



## Depositor Protection Corporation

The Deposit Protection Corporation (DPC) was established under the Deposit Protection Corporation Act, 2016 (the Act of Parliament of Pakistan) as a subsidiary of the State Bank of Pakistan (SBP). It commenced its operations on June 1, 2018.

The primary objective of DPC is to protect small depositors for the losses incurred by them to the extent of protected amount in the event of failure of a bank in Pakistan as and when notified by State Bank of Pakistan.

The current limit of protected amount for all eligible depositors is up to **PKR 500,000/-** (Rupees Five Hundred Thousand) per depositor per bank.

**Management:** DPC is governed by a Board of Directors under the Chairmanship of Deputy Governor of State Bank of Pakistan, while the Managing Director administers its affairs.

**Member Banks:** All banks under sub section (2) of section 37 of the State Bank of Pakistan Act, 1956 (XXXIII of 1956) are mandatory member institutions of the Corporation. DPC collects premiums from all member institutions in two distinct streams i.e. shariah – compliant and conventional and manage two separate pool of funds in order to compensate the protected depositors in case of failure of any member bank.

It is important to note that member banks do not recover the premium cost from the protected depositors.

**Payment of Compensation (insured amount):** In case of an event of bank failure, it is the mandate of DPC to compensate all eligible depositors up to Rs. 500,000/- per depositor within 30 days.

**Eligible Deposits – Types of deposits qualify for compensation:** The Deposit protection mechanism in Pakistan covers the following types of deposits:

- All types of current and saving accounts
- All types of branchless banking accounts
- Fixed term deposits/ accounts
- Call deposit receipts/ Security deposit receipts
- Deposit balances kept as cash margins/ cash collateral or under lien, would be paid depositors after satisfaction of dues if payable by them to the bank
- Foreign currency accounts shall be paid the Rupee equivalent of the protected amount at the exchange rate declared by the State Bank on the day of the notification
- Any profit accrued and unpaid on any or all of the above accounts and instruments.
- Any other type/ category of accounts or deposits, as may be communicated by the Corporation from time to time.