

QUARTERLY Deposit Trends

Domestic Deposit Liabilities

Q2 2019

Table 1. Deposit amount, level, and growth rate, end-June 2016 to end-June 2019¹

Bank Type	Deposit amount (in billion PhP)				(Increase/(Decrease))			YOY growth rate		
	Jun-16	Jun-17	Jun-18	Jun-19	Jun-17	Jun-18	Jun-19	Jun-17	Jun-18	Jun-19
Total	9,638.1	11,003.0	12,133.4	12,838.0	1,365.0	1,130.4	704.6	14.2%	10.3%	5.8%
KBs	8,665.9	9,907.2	11,000.0	11,681.6	1,241.4	1,092.8	681.6	14.3%	11.0%	6.2%
TBs	823.6	933.9	963.8	973.6	110.3	29.9	9.8	13.4%	3.2%	1.0%
RBs	148.6	161.9	169.6	182.8	13.3	7.7	13.2	8.9%	4.8%	7.8%

Table 2. Deposit account, level, and growth rate, end-June 2016 to end-June 2019¹

Bank Type	Deposit account (in million)				(Increase/(Decrease))			YOY growth rate		
	Jun-16	Jun-17	Jun-18	Jun-19	Jun-17	Jun-18	Jun-19	Jun-17	Jun-18	Jun-19
Total	52.4	55.3	59.6	67.8	2.9	4.2	8.2	5.6%	7.7%	13.8%
KBs	39.7	41.4	44.3	49.6	1.7	2.9	5.3	4.3%	7.1%	12.0%
TBs	6.2	6.6	7.1	8.1	0.4	0.5	1.0	7.1%	7.4%	13.8%
RBs	6.6	7.4	8.2	10.1	0.8	0.8	1.9	12.1%	11.1%	23.7%

BY BANK TYPE

The total domestic deposit amount² reached PhP12.8 trillion as of end-June 2019, denoting an increase of PhP704.6 billion, or 5.8%, from the PhP12.1 trillion deposit amount a year ago (**Table 1**). On a quarter-on-quarter basis, the domestic deposit amount grew by 1.3% from PhP12.7 trillion as of end-March 2019, an increase equivalent to PhP163.3 billion. KBs accounted for 91.0% of the total domestic deposit amount while it was 7.6% for TBs and 1.4% for RBs (**Figure 1**).

The continuing slowdown in year-on-year growth of deposit amount largely reflects the decelerated growth in deposit levels in commercial banks (KBs) and thrift banks (TBs) at 6.2% and 1.0%, respectively. The elevated interest rates in deposit substitutes, such as government securities, among others, could have swayed some resources away from bank deposits. The deposit amount in rural banks (RBs), however, was generally unaffected by this movement as it grew by 7.8%, faster than last year's 4.8%.

On the contrary, the growth in total domestic deposit accounts has stepped up, recording 13.8% as of end-June 2019, compared with that of 7.7% in the previous year (**Table 2**). The total deposit accounts reached 67.8 million versus 59.6 million of end-June 2018. RBs posted the highest annual

Figure 1. Deposit amount distribution by bank type

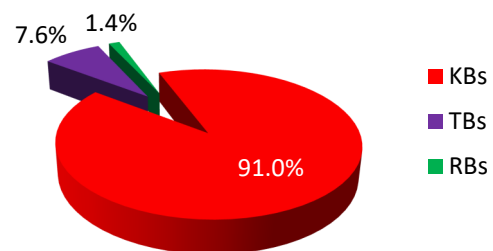


Figure 2. Deposit amount share of Top 5 banks by asset size

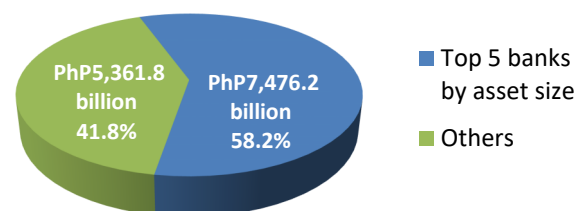
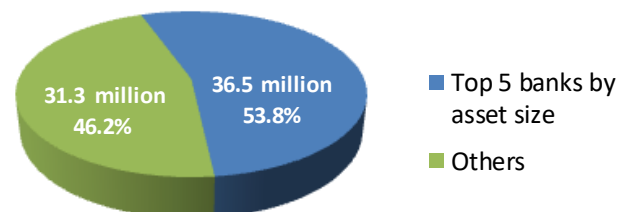


Figure 3. Deposit account share of Top 5 banks by asset size



growth in deposit accounts at 23.7%, followed by TBs and KBs at 13.8% and 12.0%, respectively.

The five largest banks in terms of assets, accounted for more than half at 58.2% of the total domestic deposit amount and 53.8% of deposit

accounts in the Philippine banking system (PBS), aggregating PhP7.5 trillion (**Figure 2**) and 36.5 million (**Figure 3**), respectively.

