



FONDUL DE GARANTARE A DEPOZITELOR IN SISTEMUL BANCAR
BANK DEPOSIT GUARANTEE FUND

A decorative graphic consisting of a large blue rectangle on the left and a series of overlapping squares in yellow and light yellow on the right, creating a stepped effect.

ANNUAL REPORT

2010

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BANK DEPOSIT GUARANTEE FUND

Bucharest
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BANK DEPOSIT GUARANTEE FUND

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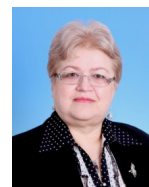
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1. THE ECONOMY AND THE FINANCIAL AND BANKING ENVIRONMENT

1.1. The international economic and financial environment

Intended to be the year of restarting the economic engine, of re-launching the growth of national economies and of recovering the purchasing power, 2010 was, however, a difficult year to characterize in similar terms for the entire world economy.

In 2010, we witnessed an uneven recovery which was not robust enough to provide overall positive stimuli. The lack of financial resources manifested in the loss of direct foreign investments and of stopping certain projects, and through a series of effects on the productivity and the international trade.

The international financial instability still manifested itself with signs of great volatility in the area of exchange rates and international capital flows, with consequences on the prices of goods and services.

Developed economies still faced in 2010 high and unsustainable levels of public deficits and indebtedness, and also an increased liquidity of the financial systems, under the circumstances of diminishing the credit demand, while developing countries continued their strong positive economic developments, investing in their own infrastructures, with major exports and with an increase in their domestic consumption.

In 2010, 157 regional banks went bankrupt in the United States, and 829 banks experienced troubles. In Europe, the banking systems in Iceland, Greece, Latvia and Ireland faced systemic problems, while certain financial institutions in the UK continued to experience troubles. The public deficits continued to influence the financial systems in Portugal, Hungary and Romania.

On this general background, the concerns of the governments and of the financial and banking industry to find effective solutions to prevent crisis and also to create networks of financial stability increased, while the role allocated to the deposit guarantee schemes became more important.

After the International Association of Deposit Insurers (IADI) and the Basel Committee of Banking Supervisors (BCBS) published in 2009 "The fundamental principles for ensuring effective deposits guarantee systems", in December 2009, a Committee made up of representatives of Basel Committee of Banking Supervisors (BCBS), International Association of Deposit Insurers (IADI), the European Forum of Deposit Insurers (EFDI), the International Monetary Fund (IMF), the World Bank and the European Commission started working together on a Methodology for assessing the compliance of the deposit guarantee schemes with the Fundamental Principles. At the end of 2010, that methodology was submitted to the Financial Stability Board – FSB.

In July 2010, President Barack Obama signed the Dodd-Frank Act for promoting financial stability and consumer protection against abusive financial practices. Some important objectives concerning the banking sector are, as follows:

- Building a stronger deposit insurance system, by increasing the guarantee ceiling from 100,000 USD to 250,000 USD and imposing the request to attain the degree of coverage of the exposure of 1.35% by the American guarantee scheme (Federal Deposit Insurance Corporation - FDIC) until September 2020;
- Setting up the Orderly Liquidation Fund, administered by the FDIC, as a resource separate from the deposit guarantee fund, aimed at financing the liquidation operations of financial institutions. The capitalization of the new fund will be made by contributions established on the basis of risk exposure of the banking and financial institutions.

On European level, the concern of the European Commission to create a single framework for crisis management and to improve the new Directive, applicable to the deposit guarantee schemes, converges towards the same goals. The intervention measures aimed to stabilize the banks experiencing issues, adopted in Europe by the national governments during the crisis period, saved a series of financial institutions, yet, the rescue costs were huge, the financial aid granted reaching up to 13% of the gross domestic product at the level of the European Union.

In these circumstances, it became apparent that the treatment of banks as regards bankruptcy should be aligned with the general regime, and the authorities should have the tools to enable them to prevent systemic crises, without exposing taxpayers to the risk of financial losses and of major economic damages.

Consequently, the basis for creating a framework to prevent, manage and solve crisis was set up; its main objectives are:

- Preventing and preparing the authorities and the banking sector by developing accurate plans and preventive measures;
- Establishing reliable tools for solving crises, by minimizing the risk of contagion and by ensuring continuity of the key financial activities, including the depositors' access to their insured deposits;
- The possibility of fast and decisive actions, based on clearly defined mandates and processes, leaving no uncertainty about the situation and the way in which authorities can intervene;
- Reducing moral hazard, through a proper attribution of losses to the bank's shareholders and creditors and, thus, protecting the public funds;
- Solving smoothly the issues of cross-border groups;
- Limiting the distortion of competition on the markets, including by providing that the state aid for solving crises should be compatible with the rules of the Accession Treaty and the Single Market.

In the context of the above facts, it was outlined the need to extend the role of the European surveillance authority in the banking sector (the European Banking Authority) by providing specific tasks related to crisis management, such as those for preparation, prevention,

early intervention, investigation of infringement of European laws, arbitration and decision-making in case of emergency situations.

From the view of guarantee schemes, these legislative concerns are important as the European Union Commission proposed that ex-ante funding schemes should be used to solve the banks' problems involving the transfer of deposits towards other entities, provided that the amounts to be used do not exceed the amount required for the payment of deposits.

As regards the single regulatory framework of the guarantee schemes, already in place, there was a need for its revision. Therefore, the proposal for the amendment of Directive 94/19/EC was published in July; its primary goal is to increase the stability factor role of the deposit-guarantee schemes, by ensuring consumers' protection and by increasing their role in solving the financial crises.

The goal of this proposal was to simplify and increase the level of harmonization of guarantee schemes in the European Union (EU), and its key elements are:

- Increasing the coverage ceiling per guaranteed depositor and per credit institution to 100 000 EUR until the end of 2010: that increase meant, then, that 95% of all holders of bank accounts in the EU would fully recover their savings if their bank could not reimburse their deposits. The proposal aims to guarantee the small, medium and large companies, excluding from guaranteeing only the deposits of the financial institutions and of the public authorities, the structured investment products and the debt securities;

- Less bureaucracy: a proposal to establish "a single point of contact" was advanced: the depositors from branches of foreign credit institutions with headquarters in another Member State may be compensated by the guarantee scheme from the country where they have their deposits, which would mean less bureaucracy and faster reimbursement;

- Better information: the holders of bank accounts should be better informed on the coverage ceiling and the functioning of the scheme they belong to, by means of a standardised easy to understand model, as well as by means of information included in their statements of account;

- Responsible long-term financing: face with the possibility that the deposit-guarantee schemes may not have adequate financing, the proposal for a better financing process in four stages was analyzed. First, a good ex-ante funding creates a good reserve. Secondly, if necessary, it can be supplemented by additional ex-post contributions. Thirdly, the schemes could borrow a limited amount from other guarantee schemes. Fourthly, other financing arrangements should be also made, for unpredicted situations, based on own issues of securities on the capital market or on the use of loans from the public treasury. A more equitable calculation of banks' contributions, by adjusting them according to the risks presented by each bank separately, was also proposed.

1.2. The Romanian economy and the savings process

In 2010, the Romanian economy was still marked by recession, which made the gross domestic product decrease by 1.3% as compared to the previous year (according to the National Institute of Statistics). The most affected fields of activity were the fields of construction and trade, in the context of restraining the crediting activity and of the austerity policies.

The political decisions taken in 2010, of reducing by 25% the wages of the budgetary employees, who represent about one third of the total employed workforce, of reducing by 15% the social benefits and raising the value added tax to 24%, while contracting almost 30% of the investments (gross fixed capital formation) and diminishing the transfers from abroad, are the main reasons for the diminishing of the total final consumption of the public administrations and of the households. The measures adopted by the government affecting the labour market, which made the unemployment rate increase to 7.2% by the end of last year were added to those mentioned above.

In the context of the financing needs of the public administration, the governmental loan increased in nominal terms by about 31% at the end of 2010 as compared to the previous year. The share of the governmental loan in the internal loan increased from 23.4% in 2009 to 29.4%. In comparison, the balance of the non-governmental loan increased by only 4.7% during the same period, in the context of the banks' growing reluctance to credit the real economy, following a significant reduction in the number of customers eligible for crediting. The newly granted non-governmental loans marked a modest increase of only 1.9% at the end of 2010 as compared to the previous year. Generally, the demand for loans was relatively reduced throughout the period, indicating a relative decrease in the demand for new loans and an increase in the demand for refinancing, under the influence of offer-related factors (decrease of interests, reducing or eliminating commissions). The banks showed a more apparent openness to resume lending only towards the end of the year, by relaxing eligibility standards and by a series of promotions.

