

The background of the cover features a complex, abstract graphic on the left side. It consists of numerous overlapping, semi-transparent geometric shapes, primarily rectangles and squares, in shades of gray and gold. These shapes are arranged to create a sense of depth and movement, resembling a stylized city skyline or a series of architectural elements. A prominent horizontal gold bar extends from the middle of this graphic towards the right, where it meets the title text.

KEEPING STRONG Amid Uncertainties

2020 ANNUAL REPORT

CONTENTS



About the Cover

COVID-19 has made 2020 one of the most challenging years in our country's modern history. From the economic to the social aspects of our lives, never before has there been so much uncertainty about the future. With the theme "Keeping Strong Amid Uncertainties", the cover of the PDIC 2020 Annual Report features an array of abstract shapes and colors that portray strength in times of great and distressing ambiguities.

In the cover artwork, downward and diagonal strokes depict the serious challenges our country faced during the year while the upward stroking cubes illustrate buildings and skyscrapers as symbols of enduring strength. Shades of gray and black paint a challenging year while streaks of yellow express glimmers of hope.

Just like structures and skyscrapers, the PDIC continues to stand strong regardless of economic conditions. As the country moves toward recovery, Filipinos can count on the PDIC to help protect their hard-earned deposits and promote continued confidence in the banking sector. With a strong financial system, the country can continue in keeping strong amid uncertainties.

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VISION

By 2023, PDIC will be a leading institution in depositor protection, recognized for its operational excellence that is responsive to changing times.

MISSION

We protect the depositing public while promoting confidence and stability in the banking system.

CORE VALUES

Teamwork, Respect for All, Integrity, Professionalism, Love of Country, Excellence

QUALITY POLICY

We commit to deliver depositor protection with operational excellence that is responsive to changing times.

To achieve this, we shall:

- Implement a quality management system aligned with international standards;
- Satisfy all applicable requirements relevant to the business;
- Provide adequate resources to maintain the quality management system;
- Promote quality culture, good governance and employee empowerment at all levels of the organization;
- Ensure employee competence;
- Innovate and continuously improve services for the benefit of customers and other stakeholders; and
- Establish programs to maintain continual improvement of services, systems and processes.

"Quality is our standard. Public service is our commitment."

CORPORATE TAGLINE

Bank deposit mo, protektado!

INSURANCE STATEMENT

Deposits are insured by PDIC up to ₱500,000 per depositor



The Philippine Deposit Insurance System AT A GLANCE

The Philippine Deposit Insurance Corporation (PDIC) is a government instrumentality created on 22 June 1963 by Republic Act No. 3591 entitled, An Act Establishing the Philippine Deposit Insurance Corporation, Defining Its Powers and Duties and for Other Purposes.

PUBLIC POLICY OBJECTIVES

The PDIC was established to promote and safeguard the interests of the depositing public by way of providing insurance coverage on all insured deposits. The PDIC also aims to strengthen the mandatory deposit insurance coverage system to generate, preserve, and maintain faith and confidence in the country's banking system, and protect it from illegal schemes and machinations.

MANDATES

Consistent with its public policy objectives, the PDIC has the following core mandates:

- I. **Deposit Insurance.** The PDIC provides a maximum deposit insurance coverage of ₱500,000 per depositor per bank. To pay claims on insured deposits, The PDIC builds up the Deposit Insurance Fund (DIF) primarily through assessments of banks at an annual flat rate of 1/5 of 1% of their total deposit liabilities.
- II. **Liquidation of Closed Banks.** The PDIC proceeds with the liquidation process upon order of the Monetary Board of the Bangko Sentral ng Pilipinas (BSP). The assets of the closed bank are managed and eventually disposed of to settle claims of creditors in accordance with the Rules on Concurrence and Preference of Credits under the Civil Code of the Philippines.

MEMBERSHIP

Membership with the PDIC is mandatory for all banks licensed by the BSP to operate in the Philippines:

- Banks incorporated under Philippine laws, such as commercial banks, savings banks, mortgage banks, stock savings and loan associations, development banks, cooperative banks, and rural banks; and
- Domestic branches of foreign banks

As of 31 December 2020, there are 535 banks in the Philippine banking system. These consist of 46 commercial banks (including universal banks and branches of foreign banks), 48 thrift banks (savings banks, mortgage banks, stock savings and loan associations, and development banks), and 441 rural banks (including cooperative banks).

SCOPE OF DEPOSIT INSURANCE PROTECTION

The PDIC provides a maximum deposit insurance coverage of ₱500,000 per depositor per bank. It covers all types of bank deposits in banks whether denominated in local or foreign currencies. For insurance purposes, all deposit accounts of a depositor in a closed bank maintained in the same right and capacity shall be added together. Joint accounts shall be insured separately from any individually-owned deposit accounts.

As of 31 December 2020, 80.1 million accounts in 535 banks are covered by deposit insurance. Of the total number of accounts, 96.7% are with balances not exceeding the maximum deposit insurance coverage of ₱500,000 per depositor per bank. For the same period, total deposits in the Philippine banking system amounted to ₱14.87 trillion, of which 20.6% is covered by deposit insurance.



4 October 2021

PRESIDENT RODRIGO ROA DUTERTE
Malacañan Palace, Manila

Through: **SECRETARY CARLOS G. DOMINGUEZ**
Department of Finance
Chairman, PDIC Board of Directors

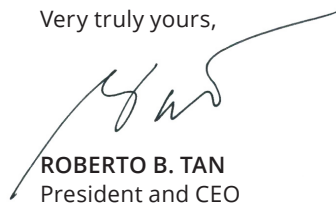
Dear Mr. President:

It is my honor to present the Annual Report of the Philippine Deposit Insurance Corporation (PDIC) for the year 2020.

The Report chronicles PDIC's accomplishments and service improvements in pursuit of its mandates as deposit insurer and liquidator of closed banks, against the backdrop of the challenges brought by the Covid-19 pandemic.

On behalf of the Board of Directors, Management and staff, I affirm PDIC's commitment to uphold exemplary public service through depositor protection, financial stability, and good governance.

Very truly yours,



ROBERTO B. TAN
President and CEO



4 October 2021

SENATOR VICENTE C. SOTTO III
President of the Philippine Senate

REPRESENTATIVE LORD ALLAN JAY Q. VELASCO
Speaker of the House of Representatives

Through: **SECRETARY CARLOS G. DOMINGUEZ**
Department of Finance
Chairman, PDIC Board of Directors

Dear **Senate President Sotto** and **House Speaker Velasco**:

It is my honor to present the Annual Report of the Philippine Deposit Insurance Corporation (PDIC) for the year 2020. The Report highlights PDIC's accomplishments and continuing innovations in support of its public policy objectives to protect the depositing public and help promote financial stability.

On behalf of the PDIC Board of Directors, Management and staff, I thank the Senate and the House of Representatives for their unwavering support for PDIC as deposit insurer and liquidator of closed banks.

Very truly yours,

ROBERTO B. TAN
President and CEO



4 October 2021

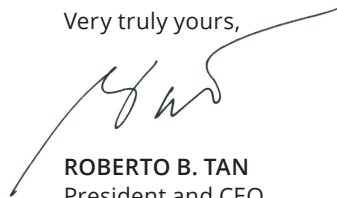
CHAIRMAN SAMUEL G. DAGPIN, JR.
Governance Commission for Government-Owned
or –Controlled Corporations (GCG)
3/F Citibank Centre, Citibank Plaza
Paseo de Roxas Avenue, Makati City

Dear **Chairman Dagpin:**

It is my honor to transmit the Annual Report of the Philippine Deposit Insurance Corporation (PDIC) for the year 2020 that chronicles PDIC's accomplishments and service innovations to better protect the depositing public and promote financial stability amidst the Covid-19 pandemic.

On behalf of the PDIC Board of Directors, Management and staff, I affirm our commitment to continuously champion good corporate governance and deliver exemplary public service.

Very truly yours,



ROBERTO B. TAN
President and CEO

CHAIRMAN'S MESSAGE

Staying Strong to Build Confidence during Uncertainty

COVID-19 made 2020 one of the most challenging years in the history of our country. From the national economy to individual households, the significant losses from the pandemic have created so much uncertainty and have changed the way we live. In times like these, the government needs to step up and lead the way so Filipinos can march into the future with hope and confidence.

Nothing has been more valuable during this difficult period than institutions that are strong, dedicated, and reliable to assure our people. The Philippine Deposit Insurance Corporation (PDIC) is one of these institutions.

Over this period of great difficulty, the PDIC assured our small depositors that their hard-earned savings are safe. It is remarkable that during this uncertain period, there was no run on banks--not even rumor-mongering about bank failure. Our people kept their confidence in our banking system. One major reason for this is the knowledge that the PDIC will be backstopping our banks and providing insurance cover for depositors.

Despite the economic difficulties of the past months, the PDIC prudently managed its funds. The Deposit Insurance Fund has grown to ₱214.8 billion in 2020. The PDIC is building not just the necessary financial resources to provide depositor protection but also public confidence in the strength of the financial safety net system.

Moving forward, I ask the PDIC to constantly digitalize its remaining manual programs and processes. It should likewise improve its cybersecurity systems to better protect its clients.

I congratulate the members of the PDIC family for their hard work, professionalism, and excellence. Let this vital pillar of our banking system remain strong for the many years ahead.

**CARLOS G. DOMINGUEZ**

Secretary of Finance
Chairman, PDIC Board of Directors

Nothing has been more
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The Philippine Deposit
Insurance Corporation
(PDIC) is one of these
institutions.





Time and again, PDIC proved its commitment to public service not only in carrying out its core mandates but also through various initiatives of innovation and altruism during times of adversity.

PRESIDENT'S REPORT

Staying Strong and Focused During Crisis

The year 2020 was full of uncertainties as the world grappled with the deadly COVID-19 which caused a global crisis, and challenged healthcare systems, economic programs, and social norms. The crisis has altered the ways of doing business including the operations of the PDIC. Under the “new normal”, the PDIC remained committed and stood steadfast in delivering the targets based on its Corporate Performance Scorecard during the year. All eight (8) strategic objectives and 10 strategic measures in the Scorecard were achieved with a total score of 100%, surpassing the GCG-prescribed minimum rating of 90%.

Strengthened Capital Position

PDIC's paramount objective under the financial perspective of its Scorecard is to maintain a strong capital position to adequately and readily address the risks associated with bank closures under normal circumstances. Through prudent fund management, the Deposit Insurance Fund (DIF) reached ₱214.75 billion as of 31 December 2020, 9.3% higher than the previous year's level. Meanwhile, the estimated insured deposits (EID) in the banking system at ₱3.07 trillion grew by 7.7% year-on-year. As a measure of capital adequacy, the ratio of DIF to EID at 6.99% exceeded the minimum requirement of 5.5% set for 2020, an indication of the Corporation's readiness to respond to insurance calls.

Satisfied Corporate Clientele

Under the stakeholders' perspective, it is PDIC's aim to provide prompt and responsive services to enhance client experience. Based on a survey of customers in 2020, 90.05% of the Corporation's clients were at least satisfied with the services we delivered, meeting the GCG-set target for all GOCCs. Among those covered in the survey were depositors and borrowers of closed banks, and banks. The survey was conducted by a third-party service provider with adjustment in methodology from intercept approach to telephone interviews to observe the prescribed health and safety protocols in view of the pandemic.

Continued Process Improvements

We are constantly streamlining our internal processes, particularly in the areas of claims settlement and liquidation of closed banks, for the benefit of our customers and other stakeholders. Prompt settlement of depositor's insured deposit remains a top priority in 2020 despite the challenges posed by the pandemic. We paid 100% of valid deposits of depositors with deposit

and balances of ₱100,000 and below within seven (7) to 20 working days (WDs) from bank takeover. We also settled 100% of valid claims filed by the depositors with deposit balances of more than ₱100,000 or with obligations with the closed banks.

The PDIC adopted the Receive-Process-Mail (RPM) mode of claims settlement during the year with turnaround time of seven (7) WDs from receipt of valid claims from the depositors¹. The RPM mode was adopted to protect both the clients of the closed banks and PDIC employees by minimizing the spread of and exposure to COVID-19. In the RPM mode, filing of deposit insurance claims were through e-mail, postal mail or courier; processing of claims was strictly done at the PDIC office; and paying of claims was made through Postal Money Order (PMO), Cash-Over-the-Counter through designated branches of a government bank, bank transfer or mailing of checks. These measures replaced PDIC's standard claims settlement operations (CSO), which required depositors to file claims in person, involving face-to-face transactions between depositors and the PDIC payout team at the closed bank premises.

¹Or from the approval of the Report of Validation (ROV)/Register of Insured Deposits (RID), whichever came later.

Through RPM mode, filing of claims and receiving of the deposit insurance were made easier and more convenient for depositors.

To facilitate the termination of liquidation of closed banks, PDIC focused on the reduction of loan and ROPA portfolio which, as of year-end 2019, stood at 713,021 accounts and 32,280 real properties, respectively. By year-end 2020, the loan portfolio was reduced by 12,594 accounts, slightly above the target of 12,121 accounts, while the inventory of real properties decreased by 692, exceeding the target of 549, primarily through write-off via asset distribution plans.

Relatedly, the process for the takeover of closed banks was adjusted so our personnel could comply with health and travel protocols, as well as quarantine restrictions. The swift takeover of a closed bank minimizes the risk of breach of confidentiality of the bank closure, preserves the integrity of bank records and transactions, and prevents dissipation of bank assets.

The Pack-and-Leave Mode of taking over closed banks was adopted by the Corporation in response to the pandemic and implemented when the quarantine status in the National Capital Region (NCR) was eased to General Community Quarantine (GCQ), allowing the resumption of work at offices and other work spaces. This involved gathering bank records and documents at the closed banks' premises and transporting them to the PDIC office for disinfection and processing, thus, lessening the health risks for our personnel.

In addition, to ensure that the Corporation is prepared to respond to a financial crisis, contingency plans focusing on crisis funding and communication were drafted. These plans are based on and aligned with the Framework for Crisis Management and Resolution (FCMR) in the Financial Sector developed by the Financial Stability Coordination Council (FSCC). The other components of the financial crisis management plan, i.e., takeover and claims settlement, will be completed in 2021.



Enhanced Organizational Capability

To sustain our performance, we continued to enhance our employees' knowledge, skills and attitudes aligned with a competency-based Human Resource Management (HRM) framework. During the year, majority of our employees with competency gaps showed improvements, benefitting from continuous learning and development interventions. This resulted in an overall improvement in the competency of the organization compared to the 2019 year-end assessment.

PDIC also continued leveraging technology to maximize efficiency. We are upgrading our systems to be at par with world-class standards in service delivery.

Toward this end, PDIC has completed its Information System Strategic Plan (ISSP) covering the period 2021 to 2024. The ISSP serves as a framework of the Corporation's efforts in computerizing its processes to support operations and decision-making aligned with our corporate objectives and strategies. It also outlines the various Information and Communications Technology (ICT) projects with proposed implementation schedules and has been submitted to the Department of Information and Communications Technology (DICT) for review, to ensure the coherence of programs and projects, and the interoperability among ICT-related resources across the government.

During the year, we maintained ISO certification for four (4) core processes, namely: Assessment of Member Banks, Claims Settlement Operations,

Loans Management, and Real Property Disposal. In addition, we achieved certification for our Bank Examination process under ISO 9001:2015 standards. These showed our efforts to constantly improve our core processes to meet the expectations of both our customers and stakeholders.

Instituted Program Adjustments

We embarked on a campaign called, *"We Heal as One PDIC"*, highlighting resilience amid the pandemic, to adapt to the "new normal" and keep our employees and the workplace safe, all the while providing uninterrupted services to our clients. We instituted safety measures in our office premises and strictly followed health protocols for employees at the workplace, which included transactions with clients. We shifted



to an alternative work arrangement where only a minimum workforce reported onsite to ensure the continuous delivery of critical services, while the majority of employees worked from home. Personnel who were part of the skeleton staff were provided with free shuttle service.

We also pursued measures to enable the effective and efficient delivery of critical services with consideration to the relevant provisions of Republic Act No. 11469 or Bayanihan to Heal as One Act and Republic Act No. 11494 or Bayahinan to Recover as One Act, while ensuring the safety of both employees and clients. These measures allowed us to not only continue to serve our target public, but also to help our clients weather the adverse effects of the pandemic, even as the National Government eventually placed other regions, provinces, and cities, from Luzon to Mindanao, under varying levels of community quarantine due to the rising cases of COVID-19 in other localities.

In the first quarter of the year, we implemented a payment relief program that covered loans, property purchases and lease arrangements, giving borrowers, property buyers and lessees for corporate and closed bank accounts with payments falling due during the Enhanced Community Quarantine (ECQ), a grace period of 30 days to settle their obligations without penalty charges. In the third quarter of the year, we once again offered payment relief to borrowers and property buyers, extending by 60 days payments falling due between mid-September and end-December 2020.

In consideration of the difficulties which the government's pandemic mitigation efforts may have brought to closed banks' depositors and creditors, PDIC extended the statutory deadlines

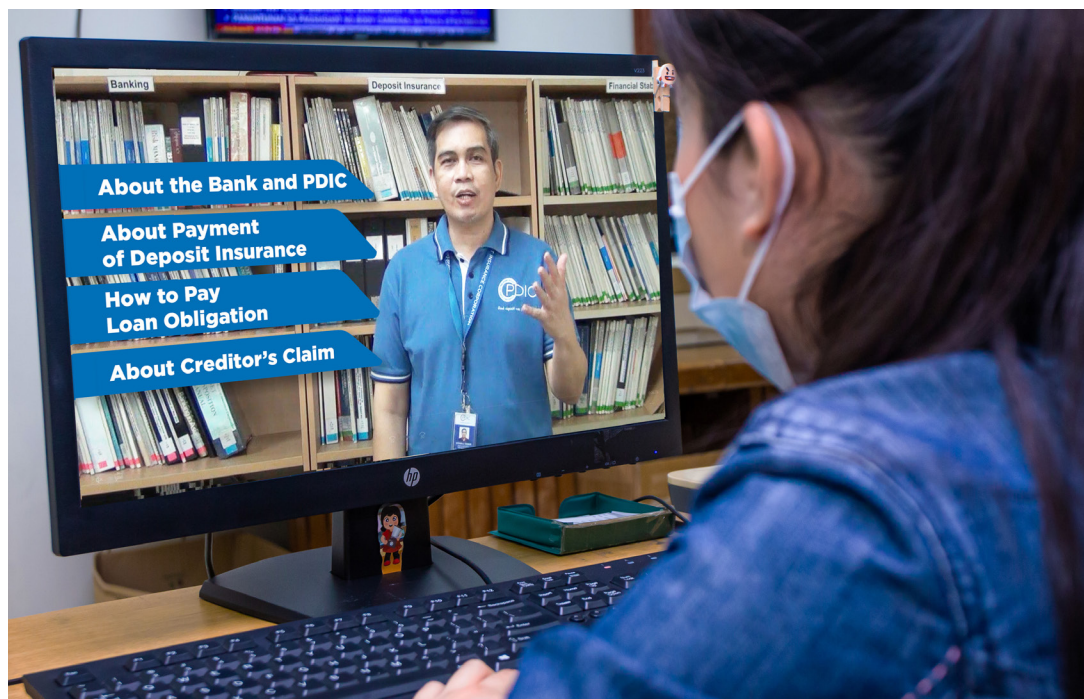
for filing of deposit insurance claims by 60 days for depositors of over 20 banks closed between 2018 and 2020. We also suspended the 60-day period for creditors to file claims against the assets of two banks in Cagayan and Antique ordered closed by the Monetary Board and taken over by PDIC in late February and early March of 2020, respectively.

Communication with depositors and other clients has likewise changed. The Depositors-Borrowers Forums were held online with the help of social media; we announced pertinent information such as the automatic payment for eligible depositors, how to file claims and the start of claims filing, through press releases, text

blasts, social media, and guest spots on national and local radio programs; we also tapped Local Government Units (LGUs) with official Facebook pages to help promote and share PDIC's press releases and social media posts.

Extended Social Outreach

As part of its social responsibility, the PDIC contributed to the purchase of personal protective equipment (PPEs) for health workers through a cash donation to a government hospital, the East Avenue Medical Center, in June. Furthermore, our generous employees launched fund drives to donate cash and emergency goods to help affected individuals and families cope



with the aftermath of natural disasters, such as the eruption of Taal Volcano in January, and back-to-back typhoons that destroyed homes and caused catastrophic flooding in Catanduanes and in Cagayan in the last quarter of the year.

Enhanced Collaboration with Partners

Maintaining and enhancing partnerships with financial regulators is also a critical component of our role in promoting financial stability. The PDIC continued to work with other financial regulators and as a member of the Financial Sector Forum (FSF) and the Financial Stability Coordination Council (FSCC) to strengthen oversight of financial institutions, facilitate sharing of information, and to monitor and manage risks in the financial system. We also participated in the Financial Sector Assessment Program (FSAP) review conducted jointly by the World Bank (WB) and the International Monetary Fund (IMF), which was concluded in 2020. The review led to the drafting of the Financial Sector Strategy Roadmap, which provided recommendations to strengthen certain policy areas such as in financial technology, payment systems, and financial intermediation.

At the international level, PDIC remained active in collaborating with fellow member institutions of the International Association of Deposit Insurers (IADI), ensuring the Corporation's readiness to contribute to cross-border cooperation, research, and information exchange. In 2020, PDIC participated in global discussions on actions taken by deposit insurers to address the impact of COVID-19 in their respective jurisdictions.



We shared with our peers the measures we instituted to ensure the continuous delivery of services while contributing to government initiatives to support the financial system, and participated in surveys that were used to provide IADI members with valuable information on how deposit insurers and central banks across the globe dealt with the pandemic to mitigate its impact on their respective stakeholders.

We also spearheaded the semi-annual official electronic publication of the IADI Asia-Pacific Regional Committee (APRC) called APRC NET, and the promotion of regional outreach efforts

that seek to provide technical assistance and membership to Asia-Pacific jurisdictions that presently have no explicit deposit insurance systems. We are also privileged to represent the APRC in the subgroup of the Strategic Planning Work Group to review and develop a new model to set the membership fees in IADI and to promote the Association's strategic objectives.

Received Awards and Recognition

I am also happy to report that PDIC received recognition for excellence in HRM practices and in communication with stakeholders.

We received a Bronze Award from the Civil Service Commission (CSC) for the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM). This recognition covers four HRM areas: (1) Recruitment, Selection and Placement; (2) Performance Management; (3) Learning and Development; and (4) Rewards and Recognition.



Meanwhile, we received a Silver Anvil Award from the Public Relations Society of the Philippines (PRSP) for our 2018 Annual Report, which showcased various measures to strengthen the organization, promote good governance and employee empowerment.

Time and again, PDIC proved its commitment to public service not only in carrying out its core mandates but also through various initiatives of innovation and altruism during times of adversity. The ultimate professionalism of PDIC's men and women to serve PDIC's stakeholders has imbued the Corporation with strength and endurance to ably manage uncertainties and address risks and threats due to the pandemic. While there were some setbacks caused by the prevailing health crisis, we managed to stay strong and remained focused to be closer to our vision of *"being a leading institution in depositor protection, recognized for operational excellence and responsive to the changing times."*



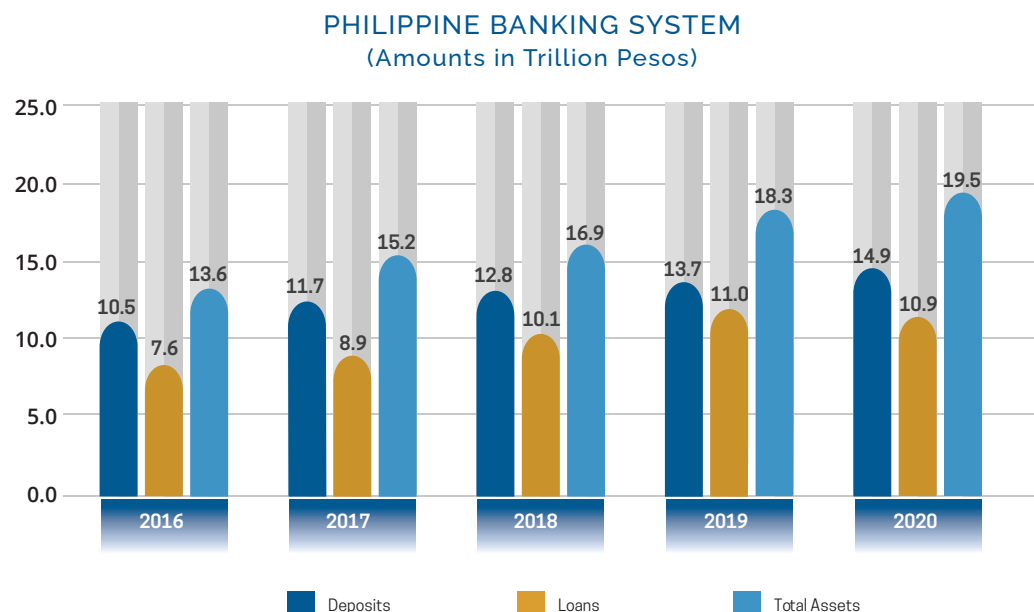

ROBERTO B. TAN
 President and CEO

CORPORATE OPERATING ENVIRONMENT

The Covid-19 pandemic caused a major disruption in the global economy in 2020. Safety measures were imposed, movements were restricted worldwide to stop the spread of the deadly virus while scientists hustled to develop a vaccine. Economic activities halted, if not limited to the barest essentials. As a result, the Philippine economy contracted as the National Government enforced protracted lockdowns to combat the threat of Covid-19, particularly in the National Capital Region.

During the year, banks modified their operations including shortening operating hours and adapting a rotation approach for onsite reporting of employees as measures to protect their officers and staff from the virus. In their oversight of bank operations, the Board and Management of banks opted to optimize technology to provide undisrupted service to their clients.

Given the economic slowdown, the Philippine banking system recorded slower loan growth and considerable decline in profits. However, deposit liabilities continued to expand which reflected sustained depositor confidence in banking institutions. Overall, banks maintained modest growth and remained adequately capitalized to withstand the challenges of the pandemic.



Bank Movements

The Philippine banking system had 535 banks at the end of 2020, down by 12 banks from the preceding year. Two new rural banks entered into the system while 14 exited due to closure (5), merger (4), consolidation (4), and surrender of banking license (1). Rural banks comprised 82.4% (441) of the total number of banks, followed by thrift banks at 9.0% (48) and commercial banks at 8.6% (46).

Notwithstanding the unanticipated disruption, banks continued to expand their network to promote access to financial services. The

establishment of bank presence in 11 unbanked municipalities – three from Luzon, one in Visayas, and seven in Mindanao – during the year provided momentum for financial inclusion. As of year-end, the number of unbanked municipalities was reduced to 499 from 510 in 2019.

There were 12,684 banking units in the system consisting of head offices and branches as of end-2020, 52 units more compared to the 12,632 total banking units recorded in 2019. Commercial banks accounted for 36 net additional offices while thrift and rural banks added eight each in 2020.

Financial Performance

Resources

Total assets of the banking system increased to ₱19.5 trillion, 6.1% more compared to ₱18.3 trillion posted in 2019. Asset expansion by 21.1% reflected a significant growth in quick assets, driven mainly by a 33.6% increase in funds parked with the BSP.

