BANCA CENTRALE
DELLA REPUBBLICA DI SAN MARINO

THE DIRECTOR GENERAL
OF THE CENTRAL BANK OF THE REPUBLIC OF SAN MARINO

IN VIEW of article 30 of Law no. 165 of 17 November 2005, (hereafter, in short: "LISF") that assigns to the Central Bank of the Republic of San Marino the task of governing the balance sheet and profit and loss account formats, the content of the explanatory notes to the financial statements of the undertakings registered in the register of authorised parties, as well as the criteria for the preparation of the financial statements;

IN VIEW of article 45 of Regulation no. 2006-03 of the Central Bank of the Republic of San Marino, according to which the management companies of mutual investment funds are required to prepare their financial statements in compliance with the criteria that will be provided by means of a specific measure of the Central Bank itself;

IN VIEW of the Statutes of the Central Bank of the Republic of San Marino approved by Law no. 96 of 29 June 2005 and in particular Article 30, paragraph 3 of the Statutes, based on which the Central Bank's acts on supervision, passed by the Supervision Committee, are issued by the Director General;

IN VIEW of the Supervision Committee resolution of 19 April 2007 and of the Governing Council resolution of 23 April 2007, with which approval was granted to the text of the Regulations of the Central Bank of the Republic of San Marino for preparing financial statements of the management companies of mutual investment funds,

ISSUES

the attached Regulation no. 2007-05 for the preparation of financial statements of the management companies of mutual investment funds, which will be published in the Official Bulletin of the Republic of San Marino pursuant to Article 39 of LISF.

This Regulation shall enter into force on the day following the date of this official document.

San Marino, 23 May 2007

SIGNED: THE DIRECTOR GENERAL

Luca Papi

REGULATIONS FOR PREPARING THE FINANCIAL STATEMENTS OF THE MANAGEMENT COMPANIES OF MUTUAL INVESTMENT FUNDS

year 2007 / number 05

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PART I
GENERAL PROVISIONS

Article 1 – Definitions.

1. For the purposes of these provisions, the following meanings are given to the following terms:

a) **"credit institutions"**:
   1) the Banks of San Marino;
   2) foreign banks authorised by the competent Supervisory Authorities to raise funds from the public and to practice credit activities;
   3) central banks;
   4) international banking organisations;

b) **"financial institutions"**:
   1) companies of San Marino, other than banks, authorised to carry out activities reserved pursuant to the LISF;
   2) foreign companies performing activities similar to those carried out by the companies referred to in the preceding letter;

c) **"customers"**: any and all persons other than credit institutions and financial institutions;

d) **"sight loans and deposits"**: means the balances that may be withdrawn by the creditor at any moment without notice or with a prior notice of twenty four hours or one business day. The period of the prior notice runs from the date when the prior notice is notified to the date when it may be repaid;

e) **"assets and liabilities expressed in a foreign currency"**: in addition to those explicitly expressed in a currency other than Euro, also means those that provide for financial indexing clauses linked to the exchange rate of the Euro against a certain currency or against a certain basket of currencies;

f) **"intangible fixed assets"**:
   1) start-up and expansion expenses, research and development costs with a multi-year use;
   2) goodwill, if acquired for valuable consideration;
   3) patent rights and rights to use intellectual property, grants, licenses, trademarks, similar rights and assets and the relevant advances paid;
   4) any other multi-year expenses.

g) **"tangible fixed assets"**:
   1) any land, buildings, technical systems, equipment of any kind, advances paid to purchase or build such assets and any fixed assets in the course of completion. Land and building include all rights of possession on real estate properties and similar rights under the legislation of the country where the asset is located;

    2) other tangible assets intended for the long term use of the company;

h) **"financial fixed assets"**:
    1) shareholdings;
    2) financial instruments intended for the long term use of the MC, i.e. intended to remain in the corporate assets as a fixed investment. They are also defined as "securities held for investment", whereas the financial instruments not intended as a fixed corporate investment are defined as "securities held for trading";

i) **"hedging transactions"**: off-balance sheet transactions made by the MC for the purpose of protecting the value of individual assets or liabilities included in the balance sheet or the values registered "off-balance sheet", or groups of assets or liabilities included in the balance sheet or registered "off-balance sheet", from the risk of adverse movements in the interest rates, in foreign exchange rates or in market prices. The following circumstances must occur, appropriately documented in internal records of the company:
    1) the company intends to implement the hedging;
    2) high correlation between the technical-financial features (maturity, interest rate, etc.) of the assets/liabilities hedged and those of the "hedging" agreement;

j) **"shareholdings":** any rights on the equity of other companies that, by realising a long lasting bond with such companies, are intended to develop the business of the participant. In any case, there is a shareholding when the person is the owner of at least one tenth of the voting rights exercisable at the ordinary general meeting;

k) **"value adjustments"**: any devaluation or depreciation of the items of assets;

l) **"value recoveries":** the restoration of the value of the assets that had been previously subject to a value adjustment;

m) **"MC"**: the management companies authorised, pursuant to Law no. 165 of 17 November 2005, to exercise the activities referred to in letters E and/or F referred to in Annex 1 to such law;

n) **"listed financial instruments**": financial instruments traded on markets which are regularly functioning and recognised and for which independent control bodies determine access and functioning criteria.

2. In the following articles of this Regulation, the words that correspond to these definitions are in bold characters.

3. Except where specified otherwise, for the purposes of these provisions the definitions contained in the LISF .and in the Regulation 2006-03 of the Central Bank on collective investment service, shall apply.

Article 2 – General principles.

1. The financial statements are comprised of balance sheet, profit and loss account and explanatory notes to the financial statements, and are accompanied by a report of the directors on the operations of the MC, by a report of the Board of Statutory Auditors and by the report of the External Auditors. Specifically, the report of the directors, besides explaining the events occurred during the financial year, must provide indications on any relevant facts occurred between the end of the financial year and the date when the financial statements are approved, as well as any relevant information on the business outlook for the following financial year. The financial statements must be prepared in compliance with these provisions and in a clear manner, and must truly and accurately represent the financial position and performance of the year. If the information required under these provisions is not sufficient to provide a true and accurate representation, any ancillary information required for this purpose must be provided in the explanatory notes to the financial statements. Should, in exceptional cases, the application of one of the provision above be inconsistent with the true and accurate representation, such provision must not be applied. The reasons for the exception and its impact on the representation of the balance sheet, the financial position and the performance, must be clarified in the explanatory notes to the financial statements.

