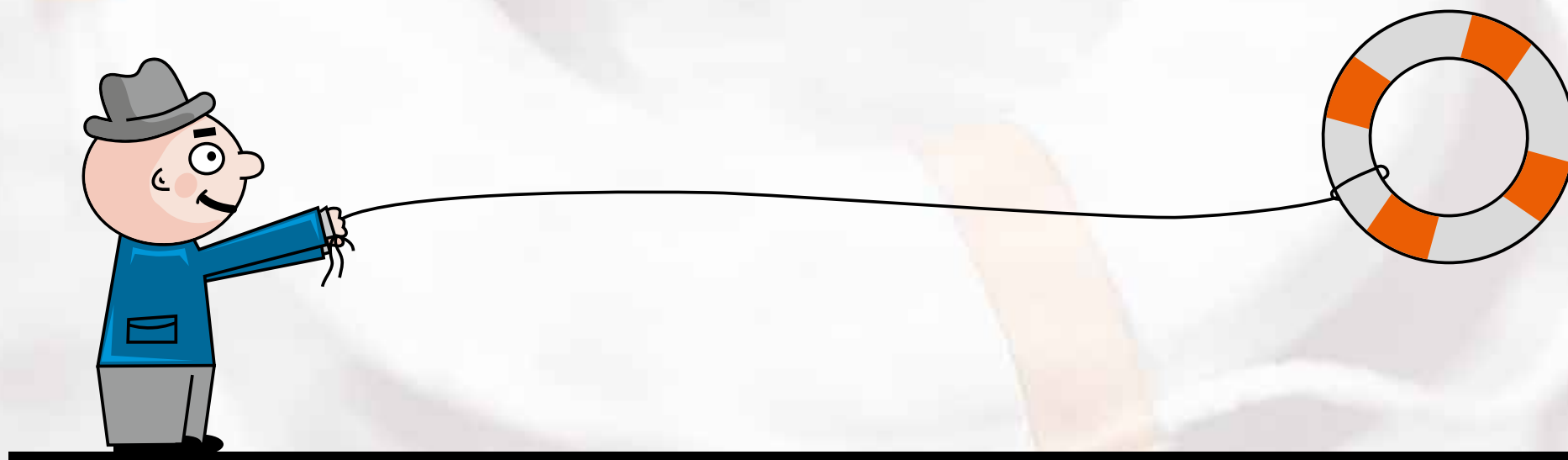


FPV_{CZ}

FOND POJIŠTĚNÍ VKLADŮ

Guide to Deposit Insurance



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INSURANCE OF DEPOSITS AT BANKS AND SAVINGS BANKS, OR IS YOUR MONEY SAFE?

Your bank, too, can get into financial trouble. It could even happen that it might not be able to return to you all of the savings that you have deposited with it. But, you will not be especially harmed by it: your money is protected by the Deposit Insurance Fund.

What is the Deposit Insurance Fund?

The Deposit Insurance Fund (DIF) was established in 1994 and since then it has protected all of the clients of the banks, building societies, and, as of 2006, also the cooperative savings banks in the Czech Republic, from losses that they may incur should the institution at which they have their money saved become insolvent.

The Act on Banks imposes the obligation to participate in the deposit insurance system on all banks, cooperative savings banks, and building societies. According to the applicable laws of the Czech Republic, which are fully compliant with European Union regulations, deposits are insured in full up to an amount equivalent to 100,000 euros, i.e., approximately 2.5 million crowns, per client, per bank.

The activities of the DIF contribute to enhancing confidence in the Czech banking system, thereby contributing to overall economic and financial stability. The Fund is a legal entity whose activities are managed by a five-member Board of Directors appointed and removed by the Minister of Finance. Members of the Board of Directors are representatives of banks, the Ministry of Finance, the Czech National Bank, and the Czech Banking Association.

Did you know that...?

- Since its establishment, the Deposit Insurance Fund has already paid out compensation in excess of CZK 27 billion for insured deposits?
- Between 1995 and 2012, twelve banks and two cooperative savings banks went bankrupt in the Czech Republic, and the DIF paid out compensation to some 300,000 of their clients?
- Presently, deposits amounting to an aggregate of CZK 2.3 trillion deposited with 36 financial institutions are insured with the DIF?
- By 31 July 2012, the DIF had more than CZK 23,2 billion?