Even with interest rate cuts, bank lending decelerated in 2020, putting to a halt the steady loan growth in the past years. Gross loans decreased to ₱10.9 trillion at end-2020 or by 0.9% from almost ₱11.0 trillion in end 2019. The quality of loans also deteriorated as economic recession weakened borrowers' repayment capacity. The ratio of non-performing loans (NPL) to gross loans slid to 3.6% as of end 2020 from the previous year's level of 2.0%. The higher level of NPL necessitated more provisions for loan losses which put pressure on the bottom line of banks.

Deposits and Liquidity

Deposits mainly funded the growth of the banking system. Excluding Islamic deposits and deposits from overseas branches of Philippine banks, total domestic deposits as of end-2020 rose to ₱14.9 trillion, higher by 9.0% or ₱1.2 trillion from the year ago level of ₱13.7 trillion. The number of deposit accounts also grew to over 80.1 million, an increase of 8.7% or 6.4 million accounts from the 73.7 million accounts registered in 2019.

Digital banking boosted the increase in current and savings deposits which both posted double-digit growths during the year. However, time deposits and long-term negotiable certificate of deposits partially declined due to falling interest rates.

The risk exposure of PDIC on deposits increased as estimated insured deposits (EID) reached ₱3.1 trillion, 7.7% higher compared to ₱2.9 trillion in 2019. Some 96.7% of the deposit accounts or 77.4 million of the 80.1 million total deposit accounts are fully insured. The EID represented 20.7% of the ₱14.9 trillion total deposits in the system.

Deposits with balances over ₱5 million rose by ₱890.3 billion and grew by 4,140 accounts as of end-2020. Increases in deposit accounts with balances of ₱5,000 and below, however, painted brighter prospects in the face of uncertainties and pointed to significant strides for the financial inclusion initiatives of the government. While growing by only ₱2.9 billion, these deposits represented an increase of 5.0 million accounts as of end-2020.

The banking system had ample liquidity. However, as banks tightened lending standards due to economic slowdown, funds generated from deposits were only partially channeled to lending. Quick assets to total deposits rose to 52.8%, up from the year-ago ratio of 47.5%. Conversely, the intermediation ratio dropped to 73.0% as of end of 2020 from 80.2% in the previous year due to the slowdown in lending.

Profitability

Even as lockdowns restrained economic activities, banks remained profitable. Net interest income and other income posted modest growth, helping net operating revenue to increase by 28.3%. The substantial increase in provisions for loan losses, however, heavily pulled down the profitability of banks. As a result, the bottom line took a sharp decline as the banking system posted a net income of ₱155.3 billion, down by 32.7% from the previous year's level and the lowest since 2017. Returns on assets and equity as of end-2020 dropped to 0.8% and 6.2%, respectively, the weakest for the past 10 years.

Capital

The banking system remained generally well-capitalized. The capital adequacy ratio stood at 16.7%, well above the minimum regulatory requirement of 10% set by the BSP. The capital buffer supported the ability of the Philippine banking system to absorb further losses which also benefitted the PDIC, with the strong capital position of the banking system contributing to the adequacy of the Deposit Insurance Fund.

Outlook

Despite the development of vaccines, swift economic recovery may take a while given that global supply issues slowed down the rollout of vaccination programs across countries. Achieving herd immunity due to vaccination hesitancy also poses challenges to the government's target of inoculating 70% of the population by the end of 2021. This, in turn, may result in protracted and recurring containment measures which may adversely impact the banking sector.

Even as uncertainties abound, the PDIC has always been ready to face challenges even those posed by this pandemic. The Corporation was quick to institute measures to adjust its processes and systems to ensure continued delivery of services to its clients. Efforts to pursue legislative amendments to the legal and operational framework of the Corporation, and to further enhance the effectiveness of the deposit insurance system have gained grounds by year-end. All these point to the continued pursuit to strengthen the PDIC to enable and equip it to protect the depositing public and promote financial stability especially in these uncertain and trying times.

INSTITUTIONAL GOVERNANCE FRAMEWORK

Governance, Risk and Compliance Framework

The Corporation observes and commits accountability and transparency in the performance of its mandate of providing insurance coverage on all insured deposits to safeguard the interests of the depositing public and help maintain a sound and stable banking system. As such, the PDIC Board of Directors, Management and employees commit to comply with the principles in PDIC's Code of Corporate Governance and acknowledge that this Code guides the Corporation in achieving its goals.

The PDIC's Integrated Governance, Risk and Compliance (GRC) Framework embodies the synergy among the various core and support functions in ensuring effective governance, risk management, and compliance processes. The GRC Framework identifies the process through which these functions are coordinated to maximize performance and avoid overlaps across governance, risk management, compliance and control, for more efficient and effective information-sharing and reporting activities.

Corporate Governance

The Board Governance Committee (BGC) assists the Board of Directors in fulfilling its corporate governance responsibilities and ensuring adherence to the principles and standards of good corporate governance by defining the institutional framework for sound corporate governance; adopting policies and procedures consistent with good governance standards; and ensuring the availability of an effective system for monitoring compliance with laws, rules, regulations and policies.

The status of corporate compliance to issuances of various regulatory agencies was regularly presented to the BGC by the Corporate Governance Office (CGO). The latter monitors laws, rules and regulations affecting or are relevant to the Corporation. CGO also reported to the BGC significant governance issues and ensured timely submission of the required reports to regulatory agencies, which included the reports on corporate performance to the Governance Commission for GOCCs (GCG).

The BGC likewise recognized the need to adjust PDIC's guidelines and processes in view of the logistical challenges in the performance of the corporate mandates due to the pandemic, by endorsing to the Board of Directors key

management proposals. These included the new normal action plan for the service of the notice of closure to banks ordered closed by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP), and guidelines in the use of digital signatures. The PDIC, through the BGC, also requested for a resolution from the Inter-Agency Task Force for the Management of Emerging Infectious Diseases (IATF-EID) classifying PDIC employees and outsourced personnel as exempt from health, quarantine and travel requirements.

Since the BGC exercises the functions of a Nomination and Remuneration Committee, personnel movements requiring appointment by the Board of Directors were reported to the BGC and acted upon.

During the year, the Board of Directors reviewed and approved revisions to the PDIC Code of Corporate Governance. Included in the Code were the special qualification for the Chairperson of the Board Audit Committee and the revised PDIC Vision, Mission and Quality Policy. Moreover, the Board of Directors approved additional revisions to the PDIC No Gift Policy which generally adopted certain recommendations of the GCG.

The projects, programs and activities of the Corporation were posted in the PDIC website to promote transparency and better stakeholder engagement. Such promotion and strengthening of public partnership were further displayed in the provision of an accessible, efficient and reliable feedback mechanism as embodied in the Corporation's Whistleblowing Policy. This policy provides feedback channels for any individual to report, anonymously if so desired, and testify on matters involving actions or omissions of all covered personnel that violate good governance principles, or are illegal, unethical, and against public policy and morals, promote unsound and unhealthy business practices, and are grossly disadvantageous to the PDIC and/or the environment.

As far as performance of the Board of Directors and its individual members is concerned, a performance evaluation system that includes self-assessment and peer assessment is accomplished to review strengths and weaknesses. All members of the Board Committees likewise responded to this assessment to evaluate their performance and identify strengths and opportunities for improvement.

Risk Management

The Board of Directors, through the Board Risk Management Committee (BRMC), exercises oversight function over the Corporation to ensure that key risks are identified and managed consistent with its risk management policy. They are supported by the Enterprise Risk Management Committee (ERMC) which provides

a strategic role in establishing the direction to embed risk management in all work contexts and levels.

The PDIC continued to implement the Enterprise Risk Management (ERM) Framework developed in 2014 to govern its risk management of the Corporation. The Framework defines the responsibilities of the various units in the effective and efficient identification, assessment and treatment of risks in carrying out their functions, programs or action plans; and in ensuring the accomplishment of objectives.

In 2020, the Corporation focused its risk management processes on addressing business continuity risks posed by the pandemic and attendant financial, operational, legal, regulatory and reputational risks.

At the onset of the pandemic, the Crisis Management Committee (CMC), as supported by key units in the organization, played a crucial role in ensuring that the Corporation manages the Covid-19 risks. The CMC issued response measures to mitigate the impact of disruption to PDIC operations as well as business continuity policies and instructions, including alternative work arrangements, to ensure continuous delivery of services to the public while ensuring the safety of its personnel and customers. Other measures included the following:

- use of e-mail and cash over-the-counter as alternative modes for filing and payment of deposit insurance claims, respectively;
- implementation of pack-and-leave mode for the takeover of closed banks to lessen deployment of PDIC personnel and minimize health risks;
- grant of payment relief for borrowers, creditors, lessees, and buyers of properties; and extension in the period or filing of claims against the closed banks. These aimed to alleviate the negative impact of the enhanced community quarantine to clients and other relevant stakeholders of closed banks;
- approval of a contingency funding plan and a financial crisis communication plan to ensure funding support and strategic communication in the event of a financial crisis;
- Covid-19 testing of personnel based on a sample population, contact tracing, reduction of onsite workforce and implementation of other health protocols such as disinfection and reconfiguration of work areas to prevent transmission and help maintain physical distancing;
- implementation of a text blast facility in addition to existing social media and other forms of traditional media to communicate with stakeholders;
- procurement of needed equipment, facilities, infrastructure or systems

especially information technology equipment and software to enable and secure work-from-home arrangements; and

- implementation of an electronic multi-channel disbursement facility and electronic bidding system, among others, to enhance the online services of the PDIC.

Constant monitoring and reporting to Management; and coordination with other government agencies enabled the Corporation to ensure that aforesaid measures were aligned with the issuances and initiatives of the National Government.

These developments further contributed to the organizational resilience of the Corporation which has been steadily augmented throughout the years by way of provision of safety and emergency equipment, conduct of simulations and drills; and trainings on first-aid, fire safety and security.

Risk awareness and capacity of employees were continuously enhanced through the conduct of orientations and briefings. Apart from the briefings on updates to the ERM Framework to support the Corporation's transition to the ISO 9001:2015 standards for its frontline services' quality management systems, the significance of understanding and identifying risks or opportunities to achieve the Corporation's objectives was highlighted at the beginning of the year simultaneous with the preparation of the respective annual plans of PDIC units.

Monitoring and reporting of risks were continuously implemented. Key risks and other risk-related matters were updated, monitored and reported quarterly to the ERM and the BRMC for discussion as evaluated by the concerned units and the RMO. These reports assist Management and the Board Committees in recommending actions to the Board of Directors. Regular reporting to the Board of the Directors on the actions taken and planned mitigation measures provides assurance of Management's commitment to address risks.

Internal Audit

The Board Audit Committee (Board AC) is among the oversight committees of the Corporation created with the purpose of assisting the Board of Directors to oversee the financial reporting process, the system of internal control and audit process; and compliance with laws and regulations and the Code of Ethics.

The Board AC also oversees the activities of the Internal Audit Group (IAG). In the performance of its duties and responsibilities, IAG is governed with applicable internal auditing standards such as the Revised Philippine Government Internal Audit Manual issued by the Department of Budget and Management (DBM) in May 2020, Internal Auditing Standards for the Philippine Public Sector released by the Commission on Audit in 2018, as well as other relevant international standards for internal auditing. The independence of IAG is maintained as it continues to report functionally to the Board AC and administratively to the PDIC President.

The Board of Directors noted that the internal controls in various areas/processes/systems audited during the year are generally adequate and effectively working to respond to risks within the organization's governance, operations, and information systems. Likewise, a strong collaboration is in place between oversight Committees - IAG, RMO and CGO - consistent with the GRC Framework.

For the PDIC Management, commitment in strengthening governance and risk management processes and implementation of effective internal controls is eminent to ensure relevant risks are addressed in processes/systems where key or significant audit findings were noted.

Constant monitoring and reporting to Management; and coordination with other government agencies enabled the Corporation to ensure that measures were aligned with the issuances and initiatives of the National Government.

PHILIPPINE DEPOSIT INSURANCE CORPORATION
2020 REPORT ON CORPORATE PERFORMANCE
BASED ON RECALIBRATED 2020 PERFORMANCE SCORECARD
As of 31 December 2020

COMPONENT					TARGET	ACCOMPLISHMENT AS OF 31 DECEMBER 2020	RATING
STRATEGIC OBJECTIVE (SO)/ STRATEGIC MEASURE (SM)	FORMULA	WEIGHT	RATING SYSTEM	2020 (ANNUAL)			
SO 1. To Maintain Adequate Deposit Insurance Fund (DIF)							
SM 1	Adequate Capital against Deposit Insurance Costs	12-month average DIF/ 12-month average EID ¹	10	(Actual/Target) x Weight 0% = If less than 5.5%	5.5%	6.96%	10
	Sub-total		10				10
SO 2. To Enhance Client Experience							
SM 2	Percentage of Satisfied Customers	No. of respondents who gave rating of at least satisfactory / Total number of survey respondents	10	(Actual/Target) x Weight 0% = If less than 80%	90%	90.05%	10
	Sub-total		10				10
SO 3. To Institutionalize Collaborative Financial Literacy Program							
SM 3	No. of Targeted Provinces with Signed Memorandum of Agreement (MOA) on Partnership for Sustainable Program on Increasing Trust to the Banking System	Actual Accomplishment	5	(Actual/Target) x Weight	Signed MOA with Two (2) Provinces	Measure removed	N/A
SO 4. To Reduce Non-cash Portfolio							
SM 4	Percentage of Reduction of Loans (cumulative) Based on Baseline Accounts as of 2019 Year-end	Actual Accomplishment	10	(Actual/Target) x Weight	1.7%	1.77% (103.90%) (1.77% = 12,594 accounts/ 2019 baseline accounts of 713,021) (103.90% = 12,594 accounts/2020 target of 12,121 accounts)	10

COMPONENT					TARGET	ACCOMPLISHMENT AS OF 31 DECEMBER 2020	RATING
STRATEGIC OBJECTIVE (SO)/ STRATEGIC MEASURE (SM)	FORMULA	WEIGHT	RATING SYSTEM	2020 (ANNUAL)			
SM 5	Percentage of Reduction of Real Properties (cumulative) Based on Baseline Properties as of 2019 Year-end	Actual Accomplishment	10	(Actual/Target) x Weight	1.7%	2.14% (126%) (2.14% = 692 real properties/2019 baseline portfolio of 32,280) (126% = 692 real properties/ 2020 target of 549 properties)	10
SO 5. To Contribute to Financial Stability by Ensuring Financial Crisis Preparedness							
SM 6	Readiness Level for Participation in the Conduct of Financial Crisis Simulation	Actual Accomplishment	10	All or nothing	Board-approved - Funding Plan with Integrated Communication Plan	Contingency Funding Plan approved by the Board on 9 and 21 December 2020. Crisis Communication Plan approved by the Board on 21 December 2020.	10
SO 6. To Settle ² Valid ³ Deposits/Claims Within Applicable Processing Time							
SM 7	Settlement of Valid Deposits Promptly within Applicable Turn-Around-Time (TAT in line with EODB) - For Accounts with Less than or Equal to ₱100,000 Balances	Number of valid deposits paid within TAT / Total number of valid deposits for Accounts with Less than or Equal to ₱100,000 balances	10	(Actual / Target) x Weight	100% of claims settled within TAT ⁴	100% ⁵	10
SM 8	Settlement of Valid Claims Promptly within Applicable Turn-Around-Time (TAT in line with EODB) - For Accounts with More than ₱100,000 Balances	Number of valid claims settled within TAT / Total Number of valid claims filed during the duration of Project Management for subject closed bank	10	(Actual / Target) x Weight	100% of claims settled within TAT ⁴	100% ⁶	10
	Sub-total		50				50
SO 7. To Recruit the Best and the Brightest, and Retain Highly Motivated and Competent Workforce							
SM 9	Percentage of Employees Meeting Required Competencies	Competency Baseline ⁷ 2020 - Competency Baseline 2019	10	All or Nothing	Improvement on the Competency of the Organization based on the 2019 year-end assessment	Improved Competency of the Organization based on 2019 year-end assessment	10
SO 8. To Build a Responsive Organization Equipped with the Appropriate Technology and Other Infrastructure							
SM 10	Implementation of the Information System Strategic Plan (ISSP)	Actual Accomplishment	10	All or nothing	Board-approved ISSP as submitted to DICT	Board-approved ISSP submitted to DICT on 22 December 2020.	10

COMPONENT					TARGET	ACCOMPLISHMENT AS OF 31 DECEMBER 2020	RATING
STRATEGIC OBJECTIVE (SO)/ STRATEGIC MEASURE (SM)		FORMULA	WEIGHT	RATING SYSTEM	2020 (ANNUAL)		
SM 11	ISO Certification	Actual Accomplishment	5	All or nothing	Maintain ISO Certification for Assessment of Member Banks (AMB), Claims Settlement Operations (CSO), Loans Management (LM) and Real Property Disposal (RPD) Process Attain certification for Additional Frontline Process	Maintained ISO Certification for the following processes: - AMB - CSO - LM - RPD Attained certification for the Bank Examination process	5
Sub-total			25				25
TOTAL			95				95
Rating based on total weight of 95%							100.00% ⁸

1- Capturing the period from January to December 2020

2 - A valid claim is considered settled when it is paid or dispatched to the Philippine Postal Corporation (PPC), or offset with an obligation, or in excess of the maximum deposit insurance coverage.

3 - Valid claims refer to claims for deposit accounts examined to be legitimate and eligible for deposit insurance. For depositors with valid deposit balances of ₱100,000 and below, filing of claim is waived for those with updated and complete mailing address, who have no obligations with the closed bank, and have not maintained the account under the name of business entity. All other depositors have to file deposit insurance claims with complete supporting evidences/documents acceptable to PDIC.

4 - Applicable processing time based on compliance with Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018 and ARTA Memorandum Circular Nos. 2020-03 dated 20 March 2020 and 2020-03-A dated 11 June 2020.

5 - Accomplishments attributed to 4 out of 5 banks taken over by PDIC in 2020 [i.e., Providence Rural Bank (Cagayan), Inc., De La O Rural Bank, Inc., San Fernando Rural Bank, Inc., and Cooperative Bank of Aurora] with actual TAT of 7 to 20 working days. Outright payment of valid deposits to the depositors of these banks were made through the PPC. For Rural Bank of Tibiao (Antique), Inc. which was closed on 6 March 2020, the scheduled dispatch to PPC of register/payment notices for the depositors was suspended due to the implementation of the Enhanced Community Quarantine (ECQ). As an alternative mode during the ECQ, PDIC required all its depositors, regardless of account balances, to file claims through email.

6 - Accomplishments are attributed to two (2) banks taken over by PDIC on 11 September and 27 November 2020. The Receive-Process-Mail (RPM) mode of claims settlement was adopted as the default mode for the new normal, preceded by the Pack and Leave mode of takeover operations. Target TAT for claim settlement is 7 working days from the date of receipt of valid claims or from the approval of Report of Validation (ROV)/Register of Insured Deposits (RID), whichever comes later. For Providence Rural Bank, Inc. (Cagayan) and Rural Bank of Tibiao (Antique), Inc. which were closed on 28 February 2020 and 6 March 2020, respectively, the scheduled field/onsite claims settlement operations for the depositors of the said closed banks were suspended due to the implementation of the ECQ. Claims settlement for another bank (Cooperative Rural Bank of Aurora) taken over last 9 December 2020 is scheduled to start on 6 January 2021.

7 - The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\sum_{b=1}^B \left[\frac{\sum_{a=1}^A \left(\frac{\text{Actual Competency}}{\text{Required Competency}} \right)_a}{A} \right]_{b=1}^B \quad \text{where: } a = \text{Competency required, } A = \text{Total number of competencies required of position, } b = \text{Personnel profiled, } B = \text{Total number of personnel profiled}$$

8 - Subject to GCG validation

The background features a complex arrangement of overlapping geometric shapes, primarily rectangles and squares, in various shades of grey and yellow. These shapes are layered to create a sense of depth and movement. On the right side, a solid yellow horizontal band spans the width of the page, serving as a backdrop for the title text.

PDIC Story 2020 SERVICING CLIENTS

PDIC Story

STAYING STRONG AMID UNCERTAINTY

SERVICING CLIENTS

The year 2020 was characterized by uncertainty. Never in modern history has the world come to a halt, until the global impact of the health crisis caused by the spread of Covid-19. Suddenly, the “normal” that we are used to has become a thing of the past and safety has become both the topmost priority and an everyday battle. In response to the challenges, the Corporation re-calibrated its processes while remaining focused on its mandates. Throughout the year, the PDIC took to heart initiatives that enabled it to continue serving its diverse set of clients, by building capabilities and fortifying resources as it navigated through the changing operational landscape. It also strengthened its network, mindful that synergy with partner-institutions is a key component for a responsive and uninterrupted public service.

The PDIC Vision — *to be a leading institution in depositor protection, recognized for its operational excellence that is responsive to changing times* — was certainly put to the test during the pandemic year 2020, a challenge the Corporation quickly responded to by institutionalizing initiatives to ensure uninterrupted service to benefit clients.

As a public service institution, the PDIC’s commitment is to protect its clients through responsive service that is able to adapt to the challenges of the ever-evolving financial landscape and the unprecedented impact of the Covid-19 pandemic. This is no simple task,

considering the scope of the Corporation’s services and the diverse client groups that it has to serve simultaneously.

FOR BANKS

During the year, the use of digital technology was maximized in the submission of bank reportorial requirements, in the application for mergers and consolidations, and in the conduct of bank examination. An incentive program for banks struggling to weather the effects of the pandemic was likewise rolled out in collaboration with the Bangko Sentral ng Pilipinas (BSP), and the Land Bank of the Philippines (LandBank).

Bank Examination

Notwithstanding the risks and travel restrictions, the Corporation was still able to examine seven banks with combined deposit liabilities of ₱1.29 billion and estimated insured deposits amounting to ₱886.53 million. Four of these examinations, conducted onsite and jointly with the BSP, were undertaken in the first quarter of 2020.

The Corporation took advantage of the suspension of bank examinations due to the strict travel restrictions by crafting its Offsite Examination Guidelines, preparing for virtual bank examinations, and building the capabilities of its examiners through webinars.

On 1 October 2020, the PDIC conducted its first ever offsite examination which was warmly

welcomed by the examined bank. This was followed by another successful independent offsite examination in November. To cap the year, the PDIC and BSP jointly conducted a blended onsite and offsite examination.

The Corporation ensured that in undertaking virtual bank examinations, adequate security measures were in place to safeguard the confidentiality of information. Videoconferencing also allowed continued coordination with the BSP on significant issues and updates on monitored banks.

The swift integration of technology in the examination process also hastened the delivery of the PDIC Board’s directives to examined banks and efficient monitoring of banks’ compliance with these directives.

The PDIC’s ability to quickly adapt to a new normal examination process did not go unrecognized. Certifying body TÜV Rheinland Philippines cited the breakthrough virtual examination as a testament to the Corporation’s commitment to adapt to the changing times without sacrificing integrity and quality.

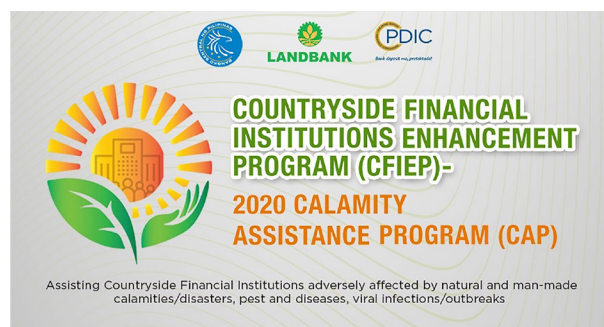
The bank examination process, which focuses on deposit operations, was certified under the ISO 9001:2015 standards by TÜV Rheinland Philippines during the year. During its audit, TÜV Rheinland commended the approach adopted by the Corporation in conducting offsite bank examination through a virtual platform. The ISO

certification attests that the examination process is responsive and at par with international standards, a manifestation of the commitment to continued operational excellence.

Bank Resolution

In its pursuit of promoting and safeguarding the interest of the depositing public, the PDIC continues to collaborate with other financial system regulators to help maintain a sound and stable banking system.

Against the backdrop of a pandemic, the Corporation strongly lobbied for the implementation of the 2020 Calamity Assistance Program (2020 CAP) under the Countryside Financial Institutions Enhancement Program (CFIEP). CFIEP-2020 CAP aims to provide liquidity assistance to countryside financial institutions (CFIs) adversely affected by calamities, including outbreaks such as the Covid-19 health crisis, through loans to borrowers. It is a collaboration among the PDIC, BSP, and Land Bank and will run for five years.



In addition to CFIEP-2020 CAP, the PDIC also pursued active collaboration with partner-agencies in the financial system in the middle of the pandemic. The PDIC pushed on with the activities to complete the Memorandum of Agreement (MOA) on the Procedures for Applications for Mergers, Consolidations and

Acquisitions (MCA) with the BSP, Cooperative Development Authority, Philippine Competition Commission, and the Securities and Exchange Commission. Under this initiative, the Corporation spearheaded the simplification of the processing of MCA applications to promote ease of doing business by harmonizing requirements, streamlining processes and synchronizing timelines among concerned agencies. The MOA is expected to be completed and implemented in 2021.

Enhancements continued to be implemented on internal processes to evaluate grant of consent on MCA proposals. As a result, four applications for merger were processed at an average of less than 10 working days.

FOR THE DEPOSITING PUBLIC

The execution of PDIC's public awareness campaign did not take a backseat in 2020 despite restrictions on mass gatherings. Social and digital media were largely utilized during the year as an efficient means to promote the corporate advocacies for wise saving, responsible banking and consumer protection.

Observance of the 18th Depositor Protection and Awareness Week (DPAW)

"Bank on your Future. Deposit in Banks." This was the theme and central message of the 18th DPAW held on 16-22 June 2020. Commemorated at the height of the pandemic, the DPAW theme highlighted the importance of not just saving money, but also securing these savings by depositing them in banks, in order to help secure one's future.

Presidential Proclamation No. 358, signed in April 2003, mandated the annual observance of DPAW, which aims to help strengthen the Philippine banking system through enhanced depositor confidence that will help sustain economic growth. This year's observance of the 18th DPAW is a testament to how PDIC sustains its initiatives for public awareness and stakeholder education.

The 18th DPAW marked the first time that the PDIC went on a fully digital campaign to lead the nationwide observance. The shift to digital means was in response to the limitations posed by the pandemic. The PDIC maximized the accessibility and wide reach of social media to



spread the positive messages, life skills, and financial literacy lessons of DPAW. These were communicated to the public through engaging videos and infographics to promote the values of financial preparedness, wise saving, and responsible banking.

The information materials produced by PDIC for the 18th DPAW discussed topics such as the importance of saving in banks, a beginner's guide to choosing a bank, and the *7 Habits of a Wise Saver* as advocated by the Be a Wise Saver campaign. These materials provided practical tips, instead of technical knowledge, that were conveyed through infographics. The PDIC also produced short videos on DPAW and the PDIC's role as deposit insurer to help the public better understand the PDIC and the values it stands for.

To wrap up the DPAW observance on 22 June 2020, auspiciously the Corporation's 57th anniversary, the PDIC released a video that paid homage to the state deposit insurer's initiatives in protecting the depositing public for the past 57 years.

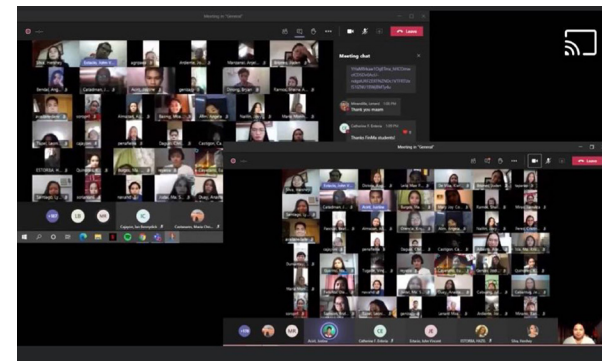
All these information materials were posted in the official PDIC Facebook page to reach as many stakeholders as possible, and to enable the public to share the materials in their respective social media accounts.

