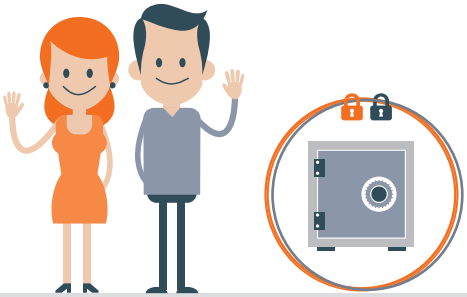
FACT 1 SHEET

PROTECTING YOUR ACCOUNTS IN THE EVENT THAT YOUR BANK FAILS



The Fonds de Garantie des Dépôts et de Résolution (FGDR) was created by the law of 25 June 1999 to compensate you in the event that your bank or investment firm is declared as having failed and your assets have become unavailable:

- **the deposit guarantee scheme** covers amounts deposited in current accounts or savings accounts;
- **the investor compensation scheme** covers securities and other financial instruments.

The FGDR, whose mission is to serve the public interest, **protects customers** in the event that their institution fails. By protecting customers' assets, it helps to **maintain confidence in the banking system and ensure its stability.**

All banks and investment firms authorised in France are required to contribute to the FGDR.

At the end of 2015, 582 institutions were members of the FGDR and contributed for at least one of the guarantees. The FGDR also covers **customers of branches in a country of the European Economic Area(1).**

The FGDR works with its European counterparts to cover customers of French branches of institutions whose head office is located in a country of the EEA.

The FGDR can also intervene on a bank crisis Resolution basis, before a failure occurs, to prevent an interruption in services and compensation.

(1) European Economic Area (EEA): Germany, Austria, Belgium, Bulgaria, Cyprus, Croatia, Denmark, Spain, Estonia, Finland, France, Greece, Hungary, Ireland, Iceland, Italy, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Norway, Netherlands, Poland, Portugal, Czech Republic, Romania, United Kingdom, Slovakia, Slovenia and Sweden.

Do you have questions about your guarantees?
Contact your bank, your investment firm or the FGDR.

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FONDS DE GARANTIE DES DÉPÔTS ET DE RÉSOLUTION
French deposit insurance and resolution fund

1/ SCOPE OF THE DEPOSIT GUARANTEE SCHEME

PRODUCTS COVERED

All amounts deposited in current accounts and savings accounts are covered regardless of the currency in which the accounts are denominated:

› current account, demand account or term account;

› savings account or savings plan: Compte Epargne Logement (CEL) savings account, Plan d'Epargne Logement (PEL) savings plan, Plan d'Epargne Populaire (PEP) savings plan, etc.;

› 'Livret Jeune' savings account

› cash account associated with an equity savings scheme (PEA), a pension savings scheme (PER) or equivalent held at an FGDR affiliated banking institution;

› bank cheque issued and not cashed.

FGDR DEPOSIT GUARANTEE SCHEME

Up to €100,000 per customer, per institution.

All amounts deposited in savings accounts guaranteed by the French government are covered:

› Livret type 'A' savings account (and Livret Bleu savings account);

› Livret Développement Durable (LDD) savings account;

› and Livret d'Epargne Populaire (LEP) savings account.

FRENCH GOVERNMENT GUARANTEE IMPLEMENTED BY THE FGDR

Up to €100,000 per customer, per institution.

The FGDR operates the compensation of customers on behalf of the French government.

PRODUCTS NOT COVERED

Products not covered by the FGDR include:

› life insurance policy, capitalisation policy with an insurance company;

› pension savings scheme (PER, PERP, PEP) with an insurance company;

› collective pension savings scheme (PERCO), intercompany collective pension savings scheme (PERCO-I), company pension savings scheme (PERE);

› company savings scheme (PEE), intercompany savings scheme (PEI);

› notes, coins and items entrusted to your bank's safety deposit department;

› anonymous deposit or instrument with a holder who cannot be identified;

› cash recorded on an electronic medium (Moneo);

› deposit of equity.

See Article 312-41 of the Monetary and Financial Code.

GUARANTEE BY ANOTHER SCHEME OR NO GUARANTEE.

Enquire at your bank.

January 2016. Next update in June 2016.

2/ COMPENSATION UNDER THE DEPOSIT GUARANTEE SCHEME

The FGDR's deposit guarantee scheme covers all depositors, including natural persons, whether minors or adults, under guardianship or represented by a third party, companies (limited companies (SA), limited liability companies (SARL), one-person limited liability companies (EURL), etc.), individual business owners, associations and other professional groups, etc. **In an amount up to €100,000 per depositor, per institution.**

You have several accounts at the same bank:
All deposits are added up. Only credit balances are used to calculate the compensation except for legal or contractual set-off.

