%**



Card payments rose from 25% to 34%**, of which most were contactless



Online purchases rose from 6% to 34%**



A digital euro: bridging the gap

Complementing physical central bank money



Integrating central bank money and modern payment trends



Ensuring the euro remains fit for purpose in the digital age



* [Study on the payment attitudes of consumers in the euro area \(SPACE\)](#), ECB, December 2022.

** As a proportion of total payments

A unique payment option for 349 million citizens in the euro area

Current payment options that will continue to exist



Cash



Card



Bank
account



Other digital
payments



Digital euro: an additional way to pay across Europe

Bringing cash-like features to the digital world



Pan-European



Free for euro
area citizens



High privacy



Available **offline**

An easy, user-friendly digital euro for everyday payments

HOW THE DIGITAL EURO WOULD WORK

DIGITAL EURO ACCOUNT

With a bank or deposit-taking institution or through an app/card issued by the ECB

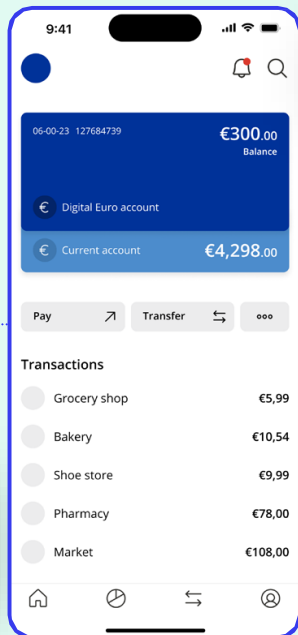
Issued directly by the ECB

FUNDING SOURCES

PUBLIC SERVICES
(E.G. POST OFFICES)

ATM

FROM CURRENT ACCOUNT



DIGITAL EURO TRANSACTIONS

1 HOLDING LIMIT

(To be determined)

2 AUTOMATIC OVERFLOW

Assume a holding limit of €1,000.

If you receive a payment that pushes your balance above the holding limit, the surplus would be transferred automatically to your linked account.

If there is no account linked, the transaction will be declined.



ONLINE PURCHASES



OFFLINE PAYMENTS



IN-STORE PURCHASES



PERSON-TO-PERSON PAYMENTS



ATM CASH CONVERSION

#LearnMore



Learn more about the
ECB



Ask about career
option to our Chatbot



Set Job Alerts



A decorative background consisting of various shades of green triangles and polygons, primarily located at the top and bottom edges of the slide.

Thank you for your attention!