Be A Wise Saver Campaign

A corporate flagship advocacy since 2009, the Be A Wise Saver (BAWS) campaign aims to promote to the general public the important habits of saving wisely and saving in banks responsibly. To accomplish this, the Corporation actively promotes the *7 Habits of a Wise Saver* in stakeholder engagement activities and over mainstream, digital and social media.

The PDIC initiated BAWS as an inter-agency collaboration with the BSP and major banking groups such as the Bankers Association of the Philippines, Chamber of Thrift Banks, Rural Bankers Association of the Philippines, and the Bank Marketing Association of the Philippines in 2009; and targeted the academic community. Later, the partnership included the Department of Trade and Industry to benefit small business groups and entrepreneurs. The target beneficiaries of BAWS expanded through the years to involve members of the workforce through collaborations with the Government Service Insurance System and the Social Security System.

During the year, three BAWS activities, two onsite and one virtual, were undertaken. In-person sessions targeting public information officers from Cebu and city government employees from Calamba were conducted in the first quarter prior to the pandemic. Meanwhile, approximately 300 students and employees benefitted from a BAWS webinar held in partnership with National University's Junior Financial Executives (NU-JFINEX) in the third quarter.



FOR DEPOSITORS OF CLOSED BANKS

Of all the hats the PDIC wears, the Corporation is most known for its function as deposit insurer. Bank depositors entrust their money in banks, with that sense of security that should their bank be ordered closed by the Monetary Board of the BSP, their funds are protected and will be reimbursed through deposit insurance.

During the year, the PDIC recalibrated its deposit insurance operations in response to the pandemic to ensure depositors are reimbursed at a time when they need their hard-earned funds the most.

Claims Settlement Operations (CSO)

The PDIC promptly assessed its strategic directions and performance commitments for deposit insurance claims settlement during the year, cognizant of the challenges of the pandemic and their impact on closed banks' depositors.

Total deposit insurance payments reached ₱124.1 million and covered 7,072 accounts in five banks ordered closed by the Monetary Board in 2020. These payments were coursed through (1) postal money orders (PMOs) for depositors who are eligible for outright payment and (2) the PDIC's Receive-Process-Mail (RPM) approach for depositors who are required to file deposit insurance claims. The RPM was adopted in place of onsite claims settlement operations at the premises or localities of the closed bank.

Including claims settled during the year for banks ordered closed in prior years, total deposit insurance payments amounted to ₱191.7 million for 7,405 deposit accounts. This comprised 95% of the total claims received at 7,818; and 65% of the total amount at ₱295.4 million.

For accounts with balances of ₱100,000.00 or less, and eligible for outright payment or those not required to file claims

Depositors with balances of ₱100,000 and below, and qualified¹ for outright payment were reimbursed through PMOs. These were delivered by the Philippine Postal Corporation (PPC) to the registered addresses of the depositors. This

claims settlement mode provides convenience to depositors, promotes clients' safety and security especially at the height of the pandemic. These PMOs may be encashed with the local post office or with any branch of the LandBank.

During the year, total PMO payments for banks closed in 2020 amounted to ₱47.9 million for 6,733 accounts.

RECALIBRATED TARGETS FOR CLAIMS SETTLEMENT OPERATIONS IN 2020

Accounts and Deposit Balances	Recalibrated Targets	
	Bank Category	Turnaround Time (TAT) from bank takeover date (in working days (WDs))
For accounts with less than or equal to ₱100,000 balances	for banks with accounts 3,000 and below	27
	for banks with more than 3,000 to 10,000 accounts	41
	for banks with more than 10,000 to 25,000 accounts	58
	for banks with more than 25,000 accounts	74
For accounts with more than ₱100,000 balances	Within 7 WDs from the date of receipt of valid claims or from the approval of Report of Validation and Registers of Insured Deposits, whichever comes later	

DETERMINANTS OF RECALIBRATED TURNAROUND TIME (TAT)

- Safety and health protocols required to prevent the spread of Covid-19;
- Limited onsite personnel capacity;
- Limited number of personnel to be deployed to minimize risk exposure of both PDIC personnel and the community where the PDIC Team shall be deployed;
- Work and travel restrictions; and
- Uncertainties brought by the Covid-19 pandemic

¹ Depositors with account balances of ₱100,000 and below, without outstanding debts or obligations with the closed bank, have updated and complete postal address, and are not business entities.

For accounts with balances of above ₱100,000.00, and those not eligible for outright payment or those required to file claims

Depositors with account balances of more than ₱100,000 up to the maximum deposit insurance coverage, who are not qualified for outright payment and are required to file deposit insurance were serviced through the RPM mode. Under this mode, depositors were required to file their claims and submit the documentary requirements either through mail, courier services, e-mail or personally at the PDIC Public Assistance Center (PAC) in Makati City. *Notices to Depositors* were published in newspapers of local and general circulation to notify concerned depositors on when PDIC will start accepting deposit insurance claims. Notifications were

likewise posted in the PDIC website and social media accounts to maximize audience reach. Posters were also made available at the closed bank premises. Aside from discussing the requirements and procedures for filing deposit insurance claims, these notices also informed the clients that, in compliance with the PDIC Charter, depositors of closed banks have two years from PDIC's takeover of banks to file their deposit insurance claims either directly at the PAC or through mail or e-mail.

Claims filed were processed under the Home Office Claims Settlement (HOCS) scheme. Upon approval of claims, check payments were issued either over-the-counter at the PAC or through registered mail.

As of year-end 2020, deposit insurance payments through RPM in five banks ordered closed during the year totaled to ₱76.2 million for 339 accounts,

or 67% of the total claims received with insured deposits of ₱113.9 million. This also represented 55% of the total claims received at 620.

To further protect depositors and ensure that they have enough opportunity to access their hard-earned funds despite the challenges of the pandemic, the PDIC sent individual notices to depositors who were unable to file claims for their insured deposits. These notices informed depositors of their last chance to benefit from deposit insurance six months prior to the prescriptive dates of filing deposit insurance claims. These were sent via registered mail to the depositors' addresses available from bank records. During the year, a total of 23,077 letter-notices were sent to remind closed bank depositors of their right and responsibility to file claims for their hard-earned deposits. Of this total, 369 claims were successfully filed within the closed banks' prescriptive date/s.

**PAYMENTS THROUGH POSTAL MONEY ORDER (PMO)
As of 31 December 2020 (Amount in ₱)**

BANK	NO. OF BANKING UNITS	CLOSURE DATE	DEPOSIT LIABILITIES		INSURED DEPOSIT PAYMENTS	
			ACCOUNTS	AMOUNT	ACCOUNTS	AMOUNT
1 Providence Rural Bank, Inc.	1	02/28/2020	2,322	33,977,620.77	1,796	8,121,180.34
2 Rural Bank of Tibiao (Antique), Inc.	1	03/06/2020	985	31,574,506.98	699	6,915,090.30
3 De La O Rural Bank, Inc.	1	09/11/2020	2,092	83,000,535.56	1,515	16,644,945.66
4 San Fernando Rural Bank, Inc.	1	11/27/2020	2,627	80,406,748.90	2,037	12,570,429.67
5 Cooperative Bank of Aurora	1	12/09/2020	1,279	25,556,493.17	686	3,680,911.17
TOTAL	5		9,305	254,515,905.38	6,733	47,932,557.14

Continuous Process Enhancements

The pandemic presented opportunities for the Corporation to continuously implement enhancements in its CSO systems and processes for the benefit of its customers and stakeholders. These include the following:

1. *Adoption of Work Plan for Special CSO for Providence Rural Bank and Rural Bank of Tibiao.* The special CSO involved the following activities:

- Electronic filing of claims through designated PDIC e-mail addresses.

- Manual and offsite processing of filed claims by members of the payout teams instead of automated processing to expedite claims settlement. As a compensating scheme, additional controls were integrated in the system.
- Payment of claims filed online via LandBank's Cash Over the Counter facility. To hasten the payment process, all transactions between PDIC and designated LandBank servicing branches were undertaken and documented through e-mail.

2. *Implementation of the Automated Distribution Table for Issuance of Appointment Slips to Depositors.* The automated distribution table is a tool that helps determine the required number of claims processors to be deployed per banking unit based on established handling/processing time of a given transaction. The tool likewise forecasts the estimated number of working hours required to complete the issued Appointments Slips on a daily basis. The tool helps maximize operational efficiency in claims processing.

INSURED DEPOSIT PAYMENTS FOR BANKS CLOSED IN 2020 As of 31 December 2020 (Amount in ₱)

Bank	No. of Banking Units	Closure Date	DEPOSIT LIABILITIES		INSURED DEPOSIT PAYMENTS	
			Amount	Accounts	Amount	Accounts
1 Providence Rural Bank, Inc.	1	02/28/2020	2,322	33,977,620.77	50	11,462,100.15
2 Rural Bank of Tibiao (Antique), Inc.	1	03/06/2020	985	31,574,506.98	63	11,877,939.65
3 De La O Rural Bank, Inc.	1	09/11/2020	2,092	83,000,535.56	187	44,001,855.57
4 San Fernando Rural Bank, Inc.	1	11/27/2020	2,627	80,406,748.90	39	8,838,242.45
5 Cooperative Bank of Aurora ²	1	12/09/2020	1,279	25,556,493.17	-	-
TOTAL	5		9,305	254,515,905.38	339	76,180,137.82

2 No payments yet for deposit accounts with balances of above ₱100,000.00 and those not eligible for outright payment. Receiving of claims started on 6 January 2021.

A baseline study on the processing time for deposit insurance claims per transaction type was completed during the year as a valuable input to the automated distribution table.

3. *Compendia of Deposit Findings and Legal Court Rulings.* This initiative that was started in 2020 will facilitate the expeditious resolution of accounts/claims with findings based on evaluation conducted.

4. *Conduct of Skills Retooling Course and Project Management Team's Learning Sessions.* The continuous development of a committed and competent workforce is paramount to deliver responsive public service.

To this end, three trainings on Skills Retooling Course/Capacity Building on Claims Validation/Processing, and Claims Settlement/Public Assistance were conducted in the last two

quarters of 2020. In addition, a Project Management Team (PMT) Learning Session for three closed banks was also held during the year to promote awareness on field operations, and provide opportunity for PMT members to share and benefit from each other's learning experiences, challenges encountered, and measures or strategies implemented on field to resolve operational issues.

INSURED DEPOSIT PAYMENTS

As of December 31, 2020

(Amount in ₱)

Bank Name	No. of Banking Units	Deposit Liabilities		Insured Deposits		INSURED DEPOSIT PAYMENTS							
		Accounts	Amount	Accounts	Amount	Outright Payment		Paid Thru FOCS ⁴		Paid Thru HOCs ⁵		Total Payments	
						Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
I. Banks Closed During the Year ³	5	9,305	254,515,905.38	9,305	208,074,141.19	6,733	47,932,557.14	-	-	339	76,180,137.82	7,072	124,112,694.96
1 Providence Rural Bank, Inc.	1	2,322	33,977,620.77	2,322	28,515,560.65	1,796	8,121,180.34			50	11,462,100.15	1,846	19,583,280.49
2 Rural Bank of Tibiao (Antique), Inc.	1	985	31,574,506.98	985	29,498,462.14	699	6,915,090.30			63	11,877,939.65	762	18,793,029.95
3 De La O Rural Bank, Inc.	1	2,092	83,000,535.56	2,092	75,818,716.47	1,515	16,644,945.66			187	44,001,855.57	1,702	60,646,801.23
4 San Fernando Rural Bank, Inc.	1	2,627	80,406,748.90	2,627	58,363,593.21	2,037	12,570,429.67			39	8,838,242.45	2,076	21,408,672.12
5 Cooperative Bank of Aurora	1	1,279	25,556,493.17	1,279	15,877,808.72	686	3,680,911.17			-	-	686	3,680,911.17
II. Banks Closed in Prior Years	2,100	7,247,579	125,723,560,438.89	3,591,730	75,095,817,037.43	628,126	1,954,002,238.27	164,811	21,773,883,789.82	1,808,611	47,078,857,684.41	2,601,548	70,806,743,713
TOTAL	2,105	7,256,884	125,978,076,344.27	3,601,035	75,303,891,178.62	634,859	2,001,934,795.41	164,811	21,773,883,789.82	1,808,950	47,155,037,822.23	2,608,620	70,930,856,407.46

³ For 2020, PDIC adopted the Receive, Process and Mail (RPM) mode of CSO as approved by the President on 13 March 2020 and per Guidelines on the Resumption and Conduct of Work Post ECQ approved by the PDIC Board on 13 May 2020.

RPM is a mode of CSO where claims are received either on field or in the PDIC Head Office, processed in the PDIC Head Office, and cheque payments/notices are sent thru registered mail, courier, postal or bank services.

⁴ FOCS - Field Operations Claims Settlement

⁵ HOCs - Home Office Claims Settlement (includes claims settled via RPM and at Public Assistance Center)

Extension of Prescriptive Date for Filing of Claims

Recognizing that the implementation of various community quarantine classifications adversely impacted on clients, the Corporation instituted measures in order to ensure that clients are not disenfranchised. These involved the suspension of the prescriptive dates in filing deposit insurance claims for a period of 60 days. The prescriptive date refers to the last

day for depositors to file their deposit insurance claims with PDIC, which is two years from PDIC's takeover of the closed bank. The extension of the prescriptive date was in accordance with the mandates in Republic Act No. 11469 otherwise known as the *Bayanihan to Heal as One Act (Bayanihan 1)* which took effect on 24 March 2020. The measure, which aims to protect the public, effectively extended the statutory deadlines and timelines for the filing and submission of any document by excluding the period or number of

days when the enhanced community quarantine and modified enhanced community quarantine were in force. This allowed clients more time to prepare the documentary requirements for their deposit insurance transactions with the PDIC.

As of 31 December 2020, there were 627 depositors from 23 closed banks who benefited from this extension. Insured deposits paid to these depositors amounted to ₱133.97 million, or 75% of the total funds allocated for these 23 banks.

LIST OF BANKS WITH EXTENDED PRESCRIPTIVE DATE

Closed Banks	Takeover Date	Original Prescriptive Date	Adjusted Prescriptive Date
1. Rural Bank of Initao (Misamis Oriental), Inc.	2 May 2018	4 May 2020	3 July 2020
2. Women's Rural Bank (Batangas), Inc.	13 July 2018	13 July 2020	11 September 2020
3. Bangko Buena Consolidated, (Iloilo) Inc. (A Rural Bank)	27 July 2018	27 July 2020	25 September 2020
4. Rural Bank of Sta. Elena (Camarines Norte), Inc.	3 August 2018	3 August 2020	2 October 2020
5. Tiaong Rural Bank (Quezon), Inc.	3 August 2018	3 August 2020	2 October 2020
6. Rural Bank of Pagbilao (Quezon), Inc.	13 August 2018	13 August 2020	12 October 2020
7. Malasiqui Progressive Savings and Loan Bank, Inc.	17 August 2018	17 August 2020	16 October 2020
8. Rural Bank of Luna (Apayao), Inc.	17 August 2018	17 August 2020	16 October 2020
9. Rural Bank of Maigo (Lanao del Norte), Inc.	14 September 2018	14 September 2020	13 November 2020
10. San Francisco del Monte Rural Bank, Inc.	9 November 2018	9 November 2020	8 January 2021
11. Bagong Bangko Rural ng Malabang (Lanao del Sur), Inc.	25 January 2019	26 January 2021	26 March 2021
12. Rural Bank of Mabitac (Laguna), Inc.	22 February 2019	23 February 2021	4 April 2021
13. The Palawan Bank (Palawan Development Bank), Inc.	6 May 2019	6 May 2021	5 July 2021
14. Valiant Bank, Inc. (A Rural Bank)	17 May 2019	17 May 2021	16 July 2021
15. Rural Bank of Basey (Samar), Inc.	17 May 2019	17 May 2021	16 July 2021
16. Rural Bank of Guihulngan (Negros Oriental), Inc.	24 May 2019	24 May 2021	23 July 2021
17. East Coast Rural Bank of Hagonoy, Inc.	31 May 2019	31 May 2021	30 July 2021
18. Rural Bank of Larena (Siquijor), Inc.	11 October 2019	11 October 2021	10 December 2021
19. Rural Bank of Lemery (Batangas), Inc.	4 November 2019	4 November 2021	3 January 2022
20. Maximum Savings Bank, Inc.	8 November 2019	8 November 2021	7 January 2022
21. Providence Rural Bank, Inc.	28 February 2020	28 February 2022	29 April 2022
22. Rural Bank of Tibiao (Antique), Inc.	6 March 2020	6 March 2022	5 May 2022

RECEIVE-PROCESS-MAIL (RPM): PROVIDING SAFETY AND CONVENIENCE FOR DEPOSITORS

Consistent with the objectives of Proclamation No. 922 which declared a state of public health emergency throughout the Philippines due to the Covid-19 pandemic, the PDIC instituted measures to prevent the transmission of the virus as an urgent response to minimize health risks.

This included the adoption of the Receive-Process-Mail (RPM) as the new normal mode of claims settlement operations (CSO) in lieu of the regular mode of CSO which involved face-to-face claims settlement at the closed bank site conducted by the PDIC Payout Team.

Enhancements on RPM processes were likewise implemented to provide depositors more convenience, flexibility and accessibility in filing their deposit insurance claims. Online filing of deposit insurance claims and submission of supporting documents through e-mail was introduced to facilitate the filing of claims. The filling out of the Claim Form for deposit insurance was also made easier through its new web-based format. With this facility, Claim Forms, together with supporting documents, can be accomplished and submitted via e-mail, at no cost to depositors and from the safety of their homes.

How does the RPM scheme work?

- **Receiving of Claims.** Claims shall be received either through mail/courier, personally at the Public Assistance Center (PAC) or online via the designated official e-mail addresses for subject closed banks.
- **Processing of Claims.** Claims shall be processed at the PDIC Head Office.
- **Payment of Deposit Insurance Claims.** Claims shall be paid through any or a combination of these payment modes: (1) Postal Money Order (PMO) for deposit accounts with balances of ₱100,000 and below, and eligible for outright payment; (2) Cash-over-the-Counter via designated servicing branch of LandBank; (3) Real Time Gross Settlement (RTGS)/Bank Transfer; and (4) Issuance and mailing of checks.

FOR CREDITORS

If client reimbursement is a key objective in PDIC's function as Deposit Insurer, recovery for clients takes center stage in its mandate as Liquidator. As liquidator of closed banks, the PDIC performs various interconnected tasks for the interest of closed banks' creditors and borrowers. These all begin with PDIC's takeover of a closed bank. A bank ceases to exist upon closure order by the Monetary Board (MB) of the BSP, which also directs the PDIC to proceed with its takeover and liquidation operations for the benefit of the bank's clients.

Shift in Field Operations

During the year, PDIC took over the assets, records and affairs of five banks, way below the historical average of 17 bank closures per year. This brought the total number of banks under receivership and liquidation to 366 as of year-end.

Except for the Cooperative Bank of Aurora, the notices of closure were served to all banks within the next business day from the PDIC's receipt of the MB Resolution prohibiting these banks from doing business. Serving of the closure notice in Cooperative Bank of Aurora was moved to a later date to enable the PDIC's Takeover Team to comply with new normal travel requirements; and health and quarantine protocols.

BANKS CLOSED IN 2020

Bank	Number of Branches	MB Resolution Number	MB Resolution Date	Takeover Date
1 Providence Rural Bank, Inc.	1	291.B	27 February 2020	28 February 2020
2 Rural Bank of Tibiao (Antique), Inc.	1	344.A	5 March 2020	6 March 2020
3 De La O Rural Bank Inc.	1	1116.A	10 September 2020	11 September 2020
4 San Fernando Rural Bank, Inc. (Safer Bank, an RB)	1	1514.A	26 November 2020	27 November 2020
5 Cooperative Bank of Aurora	1	1550.A	3 December 2020	9 December 2020
Total Number of Branches	5			

Mindful of the operational challenges brought by the pandemic, the PDIC continued to deliver its responsibilities, while ensuring the safety and welfare of its personnel at the same time. To carry these out, internal processes were updated and innovative strategies implemented attuned to the new normal operations.

Adoption of Enhanced Pack and Leave Mode of Takeover Operations

In previous years, the pack and leave mode of takeover has been adopted during closures with extraordinary circumstances such as those which pose serious security risks to PDIC personnel, closed bank employees and clients.

During the pandemic, the pack and leave mode was deemed to be a prudent alternative to onsite takeover operations. This mode required activities such as inventory of bank records,

documents and affairs of the bank to be undertaken at the PDIC Home Office after the notice of closure is served. This was done by hauling bank records from the bank premises for transport to the PDIC Home Office. As an additional safety precaution, the pack and leave mode has been enhanced to include the disinfection process for the bank records for the safety of personnel who will handle and manage these documents.

De La O Rural Bank, Inc., ordered closed by the MB on 10 September 2020, was the first closed bank taken over by the PDIC during the pandemic, and in which the pack and leave mode was implemented.



Adoption of an Action Plan for the Service of Notice of Closure to Banks

The pandemic required the adoption of an Action Plan compliant with the government-imposed health, quarantine and travel protocols, and with updated timelines. The Action Plan lists the activities that PDIC employees and outsourced personnel must undertake and comply with prior to field deployment during takeover and deposit insurance operations. These are aimed to ensure the safety of the travelling employees and the closed bank clients that they will serve; and to expedite the implementation of the closure order. The immediate service of the closure order is essential to preserve the integrity of bank records and transactions, minimize risk of breach of confidentiality, and prevent dissipation of the closed bank's assets.

Suspension of the 60-day period to file claim against the assets of the closed banks

Under the PDIC guidelines, creditors of closed banks have 60 days from the publication of the *Notice to Creditors* within which to file their claims against the assets of closed banks.

To protect creditors and prevent them from being disenfranchised due to the community quarantines, the period to file claims against the assets of closed banks was suspended for Providence Rural Bank, Inc. in Cagayan province and for Rural Bank of Tibiao (Antique), Inc. The period to file claims would start to run again upon the lifting of the enhanced community quarantine and modified enhanced community quarantine in the National Capital Region or the provinces where these two closed banks operate, whichever comes later, consistent with the Bayanihan Law.

Asset Distribution Plans

Proceeds from the liquidation process of a closed bank are distributed to its creditors based on the Asset Distribution Plan prepared by PDIC for each closed bank. During the year, the liquidation process for closed banks continued despite the pandemic. A total of nine asset distribution plans were completed, of which four Motions for Approval of Final/Partial Asset Distribution Plan were filed with the Liquidation Courts. Meanwhile, the Liquidation Courts approved 15 Final/Partial Asset Distribution Plans.

The PDIC, as Liquidator, implemented the asset distribution plans approved by the liquidation courts, distributing a total of ₱255.0 million in cash and through assignment of assets to various creditors. The distribution plans were in accordance with the Rules on Concurrence and Preference of Credits under the Civil Code.

As of year-end, the implementation of Liquidation Court-approved asset distribution plans for 34 closed banks was ongoing.

**ASSETS DISTRIBUTED TO CREDITORS IN 2020
(In Million Pesos)**

Creditors	Nature of Claim	Total Claims/ Payable	Assets Distributed		
			Cash	Kind	Total
PDIC	Receivership and Liquidation Expenses	22.51	13.17	.49	13.66
	Subrogated Claims	746.85	181.54	13.86	195.40
	Sub-Total	769.36	194.71	14.35	209.06
BSP/CB-BOL	Rediscounting Emergency Loans, Penalties, Fees	45.20	.01	3.04	3.05
Other Government Agencies	BIR & Other Gov't Agencies	29.24	1.92	5.63	7.55
	Sub-Total	29.24	1.92	5.63	7.55
Other Creditors	Uninsured Deposits, Labor Claims, etc.	488.59	32.60	2.68	35.28
TOTAL		1,332.38	229.25	25.71	254.96

ASSET DISPOSAL PLANS As of 31 December 2020

Closed Bank	ADP	Date Filed (if applicable)	Date Approved (if applicable)
1. Rural Bank of Maranao, Inc.	Final	3 December 2020	-
2. Rural Bank of Luna, Inc.	Partial	9 March 2020	-
3. Rural Bank of Kinoguitan, Inc.	Partial	30 October 2020	-
4. Rural Bank of Villaba, Inc.	Partial	10 December 2020	-
5. Rural Bank of Cajidiocan (Romblon), Inc.	Final	-	18 January 2019 ⁶
6. Rural Bank of Sto. Tomas (Pangasinan), Inc.	Final	-	26 February 2020
7. Rural Bank of Matanao (Davao del Sur), Inc.	Final	-	18 March 2020
8. Rural Bank of Bangar (La Union), Inc.	Partial	-	18 February 2020
9. Rural Bank of Naguilian (La Union), Inc.	Partial	-	21 February 2020
10. Rural Bank of Calasiao (Pangasinan), Inc.	Partial	-	18 May 2020
11. Rural Bank of Gainza (Camarines Sur), Inc.	Partial	-	24 July 2020
12. Banco Batangan (A Rural Bank), Inc.	Partial	-	30 July 2020
13. Rural Bank of Boac (Marinduque), Inc.	Partial	-	3 August 2020
14. Rural Bank of Mogpog (Marinduque), Inc.	Partial	-	3 August 2020
15. Rural Bank of Sta. Cruz, (Marinduque), Inc.	Partial	-	3 August 2020
16. Rural Bank of Lagonoy (Camarines Sur), Inc.	Partial	-	27 August 2020
17. Rural Bank of Borongan (Eastern Samar), Inc.	Partial	-	2 September 2020
18. New Rural Bank of Tagkawayan, Inc.	Partial	-	9 November 2020
19. Rural Bank of Morong (Rizal), Inc.	Partial	-	10 December 2020

⁶ Order published on 5 October 2020.

The liquidation of 13 closed banks was likewise terminated during the year, putting to a close the liquidation activities for these banks. With the formal termination of the liquidation process, the number of closed banks under PDIC's management was reduced to 366 as of year-end.

Filing of Cases Against Erring Bank Officials and Employees

The PDIC is committed to its mandate of protecting the deposit insurance system from illegal schemes and machinations perpetrated by bank directors, officers and employees. To this end, the PDIC files cases against these bank directors, officers and employees who engage in fraudulent, irregular and anomalous acts inimical to the interest of depositors, as well as to the Deposit Insurance Fund. In so doing,

the depositing public is assured of the PDIC's commitment to go after violators and ensure that transgressions will be dealt with to the fullest extent of the law.

During the year, the PDIC filed a criminal complaint against bank officers and directors of San Francisco Del Monte Rural Bank before the Department of Justice (DOJ) for creation of fictitious loans aggregating ₱25.88 million and for commission of irregularities and/or conducting business in an unsafe and unsound manner, which are punishable under Section 26(f)(1)(e) and Section 26(f)(1)(k), respectively, of Republic Act No. 3591, as amended, or the PDIC Charter.

Several indictments were also received from the DOJ on the criminal charges filed by the PDIC against the former directors, officers and employees of closed banks. The indictments involved criminal cases of estafa and unsafe/unsound banking, ranging from ₱3.8 million to ₱99.9 million.

