



Schema volontario
di intervento

Press Release

General Meetings of the Interbank Deposit Protection Fund (FITD) and the Voluntary Intervention Scheme (SVI)

26 February 2024

General Meetings of FITD and SVI

Rome, 26 February 2024 – Key Points

- The FITD confirms the importance of its role within the safety net to safeguard financial stability.
- In the absence of interventions on member banks, the 2023 financial statement on the management of the financial endowment closed with a profit of approximately 116 million euro and total asset of 4.6 billion euro, equal to 0.63% of covered deposits.
- Thanks to the contributions from the banks, which have amounted to about 8 billion euro since 2015, by 2 July 2024, the financial endowment will be equal to about 5.8 billion euro (0.8% of total covered deposits).
- In addition to the sum of 5.8 billion euro, 3.5 billion euro of back-up liquidity financing from a pool of member banks will be also available.
- Since its establishment (1987) FITD carried out interventions in support of 16 member banks with an overall disbursement of 3.3 billion euro, thus safeguarding about 29 billion euro of covered deposits. The Voluntary Interventions Scheme, in turn, has carried out 5 interventions totalling 1.3 billion euro, provided by its participating banks.
- The banks' risk level improved. The median value of the Aggregate Risk Score (ARS) decreased from 37 points in 2022 to 33.6 points in 2023.
- Personnel training, monitoring of member banks, international cooperation, communication and public awareness activities continue effectively.
- Reflections on the role and operation of the Voluntary Scheme are ongoing also in the preliminary stage of the bank's difficulties (early intervention).

General Meetings of FITD and SVI

Rome, 26 February 2024

- The General Meetings of the member banks of FITD and of the Fund's Voluntary Intervention Scheme were held today.

FITD General Meeting approved in ordinary session:

- the 2023 Annual Report and Financial Report, available on the Fund's website;
- the estimate of the costs of production for 2024 and the amount of the minimum contribution fee;
- the renewal of the Executive Committee for 2024, in the following composition: Angelo Campani (Credem), Stefano Del Punta (Intesa Sanpaolo), Stefano Lado (Banco di Desio e della Brianza), Aurelio Maccario (Unicredit), Camillo Venesio (Banca del Piemonte), Francesco Venosta (Banca Popolare di Sondrio), in addition to the Chair Mario Stella Richter and the Vice Chair Presidente Flavia Mazzarella (BPER).

Approved in extraordinary session:

- targeted amendments to Title I of the Statute and the Regulation governing the Statutory Bodies, pursuant to Art. 11, par. 2, lett. i) of the Statute.

The General Meeting of the Voluntary Intervention Scheme approved:

- The 2023 Annual Report and Financial Statement, available on the Fund's website;
- the estimate of the costs of production for 2024;
- the appointment of Giorgio Galvagno (CR Asti) as a member of the Executive Committee pursuant to Art. 54 of the Statute.

1. Institutional and international activity

FITD's activities continued in line with the regulatory framework on deposit guarantee schemes and bank crisis management, particularly by means of initiatives in communication and information to depositors and the financial community, in monitoring of member banks, for the adjustment of the financial endowment and the international activities.

On crisis management, in 2023 there were no interventions by the Fund and the Voluntary Intervention Scheme in relation to member banks.

During the year, [FITD closely followed the evolution of the process for the revision of the Crisis Management and Deposit Insurance \(CMDI\) framework](#), participating with its own feedback in the European Commission consultation on the legislative proposal, as well as in the collaborative initiatives organised on the subject by the European authorities.

The [implementation of FITD risk management system](#) was completed, the first running-in phase was also done, involving all the activities and functions of the Fund. The reporting of the activity carried out in the period concluded the process.

The [Statute is modified](#), to take into account slight changes to the Banking Law, not resulting in significant changes to the Fund's activity and operations. the FITD Statute had added a temporary provision to permit the call-in of the 2024 contribution by 3 July 2024.

General Meetings of FITD and SVI

During the year, FITD carried out its stress test Programme, as required by and in conformity with EBA Guidelines, completing for all member banks the routine tests on Single Customer View (SCV).

For the risk profiles of member banks, activities were completed for updating the FITD risk-based model based on the EBA Guidelines published in a renewed version in February 2023 and in force from 3 July 2024. Particularly important in the year were initiatives to upgrade communication and public awareness, to achieve efficacy and fullness of messages to stakeholders.

The personnel training programme continued, upgrading professional competence and experience, reinforcing the spirit of cooperation in line the Charter of Corporate Values and Code of Ethics of the Fund.

International cooperation of FITD with other DGS continued intense throughout the year, in sharing information and experience on institutional activities.

Given its institutional role and the regulatory framework, FITD has promoted positive initiatives that take account of ESG factors, both from organisation and management viewpoints. FITD continued this commitment in 2023.

Among the FITD activities planned for 2024, of particular note are: i) the risk management system, which after a first running-in implementation and reporting in 2023 will be applied to FITD activities, from 1 January 2024 ; ii) FITD multiyear strategic plan for increasing communication with stakeholders and public awareness with depositors; iii) the publication, on a voluntary basis, of the first sustainability reporting. The Multiannual Stress Test Programme will continue in line with EBA Guidelines and prescribed reports to be send to the Authorities as scheduled.

2. The funding plan

FITD funding mechanism provides for a progressive accumulation of financial resources through contributions paid by member banks at a yearly period. The financial endowment serves as a separate capital fund for use in FITD institutional activities (interventions). The accumulation of resources for the financial endowment began in 2015, to reach a minimum target-level by 3 July 2024, established by law at least at 0.8% of covered deposits. On 31 December 2023, the financial endowment of FITD was about 4.6 billion euro, equal to 0.63% of covered deposits.

Based on current estimations, at the end of the set period in 2024, the financial endowment should reach 5.8 billion euro, equal to 0.8% of total covered deposits.

The available credit line, even if it does not contribute to build the financial endowment, expands FITD capacity for intervention, totalling 8.1 billion euro at the end of 2023 and about 9.2 billion euro when the target-level is reached in July 2024.

