



Deposit Protection Fund

Reg. no. 9/1

Podgorica, 4 January 2019

Pursuant to Article 36 of the Deposit Protection Law (OGM 44/10, 40/11, 47/15) and Article 13 of the Guide to Informing Depositors and Potential Depositors about the Deposit Protection Scheme (OGM 16/12), the Deposit Protection Fund hereby issues the following

A N N O U N C E M E N T

Pursuant to the Decision of the Central Bank of Montenegro no. 0101-10202-3/2018 of 4 January 2019 on instigating bankruptcy proceeding against **INVEST BANKA MONTENEGRO AD PODGORICA** and pursuant to the provisions of the Deposit Protection Law (OGM 44/10, 40/11, 47/15) (hereinafter: the Law), the protected event occurred on the same day.

As at the payout date, the Deposit Protection Fund (hereinafter: the Fund) shall take over the depositors' claims from **INVEST BANKA MONTENEGRO AD PODGORICA in bankruptcy** in the amount of calculated protected deposits.

The Fund shall make the guaranteed deposits available to all depositors within 15 business days following the protected event date.

The Fund shall inform the public in due course via the media on the payout commencement date and the bank that will perform the payout of guaranteed deposits.

RIGHT TO GUARANTEED DEPOSIT PAYOUT

The right to the guaranteed deposit payout shall have depositors holding deposits in the bank against which the bankruptcy proceeding has been instigated.

The following shall not be entitled to the guaranteed deposit payout:

- 1) Legal persons providing insurance services;
- 2) State bodies and organisations, municipal bodies and organisations and/or other forms of local self-government;
- 3) Funds for mandatory health, pension and social insurance;
- 4) Voluntary pension funds and their management companies;
- 5) Investment funds and their management companies;
- 6) Banks, credit unions, microcredit financial institutions and persons performing credit and guarantee operations;

- 7) Persons in whose name and for whose account a bank, on their order, performs operations for which the provider of funds is a sole bearer of risk;
- 8) Legal persons with direct or indirect participation in the bank capital or voting rights arising from at least 5% share in the bank capital;
- 9) Persons who are members of the bank managing bodies and/or standing bodies of the bank management, persons responsible for daily bank operations, managers of organizational units in the bank, legal persons holding, whether directly or indirectly, at least 5% share in the bank capital or voting rights, as well as their spouses and children;
- 10) Persons responsible for the auditing of the bank's financial reports over the past three years before the initiation of the bankruptcy proceedings;
- 11) Depositors holding non-nominative deposits;
- 12) Holders of securities and other financial instruments issued by a bank or which payout is guaranteed by the bank.

In addition to persons specified above, the right to the guaranteed deposit payout shall not have:

- 1) Depositors for whom the supervision reports of the Central Bank disclosed that they have contributed to deterioration of the financial position of the bank and who, as the holders of bank accounts, have received higher interest rates or financial advantages in obtaining a loan or other banking services, and particularly if they:
 - a) have obtained a loan which, due to the type of transaction, risk level, creditworthiness of the borrower or the type of provided collateral would otherwise not be granted to another person;
 - b) have paid significantly lower interest on loans than those paid by other depositors of the bank;
 - c) have received higher interest on deposits than those paid to other depositors of the bank.
- 2) Persons convicted of criminal offence constituting money laundering or terrorism financing, involving their deposits.

PROCEDURE OF GUARANTEED DEPOSIT PAYOUT

A depositor or the person authorised to dispose of the guaranteed deposit in **INVEST BANKA MONTENEGRO AD PODGORICA in bankruptcy** shall go to the agent bank, take the generated order for payout of generated deposit – calculation of guaranteed deposit and signs its receipt. If the depositor or proxy authorised to dispose of the guaranteed deposit agrees with the calculated guaranteed deposit, the payout bank shall continue with the procedure of guaranteed deposit payout.

The procedure of guaranteed deposit payout may be conducted by:

- the depositor – a natural person;
- the person authorised to represent the legal person, the person authorised to represent a business entity without legal personality, the person authorised to represent a co-owner union;

- the proxy of the natural person, the legal person, the business entity without legal personality, or a co-owner union;
- a parent of a minor or guardian of the person to whom the guaranteed deposit is made.

DEPOSITOR / PROXY IDENTIFICATION

The identification of a depositor – a natural person, the person authorised to represent a legal person, the person authorised to represent a business entity without legal personality, the person authorised to represent a co-owner union - shall be done by inspecting their valid ID card or travel document.

The identification of the persons authorised to dispose of the guaranteed deposit shall be done by inspecting valid ID card or travel document.

