



Perbadanan Insurans Deposit Malaysia
Malaysia Deposit Insurance Corporation



8th IADI Annual Conference “Conference on the Core Principles for Effective Deposit Insurance Systems”

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Malaysia Deposit Insurance Corporation
Basel, 23 & 24 September 2009

I will cover ...

- Core Principle 12 Key Elements
- Relevance of Core Principle 12
- Value Add to MDIC
- Challenges

Core Principle 12: Public Awareness

In order for a deposit insurance system to be **effective** it is essential that the **public be informed** on an ongoing basis about the **benefits and limitations** of the deposit insurance system.

11 Supporting Guidance Points

Relevance of Core Principle 12 (CP12)

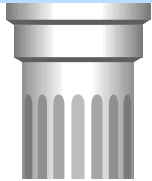


Underlying Philosophy

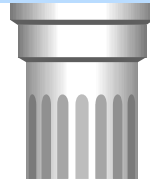
Integral Part of Financial Safety Net



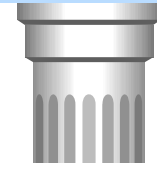
Builds Confidence With Depositors



Builds visibility



Builds brand



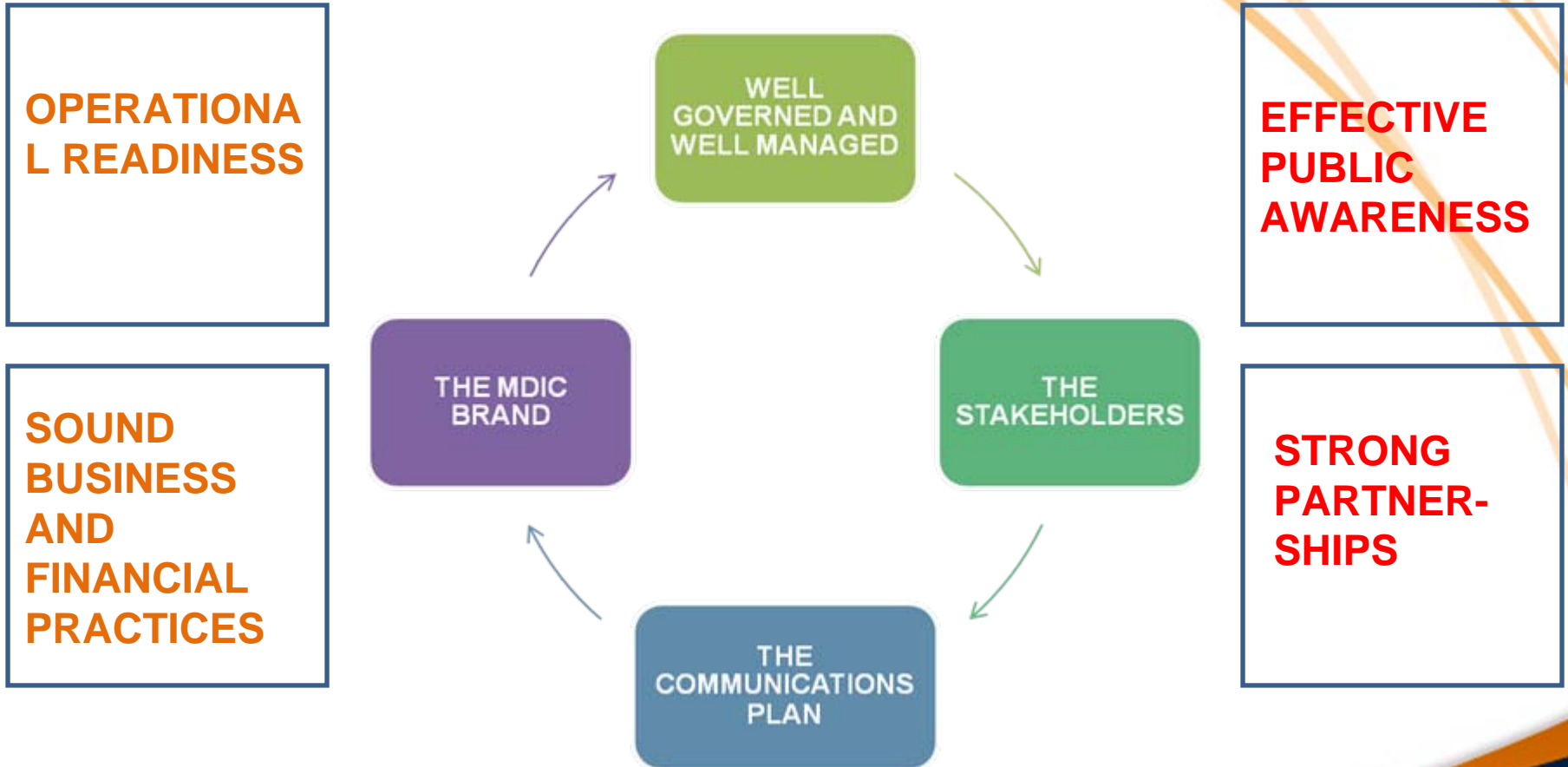
Builds trust

Effective Public Awareness

Value Add to MDIC...(1)

CP12	Key Elements	Value
