



Fondo Interbancario di Tutela dei Depositi

Interbank Deposit Protection Fund

**Statutes
and
By-Laws**

March, 2006

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Official recognition of the Fund

The Bank of Italy, in view of:

a) Directive 94/19/EC of 30 May 1994;

b) Law n. 52 of 6 February 1996, Article 23;

c) Italian Legislative Decree n. 659 of 4 December 1996

officially recognized, on 10 December 1996, the Fondo Interbancario di Tutela dei Depositi, whose activities are governed by the present Statutes, which were approved by the General Meeting on 11 December 1996 and amended by the General Meeting on 26 March 1997, 25 March 1998, 17 March 1999, 16 February 2000, 23 March 2001, 18 February 2004 and 22 March 2006.

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Article 1

Legal Nature and Purposes

1. The Interbank Deposit Protection Fund (hereinafter the Fund) is a private-law consortium of banks, created for the purpose of guaranteeing the depositors of member banks. The financial resources for this purpose are provided by the consortium members.
2. The headquarters of the Fund is in Rome, Via del Plebiscito, 102.
3. The Fund shall exist until 31st December 2050. On that date, the General Meeting may extend this date or liquidate the Fund and designate one or more liquidators, having specified powers.
4. The activities and the organization of the Fund are governed by the present Statutes, by the Appendix to the Statutes, which constitutes a supplement thereto, and by the By-Laws adopted by the General Meeting upon the proposal of the Board and with the approval of the Bank of Italy.
5. Matters not provided for by the Statutes and the By-Laws shall be governed by the provisions of Book V, Title X, Chapter II of the Italian Civil Code regarding consortia, as these are in accordance with the Statutes and By-laws.

Article 2

Membership to the Fund

1. All Italian banks except for mutual banks ("banche di credito cooperativo") must be members of the Fund.
2. Membership is open to the branches of European Union banks operating in Italy, for the purpose of supplementing the deposit protection provided by their home country schemes, as provided for by Article 1, paragraphs 3 and 4 of By-Laws.
3. Non-EU banks authorized to do business in Italy may be members of the Fund, save for cases in which they are members of an equivalent foreign deposit protection scheme in compliance with the applicable Italian laws in force.
4. The procedures for membership are governed by the By-Laws.

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Article 3

Subjects Covered

1. The Fund shall guarantee, within the limits set forth in the present Statutes, the depositors of Italian member banks, depositors of members' foreign branches in European Union countries, and depositors of branches in Italy of European Union and non-EU members.
2. The Fund can also insure depositors of Italian member banks that have branches operating in countries outside the European Union. The guarantee offered by the Fund is equal to the level of coverage guaranteed in those countries where a deposit insurance scheme exists, and will in any case not exceed the limit set forth in these Statutes.

Article 4

Interventions

1. The Fund shall intervene:
 - a) in cases of compulsory administrative liquidation of member banks authorized to do business in Italy and, with regard to the Italian branches of EU banks, in cases in which the home country deposit protection scheme has intervened;
 - b) in cases of a special administration of member banks authorized to do business in Italy.
2. The Fund shall intervene on behalf of and in the interest of its members.
3. The Fund's interventions are subject to the authorization of the Bank of Italy.

Article 5

Termination of Membership

1. Membership to the Fund may be terminated:
 - a) by expulsion;
 - b) by opting out.

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Article 6

Expulsion from the Fund

1. The Fund may initiate expulsion proceedings for a member in cases of extremely serious violation of the statutory obligations, with regard to:
 - a) their position with respect to the balance-sheet ratios as provided for in the Appendix to the Statutes;
 - b) contributions for interventions and for operating expenses, when the state of non-compliance persists for more than three months notwithstanding the application of the sanctions, as provided for in Article 9 of the Statutes;
 - c) reporting of data, when the state of non-compliance persists for more than six months notwithstanding the application of the sanctions provided for in Article 9 of the Statutes.
2. The Fund, with the Bank of Italy's approval, shall initiate the expulsion proceedings by charging the member with the violation and setting a deadline of one year for such member to comply with its Statutory obligations.
3. If the member re-establishes a state of compliance within the period of one year set forth in paragraph 2, the Fund shall inform said member of the revocation of the expulsion proceedings.
4. If the member fails to re-establish a state of compliance within the period of one year as set forth in paragraph 2, the Fund may grant one or more extensions totaling no more than one year or, with the prior authorization from the Bank of Italy, the Fund may determine its expulsion, notifying its resolutions to the member.
5. The measures set forth in the present Article are effective with respect to the member as of the date on which said member receives notification there of.
6. During the course of the expulsion proceedings, all the obligations relating to Fund membership remain in force. The Fund shall protect the member's depositors for all deposits made with the member prior to effective expulsion.
7. The expulsion proceedings for branches of European Union banks shall be carried out in compliance with the provisions of Article 4, paragraph 4 of Directive 94/19/EC.

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Article 7

Members under Special Administration

1. No expulsion proceedings can be initiated or continued with regard to a member subject to special administration.
2. When a member, formerly under special administration, returns to ordinary administration, such member is in one of the three conditions that could make it subject to expulsion as provided for by Article 6, paragraph 1 (a) and extensions for a maximum period of three years may be granted, in derogation of that provided for by Article 6 paragraph 4.
3. Members under special administration may attend the General Meeting without having voting rights.
4. As of the date on which a member is placed under special administration, representatives of such member must resign from any positions they may hold on the Board, the Executive Committee or the Board of Auditors of the Fund.
5. Members under special administration shall not take part in disbursements for interventions and shall be excluded from the calculation of the contributions levied on members with respect to intervention commitments.
6. For purposes of interventions provided for by Article 28 of the present Statutes, the Fund may request that the Commissioners supply the necessary information and criteria for evaluation, in accordance with the Bank of Italy.
7. The provisions set forth in paragraphs 3, 4, and 5 shall apply also to members subject to compulsory administrative liquidation.

Article 8

Opting out of the Fund

1. A member may opt out of the Fund providing six months' advance notice; such notice period begins as of date of the Fund's receipt of the notification. The member shall simultaneously inform the Bank of Italy of opting out.
2. Pending the termination of the notice period specified in paragraph 1, the member withdrawing its membership remains subject to all the obligations relating to Fund membership. The Fund shall compensate depositors for all

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deposits made with the such member up to the time when the opting out becomes effective.