Article 3 – Formats for the preparation of the financial statements and rules for the compilation thereof.

1. Balance sheet and profit and loss formats are outlined in Annex A. The format of the explanatory notes is outlined in Annex B. They are comprised of items (marked with Arab numbers), sub-items (marked by letters) and additional information details (the "of which" of the items and sub-items). The items, sub-items and additional information constitute the financial accounts. New items and sub-items may be added when their content is not included in any of the items or sub-items envisaged in the formats referred to in Annex A.

2. Comparative figures for the previous financial year must be shown for each account item of the balance sheet and of the profit and loss account. If the account items are not comparable, those of the previous financial year must be adjusted; the non-comparability, any adjustments made or the inability to make such adjustments, are reported in the explanatory notes.

3. The financial statements must be prepared in Euros, with no decimal points. When rounding up or down the amounts, any decimal point equal to or lower than 50 cents must be ignored, whereas any decimal point higher than 50 cents must be increased to the next Euro unit. The rounded amount of the items is arrived at by adding the individual rounded amounts of the sub-items. The algebraic sum of the discrepancies resulting from the rounding up or down of the items is recognised under "other assets/liabilities" as regards to the balance sheet, and under "extraordinary income/expenses" as regards to the profit and loss account.

4. The accounting situation as at the initial date of the financial year is the same as that of the financial statements approved and related to the previous financial year.

5. The criteria for the preparation of the accounts of the financial statements may not be changed from one financial year to the other. In exceptional cases deviations from such principle are admitted, provided that the reasons for such deviation and its impact on the representation of the balance sheet, the financial position and the performance, are clarified in the explanatory notes to the financial statements.

6. The recognition of income and expenses is carried out in accordance with the accrual principle (regardless of the collection and payment date) and with the principle of caution.

7. The devaluation and depreciation of the items of assets must be carried out only by means of a direct adjustment lowering the value of the items to which they refer. The registration of adjustment provisions under liabilities is not allowed.

8. The assets acquired in the name and for the account of third parties are not included in the financial statements. Information on such assets is included in the explanatory notes.

Article 4 – Link between accounting and financial statements.

1. The procedures of the accounting system (chart of accounts, accounting criteria, etc) adopted by the MCS must allow the reconciliation between the accounting evidences and the accounts of the financial statements. The accounting-information system must allow the easy retrieval of all information elements required to ensure such reconciliation. Similarly, the accounting-information system must contain, and have readily available for retrieval, all the information elements required to prepare the explanatory notes to the financial statements.

PART II
PROVISIONS CONCERNING CERTAIN TRANSACTIONS

Article 5 – Securities transactions.

1. The asset accounts related to securities are affected by transactions for the purchase, subscription and sale of securities only when such transactions are settled.

2. As regards to debt securities, the settlement date corresponds to the date to which the parties refer to in order to calculate the accrued interest for the coupon or for the accruing interest at the moment of the transaction.

3. As regards to listed capital securities, the settlement date corresponds to the stock exchange settlement date specified in the contract.

Article 6 – Currency transactions.

1. The asset and liability accounts are affected by currency transactions (loans, deposits, sales and purchases, etc.) only when such transactions are settled. This rule applies also to the "consideration" in Euro of transactions that imply the exchange of Euros against foreign currency.

Article 7 – Assets transferred or received as guarantee.

1. Any assets transferred to third parties to secure own or third party's obligations will continue to be shown in the financial statements of the transferor and may not be registered in the financial statements of the transferee. The transferor specifies, under the guarantees released, the amount of the assets transferred to secure third party's obligations. The aforementioned provisions do not apply to the payments in cash; such payments are registered, in fact, as credits or debts. The explanatory notes must specify separately the assets transferred and those received as guarantee. As regards to the first ones, a distinction should be made between those that secure obligations of third parties and those that secure own obligations, showing, for the latter, the items of liabilities to which they refer.

Article 8 – Subordinated assets and liabilities.

1. Any assets and liabilities, whether represented by securities or not, for which the right to repayment, in case of liquidation of the issuing entity or in the event it is subject to any other insolvency proceeding, may be exercised by the creditor only after the rights of the other creditors not equally subordinated, are considered to be subordinated.

Article 9 – Derivative contracts.

1. Derivative contracts means those contracts designed to change the exposure of the contracting party to market risks. They are generally characterised by a contractual format that provides for the settlement at a future date of the difference between current price (or return) of a financial instrument at such date and that pre-set in the contract, or the delivery or the purchase at a future date of a financial instrument at a pre-set price.

The financial instruments of this kind are divided into three categories:

a) derivative contracts on securities and interest rates: this category includes interest rate swaps, forward rate agreements, options and futures on debt securities or on interest rates and other transactions (if any) with similar features;
b) derivative contracts on capital securities: this category includes futures and options on equities or equity indexes and other transactions (if any) with similar features;

c) derivative contracts on currencies and other assets: this category includes currency swaps, domestic currency swaps, currency futures, options on currencies and other transactions (if any) with similar features.

2. Options must be treated consistently with the criteria for the preparation of the financial statements. Premiums paid/collected for the purchase/issuance of options must be capitalised and registered under item "other assets" and "other liabilities", respectively; the amounts referred to "premiums paid on options" and to "premiums received on options, will be specified in the explanatory notes.

3. Any premium related to unexercised and expired options must be recognised in the profit and loss account under item "profits (losses) on financial transactions" or items "other operating proceeds", "other operating costs", depending on whether or not the options in question are part of the trading activities. The item "profits (losses) on financial transactions" includes the derivatives resulting from the sale of options.

4. As regards to the options exercised within the relevant expiry date, a distinction should be made between those that did not entail the "exchanger of capital", from those that required the exchange of capital.

5. Premiums received/paid on options exercised "with no exchange of capitals" (interest rate options) must be deducted from the difference paid/received, and the residual amount (net difference) must be registered in the profit and loss account under the items "other operating costs" or "other operating proceeds". Premiums received/collected on options exercised "with exchange of capitals" must be added to, or deducted from, the price of the underlying assets sold/purchased or purchased/sold.

PART III
COMPILATION INSTRUCTIONS

TITLE I
BALANCE SHEET

Chapter I
Assets

Article 10 – Cash and cash equivalents (item 10).