BY TYPE OF DEPOSITS

Savings deposits (SD) and time deposits (TD), which were the main types of deposit products, jointly comprised 74.8% of the total domestic deposit amount as of end-June 2019. Nearly half of the domestic deposit amount, equivalent to PhP5.9 trillion, was in SD, consisting of regular savings (75.7%), other savings (23.7%), kiddie and teens (0.6%), and basic deposit accounts (0.04%). TD placements reached PhP3.7 trillion, accounting for 23.5% of the total domestic deposit amount (**Figure 4**).

Combined balances of demand deposits (DD) and NOW³ accounts totaled PhP3.0 trillion while that of long-term negotiable certificates of deposits (LTNCD) reached PhP216.3 billion. Together, these deposit types constituted 25.2% of the total domestic deposit amount.

In terms of growth rates, TD and LTNCD accounts expanded the fastest on an annual basis at a rate of 10.9%, followed by DD and NOW accounts at 5.2% and SD at 3.0% (**Figure 5**).

BY TYPE OF DEPOSITORS

Deposits of individuals and private corporations made up 79.5% of the total domestic deposit amount while 13.3% belonged to the government. Trust departments, banks, and non-residents accounted for the balance (**Figure 6**).

The fastest growth in domestic deposit amount, however, was posted by trust departments at a rate of 16.9%, followed closely by non-residents at 16.8%. Government, individuals, and private

Figure 4. Deposit amount by type of deposits, end-June 2019

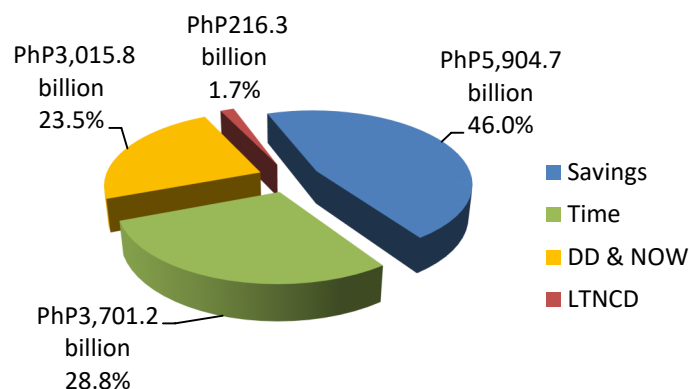


Figure 5. Deposit amount trend, by type of deposits, end-June 2018-2019

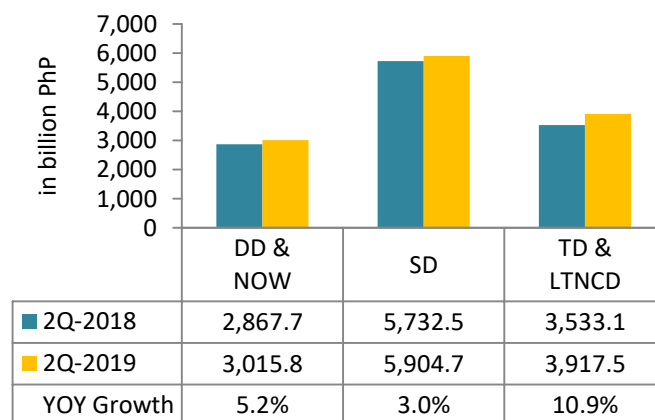


Figure 6. Deposit amount by type of depositor, end-June 2019

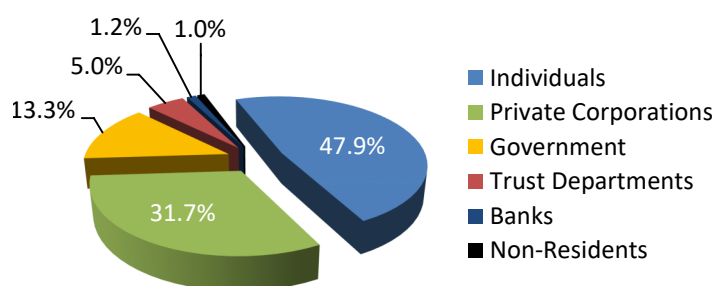


Table 3. Deposit amount and growth, by type of depositor, end-June 2018-2019¹

Depositor	Deposit amount (in billion PhP)		Share to total		Growth
	Jun-2018	Jun-2019	Jun-2018	Jun-2019	
TOTAL	12,133.4	12,838.0	100.0%	100.0%	5.8%
Individuals	5,792.4	6,144.6	47.7%	47.9%	6.1%
Private Corporations	3,945.1	4,066.6	32.5%	31.7%	3.1%
Government	1,586.9	1,710.5	13.1%	13.3%	7.8%
Trust Departments	543.7	635.6	4.5%	5.0%	16.9%
Banks	157.2	154.6	1.3%	1.2%	-1.6%
Non-Residents	108.1	126.2	0.9%	1.0%	16.8%

¹Trust Department shall refer to the department, office, unit, group, division or any aggragation which carries out the trust and other fiduciary business of a bank while Non-Residents refers to individuals or institutional units that have a center of economic interest outside the economic territory of the Philippines (Manual of Regulations for Banks Sec.X403-n: Financial Reporting Package for Banks updated as of 31 December 2017).

corporations also posted positive growth at 7.8%, 6.1%, and 3.1%, respectively, while banks contracted by 1.6% (Table 3).

