

IMPORTANT THINGS TO KNOW ABOUT DEPOSIT INSURANCE

QUESTIONS FREQUENTLY ASKED BY DEPOSITORS



2018

DEPOSIT AND INVESTMENT INSURANCE, LITHUANIA

MISSION OF THE STATE COMPANY DEPOSIT AND INVESTMENT INSURANCE:

TO ENSURE THE PROTECTION OF DEPOSITS AND LIABILITIES TO INVESTORS IN THE CASES OF INSOLVENCY OF FINANCIAL INSTITUTIONS, THUS CONTRIBUTING TO MAINTAINING THE STABILITY OF FINANCIAL MARKET AND INCREASING PUBLIC TRUST IN FINANCIAL INSTITUTIONS.

THE COMPANY WAS ESTABLISHED IN 1996 AS A PUBLIC LEGAL PERSON OF LIMITED LIABILITY.

THE EXISTING LITHUANIAN SYSTEM OF INSURANCE OF DEPOSITS AND LIABILITIES TO INVESTORS HAS BEEN HARMONISED WITH THE EU LAW AND CORRESPONDS TO THE KEY PRINCIPLES OF THE DEPOSIT INSURANCE SCHEME OF THE EU MEMBER STATES.

WE HOPE THAT INFORMATION PROVIDED IN THIS BOOKLET PREPARED IN ACCORDANCE WITH THE LAW OF THE REPUBLIC OF LITHUANIA ON INSURANCE OF DEPOSITS AND LIABILITIES TO INVESTORS WILL BE USEFUL TO YOU

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I. GENERAL INFORMATION ABOUT INSURANCE OF DEPOSITS

1. WHO INSURES DEPOSITS UNDER THE LITHUANIAN DEPOSIT INSURANCE SYSTEM, I.E. WHO ARE THE PARTICIPANTS OF THE DEPOSIT INSURANCE SYSTEM?

THE PARTICIPANTS OF THE DEPOSIT INSURANCE SYSTEM OF THE REPUBLIC OF LITHUANIA ARE BANKS AND CREDIT UNIONS:

1) BANKS ESTABLISHED IN THE REPUBLIC OF LITHUANIA, INCLUDING BRANCHES OF THESE BANKS ESTABLISHED IN THE REPUBLIC OF LITHUANIA AND OTHER MEMBER STATES;

2) BANKS OF THIRD COUNTRIES, WHICH HAVE ESTABLISHED A BRANCH IN THE REPUBLIC OF LITHUANIA, IN WHICH THE DEPOSITS HELD ARE NOT INSURED OR THEIR PROTECTION IS NOT SECURED IN ANY OTHER WAY UNDER THE LEGISLATION OF A THIRD COUNTRY WERE A BANK FALLING WITHIN ITS JURISDICTION HAS ESTABLISHED A BRANCH;

3) BANKS OF THIRD COUNTRIES, WHICH HAVE ESTABLISHED A BRANCH IN THE REPUBLIC OF LITHUANIA, IN WHICH THE DEPOSITS HELD ARE INSURED (COMPENSATED) OR THEIR PROTECTION IS NOT SECURED UNDER THE LEGISLATION OF A THIRD COUNTRY, BUT THE COUNCIL OF THE INSURANCE UNDERTAKING DETERMINES THAT THESE CONDITIONS OF DEPOSIT INSURANCE (COMPENSATION) OR ANY OTHER CONDITIONS SECURING THEIR PROTECTION ARE LESS FAVOURABLE THAN REQUIRED UNDER THE LAW;

4) CREDIT UNIONS ESTABLISHED IN THE REPUBLIC OF LITHUANIA AND THE CENTRAL CREDIT UNION.

THE LIST OF THE DEPOSIT INSURANCE SYSTEM PARTICIPANTS IS AVAILABLE [HERE](#).

2. DO ALL BANKS OR BANK BRANCHES OPERATING IN LITHUANIA PARTICIPATE IN THE LITHUANIAN DEPOSIT INSURANCE SYSTEM?

THE FULL LIST OF BANKS OPERATING IN LITHUANIA THAT ARE NOT THE PARTICIPANTS OF THE LITHUANIAN DEPOSIT INSURANCE SYSTEM IS AVAILABLE [HERE](#). THESE BANKS PARTICIPATE IN THE ANALOGOUS INSURANCE SCHEMES OF OTHER MEMBER STATES OF THE EUROPEAN UNION. MORE DETAILED INFORMATION ABOUT INSURANCE CONDITIONS IS PUBLISHED ON THE INTERMENT WEBSITES OF THESE BANKS.