1. This item includes:

a) currencies of legal tender, including foreign banknotes and coins;

b) cheques, bankers' drafts and others.
c) "sight credits" towards post offices of the Country or Countries where the MC has its own branches.

Article 11 – Loans to CREDIT INSTITUTIONS (item 20).

1. This item includes:
  a) loans to credit institutions regardless of their technical form, except for those represented by securities, which must be included in item "bonds and other fixed income securities". They must be registered at the expected realisation value;
  b) reverse repurchase agreements with CREDIT INSTITUTIONS; the spot value must be registered.

Article 12 – Loans to FINANCIAL INSTITUTIONS (item 30).

1. This item includes:
  a) loans to FINANCIAL INSTITUTIONS regardless of their technical form, except for those represented by securities, which must be included in item "bonds and other fixed income securities". They must be registered at the expected realisation value;
  b) reverse repurchase agreements with FINANCIAL INSTITUTIONS; the spot value must be registered.

Article 13 – Loans to CUSTOMERS (item 40).

1. This item includes loans to CUSTOMERS except for those represented by securities, which must be included in item "bonds and other fixed income securities". They must be registered at the expected realisation value.

Article 14 – Bonds and other fixed income securities (item 50).

1. This item must include all the debt securities included in the portfolio of the MC (Government securities, bonds, certificates of deposit, other financial instruments). This item also includes floating rate securities, linked to a predetermined benchmark (such as the interbank interest rate). Only securities issued by the bank itself, repurchased and transferable, may be stated under "own securities".

Article 15 – Shares, units and other capital securities (item 60).

1. This item includes all capital securities (shares and units), other than those which have the nature of a shareholding, for which items 70 and 80 must be used. It must also include shares and units of collective investment undertakings.

Article 16 – INTANGIBLE FIXED ASSETS (item 90).

1. This item includes:

a) start-up and expansion expenses, research and development costs with a multi-year use, goodwill, if acquired for valuable consideration;
b) other multi-year costs to be amortised, patents, grants, trademarks, licenses, similar rights and assets and the relevant advances paid.

2. Intangible fixed assets are registered in the financial statements at their purchase price adjusted through depreciation. Such assets are depreciated whenever an impairment is registered which is permanent in nature; the original value is restored to the extent that it is believed that the reasons behind the previous depreciation no longer exist. Multi-year costs to be amortised related to own real estate properties are to be excluded.

Article 17 – TANGIBLE FIXED ASSETS (item 100).

1. This item includes the "assets used by the company", recognised in the financial statements at their purchase price and adjusted through depreciation, increased by any incidental expenses to be directly recognised. The explanatory notes include, respectively, movable and real estate assets: the category of "movable" assets includes multi-year costs to be amortised and the entries pending final recognition related to movable assets; plants, machineries and technical equipments for the automatic treatment of information, company cars. The category "real estate properties" includes properties owned by the company, including multi-year costs to be amortised and the entries pending final recognition related to real estate properties.

Article 18 – Own shares (item 110).

1. This item includes own shares, if any.

Article 19 – Other assets (item 120).

1. All assets not accounted for under the other asset items of the balance sheet must be registered in this item. This item also includes the deposits with clearing houses (initial security margins) for transactions on derivative contracts as well as the "accounting contra entries" of any revaluation of off-balance sheet transactions. It also includes: own "after-cashing bills" sent for collection and not credited yet; the security deposits of the company for the performance of its business; premiums paid for options.

Article 20 – Accrued revenues and deferred expenses (item 130).

1. The item "accrued revenues" must include any credits corresponding to proceeds accrued in the financial year, payable in subsequent financial years; the item "deferred expenses" must include any suspended costs incurred prior to the close of the financial year but related to subsequent financial years.

Chapter II

Liabilities

Article 21 – Debts with CREDIT INSTITUTIONS (item 10).

1. This item must include all debts with CREDIT INSTITUTIONS regardless of their technical form, except for those represented by securities, which must be included in item "debts represented by securities".

Article 22 – Debts with FINANCIAL INSTITUTIONS (item 20).

1. This item must include all debts with FINANCIAL INSTITUTIONS regardless of their technical form, except for those represented by securities, which must be included in item "debts represented by securities".

Article 23 – Debts with CUSTOMERS (item 30).

1. This item must include all debts with CUSTOMERS regardless of their technical form, except for those represented by securities, which must be included in item "debts represented by securities".

Article 24 – Debts represented by securities (item 40).

1. This item includes:

   a) bonds: convertible bonds and other bonds, other than those issued with a subordination clause, are included. The latter must be included under item 110 "subordinated liabilities".

   b) other securities: all other securities issued by the MC other than bonds must be registered in this category.

Article 25 – Other liabilities (item 50).

1. This item must include all liabilities not included in the other liability items of the balance sheet, such as, but not limited to, debts with suppliers, premiums received on options.

Article 26 – Accrued expenses and deferred revenues (item 60).

1. Debts corresponding to costs accrued during the financial year but that will be incurred in subsequent financial years must be registered under accrued expenses. Any proceeds, considered as suspended, received prior to the end of the financial year but which refer to future financial years, must be registered under deferred revenues.

Article 27 – Financial risks and costs funds (item 80).

1. Financial risks and costs funds are only intended to cover losses, charges or debts determinable in nature, the existence of which is certain or likely but for which the amount or the date of occurrence are not determinable at the closure date of the financial year. These funds may not be used to adjust the

values of the asset accounts and may not exceed the amount required to cover the risks for which they were created.

Article 28 – Credit risk funds (item 90).

1. "Credit risk funds" include all funds intended to cover credit risks that are only potential and, therefore, are not used for adjustment purposes.

Article 29 – General financial risk fund (item 100).

1. This fund, being set up to cover general business risks, is similar to a capital reserve. The net change (balance of allocations or withdrawals) registered by the fund during the financial year, is recognised in the profit and loss account, under item 210 "variation in the general financial risk fund".

Article 30 – Subordinated liabilities (item 110).

1. All subordinated loans are included under this item.

Article 31 – Share Capital (120).

1. This item shows the amount of the share capital.

Article 32 – Issue premiums (item 130).

1. They are received by the company for issuing shares at a price higher than their face value. The amounts paid by the investors in new shares as a refund for any costs incurred by the issuer due to certain requirements (stationery expenses, costs for printing share certificates, etc.) must be recorded under the profit and loss account, except where the Articles of Association expressly provide for their allocation directly to reserves.

Article 33 – Legal reserve (item 140 a).