Is your deposit insured?

Insured deposits

By law, the deposits of individuals and companies with those banks, building societies, and cooperative savings banks that engage in business in the Czech Republic on the basis of a licence issued by the Czech National Bank are insured with the DIF. A condition for insuring each individual deposit is the proper identification of the depositor: for individuals, the deposit must be maintained under the first name, surname, personal identification number (or date of birth or identification number) and address; for corporations, it must be maintained under the business name or name of the legal entity, its registered seat, and identification number (only in the case of domestic companies). There is no requirement for either an individual or a company to apply specifically for deposit insurance – all of their savings, up to EUR 100,000, are insured by law entirely automatically.

Uninsured deposits

Deposits of financial institutions (i.e., banks, investment companies, insurance companies, pension funds or unit trusts), health insurance funds, and state funds are not insured with the DIF. Furthermore, insurance does not apply to deposits that an insured institution may in part include in its capital (subordinated debt) and to bills of exchange and other securities (e.g., stock, unit certificates, and bonds).

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 Insured Institutions
Banks

Air bank a.s.	Česká exportní banka, a. s.
Česká spořitelna, a. s.	Českomoravská záruční a rozvojová banka, a. s.
Československá obchodní banka, a. s.	Equa bank a.s.
Evropsko-ruská banka, a. s.	Fio banka, a. s.
GE Money Bank, a. s.	Hypoteční banka, a. s.
J&T BANKA, a. s.	Komerční banka, a. s.
LBBW Bank CZ, a. s.	PPF banka, a. s.
Raiffeisenbank, a. s.	UniCredit Bank Czech Republic, a. s.
Volksbank CZ, a. s.	Wüstenrot hypoteční banka, a. s.

Note: Deposits with the branches of foreign banks operating in the Czech Republic are insured in the deposit insurance scheme in the country in which the parent bank has its registered seat (for more see www.fpv.cz).

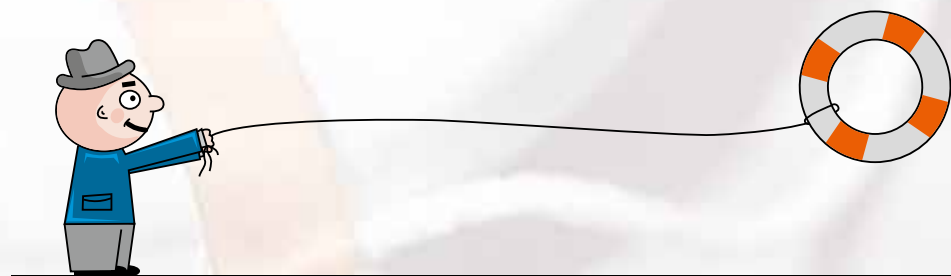
Building Societies

Českomoravská stavební spořitelna, a. s.	Modrá pyramida stavební spořitelna, a. s.
Raiffeisen stavební spořitelna, a. s.	Stavební spořitelna České spořitelny, a. s.
Wüstenrot – stavební spořitelna, a. s.	

Cooperative Savings Banks

AKCENTA, spořitelní a úvěrní družstvo	ANO spořitelní družstvo
Artesa, spořitelní družstvo	Citfin, spořitelní družstvo
České spořitelní družstvo	Družstevní záložna Kredit
Družstevní záložna PSD	Metropolitní spořitelní družstvo
Moravský Peněžní Ústav – spořitelní družstvo	Peněžní dům, spořitelní družstvo
Podnikatelská družstevní záložna	WPB Capital, spořitelní družstvo
Záložna CREDITAS, spořitelní družstvo	

Valid as at 01 September 2012. See the current list **[HERE](#)**.



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 What will happen when your bank is unable to repay deposits?

The DIF will commence the arrangements for the payment of deposit compensation to depositors once the Czech National Bank notifies it in writing that a bank is unable to meet its obligations (i.e., declaring its insolvency). The DIF must commence the payout of compensation within twenty business days of that date.