II. OBJECT OF INSURANCE

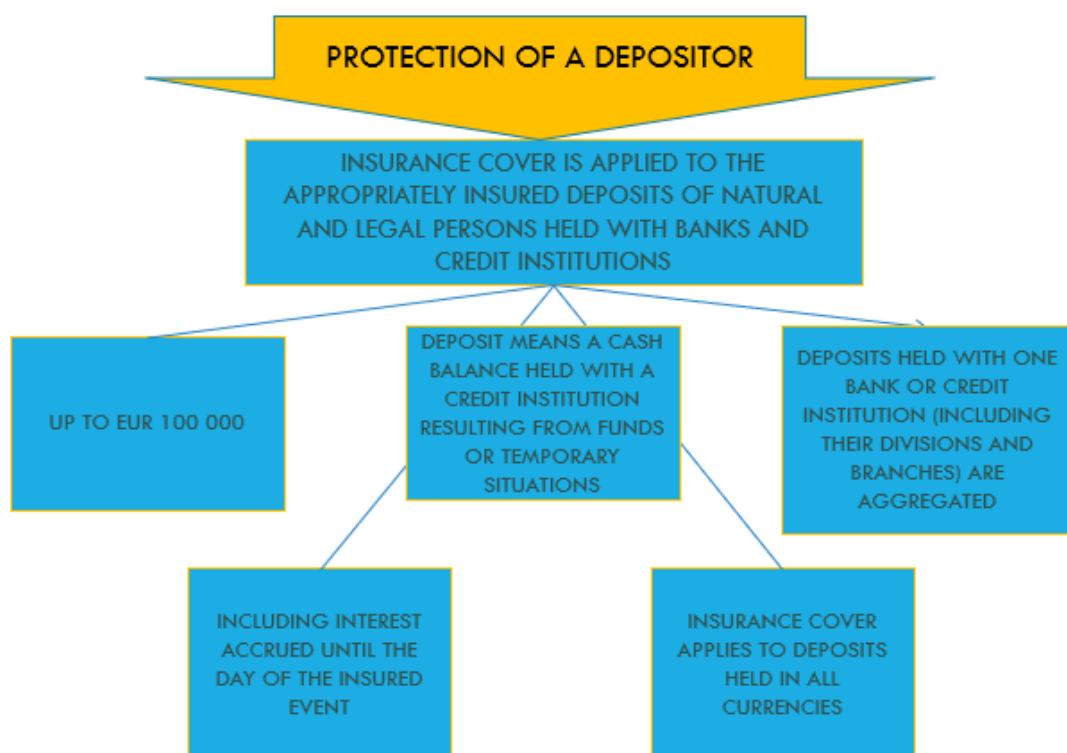
3. WHAT IS THE OBJECT OF DEPOSIT INSURANCE?

THE DEPOSIT INSURANCE COVERAGE IS PROVIDED FOR THE APPROPRIATELY INSURED DEPOSITS OF DEPOSITORS IN ALL CURRENCIES HELD WITH CREDIT INSTITUTIONS. A DEPOSIT MEANS A CASH BALANCE, RESULTING FROM FUNDS HELD IN AN ACCOUNT OPENED WITH A CREDIT INSTITUTION UNDER A BANK DEPOSIT OR A BANK ACCOUNT

AGREEMENT OR FROM TEMPORARY SITUATIONS WHERE THE CREDIT INSTITUTION PROVIDES FINANCIAL SERVICES, WHICH THE CREDIT INSTITUTION IS REQUIRED TO REPAY UNDER LAWS OR AGREEMENTS, BUT EXCLUDING A CREDIT BALANCE WHERE:

- 1) ITS EXISTENCE CAN ONLY BE PROVEN BY A FINANCIAL INSTRUMENT;
- 2) ITS PRINCIPAL IS NOT REPAYABLE AT PAR;
- 3) ITS PRINCIPAL IS REPAYABLE AT PAR ONLY UNDER A PARTICULAR GUARANTEE OR AGREEMENT PROVIDED BY THE CREDIT INSTITUTION OR A THIRD PARTY.

