

## The Depositor Compensation Scheme

### General Information

1. APS Bank Limited is a member of the Depositor Compensation Scheme ('the Scheme') established under the Depositor Compensation Scheme Regulations, 2003 ('the Regulations'). The Scheme is managed and administered by a Management Committee, which is composed and regulated by the provisions of regulations 3 and 5 of the Investor Compensation Scheme Regulations, 2003.

In case a bank participating in the Scheme is unable to meet its obligations towards depositors or has otherwise suspended payment, the Scheme pays compensation to depositors up to a maximum amount established by law (currently set at a maximum of euro 100,000 or its equivalent in any EEA currency of a depositor's total deposits held with us). In any such event, a bank's net liability to a depositor is the aggregate of all accounts in the name of that depositor in euro or other EEA currency, including the depositor's share in a joint account or a client account, less any amounts due to the bank (such as loans).

2. Joint accounts are divided equally between account holders where there is no indication of the share of each holder in the account. Each will be covered up to the limits described above.
3. In respect of deposits held by a person acting as trustee or nominee for one or more persons, the deposit making up the claim shall be deemed to belong to the beneficial owners equally unless there exists specific information which may otherwise determine the beneficial interests of such persons.
4. The following will be deducted from the amounts payable under the Scheme:
  - Payments received from deposit compensation schemes elsewhere;
  - Payments made to a depositor under a policy of professional indemnity insurance;
  - The amount (e.g. on loan or an overdraft) owed by the depositor to the bank, whether or not such amount had fallen due for payment at the date of declaration of the bank's failure; and
  - Payments made under any other law, whether in Malta or abroad.
5. Current accounts, savings accounts and term deposit accounts in euro or any other EEA currency are covered, except for such amounts held by depositors listed in paragraph 6 below. Deposits held in non-EEA currencies are not covered by the Scheme. In addition, any compensation in respect of an account covered by the Scheme shall only be payable as and when the deposit becomes due.
6. However, only persons falling within the definition of "depositor" in terms of the Regulations may make a claim against the Scheme. The following are excluded from claiming under the Scheme:
  - a) Persons carrying on investment services within the meaning of the Investment Services Act (Ch. 370 of the Laws of Malta), or equivalent or similar foreign legislation;
  - b) Credit institutions carrying on the business of banking within the meaning of the Banking Act (Ch. 371 of the Laws of Malta), or equivalent or similar foreign legislation;
  - c) Financial institutions within the meaning of the Financial Institutions Act (Ch. 376 of the Laws of Malta), or equivalent or similar foreign legislation;
  - d) Insurance undertakings carrying on the business of insurance within the meaning of the Insurance Business Act (Ch. 403 of the Laws of Malta) and the Insurance Intermediaries Act (Ch. 487 of the Laws of Malta), or under equivalent or similar foreign legislation;
  - e) Collective investment schemes;
  - f) Pension and retirement funds;
  - g) Companies which are of such a size that they are not permitted to draw up abridged balance sheets pursuant to the Companies Act (Ch. 386 of the Laws of Malta), or under equivalent or similar foreign legislation;
  - h) Governments and administrative authorities, national and international institutions;
  - i) Local and municipal councils or authorities;
  - j) Debt securities issued by the same institution and liabilities arising out of own acceptances and promissory notes;
  - k) Persons holding accounts which do not disclose the depositor's identity;
  - l) Companies and commercial partnerships in the same group as the relevant credit institution;
  - m) Nominees, trustees or other third parties acting on behalf or in the interest of the persons referred to in this clause 6 to the extent of the funds held in such capacity;
  - n) Directors and managers of the relevant credit institution and members of the credit institution with personal liability, persons holding five percent or more of the capital of such credit

- institution, the auditors of the credit institution and persons of the same description with respect to a company forming part of the same group of companies as the credit institution;
- o) Close relatives, that is, ascendants, descendants or the spouse of the persons referred to in paragraph (n) above;
  - p) Depositors who have any responsibility for or have taken advantage of certain facts relating to a credit institution which gave rise to the credit institution's financial difficulties or contributed to the deterioration of its financial situation;
  - q) Depositors in respect of transactions in connection with which a criminal conviction has been obtained for money laundering in terms of the Prevention of Money Laundering Act (Ch. 373 of the Laws of Malta), or under equivalent or similar foreign legislation.
7. A depositor who is entitled to compensation under the Scheme may only submit one claim in respect of all his eligible deposits, taken in aggregate, with the bank concerned.

***Conditions and formalities to obtain compensation***

8. When it is determined by the competent regulatory authority that a bank is unable to meet its obligations towards its depositors, the Scheme's Management Committee shall publish a notice in at least two (2) local newspapers, informing depositors of the bank concerned of such failure, and of the manner in which claims, supported by documentary evidence, are to be submitted.
9. Claims shall be made in such form, and shall be accompanied by such documentation or information, as the Management Committee may determine and make public from time to time.
10. The right of a depositor for compensation shall not be forfeited if the depositor is able to prove that he was unable to assert his right to compensation within any time limits prescribed by the Management Committee.
11. The Management Committee shall proceed to pay compensation for **verified** claims within twenty (20) working days of the date when the competent regulatory authority determined that the bank concerned was unable to meet its obligations towards its depositors. Exceptionally, the Management Committee may apply to the competent regulatory authority for an extension of this period by a further period not exceeding ten working days.
12. The Management Committee shall make its own administrative arrangements for verifying claims. These arrangements shall include:
  - providing an application form for claimants, both in English and in Maltese;
  - requiring claimants to give:
    - (i) Their identity and address;
    - (ii) The capacity in which they claim;
    - (iii) Evidence of their eligible deposits;
    - (iv) Any other information required by the Management Committee
13. The Management Committee may refuse to make a payment for compensation until the claimant informs the Management Committee as to the capacity in which he is the beneficial owner of the deposit and provides satisfactory documentary evidence and information to allow the Management Committee to determine the amount of compensation payable.
14. Also, the Management Committee may decide to delay payment to a claimant until determination of any criminal charge brought against the claimant, depositor, or any person entitled to or interested in respect of an eligible deposit under the provisions of the Prevention of Money Laundering Act or a corresponding law of a country outside Malta.
15. Where, in the opinion of the Management Committee, circumstances so warrant, the Management Committee may effect part payments to claimants eligible for compensation.
16. Where the Management Committee is of the opinion that a depositor is not eligible for compensation in whole or in part, the Management Committee shall give notice in writing to the depositor of that opinion and of the reasons therefor.
17. Prior to any payment for compensation, depositors shall confirm in writing to the Management Committee that:

- (a) They have not received any payment from any other scheme, or from the failed bank, in respect of the same loss;
  - (b) They will provide any assistance the Management Committee may require to enable it to exercise its rights and remedies against the failed bank; and
  - (c) Their rights and remedies against the failed bank in respect of the claims paid shall be subrogated in favour of the Management Committee.
18. For more information on the Scheme you may also access the Depositor Compensation Scheme website: <http://www.compensationschemes.org.mt/default.asp> or contact the Management Committee of the Scheme at the below address:

Compensation Schemes Management Committee  
c/o Malta Financial Services Authority  
Notabile Road  
Attard BKR3000  
Malta  
Tel: +356 21441155  
E-mail: [info@compensationschemes.org.mt](mailto:info@compensationschemes.org.mt)

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