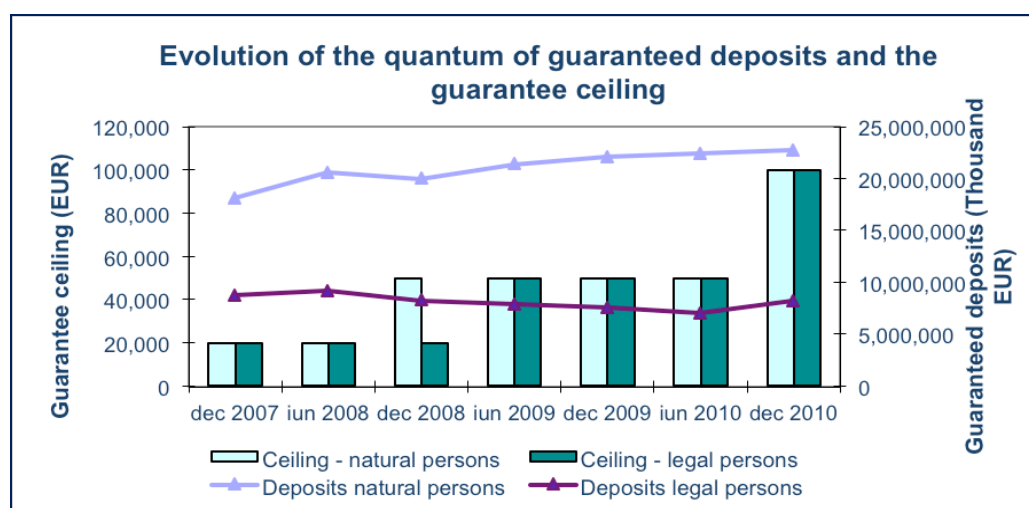
The economic dysfunctions also reflected in the inflation rate of 7.86%, increasing as compared to 4.74% registered in 2009 and more than 3 percentage points over the inflation target for 2010.

Romania's banking industry was confronted in 2010, for the first time, with losses. Only 20 of the 42 banks on the market finished the year with a profit, 22 of them recording negative results, due mainly to provisioning bad loans arising as a result of the economic crisis. However, the banking system remains well capitalized, with an average capital adequacy ratio of 14.6% at the end of September last year and a financial stability indicator that exceeds 11% for all the banks in the system (as compared to the minimum regulated of 8%). These would be the explanations of the fact that last year the Romanian banking system did not experience solvency problems and, therefore, FGDB's intervention by paying compensations for the guaranteed depositors to any of the credit institutions participating in the deposit guarantee scheme.

The total volume of deposits¹, for all member credit institutions of the Bank Deposit Guarantee Fund (FGDB), was of 277.5 billion lei at the end of 2010, thus registering a peak on the line of evolution of deposits. The growth rate of 2.8% in December 2010 as compared to December 2009 represents however the lowest growth over the past 5 years. The difference is especially striking as the growth rates of previous years were double figures.

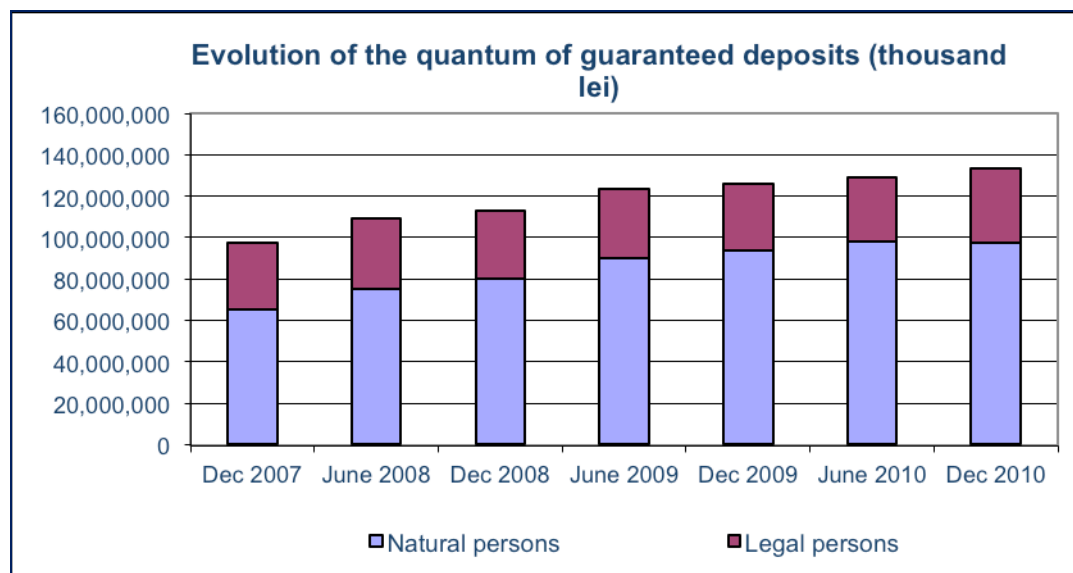
The share of total value of deposits at the Fund member credit institutions in the total amount of deposits in the Romanian banking system was of 93.5% on 31 December 2010, thus remaining under the value recorded at the end of the previous year.

The volume of guaranteed deposits on 31 December 2010 represented 48.1% of the total volume of deposits, respectively 133.4 billion lei (leu = RON) – a maximum level as compared to previous years.



As compared to the end of 2009, there is an increase of 1.4 percentage points as regards the share of guaranteed deposits in the total volume of deposits, as a result of a faster growth of the volume of guaranteed deposits as compared to the volume of non-guaranteed deposits.

¹ According to the operating law of the Fund, the deposit represents "any credit balance, including the due interest, resulted from funds existing in an account or from suspense accounts deriving from current banking operations that the credit institution must reimburse, according to applicable legal and contractual terms, as well as any obligation of the credit institution evidenced by a debenture issued by it, except for the bond provided by Article 159 (6) of Regulation no. 15/2004 on the authorization and the functioning of investment management firms, collective investment undertakings and depositories, approved by Order of the Romanian National Securities Commission no. 67/2004, as subsequently amended."



The amount of guaranteed deposits slightly increased at the end of 2010 as compared to the previous year, both for natural and legal persons. The deposit guarantee ceiling for both categories of depositors was doubled on 31 December 2010, a fact that did not influence the depositors' behaviour.

2. CHANGES IN FGDB'S LEGISLATIVE FRAMEWORK

The concerns manifested at European level to strengthen the role of deposit guarantee schemes within financial stability networks were also among the concerns of the institutions having the responsibility of regulating FGDB's activity, namely the National Bank of Romania and the Ministry of Finance. Reflecting the recognition of the significance of deposit guarantee schemes for the financial stability, in 2010 FGDB's representatives had several meetings with the representatives of the International Monetary Fund and of the European Commission in order to improve and adapt the Funds' legislation to the requests of the European Union and the international practices in the field. Romania's recent agreements with the two international bodies are the first to include FGDB's objectives among the performance criteria.

Their topics envisaged:

- Granting a priority position to the Fund's claim arising from the payment of compensations to the guaranteed depositors and to other Fund claims in making distributions by the liquidator of the insolvent credit institution;
- Elimination of the Fund's financing based on the stand-by credit lines while increasing the contribution share of the member banks;
- Composition of the Fund's Administrative Board;
- Widening the existing powers of the special administrator, a quality that the Fund can also have;
- Allowing the use of resources managed by the Fund to facilitate the restructuring measures approved by the National Bank of Romania regarding the deposits transfer, including transactions for the purchase of assets and the assumption of liabilities.

Throughout the year, the Fund's legislation was completed with transposed provisions related to:

- a) Aligning the coverage ceiling to the EU requirements;
- b) Funding policy;
- c) Reducing the period for the commencement of compensation payments;
- d) Supplementing the provisions of certain principles of good governance and
- e) Widening the institution's responsibilities, in the sense of establishing and managing the special fund for compensations. In this context, in March 2010, Law 44/2010 regarding the approval of Government Emergency Ordinance no. 80/2009 amending and supplementing Government Ordinance no. 39/1996 on the establishment and functioning of the Bank Deposit Guarantee Fund was adopted and Government Emergency Ordinance no. 131/2010 for amending and supplementing Government Ordinance no. 39/1996 was adopted in December 2010.

Law no. 44/2010 validated the provisions of Government Emergency Ordinance no. 80/2009 with certain amendments, envisaging mainly:

- Equalizing guarantee ceilings for natural and legal persons at the level of 50 000 EUR – in RON equivalent;

- Reducing the deadline for making the payment of compensations to 20 working days from the date the when deposits became unavailable;
- Introduction of the situation when FGDB pays the compensations when the deposits from a member credit institution are declared unavailable by the National Bank of Romania;
- Establishing that, in exceptional circumstances, the government must make available for FGDB the amounts necessary for covering the compensation payments within 15 working days from receiving the Fund's request;
- Establishing the exchange rate taken into account in determining the compensations for deposits constituted in currencies other than those listed by the NBR;
- The obligation for the member credit institutions to submit to the Fund the information required by law twice a year

Government Emergency Ordinance No. 131/2010 provides for:

- The increase of the guarantee ceiling from 50 000 EUR to 100 000 EUR, equivalent in lei;
- The independence of FGDB' Board members from the industry's influence and interests; they will not be an employee or director, member of the Board, member of the committee or of the supervisory board, as appropriate, of a credit institution;
- The terms of establishing, managing and using the special fund for reimbursing persons affected by the measures ordered and implemented during the special administration.