General Meetings of FITD and SVI

3. Member banks and statutory reports

At end December 2023, there were 131 member banks in FITD, down six compared to December 2022, following five mergers and one withdrawal. Of the 131 member banks, 35 belong to significant banking groups, 49 to less significant ones and 47 are single banks (all less significant). In June 2023, total funding of FITD member banks stood at 2,162.5 billion euro, down compared to the two previous half-year periods.

A contraction in the portion of funding excluded from the Fund's protection is also observed during the same period. At end June 2023, FITD covered deposits were 1,154.7 billion euro, down 5.1% on December 2022 and 4.9% compared to June 2022.

Covered deposits were 62.7% of eligible deposits, amounting to 723.5 billion euro, falling by 2.1% on the previous year.

The median value of the Aggregate Risk Index (ARS) of member banks, recorded on 30 June 2023, improved by 3.4 points compared to the previous six months.

4. The Voluntary Intervention Scheme

The Voluntary Intervention Scheme is a non-recognized association, established within the Fund, in which FITD member banks participate on a voluntary and contractual basis.

To date, **the Scheme has 102 member banks, 78% of the FITD member banks and equivalent to 93.4% of their total covered deposits.**

The Scheme has a limited operational budget from its member banks and no risk to its continuing operations. The annual budget is about 450 thousand euro. **Total costs for interventions from 2016 to 2019 amounted to about 1.3 billion euro.**

Given the current decision-making mechanisms and the reasons for its establishment — rendered no longer necessary following the annulment by the European Court of Justice of the Commission's decision that declared FITD preventative interventions as not allowed State aid — considerations are being given to the role and operations of the Scheme, also taking into account its experience to-date.



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Annex 1 - FITD

FITD interventions 1987-present



In 2023, no intervention was carried out in favour of member banks.

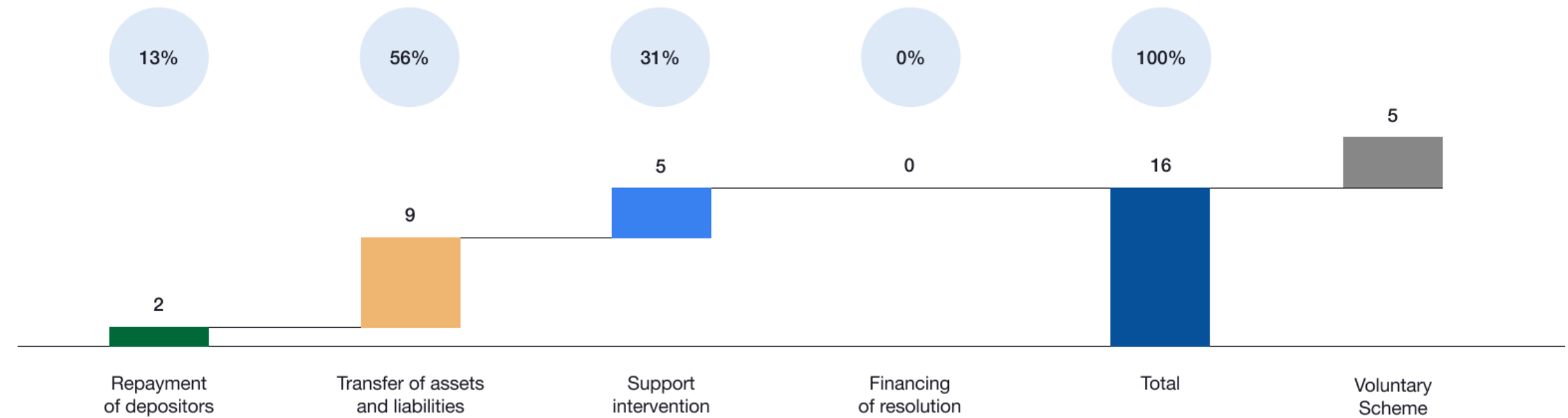
Interventions by type:

- 2 reimbursements of depositors;
- 9 transfers of assets and liabilities to intervening banks;
- 5 preventative measures, to avoid or surmount ‘failing or likely to fail’ situations and to achieve recovery of the banks;
- no interventions for banks in resolution.

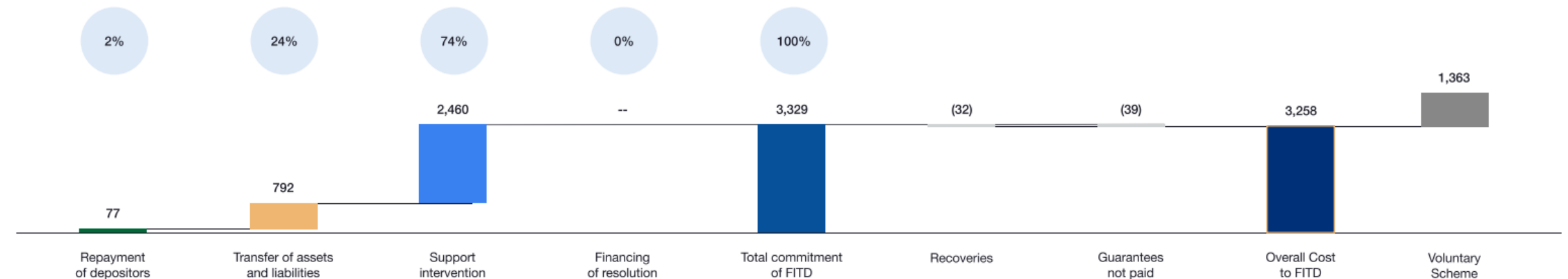
The overall commitment to FITD for the 16 interventions was 3,329 million euro, of which 77 million was for reimbursement of depositors (2% of the total), 792 million (24%) for operations of transfer of assets and liabilities and 2,460 million (74%) for preventative interventions.

Net of recoveries from liquidation proceedings and guarantees issued and not paid on 31 December 2023, the total cost to FITD was 3,258 million euro.

