

### **Deposit Guarantee Fund is able to cover Sofia Bank's deposits**

The Finnish Financial Supervisory Authority revoked Sofia Bank's business licence on 29 March 2010. The bank's operations have been suspended and the bank has been placed in liquidation. Paying deposits and other debts to customers is not currently possible. Deposits in Sofia Bank total approximately €150M.

If Sofia Bank is unable to pay all deposits in full and in a reasonably short time, the deposits will be compensated from the Deposit Guarantee Fund, up to €50,000. Receivables of one depositor are compensated up to this amount regardless of the number of deposits or accounts. This deposit protection also covers accumulated interest. The Deposit Guarantee Fund currently totals approximately €630M.

The Financial Supervisory Authority (FIN-FSA) is to decide, before April 19, whether or not the Deposit Guarantee Fund is required to aid in the case of Sofia Bank's liquidation. So far this decision has not been made. If such a decision is made, the Deposit Guarantee Fund must compensate the deposits to customers within 3 months of the decision. However, the fund intends to pay the deposits as soon as possible.

Deposit protection covers all private persons, companies, foundations and public bodies such as municipalities and parishes. It separately covers each family member, and each owner of a jointly owned deposit account, but a person with only the right to use such an account does not qualify as a joint owner.

A depositor's receivables are paid in full, if the depositor can prove that the receivables are based on funds obtained by selling the depositor's own house or apartment, and that the funds are intended for the purchase of a new house or apartment. This type of protection requires that the house or apartment is the depositor's own place of residence, and that the deposit has been made no more than six months prior to FIN-FSA's abovementioned decision regarding Sofia Bank's liquidation.

### **No action needed from customers**

If cover from Deposit Guarantee Fund is required, Sofia Bank's depositors will be informed. The Fund will receive depositors' contact and deposit information directly from Sofia Bank. Thus the depositors do not need to contact the Fund themselves. In case of compensation, the Fund will contact the depositors by letter, giving detailed information on how to proceed with the case.

### **Additional information:**

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