

Deposit Insurance Scheme FAQs

1. What is the Deposit Insurance Scheme?

The Deposit Insurance (DI) Scheme protects depositors in the event a DI Scheme member fails by compensating their insured deposits up to a maximum of S\$75,000.

2. How does the Deposit Insurance Scheme work?

In the event a DI Scheme member fails, the MAS can request the Singapore Deposit Insurance Corporation (SDIC) to make compensation payments. Arrangements will be made for depositors to be paid either by cheque or through accounts opened for them in another financial institution.

The SDIC will make the compensation from insurance premiums that banks and finance companies pay every year under the Deposit Insurance Scheme.

3. Who is covered under the Deposit Insurance Scheme?

Individuals and other non-bank depositors with accounts in full banks and finance companies are covered. Non-bank depositors include sole proprietorships, partnerships, companies and unincorporated entities like associations and societies. You can request for a register of insured deposits from any full bank or finance company to find out which deposit products are covered. Also, the account opening forms and deposit account statements will disclose which deposits are covered.

4. Why are foreign currency and structured deposits not covered? They are very popular and the banks have been actively promoting it.

Deposit insurance is mainly to protect small depositors. Many of them do not have foreign currency or structured deposits.

Also, foreign currency deposits and structured deposits have an investment feature where the investor is required to assume higher risk for the higher return. Therefore these products do not form part of the core savings or transaction accounts of small depositors.

5. What other deposits are not eligible for the Deposit Insurance Scheme?

The following deposits are not eligible for the Deposit Insurance Scheme:

- Foreign currency deposits
- Structured deposits
- Investment products such as unit trusts, shares and other securities

6. How will I know if my Maybank deposit account is eligible for the Deposit Insurance Scheme?

Maybank's deposit accounts which are eligible for the Deposit Insurance Scheme are listed in Maybank's Insured Deposit Register.

7. How much is covered under the Deposit Insurance Scheme?

Under the Scheme, all insured deposits held in the name of the same depositor placed with Maybank (except for deposits under the CPF Investment Scheme and CPF Retirement Sum Scheme) are aggregated and insured up to S\$75,000. Moneys and deposits under the CPF Investment Scheme and CPF Retirement Sum Scheme are aggregated and separately insured up to S\$75,000.

Example: A customer has a personal SaveUp Account with a balance of S\$20,000, a personal PremierOne Account with a balance of S\$20,000 and a personal Time Deposit Account with a balance of S\$30,000. The customer's aggregate deposit with Maybank is S\$70,000. Under the Deposit Insurance Scheme, the amount insured is capped at S\$75,000.

8. I thought my deposits were covered 100%. Why is it only \$75,000?

The 100% coverage under the Government guarantee expired on 31 Dec 2010. When the Government guarantee was in place, the DI Scheme continued to cover insured deposits up to \$20,000, but the limit has been increased to \$75,000.

9. Why only \$75,000? Why not more?

The objective of the Deposit Insurance Scheme is to provide adequate protection to small depositors. The protection limit of \$75,000 would fully insure 91% of individual and non-bank depositors covered under the DI Scheme. This is a high level of coverage and exceeds international norms of 80% to 90%.

10. Will the SDIC have enough money in the event of a payout?

There will be sufficient funds to cover a payout. For more details, please contact the Singapore Deposit Insurance Corporation on 6513 2015.

11. What about my outstanding housing loan and car loan from Maybank? Will these loans be deducted from the deposit insurance payout?

No. In the event of a payout, SDIC will compensate you for up to \$75,000 without first deducting any outstanding loans. But you will still have to repay these loans to the liquidator of the failed bank or finance company.

12. For joint accounts, how is the balance divided for the purpose of the Deposit Insurance Scheme?

For joint accounts, each joint account holder is assumed to have an equal share in the joint account, unless the records with Maybank show otherwise. Therefore the balance in a joint account is divided equally among all account holders for the purpose of the Deposit Insurance Scheme, unless the records with Maybank show otherwise.

Example 1: Customer A has a personal SaveUp Account with a balance of S\$10,000 and a joint PremierOne account (with Customer B) with a balance of S\$10,000. Under the Deposit Insurance Scheme, the amount insured for Customer A is S\$15,000. The balance from the PremierOne Account is divided equally between the 2 account holders for the purpose of the Deposit Insurance Scheme.

Example 2: Customer A has a personal SaveUp Account with a balance of S\$30,000 and a joint PremierOne Account (with Customer B) with a balance of S\$75,000. Customer A's total computed deposits of S\$55,000 will be covered up to S\$75,000.

13. For trust and client accounts, how are the deposits held with the bank being treated under the Deposit Insurance Scheme?

Trust and client accounts held by individuals and non-bank depositors are insured on a per account basis up to \$75,000. Deposits held in trust and client accounts will not be aggregated with the other personal deposits of the account holders or beneficiaries of these trust and client accounts with Maybank.

14. I am a sole proprietor, how does the Deposit Insurance Scheme cover me?

For sole proprietor, your personal eligible accounts will be aggregated with the eligible accounts of your sole proprietorship(s) with Maybank in order to determine your total insured deposits.

15. What about my CPF-related accounts? How will the coverage be calculated for these accounts?

Your monies and deposits under the CPF Investment Scheme and the CPF Retirement Sum Scheme will be combined and insured up to \$75,000 under a separate coverage limit.

16. How does the Deposit Insurance Scheme work for Partnership?

A partnership is treated as a single entity for computation of total insured deposits.

Example: A partnership has 3 partners A, B, C, with a deposit of \$90,000 with Maybank. In addition, Partner C has \$40,000 in his personal savings account with the bank. The partnership will be entitled to \$75,000 as a single entity. Partner C is insured for \$40,000 in his personal capacity.

17. Do I need to sign up or pay an insurance premium to be covered by the Deposit Insurance Scheme?

No action is needed from you as all insurance premiums and costs to be covered by the Deposit Insurance Scheme are borne by Maybank.

18. In the event that a claim is to be made, must I initiate it to the Bank or to SDIC? Or will the Bank notify me?

SDIC will provide details on how the compensation will be made. You do not need to file any claims. SDIC will make announcements through the TV, newspapers and at the affected bank or finance company.

If your deposit exceeds the compensation from the SDIC, you can file a separate claim with the liquidator for the difference but you cannot claim what has already been compensated.

19. How soon will I get my money back should the bank collapse?

SDIC guarantees depositors that they will get up to S\$75,000 in the event of a bank failure. This will be done promptly, either through cheque payments or credited into an account opened for you in another bank.

Contact SDIC

Additional information on deposit insurance can be obtained from the SDIC website at www.sdic.org.sg, or by contacting the SDIC:
Singapore Deposit Insurance Corporation
10 Shenton Way
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