

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\$100,000.

2. How does the Deposit Insurance Scheme work?

In the event a DI Scheme member fails, MAS will request the Singapore Deposit Insurance Corporation (SDIC) to step in. Arrangements will be made by SDIC for depositors to be paid either by cheques, cashier's orders or through electronic payment methods.

SDIC will make the compensation from the DI Fund which is built up from the premiums that DI Scheme members pay annually.

3. Who is covered under the Deposit Insurance Scheme?

Individuals and non-bank depositors such as sole proprietorships, partnerships, companies and other unincorporated entities like associations and societies are covered under the DI Scheme.

4. What types of deposits are covered under the Deposit Insurance Scheme?

The DI Scheme covers the following Singapore dollar denominated deposits placed with a DI Scheme member in any of its branches in Singapore:

- ✓ A deposit held in a savings account
- ✓ A deposit held in a fixed deposit account
- ✓ A deposit held in a current account
- ✓ Any monies placed under the CPF Investment Scheme
- ✓ Any monies placed under the CPF Retirement Sum Scheme
- ✓ Any monies placed under the Supplementary Retirement Scheme

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

The main objective of deposit insurance is to protect small depositors. Many of them do not have foreign currency or structured deposits.

Foreign currency deposits and structured deposits also have an investment feature where the investor is required to assume higher risk for the higher return. Such products do not typically form part of the core savings or transaction accounts of small depositors.

6. 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

7. Why is deposit insurance necessary? I thought Singapore's banking system is very safe?

Singapore's banking system is known to be safe and well regulated. MAS has rules to ensure that banks and finance companies are well managed, well capitalised and have enough liquidity to meet any unforeseen needs

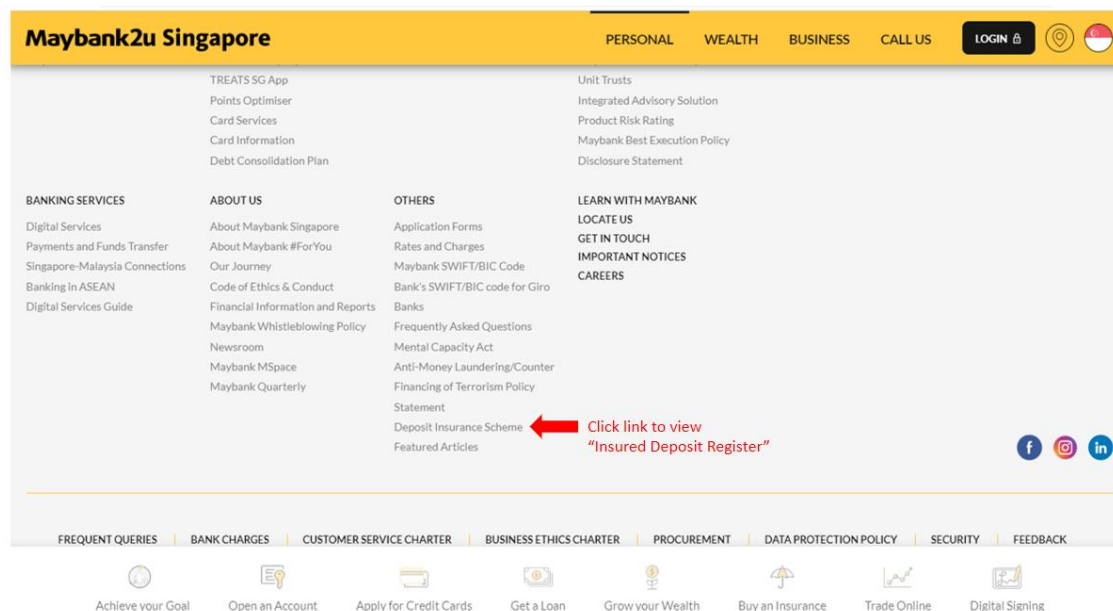
Deposit insurance is just another layer of protection for small depositors. These are hard-earned savings and while the going is good, it is better to build up an insurance fund than wait for a crisis to happen. Experience elsewhere has shown that if you have a mechanism in place to guarantee the safety of deposits, people are less likely to panic if and when things go wrong.

