

Examples for the calculation of the compensation amount:

Example 1:	Amounts
Deposit balance on current account:	€ 900
Interest on current account:	€ 50
Deposit balance on savings account:	€ 4,000
Interest on savings account:	€ 50
Total deposits including interest:	€ 5,000
Overdue liabilities (unpaid):	€ 0
Total net claim:	€ 5,000
Compensation amount to be paid by DIFK	€ 5,000

Example 2: Joint Account	Amount
Deposit balance on current account:	€ 2,500
Interest on current account:	€ 120
Deposit balance on joint savings account (50% share):	€ 2,000 (2,165 CHF x 0.9240)
Interest on joint savings account: (87 CHF x 0.9240)	€ 80
Total deposits including interest:	€ 4,700
Overdue liabilities (unpaid):	€ 200
Total net claim:	€ 4,500
Compensation amount to be paid by DIFK	€ 4,500

Example 3:

A natural person is holding a deposit account as a "natural person" and is the owner of a legal entity - in such a case the deposits of the natural person and of the legal person are to be insured separately as follows:

Deposit balance on current account including interest (natural person): € 4,000

Deposit balance on current account including interest (legal person, i.e. natural person mentioned before is the owner of this legal entity): € 5,000

Assuming there are no overdue liabilities, the claims of the natural and legal person are treated separately, therefore, the compensation amount of the natural person shall be €4,000 whereas for the legal person shall be €5,000.

In which currency the compensation payment will be made?

Deposits in Euro and deposits in foreign currencies are insured. The payment of the compensation will be made in **Euro only**. The Euro equivalent of deposits that are denominated in foreign currencies will be determined by applying the official exchange rate of the European Central Bank as of the day of the license revocation and bank closure by the Central Bank of Kosovo.

What happens if the depositor's net claim to the bank exceeds the maximum compensation amount of €5,000 (euro)?

If a depositor's net claim exceeds the amount of €5,000 (euro), like in the second example, the difference between the depositor's net claim and the maximum compensation amount will be settled by the Receiver in the course of the liquidation proceedings of the bank.

Example 4:	Amount
Deposit balance on current account:	€ 3,000
Interest on current account:	€ 90
Deposit balance on savings account:	€ 5,000
Interest on savings account:	€ 110
Total deposits including interest:	€ 8,200
Overdue liabilities (unpaid):	€ 500
Total net claim:	€ 7,700
Compensation amount paid by DIFK	€ 5,000
Uninsured amount (Claim to the Receiver)	€ 2,700

How will depositors be informed about the compensation of the insured deposits?

Shortly after the Central Bank of Kosovo revokes the license, the depositors will be informed through announcements by the Deposit Insurance Fund of Kosovo in the mass media, the DIFK's website and written announcements at the branch offices of the closed bank. The announcements will inform the depositors about their rights and responsibilities, about the name and location of the chosen pay-out agent bank and the likely date of starting of the compensation as well as the compensation process.

When will the payment of the insured deposits start and how long will it last?

The payment of the insured deposits through the chosen pay-out agent bank shall start as soon as possible after the license revocation and closure of the bank. DIFK shall complete the reimbursement of all duly verified claims within 30 days after the license revocation of a member bank. DIFK is allowed to make partial advance payments on the depositor's net claim within the 30 days' time-frame.

For any additional information you may contact us on:

Deposit Insurance Fund of Kosovo (DIFK)
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Depositor's Information Leaflet on Deposit Insurance

From 1st of January
2018 deposit insurance
limit will increase to

€5,000

for depositor in each
member bank

The System of the Deposit Insurance is managed by the Deposit Insurance Fund of Kosovo (DIFK), an independent public institution, established by the Law on Deposit Insurance*, with responsibility to manage the Deposit Insurance Fund (DIF) and compensate insured depositors within thirty days in the case of license revocation and closure of a bank.

To help you understand how the system of deposit insurance works, this leaflet provides specific definitions and answers to main questions.

What is deposit insurance?

