



Bank deposit mo, protektado!

NEWS/PRESS RELEASE

PR-058-21

Date of Release: August 26, 2021

FOR IMMEDIATE RELEASE

PDIC: 96.7% of deposit accounts nationwide fully protected by deposit insurance as of Q1 2021

As deposits in the Philippine banking system continued its growth during the pandemic, fully insured deposits likewise increased, rising by as many as 5 million accounts by the first quarter of this year compared to the same period in 2020.

The latest data released by state deposit insurer Philippine Deposit Insurance Corporation (PDIC) showed that as of March 31, 2021, it fully insured 96.7% or 78.2 million of the 80.9 million total deposit accounts maintained in 528 banks nationwide. This represented an increase of 6.8% or 5 million fully insured deposit accounts compared to the 73.3 million deposit accounts recorded in the same period in 2020.

The state deposit insurer also reported that total insured deposits grew by 5.9% to P3.0 trillion as of the end of March 2021 from P2.9 trillion as of March 2020. Of the total insured deposits, 55.8% or P1.7 trillion were fully covered by deposit insurance as of the end March 2021 while 44.2% or P1.3 trillion were partially insured up to the maximum deposit insurance coverage of P500,000.

Fully insured and partially insured deposits accounted for 11.3% and 9.0%, respectively, of the P15.0 trillion total deposits in the system.

Total deposits in the Philippine banking system expanded to P15.0 trillion as of the end of March 2021, 7.8% more than the P13.9 trillion recorded in the same period last year. The growth mirrored the increase in deposit accounts to 80.9 million in the first quarter of 2021, or by 6.8% from 75.8 million as of the end of March 2020.

“The current deposit data augur well on depositor confidence in the Philippine banking system despite the pandemic as backdrop. We are optimistic that the depositing public will continue trusting banks and for bank deposits to sustain their steady growth to help fuel the economy. The PDIC, as a financial safety

net, will always remain committed to its pursuit of depositor protection and in promoting financial stability in the country through responsive and effective services," PDIC President and CEO Roberto B. Tan said.

Breaking down the year-on-year growth in the number of accounts based on deposit size, data showed that those with deposit balances greater than ₱100,000 up to ₱500,000 grew the fastest. From 4.8 million accounts in March 2020, these accounts grew by 7.1% to 5.1 million accounts in March 2021. These were followed by deposits of ₱100,000 and below which surged by 6.8% from 68.5 million accounts as of March 2020 to 73.2 million accounts as of March 2021. Deposit accounts exceeding the maximum deposit insurance of ₱500,000 also grew at almost a similar rate. From 2.5 million accounts as of March 2020, this deposit group increased by 6.6% to 2.7 million accounts as of March 2021.

In terms of amounts, deposits with balances of above ₱500,000 posted the biggest growth at ₱13.3 trillion as of March 2021, an upturn of 8.2% from ₱12.3 trillion registered as of March 2020. Deposits more than ₱100,000 up to ₱500,000 posted the next fastest year-on-year growth at ₱1.2 trillion as of March 2021 or an increase of 7.2% compared with the ₱1.1 trillion recorded in the same period last year. Deposits of ₱100,000 and below posted a 1.6% year-on-year growth to ₱540.9 billion as of March 2021 from ₱532.3 billion as of March 2020.

Collectively, savings and demand deposit/NOW accounts accounted for the lion share in total domestic deposits at 77.3% or for ₱7.3 trillion and ₱4.3 trillion, respectively. Time deposits and LTNCDs represented the balance of 22.7% at ₱3.4 trillion.

The economic impact of the pandemic on many Filipinos may have put liquidity at the forefront of many depositors' priorities. This is evident in the 11.3% year-on-year contraction in the total time deposit and LTNCD balances, and in the growth rates for savings and demand/now deposits at 15.3% and 14.9%, respectively.

From the previous ₱3.8 trillion total balance as of the end of March 2020, the combined amount of time deposits and LTNCDs declined to ₱3.4 trillion. Meanwhile, total savings deposit amounts grew to ₱7.3 trillion by the end of March 2021 from ₱6.4 trillion as of March 2020. Demand deposit/NOW account balances also went up, reaching ₱4.7 trillion as of March 2021 from ₱3.7 trillion in the same period in 2020.

The PDIC is an active member of the Financial Sector Forum composed of Philippine financial regulators and staunchly encourages saving through banks. It also strongly advocates financial literacy and financial inclusion as its corporate social responsibility program to promote its mandate of depositor protection and financial stability. Information on the PDIC and deposit insurance are available in its website at www.pdic.gov.ph and official Facebook page at <https://www.facebook.com/OfficialPDIC>.

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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 PhP500,000 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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