Fondo Interbancario di Tutela dei Depositi

Interbank Deposit Protection Fund

Annual Report 2009

Interbank Deposit Protection Fund

Composition of Statutory Bodies

Chairman: Enrico Filippi

Deputy Chairman: Ranieri De Marchis

Secretary General: Roberto Moretti

Statutory Member: Chairman ABI Corrado Faissola

Representative from the Bank of Italy: Stefano Mieli

Executive Committee

Aureliano Benedetti
Ranieri De Marchis
Carmine Lamanda
Antonio Patuelli
Bruno Picca
Massimo Ponzellini

Board of Auditors

Renato Mastrostefano (*Chairman*)
Giuseppe Allocco
Giovanni Berneschi

Board

Giampiero Auletta Armenise
Aureliano Benedetti
Marco Berlanda
Tiziana Bernardi
Adolfo Bizzocchi
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Divo Gronchi
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This is a translation of the Italian original and has been prepared solely for the convenience of readers. In the event of any ambiguity the Italian text will prevail.
The Italian version can be downloaded from the FITD website (www.fitd.it) or can be directly requested from the Fund.

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Statistical Analysis

As of 31 December 2009 there were 297 member banks in the Consortium, an increase compared to the 295 bank members in 2008. Of the 297 banks, 9 are subsidiaries in Italy of non EU banks, joining the Fund on mandatory basis, and 2 are branches of EU banks, participating voluntarily in the Fund to top up their home country level of guarantee. Concerning topping up, a number of changes have been introduced recently in the coverage levels in EU member states, a direct consequence of the financial turmoil over the last two years and following the amendments to the Directive 94/19/EC on Deposit Guarantee Schemes, which were contained in Directive 2009/14/EC issued on 11 March 2009. All these changes have reduced the exposure (topping up) of the Fund to the 2 EU bank branches since December 2008.

In 2009, 9 new banks joined the Fund. There were 5 mergers and 2 withdrawal of membership (see Table 1).

No interventions were decided in 2009. Of the 297 member banks, 6 are under Special Administration as of the end of 2009. One other bank had been under special administration for a period and was placed in Administrative Compulsory Liquidation in December 2009. The Fund was not triggered since the bank does not have reimbursable funds.

Table 1
Variation in the composition of the consortium
(December 2008 - December 2009)

Events	***Banks***
Member Banks as of 31 December 2008*	295
Mergers	5
Transfers of Assets and Liabilities	0
Withdrawal of membership	2
New member banks	9
Member Banks as of 31 December 2009	297
of which in Special Administration	6
of which in Administrative Compulsory Liquidation	1

**Note:* number of banks reporting as of 31 December 2008 was 293; number of banks reporting as of 30 June 2009 was 292.

Source: Elaborations on FITD data.

Reimbursable Funds of member banks

With reference to the data for 30 June 2009, total Reimbursable Funds (RF) by FITD amounted to 447.6 billion euro. This amount, which represents the highest level since June 1999, shows an increase of 11.7% compared to the previous year (see Table 2).

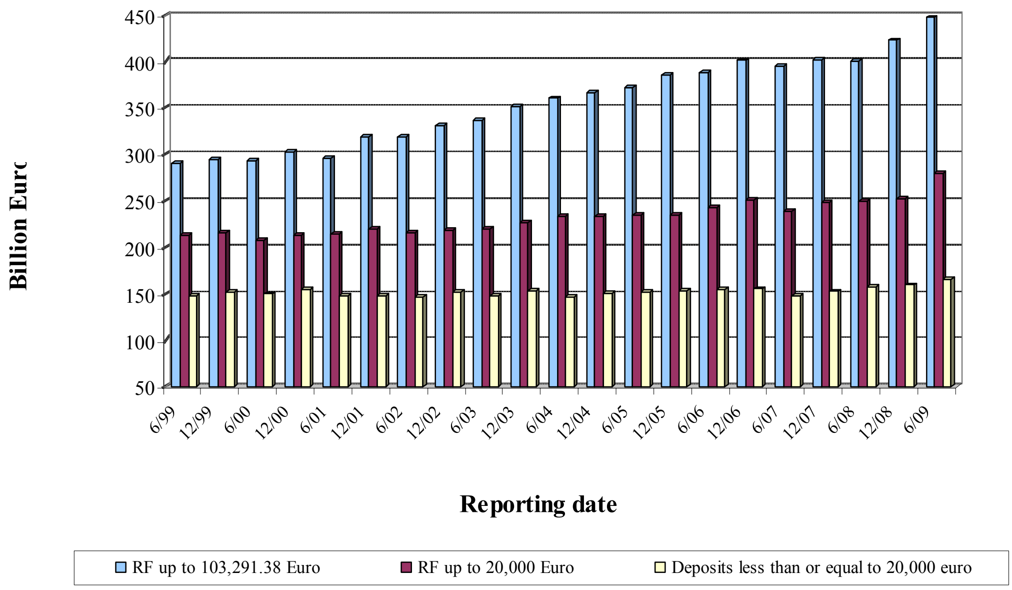
RF up to 20,000 euro, which, pursuant to Article 27, paragraph 8 of FITD Statutes, must be reimbursed within three months of a bank's liquidation, increased by 12.7% with respect to June 2008. At present, they represent 62.6% of total RF.

Table 2
Evolution of Reimbursable Funds by FITD

Date	*RF up to 103,291.38 Euro*		*RF up to 20,000 Euro*		
	Billion Euro	*Billion Lire*	*Billion Euro*	*Billion Lire*	*of which deposits up to 20,000 euro*
June '99	290.5	*562,448*	213.3	*413,038*	148.5
Dec '99	294.6	*570,362*	216.5	*419,155*	151.9
June '00	293.8	*568,874*	208.4	*403,439*	150.1
Dec '00	302.6	*585,827*	213.0	*412,509*	154.9
June '01	296.3	*573,804*	214.7	*415,748*	148.5
Dec '01	319.5	*618,638*	220.5	*426,948*	148.6
June '02	319.7	*619,026*	216.5	*419,202*	146.8
Dec '02	331.8	*642,454*	218.4	*422,881*	152.2
June '03	336.9	*652,329*	220.5	*426,948*	148.2
Dec '03	351.9	*681,337*	226.8	*439,078*	153.6
June '04	360.6	*698,143*	233.8	*452,700*	146.9
Dec '04	367.2	*710,998*	233.5	*452,119*	150.8
June '05	372.0	*720,292*	235.0	*455,023*	152.1
Dec '05	385.5	*746,432*	235.2	*455,411*	153.5
June '06	388.1	*751,466*	242.8	*470,126*	154.8
Dec '06	401.2	*776,832*	251.7	*487,359*	155.6
June '07	395.2	*765,214*	239.4	*463,543*	148.5
Dec '07	402.3	*778,961*	248.5	*481,163*	152.8
June '08	400.5	*775,476*	249.7	*483,487*	157.4
Dec '08	422.9	*818,849*	252.9	*489,683*	159.7
June '09	447.6	*866,674*	280.2	*542,543*	166.1

Source: FITD Statutory Reports

Graph 1
Time Series: RF of member banks



Graph 1 shows RF for the period June 1999 to June 2009. In the last two six-month periods reimbursable funds increased by 47.1 billion euro, possibly as a result of a shift of funds from uncovered savings instruments to deposits guaranteed by FITD due to the current international financial turmoil.

RF up to 20,000 euro, which include the first 20,000 euro of all deposits exceeding that limit, increased since the last year. The increase is more marked in the period December 2008 - June 2009, when RF up to 20,000 euro rose by 12.2%.

The overall amount of RF up to 20,000 euro as of end 2009 is over 166 billion euro, an increase of 5.5%.

27 member banks have Reimbursable Funds equal to zero. For these banks, FITD Statutes provides for derogation to the balance sheet ratios, since these banks do not represent a risk for the consortium.

The analysis that follows is based on the performance of financial indicators in 2009, using data recorded in the statutory reports of June 2008, December 2008 and June 2009.

Table 3 compares the distributions of the number of banks and RF on the basis of Statutory Positions, for each of the three semi-annual periods in question.

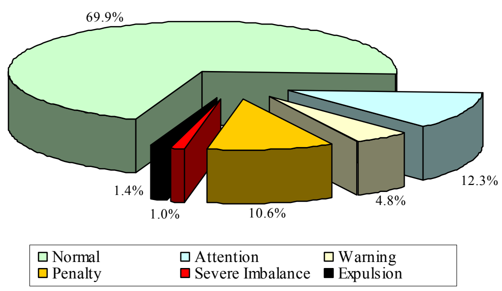
Table 3
Distribution of Banks according to Statutory Position

Statutory Position	30/06/2008		31/12/2008		30/06/2009	
	banks	*% RF*	*banks*	*% RF*	*banks*	*% RF*
Normal	230	91.6	213	94.9	204	81.5
Attention	29	2.8	32	2.7	36	14.0
Warning	6	2.8	15	1.4	14	1.7
Penalty	26	2.7	27	0.7	31	2.4
Severe Imbalance	1	0.1	4	0.1	3	0.2
Expulsion	1	0.1	2	0.2	4	0.2
Total banks	293	100.0	293	100.0	292	100.0

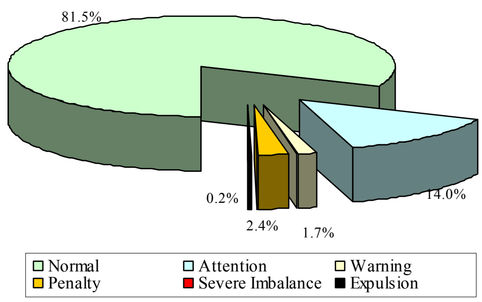
Source: FITD - Bank of Italy data

In detail, compared to June 2008, the number of banks in Low Risk (Normal + Attention) classes decreased by 19, while the corresponding RF increased by 1.1%. Member banks in Medium Risk (Warning + Penalty) classes increased by 13, with a decrease of 1.4% in RF. Banks in High Risk (Severe imbalance + Expulsion) classes increased by 5. At present, 3 banks are rated in Severe Imbalance, with RF equal to 878 million euro; 4 banks are in the Expulsion class with corresponding RF equal to 890 million euro.

Graph 2
Member Distribution
by Statutory Position



Graph 3
RF Distribution
by Statutory Position



The average weighted values of the balance sheet ratios showed different trends, depending on the profile

The average value of the indicator of Risk A1 *(Bad debts / Supervisory Capital)* was 6.9% as of June 2009, up slightly compared to June 2008.

The average solvency Ratio B1 *(Supervisory capital, including Tier 3 / Supervisory capital requirements)* rose from 279.77% to 286.81% over the period June 2008 - June 2009.

The weighted average value of the profitability Ratio D1 *(Operating expenses / Gross income)* increased from 53.24% in June 2008 to 55.95% in June 2009. The weighted average value of Ratio D2 *(Loan losses, net of recoveries / Profit before tax)* increased from 18.54% to 37.93% over the same period.