Deposit insurance means protection and compensation of deposits up to the insured limit by law in the case of license revocation and closure of a member bank.

Insured depositors, that hold deposit(s) at a bank(s), may be:

- **Natural persons (private individuals) and**
- **Legal persons (registered companies etc.)**

Kosovan and foreign depositors depositing funds in the Kosovo banking system are insured.

What is the Deposit Insurance limit?

Depositors are insured, per member bank, up to the insured amount of:

€5,000 (euro)

Are my deposits insured in all banks or in one bank?

A depositor shall have its deposit accounts insured in all banks that are member of DIFK up to the maximum insured amount of €5,000 (euro). For example: An insured depositor having accounts in two member banks (e.g. bank A and bank B) has its deposits insured in those two banks, respectively in bank A: up to €5,000 (euro); and in bank B: up to €5,000 (euro).

* The "Law on the Establishment of a Deposit Insurance System for Financial Institutions in Kosovo" - Law No. 03/L-216 (Law on Deposit Insurance), amended with the Law No. 04/L-133 (Amended Law on Deposit Insurance),

Which banks have their deposits insured?

The following banks (in alphabetical order) are members of DIFK with their deposits insured:

1. Banka Ekonomike Sh.A.
2. Banka Kombëtare Tregtare, Kosovo branch
3. Banka për Biznes Sh.A.
4. NLB Banka Sh.A.
5. ProCredit Bank Sh.A
6. Raiffeisen Bank Kosovo J.S.C.
7. TEB Sh.A.
8. Turkiye IS Bankasi, Kosovo branch
9. Ziraat Bankasi A.Ş. Kosovo branch

The deposits in Komercijalna Banka a.d. Beograd are not insured by the Deposit Insurance Fund of Kosovo.

How to identify banks with insured deposits?

Each member bank of DIFK shall have to display visibly the **membership certificate** in all bank premises open for clients as well as **FSDK logo sticker** attached in the front part of the entrance door of their main office, all branches and sub-branches.

Definition of the deposit and types of INSURED deposits?

In general, a deposit means a sum of money paid by a depositor to a bank on the condition that it is to be repaid in full by the bank, with or without interest, either on demand or at an agreed time, under the legal and contractual conditions applicable.

Typical deposit products of the banks that are insured by DIFK are sight deposits (current accounts), savings deposits and time deposits.

Which deposits are NOT INSURED?

The following deposits are not insured, i.e. they are not eligible for compensation in case of a license revocation and closure of a member bank:

- Deposits of unidentified accounts
- Deposits related to money laundering and terrorism financing

- Deposits of directors and senior managers of the banks, as well as deposits of their families and other related parties
- Deposits of natural persons with direct participation in the bank capital or voting rights arising from at least five percent (5%) share in the bank capital, their families and related parties
- Deposits of legal persons and the shareholders of such legal persons with majority votes of fifty percent (50%) or more in the bank capital or voting rights arising from at least five percent (5%) share in the bank capital, their families and related parties, as applicable.
- Persons in charge for performing the external audit of the institution's financial statements over the past three years before the initiation of the liquidation proceedings.
- Deposits of banks and financial institutions
- Deposits of insurance companies and collective investment undertakings
- Deposits of pension and retirement funds
- Deposits of local and central government and administrative authorities
- Deposits kept at branches of Kosovan banks that operate outside the country

How the compensation amount is calculated?

The maximum compensation amount that a depositor will receive from DIFK, per bank, is €5,000 (euro).

The compensation amount per depositor is calculated as follows:

All deposits of a depositor will be aggregated

+ *accrued interest shall be added (until the date of the license revocation and closure of the bank)*

- *All overdue liabilities, (if any) of the depositor (loans, overdrafts, etc.) towards the bank shall be deducted*

= *the depositor's net claim to the bank;*

DIFK shall compensate maximum up to € 5,000 (euro)

Deposits held in joint accounts will be divided equally among the account holders, unless the account holder's submit the evidence proving that their shares in the joint account are not equal.