FITD interventions (numbers)



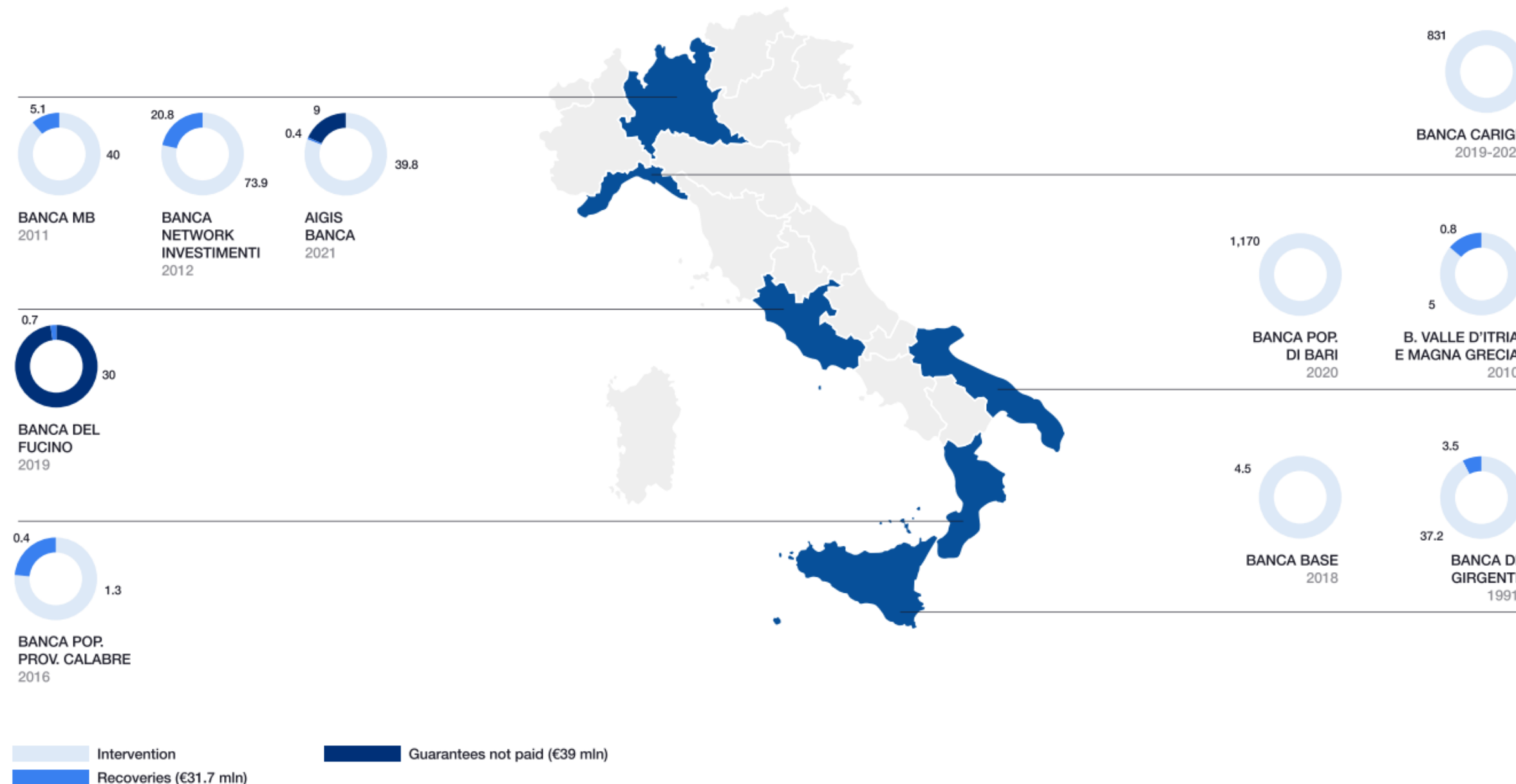
FITD interventions (€ million)



Past interventions

Past interventions, either concluded in the year or outstanding at the cut-off date for the Financial Report, with economic effects or effects in prospect shown in the FITD Separate Account.

FITD past interventions and recoveries (in bn/euro)



Recoveries, liability actions, earn-outs; Aigis, guarantee for maximum 9 mln euro; Carige, commitment for maximum 49 mln euro.

In 2023 FITD continued to carry on its activities in compliance with the regulatory framework on deposit guarantee and management of banking crises as set down in European directives and the Italian Banking Law.

- **Amending Title 1 of the Statute**

The Statute was amended to incorporate the marginal amendments made to the Banking Law – which do not affect FITD activities – and introduction of a temporary clause to permit the 2024 contributions call by 3 July.

- **FITD stress test activity**

Conclusion of the tests on Single Customer View (SCV) with all member banks, simulation of an alternative intervention scenario, reporting of a preventative intervention scenario, cross-border stress tests with two European DGS and a “desktop” and theoretical exercise on the adequacy of the available resources.

- **Risk management system**

A risk assessment model and related policy, along with actions for mitigating risk, has been designed and made available.

- **FITD activities and models for monitoring the risk of member banks**

The FITD model for calculating risk-based contributions of member banks was updated in line with the recently revised EBA Guidelines. Work continued on the project for integrating risk-based ratios model and the early warning model for member banks. Intensive statistical assessments were conducted on available data.

- **FITD initiatives relating to the process for the revision of the CMDI framework**

Participation to national and international initiatives to deepen the extent and implications of the new proposals.

- **Regulation of operative procedures**

Formalisation of FITD operative procedures and connections with those already in place to support the activities of organizational functions.

- **Initiatives for the first FITD non-financial reporting**

Training of FITD personnel, an analysis was done to identify the topics that have substantial importance for ESG evaluations and stakeholders’ engagement through an *ad-hoc* survey.

- **Bilateral cross-border cooperation agreements and other cooperation initiatives**

A Memorandum of Understanding was signed with the Lithuanian DGS. Reinforcement of bilateral relations through the visits of some foreign DGS delegations (Nepal, Poland, Korea, Indonesia and Japan).

- **FITD external communication, public awareness initiative and financial education**

Two video clips were done to illustrate clearly and be accessible to all the institutional activity of FITD. 43 posts were published on national and international events in which FITD participated; meetings with foreign delegations in Italy; FITD publications; Annual Report and data; miscellaneous communications on deposit protection. Communications are continuous with Banca d’Italia, MEF and FEduF on financial education activities and launching of initiatives aimed at defining an appropriate strategic communication plan.