DEPOSIT INSURANCE COVER



4. WHOSE DEPOSITS ARE COVERED?

DEPOSIT INSURANCE COVER APPLIES TO DEPOSITS OF NATURAL AND LEGAL PERSONS (EXCLUDING CERTAIN CATEGORIES OF DEPOSITS LISTED IN ARTICLE 3(2) AND ARTICLE 8 OF THE LAW). DEPOSIT INSURANCE IS BASED ON THE PRINCIPLE ACCORDING TO WHICH DEPOSITS OF ONE PERSON WITH EACH CREDIT INSTITUTION ARE INSURED SEPARATELY. THIS MEANS THAT DEPOSITS OF ONE PERSON HELD WITH DIFFERENT BANKS OR CREDIT UNIONS ARE INSURED SEPARATELY IN ACCORDANCE WITH THE LAW. DEPOSIT INSURANCE PROVISIONS APPLY TO THE DEPOSITOR, BUT NOT TO THE DEPOSIT MEANING THAT ALL DEPOSITS ELIGIBLE TO DEPOSIT INSURANCE HELD WITH ONE BANK OR CREDIT UNION ARE AGGREGATED AND ONE INSURANCE BENEFIT IS

CALCULATED FOR ALL DEPOSITS OF THE PERSON HELD WITH ONE BANK OR CREDIT UNION. WE WOULD LIKE TO NOTE THAT ALL DEPOSITS OF ONE DEPOSITOR HELD WITH ALL DIVISIONS AND BRANCHES OF ONE BANK (CREDIT UNION) OPERATING IN THE REPUBLIC OF LITHUANIA ARE AGGREGATED.

5. WHAT IS EXCLUDED FROM THE DEPOSIT INSURANCE COVER, I.E. IN WHAT CASES INSURANCE BENEFIT IS NOT DUE?

THE FOLLOWING IS EXCLUDED FROM DEPOSIT INSURANCE COVER AND FROM PAYMENT OF DEPOSIT INSURANCE BENEFITS:

- 1) DEPOSITS MADE BY OTHER CREDIT INSTITUTIONS ON THEIR OWN BEHALF AND FOR THEIR OWN ACCOUNT;
 - 2) OWN FUNDS;
 - 3) DEPOSITS ARISING OUT OF TRANSACTIONS IN CONNECTION WITH WHICH THERE HAS BEEN A CRIMINAL CONVICTION FOR MONEY LAUNDERING;
 - 4) DEPOSITS BY FINANCIAL INSTITUTIONS;
 - 5) DEPOSITS BY MANAGEMENT COMPANIES;
 - 6) DEPOSITS BY FINANCIAL BROKERAGE FIRMS;
 - 7) DEPOSITS THE HOLDER OF WHICH HAS NEVER BEEN IDENTIFIED (DEPOSITS HELD IN ANONYMOUS AND CODED ACCOUNTS);
 - 8) DEPOSITS BY INSURANCE UNDERTAKINGS AND BY REINSURANCE UNDERTAKINGS OPERATING IN ACCORDANCE WITH THE LAW OF THE REPUBLIC OF LITHUANIA ON INSURANCE;
 - 9) DEPOSITS BY COLLECTIVE INVESTMENT UNDERTAKINGS;
 - 10) DEPOSITS BY PENSION AND RETIREMENT FUNDS;
 - 11) DEPOSITS BY STATE AND MUNICIPAL INSTITUTIONS AND BODIES AS DEFINED IN THE REPUBLIC OF LITHUANIA LAW ON THE CIVIL SERVICE, EXCEPT FUNDS BELONGING TO OTHER PERSONS HELD IN DEPOSIT ACCOUNTS OF SUCH INSTITUTIONS AND BODIES;
 - 12) DEPOSITS BY THE BANK OF LITHUANIA;
 - 13) DEBT SECURITIES ISSUED BY DEPOSIT INSURANCE SYSTEM PARTICIPANTS AND LIABILITIES ARISING OUT OF OWN ACCEPTANCES AND PROMISSORY NOTES;
 - 14) ELECTRONIC MONEY AND FUNDS RECEIVED BY ELECTRONIC MONEY INSTITUTIONS FROM ELECTRONIC MONEY HOLDERS IN EXCHANGE FOR ELECTRONIC MONEY.
- INSURANCE BENEFITS ARE ALSO NOT PAID FOR DEPOSITS HELD IN THE ACCOUNT IN WHICH DURING THE LAST 24 MONTHS BEFORE THE DATE OF THE INSURED EVENT OF DEPOSITS NO OPERATIONS RELATED TO THE DEPOSIT HAD BEEN CARRIED OUT OR THE AMOUNT OF THE DEPOSIT HELD IS SMALLER THAN EUR 10.

III. INSURANCE BENEFITS

6. WHEN DOES A DEPOSITOR BECOME ENTITLED TO A DEPOSIT INSURANCE BENEFIT?

A DEPOSITOR BECOMES ENTITLED TO A DEPOSIT INSURANCE BENEFIT ON THE DATE OF THE INSURED EVENT.

