



FONDUL DE GARANTARE A DEPOZITELOR BANCARE  
BANK DEPOSIT GUARANTEE FUND

# *info*

VI(41) no. 2/2016

**Eligible deposits  
with FGDB-member  
credit institutions  
as at 30 June 2016**



**Your money is safe**

Eligible deposits with  
FGDB-member credit institutions

Natural persons' eligible deposits

Legal persons' eligible deposits

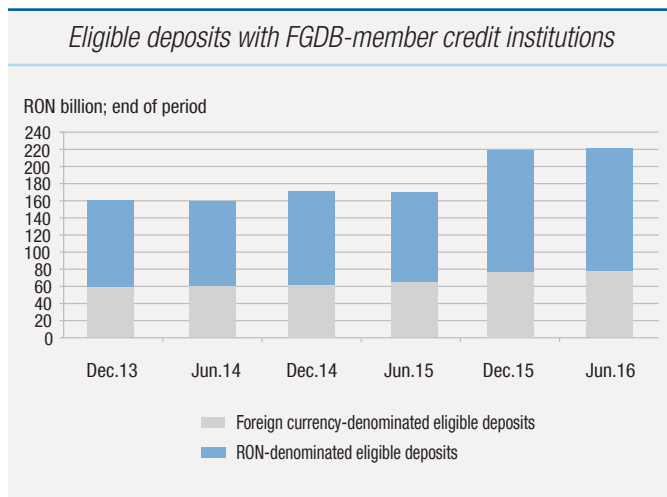
## Eligible deposits<sup>1</sup> with FGDB-member credit institutions

In the first six months of 2016, the eligible deposits (guaranteed) of natural and legal persons with FGDB-member credit institutions<sup>2</sup> recorded an increase by RON 2.2 billion, up to RON 221.2 billion as at 30 June 2016.

Compared to 30 June 2015, it was recorded a substantial increase of the value of eligible deposits of about RON 50 billion, mainly due to extension of the scope of guaranteed depositors<sup>3</sup>.

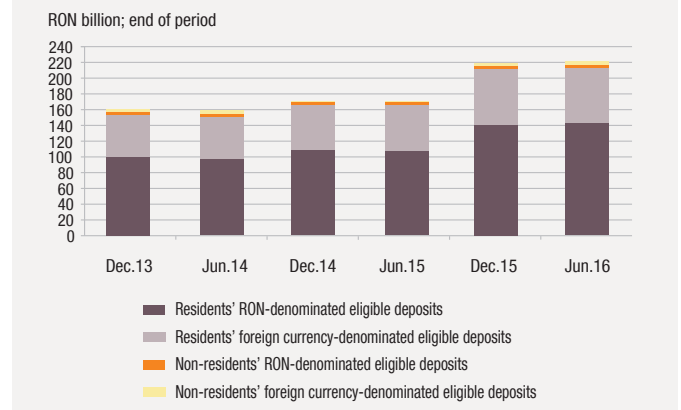
The amount of eligible deposits represent over three quarters of all deposits with FGDB-member credit institutions, the rest being held by the legal persons excluded from the guarantee (credit institutions, financial institutions, investment firms, insurance and/or reinsurance bodies collective investment, pension funds, central, local and regional public authorities, etc).

Eligible deposits denominated in RON recorded a variation of +0.6% in the first semester of 2016 to RON 144.2 billion as at 30 June 2016, while eligible deposits denominated in foreign currencies grew by 1.8% to equivalent RON 77 billion. Deposits in national currency have a share of 65.2% in the total amount of eligible deposits.



The natural and legal persons had deposits of RON 214.9 billion as at 30 June, 2016, representing 97.1 % of the eligible deposits.

### *The dynamics of residents' and non-residents' eligible deposits*



By law, the total amount of money a depositor holds with a bank is covered up to EUR 100,000, in RON equivalent<sup>4</sup>, regardless the situation of the credit institution (e.g. in state of difficulty or insolvency).