- **Activities for services to depositors**

Ongoing communication and information for services to depositors. In 2023, 562 requests were received, all of which were processed.

Activities in 2023

Over the year, FITD continued its active cooperation with international DGS fora, through the work of the European Forum of Deposit Insurers (EFDI) and the International Association of Deposit Insurers (IADI), the two associations of deposit guarantee systems to which the Fund belongs, and which operate at European and global level, respectively.

Further international activities

- On 24 February at the 75th EXCO meeting, FITD Director General was elected Vice Chair of the Association with a two-year mandate.
- Participation in the EBA Task Force, on specific topics, including the revision of the Guidelines for Risk-based Contributions and EBA request of data from DGS for the analysis of deposit levels of coverage.
- Meetings and conferences with foreign DGS and institutions, to share information and experiences.
- On 24 July, an FITD delegation attended, at the Banca d'Italia, the visit to Italy from the SRB for reinforcing relations between the Board and the Resolution Authority, and other related national players such as DGS.



- ✓ 5 IADI EXCO meetings
- ✓ 4 ERC meetings
- ✓ 1 IADI Annual General Meeting (AGM) and International Conference
- ✓ 2 Core Principles Steering Committee meetings
- ✓ IADI Governing Committee meetings: periodic meetings, every Thursday
- ✓ 4 IADI Governance Working Group (GWG)
- ✓ 2 ERC events: IADI-ERC-EFDI Joint Workshop "Redefining the Financial Safety Net: Tackling New Challenges and Shaping the Future of Deposit Insurance" (Berlin); ERC Webinar on CP5 (virtual)
- ✓ 3 events of other IADI Regional Committees where FITD participated as a speaker
- ✓ Participation in meetings of the various working groups of the Association organized from time to time during the year on the basis of the specific allocation of activities (2nd Vice-Chair WG, CPRC, MRC, CBTC, Fintech WG, Financial Cooperatives, Outreach sessions on lessons learnt report)



- ✓ 12 EFDI Board meetings
- ✓ 1 EFDI Annual General Meeting and International Conference
- ✓ 3 EFDI EU Committees
- ✓ Participation in meetings of the various working groups of the Association organized from time to time during the year on the basis of the specific allocation of activities (EFDI Coffee Club meetings, BUWG, D3WG, PRC, Stress test WG, H2C etc.)

Other

- ✓ 9 other events where FITD participated as a speaker
- ✓ 3 EBA Task Force on DGS meetings
- ✓ 5 visits of other DGS to FITD

Reporting of FITD's ESG activities

Given its institutional role and the regulatory framework, FITD has promoted positive initiatives that take account of ESG factors, both from organisation and management viewpoints. FITD continued this commitment in 2023. FITD will also prepare, on a voluntary basis, its first non-financial reporting, for publication in 2024.



Environmental:

- Strict observance of the separate waste collection rules set down by the Rome *Azienda Municipale Ambiente* (Local Waste Collection Service).
- Use of recycled paper for internal printings.
- Reduction of printings. In 2023, printed 54,361 pieces less than the previous year.
- Reduction of electrical energy consumption.



Social:

- New investments on staff training activity.
- Renewal of the possibility to make use of smart working.
- Constant monitoring on “health and safety”.
- FITD aimed to increase the principle of inclusiveness to create a work environment more oriented towards sharing and developing a spirit of collaboration.
- Promotion of the fairtrade market products in the Office.
- Compliance with the Charter of Corporate Values, that sets the benchmark of FITD corporate values and associated behavior.
- Initiatives on public awareness to inform citizens about deposit guarantee and promote financial inclusion.



Governance:

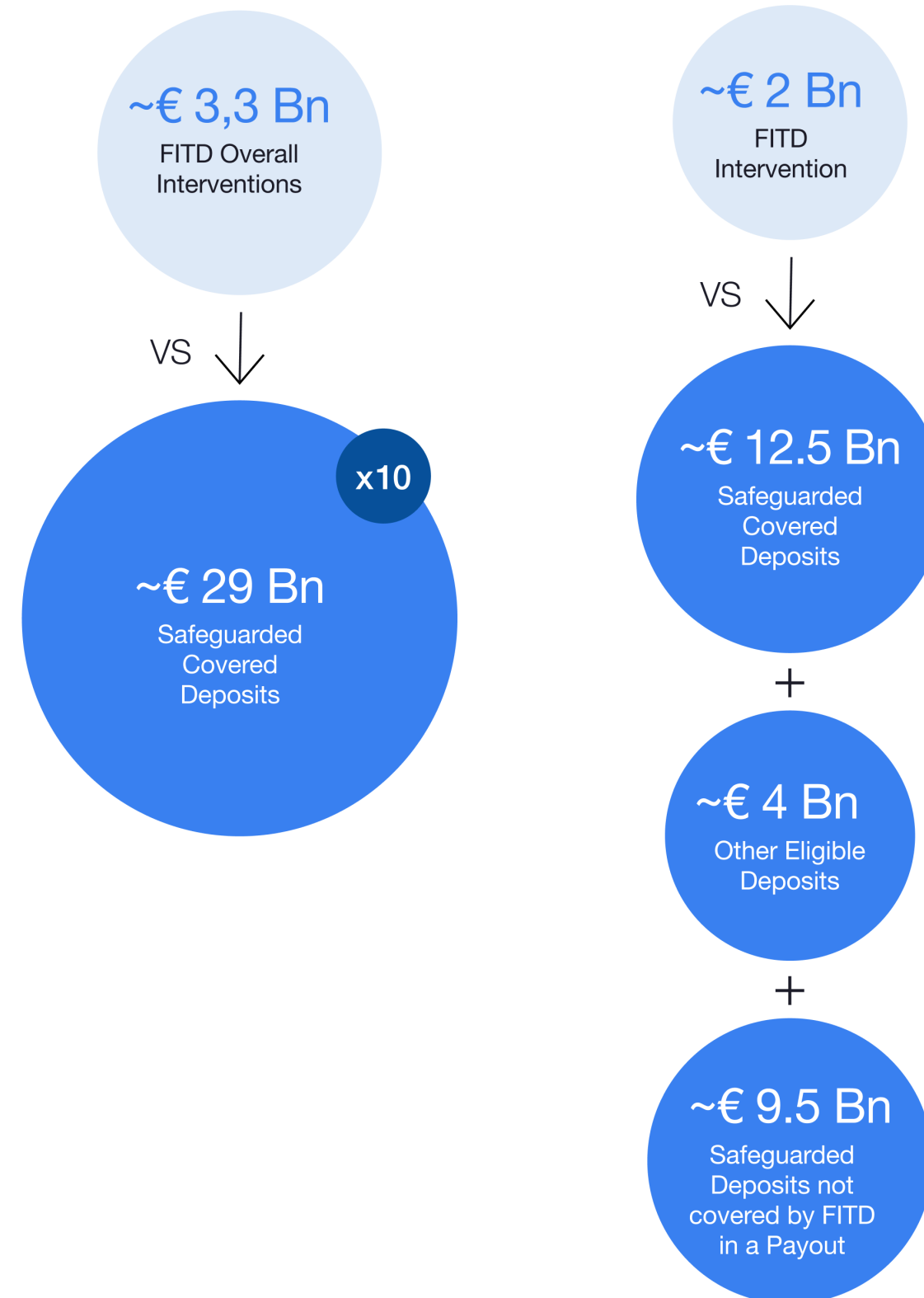
- The internal procedure preparing documents for the Statutory Bodies was updated.
- Graphics of the documents for the Statutory Bodies was renewed during the year.
- A project was launched to implement effectiveness and efficiency in the activity of the Statutory Bodies.
- In 2023, there were 20 meetings of FITD Statutory Bodies: 9 of the Board, 5 of the Executive Committee, and 6 of the College of Auditors. All decisions taken were unanimous.