Article 9

Sanctions

1. The Fund shall apply the sanctions provided for by the present Article in case of violation of the obligations set forth in these Statutes, as far as regards:
 - a) the member's position with respect to the balance-sheet ratios indicated in the Appendix to these Statutes, Part I;
 - b) contributions and data reporting;
 - c) publicity concerning its participation in the Fund.
2. The Fund, after hearing the member involved and the holding bank to which the member belongs, shall apply one of the following sanctions:
 - a) suspension of the member's voting rights at the General Meeting until such member has complied with its statutory obligations;
 - b) removal of the member's representatives from any positions on the Board, the Executive Committee or the Board of Auditors of the Fund;
 - c) pecuniary sanctions up to a maximum of 100.000,00 Euro in cases of the violations specified in paragraph 1 (b) and (c). The amounts collected by the Fund shall be allocated to its operating expenses.
3. The Fund shall notify the Bank of Italy of the sanctions applied.

Article 10

Organs of the Fund

1. The organs of the Fund are:
 - a) the General Meeting;
 - b) the Board;
 - c) the Executive Committee;
 - d) the Chairman;

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- e) the Board of Auditors;
- f) the Secretary General.

Article 11

The General Meeting: Powers and Responsibilities

1. The General Meeting shall:
 - a) elect the Chairman;
 - b) elect the members of the Board;
 - c) elect the members of the Executive Committee;
 - d) elect the members of the Board of Auditors;
 - e) elect the Secretary General;
 - f) determine the compensation of the members of the Board and the members of the Board of Auditors;
 - g) decide upon the liquidation of the Fund;
also, upon the proposal of the Board, the General Meeting shall:
 - h) pass amendments to the Statutes and to the By-Laws, with the approval of the Bank of Italy;
 - i) determine the total amount of the money to be paid to the Fund as provided for by Article 21, paragraph 1;
 - j) determine the amount of the Consortium as provided for by Article 22, paragraphs 3 and 4.
2. Upon the proposal of the Board, the General Meeting shall approve:
 - a) the balance-sheet;
 - b) the annual budget for operating expenses and the minimum contribution levy in this regard.

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Article 12

The General Meeting: Regulations

1. The General Meeting shall be convened by the Chairman according to the procedures set forth in the By-Laws:
 - a) at least once a year for the approval of the balance-sheet;
 - b) whenever the Board deems it advisable;
 - c) when it is requested by at least 25 members representing at least 10 percent of total voting power.
2. The General Meeting shall be presided by the Chairman, who shall be assisted by the Office of the Chairman. The organization and functions of the Office of the Chairman shall be governed by the By-Laws.
3. Each member bank shall have the right to one vote, plus an additional vote for each one-hundred-thousandth of proportional membership contribution quotas.
4. Any member may have itself represented at the General Meeting by another party having written proxy.
5. The quorum for the General Meeting shall be:
 - a) upon first call, members representing at least half the total voting power;
 - b) upon second call, members representing any number whatsoever of votes.

Resolutions shall be made by an absolute majority of the votes to which the members represented are entitled.
6. For resolutions amending the Statutes and the By-Laws or for the early dissolution of the Fund, the quorum at both the first and the second calls shall be members representing at least half the total voting power. In any case, to be valid such resolutions must be passed by a two-thirds majority of the votes to which the members attending are entitled.
7. The resolutions of the General Meeting shall be recorded in the minutes and signed by the Chairman and by the Secretary.

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Article 13

The Board: Constitution

1. The Board of the Fund shall consist of:
 - a) the Chairman elected by the General Meeting;
 - b) 23 members (and such number may be increased according to the provisions of paragraph 10), elected by the General Meeting, and selected from among the members of the high officials of member banks (President, managing director, general director) that adhere to the Fund according to that provided for by Art. 2, paragraphs 1 and 3 of the Statutes;
 - c) the President of Associazione Bancaria Italiana (ABI), *ex-officio*.
2. The members of the Board hold their offices for three years and may be re-elected.
3. The Board shall elect the Deputy Chairman from among its members.
4. A member of the Board shall be removed from office when one of the requirements set forth in paragraph 1 (b) is lacking, or if he fails to attend, without proper justification, two consecutive Board meetings.
5. A member leaving office shall be replaced by co-optation pursuant to Article 2386 of the Italian Civil Code, taking into consideration the division of positions as set forth in paragraphs 9 and 10 of this Article. If such member is also a member of the Executive Committee, the Board shall nominate his replacement on the Committee.
6. The members of the Board of Auditors shall attend the meetings of the Board. A delegate from the Bank of Italy shall also be present.
7. The Board shall appoint a Secretary. The Chairman may invite persons who can contribute to the Board's work to attend its meetings.
8. Board members shall be selected as in paragraph 1 (b), and the members of the Board are elected according to the proportional quota of the contribution base of banking groups and banks not belonging to banking groups, and determined by the ratio between the reported reimbursable funds and the total of reimbursable funds until the 30th of June.
9. One position is assigned to each banking group and/or individual bank not belonging to banking groups with a proportional quota of the contribution base

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amounting to at least 60% of the full ratio necessary for the attribution of said position. A second position is assigned to each banking group and/or individual bank holding, in addition to the first full ratio, a second quota corresponding to at least 60% of the full ratio. No balance should be taken into consideration.

10. The positions which are not assigned according to the criteria set forth in the preceding paragraph 9, made divisible by four and increasing it, when necessary, to the first greater number divisible by four, is equally divided into the quartiles of the distribution of the contribution base's proportional quotas due to the remaining banking groups and/or individual banks which do not rightfully designate a member of the Board according to the provisions of the preceding paragraph 9.
11. If the first quartile includes a number of banking groups and/or individual banks which is less than the available positions of members of the Board, one position is assigned to each banking group and/or individual bank. Remaining positions are assigned in equal number to the remaining quartiles, favoring the higher quartiles when such positions cannot be assigned in equal number. The said procedure is applicable up to the quartile where banking groups and/or individual banks are more than the available positions.
12. In the quartiles where the banking groups and/or the individual banks are greater in number than the available positions of members of the Board, such members shall be designated, one for each banking group and/or individual bank, according to the provisions set forth in Article 7 of the By-Laws. In any case, one position shall be assigned to the banking group and/or individual bank, namely to the electoral aggregation as set forth in Article 7 of the By-Laws, corresponding to at least one fifth of the insured deposits belonging to the member banks included in the quartile.

