



Press release

14 February 2020

Deposit Protection Corporation increases cover level

Harare, 14 February 2020: Pursuant to the provisions of section 41(1) of the Deposit Protection Corporation Act [Chapter 24:29], the public is hereby advised that effective 1 January 2020, the deposit protection cover level has been increased from ZWL1,000 (One Thousand Zimbabwean Dollars) to a maximum of ZWL10,000 (Ten Thousand Zimbabwean Dollars) per depositor, per account type, per banking institution and up to a maximum of ZWL500 (Five Hundred Zimbabwean Dollars) for deposit-taking microfinance institutions. The applicable cover levels are reviewed from time to time in line with Fund growth and prevailing macroeconomic conditions.

In the event of failure of a contributory institution, every client with a deposit balance equal to or below the specified cover level is guaranteed to receive full compensation of the amount in his or her account at the time of closure of the contributory institution, provided one submits a duly completed claim form. Any outstanding deposit balance above the specified cover level is payable through the liquidation process on a pro-rata basis.

The new cover level of ZWL10,000 per depositor per banking institution protects 98.9% of depositors in full and at a cover level of ZWL500 per depositor per deposit-taking microfinance institution, 98.5% of depositors will be covered in full. The new cover levels fulfill the Corporation's Public-Policy Objective of ensuring that at least 90% of depositors are covered in full.

For the avoidance of doubt, depositors of all banking institutions closed prior to 1 June 2016 are being compensated using the old cover limit of ZWL500 (Five Hundred Zimbabwean Dollars), as the new cover level has no retrospective effect.

Deposit protection is free for all bank depositors and no application is required as coverage is automatic upon opening a bank account with any deposit-taking institution licensed by the Reserve Bank of Zimbabwe to operate banking or finance business in Zimbabwe. The increase in the cover levels will go a long way in protecting depositors, enhancing financial stability and public confidence in the country's financial system.

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Note to Editors:

About Deposit Protection Corporation (DPC)

The Deposit Protection Fund is established under Section 13 of the Deposit Protection Corporation Act [Chapter 24:29]. The primary objective of the Fund is to compensate depositors in full or in part, for losses incurred in the event of insolvency of a contributory institution. The Fund is vested in and administered by the Deposit Protection Corporation ("DPC" / "the Corporation"). The Corporation commenced operations on the 1st of July 2003, and its primary objective is to provide deposit protection to depositors in institutions licensed to operate banking or finance business in Zimbabwe such as commercial banks, merchant banks, building societies, finance houses, discount houses and deposit-taking microfinance institutions.

DPC's public policy objectives as stipulated in the Deposit Protection Corporation Act [Chapter 24:29] entail:

- Protecting depositors by providing an orderly means of compensation in the event of a failure of a contributory institution.
- Contributing towards the stability of Zimbabwe's financial system.
- Enhancing competition between different sectors and institutions in Zimbabwe's financial system.
- Promoting sound business practices in contributory institutions.
- Protecting the Fund against loss.

Besides compensating depositors in the event of failure of a contributory institution, DPC also actively participates in the resolution of failing or failed contributory institutions and liquidation of closed contributory institutions.

For more information on the Deposit Protection Corporation and the Scheme it administers, please visit www.dpcorp.co.zw. Follow Deposit Protection Corporation on [Facebook](#) and [Twitter](#).

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