ESG initiatives: the efficient use for interventions

FITD has performed its institutional task of depositor protection since its creation in 1987, largely indirectly through interventions alternative to reimbursing depositors.

FITD intervened using alternative modalities, less costly (least cost principle) and eventually beneficial for its member banks.

Focus on the last 2 preventative interventions



The funding plan and the investment of resources

On 31 December 2023, the financial endowment of FITD was about 4.6 billion euro, equal to 0.63% of covered deposits. Overall, from 2015, the year when the *ex-ante* contribution accumulation began, member banks paid-in resources equal to 6.7 billion euro, of which 2.05 billion has been used for FITD interventions since that date.

In 2024, based on estimations in the 2023, at the end of the set period in 2024, the financial endowment should reach 5.8 billion euro, equal to 0.8% of total covered deposits.

However, the availability of the pool financing expands the FITD's capacity for intervention, totalling 8.1 billion euro at the end of 2023 and about 9.2 billion euro when the target-level is reached in July 2024.



2023 contributions

1.25 billion euro
(of which)

Ordinary contributions

777 million euro

Additional contributions

471 million euro
(for gradual re-integration, up to 2024, of resources used for interventions)

Financial endowment as of 31/12/2023

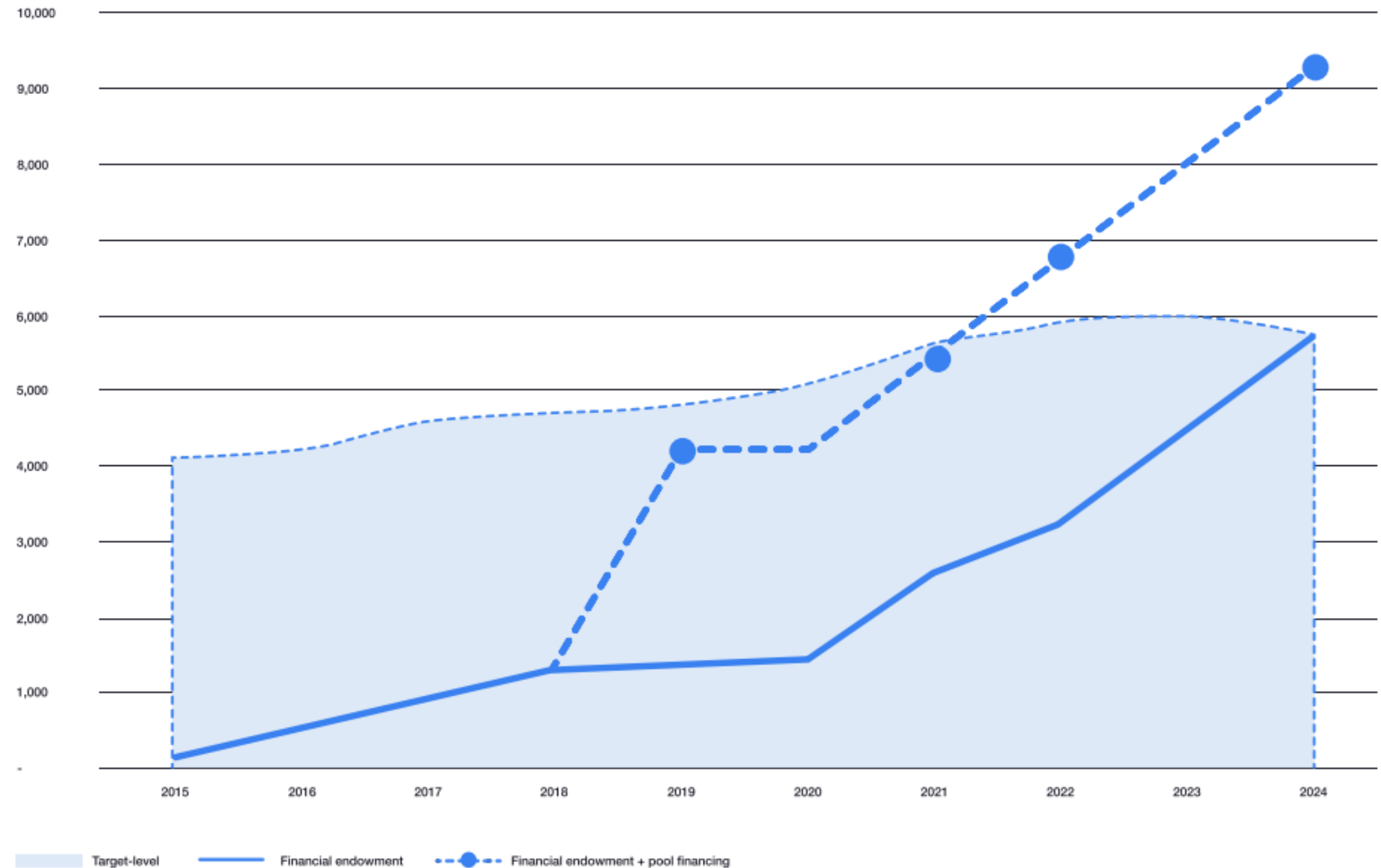
4.6 billion euro, corresponding to
0.63% of covered deposits

