

Financial Daily
May 13, 2009

Section: home business

Page: 8

PIDM to collect RM147m premiums

by **Tony CH Goh**
FD@bizedge.com

KUALA LUMPUR: Malaysia Deposit Insurance Corporation (PIDM) expects to collect up to RM147 million in premiums for the fiscal year ending Dec 31, 2009, based on the full implementation of the differential premium system for financial institutions.

This would represent an increase from last year's projection of RM120 million, as stated in PIDM's 2007 corporate plan. The premium collection for 2008 will be announced in conjunction with the release of PIDM's annual report next week.

The tiered premium rates range from 0.03% of the total insurable deposit for Category One financial institutions to 0.24% for those in Category Four.

PIDM's general manager for communications and corporate affairs S Loganathan said the premium collection for this year should reflect the adjustment for



Loganathan at the PIDM media briefing. Photo by Mohd Izwan Mohd Nazam

the tiered rates to promote better risk management among financial institutions.

He added that PIDM would allocate around RM7 million this year

on raising public awareness.

"Increasing awareness among the public would be our main aim going forward, as this is important to ensure confidence in the coun-

try's financial institutions.

"We aim to reach 30% in terms of public awareness by the end of this year from around 27% currently," Loganathan said at a media briefing here yesterday.

The corporation is also launching a pilot programme on financial literacy, targeting selected secondary schools to inculcate the saving habit.

There is an estimated RM1 trillion of deposits in the country's banking system. Loganathan did not rule out the possibility of the government extending the full deposit guarantee by the corporation that ends on Dec 31, 2010.

PIDM is the only deposit guarantee corporation that provides coverage for both Islamic and conventional financial institutions.

It extends deposit guarantee to all the 39 commercial and Islamic banks, all 15 investment banks, five deposit-taking institutions and three international Islamic banks operating in Malaysia.