



BVR · P.O. Box 12 04 40 · 53046 Bonn

To the  
customers of the Volksbanken and  
Raiffeisenbanken, Sparda banks, PSD banks,  
church banks and other cooperative  
institutions that are members of the BVR  
and part of the cooperative  
protection scheme

**National Association of German  
Cooperative Banks · BVR**

**Board of Managing Directors**

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**BVR Institutssicherung GmbH and Sicherungseinrichtung des BVR**

Dear Madam/Sir,  
dear customers,

With your decision to invest your money with a cooperative bank, you have not only placed your trust in the bank you have chosen, but also in the Cooperative Financial Network. Various protection schemes safeguard the stability of the banking system in Germany. Within the Cooperative Financial Network, the work of “BVR Institutssicherung GmbH” and the “Sicherungseinrichtung” of BVR are of fundamental importance for the stability of your bank and the security of the funds you have entrusted to it.

Together, BVR Institutssicherung GmbH, an officially recognised deposit guarantee scheme and wholly owned subsidiary of the BVR, and the BVR’s voluntary Sicherungseinrichtung, the world’s oldest scheme for banks that is exclusively financed by the private sector, constitute the Protection Scheme of the Cooperative Financial Network. The two institutional protection systems complement each other. As at 31 December 2023, 704 institutions were members of the Sicherungseinrichtung of BVR (local Volksbanken and Raiffeisenbanks, Spar- und Darlehenskassen, Sparda banks, PSD banks, banking institutions for churches and other cooperative banks, as well as DZ BANK, Bausparkasse Schwäbisch Hall, mortgage banks and other specialist institutions); the same institutions are also members of BVR Institutssicherung GmbH insofar as they engage in deposit-taking business and have their registered office in Germany.<sup>1</sup>

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<sup>1</sup> Lists of the BVR institutes affiliated with the Sicherungseinrichtung of BVR and BVR Institutssicherung GmbH are available on the Internet at <https://www.bvr.de/SE> and [www.bvr-institutssicherung.de](http://www.bvr-institutssicherung.de).

BVR Institutssicherung GmbH and the Sicherungseinrichtung of BVR are responsible for averting or remedying imminent or existing financial difficulties at the affiliated institutions, in other words for preventing insolvencies. In the context of this so-called institutional protection, affiliated banks facing financial difficulties that they cannot resolve on their own are supported by the cooperative protection system. This ensures the banks' liquidity and solvency and allows them to meet their financial obligations in full. Since the establishment of cooperative protection schemes in the aftermath of the Great Depression and the banking crisis of the early 1930s,

- there has not been a single insolvency of a cooperative institution,
- as a result, no depositors have ever had to be compensated.

The deposits customers hold at the affiliated banks are also protected by the institutional protection mechanism, which effectively precedes the deposit protection system that guarantees compensation.

Notwithstanding its task of safeguarding the continued operation of the affiliated institutions, BVR Institutssicherung GmbH also fulfils the legislator's mandate of guaranteeing legal depositor compensation in its capacity as an officially recognised deposit guarantee scheme. If a compensation case occurs at an affiliated institution, the depositors have a legal claim to receive compensation from BVR Institutssicherung GmbH in accordance with the German Deposit Protection Act (Einlagensicherungsgesetz - EinSiG). In addition to all private individuals, companies are also protected, provided that they are not banks or institutional investors (e.g. financial service providers, insurance companies, pension funds) which – similar to state agencies – are not subject to statutory deposit protection.<sup>2</sup> Deposits as defined by the EinSiG essentially include balances on current accounts and overnight deposits, fixed-term deposits (time deposits) and savings deposits (including savings books). As a rule, the maximum statutory compensation claim is EUR 100,000 per depositor per bank (irrespective of the number of accounts and the respective currency). In specific cases, the level of protection for deposits credited to the customer account within a period of six months prior to the occurrence of the compensation event may be increased to a total of up to EUR 500,000. These include, among others, amounts resulting from real estate transactions relating to residential property used for private purposes or those that fulfil social purposes provided for by law and are linked to specific lifetime events of a depositor (e.g., retirement, redundancy, illness, death).<sup>3</sup>

In addition to the statutory deposit protection provided by BVR Institutssicherung GmbH, customers' deposits at the affiliated institutions are also covered by the Sicherungseinrichtung

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<sup>2</sup> A list of deposits not eligible for compensation under Section 6 EinSiG can be found on the internet at [www.bvr-institutssicherung.de](http://www.bvr-institutssicherung.de).

<sup>3</sup> Further information on the cases of higher coverage pursuant to Section 8 (2) to (4) EinSiG can be found on the internet at [www.bvr-institutssicherung.de](http://www.bvr-institutssicherung.de).

of BVR. The level of protection provided as a voluntary protection system based on the statutes of the Sicherungseinrichtung of BVR goes beyond the statutory compensation claim. This protection covers customer deposits (essentially savings deposits, savings bonds, time deposits and current deposits), i.e. the deposits of all natural and legal entities with the exception of other banks, which are generally not subject to deposit protection. Bonds issued by institutions that belong to the Sicherungseinrichtung of BVR and are held by non-banks are also covered. The scheme also protects customer deposits and bonds exceeding an amount of EUR 100,000.<sup>4</sup>

As mentioned above, thanks to the institutional protection mechanism that has been successfully practised for more than 85 years, a case of compensation, which would be a prerequisite for the aforementioned deposit protection and the compensation of depositors, has never occurred.

The performance of BVR Institutssicherung GmbH and of the Sicherungseinrichtung of BVR is monitored by the German Federal Financial Supervisory Authority (BaFin).

Further information regarding BVR Institutssicherung GmbH and of the Sicherungseinrichtung of BVR is available on the Internet at [www.bvr-institutssicherung.de](http://www.bvr-institutssicherung.de) and [www.bvr.de/SE](http://www.bvr.de/SE) respectively.

Yours sincerely,

National Association of German  
Cooperative Banks · BVR

Board of Managing Directors

Marija Kolak

Tanja Müller-Ziegler

Daniel Quinten

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<sup>4</sup> Further details regarding deposit protection pursuant to Article 1 (4) of the statutes of the Sicherungseinrichtung of BVR are available on the Internet at [www.bvr.de/SE](http://www.bvr.de/SE).