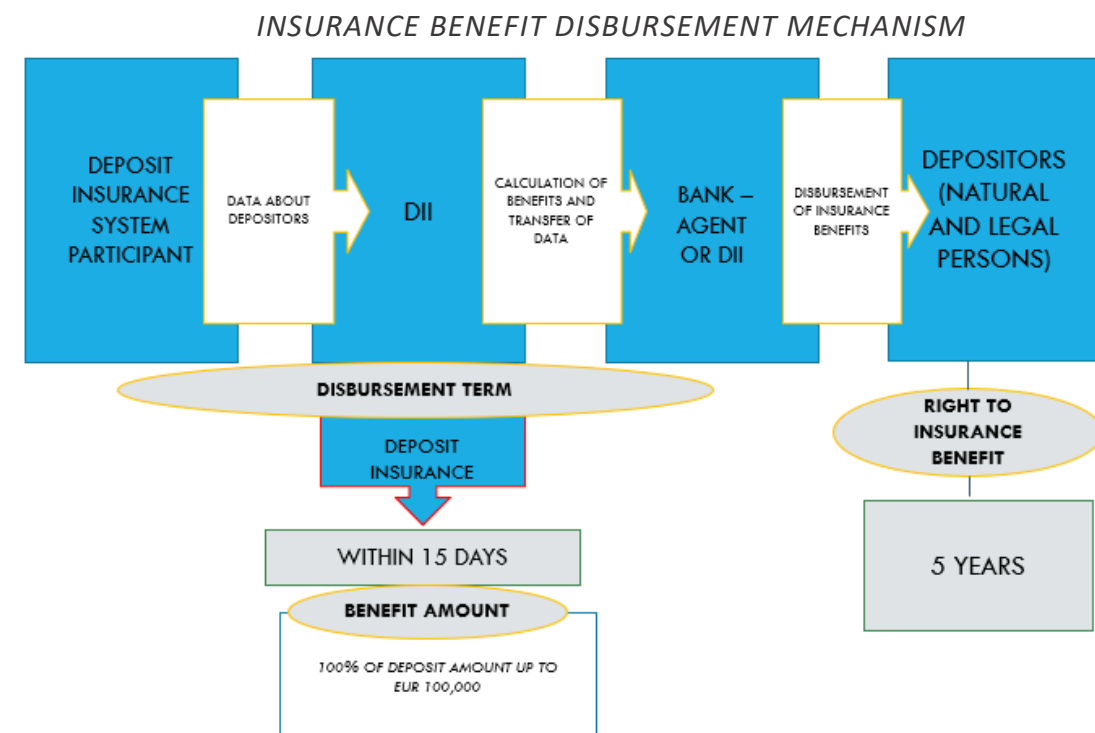
7. WHEN IS AN INSURED EVENT OF DEPOSIT DECLARED?

AN INSURED EVENT OF DEPOSIT MEANS THE OPENING OF BANKRUPTCY PROCEEDINGS AGAINST A PARTICIPANT OF THE DEPOSIT INSURANCE SYSTEM OR A DECISION BY THE SUPERVISORY AUTHORITY TO DECLARE INSOLVENCY OF A PARTICIPANT OF THE DEPOSIT INSURANCE SYSTEM, WHEN A PARTICIPANT OF THE DEPOSIT INSURANCE SYSTEM APPEARS TO BE UNABLE, FOR REASONS WHICH ARE DIRECTLY RELATED TO ITS FINANCIAL CIRCUMSTANCES, TO FULFIL THE VALID REQUEST TO REPAY THE DEPOSIT AND THERE ARE GROUNDS TO BELIEVE THAT HE HAS NO CURRENT PROSPECT OF BEING ABLE TO DO SO.

8. HOW IS AN INSURANCE BENEFIT CALCULATED FOR A PERSON WHO HAD A DEPOSIT AND FINANCIAL LIABILITIES WITH A BANKRUPT CREDIT INSTITUTION?

WHEN CALCULATING THE AMOUNT OF THE DEPOSIT INSURANCE BENEFIT THE DEPOSITOR'S LIABILITIES TO THE CREDIT INSTITUTION ARE NOT TAKEN INTO ACCOUNT.

EXAMPLE. A PERSON HELD WITH A CREDIT INSTITUTION A DEPOSIT OF EUR 60,000 AND A LOAN OF EUR 50,000. IN THE CASE OF AN INSURED EVENT, AN INSURANCE BENEFIT IN THE AMOUNT OF EUR 60,000 WILL BE DISBURSED TO THE DEPOSITOR.



9. BY WHOM AND HOW ARE INSURANCE BENEFITS DISBURSED?

UPON OCCURRENCE OF AN INSURED EVENT OF DEPOSIT, DEPOSIT INSURANCE BENEFITS ARE DISBURSED BY THE STATE COMPANY DEPOSIT AND INVESTMENT INSURANCE.

