



Bank deposit mo, protektado!

PRESS RELEASE

Date of Release: February 28, 2025
FOR IMMEDIATE RELEASE
PR-011-25

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PDIC raises the Maximum Deposit Insurance Coverage to ₱1 million



Effective March 15, 2025, the Maximum Deposit Insurance Coverage (MDIC) for deposits in banks will be doubled from ₱500,000 to ₱1 million, per depositor, per bank.

Despite the increase in the MDIC, state deposit insurer Philippine Deposit Insurance Corporation (PDIC) will not increase the assessment being levied on banks.

The PDIC Board of Directors approved the upward adjustment in the MDIC to provide enhanced protection to the depositing public. 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.

At the new MDIC of ₱1 million, more deposits will be fully insured at 136 million in deposit accounts, or 98.6% of the total deposit accounts of 138 million, compared with 97.6% at the MDIC of ₱500,000, based on data as of September 30, 2024. In terms of amount, insured deposits will increase to ₱4.8 trillion, or 24.5% of total deposits of ₱19.5 trillion, compared with 18.3% at the MDIC of ₱500,000.

While the adjustment in MDIC has increased the estimated insured deposits in the banking system, the Deposit Insurance Fund (DIF) of the PDIC remains adequate to meet the potential insurance risks that may arise. The ratio of the DIF to estimated insured deposits is expected to reach 5.3% in 2025 and grow to meet the new target ratio of 8.0% by 2031 based on a build-up period aligned with international best practices.

The PDIC Board of Directors, under Republic Act No. 3591, as amended, or the PDIC Charter, is authorized to adjust the MDIC to an amount indexed to inflation or in consideration of other economic indicators as appropriate. 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.

The MDIC was last adjusted in 2009 to ₱500,000.00 as a preemptive confidence-building response to the global financial crisis in 2008, remaining at that level for the last 16 years. The MDIC was set at ₱10,000 per depositor per bank in 1963 and has since been adjusted five (5) times at ₱15,000 in 1978, ₱40,000 in 1984, ₱100,000 in 1992, ₱250,000 in 2004, and ₱500,000 in 2009.

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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 to 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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