Article 14

The Board: Powers and Responsibilities

1. The Board shall:
 - a) frame the general guidelines for the activities of the Fund and govern all other matters not reserved to other organs of the Fund by these Statutes;

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- b) decide upon proposals for amendments to the Statutes and the By-Laws;
- c) decide upon the admission of new members, extending the coverage to depositors at the branches of Italian member banks operating in countries outside the European Union, and adopting the measures relating to the procedures for exclusion, according to the proposal of the Executive Committee;
- d) determine the procedures and schedule for reimbursement of depositors as provided for by Article 27, paragraphs 7, 8 and 9, in compliance with the applicable laws and regulations in force;
- e) determine support interventions as provided for by Article 29, paragraph 2 (c) and (d), upon the proposal of the Executive Committee;
- f) determine the duration and procedures for the Fund's maintenance of assets and property acquired or recovered in the course of interventions;
- g) approve the draft balance sheet;
- h) approve the draft budget of operating expenses for the following year;
- i) modify the balance-sheet ratios and their threshold values provided for in Article 6 of the Appendix, with the approval of the Bank of Italy, in derogation of Article 11, paragraph 1 (h) of the present Statutes;
- j) decide upon derogations as provided for by Article 6, paragraph 5 of the Appendix to the Statutes.

Article 15

The Board: Regulations

1. The Board shall be convened by the Chairman, in accordance with the procedures set forth in the By-Laws, at least once every three months and whenever requested by at least one third of the Board members.
2. The quorum for meetings of the Board shall consist of the majority of members; no proxies shall be allowed.

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3. Board Resolutions shall be passed by the absolute majority of the votes of the members present. In case of a tie, the vote of the person chairing the meeting casts the deciding vote. Resolutions involving proposed amendments to the Statutes or the By-Laws and proposals to apply Article 21, paragraph 1, must obtain the favorable vote of the majority of current members of the Board.
4. The proceedings of the Board are subject to requirements of confidentiality.
5. If a member of the Board finds himself in a position of conflict of interest, he must make an express statement to that effect and abstain from being present upon the discussion of the issue or upon the making of such related resolution.
6. Depending on the nature of the matters treated, the Board may assign the functions of Secretary to one of its members, nominated by the Board itself upon the proposal of the Chairman.

Article 16

The Executive Committee: Constitution

1. The Executive Committee shall consist of:
 - a) the Chairman of the Board, who shall chair it;
 - b) the Deputy Chairman of the Board, who shall act as Deputy Chairman of the Committee;
 - c) five other members of the Board, who shall have a term of office of one year and may be re-elected.
2. The Deputy Chairman is elected by the members of the Board representing the groups as provided for by Article 13 paragraph 9. The 5 members of the Board belonging to the Executive Meeting as set forth in letter c) of the previous paragraph 1 are chosen from among the members of the Board and represent, respectively, the groups set forth in Article 13 paragraph 9 and those in Article 13 paragraph 10.
3. The members of the Board of Auditors shall attend the meetings of the Executive Committee and a delegate from the Bank of Italy shall be present.
4. The Secretary of the Board shall act as Secretary of the Executive Committee.
5. The Chairman may invite persons who can contribute to the Committee's work to attend its meetings.

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Article 17

The Executive Committee: Powers and Responsibilities

1. The Executive Committee shall:
 - a) decide upon the interventions of the Fund, except for those provided for in Article 29, paragraphs 2 (c) and (d) of the present Statutes;
 - b) determine, on the basis of directives from the Bank of Italy, the timing and procedures for money disbursements required by the members for interventions;
 - c) administer, on behalf of and in the interests of the members, the assets acquired by the Fund;
 - d) propose to the Board the adoption of measures relating to expulsion proceedings;
 - e) determine sanctions on members;
 - f) determine the format and procedures for reporting requirements under these Statutes, as provided for by Article 26;
 - g) levy upon members the contributions necessary to defray the operating expenses of the Fund;
 - h) oversee the management of the Fund's offices, with the right of delegating that responsibility wholly or in part to the Chairman;
 - i) determine the compensation of the Chairman, of the Deputy Chairman and of the Secretary General;
 - j) examine applications for Fund membership and deliver its opinions thereon to the Board;
 - k) execute the expulsion proceedings, upon resolution of the Board;
 - l) determine, upon the proposal of the Chairman, the structure and organization of the staff and the economic and regulatory treatment of the personnel.
2. For the administration of the Fund, the Executive Committee shall also be empowered by structures external to the Fund.

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3. The Executive Committee shall report to the Board every three months on the general conduct of its activities, with due regard for confidentiality on matters concerning individual banks.

Article 18

The Executive Committee: Regulations

1. The Executive Committee shall be convened, in accordance with the procedures specified in the By-Laws, upon the initiative of the Chairman or when requested by at least two Committee members.
2. The quorum shall consist of the majority of the Committee members. Every motion must be passed with the votes of the majority of those present in its favor. In case of a tie the Chairman casts the deciding vote.
3. In the event of great urgency the Executive Committee, specially convened, shall decide by majority vote, regardless of the number of members present. In case of interventions, as provided for by Article 4, the state of urgency must be confirmed by the Bank of Italy.
4. The proceedings of the Executive Committee are subject to the requirement of confidentiality, save for those matters that under the Statutes must be submitted to the Board.
5. If a member of the Committee finds himself in a position of conflict of interest, he must make an express statement to that effect and abstain from being present upon the discussion of the issue or upon the making of a resolution regarding such matter.
6. Depending on the nature of the matters addressed, the Committee may assign the functions of Secretary to one of its members, who shall be appointed by the Committee itself upon the proposal of the Chairman.

Article 19

The Chairman: Powers and Responsibilities

1. The Chairman shall be a representative of the banking sector, or have great experience in the banking field. However, he shall not hold office in any of the banks or group of banks participating in the Fund.

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2. The Chairman is the legal representative of the Fund with respect to third parties, including courts. Furthermore, the Chairman:
 - a) convenes and presides over the General Meeting, the Board and the Executive Committee, setting their agendas;
 - b) carries out the resolutions of the Fund's organs and makes decisions relating to matters delegated to him;
 - c) maintains contacts with members who are in violation of their obligations under the Statutes, informing the Executive Committee of such correspondence.
3. In the event of the Chairman's absence, his functions shall be performed by the Deputy Chairman. In the event of temporary absence or impediment of the Deputy Chairman as well, the functions of Chairman shall be performed by the eldest member of the Board. The signature that substitutes the Chairman's shall constitute full proof of the absence of the Chairman and also, in the event that such signature is affixed by the eldest member of the Board, of the absence of the Deputy Chairman.

Article 20

The Board of Auditors

1. Every three years the General Meeting shall elect the Board of Auditors, consisting of three regulars and two alternate members and it shall and determine their compensation. The Auditors shall elect a Chairman from among their members.
2. The Board of Auditors shall monitor the activities of the Fund pursuant to Article 2403 of the Italian Civil Code.
3. The members of the Board of Auditors shall attend the General Meeting and the meetings of the Board and the Executive Committee.
4. An Auditor leaving office shall be replaced, until the next subsequent General Meeting, by the elder alternate Auditor, pursuant to Article 2401 of the Italian Civil Code.