1. 10 percent of the balance sheet profits must be devoted to non-distributable legal reserves, up until the equivalent of 20 percent of the minimum capital amount required for the authorisation of a MC is reached.

Chapter III
Guarantees and Commitments

Article 34 – Guarantees issued (item 10).

1. Any guarantee issued by the company and transferred to secure obligations of third parties is recognised under this item.

Article 35 – Commitments (item 20).

1. This item shows all irrevocable commitments undertaken by the company. To determine the amounts, reference should be made to the contractual price, if any (e.g. purchase and sale of securities not settled yet), or to the expected amount of the commitment itself. The criteria followed and exceptions (if any) must be specified in the explanatory notes.

2. The item "commitments" also includes the categories of derivative contracts, with reference to the contractual price, if any, or to the amount of the commitment. Therefore, the agreed price (strike price) must be registered, for the transactions that require the exchange of capital, or the difference to be paid or received, for the transactions for which no exchange of capital is required. In the case of "futures" (and other contracts traded on regulated markets) the purchases and sales of which one represents the closure of the other must not be reported. For derivative contracts traded on regulated markets and which provide for the daily payment of the variation margins, the nominal value of the reference capital must, conventionally, be reported.

TITLE II
PROFIT AND LOSS ACCOUNT

Article 36 – Interest received and other similar proceeds (Item 10); interest paid and other similar costs (item 20).

1. Any interest, proceeds and similar costs related to securities, credits and debts, even if indexed or subordinated, as well as any other interest, must be registered according to the accrual principle.

2. Proceeds and costs similar to interest, to be registered in the profit and loss account pro rata temporis, include, but are not limited to:

a) the difference between the purchase price and the higher redemption value of fixed income securities that represent FINANCIAL FIXED ASSETS; this difference is added to the interest accrued on securities;

b) the difference between the purchase price and the lower redemption value of fixed income securities that represent FINANCIAL FIXED ASSETS (except where the MC decides to depreciate the securities for the amount corresponding to such difference: the amount of the devaluation is recognised in the profit and loss account in one lump sum); this difference is deducted from the interests accrued on securities;

c) cost reductions and increases resulting from the assumption of debts, above or under par respectively (the portions of the issue discount on bonds are included as cost increase);

d) commissions and fees calculated on the basis of the amount or duration of the loan or deposit to which they refer;

e) proceeds and costs related to "off-balance sheet" transactions aimed at hedging interest generating assets and liabilities. In derivative contracts, such proceeds and costs correspond to the differences, positive and negative, respectively, calculated based on the difference between contractual price or rate and current price or rate at the end of the financial year or at the maturity or closure date of such contracts. In the forward currency purchase and sale contracts the differentials correspond to the margins between the spot exchange rate and the forward exchange rate fixed in "swap" agreement or to the margins between the forward exchange rate in the "outright" contracts and the spot exchange rate applicable at the moment of the execution of such contracts. Based on the principle of consistency in accounting treatment, the aforementioned differentials are registered in the profit and loss account according to a timetable consistent with that of the registration of the interest generated by the assets and liabilities hedged, in case of "specific" hedging, or according to the duration of the contract, if the latter is intended as "generic" hedging. The balance of all the differentials recorded in the profit and loss account is included, based on their relevant algebraic sign, under interest received or interest paid;
f) proceeds and costs related to repos and repurchase agreements that require the transferee to resell on the forward date the assets (such as, but not limited to, securities) subject matter of the transaction; such proceeds and costs are calculated taking into account the difference between the spot price and the forward price as well as the results (such as interest) produced by the assets during the term of the transaction.

3. The item of the profit and loss account "interest received and other proceeds", must also show the balance between any default interest accrued during the financial year and the VALUE ADJUSTMENT corresponding to the portion of such interest deemed to be irrecoverable.

Article 37 – Dividends and other proceeds (item 30).

1. Dividends and other proceeds related to shares or units of collective investment undertakings must also be reported.

Article 38 – Commissions received (item 40); commissions paid (item 50).

1. This item reports proceeds and costs related, respectively, to services rendered and services received, respectively, by the company.

Article 39 – Profits (losses) from financial transactions (item 60).

1. This item includes the balance between profits and losses from financial transactions when the first (latter) are higher than the latter (first). This amount is determined as the algebraic sum of the balances:

a) between profits and losses resulting from on- and off-balance sheet transactions on securities held for trading, including the results of the valuations of such securities;

b) between profits and losses resulting from on- and off-balance sheet transactions on currencies, including the results of the valuations of such transactions;
c) between profits and losses resulting from on- and off-balance sheet transactions on other financial instruments, including the results of the valuations of such assets.

2. This item does not include proceeds and costs related to "hedging" transactions registered under interests according to the instructions for the items "interest received and other proceeds" and "interest paid and other costs".

3. The balance referred to under letter a) of paragraph 1 above includes:

a) profits and losses resulting from the purchase and sale of securities held for trading; such profits and losses are calculated as the algebraic sum of the initial balances for the financial year (value of the securities corresponding to that recognised in the financial statements of the previous financial year), of the costs for purchases during the financial year (including subscriptions of newly issued securities), of the revenues from sales settled during the financial year (including the redemptions of securities expired) and of the final balances for the financial year (at "book value", i.e. prior to the financial statements valuations);
b) the positive and negative differentials on derivative contracts with underlying security that are included under trading assets;
c) the results of the valuation of securities held for trading, of purchase and sale contracts not settled yet (spot or forward) of securities held for trading and of the contracts referred to in point b) above not yet expired or closed at the end of the financial year.

4. The balance referred to under letter b) of paragraph 1 above includes:

a) profits and losses resulting from the trading of currencies;
b) positive and negative differentials resulting from derivative contracts on currencies;
c) the difference between the current value as at the closure of the financial year of the elements of assets and liabilities and of the "off-balance sheet" transactions expressed in a foreign currency and the book value of such elements and transactions.

5. The balance referred to in letter c) of paragraph 1 above also includes the positive and negative differentials on derivative contracts without underlying security, linked to interest rates or indexes or other assets, which are included in the trading assets.

Article 40 – Other operating proceeds (item 70).

1. This item must include other proceeds not included in other items of the profit and loss account, such as, but not limited to, refunds from third parties following costs incurred by the company (such as refunds of legal fees for credit collection activities), any profit realised from the sale of one's own receivables.

Article 41 – Other operating costs (item 80).