Table 4
Weighted average values of financial indicators

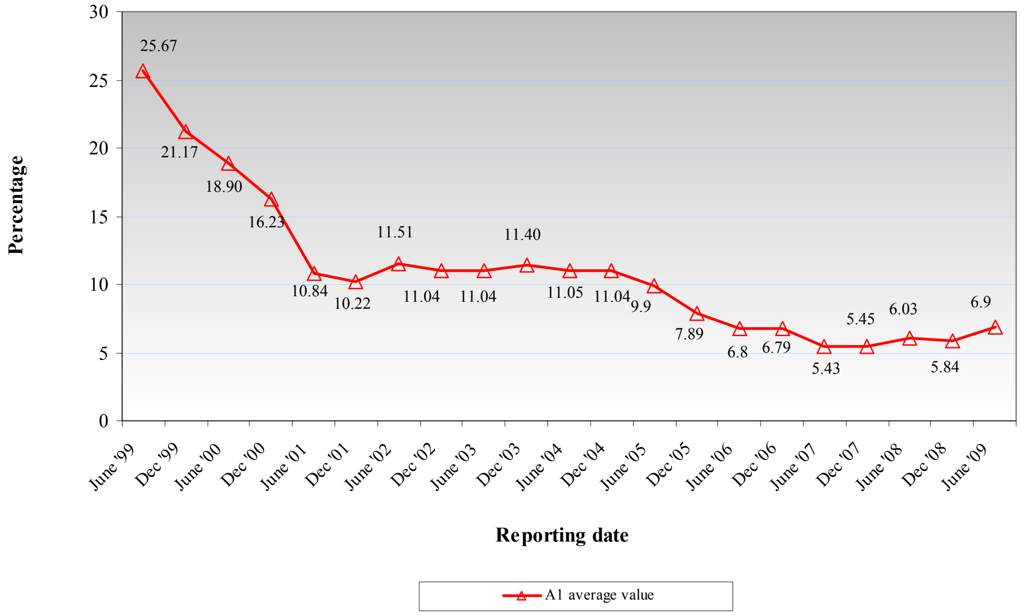
Ratios		Reporting date		
		30/06/2008	31/12/2008	30/06/2009
A1	Bad debts / Supervisory Capital	6.03	5.84	6.9
B1	Supervisory Capital including tier 3 / Supervisory capital Requirements	279.77	267.56	286.81
D1	Operating expenses / Gross Income	53.24	63.8	55.95
D2	Loan losses, net of recoveries / Profit before tax	18.54	39.89	37.93

Source: FITD - Bank of Italy data.

Risk

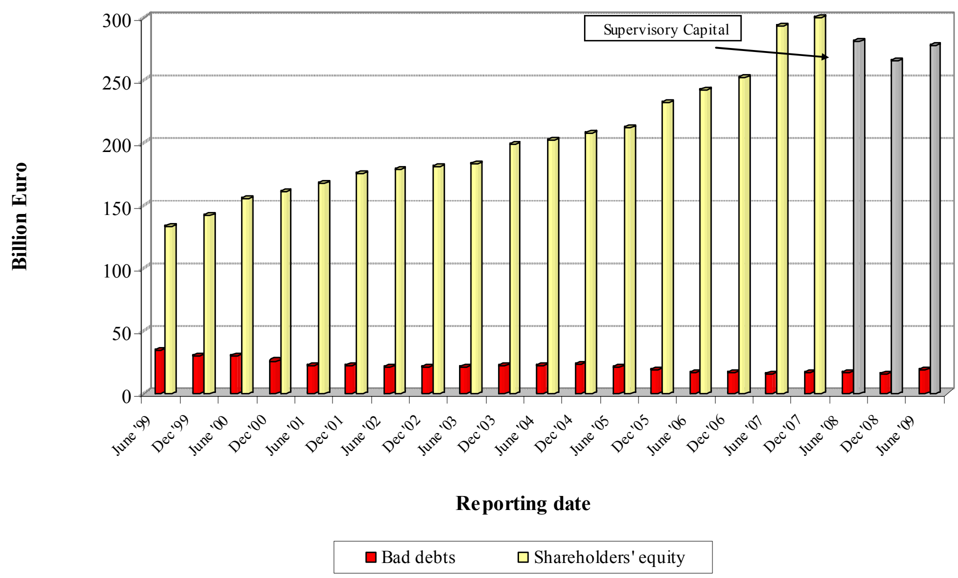
The average value of the A1 risk indicator *(Bad debts / Supervisory Capital)* was 6.9% in June 2009, slightly increasing compared to the values recorded in the last 6 six-month period but well below the Normal level set at 20% (Graph 4).

Graph 4
A1 performance from June 1999 to June 2009



Graph 5 shows the A1 numerator and denominator. It points up that the value of the ratio in June 2009 is due to an increase in bad debts and to the introduction of "Supervisory capital", which proved to be on average less that the aggregate "Shareholders' Equity and Subordinated Loans" used previously.

Graph 5
Bad debts and Shareholders' equity
From June 1999 to June 2009



The class distributions is as follows: in June 2009 banks in the Normal class decreased by 18; there were 10 more in the Attention one, 5 more in the Warning class and 2 more in Violation. Respective RF changed in the opposite direction: RF increased by 7.42% for the banks in the Normal class, while a decrease was recorded for the banks rated in the Attention class (-6.41%) and for those in the Warning class (-0.86%). RF of the banks in Violation declined by 1.86%.

Table 7
A1 indicator: class distribution for member banks

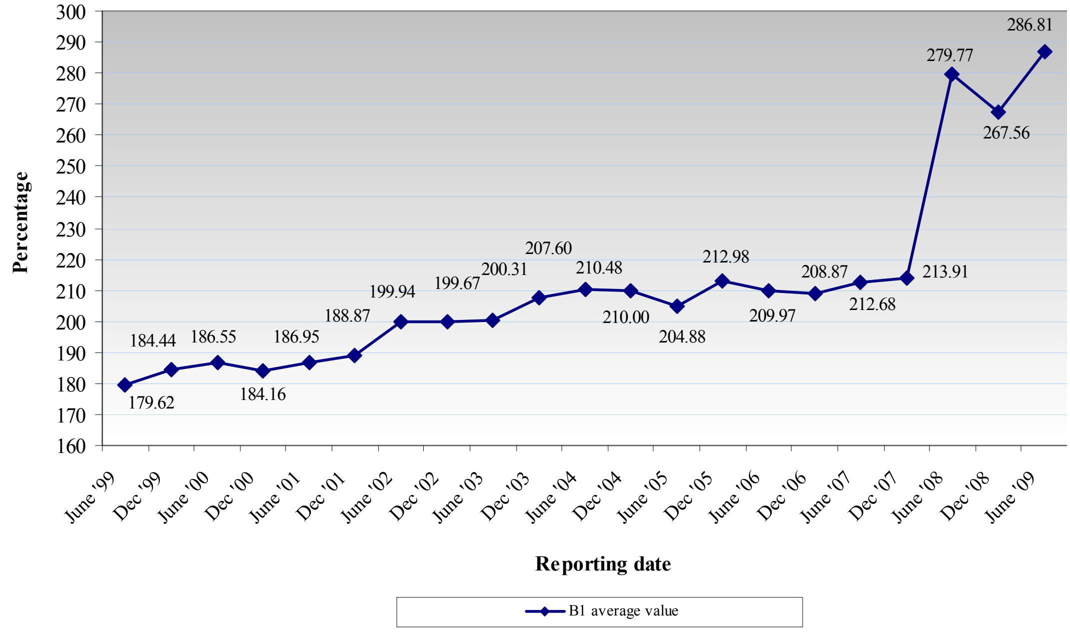
Reporting date	**Normal < 20%**		**Attention < 30%**		**Warning < 50%**		**Violation > 50%**	
	banks	*% RF*	*banks*	*% RF*	*banks*	*% RF*	*banks*	*% RF*
30/06/2008	269	78.07	16	19.21	5	0.60	3	2.12
31/12/2008	264	90.95	20	8.26	7	0.63	2	0.16
30/06/2009	251	85.49	26	12.8	10	1.46	5	0.26

Source: FITD - Bank of Italy data

Solvency

The average value of the B1 solvency indicator *(Supervisory capital, including Tier 1 / Supervisory capital requirements)* was 286.81% as of June 2009, well above the 110% level set as the Normal threshold.

Graph 6
B1 performance from June 1999 to June 2009



Graph 6 shows the trend in the last 3 six-month reports, which can be attributed to an average decline in the denominator (supervisory capital requirements) of about 20% since June 2008. This could be explained, at least in part, by the application of the method for calculating required capital in Basel II.

RF of the banks whose B1 is in Normal made up 99.67% of the total amount, while RF of the members in Attention accounted for 0.19%. RF of the only bank in the Warning class were 0.09%. RF of the banks in Violation was equal to 0.05%.

Table 8
B1 indicator: class distribution for member banks

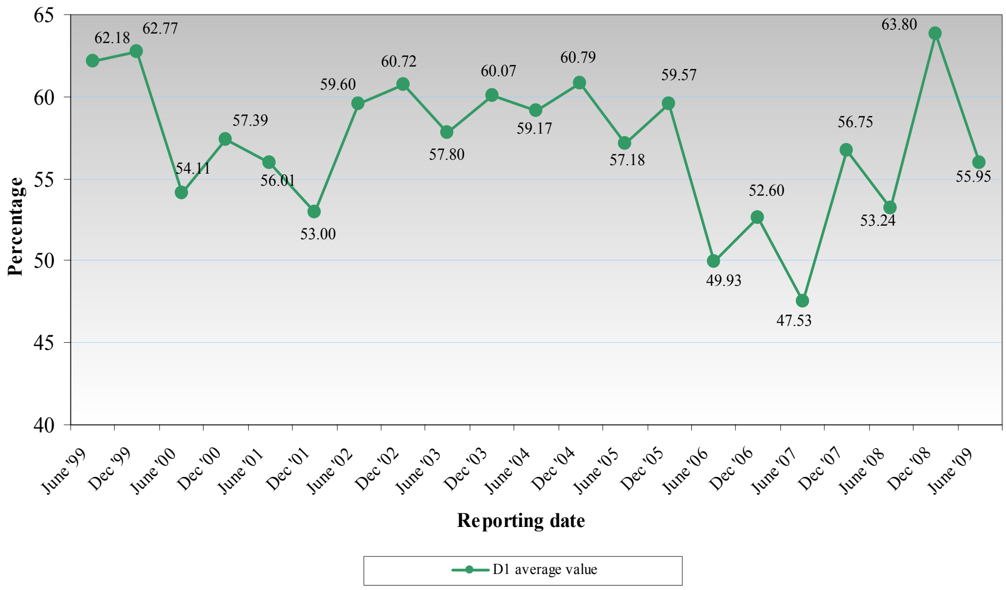
Reporting date	**Normal > 110%**		**Attention < 110%**		**Warning < 100%**		**Violation < 90%**	
	banks	*% RF*	*banks*	*% RF*	*banks*	*% RF*	*banks*	*% RF*
30/06/2008	287	99.42	4	0.53	0	0.00	2	0.05
31/12/2008	282	99.71	5	0.08	1	0.16	5	0.06
30/06/2009	280	99.67	6	0.19	1	0.09	5	0.05

Source: FITD - Bank of Italy data.

Profitability

The two ratios of the profitability profile D1 *(Operating expenses / Gross income)* and D2 *(Loan losses, net of recoveries / Profit before tax)* are usually those with the greater number of banks in the Violation class, given the current set of ratios applied.