Further, in November 2020, the Regional Trial Court for Manila convicted Jose Go, et al., the former President of the closed Orient Development Banking Corporation, for seven counts of "Estafa thru Falsification of Commercial Documents" involving bank funds amounting to ₱159 million. The accused was sentenced by the court to imprisonment, among others, of up to 19 years for each of the seven counts. This is the second conviction for the accused following his earlier conviction on 27 February 2020 for two counts of Estafa thru Falsification of Commercial Documents.

Significant Court Decisions

Out of the 49 favorable decisions, five cases involving claims for deposit insurance covering the amount of ₱3.79 million were obtained. The quasi-judicial authority of the PDIC, acting as Deposit Insurer, in granting or denying claims for deposit insurance was once again confirmed by the Courts by upholding its decisions as final and executory which may only be restrained or set aside by the Court of Appeals by a petition for *certiorari*.

The Court of Appeals promulgated two decisions declaring the actions of the MB of the BSP with respect to the closure of East Coast of Rural Bank of Hagonoy, Inc. and the Rural Bank of Pagbilao; and the designation of the PDIC as a receiver of the closed banks as final and executory, and may not be restrained or set aside except on a petition for *certiorari* on the ground that the action taken was in excess of jurisdiction or with grave abuse of discretion as amounting to lack or excess of jurisdiction.

In dismissing the petitions filed against the MB and the PDIC, the Court of Appeals held that the MB did not commit grave abuse of discretion in issuing the assailed resolutions which were well supported by convincing evidence and sufficient legal basis.

Issuance of New Rules on Liquidation of Closed Banks

In the absence of procedural rules, liquidation of closed banks tends to drag on for years – even decades. Ambiguities on how to properly distribute assets of closed banks compel many involved parties to run to the courts for guidance and help in exercising their rights in these kinds of situations. More than just filling up the courts with bank liquidation-related cases, the lack of standard rules governing liquidation of closed banks also makes it challenging for presiding judges to render decisions as quickly as possible. Hence, the Supreme Court's approval of PDIC's proposed Rules on Liquidation of Closed Banks in February 2020 is considered a major regulatory development.

Protracted liquidation proceeding

The PDIC was designated by law as Receiver of banks closed by the MB of the BSP in June 1993. Since then, the PDIC, with the assistance of the courts, has been zealously performing its mandate.

The liquidation of closed banks under Section 30 (d) (1) of Republic Act No. 7653, otherwise known as the New Central Bank Act (NCBA), provides that the PDIC shall --

“(1) file ex parte with the proper regional trial court, and without requirement of prior notice or any other action, a petition for assistance in the liquidation of the institution pursuant to a liquidation plan adopted by the PDIC for general application to all closed banks. x x x”⁷

However, other than the cited provision, the conduct of judicial liquidation proceeding is limited to applicable decisions of the Supreme Court on bank liquidation. There are no procedural rules which the liquidation court and the parties in a liquidation proceeding uniformly observe.

Due to the absence of procedural rules in a liquidation proceeding of a closed bank promulgated by the Supreme Court, the liquidation courts are confronted with issues that unnecessarily delay the proceeding. These issues, which are primarily jurisdictional, include, among others, (i) whether a commercial court or a court of general jurisdiction has jurisdiction over the Petition for Assistance in the Liquidation (PAL) proceeding; and, (ii) the nature thereof for purposes of computing the docket fees. Procedural issues such as filing of claims and the period therefor were likewise raised.

To address these issues, in 2009, the PDIC embarked on a partnership with the Philippine Judicial Academy (PHILJA) for the conduct of Seminar-Workshops on Deposit Insurance, Banking Practices and Bank Conservatorship and Liquidation (Seminar-Workshops). The Seminar-Workshops, which were attended by presiding judges of Regional Trial Courts (RTC) from different regions, provided a venue to clarify issues that contributed to the delay in the judicial liquidation proceeding of closed banks.

After 10 runs of the Seminar-Workshops attended by 470 RTC judges, there had been significant improvements in the handling of the Petitions for Assistance in the Liquidation of closed banks. With the indispensable role of the members of the Judiciary, the PDIC reduced banks under liquidation to 329 from 699 as of 31 December

2019. This primarily came about with the reduction of the period for securing approvals of asset distribution plans (ADP) from 10 months to seven months in terms of Partial ADPs and from 11 months to five months as regards Final ADPs. The ADPs provide for the manner by which creditor claims are settled. By reducing the period for the approval of the ADPs by the courts, creditors need not wait for years before they are able to recover their monies otherwise trapped with the closure of the banks. Creditors and depositors of closed banks benefitted from the swift action by the liquidation courts on the asset distribution plans that allowed recovery of their claims.

Notably, from the Seminar-Workshops, the judges-participants identified the absence of procedural rules for the liquidation of closed banks as a major factor contributing to a protracted liquidation proceeding. This highlighted one overriding fact – the conduct of judicial liquidation proceedings can be further improved with the promulgation of rules.

Given these insights, in 2016, the PDIC introduced to its Charter certain amendments that provided for, among others, the nature of PAL, venue and jurisdiction of the liquidation court and the prescriptive periods for the filing of claims against the assets of closed banks. The amendments likewise provided for the need on the part of the Supreme Court of the Philippines to promulgate the appropriate set of rules on liquidation of closed banks.

⁷Under Republic Act No. 11211 which amended Republic Act No. 7653, Section 30 has been revised to “x x x designate the Philippine Deposit Insurance Corporation (PDIC) as receiver in the case and direct the PDIC to proceed with the liquidation of the closed bank pursuant to this section and the relevant provisions of Republic Act No. 3591 x x x”

RULES ON LIQUIDATION OF CLOSED BANKS:

A Promise of Efficiency and Immediate Recovery

Pursuant to Section 16 (p) of the PDIC Charter, as amended, providing for the promulgation of appropriate rules on liquidation of closed banks, and after years of meticulously codifying the various practices and jurisprudence concerning bank liquidation, the PDIC, through its Legal Affairs Sector, took the initiative of drafting a set of procedural rules on bank liquidation. The proposed rules had a singular aim of expediting the distribution of the assets of the closed banks among the creditors and terminating the liquidation proceeding. Comments of various stakeholders, namely, members of the judiciary, the academe and creditors, were solicited.

In February 2019, the proposed rules were submitted to the Supreme Court of the Philippines. The proposed Rules were further fine-tuned to ensure that an efficient and transparent proceeding that will allow an equitable distribution of the remaining assets among the creditors and depositors of the closed banks.

Finally, on 18 February 2020, the Honorable Supreme Court approved and promulgated the Rules on Liquidation of Closed Banks⁸. The Rules took effect on 16 April 2020 following its publication in a newspaper of general circulation in the Philippines on 1 April 2020.

Salient provisions of the Rules are as follows:

i. Seamless Transition

Banks closed on or after 16 April 2020 shall be governed by the Rules while those that were closed before the said date may be governed by the Rules, except otherwise ordered by the Liquidation Court to prevent manifest injustice.

ii. Enhanced Liquidation Process

The Rules provide for shortened and specific timelines for all activities to prevent unnecessary delays. The PDIC is tasked to complete and terminate the liquidation of a closed bank to a period of 5 years, extendible for compelling reasons for 2 years; or, 7 years for banks closed prior to 16 January 2020. While allowing all parties the opportunity to be heard, each party shall do so within non-extendible periods. The courts are also directed to act on a pending incident within a definite timeframe.

⁸ A.M. No. 19-12-02.

Major Stages	Period
Filing of Petition for Assistance in the Liquidation (PAL)	<p>The Receiver has 180 days from date of publication of Notice of Closure. Failure to file the PAL within the 180-day period shall make the Receiver liable to penalty</p> <p>The court must constitute itself as the Liquidation Court of the closed bank within ten (10) days from initial hearing by issuing an order giving due course to the PAL.</p>
Filing of Disputed Claims	<p>a) Monetary Claims:</p> <p>A creditor has 60 days from receipt of the Final Notice of Denial or Disallowance of its Claim with the Liquidation Court, or twenty (20) days from publication of the Order setting the PAL for Initial Hearing, whichever comes later, to file his/her claim with the Liquidation Court.</p> <p>The Liquidation Court has thirty (30) days from submission of the claim for resolution to decide on monetary claim.</p> <p>b) Other Claims (Non-Monetary Claims):</p> <p>May be filed with the Liquidation Court any time prior to the filing of the Final Asset Distribution Plan of the closed bank.</p> <p>The Liquidation Court has forty-five (45) days from date of submission for resolution to decide on other disputed claims.</p>
Filing of Liquidation Report	<p>The PDIC should file the first Liquidation Report of a closed bank not later than the end of 3rd quarter of the year following the issuance of the Order giving due course to the PAL.</p> <p>Thereafter, the PDIC is required to file an annual Liquidation Report not later September 30 of each year.</p>

Filing of the Final Asset Distribution Plan by the Receiver	<p>For banks closed on or after 16 April 2020, the PDIC is required to file the Final Asset Distribution Plan of the closed bank with the Liquidation Court within five (5) years from date of closure extendible for two (2) years for compelling reasons.</p> <p>On the other hand, for banks closed before the effectivity of the Rules on Liquidation of Closed Banks, PDIC is expected to submit the Final Asset Distribution Plan of these closed banks on or before 15 April 2027.</p>
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Jurisdiction to hear the PAL has been transferred to courts of general jurisdiction to the Special Commercial Courts. The creditors of the closed banks will benefit from the specialized knowledge of the Special Commercial Courts.

iii. Proactive Role of Courts

Liquidation courts are mandated to not only ensure the speedy disposition of the liquidation proceedings but also the immediate and prompt distribution of the assets of the closed bank. The Liquidation Courts are also accorded residual authority for any issue that may arise in the implementation of the approved Final Asset Distribution Plans.

iv. Unhampered Liquidation Proceedings

No temporary restraining order or injunction shall be issued against the PDIC for any act done in connection with or in the exercise of its powers and functions under the PDIC Charter and other applicable laws except for matters of extreme urgency involving constitutional issues. Under the Rules, upon finality of the Resolution approving the Partial or Final ADP, the Receiver shall implement the Partial or Final ADP after publication of the Resolution. No temporary restraining order or injunction may be issued by any court, except the Supreme Court when the matter is of extreme urgency, against the implementation of the Partial or Final ADP.

With the promulgation of the Rules, the depositing public is assured of an efficient, orderly and transparent judicial proceeding that will allow immediate recovery of their claims.

Indeed, a promise fulfilled.

FOR BORROWERS AND PROPERTY BUYERS

The closure of a bank does not extinguish the obligations of its borrowers who have outstanding loans with the bank. The PDIC diligently performs loan collection initiatives from borrowers, knowing that recovery from these loans will eventually help creditors recover their funds.

Loans Management and Collection

An important activity in closed bank liquidation is the resolution of loans receivables through various modes including offset of loans against borrowers' deposits, compromise settlement, foreclosure, assignment to creditors, reclassification from loans to real and other properties acquired (ROPA) and write-off.

During the year, the goals to reduce non-cash asset portfolio and resolve loan accounts remained paramount despite the pandemic. Loans resolved as of end-2020 stood at 12,594 accounts and exceeded the targeted loan accounts of 12,121 or by 103.90%. The total loans resolved represented 1.70% of the baseline portfolio of 713,021 accounts. Of the 12,594 accounts resolved, 599 were fully settled through compromise settlement while 11,650 accounts were recommended for write-off in the asset distribution plans of closed banks.

To cap its loan collection efforts for 2020, the Liquidator generated ₱293.5 million in cash, ₱277.0 million of which were from closed banks.

Activities essential to improve borrower response rate involved the sending out of demand and loan confirmation letters and issuance of Statements of Account (SOA). All demand letters scheduled for mailing in 2020, including follow-up letters, were sent out as scheduled.

LOAN RESOLUTION AND COLLECTION

Mode	No. of Accounts		
	Corporate	Closed Banks	TOTAL
Accounts Fully Paid	14	900	914
Under Compromise Settlement	14	585	599
Application of Payments Temporarily Booked as Accounts Payable		182	182
Net Out of Deposit		133	133
Asset Distribution Plan		11,678	11,678
Write-Off		11,650	11,650
Assignment to other Creditors		28	28
Other Resolution (Reclassification from loans to ROPA)	1	1	2
Total Number of Loan Reduction/Resolution	15	12,579	12,594

Strategies were continuously explored to enhance collections and clean-up of the books of the closed banks. These involved incentive offers for borrowers of closed banks and engagement of collection agents. Portfolio loan sale was being studied and considered as of year-end as a means to resolve corporate loans, through the Financial Institutions Strategic Transfer Corporations (FISTC) under Republic Act No. 11523 or the FIST Act. Portfolio sale involves selling all together a bulk amount of loan assets in a single transaction.

Assets Management and Disposal

Another key activity in liquidation is the administration and disposal of assets of closed banks and those acquired by the PDIC from financially-assisted banks. Generally, these assets are offered for sale at least once through public bidding. Unsold assets are disposed of

through negotiated sale before being considered for distribution to creditors in accordance with law.

Assets for sale are evaluated for readiness by determining their existence, ownership and value. These are later aggressively marketed to increase the chances of sale/disposal.

Over the past years, sale of assets has steadily generated cashflows. However, asset disposal was visibly affected during the pandemic, with only 87 real properties sold as of end-2020 for ₱112.4 million. These results were lower compared to the 1,467 real properties sold in end-2019 for ₱425.2 million. Moreover, the total amount of ₱75.7 million was collected during the year from lease of properties, dividends and sale of furniture, fixtures and equipment; and transportation equipment.

PAYMENT RELIEF PROGRAMS: EASING THE BURDEN DURING UNCERTAIN TIMES

The National Government passed two laws, the Bayanihan to Heal as One Nation Act (Bayanihan 1 Law) in March 2020 and Bayanihan to Recover as One Act (Bayanihan 2 Law) in September 2020, to provide responses, recovery interventions and mechanisms to accelerate the recovery of the Philippine economy. In support of these laws, the PDIC implemented relief programs to assist clients of closed banks, individuals and entities alike, affected by the economic slowdown due to the imposition of community quarantines.



MATRIX OF THE PAYMENT RELIEF PROGRAMS

Particulars	Bayanihan 1	Bayanihan 2
Offered Relief	Suspension of payments falling due during the quarantine period which commenced on 15 March 2020.	One (1) time 60-day extension of payment terms commencing from the payment due dates falling due from 15 September to 31 December 2020.
Borrowers and property buyers on installment	Grace period of one month within which to pay the obligation without penalty.	Effectively moves the payment schedules of the entire obligations without additional interest, penalties and other charges.
Lessees	Grace period to commence on the day immediately following the last day of the quarantine period	
Eligible Accounts	Loan payments, properties purchased and lease payments for corporate and closed bank accounts in current status	Loans and properties purchased for corporate and closed banks existing and current in status as of 15 September to 31 December 2020
Number of Beneficiaries ⁹	6,236 borrowers 131 property buyers 265 lessees	4,553 borrowers 87 property buyers

⁹ Notwithstanding the payment relief programs, some beneficiaries chose not to avail and continue to pay based on original settlement schedule.

ASSET MANAGEMENT AND DISPOSAL

Mode	No. of Accounts		
	Corporate	Closed Banks	TOTAL
Disposal of ROPA	7	80	87
Thru Public Bidding	0	4	4
Thru Negotiated Sale	7	76	83
Asset Distribution Plan		597	597
Write-Off	0	523	523
Assignment to other Creditors	0	74	74
Other Resolution (Reclassification from ROPA to loans)	1	7	8
Total Number of ROPA Reduction/Resolution	8	684	692

During the year, the ROPA portfolio was reduced by 692 accounts, or 126% of the 549 accounts targeted for reduction, and 1.7% of the baseline portfolio of 32,280 accounts. Of the 692, 86% or 597 properties were resolved through asset distribution, either through write-off or assignment to creditors.

Asset disposal initiatives are carried out through public biddings and negotiated sale. With the mandated lockdowns during the year which prohibited public gatherings, only one public bidding of assets was conducted. This was drastically lower compared with the historical annual average of 11¹⁰ public biddings per year. The impact of the pandemic on the financial capabilities of property buyers was likewise evident as 142 approved offers for negotiated sale for a total amount of ₱3.2 billion were no longer pursued by clients.

The experience and learnings from the pandemic magnified the need for asset disposal to leverage on technology. Before the year ended, an electronic bidding facility was in the process of development. The e-bidding portal was intended to provide property buyers an alternative and convenient platform to submit bids without having to leave the safety of their respective homes. It is expected to streamline the process of public bidding and reduce operational costs.

¹⁰Total of 33 public biddings from 2017 to 2019 or annual average of 11.

CLIENT FEEDBACK

Pandemic or not, the PDIC commits to be a dependable ally of the depositing public by being transparent and responsive institution that is able to promptly address queries, requests and concerns (QRCs). The provision of accessible assistance for clients is all the more needed during the pandemic where anxieties are prevalent and access to accurate information helps alleviate worries and other concerns.

GUIDELINES FOR PERSONAL TRANSACTIONS

AT THE PDIC PUBLIC ASSISTANCE CENTER (PAC)

3rd Floor SSS Building, 6782 Ayala Avenue
corner V.A. Rufino St., Makati City

STEP 1:
Prior to your visit to the PAC, request for an appointment schedule through any of the following:

- pad@pdic.gov.ph
- [@OfficialPDIC](https://www.facebook.com/OfficialPDIC)
- (02) 8841-4141 (for Metro Manila clients)
1-800-1-888-7342 or 1-800-1-888-PDIC (for clients outside Metro Manila)

STEP 2:
Wait for an Appointment Code to confirm your requested schedule.

STEP 3:
On your appointment schedule, bring one (1) valid ID.

STEP 4:
Follow the minimum health protocols* on your appointment schedule.

*Wear a face mask, observe physical distancing, wash hands/sanitize, and undergo foot bath and thermal scanning.

PDIC encourages clients to transact via e-mail, Facebook or phone call, whenever applicable, and to visit the PAC only when necessary.

For more information and updates, clients may also visit PDIC's website at www.pdic.gov.ph and Facebook accounts, [@OfficialPDIC](https://www.facebook.com/OfficialPDIC) and [@PDICAssetsforSale](https://www.facebook.com/PDICAssetsforSale).

Thank you for your cooperation.

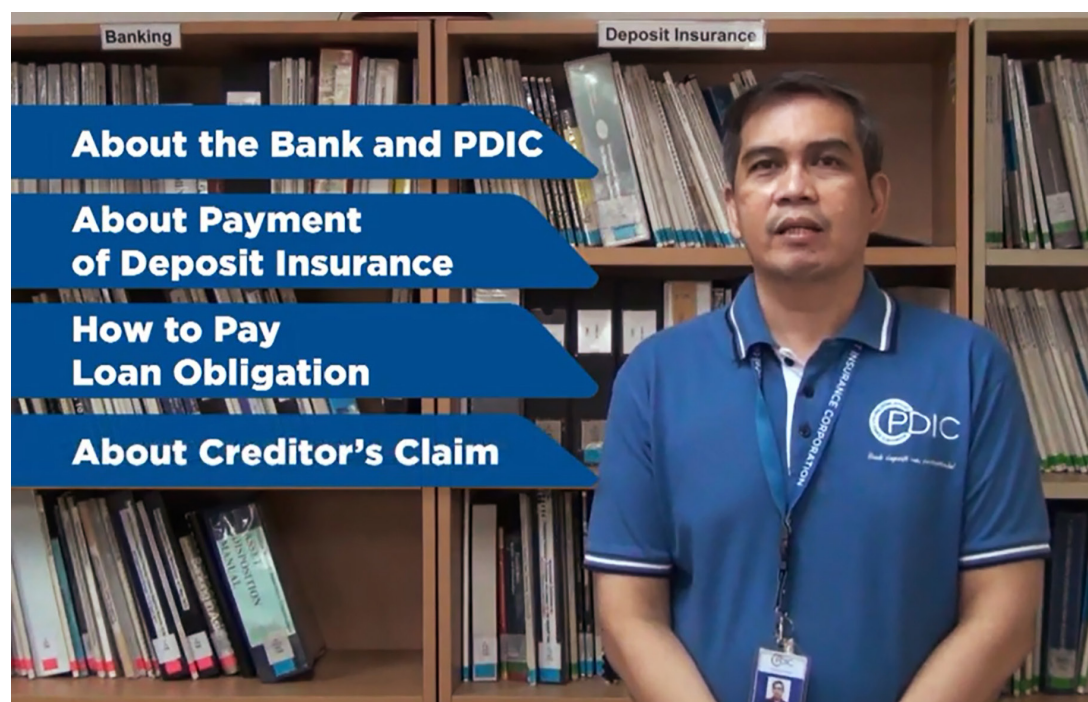
pad@pdic.gov.ph
www.pdic.gov.ph
[OfficialPDIC](https://www.facebook.com/OfficialPDIC)
[OfficialPDIC](https://twitter.com/OfficialPDIC)

Public Assistance

Inevitably, the pandemic posed challenges in the PDIC's ability to reach out to its stakeholders, adopt an effective communication plan and assist the public. Undeterred by the challenges, the PDIC introduced innovative approaches during the year to be able to respond to the needs of the public. These included the following:

- Conduct of virtual Depositors-Borrowers Forum via Facebook or YouTube to discuss procedures on filing of depositors' and creditors' claims and payment of loan obligations in closed banks.

- Use of social media and other digital communication platforms to disseminate information.
- Continuous engagement of clients through personal visits on appointment basis at the PDIC Public Assistance Center, or through offsite channels such as e-mail, postal mail, social media and the PDIC call center facility.



A Customer Handling System is in place to manage QRCs from clients and stakeholders. QRCs are closely monitored to ensure that these are responded to within the set turn-around time (TAT), and mitigate reputation risk. As of 31 December 2020, a total of 49,246 QRCs were received through the Public Assistance Center and other offsite channels.

In a most difficult situation like the pandemic year 2020, the PDIC did its best to serve its customers amid extraordinary challenges. While nothing was ideal during this situation, efforts to extend assistance and public service have paid off in the minds of our clients.

QUERIES, REQUESTS AND COMPLAINTS January to December 2020

Channels	Number	Accomplishment
Call Center	9,970	100% of the 9,968 simple QRCs responded within the day 100% of the 2 complex QRCs referred to proper units within TAT
E-mails/Letters/Facebook Inquiries	35,234	98.91% or 24,437 of 24,707 simple and complex QRCs provided with response/initial response/acknowledged within TAT (average of 1.22 WDs) 93.63% or 9,856 of 10,527 QRCs referred to proper units within TAT (average of 1.32 WDs)
PAC	1,042	94.53% or 985 of the 1,042 QRCs referred to proper units within TAT (average of 1.29 WDs)



**In a most difficult situation
like the pandemic year
2020, the PDIC did its best
to serve its customers amid
extraordinary challenges.**



Client Satisfaction

During the year, banks, depositors and borrowers of closed banks expressed fulfillment in the core services of PDIC. Overall, 90.05% of clients surveyed was satisfied with the services provided to them. This was equivalent to a “Very Satisfied” rating and to an overall numerical rating of 4.43 out of a 5-point scale.

The three customer groups were the primary respondents included in the Customer Satisfaction Survey (CSat) in 2020, with borrowers of closed banks as new additions to the covered groups.



The CSat is a survey methodology prescribed by the GCG to evaluate the satisfaction and delight of customers based on identified service attributes and other factors affecting their level of satisfaction.

In 2020, the PDIC adopted the telephone interview as mode for the survey, a shift from the Intercept approach (for depositors of closed banks) adopted in 2019. Following the prescribed

OVERALL SATISFACTION RATING

	Very Satisfied (VS)	Satisfied (S)	At least S (VS + S)
Depositors	69	45	114
Percentage	18.64%	12.15%	30.79%
Borrowers	40	20	60
Percentage	11.71%	5.86%	17.57%
Banks	78	42	120
Percentage	27.10%	14.59%	41.69%
Overall Satisfaction Rating			90.05%

method, a sampling technique and statistical parameters (Margin of Error of $\pm 5.6\%$ and confidence interval of 95%) were considered in the design and execution of the survey.

A total of 330 primary clients from a total population of 1,288 were interviewed by the Development Academy of the Philippines (DAP) for CSat. The interview consisted of questions that rated PDIC across the following service

attributes: Staff, Processes (Claims Process for depositors, Loan Payment Process for borrowers, and Regulatory and Policies for member banks), Complaints Handling and Records Keeping, Facilities, Information and Communication, Website and Integrity.

The CSat results helped identify areas that require improvement and also served as valuable inputs to the PDIC Strategic Planning sessions.

An abstract graphic on the left side of the slide. It features several vertical bars of varying heights and widths, some in shades of gray and others in a golden-yellow color. A horizontal bar, also in golden-yellow, extends from the left towards the right, passing behind the text. The background is a light gray gradient.

BUILDING CAPABILITIES

BUILDING CAPABILITIES

The Covid-19 crisis caused disruptions at unprecedented levels globally. The government, both at the national and local levels, implemented pandemic mitigation measures that forced enterprises across all industries to change the way they do business. The PDIC was no exception.

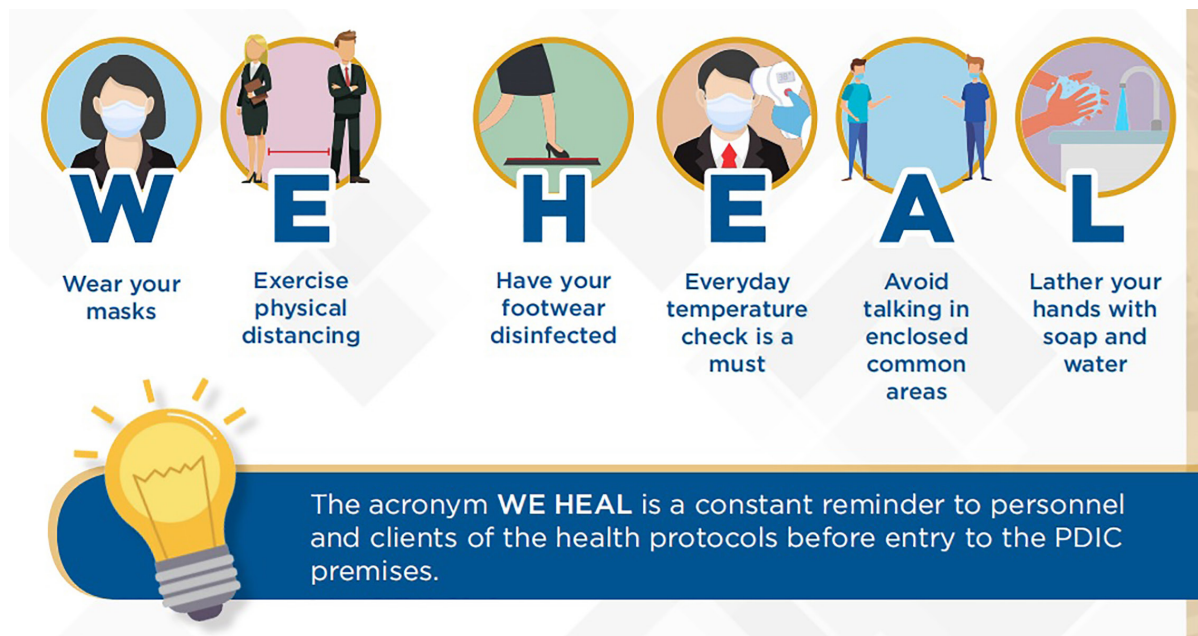
To ensure the sustained delivery of core services without compromising the health and safety of both its clients and personnel, the Corporation needed to implement significant changes to how it did business. By building capacities and capabilities in key areas, the PDIC was able to continue fulfilling its mandates even with great uncertainties present during the pandemic.