If the deposits of a bank become unavailable or the bank is subject to a resolution measure (e.g. bail-in), each depositor is guaranteed in full for any amount less than EUR 100,000 and those with larger deposits than this ceiling are covered up to EUR 100,000. Moreover, by law, the covered deposits<sup>5</sup> are expressly excluded from the bail-in.

For that part of the deposit exceeding EUR 100,000, the depositors receive a preferential treatment, their claims having a higher rank. Thus, for a deposit of EUR 150,000, the difference of EUR 50,000 above the coverage ceiling may fall under bail-in only if all other claims were not sufficient to absorb losses and to ensure adequate capitalization of the credit institution. If, ultimately, it is taken a decision of converting the uncovered amount of EUR 50,000, the deposit holder shall receive in exchange equity securities (e.g. shares) in the bank in question.

<sup>1</sup> According to the law, the deposit is "any credit balance, including due interest, resulted in funds held in an account or transitory situations deriving from current banking transactions and which a credit institution must repay, under the legal and contractual conditions applicable, including term deposits and savings accounts" which does not fall under any of the following situations:

a) its existence can be proven only by a financial instrument, as it is defined in art. 2 (1) pt. 11 of Law no. 297/2004 on the capital market, as amended and supplemented, unless it is a savings product certified by a certificate of nominal deposit as at 2 July 2014;  
b) the principal is not repayable at par;  
c) the principal is repayable at par only under a particular guarantee or a specific agreement provided by the credit institution or a third party.

<sup>2</sup> All credit institutions authorized by the National Bank of Romania, namely 29 as at 30 June 2016. Deposits with branches of foreign banks based in other EU member states are covered by the guarantee schemes of the home Member State

<sup>3</sup> In addition to the deposits of natural persons and small and medium enterprises, from 14 December 2015 FGDB guarantees also the deposits of large companies.

<sup>4</sup> As at 30 June 2016, the RON equivalent of EUR 100,000 coverage ceiling was RON 452,100.

<sup>5</sup> The covered deposits are that part of eligible deposits not exceeding the coverage ceiling provided by Law no. 311/2015 on deposit guarantee schemes and the Bank Deposit Guarantee Fund.

The shareholders and the creditors of the bank in resolution are first to bear losses, provided that no creditor bear greater losses than if the credit institution would have been liquidated through insolvency proceedings.

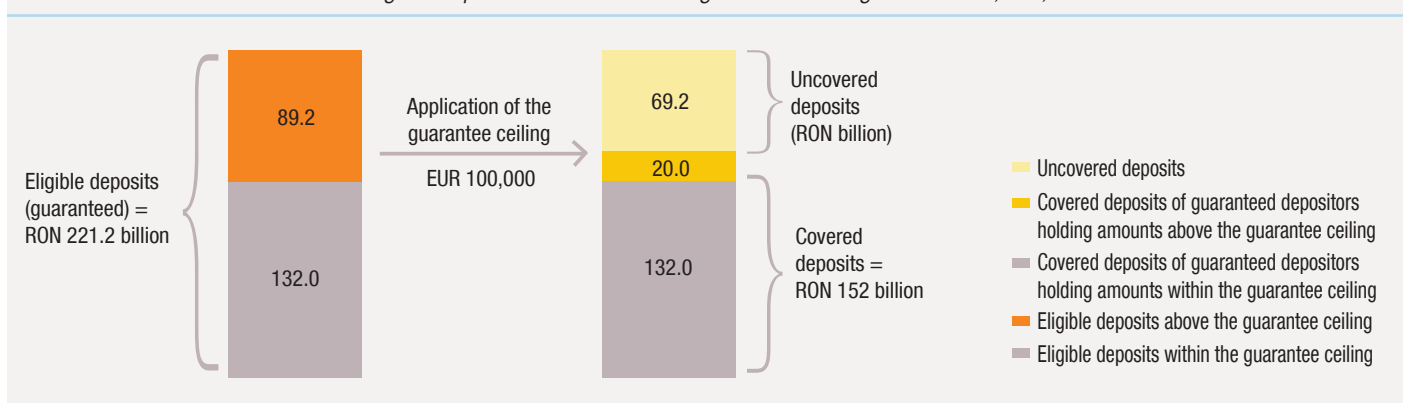
Deposits covered by FGDB as at 30 June 2016 amounted to RON 152 billion, with RON 12 billion over the level of 30 June 2015 and with RON 3.2 billion over the level of the end of 2015.

