

## Deposit Reimbursement Payments

In 2008 there occurred 27 insured events with the total amount of the Agency's insurance liability equal to 15.9 billion rubles - to 343 thousand depositors. The number of depositors entitled to insurance reimbursement increased by 13 times during the year, and the sum of the Agency's insurance liability - by 44 times.

On the whole, in the reporting year the Agency has provided the depositors of 48 banks with the opportunities to receive deposit insurance protection in connection with insured events occurred in 2005-2008 (28 of them are registered in the Moscow region). Dynamics of insured events during the period 2004-2008 is reflected on Fig. 1.



Fig.1. Number of insured events in 2004-2008.

During the reporting period liquidation proceedings in 7 banks – DIS participants (Evroprominvest, Khard-bank, Piko Bank, FKB, Antares, Alliance Bank, RIB-SIBIR) were completed, which means that the period for filing claims for reimbursement of insured deposits has expired. After completion of liquidation in respect of the abovementioned banks their depositors did not apply to the Agency with such claims.

For organization of timely payouts the Agency representatives regularly participated in provisional administrations managing failed credit institutions upon appointment by the Bank of Russia.

In the reporting year more than 70 thousand depositors from 36 banks registered in 17 constituent entities of the Russian Federation applied for deposit insurance reimbursement. The total amount paid to insured depositors exceeded 10.6 billion rubles, comprising 75% of the Agency's insurance liability related to these banks.

The Agency itself effected insurance payouts in 10 of 36 banks due to the insignificant number of depositors (up to 200) and the scope of liabilities. For the rest 26 banks, the agent banks, having the structural subdivisions in those population centers where failed banks were accepting household deposits before their licenses revocation, have been engaged on a competitive basis for making payouts to insured depositors. This approach ensured optimal conditions for depositors to receive reimbursement. In 7 insured events occurred in multidivisional banks 2 and more agent banks participated in payments at the same time. The depositors were distributed between these banks on grounds of the covered geographical area. In 2 banks with plenty of depositors, concentrated in big cities (Sakhalin-West» bank, Tyumen'energobank), the Agency utilized a technology of reimbursement payouts with simultaneous involvement of several agent banks in one city. Moreover, taking of applications for reimbursement in Sakhalin-West Bank, Krainiy Sever Bank in the remote settlements was carried out by the Agency representatives with further transfer of funds via post or to the

depositor's bank account. In 2008, the Agency made 1630 postal transfers amounting in total about 98 million rubles.

Payment of insurance compensation for all insured events, occurred in 2008, began in two weeks term, except for two banks in relation to which 14 days expired during the New Year holidays.

Within the period established by the Deposit Insurance Law the Agency sent information about place, time, form and procedure of accepting depositor applications for reimbursement to each bank in which insured events occurred, and to the Bank of Russia Bulletin and to local media for publication. The Agency engaged on a competitive basis the specialized postal organization M-CITY LLC for mailing of notifications to bank depositors. In 2008 more than 280 thousand individual notifications were sent.

In the reporting period work has continued on development of agent banks network for payment of compensation to insured depositors. As at January 1, 2009, 39 banks were accredited with the Agency as agent banks (as at January 1, 2008 – 21 banks). Today it is possible to organize reimbursement payments via agent banks in each constituent entity of the Russian Federation: in any of more than 900 population centers, where the agent banks have their structural subdivision.

Thus, the organizational infrastructure created for facilitating payouts to insured depositors, which received its further development in 2008, allows to the full extent exercise the statutory right of citizens to obtain quick reimbursement of their insured deposits.