In exercising its competencies, in 2010, the Fund issued regulations necessary for the application and for the compliance with the legal provisions regarding its activity. In this regard, Regulations No. 3/2010 and No. 5/2010, regarding the submission of the situation of guaranteed depositors to FGDB, establish the manner of keeping records/submitting data regarding the guaranteed depositors to the Fund by the member credit institutions. It is provided that it is the banks' duty to have adequate information systems, ensuring accurate and permanent records on the situation of guaranteed depositors, as well as to draw up, twice a year, a list of compensations to be paid.

3. FGDB'S FINANCING POLICY AND FINANCIAL RESOURCES

During the first half of 2010, the Fund maintained its financing mechanism from 2009, when the annual contribution ratio was 0.2%, and the total value of the stand-by lines of credit contracted from the credit institutions amounted to the equivalent in lei of 300 million EUR. It should be noted that, similar to the previous years, those funds were not accessed, because there were no events to cause the deposits of any of the Fund member credit institutions to become unavailable.

During the last quarter of 2010, FGDB's funding mechanism was amended in line with the commitment of the Romanian part in the stand-by agreement with the International Monetary Fund, by removing the stand-by lines of credit from the financing sources, maintaining only the annual ex-ante contributions.

In line with the same objectives, the annual contribution ratio of the credit institutions was increased to 0.3% from the total of guaranteed deposits, starting from 2011.

3.1. Financial resources

FGDB's financial resources are constituted, according to the law, from the initial, annual and special contributions paid by the Fund member credit institutions, from the reinvestment of profit obtained from FGDB investments, from the recovery of claims from banks in bankruptcy and from collections of the remuneration obtained by the Fund as a judicial liquidator.

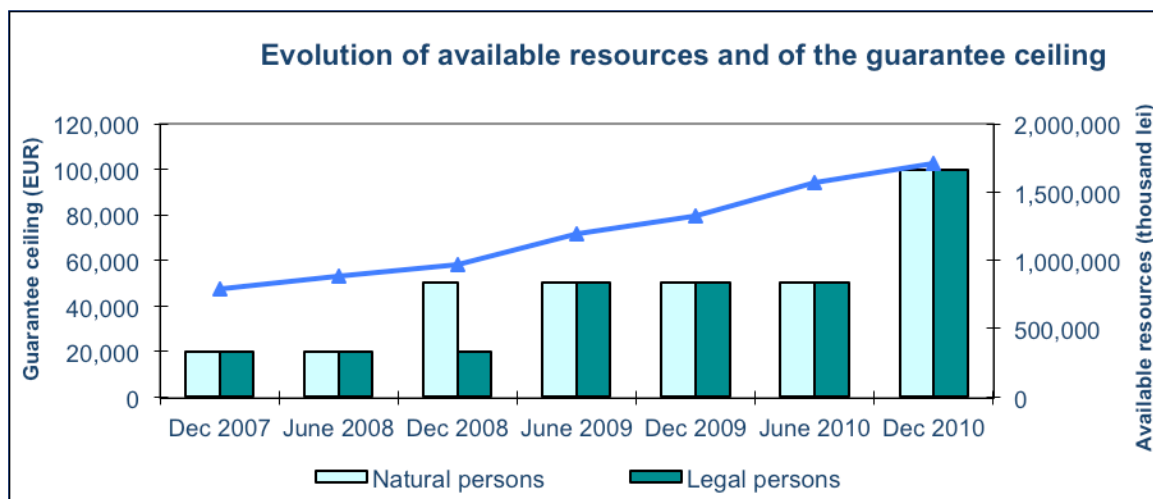
FGDB's main resources in 2010 were:

- Funds available on 31 December 2009, in amount of 1 325.5 million lei;
- The annual contributions paid by the Fund member credit institutions in amount of 252 million lei;

Based on the investments made, given the Fund's strategy of resources investment, a re-investable profit of 137.5 million lei was made.

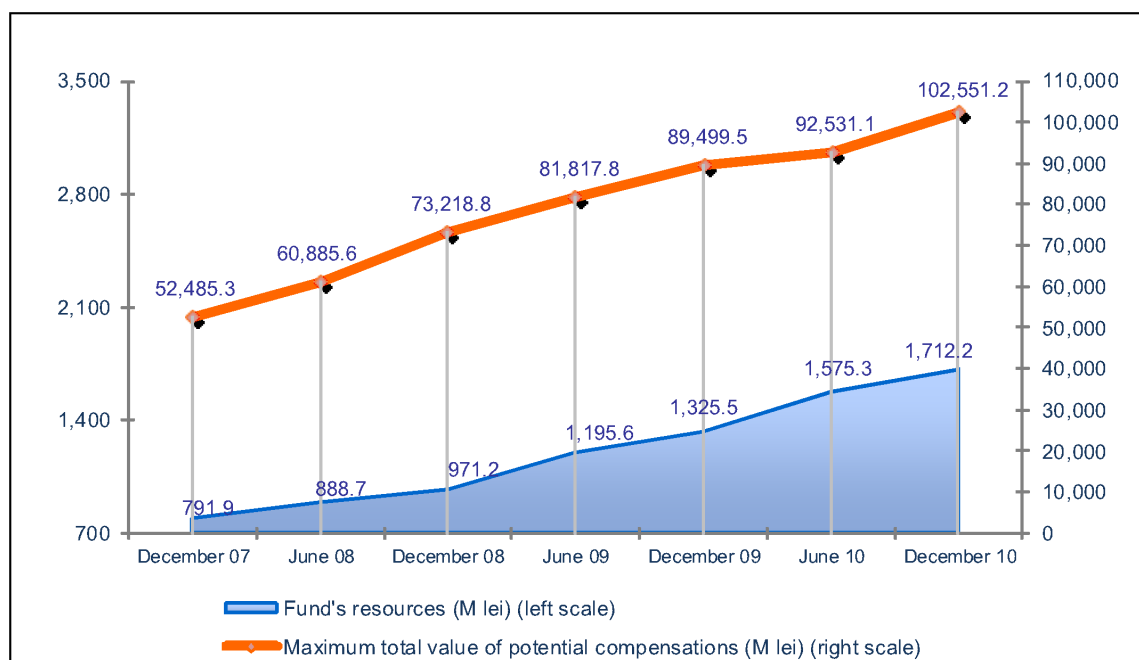
In these circumstances, FGDB ended the year 2010 with a volume of available funds in the amount of 1 712.2 million lei.

Over the past three years, the evolution of resources, as compared to that of the guarantee ceilings, is presented in the following chart.



As regards the coverage of FGDB exposure, calculated as the ratio between the amount of the Fund's own resources and the amount of guaranteed deposits, it increased from 1.00% in 2009 to 1.29% at the end of 2010. It is one of the highest levels recorded in the European Union.

FGDB's resources and the value of potential compensations



3.2. FGDB's activity as creditor

The **activity as** creditor of the bank deposit guarantee scheme results from the Fund's subrogation in the rights of the guaranteed depositors, as a result of the compensation payments and of the contributions unpaid by the banks which went bankrupt (if applicable).

FGDB is the main creditor (over 65% of the statement of affairs) of each of the following banks – Banca Albina, Bankcoop and BIR. As for the other banks in bankruptcy (Banca Turco-Română and Banca Columna), FGDB's shares in the statement of affairs are much lower (14.80% for BTR) or insignificant (0.11% for Banca "Columna"). FGDB's status as creditor ceased for two banks in bankruptcy following the full recovery of its claims in 2004, in the case of Banca Română de Scont, and in 2007, in the case of Nova Bank.

While monitoring liquidation activities of the banks in bankruptcy, FGDB asked the liquidators to take measures to accelerate the process of recovering the banks' claims, to capitalize the assets in their property and reduce the operating costs of the banks in bankruptcy, including by closing certain territorial units, in order to reduce both staff costs and other liquidation expenses.

Therefore, in 2010, the main measures taken by the liquidators of the banks in bankruptcy are staff reductions at the banks in bankruptcy by over 50% and reductions of the banks' debtors portfolio with 142 debtors. In the case of BIR, two branches of the four existing at the beginning of the year were closed.

In 2010, FGDB still had as a permanent objective to monitor and support the liquidators in applying the bankruptcy proceeding, in order to recover as big a share as possible of its claims from these banks in bankruptcy.

Until 31 December 2010, FGDB recovered from the bankrupt banks claims related to compensation payments in amount of 158.80 million, representing a recovery of 31.0% of the total amount at the mentioned banks.

FGDB's total of claims recovered from the banks in bankruptcy until 31 December 2010 represents the claims related to compensations paid to the guaranteed depositors of these banks in amount of 158.80 million and those related to contributions owed to FGDB and unpaid until the date of bankruptcy in the case of Bankcoop, BTR and Nova Bank, amounting to 0.98 million lei (fully recovered).