Deposits with values under the coverage ceiling had a share of almost 60% in the total amount of eligible deposits.

As at 30 June 2016, the eligible deposits with values under the coverage ceiling amounted to RON 132 billion, exceeding with 2.1% the level at the end of 2015. In contrast, the deposits above the coverage ceiling have decreased slightly in the first semester of 2016 (half-yearly variation of -0.6%) to RON 89.2 billion as at 30 June 2016.

The number of depositors guaranteed by FGDB at the end of the first six months of 2016 was 14,852,634 natural and legal persons<sup>6</sup>, of which 99.7% had deposits under the ceiling of EUR 100,000, benefiting thus of the full coverage of the amounts held with banks.

*The structure of the eligible deposits in relation to the guarantee ceiling of EUR 100,000, as at 30 June 2016*



## Natural persons' eligible deposits

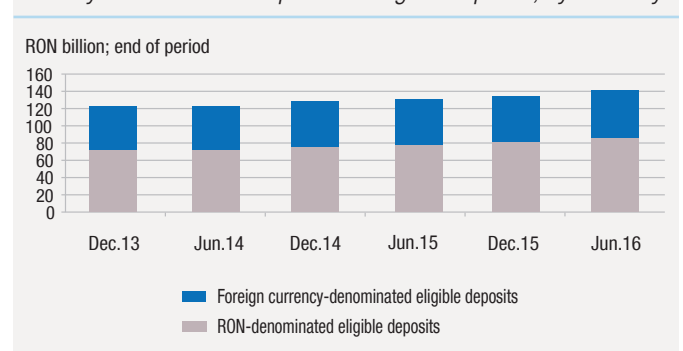
During the first semester of 2016, the natural persons' eligible deposits have continued the upward trend from earlier periods, increasing by 4.3 % to RON 140.9 billion as at 30 June 2016.

All components of the natural persons' deposits have registered positive dynamics, the biggest increase being recorded in the segment of RON deposits of values below the coverage ceiling.

In the first six months of 2016, the natural persons' RON denominated deposits had a variation of +5.3%, while the foreign currency deposits advanced more slowly, with a half-yearly variation of + 2.7%.

As at 30 June 2016, natural persons' deposits in national currency amounted to RON 84.9 billion and the foreign currency ones about RON 56 billion equivalent.

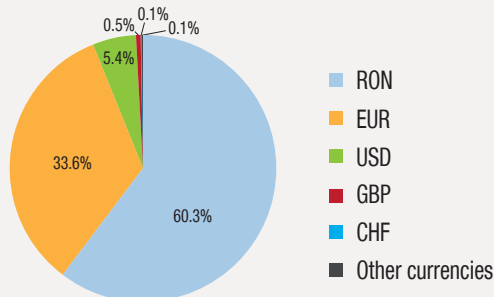
*The dynamics of natural persons' eligible deposits, by currency*



Deposits in national currency have a share of 60.3% in the total amount of natural persons' eligible deposits, followed by the deposits in euros (33.6% share) and in US dollars (5.4% share).

<sup>6</sup>The number of depositors represents the sum of consolidated data reported by each credit institution. Therefore, the same depositor who has deposits with several credit institutions could be taken into account several times.

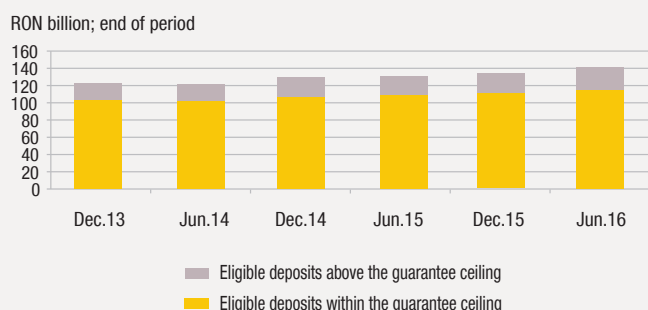
*The structure of the population's eligible deposits by currency, as at 30 June 2016*



The eligible deposits of resident natural persons (RON 136.3 billion as at 30 June 2016 with a half-yearly variation of +4.3%) represent 96.7% of the amount of population's deposits.