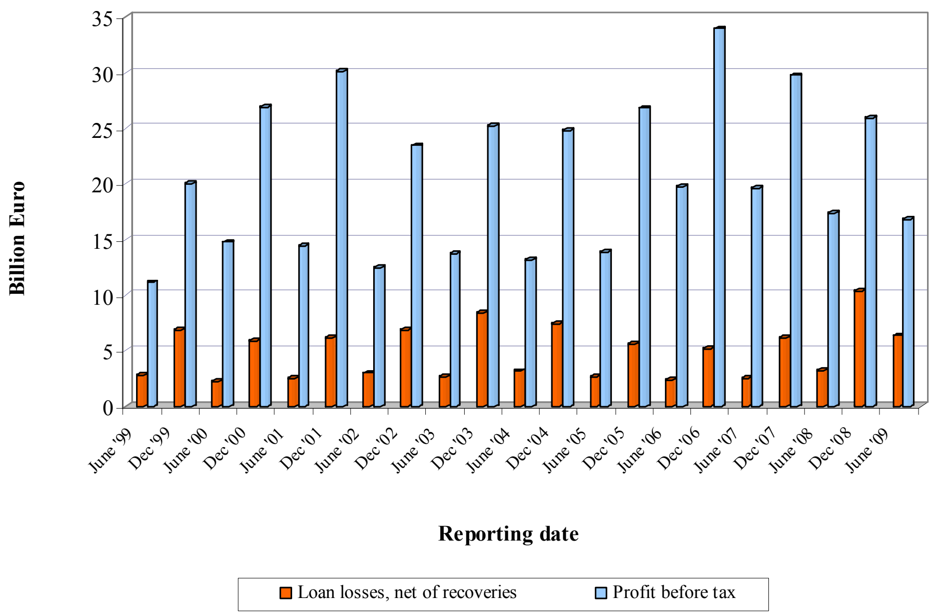
Graph 7
D1 performance from June 1999 to June 2009



Graph 8
D2 performance from June 1999 to June 2009

The variation in trends shown in Graphs 7 and 8 is due to the fact that data for June and December refer to two different time intervals (the semi-annual and yearly). Since not all the income statement data are calculated semi-annually, a correct comparison should be made on a twelve-month basis.

Graph 9
Loan losses, net of recoveries, and profit before tax from June 1999 to June 2009



The analysis of class distributions of banks for the D1 indicator highlights that, between June 2008 and June 2009, there was a decrease in the number of banks rated in the Normal class (-29), offset by banks in Attention (+11), Warning (+7) and Violation (+10). With regard to RF, there a shift of funds from the banks in the Normal class (-21.02%) to those in Attention (+19.51%) and in Violation (+1.56%). RF corresponding to the banks in the Warning class declined by 0.05%.

Table 10
D1 indicator: class distribution for member banks

Reporting date	**Normal < 70%**		**Attention < 80%**		**Warning < 90%**		**Violation > 90%**	
	banks	*% RF*	*banks*	*% RF*	*banks*	*% RF*	*banks*	*% RF*
30/06/2008	211	87.36	33	10.13	11	1.47	38	1.04
31/12/2008	186	57.87	43	39.03	18	1.84	46	1.25
30/06/2009	182	66.34	44	29.64	18	1.42	48	2.60

Source: FITD - Bank of Italy data.

In D2, the analysis of class distribution demonstrates a decrease in the number of banks ranked in the Normal class (-44), offset by an increase of banks in Attention (+5), in Warning (+10) and in Violation (+28). The same trend can be observed with respect to RF. Banks in the Normal class decreased their RF by 38.16%, while funds increased for banks rated in Attention (20.74%), in Warning (4.68%) and in Violation (12.74%).

Table 11
D2 indicator: class distribution for member banks

Reporting date	**Normal < 40%**		**Attention < 50%**		**Warning < 60%**		**Violation > 60%**	
	banks	*% RF*	*banks*	*% RF*	*banks*	*% RF*	*banks*	*% RF*
30/06/2008	227	90.07	19	2.09	7	2.77	40	5.07
31/12/2008	194	45.93	31	39.57	14	10.90	54	3.6
30/06/2009	183	51.91	24	22.83	17	7.45	68	17.81

Source: FITD - Bank of Italy data.

Table 12 shows data relating to the number of banks, amount of RF and average values of financial indicators by geographical area. The data has been divided on the basis of three macro-regions: North, Centre and South, for the three statutory reports in question.

Table 12
RF and average values for geographic Areas

Date	AREA	Banks	RF	A1	B1	D1	D2
June '08	**NORTH**	176	263,537,176,624	4.31%	309.45%	51.41%	16.93%
	CENTRE	81	93,988,138,344	11.36%	212.33%	56.21%	25.03%
	SOUTH	36	43,019,761,678	18.87%	174.51%	62.43%	15.00%
Dec '08	**NORTH**	177	255,482,486,247	3.64%	303.24%	63.04%	37.41%
	CENTRE	81	120,866,833,348	15.10%	178.25%	66.04%	52.47%
	SOUTH	35	47,980,329,777	15.58%	180.58%	64.02%	24.30%
June '09	**NORTH**	176	275,479,961,163	4.72%	321.71%	53.35%	34.25%
	CENTRE	80	120,145,824,318	15.89%	198.30%	61.25%	52.97%
	SOUTH	36	52,020,784,092	17.64%	185.92%	65.55%	25.85%

Note: The subdivision for macro-regions was made on the basis of registered offices.
Source: Elaborations on FITD - Bank of Italy data

In June 2009 the banks in the North represented 60.3% of the Consortium; banks in the Centre were 27.4%; and banks in the South 12.3 %. RF may be accounted for as follows: 61.5% in the North, 26.8% in the Centre and 11.62% in the South.

It is interesting to observe how the average values of the financial indicators, divided on the basis of economic area, reflect different economic conditions.

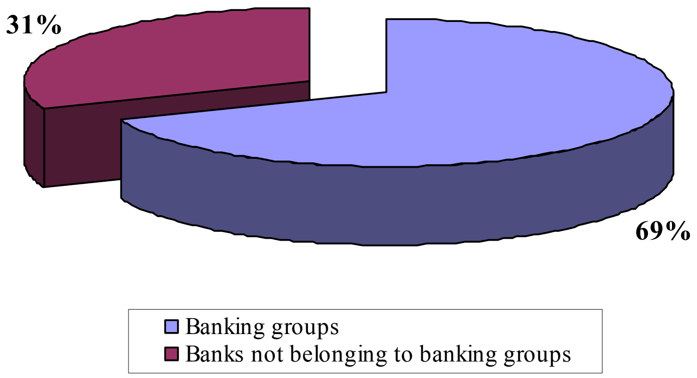
The average value of the A1 indicator is 4.72% for the banks in the North, 15.89% for the banks in the South and 17.64% for those in the South. In the B1 indicator, banks in the North were more capitalised (321.71%) than those in the Centre (198.30%) and in the South (185.92%). Profitability resulting from D1 was also greater in the North; member banks in the South showed a better D2 value (equal to 25.85%) than those in the Centre (52.97%) and in the North (34.25%).

Analysis by banking group

To the purpose of group analysis, the 297 member banks are divided into two main parts as of June 2009, depending on whether they join a banking group or not. At present, 75 banking groups are listed in the Register provided for in Italian Banking Law and managed by the Bank of Italy. 205 members belong to a banking group; the other 92 are individual banks.

As shown in Graphs 10 and 11, banks joining a banking group represent 69% of the total number of FITD members and they account for 96% of the total reimbursable funds. Individual banks make up 31% of the consortium and their RF represent 4% of the total amount.

Graph 10
Composition of the Consortium



Graph 11
Distribution of RF

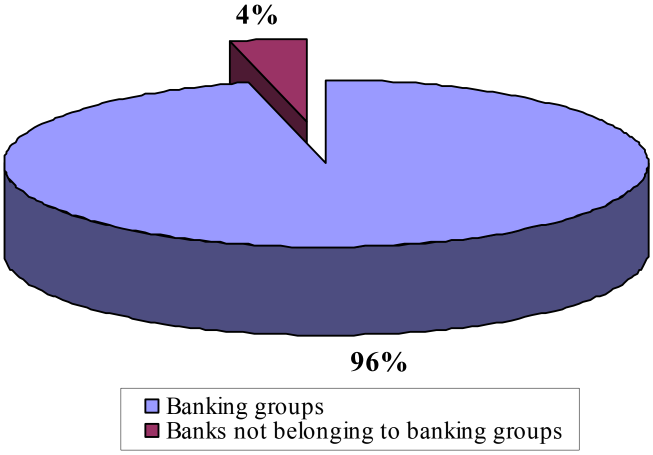


Table 13 gives a comparison among the last three six-month reports. In the period June 2008 - June 2009, the decrease was from about 79% to 69% in the number of member banks belonging to a banking group, while the RF rose slightly as a percentage (0.29%) and as total amount (around 46 billion euro). The number of individual banks rose in the same period from 21.02% in June 2008 to 30.98% in June 2009, while their RF remained stable at about 4% of the total amount.

Table 13
Composition of the consortium

Date		total	belonging to banking groups		not belonging to banking groups	
			amount	%	amount	%
June 2008	Banks	295	233	78.98%	62	21.02%
	RF	*400,545,076,646*	*383,449,718,655*	*95.73%*	*17,095,357,991*	*4.27%*
December 2008	Banks	295	212	71.86%	83	28.14%
	RF	*424,329,649,372*	*408,798,993,737*	*96.34%*	*15,530,655,635*	*3.66%*
June 2009	Banks	297	205	69.02%	92	30.98%
	RF	*447,645,970,827*	*429,833,794,389*	*96.02%*	*17,812,176,438*	*3.98%*

FITD Activities

Documents

Throughout the year work was ongoing in the constant updating of the handbook “Monitoring Banks’ Riskiness and Risk-based Contributions”. The Manual is made available to all members of the Fund Consortium. The Offices of the Fund attach great importance to the Manual and see it essential for ensuring an effective and correct compliance with statutory obligations by member banks. It also provides information about relations with other institutions both at national and international levels.

Research projects

Over the year work continued on the revision of the system for **management** indicators. At the same time, a research project was begun in December 2008 in collaboration with KPMG Consultants.

The project is based on the opportunity to use increased levels of information from banks’ balance sheets to update methodologies for systems of measurement and control of the riskiness of Consortium banks currently in use by the Fund.

Beginning from a data base of balance sheet information, the joint FITD-KPMG work group was able to indentify a broad range of indicators, from which, by means of statistical analyses, to draft a new model to use for the activities of the Fund.

Furthering the research, the applications would be repeated using the data of the Accounts Matrix which make up the data base for the present system of indicators applied to the Consortium’s banks. Also, there is a project to broaden the analysis of the consolidated indicators in order to fully implement existing statutory regulations. This could be evaluated by the Board of the Fund after the completion of the present analysis on the revision of the monitoring system.

For statutory returns, the Glossary for the Contributions Base was updated in the first months of the year and applied as of 31 December 2008.

The revision has been made necessary to conform the composition of the aggregates in the Glossary, which are used by the Fund to calculate the Contributions Base, to the new Circular of the Bank of Italy, No.272/08 “The Matrix for Accounts”.

For this purpose, the offices of the Fund carried out a detailed work of reconciling the aggregates with the new returns data and made significant changes to the software application used by the Consortium members, so as to enable a correct uploading of the Matrix and processing of the new items. For the sake of coherence and continuity it was decided to leave the Glossary on line, wherever possible, using the previous versions in terms of the structure of the aggregates. However, significant changes were made to the composition of the items according to the Matrix.