<p>Objectives of public awareness (PA) campaign</p>	<p>Ensure effectiveness of Deposit Insurance System (DIS).</p> <p>Build credibility with depositors and stakeholders.</p> <p>Build acceptance of DIS.</p> <p>Could conduct PA from perspective that DIS is part of consumer protection.</p>	<p>Key elements</p> <ul style="list-style-type: none"> • Build MDIC as a brand • Build recognition of MDIC as a “Well Governed and Well Managed Corporation”. ➢ Build depositors’ trust in MDIC. ➢ Build relationship with depositors • Brand supported by comprehensive, multi-year communications plan.

MDIC'S APPROACH



Communications Plan

Comprehensive Plan

- Multi-year Plan
- Multi-pronged tools/channels
- Private sector approach
- Clear short and long term goals
- Visibility & trust
- Crisis & business continuity
- Partnership with member banks/supervisor
- Evaluation



Value Add to MDIC...(2)

CP12	Key Elements	Value
Information	Integrate information that may affect depositors' savings into Public Awareness program	<p>Information</p> <ul style="list-style-type: none">• Role of MDIC as Deposit Insurer• Limit and coverage• Insurability status of savings products• Benefits and limitations of DIS• Member identification <p>Information to build MDIC brand</p> <ul style="list-style-type: none">• MDIC's activities and KPIs• Principles applied (governance transparency & integrity)• Multi-year funding• Reporting against targets (KPIs)

