

Illustrative examples:

1. How much is Fe Santos's insured deposit if she has the following four deposit accounts in the same bank?

Account Name	Deposit (in Php)	Insured Deposit of Fe Santos
Fe Santos	100,000	100,000
Ben Santos <i>For the Account of</i> Fe Santos	100,000	100,000
Charlie Santos <i>In Trust For</i> Fe Santos	100,000	100,000
Fe's Store (Sole Proprietor)	700,000	200,000
Total	1,000,000	500,000

2. How much is Fe Santos's insured deposit if she has the following three joint accounts in the same bank?

Account Name	Deposit (in Php)	Fe's Share in the Insured Deposit
Fe Santos <i>or</i> Ben Santos	500,000	250,000
Fe Santos <i>and</i> Charlie Santos	1,000,000	250,000
Fe Santos <i>and/or</i> Divina Santos	1,000,000	0 ²
Total	2,500,000	500,000

2/ Mrs. Fe Santos does not have any insured deposit share since she already has P500,000 in total shares in the two joint accounts she has with Ben and Charlie Santos.

3. How much is Fe Santos's insured deposit for all her single and joint accounts in the same bank?

Accounts	Deposit (in Php)	Fe's Share in the Insured Deposit
All single accounts of Fe Santos in Q1	1,000,000	500,000
All joint accounts of Fe Santos in Q2	2,500,000	500,000
Total	3,500,000	1,000,000

For purposes of computing the insured deposits, all obligations or loans of the depositor with the closed bank, as of bank closure, shall be deducted from the depositor's total deposits with the said bank. (PDIC Regulatory Issuance No. 2011-04)



What are NOT covered by PDIC deposit insurance?

The following, whether denominated, documented, recorded or booked as deposit by the bank, are excluded from PDIC deposit insurance (Section 4 (f) of the PDIC Charter):

- Investment products such as bonds and securities, trust accounts and other similar instruments
- Deposit accounts or transactions that:
 - Are unfunded, fictitious or fraudulent
 - Constitute and/or emanate from unsafe and unsound banking practice/s³ as determined by the PDIC, in consultation with the BSP, after due notice and hearing and publication of PDIC's cease & desist order against such deposit accounts/transactions
 - Are determined to be proceeds of an unlawful activity as defined in the Anti-Money Laundering Act (Republic Act 9160, as amended)

3/ Unsafe and unsound deposit-related activities include, among others: (PDIC Regulatory Issuance No. 2011-01)

- Deposit-related practice/activity/transaction without the approval or adequate controls required under existing laws, rules and regulations
- Failure to keep bank records within bank premises
- Granting high interest rates, when bank has: (i) negative unimpaired capital, or (ii) liquid assets to deposit ratio less than 10%
- Non-compliance with PDIC regulations

Disclaimer:
This is not meant to supplant or supersede the actual provisions of the PDIC Charter and other applicable laws. The latter will prevail in case of conflict.

www.pdic.gov.ph



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Understanding Deposit Insurance

Basic information on the scope of deposit insurance and the application of the maximum deposit insurance coverage



The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963 by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing permanent and continuing deposit insurance up to the maximum deposit insurance coverage of P500,000.00¹, per depositor, per bank.



Maximum Deposit Insurance Coverage (MDIC)

PDIC shall pay deposit insurance on all valid deposits up to the Maximum Deposit Insurance Coverage of Php500,000, per depositor, of a closed bank. Accounts maintained in the same right and capacity for a depositor's benefit, whether in his own name or in the name of others, are covered by deposit insurance.

Deposits are considered valid upon the determination by the PDIC, based on bank records, that the deposits were made with a corresponding inflow of cash.



PDIC Member Banks

PDIC member banks include the following institutions authorized by the Bangko Sentral ng Pilipinas (BSP) to perform banking functions in the Philippines:

- Banks incorporated under Philippine laws, such as commercial banks, savings banks, mortgage banks, development banks, rural banks and cooperative banks and stock savings and loan associations.
- Domestic branches of foreign banks

1/ Effective June 1, 2009



What are covered by PDIC deposit insurance?

PDIC insures valid deposits in domestic offices of its member banks.

INSURED DEPOSITS

By Deposit Type:

- Savings
- Special Savings
- Demand/ Checking
- Negotiable Order of Withdrawal (NOW)
- Certificate of Time Deposits

By Deposit Account:

- Single Account
- Joint Account
- Account "By", "In Trust For" (ITF) or "For the Account of" (FAO) another person

By Currency:

- Philippine peso
- Foreign currencies considered as part of BSP's international reserves



Single Accounts are individually-owned accounts or accounts held under one name, either as natural person or juridical entity.

- Natural Person refers to any individual person. Single proprietors are considered natural persons.
- Juridical entity refers to a corporation, partnership or cooperative.



Joint Accounts are accounts held under more than one name.

- A joint account regardless of whether the conjunction "and", "or" or "and/or" is used shall be insured separately from single accounts.
- Unless a different sharing is stipulated in the deposit documents, the insured amount up to the Maximum Deposit Insurance Coverage of Php500,000 shall be divided equally between or among co-owners of a joint account.
- The total shares of a co-owner in several joint accounts may exceed Php500,000 but will only be insured up to the Maximum Deposit Insurance Coverage of Php500,000.
- Joint accounts held in the names of a juridical entity and a natural person shall be presumed to belong solely to the juridical entity.



"BY", "ITF" or "FAO" Accounts

- In a "By" account, **Ana** by **Ben**, **Ana** is the depositor.
- In an "In Trust For" (ITF) account, **Ana** In Trust For **Ben**, **Ben** is the depositor.
- In a "For the Account of" (FAO) account, **Ana** For the Account of **Ben**, **Ben** is the depositor.

To simplify:

In the case where a depositor is the sole beneficial owner of a single, "For the Account of", "By", and "In Trust For" accounts, the consolidated balances of these accounts shall be insured up to Php500,000.

The depositor's total shares in his/her joint accounts shall be separately insured up to Php500,000.

A depositor with single accounts and joint accounts may have insured deposits of up to Php1,000,000.