You have accounts at several banks:
The FGDR's guarantee applies separately to each bank.

You have a joint account:
It is shared equally by each joint holder, unless otherwise specified in the agreement. Each holder combines his/her share with his/her other deposit and savings accounts.

You keep your personal assets separate from your business assets (one-person limited liability company (EURL) or limited liability individual business owner (EIRL):
You are compensated separately for your personal accounts and your business accounts.

You are a member of an undivided co-ownership
The undivided co-ownership receives its own compensation, which is separate from that of its members.

You have «temporary high deposits», i.e. amounts that were received less than three months prior to the failure and which come from:

1/ the sale of residential property belonging to you;
2/ a lump-sum payment of compensation for harm sustained by you;
3/ a lump-sum payment of a retirement benefit, an estate, a bequest or a donation;
4/ a compensatory allowance or a settlement or contractual indemnity following the termination of an employment contract.

The €100,000 coverage level is increased by an additional €500,000 for each event within the above categories, except for the compensation of bodily injury, for which there is no limit. To exercise your right, **you will need to write to the FGDR within two months** of receiving your initial compensation and provide the necessary **supporting documents.**

3/ THE FGDR INVESTOR COMPENSATION SCHEME

The FGDR's investor compensation scheme covers all securities and financial instruments of investors (individuals, whether minors or adults, companies, business owners, associations and other professional groups, etc.):

› stocks in a PEA or securities account, bonds, units of open-end investment companies or mutual funds, units of company mutual funds in a PEE or a PERCO held at an FGDR member banking institution;
› certificates of deposit, negotiable debt instruments.

The guarantee applies in an amount up **to €70,000** per customer, per institution **regardless of the currency** in which the securities accounts are denominated.

Note: the investor compensation scheme is initiated only when two conditions are met:

1/ your securities have disappeared from your accounts;
2/ the institution at which your account is held is in suspension of payments and cannot return or reimburse the securities.

The cash associated with securities accounts is also compensated:

› in an amount **up to €70,000** if your **securities account is held by an investment firm** and if your **cash account associated** to securities is denominated in **euros or in another currency of the EEA;**
› or is included in the amounts covered by the deposit guarantee scheme, **up to €100,000, if your securities account is held by a bank**.

4/ DEPOSIT GUARANTEE SCHEME AND INVESTOR COMPENSATION SCHEME: COMPENSATION PROCEDURE

Step 1

Initiation at the request of the Autorité de Contrôle (the French prudential supervision authority - ACPR)

The FGDR intervenes when a bank or investment firm is no longer able to return the deposits collected or the securities entrusted to it. On the unavailability date, the institution is declared as having failed and customers lose access to their accounts. Compensation by the FGDR is initiated automatically.

Customers do not need to take any action other than opening an account at another institution if they do not already have one.

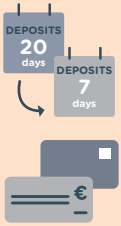
Step 2

Preparation of compensation

The institution prepares the customer account statements as of the unavailability date and sends customers a final account statement. It sends this information to the FGDR, which uses it to determine the compensation amount.

During this time, the FGDR informs customers of the status of the procedure on its website and answers questions via its call centre.

Step 3



Payment to customers

The FGDR sends each customer a compensation letter with notice of receipt containing:

› information about the customer's accounts;
› a list of covered accounts and excluded accounts;
› the compensation calculation;
› the non-compensated amounts;
› the compensation cheque, if applicable; and
› a «Compensation by the FGDR» information notice.

The FGDR issues the compensation within a maximum period of:

› **20 business days for the deposit guarantee scheme (7 business days starting on 1 June 2016);**
› **3 months for the investor compensation scheme.**

This period may be extended only in cases where special processing is requested.

After receiving his/her initial compensation, the customer has two months to send the FGDR a request for additional compensation, along with supporting documents, for «**temporary high deposits**».

Step 4

End of compensation

The FGDR handles special cases, additional compensation and any claims until they are completed.

5/ THE GUARANTEE FOR MANDATORY PERFORMANCE BONDS

The FGDR'S performance bonds scheme covers performance bonds that a bank or financial institution must issue to certain regulated professions (real estate agents or developers, travel agents, etc.) to guarantee the proper completion of their customers' projects. If the bank or financial institution fails, **the FGDR takes over** and honours the performance bond until the project is completed.

If the professional defaults vis-à-vis his/her customer, the FGDR compensates the customer. The compensation is capped at **90% of the harm sustained by the customer, with a deductible amount of €3,000.**

This document provides a summary of your guarantees.
For more information, visit our website at www.garantiedesdepots.fr.

© INSIGN January 2016. Next update in June 2016