Comparative summary of the claims recovered by FGDB from banks in bankruptcy as compared to the actual claims (compensation payments)

- million lei -

No	Bank in bankruptcy	Total claims related to compensation payments	Claims recovered
1	Banca "Albina"	36.06	12.46
2	Bankcoop	273.24	70.38
3	Banca Internațională a Religiilor	186.15	74.57
4	Banca Română de Scont	0.87	0.87
5	Banca Turco-Română	15.87	0.31
6	Banca "Columna"	0.02	-
7	Nova Bank	0.03	0.21 ²
TOTAL		512.24	158.80

As compared to previous years' recoveries from banks in bankruptcy from which FGDB had to recover money, 1.36 million lei in 2007, 0.41 million lei in 2008 and 0.03 million in 2009, during 2010 FGDB did not recover any amount of its claims, therefore it can be said that the possibility to recover the claims and to capitalize the assets of the banks which went bankrupt were further reduced, because the mentioned banks have less assets or claims in their portfolio, or the possibility to capitalize them is lower, a fact that confirms that the banks are getting closer to the final stage of the liquidation activity.

² Claim fully recovered at the beginning of bankruptcy, which includes compensations and the bank's contribution to FGDB for the previous year.

4. INSTITUTIONAL DEVELOPMENT

Seen until recently as the main duty of a deposit guarantee scheme, the payment of compensations to depositors in the event of a bank failure increasingly tends to be supplemented by duties related to strengthening the role of financial stability pillar played by these institutions.

Starting from the new trends on the international financial markets and the legislative changes which occurred in 2010, and the shaping of the European regulatory context, the Fund launched a series of institutional development measures in line with the good governance principles and best practice principles.

Thus, it introduced the activity of risk management; it manifested an interest in developing the institution's capacity to inform and communicate with the public and media representatives, and it strengthened its internal audit functions, in order to be better prepared to meet the requirements of financial stability and business continuity plans.

4.1. Implementation of good governance principles

The Fund's activity was conducted according to its own laws and the general laws, in an independent manner, not subject to political influence and, starting from September 2010, not subject to any influence and potential interests of the financial and banking industry. This objective led to corresponding changes in the composition of the Administrative Board, both as regards the National Bank of Romania and the Romanian Banking Association representatives.

By the manner in which the Fund is financed – contributions established and communicated in a transparent manner, the investment policy based on sound principles from the prudential point of view, and from the liquidity and profitability points of view – the Fund had the autonomy and the independence necessary to fulfil its duties.

4.2. Risk management

In 2010, the Fund made an important step towards the adoption of best practices in risk management.

A risk management department was created, which structured the institution's concerns to meet the growing challenges coming from an increasingly complex operating environment and set up the background for a proactive approach in the field of risk management.

With the goal of forming a *risk culture*, as part of the organizational culture, the Fund is concerned about the systemic and integrating approach of risk management. The activity of risk management involves a bi-dimensional approach: (1) internal dimension – includes risks related to the processes and the work flows specific to the institution's activities; (2) external dimension – focuses on the risks arising from the interaction of the Fund with other *actors* involved in fulfilling its objectives.

The Fund's Resources Management Committee (CARF) was constituted as a permanent structure. By setting it up, the Fund envisages a series of goals related to the administration of the resources it manages:

- The decision to allot resources is a collective one, creating an adequate platform for debates with the purpose to adopt the best solution in terms of the ratio profitability/risk;
- The decision to allot resources is separate from the actual execution of the transaction;
- The Committee's decisions are made on the basis of a rigorous justification, focusing on the forecasting function as regards the evolution of markets and the Fund's available resources;
- The new opportunities to allot resources – new tools, new issuers – are promptly identified and quickly analyzed, so that the main objectives of minimizing the risk, respectively the liquidity of investments, and also the complementary one regarding their efficiency are met.

The internal regulations framework regarding risk management in the activity of allotting resources includes CARF Rules of functioning approved by the Fund's Board and the risk management procedure in the activity of allotting the Fund's resources, which describes the flows, the steps of the process, the entities involved and their responsibilities.

In the field of interactions with the external environment, the Fund adopted a proactive approach as regards risk management, envisaging at the same time to create its own mechanisms to assess the counterparty risks and to adapt to future European regulations in the field of deposit guarantee schemes.

In this regard, an important step in developing risk management mechanisms in the activity of allotting resources was the development of the methodology for the analysis of credit institutions, as a basic tool in substantiating the Fund's strategy of exposure for 2011.

From the perspective of the draft of a Directive regarding the bank deposit guarantee schemes, under discussion at EU level, the risk analysis of the credit institutions becomes the gravity centre of the Fund's risk management activities. On the one hand, it will provide an objective substantiation for the decisions to manage the available resources, as a main prerequisite for fulfilling the objectives stated in the regulations governing the Fund's activities. On the other hand, the risk analysis of the credit institutions anticipates the major change that the Fund should prepare from now on, according to the new European guidelines, according to which the contributions to the deposit guarantee schemes should be calibrated based on the risk level of the participants.

4.3. Communication with the public

Due to the recent economic turmoil, communication with and information of the public in order to enhance and strengthen its confidence in the banking and financial systems have become increasingly important.

By informing the public, the guarantee schemes help increase the confidence of banking products consumers in the financial systems. The informed depositors on the existence of mechanisms safeguarding the money in the banks, are less likely to trigger panic and, consequently, systemic crises. Acknowledging the importance of an accurate information and communication with the general public made the regulators at the level of the European Commission introduce, in the legal general framework, specific provisions regarding the obligation to communicate information to depositors.

Informing the Romanian public on the existence and the functioning of the deposit guarantee scheme is even more necessary as the public opinion surveys showed that a large part of Romania's population lacks sufficient information about deposit guarantee.

In this context, FGDB initiated in 2010 an important change in approaching public relations and communication with the public opinion in Romania.

Thus:

- A specialized department was set up in the institution;
- A process of re-creating the institutional identity (branding) was developed, from redefining the logo to creating a new website, more user friendly, with information provided in a form which is accessible to the general public, less technical, but still maintaining its professional, specialised nature;
- An informative leaflet regarding the existence and the duties of the Fund was drawn up, printed and distributed to both public and media representatives;
- A closer cooperation with the media representatives, especially by sending them information in the form of press releases and interviews given by the leaders of the institution was initiated;
- Two telephone lines were opened for the public who wants to obtain information which is not provided on the website or for those who are not internet users.

In 2010, FGDB continued drawing up and publishing quarterly reports which included analyses regarding the savings process, the dynamics and the structure of deposits of natural and legal persons at the credit institutions in Romania. The analyses were focused on presenting the economic and financial context in Romania and at international level and the influences exerted on the financial behaviour of individuals and companies.

Moreover, the information content of the newsletters was extended by introducing a separate section dedicated to studies and articles on the issue of guaranteeing deposits, the saving process and other relevant topics, and a section of statistical data.

In order to have better knowledge of saving behaviour, and of the factors and trends influencing it, in 2010 FGDB continued the series of market research on perceptions, attitudes

and financial behaviour of the population, in cooperation with GfK Romania, one of the most widely known institutes in this field. Research results will be implemented in order to make use of the most effective means of increasing public awareness about deposit guarantee.

4.4. Strengthening internal audit capabilities

In the context of the growing role of the Bank Deposit Guarantee Fund in ensuring and maintaining financial stability and considering the new standards regarding the organization and the functioning of internal control, the Internal Audit Department was set up within the organizational chart for 2010.

In 2010, the audit activity focused on assessing how the Fund fulfilled its specific tasks regarding:

- The setting up the Fund's financial resources and the activity of investing these resources;
- The observance of the legal provisions regarding the submission of the status of guaranteed depositors to the credit institutions;
- The activity of informing the public as regards the deposit guarantee scheme.

The Internal Audit Department had an active role in implementing the policies and the decisions of the Fund's Board and executive management in order to achieve specific goals. The contribution of the Internal Audit Department materialized in expressing proposals and viewpoints regarding certain drafts of internal regulations, the monthly analysis regarding the opportunity of making investments etc.

4.5. FGDB's international relations

FGDB's involvement in international activities is determined primarily by the Fund's statute as institution of a EU Member State and member of international professional associations (EFDI and IADI).

In the European context and in the context of EFDI membership, the Fund contributed to creating a general framework regarding the cross-border cooperation between deposit guarantee schemes, setting up the basis for concluding bilateral agreements. By the end of February 2011, the number of EU schemes that acceded to the Multilateral Memorandum of Understanding amounted to 15, FGDB included.

FGDB representatives attended the general meetings of EFDI (29 September – 1 October 2010, Rome) and IADI (24 – 29 October 2010, Tokyo). Both meetings focused on debating the role of guarantee funds in supporting financial stability.

In 2010, FGDB's representatives also attended other international events dedicated to issues of compensation payments, cross-border aspects of bank failures, quick organization of payout and issues regarding financial (in)stability and sustainability of recovering markets, as well as other possible implications/consequences affecting deposit guarantee schemes.

In line with the bilateral cooperation with other deposit-guarantee schemes, the Bank Deposit Guarantee Fund from Poland, which received FGDB representatives in an exchange of experience, deserves a special acknowledgement.

Throughout 2010, at the request of EFDI, IADI and other guarantee schemes and international institutions, the Fund provided information regarding the measures taken after the outbreak of the international financial crisis, sending comments and financial statistical data for the period of the last several years.