Business Continuity

The Corporation formed and activated the Crisis Management Committee (CMC), comprising the Executive Committee (ExCom) and the Risk Management Office (RMO), to lead corporate responses when Enhanced Community Quarantine was declared in March. As a response to the pandemic, the risk management processes of the Corporation focused on addressing business continuity risks.

Adherence to Guidelines on Occupational Safety and Health (OSH) Standards for the Public Sector

Following the declaration of a national health emergency by President Rodrigo Duterte, and the imposition of an enhanced community quarantine (ECQ) throughout Luzon in March 2020, the PDIC proactively implemented measures to prevent an extended disruption of its operations while ensuring the safety and well-being of its personnel.



Among these measures were hybrid work arrangements, adherence to health and safety protocols, continuous sanitation of facilities, creation of the Safety and Health Committee (SHC) tasked to develop the Corporation's Occupational Safety and Health (OSH) guidelines in compliance with the Joint Memorandum Circular No. 1, s. 2020 (Guidelines on Occupational Safety and Health (OSH) Standards for the Public Sector); provision of Covid-19 hazard pay and prepaid health cards/vouchers for qualified personnel; distribution of personal protective equipment (PPE), corporate-wide RT-PCR testing; complimentary shuttle services; and conduct of health, safety, and mental health care learning programs.

We Heal as One PDIC Campaign

Launched on 1 June 2020 as the National Government lifted the ECQ in Luzon, the campaign aimed to instill a culture of safety and vigilance; and a proactive mindset among personnel during the pandemic. By way of step-by-step infographics on the health protocols, personnel were reminded and encouraged to strictly observe these health and safety standards not just for their benefit but for their colleagues and loved ones as well. The campaign's initiatives included health protocols to mitigate Covid-19 risks, alternative work arrangements, and optimizing digital technology in performing the corporate mandates.

Important Health Protocols

PDIC

Bank deposit na, protektado!



Have your temperature checked daily by the assigned Clinic personnel or security guards before entry to the PDIC premises.

**Persons with body temperature of 37.5 Celsius or higher, even after a 5-minute rest; with colds and/or mild cough, will not be allowed entry, and should file the appropriate leave.*

We Heal as One PDIC.

Guidelines on the new normal work etiquette for personnel were released.

In addition to these protocols, guidelines on the new normal work etiquette for personnel were also released. These included provisions for teleconference or video conference for internal and external meetings, regular disinfection of work stations, bringing of own food provisions; avoiding long stays in common areas, and observing physical distancing when in work areas and in the office premises.

Guidelines on managing sick personnel in the workplace were also issued and resident doctors were also on call for free health consultations or referrals to local health units or hospitals. Protective equipment such as face masks and face shields were also distributed to personnel.



RT-PCR (reverse transcription-polymerase chain reaction) swab tests were also administered to PDIC frontliners. Close monitoring and consultations with those who tested positive including diligent contact tracing activities were undertaken by the resident doctors. Through donation drives organized by the PDIC Employees Organization (PHILDICEO) and the PDIC Officers' Club, financial aid and care kits were also provided to personnel who tested positive. Following the IATF guidelines, lockdown procedures were immediately observed in cases when positive cases were reported.



Infrastructures were likewise installed to comply with health protocols such as isolation tents, washbasins, foot bath/disinfection mats, acrylic workstation shields, and space dividers in corporate vehicles, among others.

Overall, the campaign guided the initiatives for personnel and external stakeholders, mindful that both are equally important. Ultimately, “*We Heal as One PDIC*” conveyed the shared goal that with determination, unity, and cooperation, the Corporation will be victorious over the pandemic.



Crisis Preparedness

A strong banking system is crucial for any economy going through an unprecedented crisis such as the Covid-19 pandemic. For this, the depositing public needs to remain confident on the safety of their hard-earned money in banks. PDIC's efforts to prepare for a financial crisis focused on two important areas: contingency funding and crisis communication.

Contingency Funding Plan

Approved by the Board of Directors on 21 December 2020, the plan will guide and direct the PDIC in the event of successive bank failures or the closure of a domestic systemically important bank (DSIB). Among others, the plan covers sourcing, funding, and disbursement of funds to ensure depositors' insurance claims are promptly paid during a crisis.

Financial Crisis Communication Plan

To create an operational framework for promoting public confidence in the banking system and mitigate systemic risks such as bank runs during a financial crisis, the Corporation crafted its Financial Crisis Communication Plan which the Board approved on 21 December 2020. The plan provides timely, efficient, and effective public communication measures to assuage public concerns about the banking system.

The Contingency Funding Plan and the Financial Crisis Communication Plan will be integrated with two more component plans, the Takeover Plan and the Claims Settlement Plan, targeted for completion in 2021. These shall constitute the Financial Crisis Management Plan in accordance with the Financial Crisis Management and Resolution (FCMR) Framework, which aims to provide guidance on how to prepare for, manage and resolve a financial crisis through

fast and decisive action. The FCMR framework will also guide the PDIC in the application of the appropriate resolution tools to protect its stakeholders and contribute more significantly to the stability of the financial system.

Operating Efficiency

As part of its commitment to continuously improve operating efficiency and provide excellent customer satisfaction, especially during the pandemic, the Corporation successfully embarked on initiatives including process efficiency reviews, formulation and enhancements/revisions to Standard Operating Guidelines and Instructions (SOGIs), and ISO Certification of frontline core services. These were undertaken to ensure operations remained relevant, responsive to the public's needs, and are aligned with current industry best practices and developments.

Process Efficiency Review

During the year, the PDIC conducted an efficiency review on the use and maintenance of its corporate vehicles, including outsourcing the upkeep of said vehicles to a qualified service provider. The study yielded several recommendations that included, among others, documentation and process improvements on the purchase, maintenance, insurance, and disposal of its transportation fleet.

New and Enhanced Standard Operating Guidelines and Instructions (SOGI)

Standardized processes are key to any organization's operating efficiency. With this in mind, the Corporation, during the year, created a new SOGI on its corporate governance process, revised four SOGIs that covered major areas of its operations, and enhanced five others on support processes.

Enhancements to the Quality Management System

The pursuit of sustaining international standards for the corporate quality management system solidified in 2020. Despite the sudden and major shift from a traditional to a virtual audit due to the pandemic, the Corporation quickly adjusted to the new audit procedures.

More than just having four major processes either pass their second compliance audits or get recertified to ISO 9001:2015 standards,¹¹ the Corporation also earned its fifth ISO-certified process during the year. Showing resourcefulness in conducting offsite bank examinations using a virtual platform, the PDIC passed its virtual certification audit for this important process.

Aside from successfully hurdling five ISO-certification processes, the Corporation also enhanced its internal quality audit (IQA) by expanding its scope and procedures to include a Quality Manual for bank examinations. Likewise, it aligned procedures in the competency evaluation of its IQA auditors with current best practices and QMS audit guidelines under ISO 19011:2018 standards.

Lastly, the PDIC promptly submitted its revised Citizen's Charter and compliance report to the Anti-Red Tape Authority (ARTA) in compliance with the latter's Memorandum Circular Nos. 2020-03A and 2020-04, respectively. The revised Citizen's Charter included internal support services carried out through the automated Administrative Services Group (ASG) Service Desk and external services related to receivership and liquidation.



¹¹The claims settlement operations and real property disposal processes passed their second surveillance audits in July 2020 and November 2020, respectively. Meanwhile, the assessment for member banks and loans management processes were re-certified to ISO 9001:2015 standards in July 2020 and December 2020, respectively, after the requisite audits.

Information System Strategic Plan (ISSP)

The Board approved on 21 December 2020 the PDIC Information System Strategic Plan (ISSP) aligned with the format of the Department of Information and Communications Technology (DICT). The ISSP is a framework designed to enhance and facilitate the integration of systems necessary to improve efficiency in the delivery of services.

The ISSP involved the procurement and use of technologies for efficient and secured communication between and among PDIC personnel, and between PDIC personnel and clients. The Corporation procured or developed and implemented various tools to enable remote one-on-one or group communication, meetings and collaboration among PDIC personnel; mass dissemination of important announcements through text blast to employees; and the provision of new laptops with updated standard software and applications. Collectively, these efforts aimed to enhance employee productivity even during hybrid work arrangements. The Corporation also set up systems to ensure network and data security, and to manage the risk of cyberattacks.

The PDIC's ISSP for 2021 to 2024 has been submitted to the DICT for review by the Medium-Term Information and Communications Technology Harmonization Initiative (MITHI) Steering Committee, composed of the DICT, the Department of Budget Management (DBM), and the National Economic and Development Authority (NEDA), to ensure the coherence of ICT programs and projects, and interoperability among ICT-related resources across the government.



PDIC Chino Renovation Project

Due to the pandemic, there was a slowdown of work activities for the PDIC Chino Renovation Project. The three-month lockdown which started in March 2020 and the subsequent placement of the National Capital Region under enhanced community quarantine starting in August 2020 put the renovation works on hold for a considerable period, causing some slides in the timeline.

Despite these challenges, major milestones were still achieved for the project which included the redesign of the PDIC Office Building Annex from a 3-storey structure to a 5-storey building with a concrete roof deck, a multi-level parking area and a corporate warehouse. The redesign was necessary to address the impact of the road-right-of way on the PDIC property due to the North-South Commuter Railway Extension Project of the Department of Transportation and Philippine National Railways. The installation of

modular system furniture was also targeted for completion in September 2021. The staggered transfer to the PDIC Chino Building is expected to begin in October 2021.

Safeguarding the Premises and Facilities

Simultaneous with the renovation work at the PDIC Chino Building was the constant implementation and upgrading of occupational safety and health measures at the SSS Building in Makati where PDIC operations are currently headquartered.

During the year, the upkeep of facilities at the PDIC premises was maintained to ensure that the Corporation adhered to environment-

friendly measures. The Corporation continued to adopt the mantras, *"Reduce. Reuse. Recycle"* and *"Clean As You Go"*, to support environment protection. Properly-labeled and color-coded bins are available at the pantry rooms for proper waste segregation. Signages are also posted at the premises to constantly remind personnel to conserve energy and water. More energy-efficient lighting fixtures have also been installed to replace fluorescents and light bulbs.

During the pandemic, enhancement of health protocols and complementary interventions were put in place to mitigate the threat of Covid-19 virus transmission in the workplace. These included, among others, improvement in the ventilation across the premises by opening windows at certain time period daily to increase

outdoor airflow, installation of wash basins near the building entrance, installation of UV lights in the work areas, and use of UV buster boxes for the disinfection of incoming mail and other matters. These engineering and non-pharmaceutical interventions were complemented by physical distancing, hand hygiene, wearing of face masks and face shields; and footwear disinfection.

All individuals entering the premises, whether PDIC personnel, guests, or clients, were required to faithfully submit their health declaration; and go through thermal scanning, hand sanitizing, and footwear disinfection. Strict use of the elevators in terms of capacity in view of social distancing protocol was likewise implemented. Inside the premises, protective acrylic barriers were also installed at various key areas such as the lobby guard's station on each floor and in receiving counters. Corporate vehicles used to shuttle personnel were also provided with protective acrylic barriers to help prevent the transmission of the virus.

At the height of the Covid-19 surge, the PDIC also ensured the regular sanitation and disinfection of the work and common areas after office hours and during weekends. Lockdown of affected offices, disinfection and decontamination were also implemented when necessary to comply with the health protocols set by the National Government.



Competency Building

Consistent with the belief that people are its most valuable resource, the Corporation continued to invest in the development of its personnel even during the pandemic. A critical tool to achieve this was by way of a regular conduct of Competency Assessment Surveys (CAS) for personnel.

Contributing directly to the Corporation's performance commitments to the GCG, CAS started in 2018 and was intended to establish the baseline competency data across the organization based on the approved competency profiles of positions. From the baseline data established by the end of 2019, 13.2% or 68 of the 516 personnel were identified with competency

gaps in four important areas: continuous improvement and learning, service orientation, organization outlook, and strategic alignment, and computer skills.

Competency-based learning and development interventions were conducted for said personnel from November 2019 to 30 June 2020¹² to address these gaps. During the year in review, the CAS was conducted to measure changes in organizational competency and focused on these 68 identified personnel. The CAS results showed improvements in their proficiencies and contributed to a higher organizational competency level across the PDIC.

COMPETENCY ASSESSMENT SURVEYS (CAS) 2020

CAS 2020 focused on the reassessment of 68 personnel with gaps in four competencies. They were reassessed in either one or two competencies, depending on the competency-based learning and development interventions provided to the personnel that cover the following competencies:

1. Continuous improvement and Learning
2. Service Orientation
3. Organization Outlook and Strategic Alignment
4. Computer Skills

The competency level of personnel improved. The new organizational competency level as of December 2020 was a 1.06778, which will serve as benchmark for competency improvement for the year 2021.

**Learning and Development
in the New Normal**

The Corporation's 2020 Competency-Based Learning and Development Plan enabled the continued empowerment of PDIC personnel by providing them ample opportunities for continuous learning and growth. The Plan aimed to create awareness, generate action, and facilitate learning and growth across all ranks. It also guided the formulation and implementation of learning sessions and training programs that are aligned with the corporate Strategy Map and support the development of future leaders within the workforce, through proactive mentoring and succession planning.

During the year, the PDIC likewise successfully transitioned from face-to-face learning sessions to virtual sessions through various platforms such as Microsoft Teams, Zoom, Google Meet, and Webex, among others.

Through these capability-building initiatives, 518 out of 528, or 98.1% of employees, were able to benefit from at least one learning and development intervention during the year. In addition, a total of 43 internal learning sessions was organized and covered 503 personnel. Meanwhile, 250 employees attended 104 external programs, fully supported by the Corporation.

The learning sessions organized by PDIC during the year focused on both professional skills enhancement and personal growth, covering topics related to occupational safety, health and wellness. Regular sessions/consultations with PDIC's resident doctors, dubbed The Doctor Is In: Usapang Covid-19, as well as webinars on caring for one's mental health also helped PDIC personnel to ably respond to the effects of the pandemic, in terms of physical and mental wellbeing.

¹² Personnel are given six (6) months to demonstrate their new learnings before the conduct of reassessment, thus, the cut-off date of 30 June 2020, for CAS 2020. Succeeding years' reassessments will consider training interventions given from July 1 of the previous year to June 30 of the reference year.

Gender and Development Initiatives

The Corporation remained steadfast on its journey to become a truly gender-responsive organization. Major accomplishments contributed to the pursuit of gender equality during the year through the implementation of Gender and Development (GAD) programs.

A GAD Corner was set up in the local Intranet and the corporate website to further strengthen GAD advocacy and campaign. The GAD Corner provides stakeholders with information on the GAD initiatives and gender mainstreaming efforts such as the PDIC's GAD Strategic Framework and GAD Strategic Plan 2020-2025, among others.

To establish baseline data for GAD-related capacities of the workforce and develop strategies and interventions on how to mainstream GAD in corporate functions and programs, a GAD Awareness and Capacity Assessment Survey was administered in December 2020. The survey highlighted that 92% of the respondents received orientation/training on GAD, a testament to the corporate-wide efforts to instill GAD in the corporate culture. Additionally, the orientation on basic GAD concepts has been incorporated in the On-Boarding Program to provide new employees with a basic understanding of GAD as a concept and the legal bases for mainstreaming GAD in the corporate policies, plans and programs. Another initiative to mainstream GAD in policies, programs, systems, structures, processes and procedures was the integration of detailed work instructions on GAD attribution in the SOGI on Corporate Operating Budget.

Four programs which included the PMT Approach to Bank Takeover and Claims Settlement Operations, PDIC Public Awareness Campaign, various learning and development programs; and health and wellness programs, were analyzed for gender responsiveness during the year using the Harmonized Gender and Development Guidelines. Moreover, various learning sessions on GAD were conducted for PDIC personnel to continuously build their skills, knowledge, and attitude in addition to participation in GAD capability-building initiatives such as the Department of Finance Cluster GAD planning and budgeting workshops, and implementation of related activities in support of the observance of the National Women's Month and the 18-Day Campaign to End Violence Against Women in March 2020.

CSC Confers PDIC the PRIME – HRM Bronze Award (2019 – 2020)

The Civil Service Commission (CSC) recognized the human resource management (HRM) system of the Corporation with the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM)

Bronze Award for 2019–2020. PRIME-HRM is a mechanism that empowers government agencies by developing their HRM competencies, systems, and practices toward excellence. The PDIC received the award from CSC in simple ceremonies held on 26 February 2021.

In recognizing the corporate HRM system, the CSC cited the Corporation's excellence in elevating the standard of its four core HRM areas namely, recruitment, selection, and placement; learning and development; performance management; and rewards and recognition.





Annual Report 2018 wins Silver Anvil Award

Sustaining its tradition of exemplary publications and information campaigns, the 2018 PDIC Annual Report was recognized with a Silver Anvil during the Public Relations Society of the Philippines' (PRSP) 55th Anvil Awards (*Gabi ng Parangal*) held on 28 February 2020.

Entitled, "*A New Horizon*", the Annual Report was cited for showcasing various measures of how the PDIC strengthened as an organization, promoted good governance, and fostered employee empowerment.

With the award, the Corporation sustained its winning tradition for communication and public relations tools and programs that aim to help

stakeholders have a deeper understanding of the importance of, and protection provided by deposit insurance. The PDIC Annual Reports for 2016 and 2015 were previously recognized by the PRSP with a Gold Anvil and Silver Anvil in 2018 and 2017, respectively.

The Corporation also received Anvil awards for other public relations tools including the successful hosting of the 14th Annual Meeting and International Conference of the Asia-Pacific Regional Committee of the International Association of Deposit Insurers in Iloilo City in 2017 (Silver Anvil), its official newsletter, *Intercom*, in 2016 (Silver Anvil); and financial literacy guidebook, *Usapang Pera: Mga Dapat Alamin* in 2014 (Merit Award).

**The Corporation
sustained its
winning tradition
for communication
and public
relations tools and
programs.**



STRENGTHENING NETWORK

STRENGTHENING NETWORK

Teamwork not only makes the dream work. It also empowers people and organizations to thrive and overcome great uncertainties.

A deep-seated core value, the PDIC personified the importance of teamwork during the year by continuing to help and collaborate with local government units, other government agencies and international peers. In doing so, the Corporation helped them address major challenges resulting from the pandemic, natural disasters, and financial market developments both here and abroad.

Local Government Units

PDIC Caravan

Before strict quarantines were enforced, the Corporation was able to organize the PDIC Caravan (*Abot-Lingkod* Program) on 19-20 February 2020 at the Calamba City Hall in Laguna where a helpdesk facility was set up to make core services more accessible to its stakeholders in Region IV-A (Calabarzon).

The Corporation mounted activities for different stakeholder groups including provision for public assistance for queries and concerns about deposit insurance, loans with closed banks, and properties for sale as part of PDIC's asset disposal initiatives. Simultaneous with the Caravan at the Calamba City Hall, the Corporation also conducted financial literacy lectures for the city government employees as part of its Be a Wise Saver (BAWS) advocacy campaign for wise saving and responsible banking.



The PDIC personified the importance of teamwork during the year by continuing to help and collaborate with local government units, other government agencies and international peers.

The PDIC also engaged real estate developers and brokers in the region to promote available properties for negotiated sale or public bidding aligned with its objective to intensify asset disposal marketing activities.

As a responsive partner of banks, the Corporation continued to encourage cooperation with bank groups nationwide to forge better collaboration towards client service enhancement. The PDIC Caravan in Laguna provided an opportunity for a consultative meeting with bankers in the region to discuss new bank strengthening initiatives and regulations that promote depositor protection.

The Caravan was also an opportunity for the PDIC to undertake its media education initiative, *PDIC 101 for Local Media*, to practitioners in the CALABARZON region which include those from the local radio and newspaper/print media, and representatives from the Philippine Information Agency. In recognition of media as an integral partner in information dissemination, *PDIC 101* provides lectures for local media practitioners for them to better understand and appreciate the mandates, services and public service programs the PDIC provides.



BRINGING FORWARD PDIC'S FINANCIAL LITERACY PROGRAMS TO A SOCIAL AGENDA

The Corporation is treading on a new path, moving financial literacy forward to a higher level of social commitment through the institutionalization of this advocacy as the new Corporate Social Responsibility (CSR) statement.

From environmental protection and community-building, the new CSR statement now focuses on empowering every Filipino with knowledge and information to make responsible financial decisions which complements the corporate mandates of depositor protection and financial stability.

The Corporation believes that it can help change the lives of many Filipinos for the better through deeper understanding and appreciation of saving regularly, keeping their hard-earned money in banks, and deposit insurance protection.

The shift to a more focused CSR statement was approved by the Board in September 2020 in recognition of the PDIC's inherent duty to society to be a good corporate citizen in response to PDIC's Code of Corporate Governance.

The new CSR statement, which is an important component of the PDIC Code of Corporate Governance, has two key elements: *Financial Education*, or equipping and empowering individuals with financial knowledge; and *Financial Inclusion*, or enhancing individuals' access to financial services. Financial education and financial inclusion will be strongly advocated by way of knowledge banking, direct engagement,

institutional partnerships, and community integration as critical strategies for promotion and stakeholder engagement. Cognizant that the proactive participation of personnel is likewise important to carry out this advocacy, the CSR program will involve personnel capability-building and mobilization as financial literacy ambassadors.



Social Outreach

An Outpouring of Generosity for Batangas, Catanduanes and Cagayan

At the start of the year, Taal Volcano erupted and affected nearby localities. So strong was the eruption that its impact was greatly felt across several surrounding regions, including Metro Manila. The government quickly placed the entire Batangas province under a state of calamity.

In response to the urgent needs of affected residents, the PDIC Officers' Club and PHILDICEO launched the "PDIC Para sa Taal" company-wide donation campaign. The campaign generated funds for the much-needed supplies and relief goods of 136 evacuee families sheltering at the Nasugbu West Central School Evacuation Center.

Towards the end of the year, two destructive typhoons, Rolly and Ulysses, made landfalls within days apart and brought torrential rains and violent winds across eight regions in the country. These resulted to massive flooding and extensive damages to properties, affecting over four million residents across many provinces, especially Catanduanes and Cagayan.

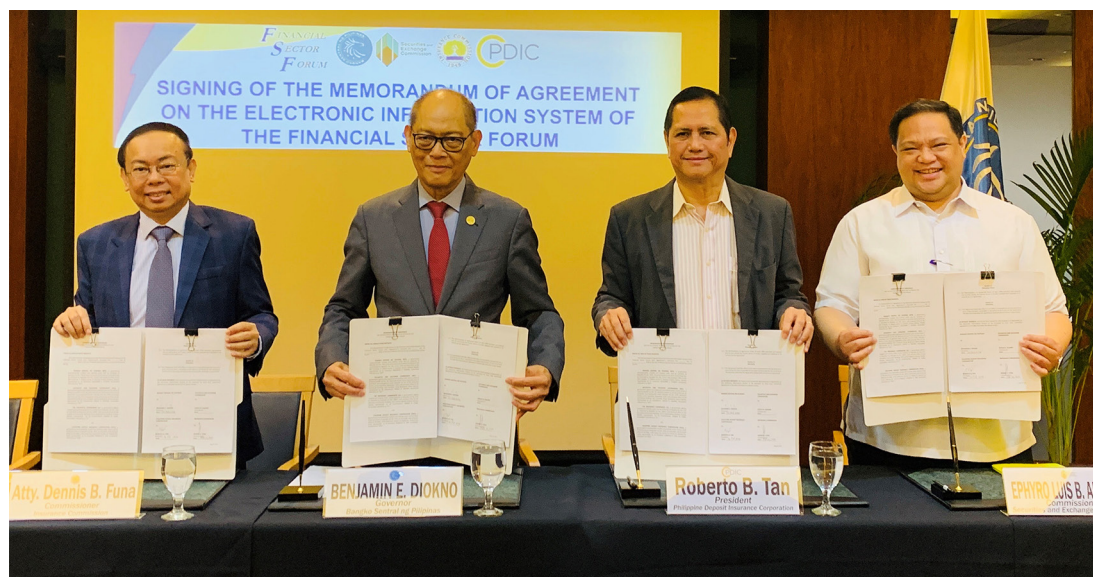


The PDIC Officers' Club and PHILDICEO launched the "PDIC Para sa Taal" company-wide donation campaign.

When typhoon Rolly hit, the PDIC Officers Club and PHILDICEO quickly organized *"Tindog Catanduanes"*, a donation drive to pool funds for the benefit of typhoon victims who were in dire need of relief goods and temporary roofing for their homes. Due to strict health protocols and travel restrictions, financial support was instead extended to buy heavy duty tarpaulins for makeshift roofs. As previously arranged with local government officials, these were distributed to families in Bato and San Andres, Catanduanes.

Typhoon Ulysses struck a few days after typhoon Rolly. In response, the PDIC Officers Club and PHILDICEO expanded the fund-raising campaign to include victims in Tuguegarao City, Cagayan as beneficiaries. The collective charity of personnel and donee organization, TuguegaraONE, ably raised funds to buy hygiene kits and food packs for 390 families temporarily sheltered in various evacuation centers in Tuguegarao City.





Other Government Agencies

East Avenue Medical Center

The Corporation was quick to support the National Government's efforts to curb the transmission of Covid-19 at the height of the pandemic. In June 2020, a donation of ₱1.0 million was extended to government hospital East Avenue Medical Center to address the rapidly depleting inventory of Personal Protective Equipment (PPEs) for its medical frontliners.

Financial Sector Forum

The Financial Sector Forum (FSF) was created on 5 July 2004 through a Memorandum of Agreement (MOA) among the PDIC, BSP, Insurance Commission (IC), and Securities and Exchange Commission (SEC). The FSF provides an institutionalized framework for coordinating its member agencies' supervisory and regulatory activities, while preserving each of their mandates. It is supported by subcommittees that lead the implementation of mutually beneficial programs and projects for financial system regulation and supervision.

During the year, the FSF met four times. The subcommittees also met periodically to discuss emerging concerns on supervision, consumer protection, and cooperation, among others.

Information Exchange Committee (IEC)

In 2011, the FSF-IEC developed an electronic information-sharing scheme that created an online platform for facilitating optimal information exchange among member agencies. As the country's economy and financial markets continued to evolve throughout the years, so were the existing exchange of information among financial regulators. Hence, the FSF member-agencies signed an MOA on electronic information sharing (EIS) on 26 February 2020 that will provide them greater access to important financial and economic information. Particularly for the PDIC, the EIS will be very helpful in the prudent management of the Deposit Insurance Fund (DIF) and for handling bank supervisory data more efficiently.

Supervisory and Regulatory Policy Coordination Committee (SRPCC)

During the year, the committee worked with the Council for Accreditation and Quality Control of Practicing CPAs (the Council) in revising the multilateral MOA on the accreditation/selection of external auditors. The amended MOA aimed to reflect the adoption of a centralized framework for this endeavor. Working on the agreement's enhancements since 2014, the FSF and the Council started implementing the MOA in 2019 and continued a regular review to ensure the agreement is responsiveness to the changing landscape.

Financial Sector Assessment Program (FSAP)

The Corporation also actively participated in the Financial Sector Assessment Program (FSAP) review conducted by the World Bank



(WB) and the International Monetary Fund (IMF) Mission, which consisted of two modules: the development module and the stability module. The PDIC was invited to take part in the stability module that covered risk analysis, regulation and supervision, anti-money laundering/combating financial terrorism (AML/CFT), and bank secrecy. The Mission concluded with the release of a joint Aide Memoire to participating agencies on 21 October 2020, which contained key findings and policy recommendations on a wide range of economic, financial, market, and risk management topics.