IN ACCORDANCE WITH THE PROCEDURE SET FORTH BY LEGAL ACTS INSURANCE BENEFITS MAY BE DISBURSED THROUGH A SELECTED BANK OR DIRECTLY BY THE INSURANCE COMPANY. THE INFORMATION FOR DEPOSITORS ABOUT THE PARTICULAR TERMS, CONDITIONS AND PROCEDURE OF DISBURSEMENT OF INSURANCE BENEFITS IS PUBLISHED BY THE INSURANCE COMPANY (ON ITS OFFICIAL INTERNET WEBSITE, THROUGH MASS MEDIA AND SOCIAL MEDIA).

10. WHAT IS THE INSURANCE BENEFIT AMOUNT?

A DEPOSIT INSURANCE BENEFIT AMOUNT MAY NOT EXCEED EUR 100,000. WHEN DETERMINING A DEPOSIT INSURANCE BENEFIT RATE ALL DEPOSITS HELD WITH THE SAME CREDIT INSTITUTION ARE AGGREGATED. AN INSURANCE BENEFIT IS DISBURSED TOGETHER WITH INTEREST ACCRUED UNTIL THE DATE OF THE INSURED EVENT.

EXAMPLE 1. A DEPOSITOR, WHO HOLDS A SAVINGS ACCOUNT OF EUR 90,000 AND A CURRENT ACCOUNT OF EUR 20,000, WILL RECEIVE MAXIMUM INSURANCE BENEFIT OF EUR 100 000.

EXAMPLE 2. A DEPOSITOR, WHO, ON THE DATE OF THE INSURED EVENT, HELD THE DEPOSIT AND INTEREST ACCRUED THEREON AMOUNTING TO EUR 100,200, WILL RECEIVE MAXIMUM INSURANCE BENEFIT OF EUR 100,000.

11. IN WHAT CASES THE INSURANCE BENEFIT EXCEEDING EUR 100,000 MAY BE DISBURSED?

THE AMOUNT EXCEEDING EUR 100,000 MAY BE DISBURSED IN THE CASES PROVIDED FOR BY THE SC DEPOSIT AND INVESTMENT INSURANCE WHEN FUNDS WERE CREDITED TO THE DEPOSITOR'S ACCOUNT NOT MORE THAN 6 MONTHS BEFORE THE DATE OF THE INSURED EVENT OF DEPOSIT, ON THE FOLLOWING GROUNDS AND IN THE RESPECTIVE AMOUNTS:

- FOR SOLD OR OTHERWISE TRANSFERRED INTO THE OWNERSHIP RESIDENTIAL PROPERTY (INCLUDING OWNED LAND) HELD BY THE DEPOSITOR BY RIGHT OF OWNERSHIP; HOWEVER, THIS AMOUNT MAY NOT EXCEED EUR 300,000;
- FOR MONETARY FUNDS INHERITED BY THE DEPOSITOR UNDER A WILL OR A LAW; HOWEVER, THIS AMOUNT MAY NOT EXCEED EUR 200,000;
- FOR MONETARY FUNDS RECEIVED BY THE DEPOSITOR IN THE EVENT OF DEATH AS BENEFICIARY UNDER A LIFE INSURANCE CONTRACT OR A SIMILAR CONTRACT; HOWEVER THIS AMOUNT MAY NOT EXCEED EUR 200,000;
- FOR MONETARY FUNDS RECEIVED BY THE DEPOSITOR RESULTING FROM THE DEATH OF ANOTHER PERSON IN THE PERFORMANCE OF THEIR WORK RESPONSIBILITIES OR

DUTIES, IN THE CASES PROVIDED FOR BY LAWS; HOWEVER THIS AMOUNT MAY NOT EXCEED EUR 200,000;

- FOR MONETARY FUNDS TRANSFERRED TO THE DEPOSITOR AS A BENEFIT OR COMPENSATION IN THE CASES PROVIDED FOR BY LAWS FOR DAMAGE CAUSED BY VIOLENT CRIMES OR BY ACTIONS OF PRE-TRIAL INVESTIGATION OFFICERS, A PROSECUTOR, A JUDGE OR A COURT; HOWEVER THIS AMOUNT MAY NOT EXCEED EUR 200,000.