Other activities

At the level of European wide problems faced by deposit guarantee schemes, in the year the work of revising Directive 94/19/EC was carried on by the European Commission, which initiated it in mid October 2008 in a context of urgency caused by the acute phase of the international financial crisis.

A first major step was the publication of Directive 2002/14/EC on 11 March 2009, containing the first amendments to Directive 94/19/EC on the levels of coverage, the elimination of the practice of Coinsurance and the speed of payout.

The revision s still ongoing. Decisions on it are expected to be taken by the European Commission in 2010. These will be followed by the processes of reception by the EU Member States. After this, the offices of the Fund will assess the impact of prospective changes that will be inserted in its Statutes as a result of the decisions taken and will draft appropriate proposals for modifications.

Throughout the year, given the climate and activities outlined, the offices of the Fund were involved in the work of revision of the Directive on two levels.

First, the offices of the Fund participated in European work groups. Specifically, the participation in the work group on problems relating to Systems of Risk-based Contributions, jointly with the Joint Research Centre - JRC of the European Commission, is one such activity.

The second level of involvement relates more directly to the process of legislative changes to the Directive. The Fund gave its opinion and its considerations in the framework of public consulation organised by the European Commission in May 2009 on the many aspects under revision. A representative of the Fund’s Research Department took part in two meetings of the Work Group on Deposit Guarantee Schemes organized by the Commission in Brussels on 3 July and 9 November 2009, in support for a Delegate from the Ministry of the Treasury who also attended the sessions.

Meetings and seminars

On seminar activities, the Fund promoted a study session on “Possible Models for Risk-based Contributions”. It was held on 15-16 October 2009 in the premises of the Fund and was organsied under the aegis of the European Forum of Deposit Insurers (EFDI).

The events was attended by members of the Joint Research Centre of the European Commission and representatives of the academic and scientific research community. The seminar was also an opportunity to strengthen further the collaboration already existing for some time between the offices of the Fund and the JRC.

Relating to international meetings, the Fund also took active part in the Seminar held in Athens on 8 and 9 October on “Financing Deposit Insurance”. A representative of the Fund’s Research department gave a presentation and illustrated the features of the Italian deposit protection system.

Interventions

In 2009, the Fund continued to manage a number of past interventions still outstanding, in agreement with the liquidators, to reach closure on situations that still had not been finalised.

The following outlines activities carried out and the current state of definition for each of the three interventions:

Banco di Tricesimo: a decision on the appeal on the last out standing controversy is awaited, after which the bank will be cancelled from the Companies Register.

Banca di Girgenti: to help resolve the crisis, the Fund accepted to tackle the deficit resulting from the assets and liabilities transfer to a major Italian bank; the final assessment is subject to the outcome of legal cases and to the payment date of the costs of proceedings.

During the year, a comprehensive examination was made of the above unsettled legal cases and of the risks pending for the parties. Specifically, concerning the claims by a third bank to cash Commercial Paper for the original amount of 9 billion lire capital and to draw down the guarantees, previous given by the Banca di Girgenti for the corresponding amount, actions were taken to recover the amounts paid at the time by the procedure, being the losing party in execution of the first sentence of the Cassation Court No. 2464/2004.

Thereafter, in first degree phase, two further cases against liquidation were brought, with successful results for the procedure.

At the present moment, given that Sentence 1915/2004 by the Court of Cassation declared the debt of the Commercial Company originating the commercial paper to be non-existent, possibilities have arisen for a negotiated solution with the said Company. The aim is to get a partial restitution of the amounts paid by the liquidation following the first sentence of the Cassation Court.

The outcome of the meetings was not positive. Accordingly, the Deliberate Assembly of the Fund will be asked to pronounce on the request to transfer the case for the recovery of the sums paid in execution of the first sentence by the Cassation Court.

Cassa di Risparmio di Prato: the legal proceedings in the ordinary courts are still unsettled, and this prevents the closure of the Fund's intervention.

On the commitment for intervention for the 2009 financial year, according to Article 21 of the Statutes and the resolution of the General Meeting, the resources for interventions were 0.4% of reimbursable funds as of 30 June 2008, which is equal to 1,602,180,306.58 euro.

As far as regards the commitment for intervention for the 2010 financial year, the resources for interventions, calculated on the basis of the reimbursable funds as of 30 June 2009, are 1,790,586,278.29 euro.

Supplement to the 2009 Financial Statements

The present Supplement illustrates and comments on the items and amounts listed in the Balance Sheet and Income Statement, and in so doing, it illustrates the evaluation criteria adopted in preparing the financial statements.

Further qualitative and quantitative information is also provided pursuant to Article 2427 of the Italian Civil Code.

In accordance with the accounting principle of continuity, the evaluation criteria have not changed with respect to previous financial years.

In compliance with transparency principles, the amounts in the financial statements of 31 December 2009 are compared with those of 31 December 2008.

In the financial statements, amounts are rounded up to the nearest euro if they are greater than 50 cents and rounded down if they are less than 50 cents.

The Income Statement for the year 2009 shows a balance before tax but after tax it shows a loss of €63,327.00, corresponding to the exact amount due for taxes. The results are in keeping with the Consortium and non-profit nature of the Interbank Deposit Protection Fund.

Balance Sheet

Fixed assets are listed in the Balance Sheet at their net accounting values, which are calculated as the difference between the purchase costs, plus accessory charges, and the total depreciations or amortisation effected. The total as of 31 December 2009 is €19,562.00 with an increase of €2,077.00 compared to the previous financial year.

Intangible fixed assets consist of the charges sustained for purchases of software licenses. The accounting value was determined by calculating the difference of the costs sustained and the amortisation amount calculated at constant periods, assuming the use of the software licenses in two financial years.

The overall net amount as of 1 January 2009 is €4,268.00. During the year an increase of €8,004.00 and ordinary amortisation quotas of €6,238.00 were recorded. The net accounting value as of 31 December 2009 is €6,034.00, with an increase of €1,766.00 compared to the 2008 financial statements.

Net of amortisation reserve, the tangible fixed assets is entered in the financial statements' assets in the overall amount of €13,528.00, with an increase of €311.00 compared to the previous financial year.

In particular:

- Equipment and plant: the net accounting value as of 1 January 2009 is €251,739.00, not changed during the year. Ordinary amortisation quota amounting to €900.00 was recorded, to increase the relevant fund of €249,399.00. The net accounting value as of 31 December 2009 is €1,440.00, with a decrease of €900.00 compared to the 2008 financial year;

- Furniture and furnishing (other goods): the overall net amount as of 1 January 2009 is €0.00. Goods on the assets' book (€507,653.00) are totally amortised. During the year there were no increases to be recorded and therefore the net accounting value as of 31 December 2009 is €0.00;
- Electronic and electro mechanic machines (other goods): the net accounting value as of 1 January 2009 is €600,453.00. Increases of €6,262.00 and ordinary amortisation quotas of €5,051.00 were recorded during the year, to increase the relevant fund amounting to €589,576.00. The overall net amount as of 31 December 2009 is €12,088.00, with an increase of €1,211.00 compared to 2008;
- Assets with a value less than 516.46 euro (other goods): it includes items purchased during the year for €249.00, totally capitalised and amortised through the amortisation fund. The net accounting value as of 31 December 2009 is €0.00.

Investments amounts to €0.00 as in past financial years.

Advances to suppliers, recorded among Inventories, are €69.00, with a decrease of €4,203.00 compared to the previous financial year.

The **Receivables** are listed under Balance Sheet - assets at nominal value, which matches the presumed value.

Receivables from clients considered recoverable within 12 months amounts to €167,000.00, which is the balance of the contributions paid by Members for operating expenses in 2009.

Receivables from Members, payable over 12 months, amount to €107,044.00 and are composed of: €24,480.00 for legal invoices issued in the name and on behalf of the Interbank Deposit Protection Fund for the intervention regarding Banca di Girgenti, and €82,564.00 paid out to Banco di Tricesimo, which is in compulsory administrative liquidation, to activate the guarantee given by the Interbank Deposit Protection Fund as a result of a legal dispute against the liquidation proceedings.

Therefore, the total amount of Receivables is €274,044.00, with an increase of €20,857.00 compared to the previous financial year.

The Receivables from the Tax Authorities considered recoverable within 12 months show an amount of €76,202.00 consisting of: (i) advances from IRES in the amount of €1,422.00; (ii) advances from IRAP, regularly paid during the current financial year, in the amount of €71,294.00; and, (iii) advance withholdings on bank interest income in the amount of €3,486.00.

Total receivables for advance taxes is €4,022.00, which consists of IRES (€3,551.00) and IRAP (€471.00).

Receivables from other parties, considered recoverable within 12 months, amounts to €13,107.00 and consists of receivables from INPS, in the amount of €395.00, and from Art'è SpA in the amount of €12,712.00 concerning a claim of condominial costs paid in advance on behalf of Art'è SpA during the year.

Total receivables is €367,375.00, an increase of €16,316.00 compared to the 2008 financial statements.

Cash and equivalent, listed at nominal value, is equal to €577,122.00, with a decrease of €20,506.00 compared to the previous financial year. The total amount consists of (i) bank deposits having a credit balance of €569,201.00 and (ii) cash in the amount of €7,921.00.

Current assets presents a total of €944,566.00, with a decrease of €8,393.00 compared to the previous financial year value, which was €952,959.00.

In compliance with the principle of accrual basis accounting, **prepaid expenses** is recorded in the amount of €27,100.00, a decrease of €2,265.00 compared to the previous financial year.

Total Assets is equal to €991,228.00 and shows a decrease of €8,581.00 compared to the total amount recorded in 2008.

Under the **Net asset value**, the Consortium fund amounts to €439,917.00 and the loss for the 2009 financial year is equal to €63,327.00. The overall amount is therefore €376,591.00, with an increase of €8,596.00 compared to the previous financial year, as a result of a decrease in the loss for the 2009 financial year.

As provided for by the last General Assembly, held on 19 March 2009, the loss for the 2008 financial year in the amount of €71,922.00 has been settled writing off a surplus of contributions for operating expenses recorded in the previous financial year.

Provisions for Risk and Charges amounts to €21,939.00 and it consists of: (i) reserves for taxes, including deferred, for €1,939.00 and (ii) other for €20,000.00 Under the item Other we include a precautionary depreciation made in 2007 for a labour case brought by a former employee. Compared with the previous year's balance sheet, the full item showed a decrease of €653.00.

The **Staff Severance Fund** is listed under the Balance Sheet - Liabilities in the amount of €25,910.00, with an increase of €503.00 compared to the amount recorded in 2008. Amounts for social contributions matured for employees are paid into an Open Pension Fund; annual increases are made only according to the sum of the single ISTAT appreciations.

Payables are recorded in the balance sheet liabilities at their nominal value, which corresponds to the financial statement.

Payables to suppliers within 12 months amount to €43,513.00, with a decrease of €42,202.00 compared to the 2008 financial year.

Tax Payables within 12 months amounts to €149,559.00 and consists of: (i) €49,113.00 for advance withholdings approved for third parties; (ii) €23.00 for substitute tax in revaluation of end of employment treatment; (iii) €35,013.00 refer to fiscal withholdings on compensations for employee salaries and wages; (iv) €2,963.00 for tax payables referred to IRES; and (v) €62,447.00 for tax payables referred to IRAP. Compared to the 2008 financial statements, an increase in tax payables of €2,717.00 is recorded.