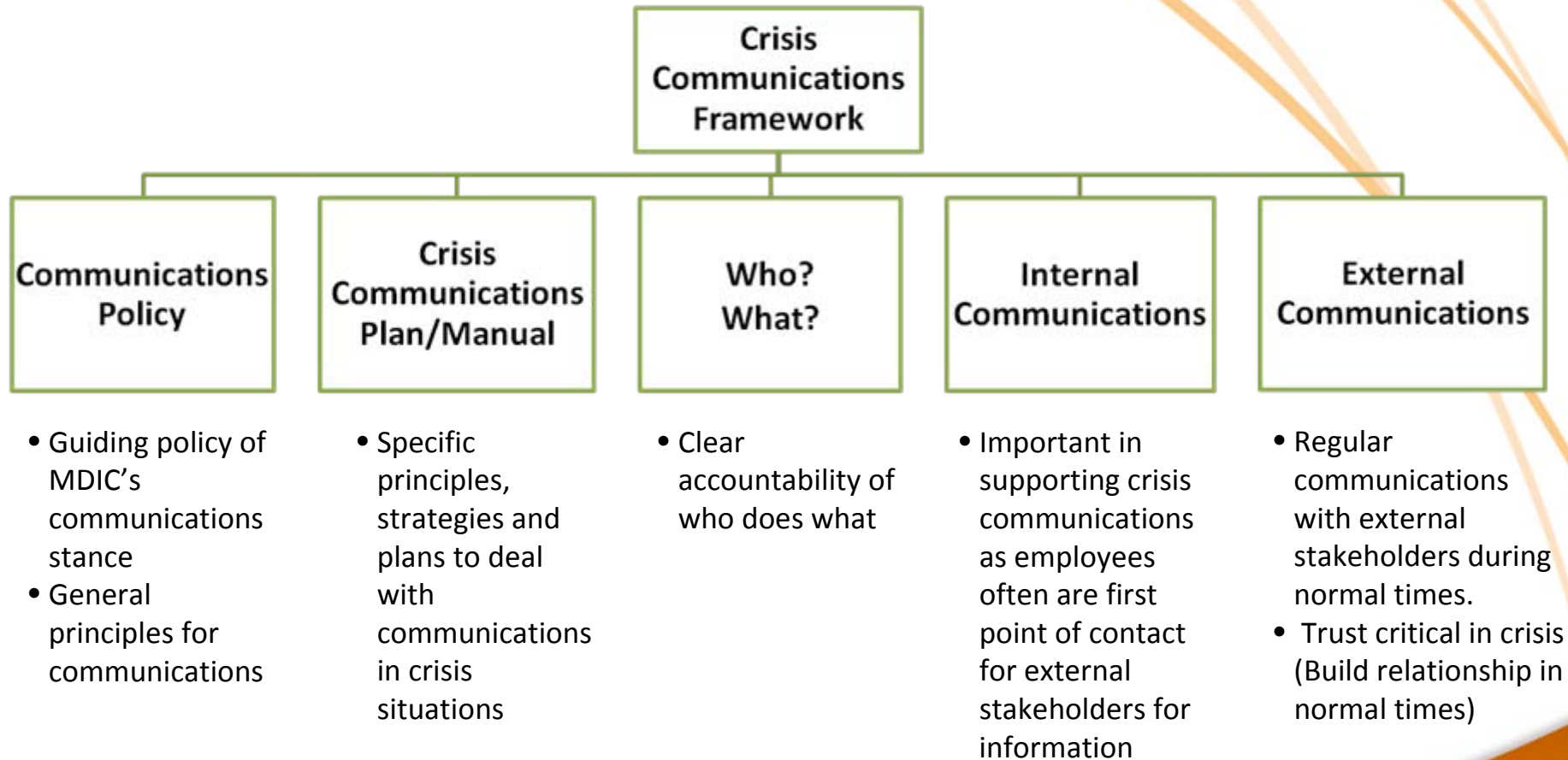
Value Add to MDIC...(3)

CP12	Key Elements	Value
Tools	<p>Employ wide variety of tools/channels of communication</p> <p>Regular, independent evaluation of awareness levels</p>	<p>Tools used include brochures, annual reports, call centres, website, bank training, road shows to bring MDIC to depositors, exhibitions, advertising and press relations.</p>
Outsourcing	<p>Use external public relations and branding expertise</p>	<p>Partnerships include:</p> <ul style="list-style-type: none"> •Central bank
Partnerships	<p>Develop strategic partnerships</p> <p>Require banks by law to promote information about deposit insurance</p>	<ul style="list-style-type: none"> •Financial Mediation Bureau •Ministry of Finance •Counselling and Credit Management Bureau •Commercial banks (Information Regulations)