There is no need to apply for the payout of the compensation. The DIF will pay it to you through a bank with an extensive branch network, either in cash or by means of a cashless bank transfer. You will be informed about the start of the compensation payout from the media, from the DIF's website, through the bank with which you had your money deposited, and also through the bank that has been authorised by the DIF to pay out the compensation.

 How much will you get?

The aggregate amount of your deposits, up to EUR 100,000, i.e., approximately CZK 2.5 million, per bank. Compensation is paid out in Czech crowns, converted at the exchange rate announced by the Czech National Bank as at the date on which the given bank is declared insolvent.

Examples:**An account at one insured institution with a deposit of less than € 100,000**

There is CZK 900,000 deposited in Mrs. Kateřina's current account with a bank. The CNB has, however, announced that her bank is unable to meet its commitments. The DIF will therefore pay compensation to Mrs. Kateřina for her deposits. With an exchange rate of CZK 25/EUR, the Fund will thus pay Mrs. Kateřina the full CZK 900,000, as the amount does not exceed CZK 2,500,000, i.e., € 100,000.

One person has two accounts at one insured institution with a deposit exceeding € 100,000

Miss Mirka has CZK 1,200,000 deposited in a savings account with a bank, and another CZK 2,000,000 in a term account with the same bank. Overall, Miss Mirka has CZK 3,200,000 saved in her name in this bank. The CNB has announced that the bank is unable to meet its commitments. With an exchange rate of CZK 25/EUR, the DIF will pay Miss Mirka CZK 2,500,000 (€ 100,000). The balance, i.e., CZK 700,000 will constitute an account receivable from the bank in the insolvency proceedings and Miss Mirka will be entitled to proportionate satisfaction from the proceeds of the bankrupt assets.

One person has several accounts at several insured institutions

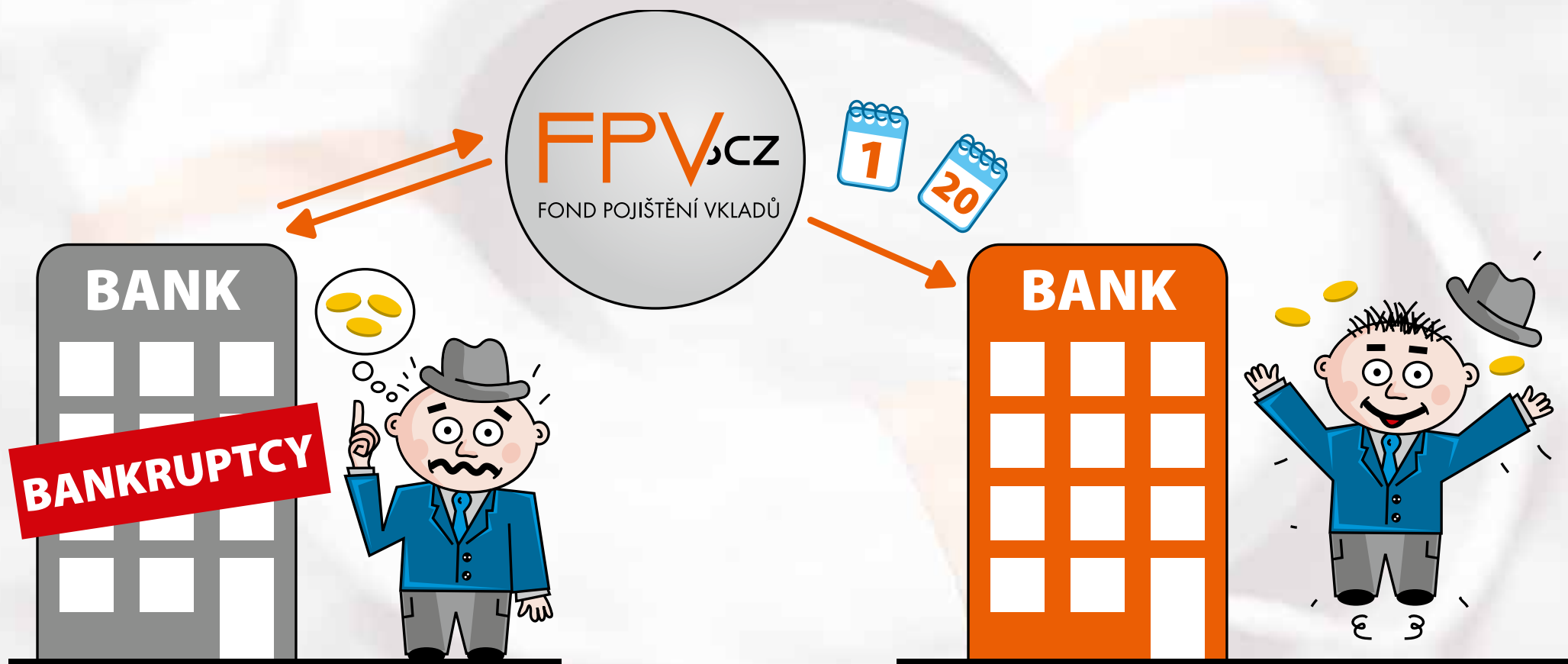
Mr. Rostislav has his savings, of CZK 1,900,000, deposited with Bank A. Mr. Rostislav has another CZK 800,000 deposited with Bank B. The CNB has announced that both Bank A and Bank B are unable to meet their commitments. The DIF will pay both amounts out to Mr. Rostislav, i.e., a total of CZK 2,700,000, as neither amount exceeded the CZK 2,500,000 (€ 100,000) limit and each account is kept with a different bank.