5. FGDB'S ACTIVITY AS JUDICIAL LIQUIDATOR

Starting with 2002, FGDB has carried out the specific activity of applying the bankruptcy procedure to two banks gone into bankruptcy³, namely Banca Română de Scont (starting with 16 April 2002) and Banca Turco-Română (starting with 3 July 2002). In 2006, the Fund carried out its activity as liquidator of Nova Bank, entered initially into dissolution, followed by liquidation.

The Fund's activity as liquidator of the two banks into bankruptcy further materialized by continuing the files pending before the courts, in order to recover its claims from the bank's debtors. This activity was troublesome, given the aspects of criminal nature of the various operations carried out at the two banks before their entry into bankruptcy, and the fact that the courts granted long terms and, in many cases, the solutions were given in favour of the debtors. In these circumstances, both the Fund and its representatives at the two banks into bankruptcy appeared before the criminal investigation bodies, the courts of appeal, the Ministry of Justice and the Superior Council of Magistracy, requesting support for the speedy trial of the cases pending before the courts.

5.1. Activity as judicial liquidator at Banca Română de Scont (BRS) – bank in bankruptcy

The actions taken by the bank after the start of bankruptcy proceedings to recover debts from its debtors, and to protect the bank's property and non-property interests materialised in 882 judicial and extrajudicial files, of which 323 were still ongoing at 31 December 2010, as follows: 51 civil, commercial and insolvency files, 99 execution files, 99 criminal files and 74 files in which proceedings were suspended.

In order to recover the bank's claims, legal pursuit and enforced execution on debtors' goods, whose debts amounted to 22.7 million lei, on 31 December 2010 were continued. Over 59% of this amount represented outstanding debts from loans and interests related to the first 10 debtors, ranked according to debt size.

During the year 2010 claims and other assets in amount of 5.61 million lei were recovered, while in 2009, 0.30 million lei were recovered and 1.60 million lei, in 2008, of which 5.37 million lei represented claims recovered, while 0.02 million lei were recovered in the previous year and 1.50 million lei in 2008.

³ The Fund's activity in this quality was performed both in accordance with the specific regulations provided by the applicable law regarding the bankruptcy of credit institutions (Law no. 83/1998 on the bankruptcy proceedings of banks, further amended and completed by Government Emergency Ordinance no. 138/2001), the provisions of the applicable general framework in the field of bankruptcy (Law no. 85/2006 regarding insolvency proceedings, as further amended and completed), and the Fund's internal regulations (Regulation no. 3/2007 regarding the Bank Deposit Guarantee Fund as liquidator, special and interim administrator) and regulations of the two banks in bankruptcy regarding the sale of goods of the bankrupt credit institutions.

Summary of collections from claim recovery BRS asset realization during the bankruptcy proceedings is shown below:

- Million lei -

Description	Claims and other assets as at 16 April 2002 (commencement of bankruptcy)	Cash collections during the period 16 April 2002-31 December2010	of which: in 2010	%
0	1	2	3	4=2/1
Total claims and other assets, of which:	54.57	35.02	5.61	64.17
1. Claims	37.75	15.40	5.37	40.79
1.1. credits	27.09	5.21	-	19.23
1.2. interests	6.06	2.36	-	38.94
1.3. other claims	4.60	7.83	5.37	170.22
2. Other assets	16.82	16.42	-	97.62
3. Other collections (rent, dividends, interest on cash accounts)	-	3.20	0.24	-

The total sum of recovered claims since the commencement of bankruptcy amounts to 15.40 million lei, representing 40.79% of the claims existing at the commencement of bankruptcy (37.75 million lei).

If the calculation also includes the amount of 12.9 million lei from setting off compensation claims (collateral deposits) and asset takeovers from debtors (which will be capitalized), the claim recovery ratio from loans, interests and other claims will be 74.97% of the total claims at the commencement of bankruptcy.

Following the results obtained in the bankruptcy proceedings, the liquidator made, during 2010, a distribution of amounts in favour of unsecured creditors in amount of 0.7 million lei, as compared to 0.3 during the previous year.

Since the beginning of the bankruptcy until 31 December 2010, 11 distributions were made to creditors in amount of 18.1 million lei, representing 47.16% of the statement of affairs of 38.4 million lei; unsecured creditors recovered over 45.0% of claims (in amount of 16.4 million lei), while FGDB, the state budget and the bank's employees fully recovered their claims (1.7 million lei).

Cumulatively, from the commencement of bankruptcy proceedings until 31 December 2010, as a result of the measures taken to increase the incomes and reduce costs, financial results in amount of 9.5 million lei were achieved and are intended to be used for the partial

coverage (about 49%) of the balance losses recorded by the bank at the date of commencement of bankruptcy proceedings.

5.2. Activity as judicial liquidator at Banca Turco-Română (BTR) – bank in bankruptcy

The judicial and extrajudicial actions taken since the commencement of the proceedings by the bank in bankruptcy represented by the Fund as liquidator in order to recover debts from its debtors, as well to protect its property and non-property interests, materialised in 502 files, of which, at the end of 2010, 33 files were still pending, of which 9 enforcement files, 18 commercial files, 1 administrative file, 4 criminal complaints and 1 criminal file.⁴

Although the civil action for establishing the liability of former directors and main shareholders for the bankruptcy of Banca Turco-Română SA was filed in April 2003, the summons procedure with all 12 non-resident defendants (Turkey and USA), natural and legal persons, was accomplished only in August 2007, and until March 2010 an accountancy expertise was decided and carried out to establish the chargeable loss be for each defendant. The accountancy expertise established a loss of 353 378 033.26 lei, indicating as responsible for creating it two former managers, respectively the bank's former president and vice president, who signed the guarantee contracts and the fiduciary loans concluded with foreign banks, for which the related amounts could not be recovered by Banca Turco Română SA⁵.

By Criminal Court Decision no. 1071 of 19 April 2007, the former managers (seven Turkish citizens and one Romanian citizen) were sentenced for abuse of office, intellectual forgery and other offences to imprisonment between 5 and 13 years and were imposed to pay 59 421 921.04 USD and 11 326 199.99 EUR to BTR in lei, at the date of enforcement, plus interest from 31 March 2003 until paid. Until March 2010, the summons letter to the foreign party, for the seven Turkish residents, could not be sent through the Ministry of Justice. On 31 March 2010, the court ordered a rogatory commission through the Ministry of Justice for summoning of non-resident defendants to the competent legal authority in Turkey; the rogatory commission was accomplished for all non-resident defendants scheduled for 15 December 2010.

⁴ In order to recover claims related to the two Turkish companies – Bayindir Holding AS and Bayindir Insaat Turizm Ticaret ve Sanayi AS – the bank's main debtors, as well to establish the liability of former administrators and main shareholders responsible for the bank's failure, BTR filed in 2003 two civil actions before the courts, of which one was irrevocably rejected in November 2009, based on the general objection to jurisdiction against all Romanian courts (action for damages against the two above-mentioned companies).

⁵ Through the sentence given at 11 ianuarie 2011, the trial court: (i) accepted partially BTR's request made by the liquidator against the two former managers mentioned above, who were ordered to jointly pay the debt of the debtor Banca Turco Română, established, according to the accountancy expertise in this case, at the amount of the loss mentioned above; (ii) accepted the objection raised ex officio as regards the lack of capacity to be sued of the shareholders of Banca Turco Română SA, thus rejecting the request of BTR's liquidator against the defendants Bayindir Holding AS, Bayindir Insaat Turizm Ticaret ve Sanayi AS, The Bank of New York, Bayindir Securities Inc., Asmek Asfalt Sanayi AS.; (iii) rejected as not founded BTR's request made by the liquidator against the defendants Cristian Dumitrescu, Cortuk Kamuran, Tobur Mehmet Fahim, Ercelik Mustafa Kemal, Tulgar Koray and Yalcinkaya Cetin Figen.

As regards the 146 debtors in the records of the bankrupt bank on 31 December 2010 (other than the Bayindir Group), the chances of recovering substantial amounts are very low, as for most of them there is no possibility left to recover the debts. The total collections as at 31 December 2010 amounted to 49.30 million lei, of which in 2010, 3.38 million lei (4.45 million lei in 2009 and 3.37 million lei in 2008), representing 6.86% of the total collections for the whole period of bankruptcy proceedings with BTR.

Summary of collections from claim recovery and BTR asset realization during the bankruptcy proceedings is shown below:

- Million lei -				
Description	Claims and other assets as at 3 July 2002 (commencement of bankruptcy)	Cash collections during the period 3 July 2002 – 31 December 2010	of which: in 2010	%
0	1	2	3	4=2/1
Total claims and other assets, of which:	274.15	49.30	3.378	17.98
1. Claims	227.48	4.66	0.032	2.05
1.1. credits	98.19	1.35	0.002	1.34
1.2. interests	17.30	2.40	0.024	14.05
1.3. other claims	111.99	0.91	0.006	0.81
2. Other assets	46.67	31.63	0.002	67.77
3. Other cash collections	-	13.01	3.344	-

Collections from claim recovery represent about 2% of total claims as at the date of commencement of bankruptcy proceedings, and the difference of the claims to be recovered is mainly represented by the claims against the two legal persons from Turkey (92.08%), Bayindir Insaat Turizm Ticaret ve Sanayi AS, as a direct beneficiary of the credits and main debtor of the bank, and Bayindir Holding AS, as main shareholder at both Bayindir Insaat and BTR SA, from whom no amount was recovered by 31 December 2010⁶.