At the end of June 2016 the most part of the natural persons' deposits had values below the RON equivalent of EUR 100,000 (82.5% of total value of natural persons deposits).

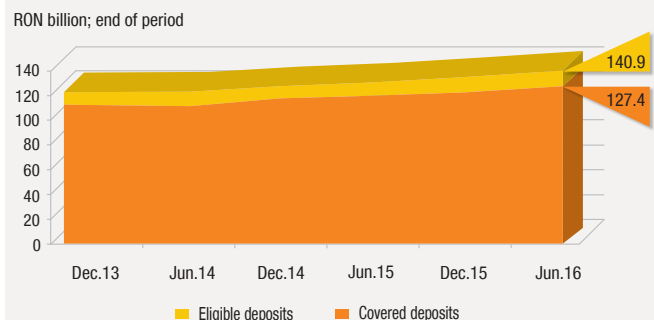
*The positioning of the natural persons' eligible deposits as compared to the guarantee ceiling*



At the end of the first semester of 2016, 99.8% of the 13,949,294 guaranteed natural persons depositors had deposits of values no greater than the coverage ceiling.

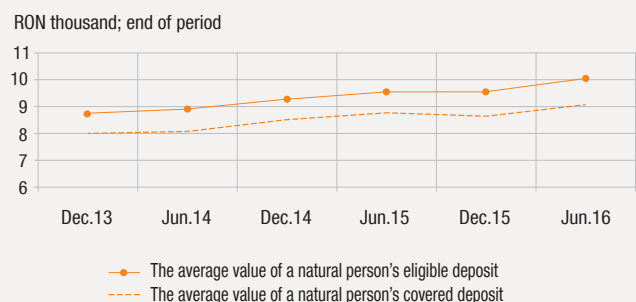
Whereas the most of the natural persons' eligible deposits are lower than the RON equivalent of EUR 100,000, the covered deposits represent 90.5% of eligible deposits, respectively RON 127.4 billion as at 30 June 2016.

*The dynamics of the population's covered deposits*



In the first half of 2016, the amount of natural persons' covered deposits increased by RON 4.5 billion, of which RON 3.6 billion represents the half-yearly growth related to deposits of lower values than the coverage ceiling.

*The evolution of natural persons' average value of eligible and covered deposits*



The average value of the natural persons' eligible deposit as at 30 June 2016 was RON 10.1 thousand (+RON 0.6 thousand as compared with the average value of 31 December 2015), while the average value of a covered deposit was RON 9.1 thousand, increasing by RON 0.5 thousand compared to the end of 2015.

## Legal persons' eligible deposits

As at 30 June 2016 the guaranteed legal persons represented by small and medium enterprises, large companies and other legal entities held deposits with FGDB-member credit institutions in amount of RON 80.4 billion.

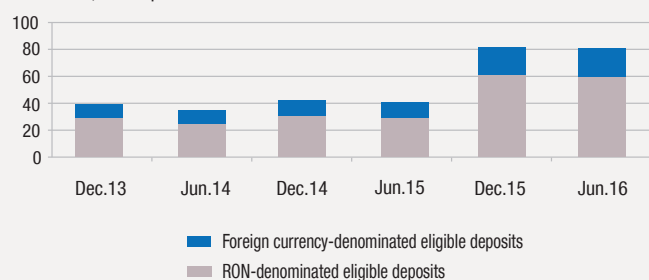
As compared to the end of 2015, the total value of legal persons' eligible deposits was lower by 4.2%, the largest

decrease was recorded in the segment of RON deposits of values over the coverage ceiling.

Legal persons' eligible deposits denominated in national currency amounted at the end of the first semester of 2016 to RON 59.3 billion (73.8% of the total eligible deposits of the legal persons).