Several people have several accounts with one insured institution

Mrs. Michaela and her husband Richard had their savings accounts kept at one bank. The CNB has announced that the bank is unable to meet its commitments. Michaela had CZK 1,200,000 deposited in her account, and Richard CZK 1,300,000. The couple also had a joint current account with the institution, in which they had a total of CZK 44,000. With an exchange rate of CZK 25/EUR, the Deposit Insurance Fund will pay to Mrs. Michaela CZK 1,222,000 (i.e., CZK 1,200,000 + 22,000, as one half of the current account balance), and to Mr. Richard CZK 1,322,000 (i.e., CZK 1,300,000 + 22,000 as the other half of the current account balance), as neither amount exceeded CZK 2,500,000 (€ 100,000).



Payout System



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 Questions and Answers

Will the DIF also pay compensation to me when a branch of a foreign bank operating in the Czech Republic goes bankrupt? If not, what rules are followed in the event of its bankruptcy?

The branches of foreign banks (which engage in business here but are not Czech legal entities) are insured in the country of the registered seat of the head office of their bank. As at 31 December 2010, the maximum insurance limit is uniform in all EU countries and amounts to EUR 100,000. Deposit compensation is therefore paid out by the foreign deposit insurance scheme. But that scheme may request cooperation from the DIF in communication with the clients of the branch in the Czech Republic or authorise it to carry out the payment of compensation in the Czech Republic.

Does the deposit insurance cover even the interest accrued on the deposits, by which the deposit is increased?

The insurance coverage extends even to interest accrued on deposits, as at the date on which the Czech National Bank issues a notice of the bank's insolvency.

How is it with the insurance of deposits in pension funds and life insurance?

Those financial products are not insured with the Deposit Insurance Fund.

How should I insure one million euros when I can only insure 100,000? Can I divide the deposit among several banks? Can it be under one name, or does each deposit have to be made by a different person?

The insurance limit applies per bank and per person (its client). You would have to divide the amount you mention among several banks or several persons, such that no person had more than EUR 100,000 at one particular bank.

How is deposit insurance reflected in fees for the maintenance of a bank account, which are relatively high in this country compared to the EU?

Deposit insurance does not play a significant role in that. The premiums are paid by the bank quarterly and they amount to 0.04% of the volume of the deposit insured, including interest.

 History of Deposit Insurance

The oldest fund, the US Federal Deposit Insurance Corporation, was established in 1933. In addition to deposit insurance, it also carries out supervision over more than 4,900 banks and savings companies, which is more than one-half of the institutions active in the US banking system. Since then, deposit insurance has spread worldwide. Today, the International Association of Deposit Insurers – (IADI) has 64 members and deposit insurance exists in a total of 111 countries around the world. The Deposit Insurance Fund was one of the 25 founding members of IADI.

 Do you need further information?

www.fpv.cz – Website of the Deposit Insurance Fund