In the "other assets" row, the main share in the amount of 31.63 million lei is held by the cash collections from sales of immovable (five buildings and two lands), and the rest comes from sale of movables and equity investments. During 2010, no sale of assets took place, due to

⁶ This is due to the irrevocable rejection, by Decision of The High Court of Cassation and Justice of November 2009, based on the general objection to jurisdiction against all Romanian courts, the action for damages filed by BTR against these companies in 2003, taking into account the provisions of the fiduciary and guarantee contracts on which BTR's action was grounded, according to which the competence to solve the litigations lies with the courts in Geneva and Istanbul, respectively.

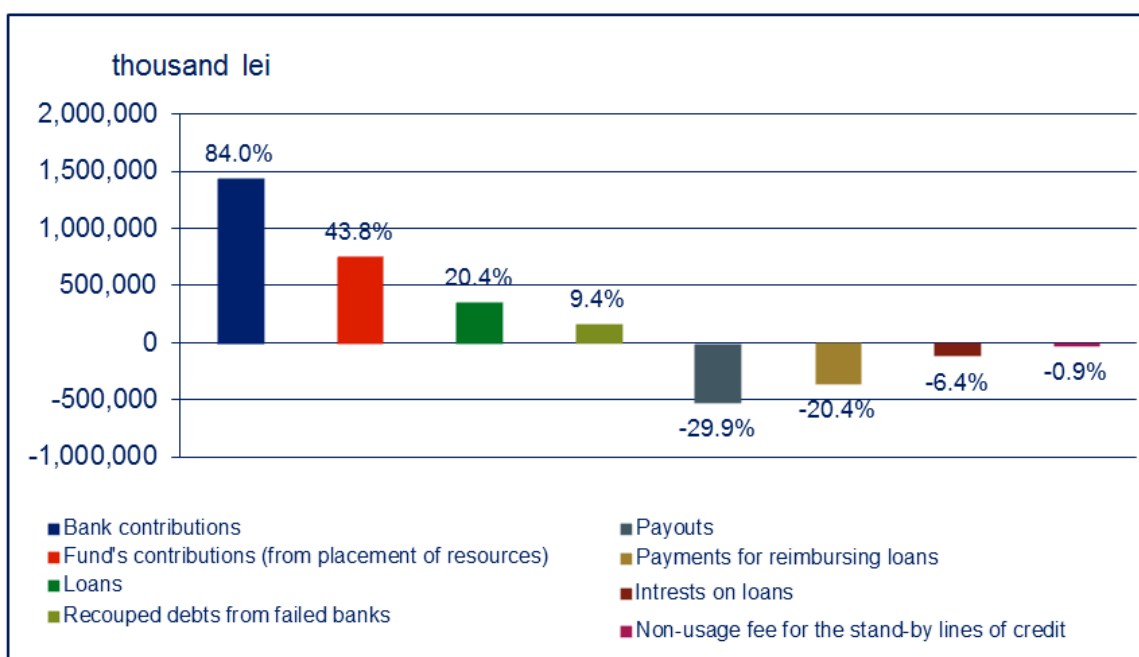
the lack of interest from potential bidders; the assets put up for sale were a 5,000 sqm plot of land located in the vicinity of Bucharest and four used cars.

During 2010, similarly to the previous year, no distributions were made to creditors. These will be resumed after a final decision is given on ANAF's claim.

Cumulatively, from the commencement of bankruptcy proceedings until 31 December 2010, as a result of the measures taken to increase the incomes and reduce costs, modest financial results amounting to 9.9 million lei were registered and were intended to be used for the partial coverage (4.3%) of the balance losses recorded by the bank at the date of commencement of bankruptcy proceedings.

6. FINANCIAL RESULTS

Between 1996 and 2010, FGDB managed the resources under its management in a prudent manner and, at the same time, succeeded in bringing a substantial contribution to the set up of the current resources. The incomes accomplished during the 15 years by capitalizing on cash availabilities represent about 44% of the total. Besides the initial and annual contributions of the credit institutions, the incomes made by the Fund contributed to covering the costs resulted mainly from payments of compensations and provide now a comfortable level of coverage of deposits guaranteed from own resources.



FGDB financial activity was constantly monitored during 2010 by members of the Administrative Board, based on the reports presented by the executive management regarding the collection of contributions, the recovery of claims from the banks in bankruptcy, payment of compensations, investment of available financial resources and the Fund's current expenditures.

In 2010, the main increase was in financial assets representing investments in securities with terms of up to 1 year and in other financial instruments.

**Financial statements of the Bank Deposit Guarantee Fund
FGDB's Balance Sheet**

- lei -

Assets			Liabilities		
	31 December 2009	31 December 2010		31 December 2009	31 December 2010
1. Fixed assets, total,	824 755 965	841 885 245	1. Own funds, total,	1 327 487 320	1 714 313 996
of which:			of which:		
– intangible assets	41 645	48 624	– reserves	1 195 356 578	1 575 427 939
– tangible assets	387 068	339 647	– profit for the financial year	132 130 742	138 886 057
– financial assets	824 327 252	841 496 974	– profit distribution	-	-
2. Current assets,	506 139 529	872 660 183	2. Debts, total, of	3 450 319	276 227
total, of which:			which:		
– short term financial investments	506 013 220	872 301 226	– debts due within a year	3 450 319	276 227
– bank accounts	27 960	215 733			
– other claims (bank settlements)	98 349	143 224			
3. Advance expenditures	42 145	44 795			
TOTAL ASSETS	1 330 937 639	1 714 590 223	TOTAL LIABILITIES	1 330 937 639	1 714 590 223

The status of the Fund's cash collections and payments in 2010:

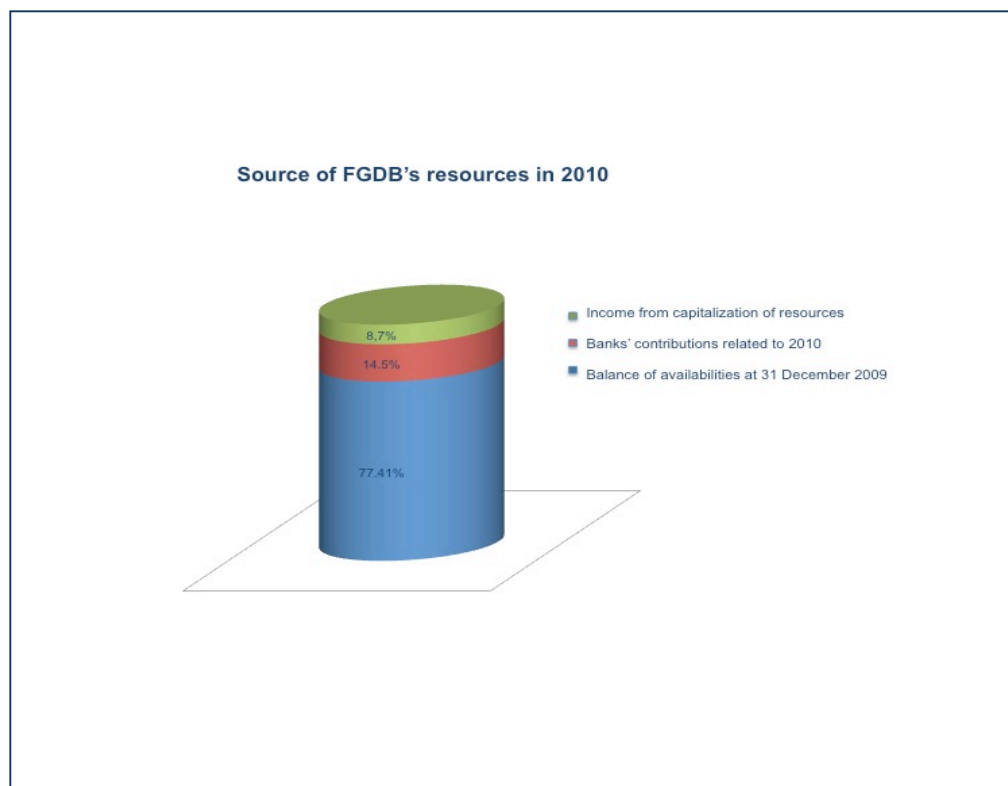
- a) Cash collections, total 401 071 055 lei,
of which:
- 252 032 331 lei, from annual contributions established based on the statements sent to the Fund in 2010 by the credit institutions, including the differences established following the verifications made by the Fund;
 - 148 851 195 lei, income resulted from the investment of the Fund's financial resources;
 - 116 368 lei, interests collected for the availabilities in the Fund's current bank accounts;
 - 71 160 lei the Fund's remuneration as liquidator of Banca Română de Scont.
- b) Payments, total 12 923 285 lei
of which:
- 10 081 506 lei representing the Fund's current operating expenses
 - 2 841 779 lei stand-by lines of credit - representing the non-usage fee of 0.3% for the stand-by line of credit contracted by the Fund from the credit institutions;

The Fund's financial results, according to its functioning law, will be established as the difference between the incomes from its financial resources investment and its current expenses.

