



Bank deposit mo, protektado!

NEWS RELEASE

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More depositors benefit from enhanced depositor protection through doubled MDIC of ₱1 million

More depositors benefit from enhanced protection provided by the Philippine Deposit Insurance Corporation (PDIC) through the new maximum deposit insurance coverage (MDIC) that has been doubled to ₱1 million per depositor, per bank since March 15, 2025. MDIC refers to the maximum amount of depositor's money in an insured bank that is guaranteed as safe by the PDIC.

Based on PDIC data as of end-December 2024, at the new MDIC of ₱1 million, more deposits will be fully insured at 147 million accounts, higher by almost 1.5 million accounts if the MDIC remained at ₱500,000 per depositor. The new MDIC now fully insures 98.6% of total deposit accounts in the Philippine banking system, compared to the previous coverage of 97.6%

In terms of amount, based on the same PDIC data as of end-2024, insured deposits will increase to ₱5.3 trillion, higher by ₱1.3 trillion compared to the amount of insured deposits for the same period, if the MDIC remained at ₱500,000 per depositor. The new MDIC now covers 24.1% of total deposits, compared with 18.0% at the previous MDIC of ₱500,000.

The new MDIC was welcomed by both banks and depositors, two key stakeholder groups of the PDIC. Prior to the effectivity of the new MDIC, PDIC conducted consultation meetings with the country's major bank associations and officials of these associations expressed support for the new MDIC. The expanded protection at ₱1 million promotes increased depositor confidence in the banking system without entailing an increase in the assessment being levied on banks.

"It's a timely move given that limits have not been increased in years," said Bankers Association of the Philippines (BAP) President Jose Teodoro Limcaoco.

Chamber of Thrift Banks (CTB) President Mary Jane Perreras shared the same sentiment, saying that, "This move reinforces trust in the banking system, especially for senior citizens and retirees who rely on deposit security."

Speaking for the rural banking industry, Rural Bankers Association of the Philippines (RBAP) President Jose Paolo Palileo also expressed support for the new MDIC. "This further strengthens public confidence in the banking system, and comes at no extra cost to insured banks, thereby allowing them to attract more private investment in the form of savings," he said.

The increase in the MDIC was approved by the PDIC Board of Directors, in accordance with Republic Act No. 3591, as amended (PDIC Charter), which authorizes the PDIC Board to adjust the MDIC to an amount indexed to inflation or in consideration of other economic indicators as appropriate. This marks the first independent adjustment in the MDIC by the

PDIC, following recent amendments to the PDIC Charter. The latest MDIC increase is the first in history to no longer require approval from Congress, enabling more timely responses with respect to deposit insurance.

The decision to double the MDIC was based on a methodology recommended by the World Bank to restore the value of the MDIC set in 2009, which has been diminished by inflation. Prior to the increase in March 2025, the MDIC was ₱500,000 per depositor, per bank.

The adjustment in the MDIC is a proactive measure to reinforce confidence in the Philippine banking system and contribute to financial stability. The higher MDIC will not only protect and secure more depositors' savings, but more importantly, will help stabilize deposit movements, maintain liquidity in the banking system, and prevent any possible panic-based runs.

The PDIC remains steadfast in its commitment to champion depositor protection and help promote financial stability through the MDIC increase, complemented by its other initiatives as the co-regulator of banks and receiver of closed banks. For more information on the PDIC and deposit insurance, the public is encouraged to visit the PDIC website, www.pdic.gov.ph and its official Facebook page, www.facebook.com/OfficialPDIC.

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The **Philippine Deposit Insurance Corporation (PDIC)** was established on 22 June 1963 by Republic Act 3591 to protect depositors and help maintain stability in the financial system.

The PDIC is an attached agency of the Bangko Sentral ng Pilipinas and a member of the Financial Sector Forum, the Financial Stability Coordination Council, and the Financial Inclusion Steering Committee.

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