Financial Technology (FinTech) Committee

With BSP as the lead agency, the FinTech Committee initiated the development of a cooperative oversight framework to help FSF member-agencies keep up with continuous and rapid developments in financial technology. As of the end of 2020, the Committee was drafting an MOA for the said framework to help provide cohesion and consistency in regulation, supervision, and policy-making for fintech-related aspects of supervised financial institutions' operations.

Consumer Protection and Education Committee (CPEC)

The Committee, which the PDIC and BSP co-chair, spearheaded the launch of the FSF's consumer centricity campaign in 2019. The endeavor aimed to develop a culture of responsible and responsive business conduct among supervised financial institutions of its member-agencies. In 2020, CPEC continued the campaign by consulting with financial industry associations in order to identify the regulatory expectations on customer-centricity of supervised financial institutions.

Financial Sector Strategy Task Force (FSSTF)

In partnership with the World Bank, the FSF began drafting the Financial Sector Strategy Roadmap in 2020. Building on the results of the 2019 FSAP Mission, the FSSR covers payment systems, fintech development, credit reporting, capital markets, insurance, climate change, and the roles of state and financial intermediation. To focus on the Roadmap's development, the FSSTF was created, which is headed by the principals of FSF member-agencies, the DOF, and the Bureau of the Treasury. By end of the year, the Roadmap was still in the drafting stage. It is expected to be completed by the Task Force, together with WB representatives, in 2021.

Financial Stability Coordination Council (FSCC)

The FSCC was created on 29 January 2014 through a MOA among the FSF member-agencies and the DOF. It is a voluntary inter-agency council whose key objectives are to identify, manage and mitigate the build-up of systemic risks.

In 2020, the FSCC met five times and continued its efforts to educate the public on the concept of financial stability. Complementing these efforts was the public release of the Macroprudential Policy Strategy Framework on 14 July 2020. The Framework provides the public a transparent window into the factors that affect decisions

of financial authorities, the institutional arrangements, and tools that will be used to sustain and enhance the health of the financial system which are specifically defined in terms of the system's resilience against systemic risks.

The FSCC has since been working on process improvements in executing member agreements to enhance the influence of FSCC decisions as a response to the FSAP Mission Aide Memoire. The use of more granular data will be introduced in systemic risk analysis, including information on granular credit risk, fully operational national credit registry, current collateral values and

loan-to-value ratios, small and unlisted non-financial corporations, household indebtedness and survey, and detailed depositor information due to bank secrecy to be able reduce data gap, improve systemic risk monitoring and operationalize macro-prudential tools.

The year also marked the public release of the semestral Financial Stability Report (FSR) by the BSP to signify the commitment of FSF towards being responsive to the times. The FSR issued in April 2020 presented the initial effects of the pandemic on the economy and noted that the financial market has not been immediately imperiled. The FSR, however, noted changes in risk behavior, as appetite for risk-taking has fallen, resulting in falling asset prices and an increase in risk premiums. Meanwhile, the FSR released in November 2020 highlighted the FSCC's assessment of the systemic risks that the country is now facing in light of the pandemic.

Much of the discussions of the FSCC during the year focused on the effects of the public health crisis on the Philippine economy, particularly on the financial sector. The FSCC assessed the systemic risks the country faced because of the pandemic. It also started defining the future market landscape to allow stakeholders to begin the transition towards the vision where the work environment places a greater value on space and depends more on information and communications technology resources.





Other Deposit Insurers

In step with its vision of becoming a leading organization in deposit protection, the Corporation continued to bolster its leadership in deposit insurance. The PDIC President is the current Vice Chairperson of the Asia Pacific Regional Committee (APRC), and the Treasurer of the International Association of Deposit Insurers (IADI).

The PDIC also remained proactive in contributing to international cooperation, outreach, and research in deposit insurance in the Asia Pacific region. In support of this, significant

responsibilities in regional communications, outreach promotions and member relations were taken on by the Corporation, including playing a lead role in the APRC Secretariat in the production of the semi-annual publication, APRC NET, the official electronic publication of the APRC; and in engaging organizations in the Asia Pacific that have yet to establish their deposit insurance systems. The PDIC was also appointed during the year as a member in the Strategic Planning Work Group's Fee Sub-Group tasked to develop membership fee model to advance IADI's strategic objectives.

The Corporation continued to work with and engage matured deposit insurance agencies in the world to help determine ways to improve deposit insurance protection and to discuss emerging deposit insurance and stability issues in the global operating environment.

During the year, the PDIC brought together its peers from the IADI to various fora that highlighted the impact of the health pandemic to deposit insurance and the responses of deposit insurance agencies across the world.

The Corporation participated in an important survey aimed at identifying and tracking the actions taken by deposit insurance agencies to manage the impact of the global pandemic in their respective jurisdictions. The survey was administered by the IADI and APRC during the

first half of the year. Important actions under its business continuity plan were shared by the PDIC during the survey, highlighting initiatives implemented to ensure continuous delivery of public services including relief and mitigating measures adopted to help alleviate the financial condition of various clients adversely affected by the pandemic, including member-banks.

The survey results were compiled by the IADI and APRC into a Briefing Note (*Impact of the COVID-19 Pandemic on Deposit Insurance and Financial Stability: IADI Survey Results*) to provide a wealth of information on how deposit insurers and central banks around the world responded to the challenges of the global pandemic.

In a multilateral meeting hosted by the Indonesia Deposit Insurance Corporation in July 2020, PDIC President and CEO Roberto B. Tan was tapped to talk about managing the impact of the pandemic to depositors of closed banks and the importance of resilience during a crisis. Interventions put in place by the PDIC were shared and these included alternative work arrangements and processes adopted to ensure that services remained available and uninterrupted during the pandemic. In particular, the Corporation shared its experience in implementing a new normal payout system to service more than 2,500 deposit insurance claims in two closed banks.

The PDIC President also discussed with regional peers the relief measures extended to borrowers, lessees, and buyers of properties of closed banks, and the importance of ensuring the safety and protection of personnel, and effective communications to stakeholders during a crisis of this magnitude.

Meanwhile, Senior Vice President Romeo M. Mendoza, Jr. of the Deposit Insurance Sector highlighted the PDIC experience in managing the payout of two closed banks during the pandemic year during an international virtual forum organized by the IADI and the Financial Stability Institute in September 2020.

SVP Mendoza talked about how the Corporation recalibrated its payout operations to adapt to the challenges and requirements of the varying levels of community lockdowns. Recalibration involved a shift from manual filing of deposit insurance claims to online filing, and the strengthening of information dissemination through social media in view of restrictions to the old normal face-to-face interaction during payout operations. The alternative payout scheme also required an agent government bank to carry out the payment of deposit insurance to qualified claimants.

In a multilateral meeting, PDIC President and CEO Roberto B. Tan was tapped to talk about managing the impact of the pandemic to depositors of closed banks and the importance of resilience during a crisis.

FINANCIAL PERFORMANCE

Assets

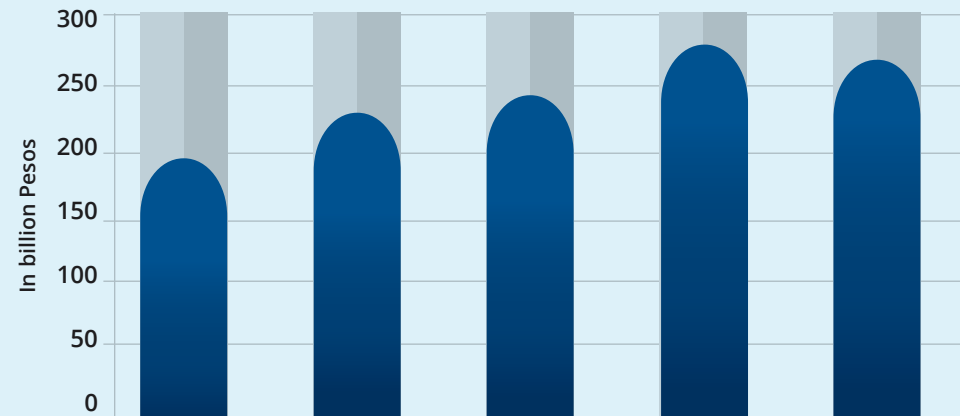
The total assets of the Corporation declined to ₱272.0 billion as of end-2020, or by ₱1.1 billion or less than 1%, from ₱273.1 billion as of end-2019. Total assets previously registered a 9.8% growth rate in 2019.

Major additions to the resources of the Corporation during the year consisted of ₱27.5 billion in assessment collections and ₱12.4 billion in income from investments. However, assets generated were outpaced by disbursements composed mainly of ₱22.6 billion in payment of loans and ₱18.0 billion in dividend remittance to the National Government.

Cash and Investments

Cash and investments of ₱254.7 billion comprised 93.6% of total assets which declined by ₱830.0 million or 0.3% compared to the ₱255.5 billion level registered in 2019. The total Investment portfolio was in Government Securities (GS), 87.8% of which was in Corporate funds while 12.2% was earmarked for obligations of the Corporation.

ASSETS

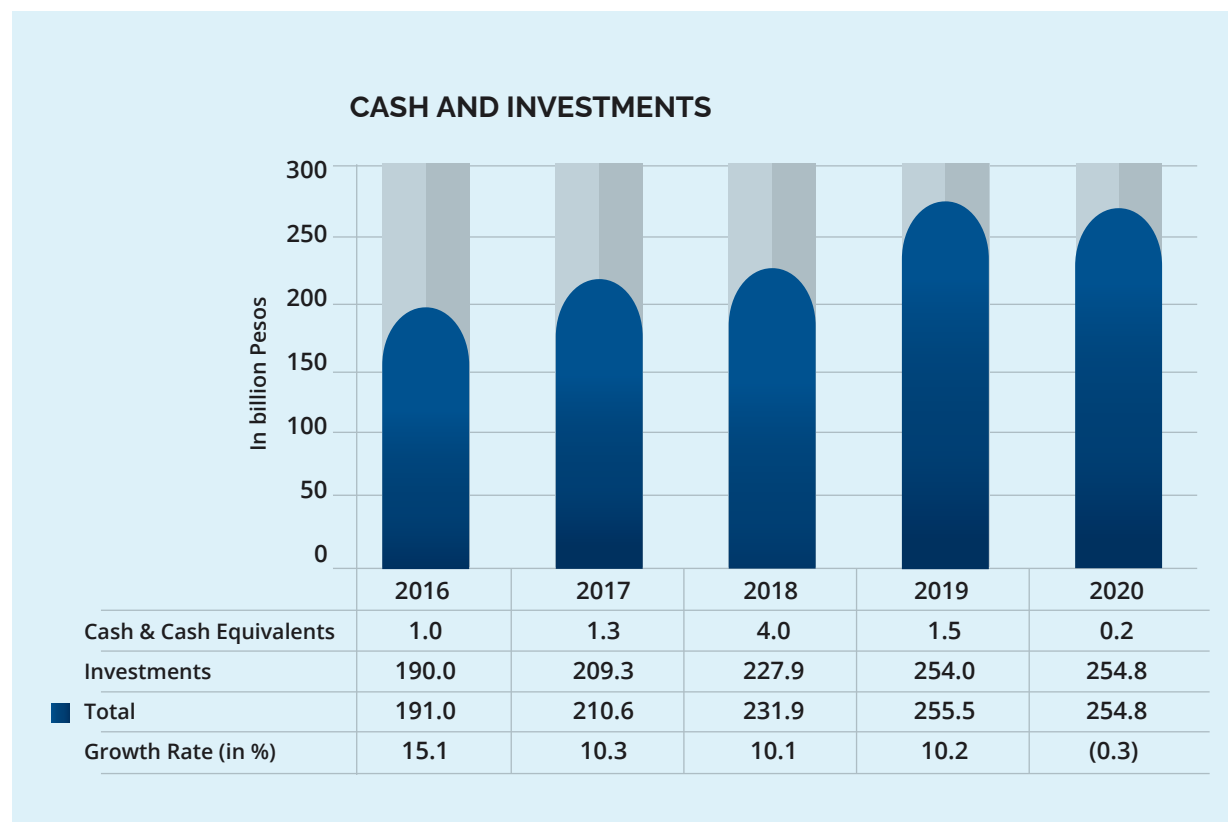


	2016	2017	2018	2019	2020
Assets	195.0	227.3	248.8	273.1	272.0
Growth Rate (in %)	10.0	16.6	9.5	9.8	(0.4)

The PDIC, as provided in its Charter, is only allowed to invest in obligations of the Republic of the Philippines (ROP) or in obligations guaranteed as to principal and interest by the ROP. Thus, available funds for investments were maintained in risk-free GS and short term Special Savings Deposits (SSD) to maximize earnings. Funds intended for deposit insurance payout and other operational requirements were likewise kept in short-term SSDs and/or Treasury bills for ready and available liquidity.

The average yield of the investment portfolio declined by 28.50 bps from 4.674% as of December 2019 to 4.389% as of December 2020. This is due to the substantial drop in interest rates resulting from the pandemic which slowed down economic activities and affected not only the Philippines but the entire world economy. This also prompted a shift in investments to shorter tenored securities which brought down the average tenor of the investments to 5.54 years as of 31 December 2020 from 6.04 years the previous year.

The Corporation's liquidity slightly increased from the cash recoveries from closed banks in payment of subrogated claims and receivership and liquidation receivables amounting to ₱214.6 million, loan collections of ₱460.9 million, and income from financial assistance of ₱12.3 million.



Meanwhile, long-term investments in equity securities of ₱12.1 billion consisted of ₱12 billion Special Preferred Shares (SPS) of a commercial bank and ₱102.6 million preferred shares, the latter represented the equity component of the financial assistance¹ granted to two rural banks under the joint BSP-PDIC Strengthening Program for Rural Banks Plus (SPRB Plus).

Receivables

Total receivables of the Corporation in the amount of ₱2.3 billion posted a decrease ₱316.5 million or 12% compared to the balance of ₱2.6 billion in 2019. The balance consisted of ₱2.2 billion loans and receivables and ₱69.5 million inter-agency and other receivables. The

¹Pursuant to Section 22(e) of the PDIC Charter, "...the Corporation is authorized to make loans to, or purchase of assets of, or assumes liabilities of, or make deposits in: (1) a bank in danger of closing, upon its acquisition by a qualified investor; or (2) a qualified investor, upon its purchase of all assets and assumption of all liabilities of a bank in danger of closing; or (3) a surviving or consolidated institution that has merged or consolidated with a bank in danger of closing; upon such terms and conditions as the Board of Directors may prescribe, when in the opinion of the Board of Directors, such acquisition, purchase of assets, assumption of liabilities, merger or consolidation, is essential to provide adequate banking service in the community or maintain financial stability in the economy."

reduction in receivables resulted from the ₱408.0 million prepayment of loan by an assisted rural bank offset by ₱100.2 million accrual of interest on notes receivables.

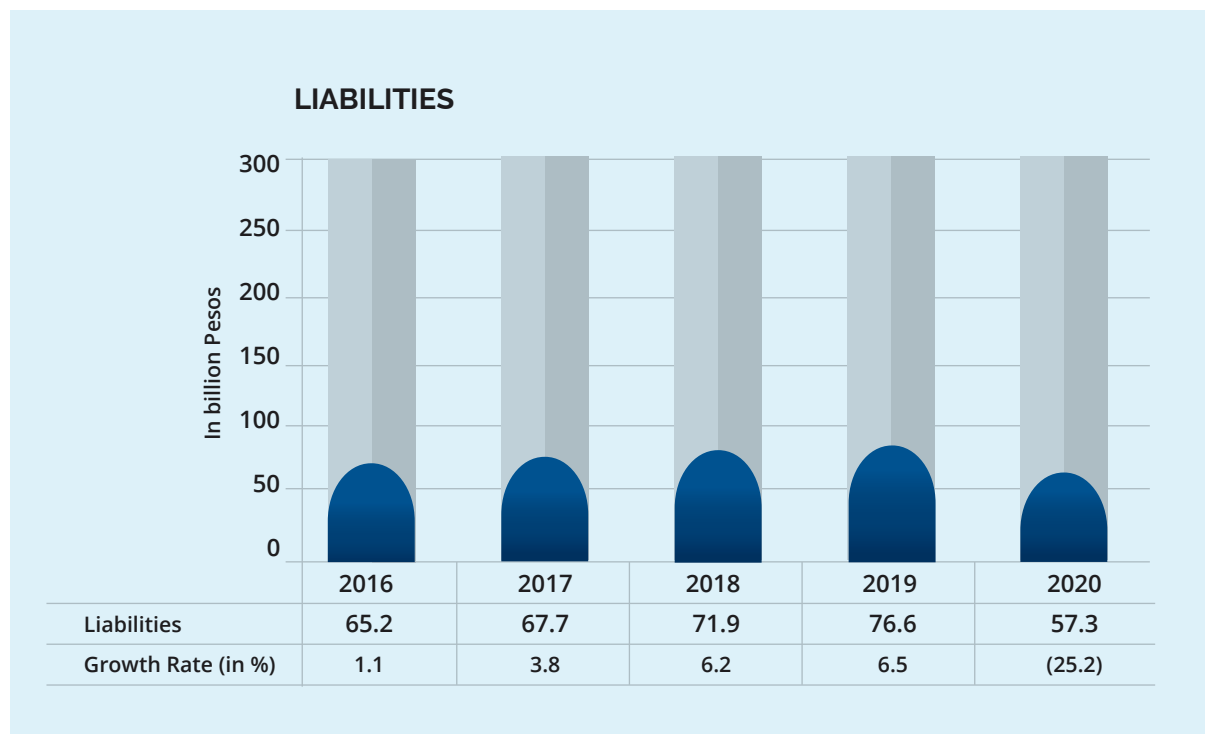
During the year, the Corporation paid ₱178.6 million insured deposits booked as Subrogated Claims Receivables (SCR). Payments covered 8,194 claims for 7,405 accounts in five banks closed in 2020 and minimal claims in 46 banks closed in prior years.

Accounts Receivables Receivership/Liquidation (AR-RL) amounting to ₱257.4 million representing accrual of PDIC fees and advances for Receivership and Liquidation operations were likewise added during the year.

On the other hand, the cash and asset recoveries for SCR and AR-RL registered at ₱189.1 million and ₱15.6 million, respectively. Balances for both these accounts were provided with 100% allowance for impairment due to the insolvent status of the banks at closure. The recovery of SCR and AR-RL is dependent on the respective liquidation proceeds from the realizable assets of the closed banks. The liquidation proceeds are distributed based on the Liquidation Court-approved Asset Distribution Plan of each closed bank in accordance with the Rules on Concurrence and Preference of Credits under the Civil Code of the Philippines.

Liabilities

Total liabilities of ₱57.3 billion, composed of financial liabilities amounting to ₱52.0 billion and other liabilities of ₱5.3 billion, decreased by ₱19.3 billion or 25.2% compared to the ₱76.6 billion posted in 2019. The financial liabilities comprised mainly of long-term loans including



interest payable to the BSP amounting to ₱51.7 billion or 90.2% of the total liabilities of the Corporation, which were used in the financial assistance operations of the Corporation under certain terms and conditions.

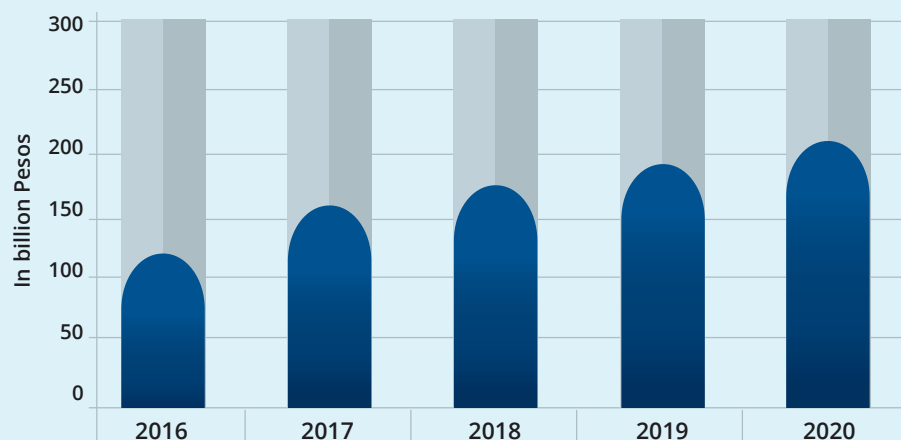
The favorable decline is mainly attributed to the ₱22.0 billion payment of two loans with principal amount of ₱17.6 billion and interest of ₱4.4 billion in the second semester of the year. The loans funded the financial assistance granted to two commercial banks and a rural bank. The outstanding loans of ₱52.0 billion were also used in the financial assistance granted to three

commercial banks, four thrift banks and two rural banks. Of the outstanding loans, ₱228.8 million represents BSP's 50% share in the funding of the financial assistance recently granted to a rural bank under the Strengthening Program for Rural Banks Plus (SPRB Plus)².

The balance of insured deposit claims payable of ₱224.5 million increased by 22.6% net of the ₱178.6 million in payouts made during the year. These are unclaimed insured deposit balances at year-end mainly from five banks closed in 2020 and residual claims in 46 banks closed in previous years. The PDIC settles deposit

²SPRB Plus is a bank-strengthening program jointly implemented by the PDIC and the Bangko Sentral ng Pilipinas (BSP) that aimed to encourage mergers, consolidations and acquisition of rural banks and thrift banks. The program was implemented until 31 December 2015.

DEPOSIT INSURANCE FUND



	2016	2017	2018	2019	2020
DEPOSIT INSURANCE FUND (DIF)	129.8	159.6	176.9	196.5	214.8
Permanent Insurance Fund	3.0	3.0	3.0	3.0	3.0
Reserves for Insurance Losses	94.7	126.0	146.1	168.7	195.7
Retained Earnings	32.1	30.6	27.8	24.8	16.0
Growth Rate (in %)	15.1	23.0	10.8	11.1	9.3
Ratio to Estimated Insured Deposits (in %)	5.8	6.6	6.6	6.9	7.0

insurance claims for accounts with balances of ₱100,000 and below within 7-42 days or within 27-74 working days from takeover during the pandemic depending on the number of accounts in a bank and the quality of record-keeping upon PDIC's takeover. This is far less than the six-month period within which the Corporation is mandated to settle such claims under its Charter.

Other liabilities of ₱5.3 billion mainly consisted of ₱4.9 billion dividends to the National Government for 2020 which was targeted for

remittance in the first quarter of 2021, and ₱0.4 billion various payables to other government agencies, employees and others creditors.

Deposit Insurance Fund

The Deposit Insurance Fund (DIF), the Corporation's capital, is composed of the Permanent Insurance Fund (PIF) of ₱3.0 billion, reserves for insurance losses of ₱195.7 billion and retained earnings of ₱16.0 billion.

As of year-end, the DIF registered an increase of ₱18.2 billion or 9.3% to ₱214.8 billion from ₱196.5 billion in 2019.

Reserves for insurance losses of ₱195.7 billion grew by ₱27.0 billion or 16% from the additions to reserves during the year, compared to the level of ₱168.7 billion posted in 2019. The retained earnings, totaling ₱16.0 billion, was lower by ₱8.8 billion or 35.3% from the ₱24.8 billion in 2019 mainly due to declaration and remittance of ₱18.6 billion in dividends to the National Government.

The PDIC continued to adopt a fund target ratio of 5.5% to 8%³ as a measure of the adequacy of the DIF in relation to the estimated insured deposits in the banking system. The ratio represents the Corporation's ability to cover risks and promptly respond to insurance calls to maintain depositor confidence. The ratio of the Corporation's DIF of ₱214.75 billion to estimated insured deposits of ₱3.07 trillion billion is favorably increasing and stood at almost 7.0% at year-end 2020.

Dividends to the National Government

Dividends declared to the National Government for 2020 amounted to ₱4.9 billion which is 50% of net income from other sources, mainly from investment income, gains and other non-operating income actually realized, net of interest on borrowings. The dividends were accrued at year-end and remitted on 25 March 2021. This was higher by ₱583.0 million or 13.5% compared to the ₱4.3 billion declared in 2019.

³The target framework was drawn by an expert engaged through the World Bank in 2012. The lower limit covers the PDIC's anticipated risks and unanticipated risks under normal circumstances. On the other hand, the upper limit covers the anticipated risks and unanticipated risks with consideration to any possible repercussions of contagion in the banking system.

Based on the various memoranda of agreement (MOAs) which the Corporation executed with the Department of Finance (DOF), the Corporation likewise declared and remitted in advance the additional dividends of ₱13.7 billion on 16 March and 31 March 2020; and 14 December 2020 in response to the emergency expenditures of the National Government caused by the unprecedented pandemic. Total dividend remittances to the National Government during the year amounted to ₱17.98 billion including ₱4.3 billion in dividends due for 2019 which were remitted on 23 March 2020.

Section 18 of the amended PDIC Charter exempts the Corporation from Republic Act No. 7656 or the Dividends Law. Further, assessment collections are not subject to dividends in accordance with the amended PDIC Charter. Dividends shall be based on income from other sources mainly composed of interest income from investments. The PDIC Charter likewise provides that the Corporation may remit dividends to the National Government only if the target DIF level set by the Board of Directors for the applicable year has been reached.

The Department of Justice (DOJ) has been requested by DOF for an opinion or resolution on the issues relative to the assessment base on which the dividends due shall be computed and remitted to the National Government.

Income

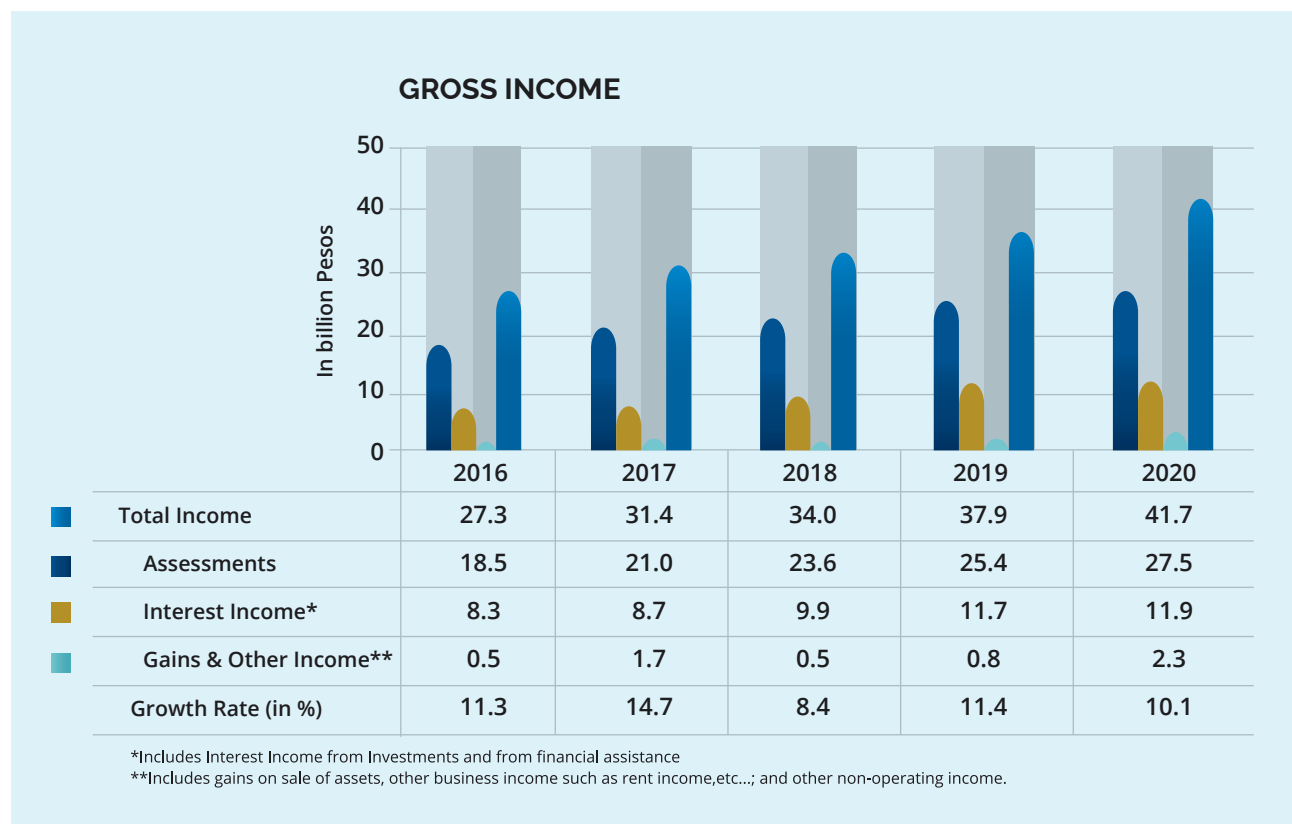
The results of operations of the Corporation continued to improve and contributed to the steady growth of the DIF, with net income increasing for the past five years at an average rate of 17.0% or ₱1.1 billion annually. Net income rose by ₱1.2 billion or 13.5% to ₱9.8 billion during the year from ₱8.6 billion in 2019.