1. This item must include costs which are not included in other items of the profit and loss account.

Article 42 – Administrative costs (item 90).

1. Sub item "other administrative costs" must report, in particular, any costs incurred for professional services (legal expenses, notary expenses, etc.), the costs for non-professional assets and services (electricity, stationary, transport etc.) rents and fees payable, insurance premiums accrued during the financial year.

Article 43 – VALUE ADJUSTMENTS on INTANGIBLE AND TANGIBLE fixed assets (item 100).

1. This item includes any VALUE ADJUSTMENTS related to intangible and tangible assets.

Article 44 – Provisions for risks and costs (item 110).

1. This item shows the provisions to the funds referred to in item 80 of liabilities "Financial risks and costs funds", except for those intended to cover impairments of the guarantees issued and of the commitments (to be included in the item "value adjustments on credits and provisions for guarantees and commitments").

Article 45 – Provisions to credit risks funds (item 120).

1. This item shows the provisions to the "fund for credit risks" (item 90 of assets in the balance sheet).

Article 46 – VALUE ADJUSTMENTS on credits and provisions for guarantees and commitments (item 130).

1. This item is comprised of VALUE ADJUSTMENTS made on credits included in the assets of the balance sheet (recognised losses on credits following some analytical valuations carried out during the reference period, losses on credits calculated on a lump sum basis during the reference period as regards to non performing loans and performing loans).

2. The provisions for guarantees issued and commitments referred to in this item include the impairments calculated on the guarantees issued and on the commitments posted under "guarantees and commitments".

Article 47 – VALUE RECOVERIES on credits and provisions for guarantees and commitments (item 140).

1. This item shows the value recoveries and the recoveries on loans depreciated during previous financial years.

Article 48 – VALUE ADJUSTMENTS on FINANCIAL FIXED ASSETS (item 150).

1. This item includes the VALUE ADJUSTMENTS on securities that belong to the investment portfolio, on SHAREHOLDINGS and on SHAREHOLDINGS of the group.

Article 49 – VALUE RECOVERIES on FINANCIAL FIXED ASSETS (item 160).

1. This item includes the VALUE RECOVERIES on securities that belong to the investment portfolio, on SHAREHOLDINGS and on SHAREHOLDINGS of the group previously depreciated.

Article 50 – Extraordinary proceeds (item 180) extraordinary costs (Item 190).

1. These items must also include windfall proceeds and windfall costs as well as profits and losses resulting from the sale of TANGIBLE FIXED ASSETS. Any profits and losses resulting from the transfer to third parties of the securities held in the investment portfolio must also be included in these items.

Article 51 – Variations to the general financial risk fund (item 210).

1. This item includes the balance of the allocations (provisions) and of the withdrawals (uses) of the general financial risk fund recorded under assets, depending on whether it is positive or negative.

TITLE III
EXPLANATORY NOTES

Article 52 – Structure and compilation rules.

1. The explanatory notes to the financial statements are comprised of the following parts:
   a) valuation criteria;
   b) information on the balance sheet;
   c) information on the profit and loss account;
   d) other information.

2. The explanatory notes to the financial statements must be prepared in accordance with the format available in Annex B, following the instructions set forth in such annex. The amounts may be indicated based on the rules referred to in article 3, paragraph 3 above, or in thousands of Euros.

3. Purpose of the explanatory notes is to provide those reading the financial statements with additional information, also of a qualitative nature, on the aggregate data specified in the individual items of the financial statements, and on the dynamics that affected them, as well as to properly explain the performance of the corporate management. Tables which are irrelevant for the company, with only amounts equal to zero, may be omitted. Quantitative information must be explained following the directions specified in the basic format, but the company is required to add further information, also to comment items of the financial statements not included in the basic format, whenever this is helpful for achieving the purposes outlined in this paragraph.

BANCA CENTRALE
DELLA REPUBBLICA DI SAN MARINO

ANNEXES TO REGULATION FOR PREPARING FINANCIAL STATEMENTS OF MANAGEMENT COMPANIES (MCs) OF MUTUAL INVESTMENT FUNDS

year 2007 / number 05

ANNEX

A

Balance Sheet and Profit and Loss account formats

FORMATS OF FINANCIAL STATEMENTS OF MANAGEMENT COMPANIES (MCs)

BALANCE SHEET

ASSETS

Item	Description	Amount (T)	Amount (T-1)
10	Cash and cash equivalents		
20	Loans to credit institutions *a) sight credits* *b) other credits*		
30	Loans to financial institutions *a) sight credits* *b) other credits*		
40	Customer loans		
50	Bonds and other fixed income securities: *a) issued by public institutions* *b) issued by credit institutions* *c) issued by financial institutions* *of which own securities* *d) issued by other institutions*		
60	Shares, units and other capital securities		
70	Holdings		
80	Holdings in group business		
90	Intangible fixed assets		
100	Tangible fixed assets		
110	Own shares		
120	Other assets		
130	Accrued revenues and deferred expenses		
	TOTAL ASSETS		

continues: BALANCE SHEET

LIABILITIES

Item	Description	Amount (T)	Amount (T-1)
10	Debts with credit institutions: *a) sight debts* *b) term or notice debts*		
20	Debts with financial institutions: *a) sight debts* *b) term or notice debts*		
30	Debts with customers: *a) sight debts* *b) term or notice debts*		
40	Debts represented by securities: *a) bonds* *b) other securities*		
50	Other liabilities		
60	Accrued expenses and deferred revenues		
70	Staff retirement allowances		
80	Financial risks and costs funds		
90	Fund for credit risk		
100	General Financial risks fund		
110	Subordinated Liabilities		
120	Share Capital		
130	Issue premiums		
140	Reserves *a) legal reserve* *b) statutory reserves* *c) other reserves*		
150	Revaluation reserves		
160	Profits (losses) carried forward		
170	Balance sheet profit (loss)		
	TOTAL LIABILITIES		

