

# THE FINANCIAL MARKET GUARANTEE SYSTEM: YOUR SAVINGS ARE PROTECTED

The Financial Market Guarantee System is a statutory institution that guarantees the safety of deposits held with banks, building savings banks, and cooperative credit unions.



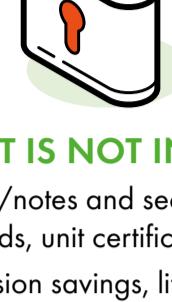
## WHO IS INSURED?

The insurance covers the deposits of individuals, companies and small municipalities.



## WHAT DEPOSITS ARE INSURED?

- Deposits in current accounts
- Deposits in savings accounts
- Deposits in term accounts
- Deposits in deposit accounts and passbooks.



## WHAT IS NOT INSURED?

- Bills/notes and securities (shares, bonds, unit certificates)
- Pension savings, life insurance
- Membership deposits of credit union members
- Subordinated debts (deposits that the insured institution is entitled to partly include in its capital)



## HOW MUCH IS INSURED?

The insurance covers 100% of the deposit up to EUR 100,000 per client per institution.



## WHERE DEPOSITS ARE INSURED?

- In banks
- In building savings banks
- In cooperative credit unions



## WHAT HAPPENS IF THE FINANCIAL INSTITUTION FAILS?

0

### Day 0 (=record day)

- The Czech National Bank announces a financial institution's inability to meet its obligations. The FMGS informs depositors and commences preparations for deposit compensation payout.

1–3

### Day 1–3

- Preparation of the data for the payout of deposit compensation.

4–6

### Day 4–6

- Checks of the data and their transfer to the payout bank. The FMGS informs depositors about the place, method and date of the payout commencement, and transfers the data to the payout bank. Distribution of information letters to clients.

7

### Day 7

- Commencement of deposit compensation payout through the payout bank.

7+

### Day 7 +

- Clients may collect their deposit compensation for a period of three years from the commencement of the payout.

## ARE DEPOSITS INSURED EVEN ABOVE EUR 100,000?

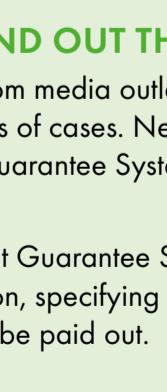
The Guarantee System may also disburse increased compensation beyond the basic insurance limit for so-called 'temporary high balances'.

## Q & A



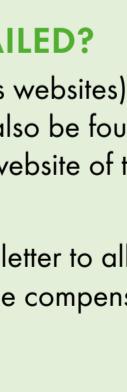
## WHAT CONDITIONS HAVE TO BE MET FOR TEMPORARY HIGH BALANCES?

- The account was credited with an amount from the sale of a property used for residential purposes, or an inheritance, the settlement of marital property, an insurance indemnity from an accident, illness, disability or death, etc.;
- This amount was credited to the account no more than 3 months before the record date;
- The depositor is a natural person.



## WHAT IS THE LIMIT OF INCREASED COMPENSATION?

The payout limit can reach up to the equivalent of EUR 200,000 per depositor per institution. This limit is expected to be increased further in the future.



## HOW CAN I FIND OUT THAT MY BANK HAS FAILED?

The fastest way is from media outlets (TV, radio, the press, news websites) that report on these types of cases. News about bank failures can also be found on the website of the Guarantee System, and usually also on the website of the failed financial institution.

The Financial Market Guarantee System will send a registered letter to all clients of the financial institution, specifying the procedure for claiming the compensation and the exact amount to be paid out.

## MORE Q & A

More questions and answers can be found at [www.garancnisystem.cz](http://www.garancnisystem.cz).

## WHAT IF MY DEPOSIT AT A BANK EXCEEDS EUR 100,000?

Providing that the conditions for the payment of increased compensation are not met, you will be paid the maximum basic compensation amount, i.e. the equivalent of EUR 100,000. You will need to claim the remaining balance as a receivable from the bank in insolvency proceedings / in liquidation.