PDIC: Raising Public Awareness and Advancing Depositor Protection

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PDIC is a government instrumentality created to protect depositors and help promote financial stability.

**Mandates**

- **Deposit Insurer** - provides deposit insurance up to ₱500,000 per depositor, per bank

- **Receiver** - acts as receiver of banks ordered closed by Monetary Board of the Bangko Sentral ng Pilipinas.

Deposits are insured by PDIC up to P500,000 per depositor.
PDIC in Action
PDIC in Action
PDIC in Action
The PDIC Public Awareness Campaign: A Brand’s Journey
Stakeholders’ Perception

Focus Group Discussion
- “undertaker” of banks
- association with PDIC means a bank is in danger of closing
- depositors of closed banks appreciate protection of their deposits
- a private corporation

Pre-test of National Survey
- 1 out of 5 respondents named PDIC as the government agency that provides depositor protection
- Respondents have low awareness of PDIC and what it does
New Symbol of Depositor Protection

Committed to Serve
- Badge looking
- Similar to other agencies
- Key is one of the elements
- Tagline’s message is about PDIC

Bank Deposit Mo, Protektado!
- Corporate looking
- Distinct design
- Entire logo looks like a key
- Tagline’s message is for PDIC’s clients
Financial Literacy Program: A tool in Depositor Protection
PDIC’s Flagship Financial Literacy Programs

- Teachers’ Guides (2004): integrated lessons about money, saving, basic banking, responsible banking into the curriculum of secondary education.

- Be a Wise Saver (2009): campaign for safe and responsible banking
National Survey on Financial Inclusion
Bangko Sentral ng Pilipinas (2018)

4 out of 10 currently save
• Mostly keep their money at home
• Only 1/3 save in banks in urban areas and with higher incomes
• Main purpose is for emergencies

3 out of 10 used to save
• No longer have money to save
• Do not see the need
• Had a bad experience before

3 out of 10 have not saved
• Do not have enough money
• Do not need savings
• Have problems with saving
Public Awareness Survey
Philippine Deposit Insurance Corporation (2019)

5 out of 10 ever had a deposit account

- Mostly in personal savings account
- Current account owners are mostly in urban areas and have higher incomes

5 out of 10 never had a deposit account

- Not enough money left for savings
- Do not have work or business
- No need to save; do not have ID
BAWS 2.0: Responding to the Needs of Time

- Need to sustain the financial literacy program
- 52.8 M Filipinos do not have bank accounts

1 2017 Financial Inclusion Survey of the Bangko Sentral ng Pilipinas
DEPOSITS ARE PROTECTED THROUGH DEPOSIT INSURANCE

Maximum Deposit Insurance Coverage

- In the case of **single accounts**, the balances are added together and shall be insured up to ₱500,000
- A **joint account** ("and", "or" or "and/or") shall be insured separately from single accounts

₱ 500,000 per depositor
Illustrative examples

Single Accounts

How much is Mang Domeng’s insured deposit if he has the following four deposit accounts in the same bank?

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Deposit (in ₱)</th>
<th>Insured Deposit of Mang Domeng</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mang Domeng</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Grace Santos</td>
<td>100,000</td>
<td></td>
</tr>
<tr>
<td><em>For the Account of</em> Mang Domeng</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Maria Santos</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td><em>In Trust For</em> Mang Domeng</td>
<td>100,000</td>
<td>100,000</td>
</tr>
<tr>
<td>Mang Domeng’s Store (Sole proprietor)</td>
<td>700,000</td>
<td>200,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>1,000,000</strong></td>
<td><strong>500,000</strong></td>
</tr>
</tbody>
</table>
**Illustrative examples**

**Joint Accounts**

How much is Mang Domeng’s insured deposit if he has the following three joint accounts in the same bank?

<table>
<thead>
<tr>
<th>Account Name</th>
<th>Deposit (in ₱)</th>
<th>Mang Domeng’s Share in the Insured Deposit</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mang Domeng or Grace Santos</td>
<td>500,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Mang Domeng and Maria Santos</td>
<td>1,000,000</td>
<td>250,000</td>
</tr>
<tr>
<td>Mang Domeng and/or Divina Santos</td>
<td>1,000,000</td>
<td>0²</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>2,500,000</strong></td>
<td><strong>500,000</strong></td>
</tr>
</tbody>
</table>

2/ Mang Domeng does not have any insured deposit since he already has ₱ 500,000 in total shares in the two accounts he has with Ben and Charlie Santos.
Financial institutions covered by deposit insurance

- Commercial/Universal Banks
- Specialized Government Banks
- Thrift Banks
- Rural Banks
- Cooperative Banks
- Branches of Foreign Banks
Contacting PDIC

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cor. V.A. Rufino Street, Makati City
PDIC

PHILIPPINE DEPOSIT INSURANCE CORPORATION

Bank Deposit Mo, Protektado!
The following deposits are covered by deposit insurance:

**By Deposit Type:**
- Savings
- Special Saving
- 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

The following bank products are **NOT** covered by deposit insurance:

1. Investment Products
2. Trust Accounts
3. Fraudulent accounts
4. Laundered money and deposit products from illegal and unlawful services
5. Products from unsafe and unsound banking practices
6. e-Money