Payables to social security institutions within 12 months demonstrates a total of €102,629.00, with an increase of €20,278.00 compared to the previous financial year. The composition of the item is as follows: (i) €44,668.00 is for the contributions to be paid for salaries and wages in December 2009; (ii) €1,165.00 is for the contributions to be paid for payment to Statutory Organs in December 2009; and, (iii) €56,796.00 concerns the voluntary and corporate reserves for the Open Pension Fund.

Other Payables considered recoverable within the next financial year, amount to €216,030.00, with an increase of €9,264.00 compared to the amount recorded in 2008.

The item consists of: (i) €115,061, which is the balance of contributions for 2009 operating expenses, withheld by the Fund as an advance sum for 2010 (Art. 22 of the Statutes); (ii) €23,480.00 is for bonuses and December extraordinary wages to be paid to employees; (iii) €30,000.00 is for a research project with EFDI to be presented at the EFDI 2010 Annual Meeting; (iv) €30,250.00 as the balance of 2008 condominial expenses for 2009; (v) €16,145.00 includes insurance premia for employees and FITD seat, and, (vi) €1,094.00 for other expenses referred to the 2009 financial year.

Other Payables considered recoverable over the next financial year amounts to €55,057.00 and relates to bills to cover legal expenses of cases that are still under way and regard the intervention carried out for Cassa di Risparmio di Prato.

Total payables is €566,788.00, with a decrease of €17,027.00 compared to the previous financial year.

There are no accrued expenses and deferred income.

Total liabilities is equal to €991,228.00 and shows a decrease of €8,581.00 compared to the amount recorded in 2008.

Interim Accounts

The members' commitment to the contribution obligations of resources for interventions is listed in the interim accounts.

The descriptive form adopted for these amounts shows not only their sums but also their composition, purpose and eventual payment.

For further information on the management of interventions, refer to the Management Report that accompanies the Financial Statements

Income Statement

The graduated form adopted shows the progressive formation of the economic results whose sum consists of the following partial results:

A) Production value	€	2,789,654.00
B) Production costs	€	2,799,689.00
A-B) Difference between production value and costs	€	- 10,035.00
C) Financial management	€	12,891.00
D) Value adjustments to financial assets	€	0.00
E) Extraordinary management	€	- 2,856.00
Net profit before taxes	€	0.00
22) Taxes for the period	€	63,327.00
23) Profit (loss) for the period	€	(63,327.00)

Production value, equal to €2,789,654.00, consists of members' contributions that cover the operating expenses of €2,776,939.00 and other revenue and income in the amount of €12,715.00. An increase of €168,769.00 is recorded, compared to the total production value in 2008.

Production costs amounts to €2,799,689.00, with an increase of €119,107.00 compared to the amount recorded in 2008. The item consists of: costs for primary, subsidiary and convenience products; costs for services; leases and rentals; costs for personnel; amortisation; reserve for risks and charges; and various management charges.

Costs for primary, subsidiary and convenience products (item 6) amounts to €5,530.00, with a decrease compared to the previous financial year amount of €7,760.00. According to the accounting principle, item 6 is composed of: cleaning products (€556.00); Stationery articles (€3,768.00); Fuel and oil expenses (€1,206.00).

Costs for services (item 7) demonstrates a balance of €1,041,691.00, with an increase in the amount of €27,249.00 compared to the 2008 financial year. The item includes the following charges:

Maintenance of furniture, machines and equipment	€	10,178.00
Maintenance and updating of the computer system	€	5,475.00
Electrical energy expenses	€	29,569.00
Telephone expenses	€	21,498.00

Mobile phones expenses	€	9,061.00
Postal expenses	€	4,155.00
Meal vouchers for employees	€	13,585.00
Compensation for consultants	€	79,555.00
Professional loans	€	32,212.00
Contributions to INPS L. 335/95	€	13,945.00
Business Travel	€	9,552.00
Business overnight stays	€	6,476.00
Training expenses for employees	€	19,969.00
Refunds to employees	€	10,704.00
Foreign and institutional relations	€	27,999.00
Compensation and refund OO.CC.	€	9,832.00
Legal and notary expenses	€	5,691.00
Insurance expenses	€	3,595.00
European research projects	€	30,000.00
Entertainment expenses	€	9,992.00
Research projects	€	30,914.00
Expenses and bank charges	€	6,802.00
Compensation and refund to managers	€	575,835.00
Compensation to Auditors	€	63,462.00
Management of motor vehicles	€	4,022.00
Non-condominial Cleaning expenses	€	1,437.00
Transport and taxies	€	6,176.00

The item Compensation and refund to managers (€575,835.00) consists of: €395,491.00 relates to compensation and reimbursements to the Committee members; €180,344.00 is for compensation and reimbursements to the Board members.

Item (8), costs for goods referred to third parties amounts to €636,496.00 and shows an increase of €16,602.00 compared to the 2008 financial year. The item is composed as follows:

Rent of premises	€	468,579.00
Leasing for tangible assets and plants	€	1,522.00
Leasing for the computer system	€	85,069.00
Expenses for managing seat	€	69,435.00
Car leasing	€	11,891.00

Item (9), costs for personnel amounts to charges of €1,062,787.00, with an increase of €87,477.00 compared to the amount recorded in 2008. In details:

Wages and salaries	€	745,332.00
Social security contributions (INPS)	€	196,181.00
Staff severance fund	€	54,504.00
Contributions to the Open Pension Fund	€	34,850.00
Insurance policies for personnel	€	28,633.00
INAIL contributions	€	3,287.00

As of 31 December 2009, there were 12 employees at FITD; five were office and clerical workers, six were managers and one was a director

Amortisation are listed in item 10 in the amount of €15,438.00, with an increase of €166.00 compared to the previous financial year. The item is composed as follows:

- Letter a) Amortisation of intangible assets consists of the ordinary amortisation quota for software license rights (€6,238.00), which shows an increase compared to the amount of €5,052.00 recorded in 2008.
- Letter b) Amortisation of tangible assets in the amount of €9,200.00, with a decrease compared to the previous financial year. It consists of the amortisation quotas for: (i) Equipment and various plants (€900.00), (ii) Electric and electromechanical machines (€5,051.00) and, (iii) Assets with a value less than 516.46 euro (€3,249.00).

Item (14) Management charges shows a total amount of €37,747.00, with a decrease of €10,157.00 compared to the amount recorded in the 2008 financial statements. The item is composed as follows:

Books, magazine and newspapers	€	7,479.00
Stamp duties	€	715.00
Register tax	€	1,853.00
Garbage collection tax	€	10,908.00

City council licenses	€	1,140.00
Other taxes	€	1,389.00
Fine and pecuniary sanctions	€	618.00
General expenses	€	5,904.00
Press and publications	€	7,737.00
Rounding up	€	4.00

The **difference between production value and costs** is a negative sum of €10,035.00, which shows a decrease of €49,662.00 compared to the amount recorded in 2008.

Financial income and charges, items are recorded as follows: other financial income is recorded in item (16) letter d) as €12,910.00 relating to interest receivable on bank accounts; item 17) letter d) lists Interests and other financial charges in the amount of €20.00 for interests allowed on taxes; item 17-bis) relating to Income and charges on exchange rates, shows a sum of €1.00 for normal purchases and sales of currencies for cash in hand for employees involved in missions abroad.

The overall amount of Financial income and charges is €12,891.00 and shows a decrease of €39,962.00 compared to the previous financial year.

Extraordinary Income consists of Contingent assets for €3,529.00 recorded in item 20 and Extraordinary income in the amount of € 6.385,00 listed in item 21. Therefore, the overall amount of Extraordinary Income shows a negative figure of €2,856.00, differently from the 2008 financial statements where a positive result of €6,843.00 was recorded.

In accordance with the nature and the non profit aims of the Interbank Deposit Protection Fund, Net profit before taxes demonstrates that the positive and negative elements are equal.

The income taxes for the period, recorded in item (22) of the Income Statement, were calculated according to the fiscal laws in force for IRES (tax on company's income) and IRAP (regional tax on productive activities). By applying these regulations, total charges for taxes is registered in the amount of €63,327.00, broken down as follows:

a) Current taxes (IRES)		€	2,963.00
a) Current taxes (IRAP)		€	62,446.00
	Total Current taxes	€	65,409.00
b) Deferred taxes (IRES)		€	1,650.00
b) Deferred taxes (IRAP)		€	289.00

	Total Deferred taxes	€	1,939.00
c) Advance taxes (IRES)		€	- 3,551.00
c) Advance taxes (IRAP)		€	- 471.00
	Total Advance taxes	€	- 4,022.00

Item (23), Income (loss) for the period, shows a loss for the period amounting to €63,327.00, which corresponds to the same tax charge and it shall be covered with the surplus balance of contributions paid by the Members for operating expenses in 2009.

Board of Auditors' Report

Board of Auditors' Report

The Board of Auditors made its observation to the General Meeting on the financial statements and the activities carried out by the Interbank Deposit Protection Fund in 2009.

For the purpose of providing a better information report, the financial statements formats have been drafted in accordance with the extended form provided for by Article 2424 and the following ones of the Italian Civil Code.

The comparison to the past financial year has been assured by the presentation of data contained in the financial statements for the financial year ending on 31 December 2008.

In compliance with the accounting principle of continuity, the evaluation criteria have not changed with respect to that adopted for previous financial years.

The positive and negative income components have been determined by applying transparency principles for financing statements.

The Supplement describes the financial statements items in a detailed way and with reference to both their composition and the evaluation criteria adopted.

In the Report, the Board presented its own observations on the operation trends, and it gave special attention to institutional activities carried out by the offices of the Fund.

The analysis of the Income Statement presents a result before tax, which after the tax obligation, amounts to a loss of € 63,327.00 that is equal to said taxes (IRAP, IRES, advance taxes and deferred taxes). Such result is consistent with the consortium nature and non profit aims of the Interbank Deposit Protection Fund.

With full respect for the decision taken by the General Meeting of Members on 19 March 2009, the loss for 2007 financial statements, which was equal to € 71,922.00, was settled with the surplus balance of members' contributions for operative expenses as of the end of 2008, after writing off the amount of advance and deferred taxes for the same financial year.

The surplus amount of contributions for operative expenses paid by member banks in 2009, with respect to the charges, amount to € 115,061.00. Such an amount was kept by the Interbank Deposit Protection Fund for the 2010 financial year, in compliance with Article 22 of FITD's Statutes.

