

## WHAT IS THE PROCEDURE OF WITHDRAWING THE INSURED DEPOSIT?

Each depositor entitled to receive the insured deposit shall be informed accordingly by the DIA, and shall receive a payout request form. With this form filled out and together with the legal proof of deposit, depositors can access their funds. Depending on their personal preferences, depositors shall be able either to withdraw the cash or to have their funds transferred to an account in another bank of their choice.

## WHAT IS THE DEADLINE FOR WITHDRAWING THE INSURED AMOUNT?

The DIABH shall make the insured assets available to a depositor not later than 20 working days from the day the license of a bank was revoked. Within the period of five years from the date the banking license was revoked, as the owner of an insured deposit, a depositor is entitled to raise a claim of their insured deposits.

## CAN ANYONE ELSE WITHDRAW MY INSURED DEPOSITS?

Insured deposits can be paid out to another person providing that they have a valid power of attorney issued by the owner of insured deposits only after the banking license was revoked.

## WHAT HAPPENS WITH DEPOSITS EXCEEDING BAM 70,000?

For each deposit exceeding BAM 70,000 depositors shall claim the difference against the bank whose license was revoked and which is under liquidation or bankruptcy (receivership).



**DEPOSIT INSURANCE AGENCY  
OF BOSNIA AND HERZEGOVINA**

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# GUIDE TO DEPOSIT INSURANCE



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## WHAT IS DEPOSIT INSURANCE?

Deposit insurance is part of the financial safety net established with the aim to protect the depositors and to contribute to preserving financial stability. In Bosnia and Herzegovina (B&H) the competent authority for the deposit insurance is the Deposit Insurance Agency of B&H (DIA), an independent nonprofit institution.

## HOW DOES THE DIA PROTECT INSURED DEPOSITORS?

In the event of revoking the banking license of a bank by the Banking Agency of Republika Srpska or the Banking Agency of the Federation of Bosnia and Herzegovina (the competent banking agency) the DIA pays its depositors out.

## WHO ARE THE INSURED DEPOSITORS?

Deposit guarantee scheme provides for insurance of the deposits of natural persons and legal entities, except for those referred to under the Article 6 of the Law on Deposit Insurance in Banks of Bosnia and Herzegovina which are as follows: deposits arising out of transactions that have been declared illegal by court decision and that are not subject to any further appeal; deposits kept in any account whereby the account title is not transparent as to its ownership or any non-nominative deposit; deposits kept in a bank's safe deposit box; deposits held in any kind of safekeeping custody arrangement with a bank, except earmarked deposit; deposits deposited by other domestic or foreign banks on their own behalf and for their own account; deposits from domestic or foreign government bodies; deposits from domestic or foreign insurance companies; deposits from domestic or foreign undertakings for collective investment; deposits from domestic or foreign pension and retirement funds not considered as a government body; deposits of persons in special relation with the bank as regulated by the Entity

banking laws; deposits from companies in the same group as a member bank; deposits for which the depositor has obtained from the same member bank rates and/or any other financial concession which may have helped to aggravate the member bank's financial condition; deposits from companies which may be excluded from deposit insurance coverage by any other special law or governmental directive; debt securities issued by such member bank and any other liabilities arising out of such member bank's own acceptances and promissory notes; deposits from micro credit organisations.

## WHAT IS THE MAXIMUM INSURANCE COVERAGE LIMIT?

The maximum coverage level is BAM 70,000 per depositor per bank, including the interest accrued by the day the license of the bank was revoked.

## ARE DEPOSITS OF MINORS INSURED?

Yes. Regardless of a person being an adult or a minor, their deposits are insured.

## IF I HAVE MULTIPLE ACCOUNTS IN THE SAME BANK, ARE ALL OF THEM INSURED?

Deposit insurance is not set per account, but per depositor instead. This means that a depositor cannot increase the insured level by dividing cash assets in multiple accounts in the same bank.

## AM I ABLE TO INCREASE THE AMOUNT OF INSURED DEPOSITS BY DEPOSITING CASH IN MULTIPLE BANKS?

Yes. Deposits of the same depositor in different banks are separately insured, each up to BAM 70,000.

## WHAT HAPPENS IF I HAVE BOTH A LOAN AND A DEPOSIT IN THE SAME BANK?

If the banking license of a bank would be revoked, the covered deposit would be decreased for the due or total liability of the depositor toward the bank, incurred by the day the license of the bank was revoked.

## ARE ASSETS DENOMINATED IN A FOREIGN CURRENCY ALSO INSURED?

Yes. Deposits are insured regardless of being denominated in BAM or another foreign currency. In the event of revoking a banking license of the Bank, depositors shall be paid out in BAM. The assets that were denominated in a foreign currency shall be converted into BAM based on the average exchange rate of the Central Bank of Bosnia and Herzegovina as of the date of the banking license was revoked.

## ARE ASSETS OF FOREIGN NATIONALS ALSO INSURED?

Yes. Deposits of natural persons and legal entities are insured regardless of whether they are of B&H nationals or foreign ones.

## DO DEPOSITORS PAY INSURANCE PREMIUM?

No. Banks pay insurance premiums.

## HOW CAN I KNOW THAT THE BANKING LICENSE OF A BANK WAS REVOKED?

In the event of revoking the banking license, the competent banking agency shall make an official announcement of such a decision. Depositors shall be informed about their rights and responsibilities, the selected agent bank, as well as of time and place of start of payment process through the media and the official website of the DIA.