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Article 20bis

The Secretary General

1. The Secretary General is in charge of carrying out the resolutions made by the Statutory bodies and sees to the coordination of the operative structure, according to the provisions of these Statutes and the directives of the responsible organs.
2. The Secretary General attends the sessions of the General Meeting, the Board and the Executive Committee, except in cases provided for by Article 15, paragraph 6 and in Article 18, paragraph 6.

Article 21

Money for Interventions

1. The total amount of money that the members undertake to make available to the Fund for interventions shall be established by the General Meeting, upon the proposal of the Board, between 0.4 percent and 0.8 percent of the reimbursable funds from all the members on 30 June of the previous year. If, as a result of interventions, the amount of such money should fall below 0.4 percent, this minimum percentage must be restored within four years.
2. The money required for interventions constitutes advances to the Fund as principal and must be paid to the Fund according to the procedures and the schedule determined by the Executive Committee.

Article 22

Operating Expenses and the Consortium Fund

1. The members pay the contributions to the Consortium Fund and, upon the request of the Fund, make regular payments to defray the Fund's operating expenses.
2. The Fund may require payments on account of operating expenses, even prior to the approval of the draft budget for the financial year, and such amount shall be adjusted by the end of said year. Any surplus shall be retained by the Fund

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as an advance on the operating expenses for the subsequent year or added to the Consortium Fund.

3. The amount of the Consortium Fund shall be determined by:
 - a) payments and reimbursements resulting from admissions, acts of opting out and expulsions of members and
 - b) surpluses carried forward as increments, as set forth in paragraph 2, or unexpected deficits for operating expenses.
4. The General Meeting may determine increases in the Consortium Fund, to be effected by supplementary payments levied on the members in proportion to their contribution quotas.
5. Variations in the amount of the Consortium Fund shall be divided among the members in relation to their respective contribution bases during the financial year in which the variation occurs.
6. A member that has opted out of the Fund or a member expelled from the Fund is entitled to repayment of its participation quota in the Consortium Fund as determined on the last balance sheet approved by the General Meeting.
7. As long as the Fund exists, the members may not request the distribution of the assets of the consortium. In the event of the consortium's dissolution, the assets remaining after the payment of all liabilities shall be paid out in proportion to the members' respective contributions for the financial year in which the dissolution occurs.

Article 23

The Financial Year

1. The financial year shall end on the 31st of December of each year.
2. Within two months of the end of each financial year the Board shall present a report on the activities carried out during the year and a draft balance sheet to the General Meeting.

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Article 24

Annual Financial Statement

1. On the basis of the balance sheet for the year, the Fund shall provide each member with an annual financial statement of its administration of the money received for interventions.

Article 25

Contribution Quotas

1. The contributions levied on the individual members for interventions and for operating expenses, as well as the initial one-off contribution to the Consortium Fund, shall be determined in relation to the participating institution's contribution base, by the criteria set forth in the Appendix.
2. The contribution base consists of reimbursable funds provided for in Article 27, reported on the 30th of June of each year.
3. The criteria for identifying the reimbursable funds to be included in the contribution base are specified in the Appendix to these Statutes.
4. Contributions to defray operating expenses consist of:
 - a) a minimum amount that is equal for all members, to be set annually by the General Meeting;
 - b) a portion set in relation to the institution's contribution base.

Article 26

Reporting Requirements

1. Members shall report to the Fund the following data required by the Statutes within the time frame and according to the procedures specified in the Appendix, unless otherwise communicated by the Bank of Italy:
 - a) its balance-sheet ratios
 1. on an individual basis;
 2. on a consolidated basis, when the member is a holding;
 - b) its contribution base;

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- c) any additional data requested by the Executive Committee, with the approval of the Bank of Italy.

Article 27

Reimbursement of Depositors

1. In the cases specified in Article 4, paragraph 1 (a), the claims eligible for reimbursement shall be those relating to repayable funds acquired by the members, in Euro and in foreign currency, in the form of deposits or in other forms, as well as bankers' drafts and equivalent instruments.
2. The following shall not be eligible for the protection of the Fund:
 - a) bearer deposits and other funds reimbursable to bearer;
 - b) bonds and credits deriving from acceptances, promissory notes and security transactions;
 - c) the bank's equity capital, reserves and other capital elements calculated pursuant to the applicable laws in force;
 - d) deposits deriving from transactions regarding a conviction for the crimes pursuant to Articles 648 bis and 648 ter of the Italian Penal Code;
 - e) the deposits of government departments, regional, provincial, and municipal governments and other local public bodies;
 - f) deposits made by banks in their own name and for their own account, as well as the credits of banks;
 - g) the deposits of the financial companies indicated in Article 59, paragraph 1 (b) of The Italian Legislative Decree 385 of 1 September 1993 (the 1993 Italian Banking Law), of insurance companies, of collective investment undertakings, and of other companies belonging to the same banking group;
 - h) the deposits of members of the corporate organs and the top management of the bank or of the holding, even if such deposits are made through nominees;
 - i) the deposits, including those made through nominees, of shareholders holding at least 5 percent of the member's equity capital;

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- j) deposits in respect of which the depositor has obtained from the member bank, on a personal basis, rates or terms that have played a part in damaging the financial position of the bank, as determined by the commission of liquidators.
3. The maximum reimbursement for each depositor shall be 103.291,38 Euro.
 4. In case of reimbursement of the depositors of a branch of a European Union bank in Italy, the Fund shall pay the difference in coverage to the depositor with respect to that provided by the home country deposit protection scheme.
 5. The protection of the Fund extends exclusively to claims not excluded, as set forth in paragraph 2, which may be brought against a member bank placed in compulsory administrative liquidation, pursuant to the Italian Legislative Decree 385 of 1st September 1993 (the 1993 Italian Banking Law), Section III, Title IV.
 6. The Fund shall take over depositors' claims on the member bank placed in compulsory administrative liquidation, up to the amount of the reimbursements effected, and within those limits the Fund shall have priority rights in entitlement to assets distributed by the liquidator over the depositors themselves that shall be reimbursed by the Fund.
 7. The reimbursement of depositors shall be made, up to the equivalent of Euro 20,000 within three months of the compulsory administrative liquidation order. The Bank of Italy may extend this term in exceptional circumstances or special cases, for a period not greater than nine months.
 8. Reimbursement of the due residual amount shall be effected by the procedures and on the schedule determined by the Board, pursuant to the applicable laws in force. For this the Fund shall also use the amounts distributed by the liquidator and shall proceed with reimbursement until the depositors have received an amount equal to that indicated in paragraph 3, including amounts distributed directly by the liquidator.
 9. The total amount of the reimbursements referred to in paragraph 8 made in any financial year can never exceed one fourth of the money available for interventions, as determined by the General Meeting as provided for by Article 21, paragraph 1. Said limit shall apply to reimbursements effected as set forth in paragraph 7 but shall not apply to reimbursements made using amounts received as result of distribution by liquidators.
 10. The amounts owed to depositors by the Fund shall not bear interest.