The financial statements as of 31st December 2009 is as follows:

BALANCE SHEET

- Intangible Assets	€	6,034
- Tangible Assets	€	13,528
- Inventories	€	69
- Receivables	€	367,375
- Cash and equivalent	€	577,122
- Accrued Expenses and Deferred Income	€	27,100
Total Assets	€	991,228
- Consortium Fund	€	439,917
- Loss for the period	€	(63,327)
Total Net Asset Value	€	376,591
- Provisions for risks and charges	€	21,939
- Staff Severance Fund	€	25,910
- Payables:		
a) Tax payables	€	149,559
b) Other payables	€	417,229
Total Liabilities and Net Asset Value	€	991,228

INTERIM ACCOUNTS

I - Management of Interventions		
A Commitments for interventions in 2009	€	1,602,180,307
B.1 Commitments for deliberated interventions not paid out	€	450,000
B.2 Commitments for deliberated interventions paid out	€	0
C Commitments for interventions to be deliberated	€	1,601,730,307
II - Leasing instalments to be paid	€	0

INCOME STATEMENT

Value of production			€	2,789,654
Costs for primary, subsidiary and convenience products	€	- 5,530		
Costs for services	€	- 1,041,691		
Costs for goods referred to third parties	€	- 636,496		
Costs for personnel	€	- 1,062,787		
Amortisation	€	- 15,438		
Various management expenses	€	- 37,747		
Total costs of production			€	- 2,799,689
Difference between production value and costs			€	- 10,035
Total financial income and charges			€	12,891
Total extraordinary items			€	- 2,856
Net profit before taxes			€	0
Income taxes for the period			€	63,327
Profit (loss) for the period			€	(63,327)

The loss pursuant to the Italian Civil Code coincides with the taxes on the income for the financial year, with a payable to the Tax Authorities of € 149,559.00 as duly shown in the Liabilities of the Balance Sheet as item D) 12.

The calculation of interventions resources for 2009 was attained according to the provision of Article 21 of FITD's Statutes and the Board's decisions regarding the matter at hand. The overall resources for interventions totalled € 1,602,180,307.00 corresponding to 0.4% of reimbursable funds as of 30th June 2008.

The amount of € 450,000.00 is recorded as the maximum estimated commitment for the complete closing of the liquidating activities of the Banco di Tricesimo.

Therefore, as of 31 December 2009, the remaining commitment for interventions to be resolved is equal to € 1,601,730,307.00.

As far as regards the activities of the Board of Auditors, we confirm to having carried out a careful verification of both the assets and liabilities, the economic components contained in the financial statements and, on the basis of periodic and constant verifications that were carried out, we certify the following:

- in preparing the Balance Sheet and the Income Statement, the principles and provisions pursuant to Articles from 2423 to 2425-bis of the Italian Civil Code were respected;
- the items of the financial statements were evacuate observing the criteria set forth in Article 2426 of the Italian Civil Code, explained and described in the Supplement and fully shared by this Board;
- in the Balance Sheet, all the liability items relating to matured payables of the period were recorded;
- the evaluation criteria adopted have not changed with respect to the previous financial year and the amortisation coefficients do not differ from those provided for by the relevant fiscal provisions;
- the principle of accrual basis accounting was followed for the accounting of expenses relating to intangible assets pursuant to Article 2426, paragraph 5 of the Italian Civil Code;
- the annual quotas of amortisation applied to both tangible and intangible assets, whose potential use is limited in time, have been calculated according to the regularity principle, with reference to the residual possibility of using such properties;
- with the exception of amounts intended for complementary pension, the staff severance fund, which is recorded in the financial statements, includes matured amounts for personnel that have been given raises in accordance with the applicable laws;
- The fiscal charge of the Income statement was calculated in observance of the fiscal provisions in force. Furthermore, calculation and separate highlighting of advance and deferred taxes were carried out;

- there was no appeal made to derogations provided for by Article 2423, paragraph 4 of the Italian Civil Code, and no monetary revaluation of property was carried out;
- The amounts reported in the financial statements are confirmed in the documents and general accounting prepared in accordance with the law.

During the period, the Board of Auditors carried out careful and periodic administrative and accounting verifications, on the basis of which the correct accounting position and the correspondence of the financial statements to the accounting results have been attested.

Such verifications have allowed the careful surveillance of expenses sustained with respect to the budget approved by the General Meeting in 2009.

The Board of Auditors attended all the meetings of the Board of Directors and Executive Committee and, therefore, guarantees the respect for the provisions of the Law and Statutes in the management of the Interbank deposit Protection Fund.

The loss for the financial period, which was recorded in the amount of € 63,327.00, shall be settled with the surplus of contributions for operative expenses as of 31 December 2009, according to the proposal made by the Board of Directors in the Supplement to the 2009 financial statements.

As a result of what is stated above, the Board of Auditors expresses its favourable opinion on the approval of the financial statements and the deferment of the loss for the financial year.

In concluding the present Report, the Board of Auditors would like to express its appreciation to the members of the Board of Directors and the Executive Committee for the effective and professional activities that were carried out.

A special thanks, furthermore, to the Interbank Deposit Protection Fund’s Secretary General and to all the employees of the Fund, for the diligence and collaboration given in their respective roles during the financial year.

The Chairman	The Auditors	
Dr. R. Mastrostefano	Dr. G. Berneschi	Rag. G. Allocco

Balance Sheet

Balance sheet - Assets	31/12/2009	31/12/2008
A) Receivables due from shareholders for unpaid capital		
(of which already received)		
B) Fixed Assets		
I. Intangible assets		
1) Start-up and expansion costs		
2) Research, development and advertising costs		
3) Industrial patent and intellectual property rights		
4) Concessions, licenses, trademarks and similar rights	6,034	4,268
5) Goodwill		
6) Fixed assets under development and advances		
7) Others		
	6,034	4,268
II. Tangible Assets		
1) Land and buildings		
2) Plant and equipment	1,440	2,340
3) Industrial and commercial equipment		
4) Others	12,088	10,877
5) Fixed assets under construction and advances		
	13,528	13,217
III. Investments		
1) Equity investments in:		
a) Subsidiary companies		
b) Affiliated companies		
c) Parent companies		
d) Other companies		
2) Receivables from:		
a) Subsidiary companies		
- within 12 months		
- over 12 months		
b) Affiliated companies		
- within 12 months		
- over 12 months		
c) Parent companies		
- within 12 months		
- over 12 months		
d) Other companies		
- within 12 months		
- over 12 months		
3) Other securities		
4) Own shares		
Total fixed assets	**19,562**	**17,485**

C) Current Assets			
I. Inventories			
1) Raw materials, secondary materials and consumables			
2) Work in progress and semi-finished goods			
3) Work underway on request			
4) Finished goods and goods			
5) Advances to suppliers		69	4,272
		69	4,272
II. Receivables			
1) From clients			
- within 12 months	167,000		84,002
- over 12 months	107,044		169,185
		274,044	253,187
2) From subsidiary companies			
- within 12 months			
- over 12 months			
3) From affiliated companies			
- within 12 months			
- over 12 months			
4) From parent companies			
- within 12 months			
- over 12 months			
4-bis) Tax assets			
- within 12 months	76,202		91,019
- over 12 months			
		76,202	91,019
4-ter) Advance taxes			
- within 12 months	4,022		5,651
- over 12 months			
		4,022	5,651
5) Due from others			
- within 12 months	13,107		1,202
- over 12 months			
		13,107	1,202
		367,375	351,059
III. Current financial assets			
1) Equity investments in subsidiary companies			
2) Equity investments in affiliated companies			
3) Equity investments in parent companies			
4) Other equity investments			
5) Own shares			
6) Other securities			
IV. Cash and Equivalent			
1) Banking and postal deposits		569,201	593,640
2) Checks			
3) Cash on-hand and valuables		7,921	3,988
		577,122	597,628
Total Current Assets		**944,566**	**952,959**

D) Accrued income and prepaid expenses

- Discount on loans			
- others	27,100		29,365
		27,100	29,365
Total Assets		**991,228**	**999,809**

Balance Sheet - Liabilities		**31/12/2009**	**31/12/2008**
A) Shareholders' Equity			
I. Capital		439,917	439,917
II. Share capital			
III. Revaluation reserve			
IV. Legal reserve			
V. Statutory reserve			
VI. Reserve for own shares			
VII. Other reserves			
Difference due to rounding up to Euro unit	1		
		1	
VIII. Profit (loss) carried over			
IX. Profit for the period			
IX. Loss for the period		(63,327)	(71,922)
Interim dividends		()	()
Partial cover of losses for the financial year			
Total Equity		**376,591**	**367,995**
B) Provisions for risks and charges			
1) Pension and similar costs			
2) Provision for taxes and for deferred taxes		1,939	2,592
3) Other provisions		20,000	20,000
Total provisions for risks and charges		**21,939**	**22,592**
C) Staff Severance Fund		**25,910**	**25,407**
D) Payables			
1) Bonds			
- within 12 months			
- over 12 months			
2) Convertible bonds			
- within 12 months			
- over 12 months			
3) Payables to members for financing			
- within 12 months			
- over 12 months			
4) Payables to banks			
- within 12 months			

	- over 12 months		
5) Payables to other lenders			
	- within 12 months		
	- over 12 months		
6) Advances			
	- within 12 months		
	- over 12 months		
7) Payables to suppliers			
	- within 12 months	43,513		85,715
	- over 12 months		
			43,513	85,715
8) Debt instruments			
	- within 12 months		
	- over 12 months		
9) Payables to subsidiaries			
	- within 12 months		
	- over 12 months		
10) Payables to affiliated companies			
	- within 12 months		
	- over 12 months		
11) Payables to parent companies			
	- within 12 months		
	- over 12 months		
12) Taxes payable			
	- within 12 months	149,559		146,842
	- over 12 months		
			149,559	146,842
13) Payables to social security institutions			
	- within 12 months	102,629		82,351
	- over 12 months		
			102,629	82,351
14) Other payables			
	- within 12 months	216,030		206,766
	- over 12 months	55,057		62,141
			271,087	268,907
Total payables			**566,788**	**583,815**
E) Accrued expenses and deferred income				
- Premium on loans				
- Others				
Total Liabilities			**991,228**	**999,809**

Interim accounts		31/12/2009	31/12/2008
1)	**Risks taken by the firm**		
	Guarantees		
	to subsidiary companies		
	to affiliated companies		
	to parent companies		
	to subsidiary companies of parent companies		
	to other companies		
	Endorsements		
	to subsidiary companies		
	to affiliated companies		
	to parent companies		
	to subsidiary companies of parent companies		
	to other companies		
	Other personal guarantees		
	to subsidiary companies		
	to affiliated companies		
	to parent companies		
	to subsidiary companies of parent companies		
	to other companies		
	Real guarantees		
	to subsidiary companies		
	to affiliated companies		
	to parent companies		
	to subsidiary companies of parent companies		
	to other companies		
	Other risks		
	Credits made *pro solvendo*		
	other		
2) Commitments of the members as per art.21 of the Statutes			
Commitments for interventions (0.4% Reimbirsable Funds)		**1,602,180,307**	**1,580,699,473**
- Commitment for interventions already deliberated (Tricesimo)		450,000	450,000
- Commitment for interventions to be deliberated		1,601,730,307	1,580,249,473
3)	Firm's holdings of third party goods		
4)	**Other interim accounts**		
Total interim accounts		**1,602,180,307**	**1,580,699,473**