SUSPENSE ACCOUNTS

Item	Description	Amount (T)	Amount (T-1)
10	Guarantees issued		
20	Commitments		

PROFIT AND LOSS ACCOUNT

Item	Description	Amount (T)	Amount (T-1)
10	Interest received and other proceeds		
20	Interest paid and other costs		
30	Dividends and other proceeds		
40	Commissions received *a) for collective management services* *b) for individual management services* *c) other commissions*		
50	Commissions paid		
60	Profits (losses) on financial transactions		
70	Other operating proceeds		
80	Other operating costs		
90	Administrative costs: *a) labour costs* *of which:* *wages and salaries* *social security costs* *staff retirement allowances* *other costs* *b) other administrative costs*		
100	Value adjustments on intangible and tangible fixed assets		
110	Provisions for financial risks and costs		
120	Provision to credit risk funds		
130	Value adjustments on loans and provisions for guarantees and commitments		
140	Value recoveries on loans and provisions for guarantees and commitments		
150	Value adjustments on financial fixed assets		
160	Value recoveries on financial fixed assets		
170	Profit (loss) on ordinary activities		
180	Extraordinary proceeds		
190	Extraordinary costs		
200	Profit (loss) on extraordinary activities		
210	Variation to the general financial risk fund		
220	Income taxes		
230	Balance sheet profit (loss)		

ANNEX
B

Explanatory notes formats and instructions for the compilation thereof

Annex B

EXPLANATORY NOTES TO THE FINANCIAL STATEMENTS OF MANAGEMENT COMPANIES

PART A – VALUATION CRITERIA

Section 1 – Explanation of the valuation criteria.

This section is required to:

a) explain the criteria adopted for the valuations in the financial statements, for the value adjustments, for the value recoveries and for the revaluations;
b) explain, in case of changes to the criteria compared to the previous financial year, the reasons for the change and its impact on the representation of the balance sheet, the financial position and the performance, must be clarified in the explanatory notes to the financial statements;
c) provide the reasons for any change made to the depreciation criteria and to the ratios applied in the valuation of tangible and intangible fixed assets the use of which is limited in time.

In order to explain the valuation criteria more clearly, the MCs must adopt the following presentation order:

1. credits and debts, guarantees and commitments;
2. "off-balance sheet" securities and transactions (other that those on currencies):
   2.1 securities held for investment
   2.2 securities held for trading
3. holdings;
4. assets and liabilities in foreign currencies (including "off-balance sheet" transactions);
5. tangible fixed assets;
6. intangible fixed assets;
7. other aspects.

Section 2 – Adjustments and provisions

This section must contain any clarification about the reasons for any value adjustment and provisions made in application of tax regulations, and the relevant amounts must be specified.

PART B – INFORMATION ON THE BALANCE SHEET

ASSETS

1. Loans to credit institutions (item 20 of assets)

Table 1.1: breakdown of item 20 "loans to credit institutions".

DIRECTIONS FOR THE COMPILATION OF TABLE 1.1:

Please provide details on the composition of the items included in the table.

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
a) sight credits ……				
b) other credits ……				
TOTAL				

Table 1.2: breakdown of loans to credit institutions based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 1.2:

The residual life corresponds to the period of time between the reference date of the balance sheet and the contractual maturity of each transaction. For transactions with a depreciation plan, reference should be made to the residual life of the individual instalments.

Overdue or non-performing loans are allocated to the "undetermined" time bracket.

MATURITY	31.12.t	31.12.t-1
sight loans		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
undetermined		
TOTAL		

2. Loans to financial institutions (item 30 of assets)

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Table 2.1: breakdown of item 30 "loans to financial institutions".

DIRECTIONS FOR THE COMPILATION OF TABLE 2.1:

Please provide details on the composition of the items included in the table

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
a) sight credits ……				
b) other credits ……				
TOTAL				

Table 2.2: breakdown of loans to financial institutions based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 2.2:

Please see the directions for the compilation of table 1.2.

MATURITY	31.12.t	31.12.t-1
sight loans		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
undetermined		
TOTAL		

3. Loans to customers (item 40 of assets)

Table 3.1: composition of item 40 "customer loans".

Description	Exposure as at 31.12.t	Exposure as at 31.12.t-1
……		
……		
……		
TOTAL		

Table 3.2: breakdown of customer loans based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 4.2:

Please see the directions for the compilation of table 1.2.

MATURITY	31.12.t	31.12.t-1
sight loans		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
undetermined		
TOTAL		

4. Bonds and other fixed income securities and shares, units and other capital securities (item 50 and item 60)

Table 4.1: composition of securities held for investments and held for trading.

Items/Amounts	Held for investment	Held for trading
Bonds and other fixed income securities:		
a) issued by public institutions		
b) issued by credit institutions		
c) issued by financial institutions - *of which own securities*		
d) issued by other institutions		
Shares, units and other capital securities		
TOTAL		

Table 4.2: breakdown of securities held for investment.

DIRECTIONS FOR THE COMPILATION OF TABLE 4.2:

The market value of the securities must be calculated on the basis of:

a) the relevant prices quoted, for securities listed in organised markets;
b) the trend in the expected market value for the other securities.

Items/Amounts	31.12.t		31.12.t-1	
	Balance Sheet Value	Market value	Balance Sheet Value	Market value
1. Debt securities				
1.1 Government securities - listed				

- unlisted				
1.2 Other securities - listed - unlisted				
2. Capital securities - listed - unlisted				
TOTAL				

Table 4.3: breakdown of securities held for investment.

DIRECTIONS FOR THE COMPILATION OF TABLE 4.3:

Opening balances: correspond to the value of the securities held for investment as registered in the financial statements related to the previous financial year.
Purchases: include also the subscriptions of securities to be issued.
Value recoveries: consist in the restoration of the value of securities that had been previously depreciated.
Value adjustments: correspond to the lasting devaluations carried out during the year.
Closing balances: correspond to the difference between "opening balances" and the "increases" for the financial year, on one side, and the "decreases" for the financial year, on the other side, and coincide with the value registered in the financial statements.
Other variations: this item includes, amongst others, the profits and losses resulting from sales (if any).

	31.12.t	31.12.t-1
Opening balances		
Increases: 1. Purchases *of which:* debt securities *of which:* capital securities 2. Value recoveries 3. Transfers from the trading portfolio 4. Other changes		
Decreases: 1. Sales *of which:* debt securities *of which:* capital securities 2. Redemptions 3. Value adjustments *of which:* lasting devaluations 4. Transfers to the trading portfolio 5. Other changes		
Closing balances		

Table 4.4: breakdown of securities held for trading.

DIRECTIONS FOR THE COMPILATION OF TABLE 4.4:

Please see the directions for the compilation of table 4.2.

Items/Amounts	31.12.t		31.12.t-1	
	Balance Sheet Value	**Market value**	**Balance Sheet Value**	**Market value**
1. Debt securities				
1.1 Government securities - listed - unlisted				
1.2 Other securities - listed - unlisted				
2. Capital securities - listed - unlisted				
TOTAL				

Table 4.5: annual variations in securities held for trading.