12. WHAT IS THE TIME LIMIT FOR DISBURSEMENT OF AN INSURANCE BENEFIT?

UPON OCCURRENCE OF AN INSURED EVENT, AN INSURANCE BENEFIT FOR YOUR DEPOSITS (UP TO EUR 100,000) SHALL BE DISBURSED NO LATER THAN IN:

- 20 BUSINESS DAYS UNTIL 31 DECEMBER 2018;
- 15 BUSINESS DAYS FROM 1 JANUARY 2019 UNTIL 31 DECEMBER 2020;
- IN 10 BUSINESS DAYS FROM 1 JANUARY 2021 UNTIL 31 DECEMBER 2023;
- IN 7 BUSINESS DAYS FROM 1 JANUARY 2024.

13. IS IT POSSIBLE TO RECEIVE AN INSURANCE BENEFIT WITHIN A SHORTER TIME LIMIT?

WHERE UNTIL 31 DECEMBER 2023 DEPOSIT INSURANCE BENEFITS ARE NOT DISBURSED WITHIN 7 BUSINESS DAYS FROM THE DATE OF THE INSURED EVENT OF DEPOSITS, AT THE DEPOSITOR'S REQUEST, A PART OF THE DEPOSIT INSURANCE BENEFIT IN THE AMOUNT OF MINIMUM MONTHLY WAGE, NOT EXCEEDING THE AMOUNT OF THE DEPOSITOR'S DEPOSITS ELIGIBLE FOR INSURANCE (AN ADVANCE DEPOSIT INSURANCE BENEFIT) SHALL BE DISBURSED TO THE DEPOSITOR WITHIN 5 BUSINESS DAYS OF RECEIVING THE REQUEST.

14. WHO CALCULATES INSURANCE BENEFITS?

DEPOSIT INSURANCE BENEFITS ARE CALCULATED AND DISBURSED BY THE INSURANCE COMPANY ON THE BASIS OF A DEPOSIT INSURANCE SYSTEM PARTICIPANT'S DATA ON DEPOSITORS AND DEPOSITS OF THE DATE OF THE INSURED EVENT. THE DEPOSIT INSURANCE SYSTEM PARTICIPANT SHALL BE RESPONSIBLE FOR THE ACCURATE AND TIMELY SUBMISSION OF THE DATA TRANSFERRED TO THE INSURANCE COMPANY.

15. HOW IS THE DEPOSIT INSURANCE BENEFIT CALCULATED?

INSURANCE BENEFITS ARE CALCULATED AND DISBURSED IN EURO.

A DEPOSITOR'S INSURANCE BENEFIT IS CALCULATED AS FOLLOWS:

A DEPOSIT INSURANCE BENEFIT AMOUNT FOR ONE DEPOSITOR IS CALCULATED BY AGGREGATING ALL DEPOSITS HELD BY ONE DEPOSITOR WITH THE SAME CREDIT INSTITUTION (INCLUDING BRANCHES, REPRESENTATIVE OFFICES, OTHER STRUCTURAL UNITS OF A DEPOSITOR WHO IS A LEGAL PERSON OR ANOTHER ORGANISATION) ELIGIBLE FOR INSURANCE IN ALL CURRENCIES TO WHICH THE DEPOSITOR HAS THE RIGHTS OF CLAIM AND INTEREST ACCRUED ON DEPOSITS ELIGIBLE FOR INSURANCE

ON THE DATE OF THE INSURED EVENT OF DEPOSITS, BUT NOT CREDITED TO THE DEPOSITOR'S ACCOUNT.

16. WITHIN WHAT TIME LIMIT A DEPOSITOR CAN RECEIVE THE INSURANCE BENEFIT DUE TO HIM?

A DEPOSITOR'S RIGHT TO RECEIVE AN INSURANCE BENEFIT SHALL BE VALID FOR 5 YEARS AFTER THE DATE OF THE INSURED EVENT OF DEPOSIT.

17. WHAT SHOULD A DEPOSITOR DO WHEN A CREDIT INSTITUTION WITH WHICH THE DEPOSITOR HOLDS A DEPOSIT IS DECLARED INSOLVENT, I.E. AN INSURED EVENT OF DEPOSITS OCCURS?

A DEPOSITOR DOES NOT NEED TO TAKE ANY ACTIONS. FIRSTLY, THE INSURANCE COMPANY SHALL RECEIVE THE DATA FROM THE CREDIT INSTITUTION WHICH WAS DECLARED INSOLVENT ABOUT DEPOSITS HELD BY DEPOSITORS, SELECT THE CREDIT INSTITUTION THROUGH WHICH INSURANCE BENEFITS WILL BE DISBURSED AND TRANSFER THEM. INFORMATION ABOUT THE CREDIT INSTITUTION AT WHICH INSURANCE BENEFITS WILL BE DISBURSED TO DEPOSITORS IS PUBLISHED BY THE INSURANCE COMPANY ON THE COMPANY'S INTERNET WEBSITE, MASS MEDIA AND SOCIAL MEDIA.