Gross Income

Gross income of ₱41.7 billion exceeded the previous year's income of ₱37.9 billion, or by ₱3.8 billion or 10.0%. Total assessment collections from banks in the amount of ₱27.5 billion which rose by ₱2.1 billion, or 8.4% from ₱25.4 billion last year, mainly drove the growth in gross income. This resulted from the continuing quarterly

increases in domestic deposits of the Philippine banking system which averaged 8.3% from September 2019 to June 2020.

Banks are currently assessed the rate of one-fifth (1/5) of one per centum (1%) per annum, paid semi-annually or one-half (1/2) of the assessment rate applied on the assessment base. The assessment base for the semi-annual periods is the average deposits of a bank as of



March 31 and June 30, with assessments payable not later than July 31; and September 30 and December 31, payable not later than January 31 of each year.

Interest income amounted to ₱11.9 billion during the year consisting mainly of interest income from investments of ₱11.8 billion and ₱114.5 million from financial assistance. Interest income from investments grew by ₱300.0 million or 2.5% from ₱11.5 billion in 2019. The growth in 2020 is considered low compared to the growth rate in 2019 at 17.6% in view of the lower re-investment returns in 2020 and the investment portfolio of ₱254.6 billion which barely increased compared to ₱254.0 billion level last year.

Other income, gains and non-operating income, increased to ₱2.3 billion during the year, higher by ₱1.4 billion, from the ₱867.8 million balance in 2019 mainly due to the ₱916.95 million Day 1 gain⁴ on account of the extension of loans with the BSP which funded the financial assistance extended to a commercial bank; ₱627.5 million gain on transfer of government securities which were used in the settlement of loans with BSP; ₱6.7 million gain on sale of investment property; and ₱227.1 million gain on prepayment⁵ of loans receivable from a rural bank; ₱204.9 million recoveries on receivables from closed banks; ₱257.4 million income accrued on service fees in the receivership and liquidation of closed banks, ₱18.4 million dividends, rental and other business income; ₱19.1 million reversal of impairment loss; and miscellaneous income of ₱1.7 million.

Expenses and Charges

The Corporation kept operating expenses to essentials, consistently ensuring that expenses are lawful, valid and proper.

Operating expenses, composed of personnel services and maintenance expense, to gross income registered a ratio of 3.4%, lower compared to 3.7% registered in 2019 and five-year average of 4.1%.

Deposit Claims Pay-out Expenses and Receivership and Liquidation Expenses are expenses incurred in relation to activities to carry out the Corporation's mandate as deposit insurer and liquidator of closed banks. Deposit insurance claims expenses decreased by ₱1.0 billion or 82.3% totaling to ₱219.7 million compared to ₱1.2 billion in 2019 due to fewer bank closures in 2020. Receivership and liquidation-related expenses of ₱249.3 million during the year was lower by ₱19.8 million compared to ₱269.1 million in 2019.

Interest expenses on borrowings of the Corporation amounted to ₱3.0 billion in 2020 compared to the amount of ₱3.5 billion incurred in 2019, on the principal amount of ₱34.5 billion. All borrowings of the Corporation were drawn from the BSP which funded the financial assistance to rehabilitate a number of banks subject to certain terms and conditions and in accordance with the authorities of the PDIC under the law.

Charges against income were mainly on addition to reserves for insurance losses of ₱27.0 billion in 2020, ₱4.3 billion or 19% higher than last year's ₱22.7 billion.

The Corporation continues to build up its DIF through additions to reserves in anticipation of possible insurance calls.

Management continued to exercise professionalism and prudence in the supervision of the Corporation's operations resulting in strong financial health. This is complemented by the enabling oversight of the Board of Directors towards ensuring that the PDIC fulfills its mandates and resources are adequate, thus enhancing public confidence and contributing to financial stability.

2021 CORPORATE DIRECTION

The PDIC will achieve its revitalized Vision by building a responsive organization equipped with appropriate technology and other infrastructure.

The corporate direction is firmly anchored on its Strategy Map that was adopted and approved by the PDIC Board in 2019. The Strategy Map represents PDIC's story and roadmap towards its Vision by 2023. It includes the Corporation's Mission, Core Values and Strategic Themes that guide the Corporation in achieving the Vision. It is a visual representation of mutually reinforcing interdependent strategic objectives (SO) reflective of its core mandates of deposit insurance and liquidation of closed banks, and aligned with the scorecard perspectives in order to attain the Corporation's desired transformation.

To ensure that these objectives are met, they are benchmarked against strategic measures (SMs) and targets that help track the progress towards achievement of the Vision. The PDIC will achieve the revitalized Vision by building a responsive organization equipped with appropriate technology and other infrastructure. The renewed organization will be manned by the best and the brightest and highly motivated and competent workforce. With this competent workforce empowered by a responsive organization and technological support, the PDIC is committed to deliver the required services to its clients and stakeholders.

As the state deposit insurer, the Corporation will continue to settle valid deposits and claims within turnaround time with the initiative to improve accessibility and convenience for depositors. With its goal of reducing non-cash portfolio in closed banks, PDIC will expedite the distribution of assets and liquidation proceeds to closed banks' creditors. This is expected to channel resources back to the economy. The Corporation will also contribute to financial stability by ensuring financial crisis preparedness as part of the country's financial safety net.

With these in place, PDIC will strive to enhance client experience not only of depositors and borrowers of closed banks, and member-banks but expanded to cover other stakeholders. In order to sustain client satisfaction, PDIC will prudently manage the Deposit Insurance Fund that will be adequate to respond to future deposit insurance claims.

The 2021 Corporate Direction is embodied in the 2021 Performance Scorecard that has been reviewed on account of the continuing effects of the Covid-19 pandemic. The PDIC Board and its management took a careful assessment of external developments, including the adverse effects of the lingering Covid-19 pandemic on the economic and financial environment and weighed these against the recalibration of operational processes and the resource capacity available to achieve the 2021 targets.

2021 PERFORMANCE SCORECARD

Strategic Measures (SM)	Target
SO 1: Maintain Adequate Deposit Insurance Fund (DIF)	
SM 1. Adequate Capital against Deposit Insurance Costs PDIC will continue to maintain a strong capital position to adequately and readily cover the risks associated with bank closures under normal circumstances. It is retaining the target of Deposit Insurance Fund (DIF) to estimated insured deposits (EID) ratio of 5.5% in determining the adequacy of its capital (the DIF) against deposit insurance risks. It is prudent that this minimum fund adequacy is maintained or exceeded to ensure prompt payment of depositors in the event of bank failure and promote confidence and stability in the banking system. This practice is also in keeping with international best practices on the Revised Core Principles for Effective Deposit Insurance Systems.	5.5%
SO 2: Enhance Client Experience	
SM 2. Percentage of Satisfied Customers Customer satisfaction, as a strategic objective, has always been at the core of PDIC operations. This is a continual objective prescribed by the GCG to instill customer service excellence in the delivery of public services. Thus, PDIC adopts the GCG-prescribed target of 90% of total respondents with at least a 'satisfactory' rating, using the random sampling approach as administered by a third-party. The respondents are the PDIC clients during Field Operations as well as walk-in clients (i.e., depositors and borrowers of closed banks) at the Public Assistance Center (PAC) of PDIC, as well as member banks ¹ . In addition, under the New Normal, PDIC will continue to adopt the new methodology in the conduct of the Customer Satisfaction Survey implemented in 2020: 1. Shift from intercept approach to telephone interviews for all survey respondents; 2. Limit the Primary Sampling Units (PSUs) to three (3): depositors of closed banks who filed and settled their claims online, borrowers of closed banks who completed their loan transactions, and member banks	90%
SO 3: Reduce Non-Cash Portfolio	
SM 3. Percentage of Reduction of Loans (cumulative) Based on Baseline Accounts as of 2019 Year-end SM 4. Percentage of Reduction of Real Properties (cumulative) Based on Baseline Properties as of 2019 Year-end Efficient liquidation of closed banks expedites recoveries of closed banks' assets and facilitates asset distribution to creditors. The COVID-19 pandemic, however, has greatly affected PDIC operations on disposal of assets that should help facilitate liquidation process and the distribution of proceeds to creditors. As a result, a target of 2.5% reduction of loans and real properties was set for 2021. This is a downward adjustment from the 2020 target of 5% approved by the GCG. In addition to the filing of ADPs, bulk sale, loan portfolio sale, and the PDIC Microsites, other initiatives planned in 2021 to support the reduction in loans and asset portfolio include the electronic auction, e-payment/collection (convenient and efficient collection mechanism), and development/enhancement of IT systems such as the Loans management system and ROPA Geographical Information System (GIS)	2.5% (4.2% cumulative) 2.5% (4.2% cumulative)

¹ If conditions for a FOCS payout are existing.

SO 4: Contribute to Financial Stability by Ensuring Financial Crisis Preparedness**SM 5. Readiness Level for Participation in the Conduct of Financial Crisis Simulation**

In 2017, PDIC developed a Financial Crisis Management and Resolution (FCMR) Handbook to provide guidance on how PDIC should prepare for a crisis and how it should manage and resolve a crisis situation, particularly failure of a domestic systemically important bank (DSIB), given the tools and procedures that are within the scope of PDIC's authorities and its role as member of the financial safety net.

To evaluate its readiness to implement the FCMR Handbook and conduct financial crisis simulation, PDIC in 2019 started to develop implementation plans for the major components identified in the handbook, namely: Contingency Funding, Crisis Communication, Takeover, and Claims Settlement. The Contingency Funding Plan and Crisis Communications Plan were approved by the PDIC Board in December 2020 while the remaining components – the Takeover Plan and Claims Settlement Plan – are targeted for Board approval by fourth quarter of 2021.

Board-approved Takeover Plan and
Claims Settlement Plan

SO 5: Settle Valid Deposits/Claims Within Applicable Processing Time**SM 6. Settlement of Valid Deposits Promptly within Applicable Turn-around Time (TAT in line with EODB)- For Accounts with Less than or Equal to P100,000 Balances****SM 7. Settlement of Valid Claims Promptly within Applicable Turn-around Time (TAT in line with EODB) - For Accounts with More than P100,000 Balances**

PDIC continuously endeavors to promptly pay insured depositors after bank closure to allow depositors immediate access to their deposit insurance proceeds, preserve stability and help maintain confidence in the banking system.

For 2021, PDIC maintained its target of 100% valid deposits paid/claims settled within TAT. However, as a result of the COVID-19 pandemic, new TATs were defined to adapt to the new normal scenario brought about by the pandemic.

For SM 6, a TAT of 27—74 WDs (depending on the number of deposit accounts) from bank takeover to dispatch to the Philippine Postal Corporation (PPC) of register of insured deposits/payment notices to depositors will continue to be adopted. This is in line with the 'pack and leave' mode adopted for takeover operations. The TAT is extended to account for the period to conduct inventory taking and shipment of documents from site of bank closure to PDIC premises. The existing TAT of 7 — 22 WDs will be observed when a situational assessment so warrants.

For SM 7, the Receive, Process and Mail (RPM) will be maintained under a 'new normal' scenario. Under the RPM, the TAT and reckoning time will be within 7 WDs from the date of receipt of valid claims or from the approval of Report of Validation (ROV) or register of Insured Deposits (RID), whichever comes later, and this will apply to total number of valid claims filed during the duration of Project Management of subject closed bank. This is also in line with the 'Pack and Leave' mode adopted for takeover operations. The FOCS mode of claims settlement and the existing TAT will likewise be observed when situational assessment warrants its conduct.

100% of claims settled within TAT
With new TAT under "new normal"

100% of claims settled within TAT
With new TAT, reckoning time and
formula under "new normal"

SO 6: Recruit the Best and the Brightest, and Retain Highly Motivated and Competent Workforce

SM 8. Percentage of Employees Meeting Required Competencies

PDIC remains steadfast in its goal of developing its most valuable resource, its people. The thrust in the development of its workforce is geared towards the delivery of services attuned to the needs of the public that PDIC is mandated to serve.

In 2020, based on the GCG-approved Scorecard, PDIC's thrust is to enhance employee competency. Hence, the "Improvement on the Competency of the Organization" based on the 2019 year-end assessment was targeted. In order to ensure improvement in competencies, training programs and intervention activities were conducted in the areas of core, leadership and managerial, and technical competencies. As of end 2020, an improvement in the overall competency of the organization was observed against the 2019 level.

For 2021, the same target "Improvement on the Competency of the Organization" using the 2020 level as baseline is proposed.

Improvement on the Competency of the Organization based on the 2020 year-end assessment

SO 7: Build a Responsive Organization Equipped with the Appropriate Technology and Infrastructure

SM 9. Implementation of the Information System Strategic Plan (ISSP)

In 2020, the Board-approved PDIC Information Systems Strategic Plan (ISSP) as submitted to the DICT was targeted as part of the PDIC Performance Scorecard. This is to ensure that the Corporation's information systems and infrastructure are up to date and are functioning at optimum levels and that the development and integration of IT systems are based on the needs assessment of the Corporation.

For 2021, the target will be the implementation of internal ICT projects and information system (based on the timeline provided in the ISSP) that will simplify operational processes and enhance the delivery of PDIC services.

100% implementation of internal ICT projects and information system based on the timeline provided in the ISSP

SM 10. ISO Certification

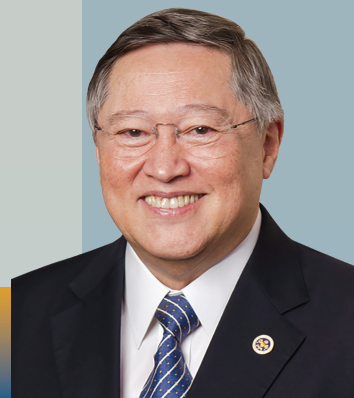
As part of its continuing effort to improve and ensure the efficient delivery of its services to the depositing public through consistent adherence to its quality systems, processes and procedures, PDIC commits to maintain international best practices in organizational management through the ISO-Certification under the 9001:2015 standards of all its ISO-certified processes. These processes include: Claims Settlement Operations, Assessment of Member Banks, Loans Management, Real Property Disposal and Bank Examination and their support processes. Such Certification is issued by a third-party certifying body after the conduct of the certification/re-certification or surveillance audit.

For 2021, PDIC is targeting either maintaining the ISO certification for each of the five processes or a corporate level certification which will cover all the five ISO-certified processes.

Maintain ISO Certification for:
(1) Assessment of Member Banks (AMB);
(2) Claims Settlement Operations (CSO);
(3) Loans Management (LM);
(4) Real Property Disposal (RPD)
(5) Bank Examination (BE)
or
Corporate Certification

BOARD OF DIRECTORS

AS OF 31 DECEMBER 2020



CARLOS G. DOMINGUEZ
CHAIRMAN



ROBERTO B. TAN
VICE CHAIRMAN



BENJAMIN E. DIOKNO
EX-OFFICIO MEMBER



ROGELIO M. GUADALQUIVER
DIRECTOR REPRESENTING
THE PRIVATE SECTOR



EDUARDO M. PANGAN
DIRECTOR REPRESENTING
THE PRIVATE SECTOR



REYNALDO F. TANSIOCO
DIRECTOR REPRESENTING
THE PRIVATE SECTOR



BAYANI H. AGABIN
ALTERNATE MEMBER (DOF)



CHUCHI G. FONACIER
ALTERNATE MEMBER (BSP)



MA. TERESA S. HABITAN
SECOND ALTERNATE MEMBER (DOF)

CARLOS G. DOMINGUEZ

Age: 75

Department of Finance

Secretary (June 2016 – Present)

Philippine Deposit Insurance Corporation

Chairperson, Board of Directors

Date of Oath of Office: 30 June 2016

Chairperson, Board Governance Committee

Member, Board Risk Management Committee

Philippine Tobacco Flue-Curing Redrying Corp.

President (1992 – 2016)

Philippine Associated Smelting and Refining Corp.

Chairperson and President (1999 – 2002)

Philippine Airlines

Chief Executive Officer (1993 – 1995)

Member of the Board of Directors (1993 – 1995)

Department of Agriculture

Secretary (1987 – 1990)

Ministry of Natural Resources

Minister (1986 – 1987)

BPI Agricultural Development Bank

President (1984 – 1986)

Bank of the Philippine Islands

Vice President (1983 – 1986)

Davao Fruits Corp.

Hijo Plantation Inc.

Twin River Plantation Inc.

Tagum Plastics Inc.

Reyna Transit Inc.

Madaum Arrastre Inc.

Chief Operating Officer (1975–1983)

Membership in Board of Directors/ Trustees and Inter-Agency Bodies

[Current]

Member, Monetary Board, Bangko Sentral ng Pilipinas

Governor for the Philippines, Asian Development Bank

Governor for the Philippines, The World Bank Group

Governor for the Philippines, Asian Infrastructure Investment Bank

Alternate Governor for the Philippines, International Monetary Fund

Chair, Economic Development Cluster, Presidential Cabinet

Chairperson, Land Bank of the Philippines

Chairperson, Power Sector Assets and Liabilities Management Corporation

Chairperson, National Power Corporation

Chairperson, National Transmission Corporation

Chairperson, Philippine Guarantee Corporation

Chairperson, Privatization Council

Chairperson, Social Security Commission

Chairperson-Designate, Climate Change Commission

Co-chair, Intergovernmental Relations Body

[Previous]

Chairperson, RCBC Capital Corp.

Chairperson, Republic Planters Bank

Director, Manila Electric Corp.

Director, Land Bank of the Philippines

Director, Northern Mindanao Power Corp.

Education

Bachelor of Arts in Economics, Ateneo de Manila University

Masters in Business Management, Ateneo de Manila University

Executive Program, Stanford University

ROBERTO B. TAN

Age: 66

Philippine Deposit Insurance Corporation

President and CEO

Date of Oath of Office: 3 February 2017

Vice Chairman, Board of Directors

Member, Board Risk Management Committee

Member, Board Governance Committee

Department of Finance

Treasurer of the Philippines, Bureau of the Treasury (2008 – 2012, 2015 – 2017)

Undersecretary, International Finance Group (2005 – 2008, 2012 – 2015)

Assistant Secretary, International Finance Group (1999 – 2005)

Director, International Finance Group (1991 – 1995)

The World Bank Group (World Bank, International Finance Corporation, Multilateral Guarantee Agency)

Executive Director, Board of Directors (2012–2015)

Asian Development Bank

Advisor to the Executive Director, Board of Directors (1995 – 1998)

Newark Redevelopment and Housing Authority / New Jersey Transit
Senior Financial and Marketing Analyst/Consultant

Bankard (subsidiary of former PCI Bank)
Finance and Treasury Manager

Carlos J. Valdes and Co., CPAs (affiliate of former Coopers and Lybrand, Pty. Ltd.)
Consultant, Management Services Division

Membership in Board of Directors/ Trustees and Inter-Agency Bodies

[Current]

Adviser to the Board, United Coconut Planters Bank

Member, Financial Sector Forum

Member, Financial Stability Coordination Council

Member, Financial Inclusion Steering Committee

Treasurer, International Association of Deposit Insurers (IADI)

[Previous]

Alternate Member, Monetary Board, Bangko Sentral ng Pilipinas

Board Member (representing government shares), Manila North Tollways Corporation, Tollways Management Corporation, South Luzon Tollway Corporation

Alternate Board Chairman/Member of Government Financial Institutions, Land Bank of the Philippines, Home Development Mutual Fund and other government financial institutions
Alternate Chairman/Member, Municipal Development Fund, NEDA Investment Coordinating Committee, Capital Market Development Council, Foundation for the Philippine Environment

Education

Bachelor of Arts in Economics, Ateneo de Manila University

Master of Business Administration, Ateneo de Manila University

Master of Arts in Economics, Fordham University, New York, USA

Doctorate Studies in Economics (ABD), Fordham University, New York, USA

Trainings Attended

65th Virtual Executive Council Meeting (International Association of Deposit Insurers), 2 December 2020

64th Virtual Executive Council Meeting and Webex Sessions (International Association of Deposit Insurers), 14-15 September 2020

18th International Association of Deposit Insurers Asia Pacific Regional Committee Virtual Annual Meeting (International Association of Deposit Insurers), 25 August 2020

Webinar on Crisis-Ready Boards: How to Lead in Times of Turbulence (Institute of Corporate Directors, Inc.), 21 August 2020

Indonesia Deposit Insurance Corporation Multilateral Meeting: Managing the Impact of the Pandemic to Closed Banks' Clients: The PDIC Case (Indonesia Deposit Insurance Corporation), 10 July 2020

Speed and Integrity in Emergency Funds (Financial Executives Institute of the Philippines, Inc.), 18 June 2020

Brand Pilipinas: How Corporate Nationalism & Governance Can Spur Nation Branding (Institute of Corporate Directors, Inc.), 12 June 2020

63rd Virtual Executive Council Meeting and Related Meetings (International Association of Deposit Insurers), 10-12 June 2020

Webinar on Future-Ready Boards: A Deep Dive (Institute of Corporate Directors, Inc.), 28 May 2020

62nd Virtual Executive Council Meeting and Related Meetings (International Association of Deposit Insurers), 27-29 May 2020

61st Executive Council Meeting and Related Meetings (International Association of Deposit Insurers), Basel, Switzerland, 11-13 February 2020

BENJAMIN E. DIOKNO

Age: 72

Philippine Deposit Insurance Corporation

Ex-Officio Member, Board of Directors
Date of Oath of Office: 6 March 2019
Member, Board Audit Committee
Member, Board Governance Committee
Member, Board Risk Management Committee

Bangko Sentral ng Pilipinas

Chairman of the Monetary Board and Governor (6 March 2019 – Present)

Department of Budget and Management

Secretary (2016 – 2019 and 1998 – 2001)
Undersecretary (1986 – 1991)

Asia United Bank

Independent Director (2012 – 2016)

Office of the Senate President, Senate of the Philippines

Fiscal Adviser (1993 – 1995)

Philippine National Oil Company

Chairman and Chief Executive Officer (1988 – 1991)

University of the Philippines*Professor Emeritus* (2017 – Present)*Professor of Economics* (1974 – 2013)**Membership in Board of Directors/
Trustees and Inter-Agency Bodies**

[Current]

Chairman, Anti-Money Laundering Council (AMLC), Financial Stability Coordination Council, Financial Sector Forum, Philippine International Convention Center and Financial Inclusion Steering Committee*Vice Chairman*, Agricultural Credit Policy Council*Member*, Philippine Export-Import Credit Agency, Fertilizer and Pesticide Authority, Philippine Retirement Authority, Capital Market Development Council, Export Development Council, National Food Authority Council, National Law Enforcement Coordinating Committee, Export Development Council, Philippine Exporters Confederation, Inc., National Development Company, National Home Mortgage Finance Corporation, Philippine Halal Export Development and Promotion Board

[Previous]

Chairman, Pamantasan ng Lungsod ng Maynila*Chairman*, Local Water Utilities Administration**Education***Bachelor of Arts in Public Administration*,

University of the Philippines

Masters in Public Administration,

University of the Philippines

Masters in Economics, University of the Philippines*Masters in Political Economy*, John Hopkins University, Maryland, USA*Ph. D. (Economics)*, Syracuse University, New York, USA

ROGELIO M. GUADALQUIVER

Age: 78

**Philippine Deposit Insurance
Corporation***Director Representing the Private Sector*

Date of Oath of Office: 2 December 2016

Chairman, Board Audit Committee*Vice Chairman*, Board Risk Management Committee*Member*, Board Governance Committee**Constantino Guadalquiver & Co.***Chairman and Chief Executive Officer*
(2000 – 2018)**Sycip Gorres Velayo & Co. (SGV & Co.)***Senior Partner* (1980 – 1998)*Staff to Manager* (1968 – 1979)**CJ Valdes & Co.***Auditor* (1966 –1967)**Membership in Board of Directors/
Trustees and Inter-Agency Bodies**

[Current]

Chairman and Director, Fruitas Group of Companies*Director and Vice President*, Makati Sports Club*Director*, Century Peak Holdings, Inc.*Director*, Riverfalls Group of Companies*Senior Consultant*, Styrotec Group of Companies*Senior Consultant*, Jolliville Holdings Inc. and Subsidiaries*Senior Consultant*, Pelaez Group of Companies

[Previous]

Director and Corporate Secretary, Makati Sports Club*Board Member*, South Bank, Inc.*Board Member and President*, PNOG-Shipping*Vice Chairman and Chief Finance Officer*, Sumifru Philippines Corp.*Vice Chairman*, Davao Fruits Corporation*Vice Chairman*, AJMR Group of Companies**Education***Bachelor of Science in Accountancy*,

University of San Jose Recoletos

Master in Management, Asian Institute of Management**Trainings Attended***Presentation on Systemic Risk by the Office of Systemic Risk Management (OSRM)*

(Bangko Sentral ng Pilipinas),

8 October 2020

Webinar on Preparing Our Path to the New Normal (International Association of

Deposit Insurers Asia-Pacific Regional Committee), 6 September 2020

Webinar on Crisis-Ready Boards: How to Lead in Times of Turbulence (Institute of

Corporate Directors, Inc.), 21 August 2020

*Webinar on New Code of Corporate**Governance for Public Companies and**Registered Issuers* (Center for Global Best Practices), 28 July 2020*Webinar on Future-Ready Boards: A Deep Dive* (Institute of Corporate Directors, Inc.),

28 May 2020

EDUARDO M. PANGAN

Age: 58

Philippine Deposit Insurance Corporation

Director Representing the Private Sector

Date of Oath of Office: 21 December 2016

Chairman, Board Risk Management Committee

Member, Board Governance Committee

Member, Board Audit Committee

Mendoza & Pangan

Partner (2010 – Present)

Membership in Board of Directors/ Trustees

[Current]

Director, Beam Suntory Philippines, Inc.

Director, NHK Spring Philippines, Inc.

Director, Fumakilla Vape Philippines Corp.

Director, Santen Philippines, Inc.

Director, Driven Solutions, Inc.

