



Perbadanan Insurans Deposit Malaysia  
Malaysia Deposit Insurance Corporation

## **Frequently Asked Questions on the Temporary Government Deposit Guarantee**

### **1. What does the guarantee cover?**

- The new guarantee covers the full amount of specified deposits and instruments held in a number of financial institutions.

### **2. Which deposits are guaranteed?**

All deposits including:

- fixed deposits, current accounts, savings accounts, joint and trust accounts;
- all Islamic deposits (structured or otherwise);
- principal guaranteed conventional structured deposits;
- foreign currency deposits; and
- negotiable instruments of deposit held by non-banks.

### **3. Which deposits are not guaranteed?**

Certain deposits are not guaranteed. These are:

- conventional structured products that are not principal guaranteed;
- deposits payable outside Malaysia;
- inter-bank money market placements;
- negotiable instruments of deposit held by banks; and
- repurchase agreements.

### **4. Which financial institutions are guaranteed?**

The financial institutions guaranteed are:

- All 23 commercial banks and 17 Islamic banks including domestic and locally incorporated foreign banks
- All 15 investment banks

- 4 international Islamic banks, namely Unicorn International Islamic Bank Malaysia Berhad, PT. Bank Syariah Muamalat Indonesia, Tbk, Al Rajhi Banking & Investment Corporation and Deutsche Bank AG
- 5 deposit-taking development financial institutions, namely Bank Pembangunan Malaysia Berhad, Bank Perusahaan Kecil & Sederhana Malaysia Berhad (SME Bank), Bank Simpanan Nasional, Bank Kerjasama Rakyat Malaysia Berhad (Bank Rakyat) and Bank Pertanian Malaysia Berhad (Agrobank)

**5. Are the branches and subsidiaries of domestic banks outside Malaysia guaranteed?**

- No, but they may be guaranteed by a host country's guarantee or their deposit insurance or protection scheme.

**6. I am a non-resident of Malaysia, are my deposits held with banks in Malaysia guaranteed?**

- Yes. Your place of residence or nationality does not matter.

**7. Is the guarantee a temporary or permanent measure?**

- The guarantee is a temporary measure and is in place from 16 October 2008 until 31 December 2010.

**8. What is the role of PIDM?**

- Our role is to administer the deposit insurance system and the the temporary Government guarantee. We work with BNM to ensure that our member banks and the other guaranteed financial institutions do not engage in excessive risk taking and remain well capitalised.

**9. Has there been a change in premium rates for member banks or fees charged to other financial institutions covered under the guarantee?**

- The existing PIDM differential premium systems will remain in force. In addition, a fee will be charged for the Government guarantee provided to member banks and other guaranteed financial institutions.

**10. Are guaranteed financial institutions members of PIDM and must they comply with its rules and regulations?**

- Financial institutions that are not commercial or Islamic banks are not member institutions of PIDM. However, all guaranteed financial institutions must follow PIDM's rules and regulations.

**11. What happens in January 2011? Will PIDM revert to the RM60,000 limit? And will all the guaranteed institutions continue to be guaranteed?**

- The temporary Government guarantee expires on 31 December 2010. We plan to then revert to an explicit and limited coverage under the deposit insurance system. PIDM continues to monitor developments in the banking system and evaluate the need to increase the limit and scope of the coverage prior to the expiration of the guarantee.

**Enquiries**

Please contact our Customer Service Call Centre at toll free **1-800-88-1266** from 8.30 am to 5.30 pm, Mondays to Fridays, or visit our website at **[www.pidm.gov.my](http://www.pidm.gov.my)**