

FONDS DE GARANTIE DES DEPOTS (DEPOSIT GUARANTEE FUND)

Cash deposited with your financial institution, securities held and some guarantees issued by it on your behalf, are protected by guarantee mechanisms managed by the *Fonds de Garantie des Dépôts* under terms and conditions laid down by France's 25th June 1999 Act relating to savings and financial security and its enforcement clauses.

This document presents each of these three mechanisms.

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ADDITIONAL INFORMATION

Additional information relating to the terms and conditions (notably exclusions) or timetable for compensation as well as the procedure to follow for compensation, can be obtained on request from the *Fonds de Garantie des Dépôts* (4, rue Halévy 75009 Paris).

French source documents

CASH DEPOSIT GUARANTEE MECHANISM

Regulation no. 99/05 dated 9 July 1999 – published in the *Journal Officiel* on 27 July 1999.

SECURITIES GUARANTEE MECHANISM

Regulation no. 99/14 of the *CRBF* (France's Banking and Finance Regulation Committee) dated 23 September 1999 – published in the *Journal Officiel* on 22 October 1999

GUARANTEE MECHANISM

- Regulation no. 99/12 of the *CRBF* dated 9 July 1999 published in the *Journal Officiel* on 10 September 1999.
- Decree no. 99/776 dated 8 September 1999 - published in the *Journal Officiel* on 10 September 1999.

CASH DEPOSIT GUARANTEE MECHANISM

Amount guaranteed

The maximum guarantee to which you are entitled is 70,000 euros (FF 459,170) per depositor and per credit institution which is a member of the *Fonds de Garantie des Dépôts* (regardless of where the branch is located within the European Economic Area).

Exclusions

There are some exceptions including:

- Unregistered deposits (anonymous fixed-deposit receipts);
- Deposits in currencies other than those of the European Economic Area¹;
- Debt securities issued by credit institutions.

Procedure

Once the *Commission bancaire*² has established a shortfall of funds or if receivership or liquidation proceedings are begun, the *Fonds de Garantie des Dépôts* shall notify depositors as soon as possible of the compensation terms and conditions.

SECURITIES GUARANTEE MECHANISM

Amount guaranteed

The maximum guarantee to which you are entitled is 70,000 euros (FF 459,170) per depositor and per credit institution or investment company which is a member of the *Fonds de Garantie des Dépôts* (regardless of where the branch is located within the European Economic Area). Cash deposits linked to securities accounts are also protected by the *Fonds de Garantie des Dépôts* up to 70,000 euros.

Exclusions

There are some exceptions including:

- Cash deposits linked to securities accounts and denominated in a currency of a country outside the European Economic Area;
- Securities deposited by financial institutions such as insurance companies or credit institutions.

Procedure

Once the *Commission bancaire* has established a shortfall of funds or if receivership or liquidation proceedings are begun, the *Fonds de Garantie des Dépôts* shall notify depositors as soon as possible of the compensation terms and conditions.

Even if you do not have access to the securities when the compensation procedure is applied, you remain the owner of the securities deposited. The *Fonds de Garantie des Dépôts* cannot therefore guarantee the value of your securities: it shall compensate you for the market value of the securities at the date they cease to be available.

¹ The European Economic Area consists of the 15 countries of the European Union plus Iceland, Norway and Liechtenstein.

² *Commission bancaire* = the French supervisory body for credit institutions

GUARANTEE MECHANISM

Object

You shall be entitled to a guarantee mechanism, subject to the maximum limits given below, ensuring that guarantees granted to individuals or to legal entities under private law by credit institutions which are members of the *Fonds de Garantie des Dépôts*, shall be honoured if the guarantee commitment is mandatory under legal or regulatory provisions.

Amount guaranteed

The guarantee mechanism covers 90% of the expense that would have been borne by the credit institution if it had honoured its commitment, subject to an excess of 3,000 euros.

Guarantees covered

The types of guarantee covered by the guarantee mechanism include the following:

- private works contracts as defined under article 1799-1 of the *Code civil* (French Civil code);
- travel agencies;
- estate and property agents;
- temporary employment companies;
- insurance brokers and insurance broking companies;
- house construction for individuals;
- building construction (completion guarantee);
- bar (repayment guarantee);
- fund management intermediaries in banking transactions.

Procedure

Once the *Commission bancaire* has established that an institution is no longer able to honour its commitments, it shall request the application of the guarantee mechanism.

The *Fonds de Garantie des Dépôts* shall notify affected parties as soon as possible of the compensation terms and conditions.