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11. For the Italian branches operating in non-EU countries with Deposit Insurance Scheme but adhering to the FITD, the scope of coverage it's equal to that of the Host Country Scheme.

Article 28

Interventions in Transfers of Assets and Liabilities

1. The Fund, as an alternative to the reimbursement of depositors as provided for in Article 27, and provided that the cost to the Fund is presumed to be less, may intervene in operations involving the transfer of assets and liabilities, of companies or divisions of companies, or of the totality of property and claims of the institution involved.

Article 29

Support Interventions

1. The Fund may undertake interventions in support of a member placed under special administration, provided that there are reasonable prospects for the bank's recovery and that the cost to the Fund may be presumed to be less than would be incurred by intervention in case of liquidation.
2. Support interventions by the Fund may take the form of:
 - a) financing;
 - b) guarantees;
 - c) acquisition of equity interests;
 - d) other technical forms.
3. Should the intervention take the form of an equity interest, the Fund's possession of said interest must be limited to the time necessary to proceed with its disposal as advantageously as possible.

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Article 30

Assignment to Members of Assets and Property

1. Assets and property of all kinds, acquired or recovered through the effect of interventions, shall be assigned immediately to the Fund members, according to their respective contributions to the intervention involved.
2. In the event of acquisition of equity interests, or when considerations of economic advantage require it, the Board may decide that acquired or recovered assets and property shall be held temporarily by the Fund.

Article 31

Publicizing Fund Membership

1. The Fund shall make public the list of its members.
2. The members shall inform their customers of their membership to the Fund and of the limits and conditions of the deposit protection it provides.
3. The information set forth in paragraph 2 shall be presented in a comprehensible way, in Italian or the official languages of the host member country.
4. The provisions of the present Article shall also apply to branches of Italian banks in non-European Union countries whose depositors are protected by the Fund.
5. In the event of opting out or expulsion from the Fund, the member involved must inform its customers promptly as set forth in paragraph 2 and according to procedures indicated by the Bank of Italy.

Article 32

Arbitration Clause

1. Should any disputes regarding the applicable rights relating to the Fund arise, with the exception of cases in which the law provides for the obligatory intervention of the public ministry, among or between members or between the members and the Fund, such dispute shall be resolved by an Arbitration Board consisting of three arbiters that have been appointed by the Bank of Italy upon request by one of the parties.

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2. The arbitration shall take place at the arbitrator's domicile designated by the Chairman of the Board of Arbitrators.
3. The Board of Arbitrators has to decide impartially within 90 days of nomination.
4. The Board of Arbitrators will define how to divide the expenses between parties.
5. For all the others issue not directly provided for, the Italian Legislative Decree n. 5, 17 January 2003 shall apply.

Article 33

Transitional Provisions

1. While waiting for the Glossary containing the composition of the aggregates used for the calculation of the indicators of the balance sheet ratios, the system based on individual indicators shall be applied.

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Part I - Balance-sheet Ratios

Article 1

Aggregate Indicator: Definition

1. The Fund shall assess the overall situation of the bank on the basis of the data of the balance-sheet indicators and, when the bank belongs to one of the holdings pursuant to Art. 64 of the Italian Legislative Decree n.385 of 1st September 1993, the Fund shall make such assessment on the basis of the data referring to the consolidated indicators of the balance sheet as provided for by Article 6.
2. Three thresholds are set for each indicator, both for the individual and consolidated statutory reports, forming four classes into which each bank may be categorized. Each class corresponds to a coefficient, as follows:

<u>Class</u>	<u>Indicator and Coefficient</u>	
	B1, C, D1, D2	A1
Normal	0	0
Attention	1	2
Warning	2	4
Violation	4	8

3. In derogation of the provisions of paragraph 2, the coefficient of some indicators is determined on the basis of the criteria provided for by Article 6.
4. The sum of the coefficients for the individual indicators constitutes an aggregate indicator of the overall situation of the bank, which members undertake to keep at the value of zero.

STATUTES

5. The aggregate indicator is calculated upon each report of the balance-sheet ratios.
6. For those banks belonging to a holding, the aggregate indicator is determined as the weighted average of both the individual and the consolidated aggregate indicator, where the weight consists of the property and services of the individual bank over the property and services of the banking group.

Article 2

Aggregate Indicator: Determination of the Statutory Position

1. Depending on the value of the aggregate indicator, the Statutory Position is determined according to the following scheme

<u>Value of Aggregate Indicator</u>	<u>Statutory Position</u>
from 0 to 3	Normal
from 4 to 5	Attention
from 6 to 7	Warning
from 8 to 10	Penalty
from 11 to 12	Severe Imbalance
more than 12	Expulsion

Article 3

Aggregate Indicator: Thresholds and Sanctions

1. When the aggregate indicator is:
 - a) equal to or greater than 6, the bank shall be required to report the data on all the balance-sheet ratios to the Fund at quarterly intervals, unless otherwise communicated by the Bank of Italy;

STATUTES

- b) equal to or greater than 8, regardless of the position of the individual indicators, the bank shall be sanctioned as provided for by Article 9, paragraph 2 of the Statutes;
- c) greater than 12, the bank shall be subject to expulsion as provided for by Article 6, paragraph 1 (a) of the Statutes.

Article 4

Weighted Average Aggregate Indicator: Definition

1. A weighted average aggregate indicator shall be calculated, based on the last three six-month term reports of the bank's balance-sheet ratios submitted to the Fund, assigning to the aggregate indicators of the three reports the following weights:

<i>Reference period of aggregate indicator</i>	<i>Weight</i>
30 June, current year	4
31 December, previous year	2
30 June, previous year	1

2. Save for the case provided for by Article 8, paragraph 4 of the Statutes, if a report is missing, the value of the missing aggregate indicator shall be replaced by the highest value reported by any member for the relevant period.
3. The weighted average aggregate indicator shall be used for the purpose of further adjusting the contributions levied on members, following their adjustment by the regressive mechanism provided for by Article 14 of this Appendix, as determined with reference to their contribution base as of the 30th of June of the current year.