The Fund's financial results, recorded during the period 1 January – 31 December 2010, as compared to the corresponding period of 2009, are as follows:

- lei -

		<u>31 December</u> <u>2010</u>	<u>31 December</u> <u>2009</u>	<u>Difference</u>
1	Total incomes	148 965 687	139 988 298	+8 977 389
2	Total expenditure	10 079 630	7 857 556	+2 222 074
3	Result of the financial year	138 886 057	132 130 742	+6 755 315



a) The total income obtained in 2010, amounting to 148 965 687 lei, comes almost entirely from financial incomes representing due interests from the investment of financial resources (148 851 195 lei) and incomes from interests collected for the availabilities of the Fund's current accounts (114 492 lei).

Year	Average invested capital lei	Average interest rate %	Due interest lei
2010	1 496 940 000	9.85	148 966 974
2009	1 121 208 952	12.47	139 982 310

The annual average interest rate obtained in 2010, of 9.85%, is higher than that the rate provided for in the draft of income and expenditure budget (9.77%) and the average interbank interest for time deposits, which was of 9.4%.

The total income obtained in 2010 exceeded by 2 631 687 lei the incomes scheduled by the Fund's income and expenditure budget approved for 2010 (scheduled 146 334 000 lei, accomplished 148 965 687 lei).

b) A gross profit resulted from the activity carried out in 2010 amounting to 138 886 057 lei as compared to 135 091 000 lei scheduled in the income and expenditure budget for 2010; the gross profit is equal to the net income because, by law, the Fund is exempt from paying income tax.

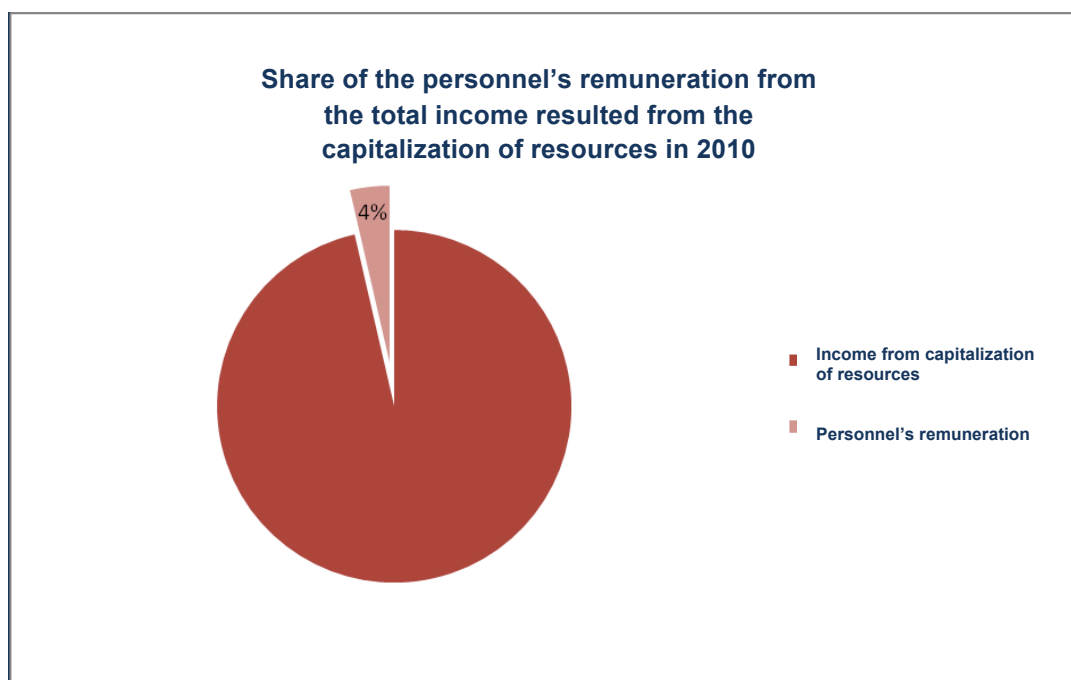
Profit and loss account

a) The total income of the Fund obtained in 2010, amounting to 148 965 687 lei, is made up of:

- 148 735 416 lei, interests and other remuneration forms due to the Fund's investment of financial resources during 2010. The income from the capitalization of placements represents 99.92% of the total income obtained throughout the year. The Fund recorded an average annual interest rate of 9.85%, for the placements of 2010, which was higher than the annual inflation rate of 6.1% from 2010;

- 115 779 lei, interest collected for the availabilities in the Fund's current bank accounts;

b) The total expenditure of the Fund made in 2010 amounting to 10 079 630 lei, represents 6.77% of the total income, while the personnel remuneration expenditure represented 4% of the income obtained by the Fund by capitalizing the available resources.



c) The Fund's financial year ended with a gross profit of 138 886 057 lei, 6 755 315 lei higher than the profit made in 2009, i.e. by 5.11%. In accordance with the legal provisions, the Fund's gross income is not taxable, thus becoming net profit.

In accordance with Government Ordinance No. 39/1996 on the establishment and functioning of the Bank Deposit Guarantee Fund, republished, as subsequently amended and supplemented, 99% of the Fund's profit is distributed for the completion of the Fund's resources and tangible and intangible investments approved by the Administrative Board of the National Bank of Romania and the difference of up to 1% is distributed, with the approval of the Fund's Administrative Board, for setting up an annual fund for participation to profit.

The audit of the Fund's financial statements as at 31 December 2010 was performed by the financial auditor Deloitte Audit SRL, who, noted in the report made that "The financial statements were drawn up in an appropriate manner, in all significant respects, in accordance with the Order of the Governor of the National Bank of Romania No. 13/19 December 2009 on reporting the statements regarding the liquidity indicator and the great liquidity risk, as completed by the Order No. 26/2010 amending and supplementing the Accounting Rules complying with the European directives, applicable to credit institutions, non-bank financial institutions and the Bank Deposit Guarantee Fund, approved by Order of the National Bank of Romania No. 13/2008".

7.1. REPORT OF THE INDEPENDENT AUDITOR

7.1. REPORT OF THE INDEPENDENT AUDITOR



To the Administrative Board

The Bank Deposit Guarantee Fund

Bucharest, Romania

REPORT OF THE INDEPENDENT AUDITOR

Report on the financial statements

1 We audited the enclosed financial statements of the **Bank Deposit Guarantee Fund** ("the Fund") which include the balance sheet as at 31 December 2009, the profit and loss account for the financial year closed at that date, a summary of the significant accounting policies and other explanatory notes. The above mentioned financial statements refer to:

- Total liabilities: 1 714 590 223 lei
- Net result of financial year: 138 886 057 lei profit

Responsibility of the management for the financial statements

2 The Company's management is responsible for the adequate preparation and presentation of financial statements, in accordance with the Order of the National Bank of Romania No. 13/2008 ("Order 13/2008") as subsequently amended, and for the internal control that the management considers necessary for drawing up financial statements which do not contain significant alterations, due to fraud or error.

Responsibility of the auditor

3 Our responsibility is that, based on the audit performed, we express an opinion regarding these financial statements. We performed the audit in accordance with the auditing standards of the Romanian

Chamber of Financial Auditors. These standards require that we abide by the requirements of professional ethics and that we plan and perform the audit so as to obtain reasonable assurance that the financial statements do not contain significant alterations.

4 An audit consists in applying procedures in order to obtain audit evidence referring to the amounts and the information presented in the financial statements. The selected procedures depend on the auditor's professional reasoning, including the assessment of risks of significant alteration of financial statements due to fraud or error. In the assessment of these risks, the auditor takes into consideration the internal control relevant for the adequate drawing up and presentation of the Company's financial statements, in order to determine the relevant auditing procedures under the circumstances, but not to express an opinion on the efficiency of the Company's internal audit. An audit also includes the evaluation of the degree of adequacy of the accounting policies used and the reasonable character of accounting estimations prepared by the management, as well as the evaluation of the presentation of the financial statements as a whole.

5 We consider that the audit evidence we obtained is sufficient and adequate to form the basis of our audit opinion.

The opinion

6 In our opinion the financial statements present faithfully and under all significant aspects the financial status of the **Bank Deposit Guarantee Fund** as at 31 December 2010, as well as its financial performance for the year concluded at that date, in accordance with the Order of the National Bank of Romania No. 13/2008 ("Order 13/2008") as subsequently amended and with the accounting policies described in the notes to the financial statements.

Other aspects

7 This report is exclusively addressed to the Company's shareholders in their integrity. Our audit was performed so that we should be able to report to the Company's shareholders those aspects that need to be reported in a financial auditing report and to no other purposes. To the extent permitted by the law, we only accept and only assume responsibility to the Company and its shareholders/associates, in their integrity, for our audit, for the present report or for the expressed opinion.