Resources paid-in from member banks since 2015

6.7 billion euro
(of which)

Resources used for interventions since 2015

2.05 billion
for FITD interventions



The funding plan and the investment of resources

The management of investments, with the Fund's policy, is entrusted to the Banca d'Italia based on a specific mandate (last updated in July 2023). Fund has recently equipped itself with advanced financial portfolio management software, with the aim of more proactively monitoring the performance of the financial endowment, including through additional tools to the reporting and periodic feedback provided by the asset manager.

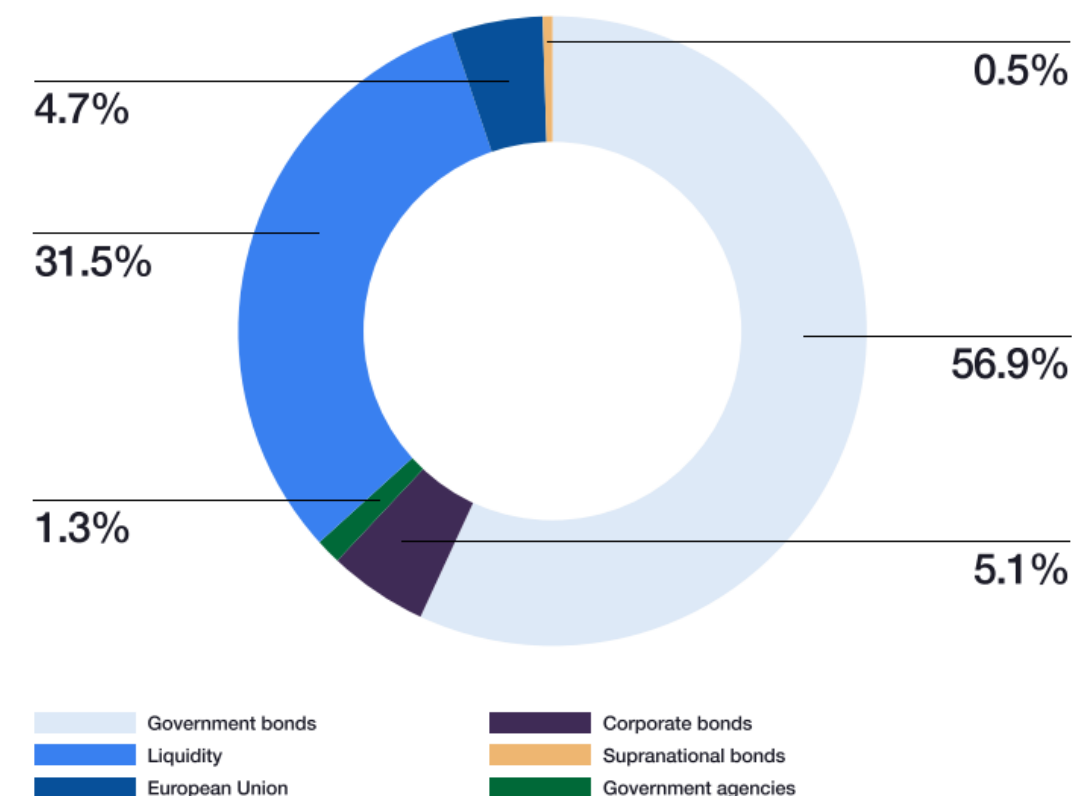
Policy & Asset allocation – ESG

- A minimum threshold of investment in ESG bonds (3%) is defined.
- Investment in ESG corporate with a rating of at least BBB and with the application of the exclusion based on sustainability criteria, in line with the principles already followed in the Banca d'Italia portfolio and set in its Responsible Investment Charter.