Income Statement		31/12/2009	31/12/2008
A) Value of production			
1) Member quotas		2,776,939	2,620,880
2) Changes in inventory of works in progress, semi-finished goods and finished goods			
3) Difference in work underway on request			
4) Increases in fixed assets for internal works			
5) Other proceeds			
- Other	12,715		5
- contributions to the operating account			
- contributions to the capital account			
		12,715	5
Total value of production		**2,789,654**	**2,620,885**
B) Costs of production			
6) Raw materials, secondary materials and consumables		5,530	7,760
7) Services		1,041,691	1,014,442
8) Use of un-owned property		636,496	619,894
9) Personnel			
a) Wages	745,332		681,090
b) Social security contributions	228,101		209,853
c) Staff Severance Fund	54,504		51,735
d) Pension and Similar costs	34,850		32,632
e) Other personnel charges			
		1,062,787	975,310
10) Amortizations and devaluations			
a) Amortization of intangible assets	6,238		5,052
b) Amortization of tangible assets	9,200		10,220
c) Other Amortizations and devaluations			
d) Write-downs of assets in the current assets and cash equivalent			
		15,438	15,272
11) Changes in inventory of raw materials, secondary materials and consumables			
12) Reserve for risks			
13) Other reserves			
14) Management charges		37,747	47,904
Total costs of production		**2,799,689**	**2,680,582**
Difference among costs and value of production (A-B)		**(10,035)**	**(59,697)**
C) Financial Income and charges			
15) Financial income from:			
- Subsidiary companies			
- Affiliated companies			
- Others			
16) Other financial income:			
a) from receivables listed in fixed assets			
- from subsidiary companies			
- from affiliated companies			

- from parent companies			
- from other companies			
b) from securities listed as tied up			
c) from securities listed in the current assets			
d) income differing from preceding items			
- from subsidiary companies			
- from affiliated companies			
- from parent companies			
- from other companies	12,910		52,901
		12,910	52,901
		12,910	52,901
17) Interest and other financial charges			
- from subsidiary companies			
- from affiliated companies			
- from parent companies			
- from other companies	20		5
		20	5
17-bis) Foreign exchange gains and losses		1	(43)
Total financial income and charges		**12,891**	**52,853**
D) Value adjustments to financial assets			
18) Revaluations:			
a) of equity investments			
b) of financial fixed assets			
c) of securities listed in the current assets			
19) Write-downs:			
a) of equity investments			
b) of financial fixed assets			
c) of securities listed in the current assets			
Total adjustments to financial assets			
E) Extraordinary income and charges			
20) Income:			
- Capital gains from asset disposals			10,000
- Other income	3,528		5,056
- Differences due to rounding up to euro unit	1		
		3,529	15,056
21) Charges:			
- Capital losses from asset disposals			
- Taxes relating to previous financial years			
- Other charges	6,385		8,211
- Differences due to rounding up to euro unit			2
		6,385	8,213
Total extraordinary income and charges		**(2,856)**	**6,843**

Result before taxes (A-B±C±D±E)		**0**	**0**
22) Income taxes for the financial year			
a) Current taxes	65,409		74,980
b) Deferred taxes (advanced)	1,939		2,592
c) Advance Taxes	(4,022)		(5,651)
d) income (charges) from compliance with consolidated tax regime/tax transparency			
		63,327	71,922
23) Profit (loss) for the financial year		**(63,327)**	**(71,922)**

Appendix

Tables and graphs

This Appendix contains Tables and Graphs in support of the content of the Annual Report.

It is composed of:

- Time series of weighed average values of financial indicators. They show an analysis of the evolution of the system from June 1999 to June 2009;
- thresholds of the various classes of financial ratios' profiles;
- determination of the Statutory Position in correspondence with the value of the Aggregate Indicator, on the basis of 4 ratios;
- distributions of frequencies as of 30 June 2009 of the ratios A1, B1, D1 and D2, and of the Aggregate Indicator;
- value of the Aggregate Indicator (AI) calculated on the basis of the four ratios.

Time series of System Average Values

Data	INDICATORI DEI PROFILI GESTIONALI						Indice Sintetico	Fondi Rimborsabili (mld euro)
	A1	A2	B1	B2	D1	D2		
30/6/99	25,67	4,27	179,62	16,09	59,58	24,84	3,41	290,5
31/12/99	21,17	3,53	184,49	17,18	62,77	34,1	3,61	294,6
30/6/00	18,89	3,28	186,55	18,15	54,1	14,86	2,74	293,8
	A1		B1		D1	D2		
31/12/00	16,23		184,16		57,39	21,73	2,27	302,6
30/6/01	10,84		186,95		56,01	17,14	1,85	296,3
31/12/01	10,22		188,87		53,00	20,3	2,01	319,5
30/6/02	11,51		199,94		59,60	24,18	2,25	319,7
31/12/02	11,04		199,67		60,72	29,45	2,2	331,8
30/6/03	11,04		200,31		57,80	20,45	1,9	336,9
31/12/03	11,40		207,60		60,07	33,37	2,28	351,9
30/6/04	11,05		210,48		59,17	23,74	1,85	360,6
31/12/04	11,04		210,00		60,79	29,87	1,73	367,1
30/6/05	9,90		204,88		58,18	18,92	1,59	372,0
31/12/05	7,89		212,98		59,57	20,62	1,63	385,5
30/6/06	6,87		209,47		49,94	11,97	1,17	388,1
31/12/06	6,79		208,87		52,60	15,12	1,18	401,5
30/6/07	5,43		212,68		47,53	12,69	1,28	395,2
31/12/07	5,45		213,91		56,75	20,62	1,4	402,3
30/6/08	6,03		279,77		53,24	18,54	1,67	400,5
31/12/08	5,84		267,56		63,80	39,89	2,22	424,3
30/6/09	6,90		286,81		55,95	37,93	2,61	447,6

Indicators' thresholds

Indicators & coefficients	Normal	Attention	Warning	Violation
Indicator A1: Bad debts / Supervisory Capital	under 20%	from 20% to 30%	from 30% to 50%	over 50%
Coeff_A1	0	2	4	8
Indicator B1: Supervisory capital / supervisory capital requirements	over 110%	from 110% to 100%	from 100% to 90%	under 90%
Coeff_B1	0	1	2	4
Indicator D1: Operating expenses / Gross income	up to 70% (or operating expenses =0)	from 70% to 80%	from 80% to 90%	over 90% (or gross income <0)
Coeff_D1	0	1	2	4
Indicator D2: Loan losses, net of recoveries / Profit before tax	up to 40% (or loan losses, net of recoveries <=0)	from 40% to 50%	from 50% to 60%	over 60% (or profit before tax < 0)
Coeff_D2	0	1	2	4

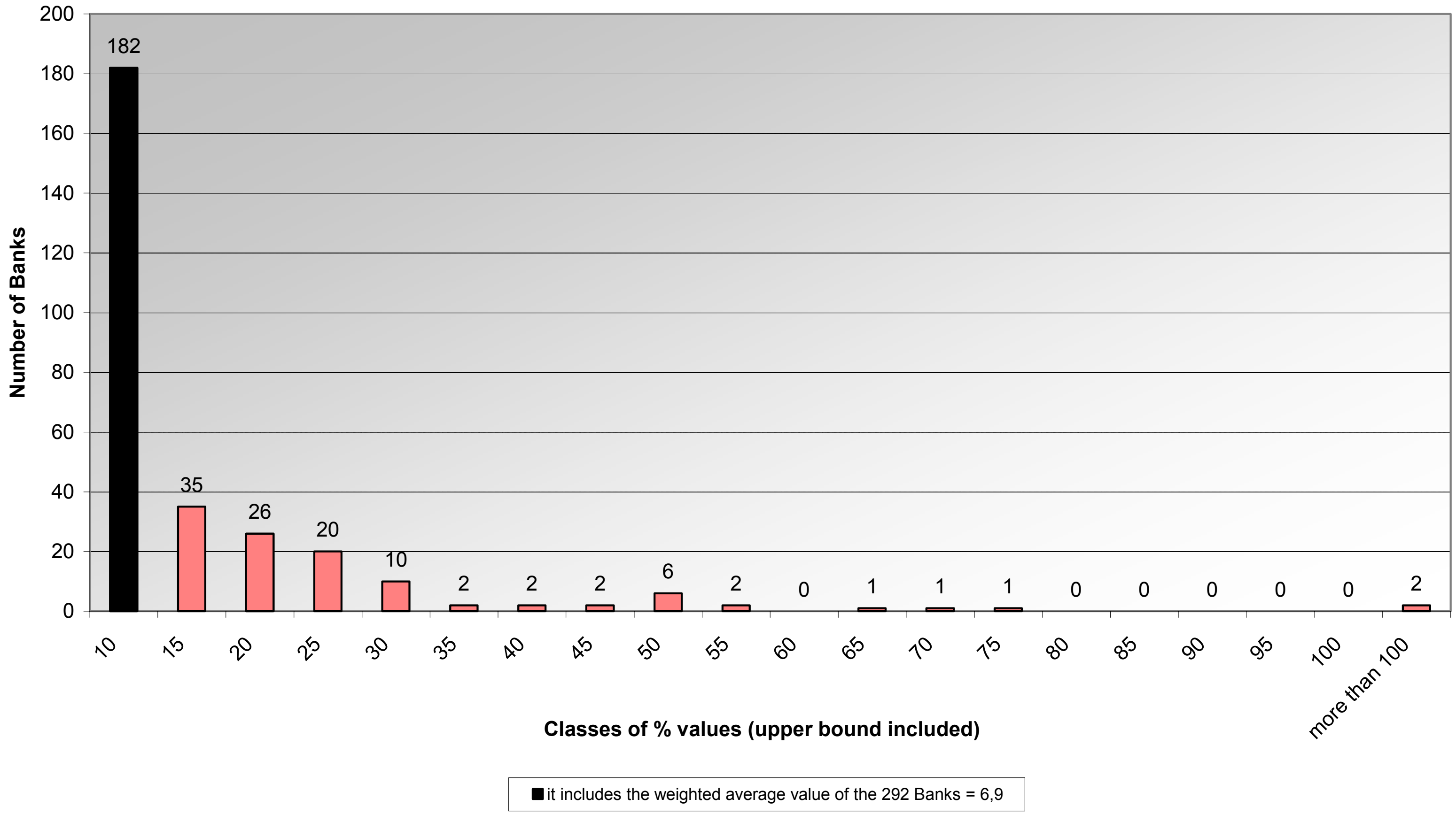
Statutory Positions

Determination of the Statutory Position	
Normal	IS from 0 to 3
Attention	IS from 4 to 5
Warning	IS from 6 to 7
Penalty	IS from 8 to 10
Severe Imbalance	IS from 11 to 12
Expulsion	IS over 12