IV. EXCEPTIONAL CASES

MINOR'S DEPOSIT

18. WHO WILL BE ELIGIBLE TO THE INSURANCE BENEFIT IN HE CASE OF THE INSURED EVENT OF A CREDIT INSTITUTION WHERE 1) AN ACCOUNT IS OPENED ON BEHALF OF A MINOR; 2) A JOINT ACCOUNT IS OPENED ON BEHALF OF THE MINOR AND HIS (HER) PARENTS?

1) THE LAW DEFINES A DEPOSITOR AS A PERSON ON WHOSE BEHALF A DEPOSIT AGREEMENT OR A BANK ACCOUNT AGREEMENT IS CONCLUDED. WHEN ANSWERING THIS QUESTION THE NATURAL PERSON'S CAPACITY MUST BE ASSESSED (ARTICLES 2.5–2.9 OF THE CIVIL CODE (CC)). ACCORDING TO THE GENERAL PRINCIPLE, MINORS' TRANSACTIONS ARE CONCLUDED ON THEIR BEHALF BY THE PARENTS OR GUARDIANS, AND ASSETS OWNED BY MINORS ARE MANAGED BY THE PARENTS UNDER THE RIGHT OF USUFRUCT (ARTICLE 3.185 OF THE CC). WHERE THE AGREEMENT IS CONCLUDED ON BEHALF OF A MINOR, THE MINOR IS A DEPOSITOR. THEREFORE, WHERE A MINOR (PERSON AGED UNDER 18) HOLDS A DEPOSIT WITH A CREDIT INSTITUTION AND AN INSURED EVENT IS DECLARED IN RESPECT OF THE CREDIT INSTITUTION, THE INSURANCE BENEFIT FOR THE HELD DEPOSIT WOULD BE CALCULATED ON THE MINOR'S BEHALF, BUT THE FUNDS WILL BE MANAGED (IN THIS CASE – WITHDRAWN FROM THE BANK) BY THE MINOR'S PARENTS.

2) WHERE A DEPOSIT ACCOUNT UNDER THE AGREEMENT IS HELD BY A MINOR AND HIS (HER) PARENTS, THE INSURANCE BENEFIT SHALL BE CALCULATED AS FOR CO-OWNERS AND THE INSURANCE BENEFIT TO EACH OF THEM WILL BE PROPORTIONATE TO THE AMOUNT HELD, BUT NOT EXCEEDING EUR 100,000.

EXAMPLE. PARENTS (THE PERSON 'A' AND THE PERSON 'B') AND THEIR MINOR CHILD UNDER 15 YEARS OF AGE (THE PERSON 'C') OPENED A JOINT ACCOUNT AND ACCORDING TO THE DEPOSIT AGREEMENT EACH OF THEM RESPECTIVELY HELD IN SUCH ACCOUNT THE FOLLOWING AMOUNTS:

THE PERSON 'A' = EUR 400,000; THE PERSON 'B' = EUR 50,000 AND THE PERSON 'C' = EUR 50,000.

THE INSURANCE BENEFIT WILL BE PROPORTIONATE TO THE HELD AMOUNT:

THE PERSON 'A' WILL RECEIVE THE MAXIMUM INSURANCE BENEFIT OF EUR 100,000; THE PERSONS 'B' AND 'C' WILL RECEIVE THE INSURANCE BENEFIT OF EUR 50,000 EACH.

JOINT ACCOUNT

19. HOW WILL THE INSURANCE BENEFIT BE PAID WHEN FUNDS ARE HELD IN A BANK IN A JOINT ACCOUNT WITH SEVERAL PERSONS?

WHERE WHEN OPENING A JOINT ACCOUNT WITH A BANK A PERSON INDICATED THAT THE ACCOUNT BEING OPENED IS A JOINT ACCOUNT AND SUBMITTED TO THE BANK THE IDENTITY DOCUMENTS OF THE PERSONS ENTITLED TO DEPOSITS HELD IN THE JOINT ACCOUNT, FOR THE PURPOSE OF CALCULATING THE INSURANCE BENEFIT THE FUNDS HELD IN SUCH ACCOUNT SHALL BE DIVIDED EQUALLY (UNLESS THE AVAILABLE DATA SHOW OTHERWISE) INTO THE NUMBER PARTS WHICH IS EQUAL TO THE NUMBER OF THE ACCOUNT HOLDERS, AND THE ACCOUNT HOLDERS SHALL BE ELIGIBLE TO THE INSURANCE BENEFIT OF THE RESPECTIVE AMOUNT, WHICH, HOWEVER, SHALL NOT EXCEED EUR 100,000 PER EACH ACCOUNT HOLDER.