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Article 5

Weighted Aggregate Index: Adjustment of Contributions

1. When the weighted average aggregate index is:
 - a) greater than 3, the bank's contribution levies shall be increased, commensurate with the value of the weighted average aggregate index, as specified in paragraph 2;
 - b) greater than 0 and less than or equal to 3, the bank shall maintain its contribution levies unchanged;
 - c) equal to 0, the bank shall benefit from a reduction in its contribution levies, commensurate with the total amount of increases resulting from the application of letter (a), as specified in paragraph 3.
2. The percentage increase of the member's contribution quota shall be equal to the weighted average aggregate index both in cases of contribution for interventions or for the allotment of overall commitments, as provided for by Article 21, paragraph 1 of the Statutes and of contributions for the operating expenses of the Fund, as provided for by Article 25, paragraph 4 (b) of the Statutes.
3. The reduction in the member's contribution quota, determined in percentage value, shall be equal to the ratio between the total increases resulting from the application of paragraph 2 and the total contributions of the banks whose weighted aggregate indicator is equal to zero.

Article 6
Balance-sheet Ratios and Thresholds

1. RISK

AI Indicator:

Numerator: Bad Debts

Denominator: Shareholders' equity + Subordinated Loans

Violation thresholds: over 50%

Warning thresholds: over 30%

Attention thresholds: over 20%

2. SOLVENCY

BI Indicator:

Numerator: Supervisory capital

Denominator: Supervisory capital requirement

Violation thresholds: under 90%

Warning thresholds: under 100%

Attention thresholds: under 110%

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3. MATURITY TRANSFORMATION

C1 Supervisory Rule:

$$[\text{IMMOB} + \text{PART}] \leq [\text{PATRIM}]$$

C2 Supervisory Rule:

$$[\text{ATTL} + 50\% \text{ ATTM}] \leq [\text{AV1} + \text{FP} + \text{PASSL} + 50\% \text{ PASSM} + 25\% (\text{PACBR} + \text{INTERB})]$$

Legend:

IMMOB	Real estate assets
PART	Financial fixed assets (equity interests)
PATRIM	Supervisory capital
ATTL	Long-term assets (residual maturity of more than 5 years)
AV1	Difference (surplus or deficit) resulting from Rule 1
FP	Permanent provisions
PASSL	Long-term liabilities (residual maturity of more than 5 years)
PASSM	Medium-term liabilities (more than 18 months - up to 5 years)
PACBR	Short-term liabilities (up to 18 months)
ATTM	Medium-term assets (more than 18 months and up to 5 years)
AV2	Difference (surplus or deficit) resulting from Rule 2
INTERB	Interbank liabilities with residual maturity of more than 3 months and up to 18 months

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For each rule, when assets are less than or equal to liabilities, the rule is complied with, and the coefficient is zero. For purposes of calculating the aggregate index, the number of rules violated is counted, using the following scheme:

<u>Number of rules violated</u>	<u>Coefficient</u>
0	0
1	1
2	2

4. ECONOMIC PERFORMANCE

DI Indicator:

Numerator: Operating expenses

Denominator: Gross income

Violation thresholds: over 90%

Warning thresholds: over 80%

Attention thresholds: over 70%

D1 Indicator is calculated only if both numerator and denominator are both positive. If such conditions are not met, for purposes of calculating the aggregate indicator, the following scheme is applied:

<u>Numerator</u>	<u>Denominator</u>	<u>Coefficient</u>
Positive	Negative	4

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D2 Indicator:

Numerator: Loan losses, net of recoveries

Denominator: Profit before tax

Violation thresholds: over 60%

Warning thresholds: over 50%

Attention thresholds: over 40%

Indicator D2 is calculated only if both numerator and denominator are both positive. If such conditions are not met, for purposes of calculating the aggregate indicator, the following scheme is applied:

<u>Numerator</u>	<u>Denominator</u>	<u>Coefficient</u>
Negative	Positive	0
Negative	Negative	0
Positive	Negative	4
Zero	Positive/Negative	0

- 5 In derogation of that set forth in paragraph 4, a coefficient equal to one will be applied to newly established banks during their first year of activity or for three normal reporting periods in case of Warning or Violation in the D1 and D2 indicators, for the purpose of calculating the aggregate indicator.
- 6 In derogation of paragraphs 1, 3 and 4, the coefficient of the Normal class shall be applied to the banks that have a contribution base equal to zero, regardless of their value.

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- 7 In derogation of paragraph 1 for the reports relating to year 2004, the thresholds applied to A1 classes shall be:

Violation thresholds: over 75%

Warning thresholds: over 45%

Attention thresholds: over 30%

8. With reference to paragraph 3, the value calculated on a consolidated basis shall be assigned to members of holdings for the purpose of calculating the Maturity Transformation. The application of rules for banks not belonging to a holding shall remain unchanged. This application shall be applied to the report as of June 2004.

Article 7

Composition of the Aggregates

1. The detailed composition of the aggregates used in calculating the indicators provided for in Article 6 shall be given in the Glossaries, drafted on the basis of the instructions of the Bank of Italy governing prudential reports (Supervisory Instructions, Automated Prudential Returns, Data Dictionary). The Glossaries shall be approved by the Board upon the proposal of the Executive Committee.
2. Any modifications made by the Bank of Italy to the supervisory instructions that refer to Indicator B1 or to the maturity transformation rules provided for in Article 6 shall entail the automatic updating of the procedures for calculating said indicators.

Article 8

Timeline for Indicator Reports

1. The Statutory reports of the balance-sheet indicators and of additional data requested as provided for by Article 26, paragraph 1 (c) of the Statutes must be received by the Fund, unless otherwise indicated by the Bank of Italy, by the following deadlines:

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- a) the 30th of April of each year, from all members:
 - risk and solvency ratios as of the 31st of December of the previous year;
 - maturity transformation rules for the six month period ending the 31st of December of the previous year;
 - economic performance ratios as of the 31st of December of the previous year;
- b) the 31st of May, from those members in one of the conditions provided for by Article 3 of this Appendix:
 - risk and solvency ratios as of the 31st of March;
 - maturity transformation rules for the six month period ending the 31st of March;
 - economic performance ratios for the financial year ending the previous 31st of December;
- c) the 30th of September, from all members:
 - risk and solvency ratios as of the 30th June of the current year;
 - maturity transformation rules for the six month period ending the 30th of June;
 - economic performance ratios for the six month period, ending the 30th of June;
- d) the 15th of November, from those members in one of the conditions provided for by Article 3 of this Appendix:
 - risk and solvency ratios as of the 30th of September;
 - maturity transformation rule for the six month period ending the 31st of September;
 - economic performance ratios for the first six month period of the current year;
- e) the 31st of May, from all the holdings of a banking group:
 - consolidated risk and solvency ratios as of the 31st of December of the previous year;