8. 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\$100,000. Monies and deposits under the CPF Investment Scheme and CPF Retirement Sum Scheme are aggregated and separately insured up to S\$100,000.

9. 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.



<https://www.maybank2u.com.sg/en/personal/accounts/deposit-insurance-scheme.page?>

10. How am I insured if I have multiple accounts with Maybank? For example, I have a savings account, current account and a time deposit account.

Example: Suppose you have S\$20,000 in your SaveUp Account, S\$25,000 in your PremierOne Account and a US dollar Time Deposit of US\$10,000 with Maybank. You have also placed S\$110,000 of your CPF monies in CPF Time Deposit with Maybank.

The calculation is as follows:

	Account Balance	Amount Insured	Amount Not Insured
SaveUp Account	S\$20,000		
PremierOne Account	S\$25,000		

Total	S\$45,000	S\$45,000 ¹	S\$0
CPF Time Deposit	S\$110,000	S\$100,000 ²	S\$10,000 ²
US Dollar Time Deposit	US\$10,000	US\$0	US\$10,000 ³
Total amount insured/not insured		S\$145,000	S\$10,000 US\$10,000

Notes:

1. Insured deposits are aggregated and insured up to S\$100,000.

2. Monies placed under the CPFIS and CPFRS are aggregated and insured up to S\$100,000.

3. Foreign currency deposits are not covered under the DI Scheme

11. How are joint accounts protected under the Deposit insurance Scheme?

For joint accounts, SDIC will split funds in the joint account evenly unless the DI Scheme member has records that show otherwise. Each account holder's share is then combined with his or her own accounts and the total amount of insured deposits is then covered up to S\$100,000.

Example: Suppose you have S\$90,000 in your Passbook Savings Account and S\$70,000 in a joint Passbook Savings Account with your spouse with Maybank. Your spouse does not have any insured deposit in his or her own name with Maybank. Each person's share of the joint account is considered to be equal unless otherwise stated in the bank's records, for the purposes of calculating your DI coverage.

The calculation is as follows:

	Account Balance	Amount Insured	Amount Not Insured
<u>Your Deposits</u>			
Passbook Savings Account	S\$90,000		
Share of Joint Passbook Savings Account (S\$70,000 ÷ 2)	S\$35,000		

Total	S\$125,000		
Total amount insured/not insured		S\$100,000	S\$25,000
<u>Your Spouse's Deposits</u>			
Share of Joint Passbook Savings Account (S\$70,000 ÷ 2)	S\$35,000		
Total amount insured/not insured		S\$35,000	S\$0

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

Insured deposits in a person's own name, and in the name of his sole proprietorship held with the same Scheme member, will be aggregated. Similarly if the sole proprietorship is owned by a company, then the deposits of the sole proprietorship and the company will be aggregated.

Example: Suppose you are a sole proprietor with S\$80,000 in your personal SaveUp Account with Maybank. You also have a sole proprietorship business which has S\$55,000 in FlexiBiz Account with Maybank. The deposits in your personal SaveUp Account and business FlexiBiz Account will be aggregated to determine your total insured deposits and insured up to S\$100,000.

The calculation is as follows:

	Account Balance	Amount Insured	Amount Not Insured
Sole Proprietor Personal - SaveUp Account	S\$80,000		
Sole Proprietor Business - FlexiBiz Account	S\$55,000		

Total	S\$135,000		
Total amount insured/not insured		S\$100,000	S\$35,000

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

A partnership is treated as a single entity for the purpose of DI compensation and no aggregation of its insured deposits with insured deposits of its partners is applied.