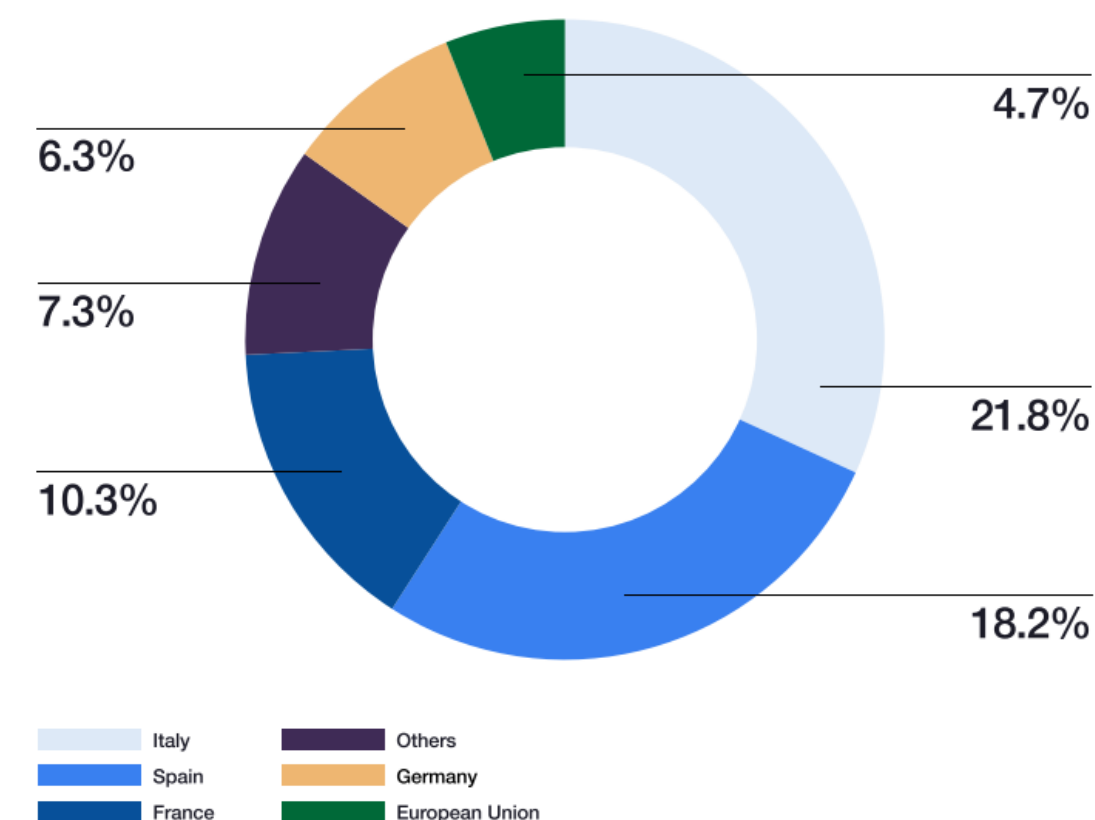
The portfolio as of 31 December 2023

- Overall duration of the portfolio: 1.56 years
- Portfolio nominal value: 3,284 million euro
- Portfolio market value: 3,173 million euro
- Portfolio amortised cost: 3,270 millions euro
- Daily VaR (99% 3-year historical observations): 0.13

Asset class allocation



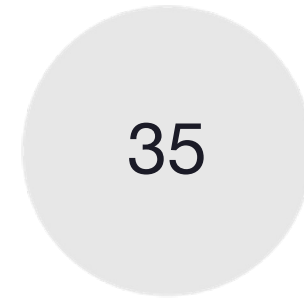
Allocation by country



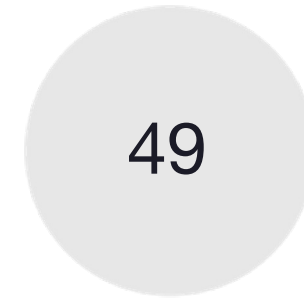
Member banks and statutory reports

131

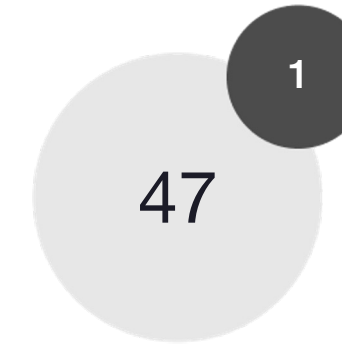
Member banks at end December 2023
-6 banks compared to December 2022



Banks adhering to Significant banking groups



Banks adhering to Less Significant banking groups



Single banks (whole Less Significant)

1 Bank in Special Administration

■ June 2023 ■ December 2022

€ 2,162

Direct customers deposits (bn)
-€136.3 billion compared to December 2022



Not eligible deposits (bn)



Eligible deposits (bn)



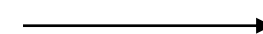
Covered deposits (bn)

Improves

Median risk value
-3.4 ARS points compared to December 2022.



Median ARS of the Consortium



- The credit quality improves
- The level of capitalisation improves
- Liquidity increases
- Improvement of indicators of the “Business model and management” profile
- The “Potential DGS losses” indicator contracts slightly

FITD 2024 Plan will focus on actions to complete multiyear projects already begun and on initiatives on new projects.

- **Upscaling internal controls and management applying the risk management system**

Application of the risk-management system tailor made to suit the Fund's peculiar mandate.

Strengthening of the system of controls related to the activity carried out, verification of compliance with the parameters defined in the investment policy and simulation of investment scenarios. New tools are in prospect to support planning and reporting of costs for the operation of the FITD Consortium.

- **The enhancement of the international network and upcoming events**

For 2024, various important international events are in programme (Governance Working Group in Milan and EXCO week in Rome – to be hosted by FITD – ERC meetings and conferences, EFDI Annual General Meeting and Conference, IADI Annual General Meeting and Conference). FITD will also continue to promote bilateral exchanges with foreign DGS.

- **The publication of the first FITD sustainability reporting**

Drafting of the first FITD sustainability reporting, on voluntary basis, aligned with the international standards and best practices. The FITD sustainability reporting will be a strategic boost for creating values, both for material aspects of sustainability and with a view to identifying FITD's strategic sustainability activities over the medium-long term.

- **FITD multiyear strategic plan**

Projecting the multiyear strategic plan, a programme document setting out its vision, its goals for the coming years and the actions to take to realise them.

- **External communication and further initiatives on public awareness**

Definition of a communication strategy hinging around the enhancement of the visual identity, website restyling and planning communication on the FITD social channels.

- **The application of the updated risk-based model**

Implementation of the new risk-based model parameters in the internal software to enable application of the system on the date set by the Guidelines (3 July 2024) and update processes and documentation produced for internal purposes.

- **Enhancement of the information and data**

In-depth analyses, to assess the usefulness of advanced algorithms to conduct predictive analyses of FITD's early warning system. Staff training activities on new data analysis methodologies (machine learning, data mining, predictive analytics, etc.) will also continue.

- **The implementation of the Supervisory Provisions of the Banca d'Italia**

Close monitoring of its own work and organisational profile to assure full conformity with the Supervisory Provisions.

- **FITD publications**

FITD will continue to publish working papers. Another series is in prospect "Rules and Tools for Financial Stability".