In addition to the aforesaid, except the depositor – natural person who independently undergoes the procedure of guaranteed deposit payout, persons that undergo the procedure of guaranteed deposit payout shall submit:

- the proxy of a natural person authorised for the disposal of a guaranteed deposit shall submit a special power of attorney for the disposal of a guaranteed deposit, signed by the depositor;
- the person authorised to represent the legal person shall submit the original or a certified copy of the excerpt from the registry of the legal person with the competent registration authority that shall not be older than 30 days, and the original or a certified copy of the document of registration with the competent tax authority;
- the proxy of the legal person shall submit the original or a certified copy of the excerpt from the registry of the legal person with the competent registration authority that shall not be older than 30 days, the original or a certified copy of the document of registration with the competent tax authority, and a special power of attorney to dispose of the guaranteed deposits, signed by the authorised person and verified by the stamp of the legal person;
- the person authorised to represent a business entity without legal personality shall submit the original or a certified copy of the excerpt from the registry of the entity with the competent registration authority that shall not be older than 30 days, and the original or a certified copy of the document of registration with the competent tax authority;
- the proxy of a business entity without legal personality shall submit the original or a certified copy of the excerpt from the registry of the company with the competent registration authority that shall not be older than 30 days, the original or a certified copy of the document of registration with the competent tax authority, and a special power of attorney to dispose of the guaranteed deposits, signed by the person authorised for representation and verified by the stamp of the firm;

- the person authorised to represent a co-owner union shall submit the original or a certified copy of the excerpt from the registry of the co-owner union with the competent registration authority that shall not be older than 30 days;
- the proxy of a co-owner union shall submit the original or a certified copy of the excerpt from the registry of the condominium with the competent registration authority that shall not be older than 30 days, and a special power of attorney to dispose of the guaranteed deposits, signed by the person authorised for representation and verified by the stamp of the condominium;
- a parent of a minor shall provide the original or a certified copy of the extract from the birth registry of the minor to whom the guaranteed deposit is made;
- the guardian of a natural person shall submit the original or a copy of the decision on granting the custodianship over the person to whom the guaranteed deposit is made.

The special power of attorney shall be certified by a notary and/or the local or a foreign competent authority, an authorised person of a diplomatic or consular post of the country issuing the power of attorney, or by the State of Montenegro.

The special power of attorney must be given by filling in the form prescribed by the Fund.

The forms are available in the Decision on detailed conditions, manner and procedure of the guaranteed deposit payout (OGM 76/17, 86/17) and on the Fund's website www.fzdcg.org.

A proxy may dispose of the guaranteed deposits only on the basis of a special letter of attorney granting the disposal of the guaranteed deposit.

A proxy may not dispose of the guaranteed deposits on the basis of the letter of attorney that the proxy held during the regular business of a bank prior to the initiation of bankruptcy proceeding against that bank.

DEADLINE FOR EXERCISING THE RIGHTS TO PAYOUT

The deadline for exercising the right to payout shall be 10 (ten) years following the appearance of the protected event, i.e. not later than until 4 January 2029.

CALCULATION – DETERMINING THE GUARANTEED DEPOSIT

The guaranteed deposit shall be calculated for each individual depositor by deducting the depositor's due liabilities, including any accrued interest, from aggregate funds held by the depositor with the bank as at the protected event date.

The Fund shall calculate and perform the payout of guaranteed deposits up to € 50,000 per depositor, regardless of the number and amount of deposits held by the depositor with the bank.

The calculation of the guaranteed deposit of a natural person engaged in a business activity shall include deposits held in accounts of that natural person opened for the purpose of performing that business activity and all other accounts of that natural person, up to the amount of the guaranteed deposit.

If a depositor`s deposit has been frozen, it shall be included in the calculation of the guaranteed deposit, provided that the depositor may not dispose of the frozen portion of the guaranteed deposit until it has been released.

In case of death of a depositor, the depositor`s successor(s) shall furnish the original or a certified copy of a valid decision on inheritance to the trustee in bankruptcy.

If a deposit is subject to lien, it shall be included in the calculation of the guaranteed deposit, provided that the depositor may not dispose of the portion of the deposit subject to lien as long as the funds are encumbered by lien.

If a depositor has acted as a representative of a third party, the right to the guaranteed deposit payout shall be determined for that third party in relation to total funds deposited by that third party with the bank, provided that it is possible to determine the identity of that third party at the time of initiation of the bankruptcy proceedings against the bank.

The compensation of the guaranteed deposits to natural persons shall be cash and non-cash.

The compensation of the guaranteed deposit to other depositors may only be non-cash.

FILING COMPLAINTS

If a depositor or a proxy authorised to dispose of the guaranteed deposit considers that his/her guaranteed deposit has been miscalculated, the payout bank shall instruct the depositor to file a complaint with the Director General of the Fund within 8 days following the receipt of the generated payment order from the payout bank.

The form of the complaint shall be available at the payout bank premises and on the Fund`s website www.fzdcg.org.

The Director General of the Fund shall decide on complaints to the calculation of guaranteed deposit within 15 days.

For detailed information, please contact:

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In Podgorica, 4 January 2019

DEPOSIT PROTECTION FUND
DIRECTOR GENERAL
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