

Deposit Insurance and Its Role in the Financial Safety Net Framework in the Philippines

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The Essay discusses the role of banks in today's world, and puts an emphasis on the need of having an effective financial safety net framework. It begins by examining the components of a financial safety net, namely: (1) prudential regulation and supervision; (2) as a lender of last resort; and (3) as deposit insurance. It continues by tackling the role that central banks play in ensuring financial stability in a country.

The Essay also explores the relevance of having a deposit insurance system in general, including the core principles needed to have an effective scheme. It then focuses in the Philippine setting, particularly, the functions and duties of the Philippine Deposit Insurance System as an integral part of the financial safety net framework.