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- consolidated economic performance ratios as of the 31st of December of the previous year;
- f) the 30th of November, from all the holdings of a banking group:
 - consolidated risk and solvency ratios as of the 30th of June of the previous year;
 - consolidated economic performance ratios as of the 30th of June.
- 2. The Executive Committee may resolve to extend the deadlines for receiving said reports, in derogation from the provisions of paragraph 1.
- 3. Should it become necessary, the Executive Committee may require individual banks to report the data required by the Statutes at more frequent intervals than those provided for.
- 4. Failure to comply with the reporting deadlines set forth in the present Article shall be sanctioned as provided for by Article 9 of the Statutes, save for cases in which the member or the holding submits to the Fund, within said deadlines, a copy of a letter from the Bank of Italy extending the deadline for the submission of the basic data to which the reports refer.
- 5. The data shall be transmitted to the Fund, with proper certification, according to procedures determined by the Executive Committee.

Part II - Contribution Base

Article 9

Reporting of the Contribution Base

1. Each member, unless otherwise indicated by the Bank of Italy, shall report to the Fund:
 - a) the amount of its repayable customer funds, in Euro and in foreign currency, in the form of deposits or in other forms, and of bankers' drafts and other equivalent instruments that are outstanding;
 - b) the portion of the amount specified in letter (a) above that is excluded from protection as provided for by Article 27, paragraph 2, of the Statutes. In calculating that portion, and solely for purposes of reporting its contribution base, the member shall not consider the items provided for in Article 27, paragraph 2 (d), (h), (i) and (j) or bankers' drafts;
 - c) the difference between the amount referred to in letter (a) and the portion referred to in letter (b), classified according to item and value group.

The reporting form for the above shall be determined by the Executive Committee.
2. Unless otherwise indicated by the Bank of Italy, branches of Italian banks operating in non-European Union countries, whose depositors are protected as provided for by Article 3, paragraph 2 of the Statutes, shall make the reports as provided for by paragraph 1 above, in the same way as units operating in Italy.
3. The branches of European Union banks operating in Italy shall make the reports provided for by paragraph 1, specifying the portion protected by their home country deposit protection schemes.

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Article 10

Timeline for Reports on the Contribution Base

1. Unless otherwise indicated by the Bank of Italy, the reports on the contribution base must be received by the Fund from all members by the following deadlines:
 - a) the 30th of April, with reference to the previous 31st of December;
 - b) the 31st of October, with reference to the previous 30th of June.
2. Reports on the contribution base shall be governed by the provisions of Article 8, paragraphs 2, 3, 4 and 5 of the present Appendix.
3. In the event of late submission or failure to submit the report on the contribution base, without proper justification, for purposes of calculating the member's contribution quota, the data used shall be those of the most recent available report, increased by 25 percent.

Article 11

Contribution Quotas for Commitments and Interventions

1. The quota of each member relating to intervention commitments shall be calculated annually with reference to the balance sheet as of the 30th of June and it shall be communicated to the member. This calculation shall exclude members under special administration or in compulsory administrative liquidation.
2. The contribution quota of each member for each intervention shall be calculated using the most recent available data on the date of the intervention. This calculation shall exclude members under special administration or in compulsory administrative liquidation and the member subject to the intervention.
3. The contribution quota provided for by paragraph 2 shall be utilized with respect to any future disbursement or recovery of sums relating to that intervention.
4. In the event of merger between two or more members, their respective quotas shall be summed.
5. In the event of expulsion, withdrawal of membership or compulsory administrative liquidation, the member bank:

STATUTES

- a) shall not participate in disbursements subsequent to the date of expulsion, withdrawal of membership or liquidation, and its quota shall be divided proportionally among all the other members that took part in the intervention;
- b) shall participate in recoveries of funds subsequent to the date of expulsion, withdrawal of membership or liquidation, with its allotment quota.

Article 12

Quotas for Operating Expenses

- 1. The quotas allotting operating expenses to be paid by each member consists of:
 - a) a minimum amount of money determined by the General Meeting;
 - b) a variable quota calculated with reference to the data as of the 30th of June of the relevant financial year.
- 2. The quota set forth in paragraph 1 (a) shall be reduced by half in cases of:
 - a) members whose admission becomes operative in the second half of the year;
 - b) members whose expulsion or withdrawal from the Fund becomes effective in the first half of the year.
- 3. The minimum amount of contribution for operating expenses, established annually by the General Meeting, shall be comprised entirely in the first payment on account and shall not be reimbursable.
- 4. The unpaid quotas of banks that have opted out of the Fund, have been expelled or have been placed in compulsory administrative liquidation shall be reallocated proportionally among all the other members.

Article 13

Method of Calculating Contribution Quotas

- 1. The contribution bases of the members are summed and converted into proportional quotas, corresponding to the ratio of the individual member's contribution base to the total of all contribution bases. Proportional quotas are used for purposes of calculating the voting rights at the General Meeting.

STATUTES

2. Applying the regressive mechanism described in Article 14 of the Appendix, to the proportional quotas, determines the regressive quotas.
3. The regressive quotas shall be adjusted by applying the increases and decreases provided for in Article 5 of the Appendix, correlated to the value of the weighted average aggregate index. The adjusted regressive quotas shall be used to determine the amount, for each member, of commitment of funds, of contribution to interventions and of contribution to operating expenses.

Article 14

Regressive Mechanism

1. The maximum regressive coefficient shall be defined as the maximum reduction applied to the largest proportional quota and the maximum increase applied to the smallest proportional quota. The maximum regressive coefficient shall be equal to positive or negative 7.5 percent.
2. For each distribution of proportional quotas, the equilibrium quota shall be defined as the quota that divides the distribution in such a way as to obtain a sum of reductions and a sum of increases that offset each other in value.
3. The regressivity function shall be defined as a system consisting of two straight lines having the following characteristics:
 - the *reduction line*, which runs from the maximum coefficient of regressivity of -7.5 percent, to the point of equilibrium, which has a reduction equal to zero;
 - the *increase line*, which runs from the maximum coefficient of regressivity of +7.5 percent to the point of equilibrium, which has an increase equal to zero.