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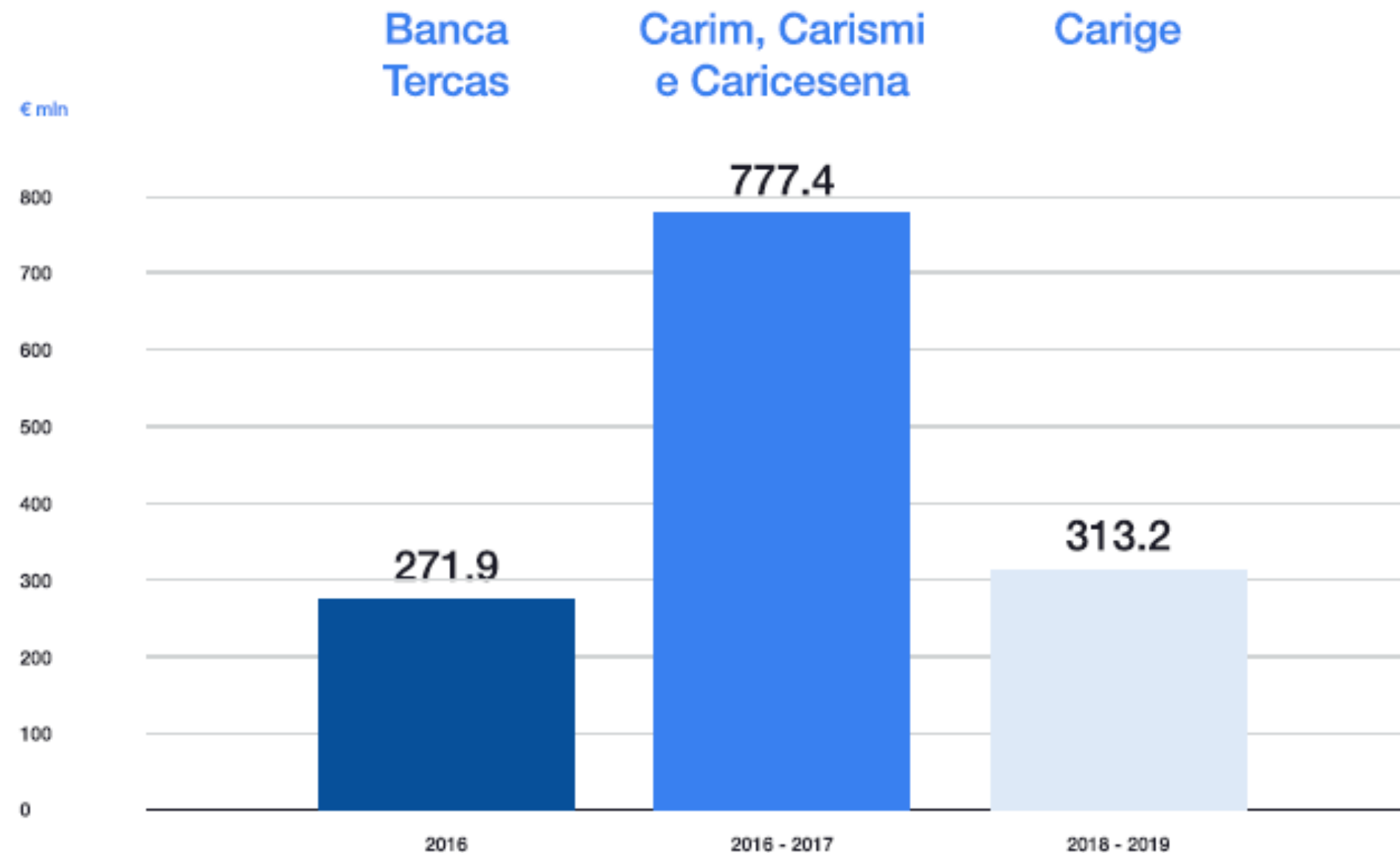
Annex 2 - SVI

The Voluntary Intervention Scheme

The Voluntary Intervention Scheme is a non-recognized association, established within the FITD, in which FITD member banks participate on a voluntary and contractual basis. To date, the Scheme has 102 member banks, 78% of the FITD member banks and equivalent to 93.4% of their total covered deposits.

The Scheme relies on the structure of the FITD for its operation, has a limited operational budget from its member banks and no risk to its continuing operations. The annual budget is about 450 thousand euro. Total costs for interventions from 2016 to 2019 amounted to about 1.3 billion euro.

Voluntary Scheme interventions, net of recoveries



The Voluntary Scheme in prospect

Given the current decision-making mechanisms and the reasons for its establishment – rendered no longer necessary following the annulment by the European Court of Justice of the Commission’s decision that declared FITD preventative interventions as not allowed State aid – **considerations are being given to the role and operations of the Scheme.**



2023

Survey with Deposit Guarantee Schemes (DGS) members of the European Forum of Deposit Insurers, involving **56 DGS from 46 countries.**

Results: apart from Italy, only two other countries have voluntary schemes, Germany and Poland.

A preliminary analysis was done of prospective uses for the Scheme. A number of **possibilities going forward** were considered, weighing up pros and cons.



Possibilities going forward

While waiting for the new legislation on Crisis Management and Deposit Insurance (CMDI) framework, a possible new setting for the Voluntary Scheme could also be:

- **Instrument for management of potential crises and turnaround initiatives for small banks**, to intervene at an early stage and avoid disruptive effects of a piecemeal liquidation and/or reduce possible costs to the banking system of resolution procedures.
- **Early intervention instrument** that can be implemented with the provision of the necessary capital resources, not otherwise available, along with turnaround measures, also in view of possible aggregation scenarios.



2024

Further work will continue in 2024, assessing possibilities and practicalities and even for amendments to the Statute.

Contacts



Fondo Interbancario di Tutela dei Depositi – Interbank Deposit Protection Fund

The Interbank Deposit Protection Fund (FITD) is a private-law consortium established in 1987.

All Italian banks are members of the FITD, except for the cooperative banks, rural/*raiffeisen* banks (that are instead members of the Depositors Guarantee Fund of Credit Cooperative Banks) and branches of non-EU banks authorized in Italy if they already participate in an equivalent scheme in their home country.

The mandate of the FITD is to guarantee the deposits in the member banks, which provide the financial resources for FITD to accomplish the Fund's mission.

The institutional mandate is achieved through a variety of interventions conducted by FITD in favour of member banks when under compulsory administrative liquidation, in resolution or in special administration.

The activities of FITD are disciplined by its Statute and By-laws.

Pursuant to Art. 96-*ter* of the Legislative Decree 385/1993 (Italian banking Law), the Bank of Italy exercises specific powers of oversight on the deposit guarantee systems.

FITD is active in the world-wide network of deposit guarantee schemes and associations thereof for the purposes of cooperation, coordination and participation in drafting appropriate guidelines and rulings.



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