Reporting date: *30/06/2009*

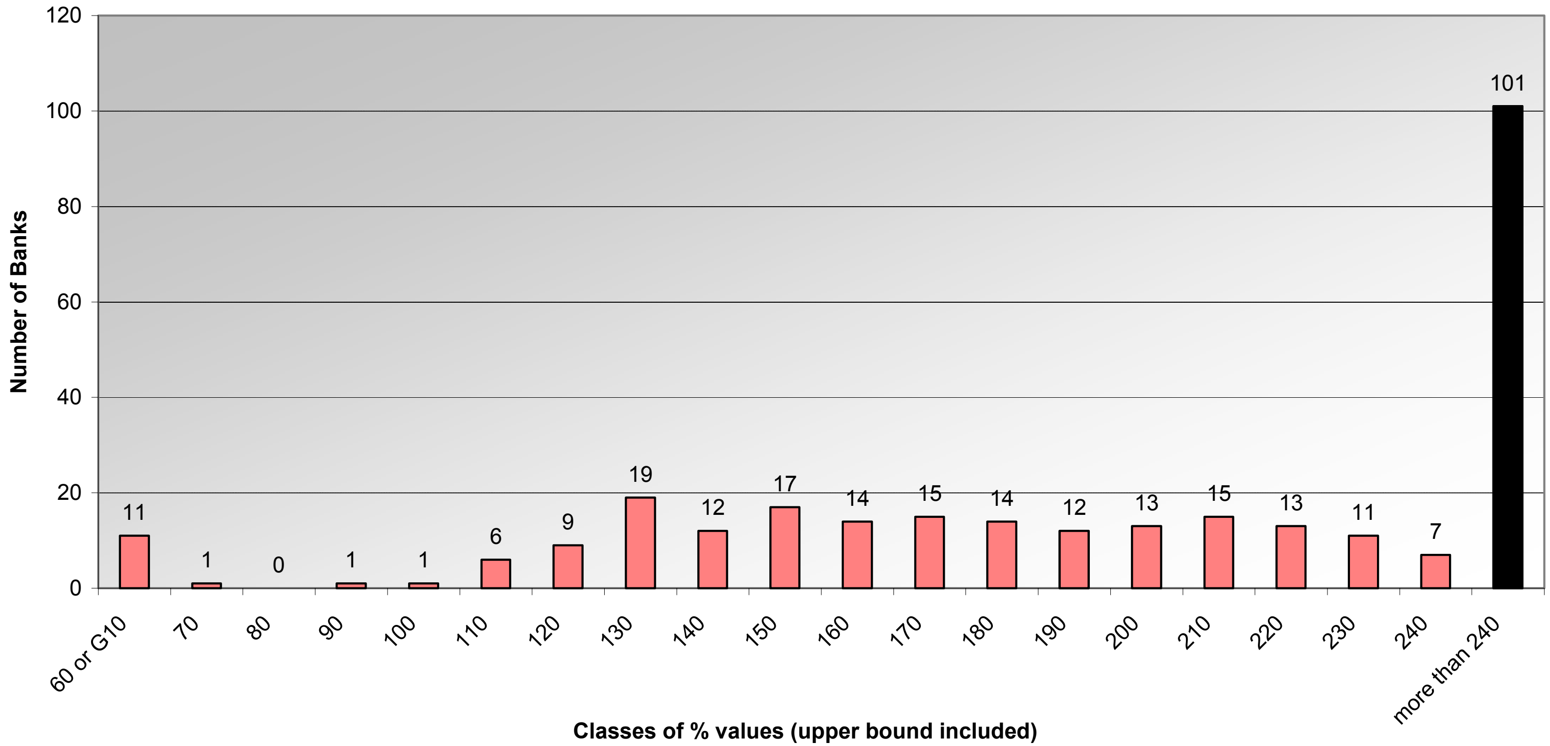
RATIO A1
Bad debts / Supervisory Capital

STATUTORY CLASSES
- Normal: up to 20%
- Attention: from 20% up to 30%
- Warning: from 30% up to 50%
- Violation: over 50%



STATUTORY CLASSES
- Normal: over 110%
- Attention: from 110% up to 100%
- Warning: from 100% up to 90%
- Violation: less than 90%

RATIO B1
Supervisory Capital, including Tier 3 / Supervisory Capital Requirements



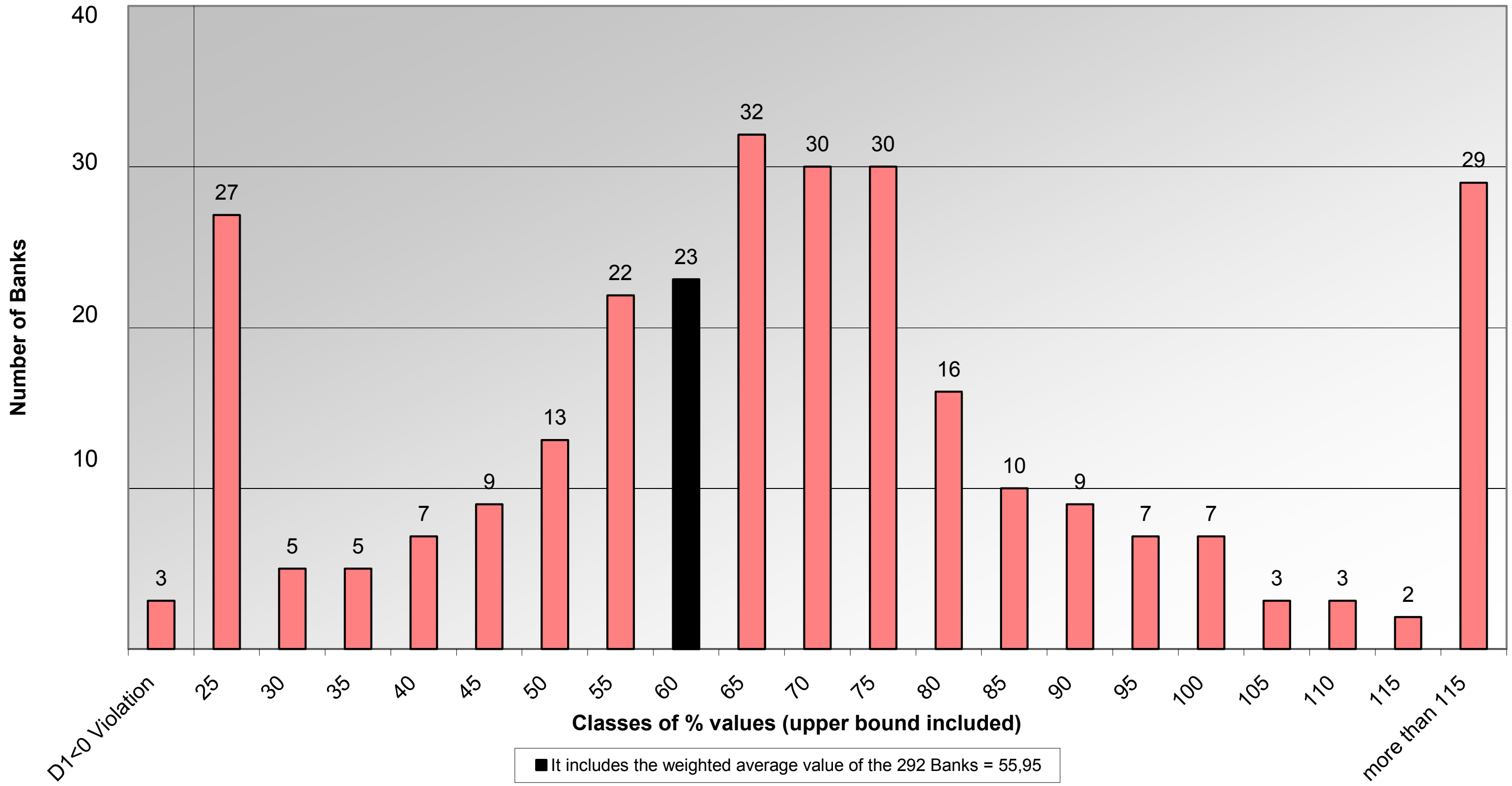
■ It includes the weighted average value of the 292 Banks = 286,81

Reporting date: 30/06/2009

CLASSI STATUTARIE

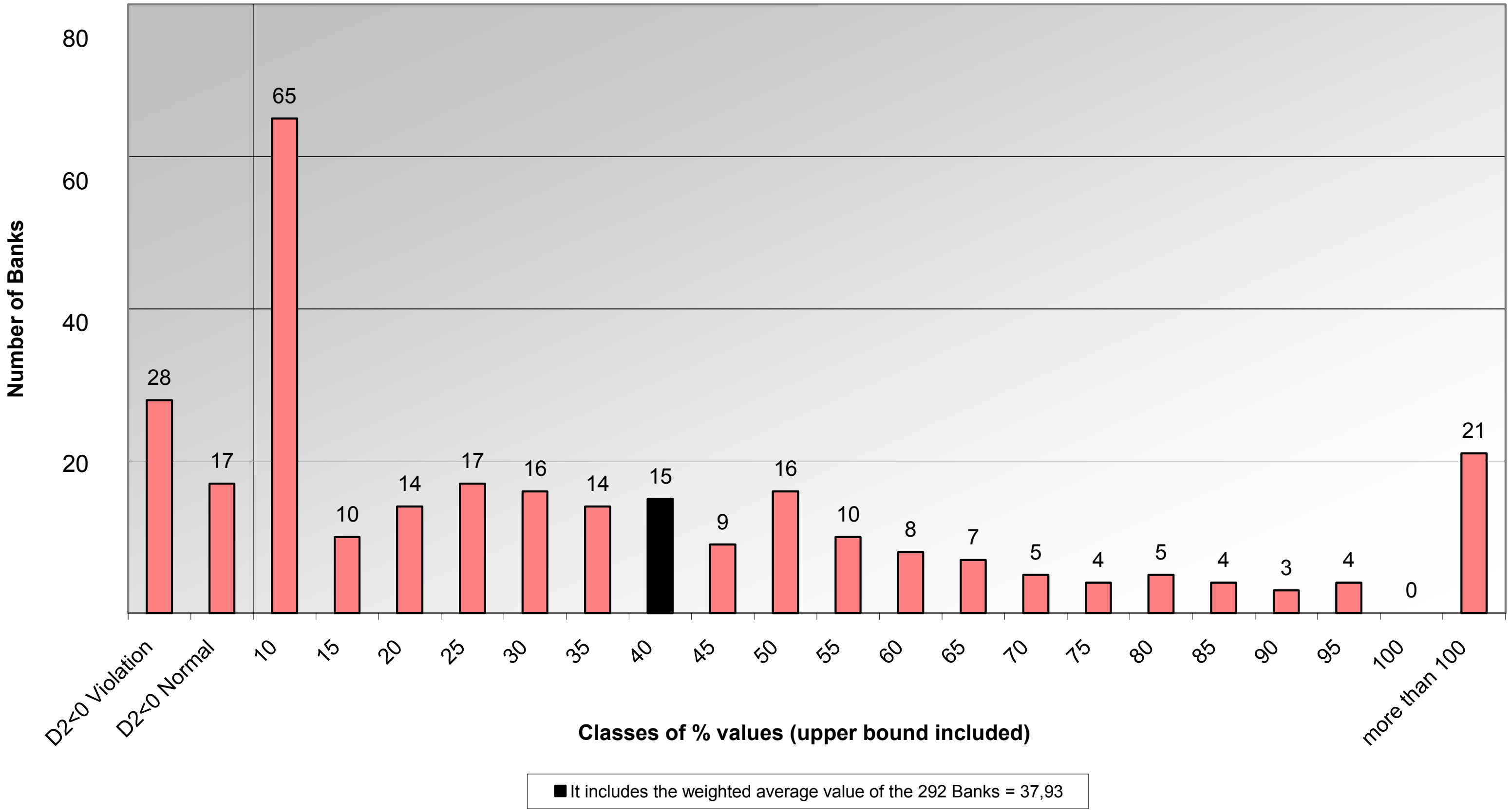
- Normal: up to 70% (or Operatin expenses =0)
- Attention: from 70% up to 80%
- Warning: from 80% up to 90%
- vionation: over 90% (or Gross income<0)

RATIO D1
Operating expenses / Gross Income



STATUTORY CLASSES
- Normal: up to 40% (or Loan losses<=0)
- Attention: from 40% up to 50%
- Warning: from 50% up to 60%
- Vionation: over 60% (or Profit before tax.<0)

RATIO D2
Loan losses, net of recoveries / Profit before tax



Bank's Riskiness
Aggregate Indicator (AI)