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Article 1

Membership to the Fund

1. The parties provided for by Article 2, paragraphs 1 and 3, of the Statutes must attach the following to their application for membership to the Fund:
 - a) authorization from the Bank of Italy for their banking activity;
 - b) an explanatory report of the bank's activities.
2. When the subjects provided for by Article 2, paragraph 1 of the Statutes, in relation to Article 3, paragraph 2 of the Statutes, want to have the FITD' protection for their branches operating in non-EU countries, specific request must be presented.
3. The parties provided for by Article 2, paragraph 2, of the Statutes must attach the following to their application for membership to the Fund:
 - a) a certificate of registration with the registry pursuant to Article 13 of the Italian Legislative Decree 385 of 1 September 1993 (the 1993 Italian Banking Law);
 - b) a copy of the statutes and by-laws of their home country deposit protection scheme, for the purpose of determining the level and scope of the protection offered to their depositors;
 - c) the financial reports for the two financial years preceding application, if available;
 - d) reports of data required by the Statutes regarding the most recent deadline request for documentation.
4. The request for membership, as provided for by paragraph 3, is subordinate to the subscription of a Bilateral Agreement between the Home and Host countries Schemes, in compliance with the provisions pursuant to Article 4, paragraph 3 of Directive 94/19/EC.
5. Membership to the Fund shall be effective:
 - a) for the parties referred to in paragraph 1 above as of the date of entry into the registry pursuant to Article 13 of the Italian Legislative Decree 385 of

STATUTES

1 September 1993 (the 1993 Italian Banking Law), communicated to the Fund by the banks;

- b) for the parties provided for by paragraph 2 above, as of the date of the Board's resolution.
6. Within 60 days of the resolution provided for by Article 14, paragraph 1 (c), of the Statutes, the member shall pay its contribution quota to the Consortium Fund and any advances required as provided for by Article 22, paragraph 2, of the Statutes.

Article 2

Expulsion from the Fund

- 1. Communications concerning resolutions relating to expulsion proceedings shall be made by registered letter.

Article 3

Opting out of the Fund

- 1. Communications regarding opting out of the Fund must be sent to the Fund by the member by means of registered letter.

Article 4

The General Meeting: Convening of Meetings and Participation

- 1. The General Meeting shall be convened by the Chairman of the Board by means of a notice stating the place, the day, the hour and the agenda for the meeting; such notice shall be sent at least fifteen days before the date of the meeting to the members by means that may guarantee the proof of receipt as, for example, a registered letter, a fax or an e-mail.
- 2. The members shall be represented at the General Meeting by a legal representative or by another person delegated for that purpose with written proxy.

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Article 5

The General Meeting: Voting

1. Voting shall be conducted according to the procedures set forth by the Office of the Chairman.
2. Voting for appointments to Fund offices shall take place by secret ballot, unless the persons nominated are approved by acclamation and no participant requests a vote.

Article 6

The General Meeting: Office of the Chairman

1. The Office of the Chairman shall consist of the Deputy Chairman and the two oldest members of the Board present at the General Meeting.
2. The Office of the Chairman shall:
 - a) assist the Chairman in presiding over the General Meeting and in the conduct of the proceedings;
 - b) maintain the confidentiality of any provision suspending the voting rights of a member;
 - c) verify the regularity of secret ballot votes and oversee the counting of the ballots, possibly with two or more scrutineers to be chosen from among the participants at the General Meeting and from among the members of the Board of Auditors.

Article 7

The General Meeting: Nominations for Fund Offices

1. The following is the procedure for the nomination of the candidates as set forth in Article 13 of the Statutes:
 - a) the Fund shall forward a letter to each member bank, indicating the pertaining group as described in Article 13 of the Statutes. The member bank shall communicate which electoral aggregation it shall join. Should the bank fail to notify its choice by the date indicated in the letter, positions for members of the Board shall be automatically assigned;

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- b) according to the answers received from the banks, the Fund shall calculate the distribution of available positions according to the weight of the various aggregations or of the individual bank, which shall be determined according to the proportional quota of the contribution base; remnants are also calculated at this stage, the total of which, in terms of votes, is distributed among the various participants (either aggregations or individual banks), proportionally to the excess indicated by each participant (either aggregations or individual bank) as regards the ratio adopted for the allotment of positions;
- c) the Fund shall communicate to each aggregation or individual bank the number of positions they are entitled to, and invite members to notify their respective designations;
- d) the Fund, after receiving from the aggregations or the individual bank the names of the designated candidates, shall make a list to be submitted to the General Meeting for each group as indicated in Article 13 of the Statutes. If the electoral aggregation is coordinated by an association among member banks, a member of the Presidential office or of the general management of the said association may be designated as a member of the Board.

Article 8

The Board: Convening of Meetings

- 1. The Board shall be convened by the Chairman by means of written communication indicating the place, the day, the hour and the matters on the agenda and such notice shall be sent by instruments that may guarantee the proof of receipt as, for example, a registered letter, a fax or an e-mail, at least seven days before the date of the meeting. In cases of urgency the Board may be convened via telegram or fax sent at least twenty-four hours prior to the meeting.

Article 9

The Executive Committee: Convening of Meetings

- 1. The Executive Committee shall be convened by the Chairman by means of written communication indicating the place, the day, the hour and the matters on the agenda and such notice shall be sent by the most appropriate means at

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least twenty-four hours prior to the meeting, by means that may guarantee the proof of receipt as, for example, a registered letter, a fax or an e-mail, or by telegram in case of urgency.

Article 10

Modifications of Members' Operating Situations

1. Members are required to notify the Fund of modifications to their operations within five days, and in particular, of:
 - a) placement under special administration or in compulsory administrative liquidation;
 - b) merger with or takeover of other banks; purchase or sale of assets and liabilities, of a company, of divisions of a company or of the totality of property and claims of the institution involved;
 - c) significant changes in the member's supervisory capital, necessitating a report to the Bank of Italy;
 - d) entry into or exit from a banking group;
 - e) change in corporate form;
 - f) organization of the Board of Directors, the general management, or the Board of Auditors.
2. In the cases set forth in paragraph 1 (b), the member effecting the takeover or purchase must communicate to the Fund the updated data for the reports required by the Statutes within one month of the date of the takeover or purchase. Failed or belated communication shall entail applicability of the pecuniary sanctions provided for by Article 9, paragraph 2, letter c) of the Statutes.
3. In the cases set forth in paragraph 1, (d), the holding shall notify the Fund of any variation concerning the organization of the group within five days, and it shall update all data concerning the consolidated statutory report as soon as such data are available, if the data have not already been notified to the Fund by the Bank of Italy.

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Article 11

Reimbursement of Depositors

1. For foreign currency deposits, the amount of the reimbursement shall be calculated with respect to the exchange rate on the date of the decree mandating compulsory administrative liquidation.

Article 12

Transitional Provisions

1. Banks authorized to do business in Italy that are not members of the Fund on the date of approval of the present Statutes must finalize their membership within the deadlines and according to the procedures set forth by the applicable laws in force.