Example: Assume a partnership with 3 partners - A, B and C and they have a deposit of S\$120,000 with Maybank. Partner A maintains S\$30,000 with Maybank in a personal SaveUp Account. In the event of a DI payout, the partnership will be entitled to a compensation of S\$100,000 as a single entity with a Scheme member. Partner A will receive S\$30,000 in his own personal capacity.

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

Deposits held in trust and client accounts by non-bank depositors are insured on a per account basis up to S\$100,000

Example: Suppose you open a Youngstarz Account in trust for your son with a balance of S\$35,000 and another Youngstarz Account in trust for your daughter with a balance of S\$110,000 with Maybank. You also have a personal Current Account of S\$25,000 with Maybank. Deposits held in trust accounts are insured on a per account basis without aggregation.

The calculation is as follows:

	Account Balance	Amount Insured	Amount Not Insured
Youngstarz Account in Trust for Son	S\$35,000	S\$35,000	S\$0
Youngstarz Account in Trust for Daughter	S\$110,000	S\$100,000	S\$10,000
Your Current Account	S\$25,000	S\$25,000	S\$0
Total amount insured/not insured		S\$160,000	S\$10,000

Example: Suppose you have a legal firm with a balance of S\$105,000 in Current Account ('office account') with Maybank. Your firm has also opened a Current Account for clients ('clients' account') with Maybank and the balance is S\$110,000. Client accounts are insured on a per account basis without aggregation.

The calculation is as follows:

	Account Balance	Amount Insured	Amount Not Insured
"office account" – Current Account	S\$105,000	S\$100,000	S\$5,000
"client's account" – Current Account	S\$110,000	S\$100,000	S\$10,000
Total amount insured/not insured		S\$200,000	S\$15,000

15. What if I have pledged my fixed deposit as collateral for a loan?

There is no impact on your coverage even if you have pledged your deposit. The DI Scheme will insure pledged deposits up to the S\$100,000 limit.

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

Should you owe the failed DI Scheme member any monies (e.g. under a credit card or loan account), that will not affect the insured amount paid to you by SDIC under the DI Scheme. However, you will still have to repay the outstanding amounts to the liquidator of the failed Scheme member.

17. How am I insured if I have multiple accounts with different banks?

The DI limit of S\$100,000 is applied on a per depositor per Scheme member basis. This means that your deposits will be covered up to S\$100,000 for each bank.

18. What do I need to do to be covered by deposit insurance? Do I need to pay?

Coverage is automatic. There is no need to fill out any application form or pay any premium. But do remember to keep Maybank

updated on your personal details such as name, ID number, mobile number and address so that any compensation payment can be sent to you promptly.

19. When will there be a deposit insurance payout?

MAS may decide that a deposit insurance payout should be made if:

- ✓ A court order has been made to wind up a DI Scheme member; or
- ✓ MAS has determined that a DI Scheme member is insolvent, unable or likely to become unable to meet its obligations, or about to suspend payments.

20. What do I need to do when my bank or finance company fails?

If your bank or finance company who is a DI Scheme member fails, you do not need to file claims with SDIC as payouts will be computed based on the records of the failed bank or finance company. SDIC will also make official announcements in the Government Gazette, through mass media such as newspapers, television, radio and SDIC's website. If the compensation you receive from SDIC is less than your total amount of deposits with the failed bank or finance company, SDIC will submit a claim on your behalf to the liquidator of the failed institution for the difference

21. I wish to find out what is the balance in my bank account and how much will I be compensated after my bank collapses. How can I find out?

The Insured Depositors' login portal will be enabled on SDIC's website if a bank collapses and payout is activated by MAS. The portal allows you to log in to view your insured deposits with the failed bank and compensation amounts under the DI Scheme. Statements and payment letters will also be sent to your registered mailing address with the failed bank. More information will be made available on SDIC's website when the event happens

Additional information on Deposit Insurance Scheme can be obtained by contacting the SDIC:

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