DIRECTIONS FOR THE COMPILATION OF TABLE 4.5:

Opening balances: correspond to the value of the securities held for trading as registered in the financial statements related to the previous financial year.
Purchases and sales: include only purchase and sale contracts with third parties, settled during the financial year, of securities held for trading. They include also the respective subscriptions of securities to be issued and the redemption of securities expired.
Value recoveries: consist in the restoration of the value of securities that had been previously depreciated.
Value adjustments: correspond to the lasting devaluations carried out during the year.
Closing balances: correspond to the difference between "opening balances" and the "increases" for the financial year, on one side, and the "decreases" for the financial year, on the other side, and coincide with the value registered in the financial statements.
Other variations: this item includes, amongst others, the profits and losses resulting from sales (if any).

	31.12.t	**31.12.t-1**
Opening balances		
Increases: 1. Purchases *of which:* debt securities *of which:* capital securities 2. Value recoveries and revaluations 3. Transfer from the investment portfolio 4. Other changes		
Decreases: 1. Sales and redemptions *of which:* debt securities *of which:* capital securities 2. Value adjustments 3. Transfer to the investment portfolio		

4. Other changes		
Closing balances		

5. Shareholdings and shareholdings in group businesses (items 70 and 80 of assets)

Table 5.1: significant shareholdings.

DIRECTIONS FOR THE COMPILATION OF TABLES 5.1 and 5.2:

Provide the information required for each company in which the MC holds a controlling shareholding pursuant to article 2 of Law no. 165 of 17 November 2005.
For each subsidiary, the name, registered office, amount of net equity and that of the profits or losses registered in the last financial year closed, the percentage of capital held, the value of the shareholding as registered in the financial statements must be specified. The net equity is calculated including also any profit allocated to reserves (or deducting any losses).

Name	Registered Office	Net equity as at 31.12.t	Profit/(loss) as at 31.12.t	Share of capital held by the MC	Balance sheet value of the shareholding
A. Subsidiaries 1. ….. 2. …. ….					
B. Companies subject to dominant influence 1. …. 2. …. …					

Table 5.2: comparison between the valuation at net equity and the valuation in the balance sheet.

Name	Business activity	Share Capital	%	Portion of net equity (a)	Portion of the balance sheet value (b)	Comparisons (a) – (b)
……						
……						
……						

Table 5.3: composition of item 70 “shareholdings”.

DIRECTIONS FOR THE COMPILATION OF TABLE 5.3:

The quantitative information provided in the table must be supplemented by reporting the most significant changes occurred during the financial year.

	31.12.t	**31.12.t-1**
In Credit Institutions listed unlisted		
In Financial Institutions listed unlisted		
Other listed unlisted		
TOTAL		

Table 5.4: composition of item 80 "shareholdings in group businesses".
DIRECTIONS FOR THE COMPILATION OF TABLE 5.4:
The quantitative information provided in the table must be supplemented by reporting the most significant changes occurred during the financial year.

	31.12.t	31.12.t-1
In Credit Institutions listed unlisted		
In Financial Institutions listed unlisted		
Other listed unlisted		
TOTAL		

6. Transactions on own shares (item 110 of assets)

Table 6.1: composition of own shares held.
DIRECTIONS FOR THE COMPILATION OF TABLE 6.1
The presence of a value in item 110 of assets means that the bank is the owner of some of its own shares, and in such case the following table must be filled in and be supplemented with the details on the movements (if any) on own shares carried out during the financial year.

	Number of Shares	% on capital as at 31.12.t	Nominal	Traded amount	Profit
Amounts as at 31.12.t-1					
Purchases Sales					
Amounts as at 31.12.t					

7. Other assets (item 120 of assets)

Table 7.1: composition of item 120 "other assets".
DIRECTIONS FOR THE COMPILATION OF TABLE 7.1:
The individual components of this item must be detailed by showing, as a supplement to the quantitative data in the table, the main items.

	31.12.t	31.12.t-1
Other assets:		
…		
…		
…		

LIABILITIES

8. Debts with credit institutions (item 10 of liabilities)

Table 8.1: breakdown of item 10 "debts with credit institutions".

DIRECTIONS FOR THE COMPILATION OF TABLE 8.1:
Please provide details on the composition of the items included in the table.

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
a) sight debts ……				
b) term or notice debts ……				
TOTAL				

Table 8.2: breakdown of debts with credit institutions based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 8.2:
The residual life corresponds to the period of time between the reference date of the balance sheet and the contractual maturity of each transaction. For transactions with a depreciation plan, reference should be made to the residual life of the individual instalments.

MATURITY	31.12.t	31.12.t-1
sight debts		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
TOTAL		

9. Debts with financial institutions (item 20 of liabilities)

Table 9.1: breakdown of item 20 "debts with financial institutions".

DIRECTIONS FOR THE COMPILATION OF TABLE 9.1:
Please provide details on the composition of the items included in the table.

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
a) sight debts ……				
b) term or notice debts ……				
TOTAL				

Table 9.2: breakdown of debts with financial institutions based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 9.2:

Please see the directions for the compilation of table 8.2.

MATURITY	31.12.t	31.12.t-1
sight debts		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
TOTAL		

10. Debts with customers (item 30 of liabilities)

Table 10.1: breakdown of item 30 "debts with customers".

Description	31.12.t			31.12.t-1		
	Euro	Currencies	Total	Euro	Currencies	total
a) sight debts:						
…						
…						
b) term or notice debts:						
…						
…						
TOTAL						

Table 10.2: composition of debts with customers based on the residual life.

DIRECTIONS FOR THE COMPILATION OF TABLE 10.2:

Please see the directions for the compilation of table 8.2.

MATURITY	31.12.t	31.12.t-1
sight debts		
up to 3 months		
from 3 months to 1 year		
from 1 year to 5 years		
over 5 years		
TOTAL		

11. Debts represented by securities (item 40 of liabilities)

Table 11.1: composition of item 40 "debts represented by securities".

Description	31.12.t	31.12.t-1
Bonds		
Other securities: ………… ……….. *(specify)*		
TOTAL		

12. Other liabilities (item 50 of liabilities)

Table 12.1: composition of item 50 "other liabilities".