EXAMPLE 1. WHERE A JOINT ACCOUNT IS OPENED BY THE SPOUSES AND ON THE DATE OF THE INSURED EVENT THE AMOUNT ACCUMULATED BY THEM IN SUCH ACCOUNT IS EUR 500,000, THE WIFE AND THE HUSBAND WILL BE ELIGIBLE TO THE INSURANCE BENEFIT IN THE AMOUNT OF EUR 100,000 EACH.

EXAMPLE 2. WHERE THE SPOUSES HAVE A JOINT ACCOUNT IN WHICH THEY HOLD EUR 140,000, AND THE WIFE HAS ANOTHER ACCOUNT WITH THE SAME CREDIT INSTITUTION IN WHICH SHE HOLDS EUR 60,000, IN THE CASE OF THE INSURED EVENT MAXIMUM INSURANCE BENEFIT AMOUNT DUE TO THE HUSBAND WOULD BE EUR 70,000 ($140,000 / 2 = 70,000$), AND TO THE WIFE – EUR 100,000 ($140,000 / 2 + 60,000 = 130,000$).

MERGER OF CREDIT INSTITUTIONS

20. WHAT INSURANCE BENEFIT WILL BE DISBURSED TO THE PERSON WHO HELD EUR 90,000 WITH A CREDIT INSTITUTION 'A' AND EUR 60,000 – WITH A CREDIT INSTITUTION 'B' AND THOSE CREDIT INSTITUTIONS MERGED INTO A CREDIT INSTITUTION 'C' AND THE CREDIT INSTITUTION 'C' WENT BANKRUPT?

IN SUCH CASE, THE PERSON WILL BE ELIGIBLE TO MAXIMUM INSURANCE BENEFIT OF EUR 100,000.

REFORM OF CREDIT UNIONS

21. WILL THE CONDITIONS OF INSURANCE OF MY DEPOSIT HELD WITH A CREDIT UNION CHANGE AFTER THE REFORM OF CREDIT UNIONS? WHAT DOES THIS REFORM MEAN TO ME AS A DEPOSITOR?

ON 1 JANUARY 2018, THE REFORM OF CREDIT UNIONS WAS COMPLETED. THIS IS A DIRECT FACTOR AFFECTING ONE OF THE PRINCIPAL ACTIVITIES OF THE COMPANY – THE ADMINISTRATION OF INSURED EVENTS, BECAUSE THE SYSTEM SECURING SOLVENCY OF CREDIT INSTITUTIONS WAS DEVELOPED TO REDUCE SOLVENCY PROBLEMS OF CREDIT UNIONS. THIS REFORM WAS AIMED AT INCREASING STABILITY AND SAFETY OF THE CREDIT UNION SECTOR. THE DEPOSIT INSURANCE FUND CONTINUES AND WILL CONTINUE CONSISTENTLY ACCUMULATING FUNDS TO BE USED IN THE CASE OF INSOLVENCY OF A CREDIT INSTITUTION. THE REFORM OF CREDIT INSTITUTIONS DOES NOT AFFECT IN ANY WAY THE CONDITIONS OF PROTECTION APPLIED TO DEPOSITORS UNDER THE DEPOSIT INSURANCE SYSTEM. MORE INFORMATION ABOUT CONSEQUENCES OF THE REFORM OF CREDIT INSTITUTIONS FOR THE FINANCIAL SECTOR IS AVAILABLE [HERE](#).

NB:

PLEASE NOTE THAT THE STATE COMPANY DEPOSIT AND INVESTMENT INSURANCE HAS NO RIGHT TO INTERPRET LAWS; ACCORDINGLY, WE CAN ISSUE ONLY OUR OPINION WHICH DOES NOT ENTAIL ANY LEGAL CONSEQUENCES. WE WOULD LIKE TO NOTE FURTHER THAT THE ASSESSMENT BY COURTS OF THE REPUBLIC OF LITHUANIA OR INSTITUTIONS APPLYING LEGAL ACTS MIGHT DIFFER FROM WHAT IS PROVIDED ABOVE. IN THE EVENT OF A DISPUTE, THE FINAL ASSESSMENT OF THE SITUATION MAY BE CARRIED OUT BY COURTS OF THE REPUBLIC OF LITHUANIA IN THE LIGHT OF THE UNDERSTANDING OF THE CONTENT OF LEGAL ACTS EXISTING AT THAT TIME.

IF YOU HAVE ANY ADDITIONAL QUESTIONS, WE WILL BE PLEASED TO ANSWER THEM AND TO SUPPLEMENT THE INFORMATION PROVIDED HEREIN.

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