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## FACT SHEET

The basic design features of the deposit insurance scheme in Montenegro

- **Deposit insurance for both citizens and companies**

Deposit insurance scheme comprises deposits of citizens and companies, residents and non-residents. All kinds of deposits held with bank under the name of owner are protected, including current, giro or transaction accounts and savings deposits. Deposits excluded from deposit insurance system are defined by Law, in line with the best international practice.

- **Deposit insurance coverage up to 5000€**

In case of a bank failure, Deposit Protection Fund guarantees to reimburse up to 5000€ to each depositor, regardless of the number and amount of deposits held by the depositor with the bank. The amount to be reimbursed is calculated for each depositor separately, adding up deposits on all accounts held with the failed bank, reduced by total liabilities of depositor to the bank, as registered on the day the bank is declared bankrupt, according to the following formula:

All deposits of depositor in the failed bank

+ Accrued interest (by the day of bankruptcy action)

- All liabilities of depositor (loans, overdraft, etc.)

≤ Guaranteed amount, maximum 5000€

- **Reimbursement of guaranteed deposit**

Reimbursement of guaranteed deposit in case of a bank failure will start not later than 60 days and will complete not later than 90 days following the day the bank is declared bankrupt. Fund will announce details on procedure of reimbursement, including bank selected for payment and starting date of payout via daily newspapers.

- **All banks members of deposit insurance safety net**

All banks licensed by the Central Bank of Montenegro are automatically included in the deposit insurance scheme, which means that deposits held with all banks in Montenegro are protected.

- **Deposit Protection Fund is authorized insurer**

The Deposit Protection Fund is authorized for deposit insurance and reimbursement of insured deposits up to the guaranteed amount, within a timeframe defined by Law, in case of a bank failure.