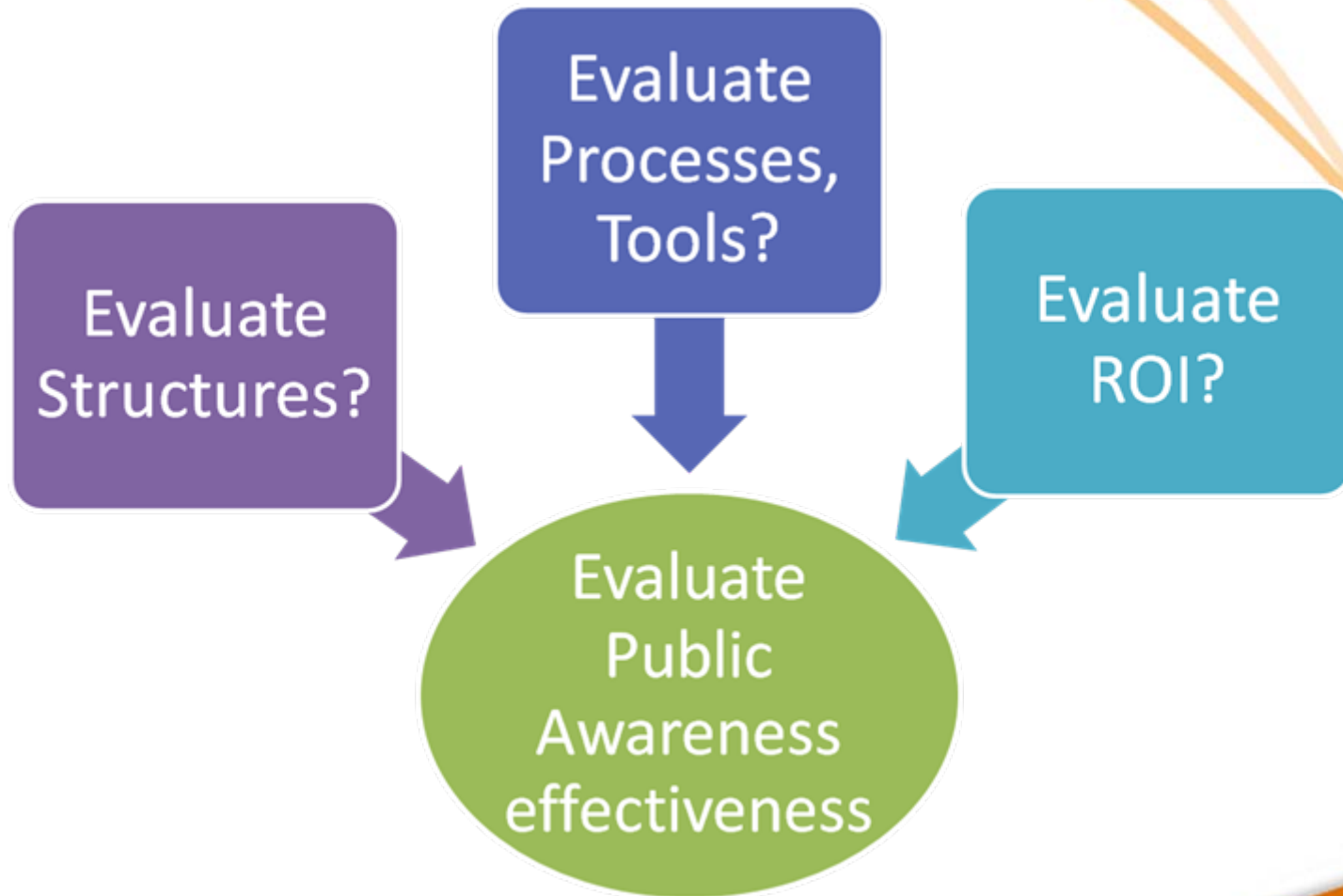
Challenges ... (1)

CP 12	Key Elements	Value
Budget	Make budget allocations	Annual budget allocated (18% of 2008 total operating budget). Commitment and support of Board
Transitioning	Public awareness (PA) activities should begin as early as possible	<ol style="list-style-type: none"> 1. Start up of MDIC (2005) <ul style="list-style-type: none"> • Prepared PA months before establishment 2. Blanket Guarantee (2008) <ul style="list-style-type: none"> • Introduction – started PA the same day! • Transitioning in 2011 (Jan) : preparation well advanced
Crisis preparedness	Develop crisis management PA program ahead of time	Currently under development

Components of an Effective Crisis Communications Framework



Challenges (2)



THANK YOU