BY TYPE OF CURRENCY

Peso accounts comprised 83.5% of the total domestic deposit amount, reaching PhP10.7 trillion as of end-June 2019. It is 6.0% higher than its end-June 2018 level (Table 4). Meanwhile, foreign currency deposits, which comprised 16.5% of total

Table 4. Deposit amount, by type of currency¹

Currency	Amount (in billion PhP)		Growth rate
	Jun-2018	Jun-2019	
TOTAL	12,133.4	12,838.0	5.8%
Peso Accounts	10,109.4	10,719.2	6.0%
FCDU/EFCDU ⁴	2,024.0	2,118.8	4.7%

Figure 7. Deposit account, by size

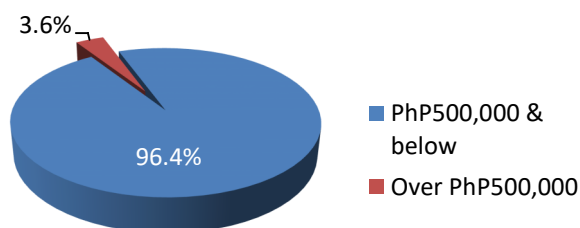
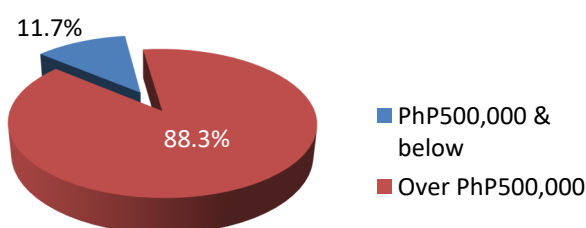


Figure 8. Deposit amount, by size



domestic deposit amount, grew by 4.7% to reach PhP2.1 trillion as of end-June 2019.

BY SIZE OF ACCOUNTS AND RISK EXPOSURES

Fully insured deposit accounts, or deposit accounts with balances within PDIC's maximum deposit insurance coverage (MDIC) of PhP500,000, comprised 96.4% of the total domestic deposit accounts (Figure 7) and represented 11.7% of the total domestic deposit amount (Figure 8). The amount of fully insured deposit accounts totaled PhP1.5 trillion, up by 5.6% from the same period in the previous year.

Meanwhile, domestic deposit accounts with balances of more than the MDIC accounted for 88.3% of the total domestic deposit amount but comprised only 3.6% of the total domestic deposit accounts. These deposit accounts are partially insured since their estimated insured deposits are only up to PhP500,000. The partially insured deposit amount reached PhP1.2 trillion as of end-June 2019, representing an annual growth of 7.1%.

The estimated insured deposits (EID)—the sum of fully insured and partially insured deposits—added up to PhP2.7 trillion as of end-June 2019, 6.3% higher than its level as of end-June 2018 (Table 5). The EID represents 21.2% of the total domestic deposit amount.

ENDNOTES

- ¹Numbers may not add up due to rounding.
- ²Domestic deposits exclude Islamic deposits and deposits in overseas branches of Philippine banks.
- ³Negotiable Order of Withdrawal (NOW) Accounts refers to the interest-bearing savings deposit which are withdrawable by means of NOW (Source: Financial Reporting Package for Banks updated as of 31 December 2017).
- ⁴FCDU/EFCDU - Foreign Currency Deposit Unit/Expanded FCDU

Table 5. Deposit amount, by size of accounts and risk exposure¹

Deposit size	Jun-2018				Jun-2019				Growth rate	
	Account	% to Total	Amount	% to Total	Account	% to Total	Amount	% to Total	Account	Amount
PhP500,000 & below	57.3	96.2%	1,425.6	11.7%	65.4	96.4%	1,506.0	11.7%	14.1%	5.6%
Over PhP500,000	2.3	3.8%	10,707.8	88.3%	2.4	3.6%	11,332.0	88.3%	7.1%	5.8%
Total deposits	59.6	100.0%	12,133.4	100.0%	67.8	100.0%	12,838.0	100.0%	13.8%	5.8%
Fully insured	57.3	96.2%	1,425.6	11.7%	65.4	96.4%	1,506.0	11.7%	14.1%	5.6%
Partially insured	2.3	3.8%	1,129.6	9.3%	2.4	3.6%	1,210.2	9.4%	7.1%	7.1%
Insured deposits	59.6	100.0%	2,555.2	21.1%	67.8	100.0%	2,716.2	21.2%	13.8%	6.3%

Note: Account in million, Amount in billion PhP; **Fully Insured Deposits** is the total deposit amount of accounts with balances of PhP500,000 and below; **Partially Insured Deposits** is the total deposit amount of the estimated insured portion (up to the PhP500,000) of accounts with balances that are higher than the MDIC.

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For queries and information, please contact the Officer in-Charge of the Bank Statistics Department at (632) 841-4000 local 4373 or bpmc@pdic.gov.ph.