



Bank deposit mo, protektado!

NEWS/PRESS RELEASE

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96.7% of deposit accounts nationwide fully protected by deposit insurance

As more savers opt to keep their money in banks, more deposit accounts in the Philippine banking system continue to benefit from deposit insurance provided by the Philippine Deposit Insurance Corporation (PDIC) up to the maximum deposit insurance coverage (MDIC) of PhP500,000 per depositor per bank.

Latest data released by the state deposit insurer showed that as of September 30, 2020, 96.7% or 76.1 million of the 78.7 million total deposit accounts maintained in 537 banks nationwide are fully insured by PDIC. The total number of fully insured accounts was 11.8% more compared to the 68.1 million recorded in the same period in 2019. In terms of amount, 11.6% or PhP1.7 trillion of the PhP14.3 trillion total deposits is fully covered by deposit insurance and represents an increase of 11.3% from the PhP1.5 trillion insured deposits in the same period in 2019.

The PDIC reported that the double-digit growth in the number of fully insured accounts year-on-year mirrored the double-digit growth of 11.7% in the number of total deposit accounts in banks nationwide. Total deposit amount grew 9.5% year-on-year from PhP13.1 trillion to PhP14.3 trillion.

"The steady growth in the number of deposit accounts and in terms of amount of deposits, reflects increased depositor confidence in the banking system despite the adversities posed by the pandemic. We are confident that the full year data will present even brighter prospects for saving as a positive response to the health crisis. As depositor confidence has become evident, it is important for PDIC to also help sustain the trust of the depositing public through adequate deposit insurance coverage and effective supervision of banks' operations," PDIC President Roberto B. Tan said.

Deposit data released also showed that deposits with balances of PhP100,000 and below posted the biggest growth in terms of amount and accounts, or by 12.4% from PhP476.7 billion in September 2019 to PhP535.7 billion in

September 2020. This mirrored the double-digit growth of 11.9% from 63.6 million deposit accounts to 71.2 million accounts.

Meanwhile, deposits with balances greater than PhP100,000 up to PhP500,000 increased by 10.8% from PhP1.0 trillion in end-September 2019 to PhP1.1 trillion in end-September 2020. This accounted for an increase of 11.4% from 4.5 million deposit accounts to 5.0 million deposit accounts. Further, data showed that deposits with balances above PhP500,000 grew by 9.3% from PhP11.6 trillion to PhP12.7 trillion. This represented an increase of 6.7% in terms of number of deposit accounts from 2.4 million to 2.6 million.

In these uncertain times, Filipinos showed an inclination to save through banks. Savings deposits and demand deposits/NOW accounts amounted to PhP6.8 trillion and PhP3.9 trillion, respectively, and jointly accounted for the bulk of total domestic deposits at 74.5%. Meanwhile, combined time deposits and LTNCDs amounting to PhP3.7 trillion accounted for 25.5% of the deposits. Depositors' preference for liquidity in these uncertain times, with accounts that allow them to withdraw cash immediately, shows in the negative growth of 7.4% in time deposits and LTNCDs from the previous PhP4.0 trillion in end-September 2019, while savings deposits increased by 14.6% and demand/NOW deposits grew by 21.1%.

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.

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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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