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NEWS/PRESS RELEASE

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PDIC President highlights strong depositor confidence in rural banks



Rural banks as pillars of resilience in the countryside. Philippine Deposit Insurance Corporation (PDIC) President and CEO Roberto B. Tan said that post-pandemic data on the growth in deposits in the rural banking sector point to strong depositor confidence in rural banks amid great uncertainty. He highlighted the important role rural banks play as pillars of economic resilience in the countryside. PDIC President Tan was the guest speaker at the recently concluded 69th Annual National Convention and General Membership Meeting of the Rural Bankers Association of the Philippines (RBAP) held in Dapitan City, Zamboanga del Norte.

PDIC President and CEO Roberto B. Tan highlighted the important role rural banks play as pillars of economic resilience in the countryside during his speech at the 69th Annual National Convention and General Membership Meeting of the Rural Bankers Association of the Philippines (RBAP) held recently in Dapitan City, Zamboanga del Norte.

Even amid the pandemic, the depositing public continued entrusting their money to rural banks. President Tan shared that the average quarterly growth rate of rural banks' insured deposits doubled to 1.9% in the first seven quarters of the pandemic (Q2 2020 to Q4 2021) from only 0.8% for the previous seven quarters (Q3 2018 to Q1 2020). This is consistent with the observation of the International Association of Deposit Insurers (IADI) in terms of global banking industry trends particularly, the growth of insured deposits during the early quarters of the pandemic.

President Tan said that these figures point to strong depositor confidence in rural banks even during times of great uncertainty.

The growth in total deposits is also another indicator of strong confidence in rural banks. President Tan cited that while the entire banking industry's total deposits grew at an average of 2.23% since the onset of the pandemic from Q2 2020 until Q4 2021, rural banks' total deposits posted a significantly higher quarterly growth rate of 3.19% during the same period.

As the country starts to recover from the serious impact of COVID-19, depositor confidence in rural banks is expected to remain strong. The depositing public can also be assured that with deposit insurance the PDIC provides and the collaboration it forges with the rural banking sector in terms of governance and record-keeping, their hard-earned deposits in these important pillars of economic resilience are more than adequately protected with deposit insurance.

The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963, by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is ₱500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

PDIC news/press releases and other information are available at the website, www.pdic.gov.ph.

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