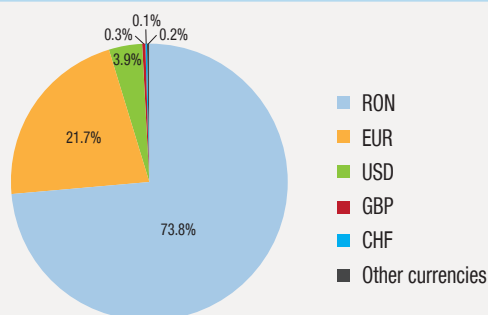
## The dynamics of legal persons' eligible deposits, by currency

RON billion; end of period



Unlike RON deposits, the foreign currency ones recorded only a slight decrease (-0.4% half-yearly variation), reaching RON equivalent 21.1 billion as at 30 June 2016. EUR deposits accounted for 21.7% in the total amount of legal persons' eligible deposits, and the US dollar ones 3.9%.

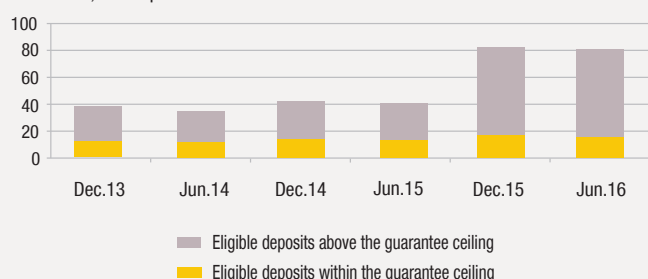
## The structure of the legal persons' eligible deposits by currency, as at 30 June 2016



The largest share in the total amount of guaranteed legal persons' eligible deposits is represented by the deposits over the coverage ceiling. As at 30 June 2016, the deposits below the coverage ceiling represented 19.7% of the legal persons' eligible deposits and the rest were the deposits above the ceiling.

## The positioning of the legal persons' eligible deposits as compared to the guarantee ceiling

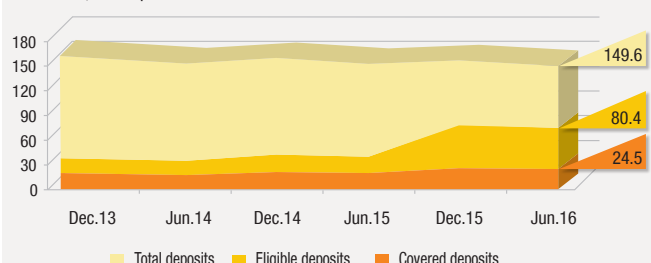
RON billion; end of period



The eligible deposits of resident legal persons (RON 78.6 billion as at 30 June 2016) accounted for 97.8% of the total value of their deposits.

## The dynamics of the legal persons' covered deposits

RON billion; end of period

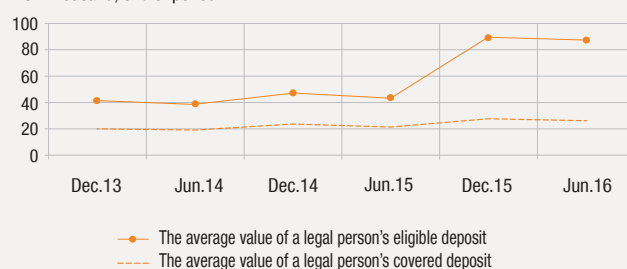


Since the most part of the legal persons' deposits are of high values, as at 30 June 2016 the amount of covered deposits was less than one-third of total eligible deposits.

At the end of the first semester of 2016, the legal persons' covered deposits totaled RON 24.5 billion, 5% less than the level of 31 December 2015.

## The evolution of legal persons' average value of eligible and covered deposits

RON thousand; end of period



The average value of deposits under the coverage ceiling as at 30 June 2016 was RON 17.9 thousand, while the average value of deposits over EUR 100,000 in RON equivalent, was RON 3,342.5 thousand.

The average value of a guaranteed legal person's covered deposit decreased slightly during the first half of 2016 to RON 27.2 thousand as at 30 June, 2016.

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