	31.12.t	31.12.t-1
Other liabilities:		
…		
…		
…		

13. Subordinated liabilities (item 110 of liabilities)

DIRECTIONS FOR THE COMPILATION OF ITEM:
If included in the financial statements, the key features must be outlined.

14. Capital, issue premiums, reserves, balance sheet profits (items: 120-130-140–160-170 of liabilities)

DIRECTIONS FOR THE COMPILATION OF TABLES 14.1, 14.2, 14.3, 14.4, 14.5:
Please provide details on the composition of the items included in the tables.

Table 14.1: composition of item 120 "share capital".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Share Capital				

Table 14.2: composition of item 130 "issue premiums".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Issue premiums				

Table 14.3: composition of item 140 "reserves".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
a) legal reserve				
b) statutory reserve				
c) other reserves . …. . … . …				
TOTAL				

Table 14.4: composition of item 160 "profits(losses) carried forward".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Profits (losses) carried forward				

Table 14.5: composition of item 170 "balance sheet profits".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Balance sheet profits				

15. Revaluation reserves (item 150)

Table 15.1: composition of item 150 "revaluation reserves".
DIRECTIONS FOR THE COMPILATION OF TABLE 15.1:
Please provide details on the composition of the items included in the table.

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Revaluation reserves				

16. Net equity

Table 16.1 Origin, use and possibility to distribute net equity items.
DIRECTIONS FOR THE COMPILATION OF TABLE 16.1:
This table must include the components of net equity. As regards to the column "availability", the following rule applies as regards to the different use of the reserves:
A = for capital increase;
B = to cover losses;
C = for distribution to the shareholders.

Description	Amount	Availability	Distributable portion	Non distributable portion
Share Capital				
Capital reserves: …				
Profits reserves: …				
Result for the financial year				
TOTAL				

17. Guarantees and commitments.

Details must be provided on guarantees and commitments.
Exhaustive information must be provided about possible transactions on derivative financial instruments, specifying the relevant amount, features (type) and the accounting methods used. It is also required that the economic/financial reasons for which the transaction has been made, be provided.
Whether they are derivative contracts on debt securities and interest rates, on capital securities, on currencies and other assets should also be specified.

Table 17.1: composition of the "guarantees provided".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Guarantees				

Table 17.2: composition of "commitments".

	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%

Loans				

Table 17.3: forward transactions.

Transaction Type	hedging transaction	trading transaction	other transactions
1. Sales and purchases 1.1 Securities - purchases - sales 1.2 Currencies - currency against currency - purchases against Euro - sales against Euro			
2. Derivative contracts 2.1 With exchange of capitals: a) securities - purchases - sales b) currencies - currency against currency - purchases against Euro - sales against Euro c) other assets - purchases - sales 2.2 Without exchange of capitals a) currencies - currency against currency - purchases against Euro - sales against Euro b) other assets - purchases - sales			

18. Information on (collective and individual) asset management.

Table 18.1: details on the amounts of the assets under management

DIRECTIONS FOR THE COMPILATION OF TABLE 18.1:

For each mutual fund or CIS it is necessary to specify full name and aggregate net asset value (NAV) as at the dates of reference.

As regards to individual asset managements, the aggregate market value (of all managed accounts) must be specified as at the reference dates.

DESCRIPTION	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
A. Own mutual investment funds: … … … **TOTAL (A)**				
B. CISs created by third parties				

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and managed based on a delegation from the MC*:* … … … **TOTAL (B)**				
C. Assets managed by the MC on an individual basis **TOTAL (C)**				
OVERALL TOTAL (A+B+C)				

PART C - INFORMATION ON THE PROFIT AND LOSS ACCOUNT

1. Commissions (items: 40 and 50 of the profit and loss account)

Table 1.1: breakdown of item 40 "commissions received".

DESCRIPTION	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Commissions for collective management services: - subscription - redemption - management - performance - other (*specify*) **TOTAL (A)**				
Commissions for individual management services **TOTAL (B)**				
Other commissions (*specify*) **TOTAL (C)**				
TOTAL (A+B+C)				

Table 1.2: details of item 50 "Commissions paid".

DESCRIPTION	31.12.t	31.12.t-1	VARIATIONS	
			Amount	%
Fees to distributors				
Bank commissions				
Commissions paid to outsourcers				
Other commissions (*specify*)				
TOTAL				

2. Profits (losses) on financial transactions (item 60 of the profit and loss account)

Table 2.1: composition of item 60 "profits (losses) on financial transactions".

DIRECTIONS FOR THE COMPILATION OF TABLE 2.1:

This table must show, separately by operating segment (securities, currencies, other instruments), the composition of profits/losses on financial transactions, separating the results from valuations (points A1 and A2) from those from trading (point B), which must also include any differential produced by the derivative contracts closed or expired during the financial year.

For the transactions on currencies, the results of trading activities and those of the valuations must be specified together in point B. The differentials or margins of off-balance sheet transactions that envisage the exchange of interest rates on different currencies (such as, but not limited to, "cross currency interest rate swaps") must be included in column "other transactions".

The line with the totals must report, with the relevant sign, the algebraic sum of all proceeds and losses produced by each operating segment. The algebraic sum of the three totals must correspond to the amount shown in item 60 of the profit and loss account "profits (losses) on financial transactions".

Annex B

For the transactions on securities the breakdown of the total of the profits/loses of the segment must also be shown divided by categories of securities (considered in the table) underlying the transactions in question. For each category it is necessary to specify, with the relevant sign, the algebraic sum of the proceeds and losses resulting from trading activities and from the valuations that interested that category.

Items/Transactions	**Securities transactions**	**Foreign currency transactions**	**Other transactions**
A1. Revaluations A2. Devaluations B. other profits/losses			
Totals			
1. Government securities 2. Other debt securities 3. Capital securities 4. Derivative contracts on securities			

PART D – OTHER INFORMATION

1. Information on employees

Table 1.1: average number of employees by category.

DIRECTIONS FOR THE COMPILATION OF TABLE 1.1:

The actual number of employees for the current financial year and for the previous financial year are reported, together with the average number thereof.

	Average	Number as at 31.12.t	Number as at 31.12.t-1
Senior Officers			
Executives / managers			
Employees			
TOTAL			

2. Directors and statutory auditors

Specify remuneration paid.

3. Other Information

In this paragraph, the MC may include other information not included in other sections of the explanatory notes, which are relevant for the purposes of the information that it intends to provide outside about its operations.