8. The financial statements were drawn up in accordance with accounting treatments mentioned in the Order No. 13/2008, as subsequently amended. The enclosed financial statements are not

intended to present the financial status, the operation results and a complete set of notes to the Company's financial statements in accordance with the IFRS, and the financial statements are not drawn up in order to be used by persons who are not aware of the impact of the lack of compliance with the IFRS.

Report on the conformity of the management's report with the financial statements

In accordance with the Order of the Governor of the National Bank of Romania No. 13/2008, article 208, paragraph 1, item e), we have read the management's report, attached to the financial statements. The management's report is not a part of the financial statements. In the management's report we did not identify historical financial information that is significantly not in concordance with the information presented in the attached financial statements.

Ahmed Hassan, Auditing partner



Registered with the Romanian Chamber of Financial Auditors

Certificate No. 1529/25 November 2003

On behalf of:

DELOITTE AUDIT SRL

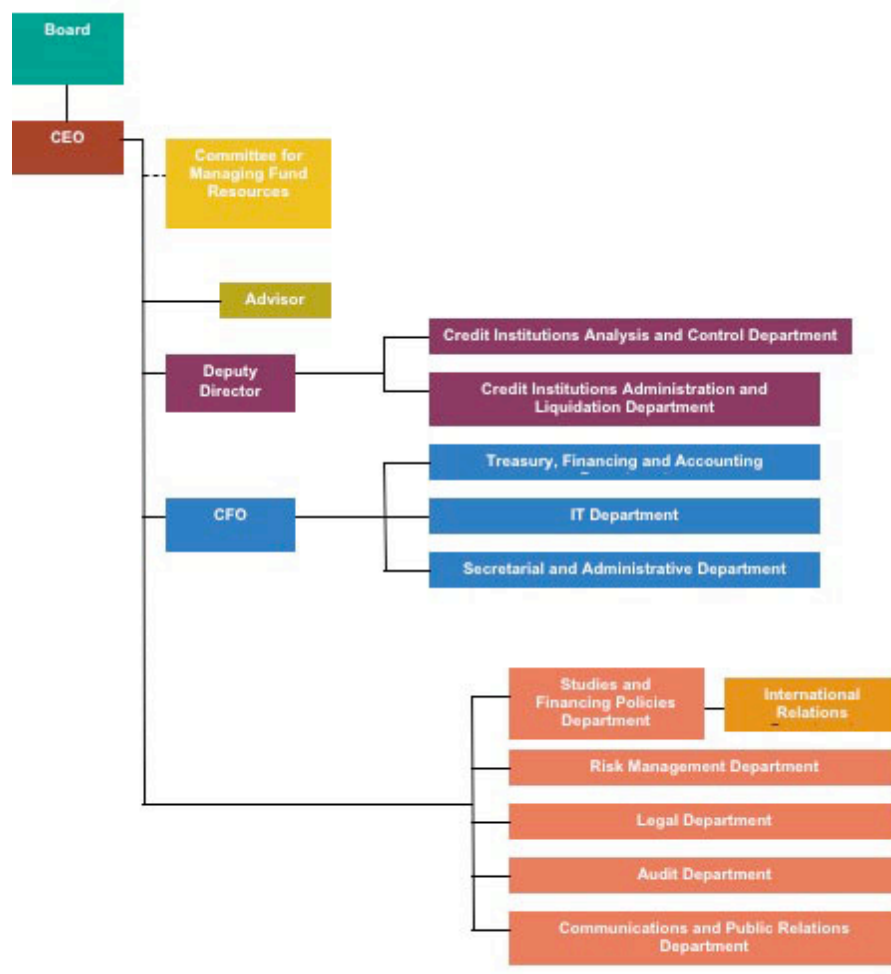
Registered with the Romanian Chamber of Financial Auditors

Certificate No. 25/25 June 2001

Bucharest, Romania

14 March 2011

8.1. FGDB's Organization chart



8.2. List of credit institutions participating in the deposit guarantee scheme as on 31 December 2010

1. Alpha Bank România S.A.
2. ATE Bank România S.A
3. Banca Centrală Cooperatistă Creditcoop
4. Banca C.R. Firenze România S.A.
5. Banca Comercială Carpatica S.A.
6. Banca Comercială Feroviara S.A.
7. Banca Comercială Intesa Sanpaolo România S.A.
8. Banca Comercială Română S.A.
9. Banca de Export Import a României EXIMBANK S.A.
10. Banca Millennium S.A.
11. Banca Românească S.A., member of National Bank of Greece Group
12. Banca Transilvania S.A.
13. Bancpost S.A.
14. Bank Leumi România S.A.
15. BCR Banca pentru Locuințe S.A.
16. BRD - Groupe Société Générale S.A.
17. CEC Bank S.A.
18. Credit Europe Bank (România) S.A.
19. Emporiki Bank - România S.A.
20. Garanti Bank S.A.
21. Libra Bank S.A.
22. Marfin Bank (România) S.A.
23. MKB Romexterra Bank S.A.
24. OTP Bank România S.A.
25. Piraeus Bank România S.A.
26. Porsche Bank România S.A.
27. ProCredit Bank S.A.
28. Raiffeisen Banca pentru Locuințe S.A.
29. Raiffeisen Bank S.A.
30. RBS Bank (România) S.A.
31. Romanian International Bank S.A.
32. UniCredit Ţiriac Bank S.A.
33. Volksbank România S.A.

8.3. Summary of natural and legal persons' deposits as on 31 December 2010

No.	Indicators	Differences			
		31 December 2009 ⁷	31 December 2010 ⁸	col. 3 - col. 2	col. 4/col. 2 (%)
0	1	2	3	4	5
1.	Number of deposit holders ⁹ - total, of which	17 091 424	15 728 371	-1 363 053	-8
	of which:				
	- natural persons	16 161 985	14 781 977	-1 380 008	-8.5
	- legal persons ¹⁰	929 439	946 394	16 955	1.8
2.	Number of guaranteed deposit holders – total,	17 053 810	15 683 063	-1 370 747	-8
	of which:				
	- natural persons	16 159 048	14 778 301	-1 380 747	-8.5
	- legal persons	894 762	904 762	10 000	1.1
3.	Total deposits (million lei)	270 016.1	277 548.1	7 532	2.8
	% of total deposits	100	100		
	of which:				
	- in lei	141 686.3	145 789.6	4 103.3	2.9
	- in foreign currency (lei equivalent)	128 329.8	131 758.5	3 428.7	2.7

⁷ Final data updated with the results of verification of the contribution owed by the banks in 2010.

⁸ Data updated with the changes sent by the credit institutions up to 20 April 2011.

⁹ The total number of deposit holders is calculated by adding up the consolidated data reported by each credit institution so that a person who has deposits at several credit institutions is recorded several times.

¹⁰ The category of depositors – legal persons (guaranteed and non-guaranteed) includes all types of financial and non-financial entities.

0	1	2	3	4	5
4.	Total guaranteed deposits (million lei)	126 016.2	132 405.6	6 389.4	5.1
	% of total deposits	46.7	47.7		
	of which:				
	- in lei	77 892.7	83 952.1	6 059.4	7.8
	- in foreign currency (lei equivalent)	48 123.5	48 453.5	330	0.7
5.	Amount of guaranteed deposits made by natural persons	93 693.8	98 747.9	5 054.1	5.4
	(million lei)				
	% of total guaranteed deposits	74.4	74.6		
	of which:				
	- in lei	55 591.6	59 335.3	3 743.7	6.7
	- in foreign currency (lei equivalent)	38 102.2	39 412.6	1 310.4	3.4
6.	Amount of guaranteed deposits made by legal persons	32 322.4	33 657.7	1 335.3	4.1
	(million lei)				
	% of total guaranteed deposits	25.6	25.4		
	of which:				
	- in lei	22 301.1	24 616.8	2 315.7	10.4
	- in foreign currency (lei equivalent)	10 021.3	9 040.9	-980.4	-9.8
7.	Total non-guaranteed deposits (million lei)	143 999.9	145 142.5	1 142.6	0.8
	% of total deposits	53.3	52.3		
	of which:				
	- in lei	63 793.6	61 837.5	1 956.1	-3.1
	- in foreign currency (lei equivalent)	80 206.3	83 305	3 098.7	3.9

***LACK OF SENSATIONALISM RELATED TO A DEPOSIT GUARANTEE SCHEME IS
PROOF OF A HEALTHY BANKING SYSTEM***

The Bank Deposit Guarantee Fund (FGDB) has the duty to guarantee the deposits opened by the customers of the banking system, according to the law, at the member credit institutions, to pay compensations to the guaranteed depositors, within the limit of the guarantee ceiling, when deposits become unavailable, to contribute to the stability of the banking and financial system and to the public's confidence.

FGDB fulfils its mission by implementing professional standards in line with the European requirements

FGDB's activity is based on:
Confidence in the banking system
Safety offered to depositors
Good governance