Trustee, Kasagana-Ka Development Center, Inc.

Education

Bachelor of Arts in Philosophy, Ateneo de Manila University

Bachelor of Laws, Ateneo de Manila School of Law

Trainings Attended

Webinar on Preparing Our Path to the New Normal (International Association of Deposit Insurers - Asia Pacific Regional Committee), 9 June 2020

Webinar on Future-Ready Boards: A Deep Dive (Institute of Corporate Directors, Inc.), 28 May 2020

REYNALDO F. TANSIOCO

Age: 76

Philippine Deposit Insurance Corporation

Director Representing the Private Sector

Date of Oath of Office: 24 March 2017

Vice Chairman, Board Audit Committee

Member, Board Governance Committee*

Member, Board Risk Management Committee

Oriental Port & Allied Services Corp.

Legal Consultant (2015 – Present)

Office of the Government Corporate Counsel

Assistant Corporate Counsel (1999 – 2009)

SIDCOR

Legal Officer (1987 – 1999)

Philippine National Bank

Branch Attorney (1978 – 1987)

National Bureau of Investigation

Agent (1970 – 1972)

General Auditing Office (COA)

Auditing Examiner (1969 – 1970)

Atlantic Gulf & Pacific Corp. Inc.

Billing Clerk (1964 – 1965)

Education

Bachelor of Science in Commerce, Major in Accounting, University of the East

Bachelor of Laws, San Beda College

Master in Senior Management with Thesis, Ateneo de Manila Graduate School

Trainings Attended

Webinar on Crisis-Ready Boards: How to Lead in Times of Turbulence (Institute of Corporate Directors, Inc.), 21 August 2020

Webinar on Future-Ready Boards: A Deep Dive (Institute of Corporate Directors, Inc.), 28 May 2020

BAYANI H. AGABIN

Age: 52

Philippine Deposit Insurance Corporation

Chairman / Alternate, (Department of Finance)

Date of Designation: 29 September 2016

Alternate Member, Board Governance Committee

Alternate Member, Board Risk Management Committee

Department of Finance

Undersecretary (2016 – Present)

Tolosa Romulo Agabin & Flores Law Office

Partner (2005 – 2016)

Rapu-Rapu Mining, Inc.

Senior Vice-President and Legal & Corporate Secretary (2006 – 2008)

University of the Philippines - Office of Legal Affairs

University Legal Counsel (2002 – 2004)

Agabin & Associates Law Office

Managing Partner (2001 - 2005)

Philippine Associated Smelting and Refining Corporation

Assistant Vice-President and Legal & Deputy Counsel (1999 – 2001)

Eastern Telecommunications Philippines, Inc.

*Vice Chairman, Board Governance Committee from 12 August 2020

*Manager, Legal Services Department,
Contract and Industry Relations*
(1998 – 1999)

**Sycip Salazar Hernandez & Gatmaitan
Law Office**
Associate (1994-1998)

**Membership in Board of Directors/
Trustees and Inter-Agency Bodies**
[Current]

Chairman (Alternate), National Power Corporation (NPC)

Chairman (Alternate), National Transmission Corporation (TRANSCO)

Chairman (Alternate), Power Sector Assets and Liabilities Management Corporation (PSALM)

Chairman (Alternate), Mining Industry Coordinating Council (MICC)

Chairman (Alternate), MICC-Multi Stakeholder Review Team (MICC-MSRT)

Chairman (Alternate), MICC-Recruitment Small Group (MICC-RSG)

Chairman and Secretariat,
Intergovernmental Fiscal Policy Board for Bangsamoro Autonomous Region of Muslim Mindanao (IFRB-BARMM)

Chairman, PH-Extractive Industries Transparency Initiative (PH-EITI)

Focal Person, Intergovernmental Relations Body for Bangsamoro Autonomous

Region of Muslim Mindanao (IGRB-BARMM)

Director, Natural Resources Development Corporation (NRDC)

DOF Representative, Social Housing Finance Corporation (SHFC)

DOF Representative, Inter-Agency Task Force on Federalism and Constitutional Reform (IATF Federalism)

DOF Representative, DOE Inter-Agency Task Force on Securing Energy Facilities (DOE-IATFSEF)

DOF Representative, Inter-Agency Task Force on Emerging Infectious Disease (IATF-EID)

DOF Representative, Anti Terrorism Council (ATC)

DOF Representative, National Coast Watch Council, Executive Committee (NCWC)

DOF Representative, National Security Council (NSC)

DOF Representative, NSC-Sub Committee of the National Crisis Management Committee (NSC-SCNCCM)

DOF Representative, NSC-Strategic Trade Management Committee (NSC-STMC)

DOF Representative, National Task Force for the West Philippine Sea (NTF-WPS)

DOF Representative, National Cybersecurity Inter-Agency Committee (NCIAC)

DOF Representative, National Law

Enforcement Coordinating Committee (NALECC)

DOF Representative, NALECC-Sub Committee on Organized Crime (NALECC-SCOC)

DOF Representative, NALECC-Sub Committee on Anti-Money Laundering/Combating the Financing of Terrorism (NALECC-AML/CFT)

DOF Representative, National Task Force to End Local Communist Armed Conflict (NTF-ELCAC) Executive Committee

DOF Representative, National Renewable Energy Board (NREB)

DOF Representative, National Biofuel Board (NBB)

DOF Representative, Energy Investment Coordinating Council (EICC)

DOF Representative, Inter-Agency Anti-Graft Coordination Council (IAAGCC)

DOF Representative, Inter-Cabinet Cluster Mechanism on Normalization (ICC-MN)

DOF Representative, Nuclear Energy Program Inter-Agency Committee (NEP-IAC)

DOF Representative, National Intelligence Committee – Standing Committee on Economic Intelligence (NIC-SCEI)

DOF Representative, Dangerous Drugs Board (DDB)

DOF Representative, National Anti-Money Laundering / Countering the Financing of

Terrorism Coordinating Committee Supervision of Financial Institutions Sub-Committee (AML/CFT CCSFISC)

DOF Representative, Governance Commission for GOCCs (GCG)

DOF Representative, Anti- Terrorism Council Liaison Desk (ATLCD)

DOF Representative, Oil Contingency Task Force (DOE-OCTF)

DOF Representative, National Action Plan on Preventing and Countering Violent Extremism (NAP P/CVE)

Education

Bachelor of Science in Economics,
University of the Philippines

Bachelor of Laws, UP College of Law

CHUCHI G. FONACIER

Age: 60

Philippine Deposit Insurance Corporation

Alternate Member (Bangko Sentral ng Pilipinas)

Date of Designation: 11 August 2017

Alternate Member, Board Audit Committee

Alternate Member, Board Governance Committee

Alternate Member, Board Risk Management Committee

Bangko Sentral ng Pilipinas

Deputy Governor, Financial Supervision Sector (then Supervision and Examination Sector) (27 July 2017 – Present)

Assistant Governor, Supervision and Examination Sub-sector II (31 March 2017 – 26 July 2017)

Assistant Governor, Supervision and Examination Sub-sector I (19 January 2017 – 31 March 2017)

Managing Director, Supervision and Examination Sub-sector I (16 January 2016 – 18 January 2017)

Managing Director, Supervision and Examination Sub-sector III (1 January 2014 – 15 January 2016)

Managing Director, Supervision and Examination Sub-sector II (25 October 2011 – 31 December 2013)

Director, Integrated Supervision Department II (8 July 2008 – 24 October 2011)

Deputy Director, Integrated Supervision Department II (1 January 2007 – 7 July 2008)

Career Service Eligibility

Career Service Executive Eligibility (CSEE), 27 July 2005

Certified Public Accountant (CPA), 21 November 1981

Education

Bachelor of Science in Commerce, University of St. La Salle Bacolod (formerly La Salle College Bacolod)

Master in Business Administration, Ateneo de Manila Graduate School of Business

MA. TERESA S. HABITAN

Age: 63

Philippine Deposit Insurance Corporation

Second Alternate Member (Department of Finance)

Date of Designation: 23 March 2017

Second Alternate Member, Board Governance Committee

Second Alternate Member, Board Risk Management Committee

Department of Finance

Assistant Secretary (2009 – Present)

Director IV, Fiscal Policy and Planning Office (June 2004 – November 2009; 1995 – February 2003)

Acting Assistant Secretary, Domestic Finance Group (June 2003 – May 2004)

Assistant Director, Fiscal Policy and Planning Office (March 1993 – September 1995)

Planning Officer IV, Fiscal Planning Division, Fiscal Policy and Planning Office (September 1987 – March 1993)

Assistant Planning Officer, Planning Service (July 1983 – August 1987)

Senior Financial Economist, Foreign Loans Division (December 1981 – March 1983)

Fiscal Economist, Foreign Loans Division (1979 – 1981)

Market Analyst, Foreign Loans Division (July 1978 – July 1979)

Loan Examiner, Foreign Loans Division (June 1977 – 1978)

Synergeia Foundation

Consultant (10 May 2016 – 25 October 2016)

World Bank

Alternate Executive Director, Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad & Tobago (November 2002 – January 2003)

Advisor, Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad & Tobago (April 2001 – October 2002)

Membership in Board of Directors/ Trustees and Inter-Agency Bodies

[Current]

Alternate Chair, PH-EITI Multistakeholder Group (July 2013 – April 2016; November 2017 – Present)

[Previous]

Alternate Chairperson, National Power Corporation, Power Sector Assets and Liabilities Management Corporation, National Transmission Corporation, Home Guaranty Corporation

Director, National Home Mortgage and Finance Corporation, Philippine Mining Development Corporation, National Development Company, Light Rail Transit Authority

Trustee, Metropolitan Waterworks and Sewerage System, Philippine Economic Society

Education

Bachelor of Science in Business Economics, University of the Philippines

Master in Development Studies, Institute of Social Studies, The Hague, The Netherlands

EXECUTIVE COMMITTEE

AS OF 31 DECEMBER 2020



ROBERTO B. TAN
President and CEO
Officer-In-Charge
Corporate Services
Sector



MA. ANA CARMELA L. VILLEGAS
Executive Vice President
Receivership and Liquidation
Sector



ROMEO M. MENDOZA, JR.
Senior Vice President
Deposit Insurance Sector
Officer-In-Charge
Examination and Resolution Sector



SANDRA A. DIAZ
Senior Vice President
Management Services
Sector



**MARIA ANTONETTE I.
BRILLANTES-BOLIVAR**
General Counsel
Legal Affairs Sector

GROUP HEADS

AS OF 31 DECEMBER 2020



SHIRLEY G. FELIX
Vice President
Loans Management Group



JOSEFINA J. VELILLA
First Vice President
Comptrollership Group



ADALZON P. BANOOGON
Vice President
Treasury Group



CYRUS T. GALANG
Vice President
Administrative Services
Group



**MA. ROSENNE M.
FLORES-AVILA**
Vice President
Human Resource Group



EDEN TITA J. DIZON
Vice President
Resolution Group



MA. ESTER D. HANOPOL
Vice President
Corporate Planning Group

GROUP HEADS

AS OF 31 DECEMBER 2020



MA. BERNADETTE R. SANCHEZ
Vice President
Asset Management and
Disposal Group



NILO ALDRIN M. LUCINARIO
Vice President
Receivership and Bank
Management Group



FELY D. REYES
Vice President
Internal Audit Group



MARIA BELINDA C. SAN JOSE
Vice President
Information Technology Group



MYLENE F. PASAMBA
Vice President
Litigation and Investigation
Group



NANCY L. SEVILLA-SAMSON
Vice President
Legal Services Group



JOSE G. VILLARET, JR.
Vice President
Corporate Affairs Group



DENNIS Y. ABIERA
Officer-In-Charge
Examination Groups I and II



**JAROMME ZEUS KRISTOFFER
C. CASTILLO I**
Officer-In-Charge
Risk Management Office



DOROTHY C. EAMILAO
Officer-In-Charge
Receivership and Liquidation
Support Group



ELAINE B. DETICIO
Officer-In-Charge
Insurance Group



DELILAH GRACE V. MAGTOLIS
Officer-In-Charge
Corporate Governance Office



ELIZABETH R. PADOLINA
Officer-In-Charge
Examination and Resolution
Support Group



MA. THERESA B. SALCOR
Officer-In-Charge
Claims Group

OFFICERS

AS OF 31 DECEMBER 2020

OFFICE OF THE PRESIDENT

ROBERTO B. TAN
President & CEO

MARIA VICTORIA T. CRUZ
Executive Assistant V

CORINNE ZOE B. RABORAR
Executive Assistant IV

JOHN JEFFREY L. RAMIREZ
Legal Officer V

OFFICE OF THE MEMBERS OF THE BOARD FROM THE PRIVATE SECTOR

JULLIAN DIOLINO L. BERNAL
Executive Assistant IV

BENJAMIN C. DE JESUS, JR.
Executive Assistant IV

VAN DENVER R. VIZCARRA
Executive Assistant IV

RISK MANAGEMENT OFFICE

JAROMME ZEUS KRISTOFFER C. CASTILLO I
Assistant Department Manager II / Officer-in-Charge

JENNETTE C. REBADAVIA
Corporate Executive Officer I

CORPORATE GOVERNANCE OFFICE

DELILAH GRACE V. MAGTOLIS
Department Manager III / Officer-in-Charge

MICHELLE LD E. ESTOR
Corporate Executive Officer II

INTERNAL AUDIT GROUP

FELY D. REYES
Vice President

Internal Audit Department I

JOSIE JANE C. ABLIR
Department Manager III

DOMINADOR V. RODULFO, JR.
Assistant Department Manager II

ETHEL ALMIRA M. GOMEZ
Corporate Executive Officer II

Internal Audit Department II

ALEXANDER N. DOJILLO
Department Manager III

ROMAILA S. VERGARA
Assistant Department Manager II

RICHARD T. ONESA
Corporate Executive Officer I

Information Technology Audit Department

LUDIVINA P. CARLOS
Assistant Department Manager II / Officer-in-Charge

VIOLETA D. TUNGOL
Corporate Executive Officer II

OFFICE OF THE CORPORATE SECRETARY

PAMELA ANGELI S. TY
Department Manager III

MARIA THERESA VIVIAN L. VENTURA-PUGEDA
Legal Officer V

CORPORATE AFFAIRS GROUP

JOSE G. VILLARET, JR.
Vice President

CATHERINE C. SAN JOSE
Corporate Executive Officer II

Corporate Communications Department

AURAMAR D. CALBARIO
Department Manager III

MARIA AURORA A. MENDOZA
Assistant Department Manager II

Institutional Relations Department

MA. SADDY MILA ENA B. RILLORTA
Assistant Department Manager II / Officer-in-Charge

ISABEL P. GAVIOLA
Corporate Executive Officer II

INFORMATION TECHNOLOGY GROUP

MARIA BELINDA C. SAN JOSE
Vice President

GREG B. ALBA
Corporate Executive Officer II

Systems Development Department

MARIA ROSARIO D. RODAVIA
Department Manager III

RAUL FILOMENO C. CABOTAGE
Assistant Department Manager II

JOSE ALEX P. MERCADO
Assistant Department Manager II

IBELIO B. RETES
Assistant Department Manager II

MICHAEL B. BONAGUA
Corporate Executive Officer II

HERMIL P. DE VERA
Corporate Executive Officer II

DANIEL E. BULLEROS
Corporate Executive Officer I

Technical Support Department

RENAR M. GONZALES
Department Manager III

MADELAINE BARBARA M. FERNANDEZ
Assistant Department Manager II

XANDREX FIDELIS A. LIQUIGAN
Assistant Department Manager II

HERMIENIGILDO H. SEÑA, JR.
Corporate Executive Officer I

EXAMINATION AND RESOLUTION SECTOR

ROMEO M. MENDOZA, JR.
Senior Vice President / Officer-in-Charge

EXAMINATION GROUP I

DENNIS Y. ABIERA
Department Manager III / Officer-in-Charge

Examination Department I

ERICKZON M. JANDA
Corporate Executive Officer I

Examination Department II

VENUS P. MANZALA
Corporate Executive Officer I

EXAMINATION GROUP II

DENNIS Y. ABIERA
Department Manager III / Officer-in-Charge

Examination Department III

IRENE MERCEDES D. EVANGELISTA
Corporate Executive Officer I

Examination Department IV

BERNADETTE P. COMON
Corporate Executive Officer I

RESOLUTION GROUP

EDEN TITA J. DIZON
Vice President

Resolution Department I

NIÑO RAY L. VILLALUNA
Department Manager III

MA. CECILIA C. SUMAWANG
Corporate Executive Officer I

Resolution Department II

FLORDELIS M. DATU
Department Manager III

MAILEEN M. MALOLES
Assistant Department Manager II

MADELINE T. VILLENO
Corporate Executive Officer I

EXAMINATION AND RESOLUTION SUPPORT GROUP

ELIZABETH R. PADOLINA
Department Manager III /
Officer-in-Charge

Bank Statistics Department

JACKSON L. UBIAS
Assistant Department Manager II

CARLOTA S. POLICARPIO
Corporate Executive Officer I

Examination and Resolution Support Department

LAWRENCE C. GATDULA
Corporate Executive Officer I /
Officer-in-Charge

RECEIVERSHIP AND LIQUIDATION SECTOR

MA. ANA CARMELA L. VILLEGAS
Executive Vice President

ROSALYN M. GO
Assistant Department Manager II

RECEIVERSHIP AND BANK MANAGEMENT GROUP

NILO ALDRIN M. LUCINARIO
Vice President

Receivership and Bank Management Department I

ANA ROSA E. VIRAY
Department Manager III

IMELDA A. BARRO
Corporate Executive Officer II

FLORANTE D. LUCOS
Corporate Executive Officer II

Receivership and Bank Management Department II

RONALD C. ANGELES
Department Manager III

FERNANDO S. BOÑULA
Assistant Department Manager II

OLIVER R. ILETO
Corporate Executive Officer I

Receivership and Bank Management Department III

NOELA C. MIÑOZA
Assistant Department Manager II /
Officer-in-Charge

MAELYN S. FAMULARCANO
Corporate Executive Officer I

Receivership and Bank Management Department IV

ANGEL B. OBRERO
Department Manager III

RUBEN C. CORDERO
Corporate Executive Officer II

EDZEL D. AURELIA
Corporate Executive Officer I

Bank Termination Department

ANGEL B. OBRERO
Department Manager III /
Officer-in-Charge

MA. JOZZENNE CLAIRE M. BELTRAN-CARANDANG
Assistant Department Manager II

AIRENE V. MAGCASE
Corporate Executive Officer II

ARIEL C. SIMON
Corporate Executive Officer I

ASSET MANAGEMENT AND DISPOSAL GROUP

MA. BERNADETTE R. SANCHEZ
Vice President

Asset Management and Disposal Department I

RHEA S. AUSTRIA
Assistant Department Manager II /
Officer-in-Charge

ARIEL M. ALCOBA
Corporate Executive Officer II

Asset Management and Disposal Department II

FERNAN REAGAN P. ZAFRANCO
Assistant Vice President

APOLONIO M. MATABANG
Corporate Executive Officer II

ARLENE FLORENCE E. FIRMEZA
Corporate Executive Officer I

Asset Management and Disposal Department III

ARLENE R. HERNANDO
Assistant Department Manager II /
Officer-in-Charge

MA. NENITA N. GAYLA
Corporate Executive Officer II

LOANS MANAGEMENT GROUP

SHIRLEY G. FELIX
Vice President

Loans Management Department I

FREDY S. GALOSMO
Department Manager III

MARY ANN C. CRISOSTOMO
Assistant Department Manager II

DEMOCRITO L. BITANG
Corporate Executive Officer II

Loans Management Department II

MARLOWE F. MIKIN
Department Manager III

MA. LENITA I. FLORIZA
Assistant Department Manager II

ARNEL F. LOPEZ
Corporate Executive Officer II

Loans Management Department III

MADELEINE C. RIBAY
Department Manager III

GLEN BENJAMIN B. MAGDAY
Assistant Department Manager II

THELMA C. CALLEJA
Corporate Executive Officer I

FORTUNATO A. NICOLAS
Corporate Executive Officer I

**RECEIVERSHIP AND LIQUIDATION
SUPPORT GROUP**

DOROTHY C. EAMILAO
Department Manager III /
Officer-in-Charge

**Records Control and Logistics
Department**

POLO L. PANTALEON, JR.
Department Manager III

JOSEFINA J. SAMBOLAWAN
Assistant Department Manager II

LEONOR S. SAMONTE
Corporate Executive Officer II

MARIA JOSELYN S. VALLADA
Corporate Executive Officer I

**Asset Administrative Services
Department**

MARIE HAZEL V. CIRIACO
Department Manager III

THELMA A. PEÑA
Corporate Executive Officer II

MARYMER D. BUISING
Corporate Executive Officer I

Financial Control and MIS Department

JOSEFINA B. PEREZ
Assistant Department Manager II /
Officer-in-Charge

ELISA T. SAURA
Corporate Executive Officer II

DEPOSIT INSURANCE SECTOR

ROMEO M. MENDOZA, JR.
Senior Vice President

CLAIMS GROUP

MA. THERESA B. SALCOR
Assistant Vice President /
Officer-in-Charge

Presettlement Examination Department

MONINA J. CORNISTA
Assistant Department Manager II /
Officer-in-Charge

NERILYN O. ABOGADO
Corporate Executive Officer II

LENIN D. AGABAO
Corporate Executive Officer II

WILFREDO B. RAFALES
Corporate Executive Officer II

JUANA L. CARENG
Corporate Executive Officer I

Claims Processing Department

LUISITO M. CARREON
Assistant Vice President

MILA O. TAMAYO
Assistant Department Manager II

NAPOLEON D. JOSE
Corporate Executive Officer II

YASMIN CORAZON B. FELIX
Corporate Executive Officer I

ALICIA J. MAAN
Corporate Executive Officer I

TREASURY GROUP

ADALZON P. BANOGON
Vice President

Claims Settlement Department

MERLIE M. CAÑAVERAL
Department Manager III

ELOIDA B. INDORTE
Corporate Executive Officer II

RAUL C. REYES
Corporate Executive Officer I

Treasury Department

PETER NOEL P. HERRERA
Assistant Vice President

ESTELITA R. DATINGALING
Assistant Department Manager II

INSURANCE GROUP

ELAINE B. DETICIO
Assistant Vice President /
Officer-in-Charge

Insurance Department

EVANGELINE R. PANTALUNAN
Department Manager III

DAISY ANN T. ALAGOS
Assistant Department Manager II

Insurance Support Department

LYN D. BAGNES
Corporate Executive Officer II

RAFAEL D. DE LEON
Corporate Executive Officer I

Public Assistance Department

JOAN S. DE LEON
Department Manager III

ANTONIO ERROL B. YBAÑEZ, JR.
Assistant Department Manager II

NATHANAEL A. TUMBOKON
Corporate Executive Officer II

LEGAL AFFAIRS SECTOR

MARIA ANTONETTE I. BRILLANTES-BOLIVAR
General Counsel

JOAN MARIVIC A. OZO
Assistant Department Manager II

LITIGATION AND INVESTIGATION GROUP

MYLENE F. PASAMBA
Vice President

MARIA KATRINA P. ALVAREZ
Legal Officer V

Litigation Department

MYLENE F. PASAMBA
Vice President /
Officer-in-Charge

RAYMOND C. DE LEMOS
Assistant Department Manager II

RAIZULLI M. NOLASCO
Legal Officer V

MAE KIRSTEN R. VELASQUEZ
Legal Officer V

Investigation Department

NELSON G. PORTACIO
Department Manager III

ARISTON P. AGANON
Assistant Department Manager II

JOSE CARLO H. NIEBRES
Legal Officer V

External Counsel Department

MARY ROSARY D. LAGMAN
Legal Officer V

LEGAL SERVICES GROUP

NANCY L. SEVILLA-SAMSON
Vice President

CHRISTIAN D. VILIRAN
Legal Officer V

Legal Services Department I

FERNANDO S. ABADILLA
Assistant Vice President

JOSE MARI C. GANA
Assistant Department Manager II

LUISITO Z. MENDOZA
Assistant Department Manager II

Legal Services Department II

AILEEN LOU C. ACOSTA
Department Manager III

GEODERICK E. CARBONELL
Assistant Department Manager II

MA. FRECELYN M. HAW
Assistant Department Manager II

MANAGEMENT SERVICES SECTOR

SANDRA A. DIAZ
Senior Vice President

CORPORATE PLANNING GROUP

MA. ESTER D. HANOPOL
Vice President

Planning Department

NAPOLEON P. MICU
Department Manager III

JOSE M. MULATO
Assistant Department Manager II

JOSEFINA MAY G. TATU
Corporate Executive Officer II

ARNOLD L. PACIS
Corporate Executive Officer I

Policy and Systems Department

ANNA LIESE L. ROQUE
Assistant Department Manager II /
Officer-in-Charge

GLENDALE C. ANASTACIO
Corporate Executive Officer I

JOEL O. IGNACIO
Corporate Executive Officer I

COMPTROLLERSHIP GROUP

JOSEFINA J. VELILLA
First Vice President

MODESTO Y. FERNANDO, JR.
Corporate Executive Officer II

Accounting Department

DANILO Q. REGALA
Corporate Executive Officer II /
Officer-in-Charge

Budget and Disbursements Department

JANET B. AGUILA
Department Manager III

EMMA F. SALINAS
Assistant Department Manager II

ABIGAIL E. GATDULA
Corporate Executive Officer I

CORPORATE SERVICES SECTOR

ROBERTO B. TAN
President / Officer-in-Charge

HUMAN RESOURCE GROUP

MA. ROSENNE M. FLORES-AVILA
Vice President

Human Resource Administration Department

DORIS P. ROMERO
Department Manager III

JUDALYN L. FERNANDO
Corporate Executive Officer II

JANUARY F. MAMAUAG
Corporate Executive Officer II

MA. LOURDES R. RELUCIO
Corporate Executive Officer II

EMERSON D. DELOS REYES
Medical Specialist IV

CARLA MARGARITA S. HABANA
Medical Specialist IV

Organization Development Department

ASUNCION S. CALAPAN
Department Manager III

Training Institute

EUGENE V. BORLONGAN
Assistant Department Manager II /
Officer-in-Charge

MA. CARMEN ROSARIO Z. RECITAS
Assistant Department Manager II

ALLAN B. AMPARO
Corporate Executive Officer II

Provident Fund Unit

MA. TERESA C. VESTAL
Assistant Department Manager II

ADMINISTRATIVE SERVICES GROUP

CYRUS T. GALANG
Vice President

JEROME B. MACASPAC
Corporate Executive Officer II

Procurement and Property Department

ANALINDA C. LAO
Department Manager III

General Services Department

JESUS MA. JOSE L. BORJA
Department Manager III

CHRISTINE C. MERCADO
Assistant Department Manager II

HERNANDO L. CATIGBE
Corporate Executive Officer I

Property Appraisal Department

RECARDO LEIGHTON A. TAMAYO
Department Manager III

MINVILUZ O. RUBRICO
Assistant Department Manager II

ORWEN P. TAWAGON
Corporate Executive Officer II

RENATO D. LACUBTAN
Corporate Executive Officer I

EMPLOYEES

AS OF 31 DECEMBER 2020

A

Abadilla, Fernando S.
Abalos, Gerald V.
Aban, Alexis A.
Abeleda, Sonia A.
Abiera, Dennis Y.
Ablir, Josie Jane C.
Abogado, Nerilyn O.
Abriam, Cherryl S.
Aceret, Erolyn B.
Acosta, Aileen Lou C.
Acosta, Alejandro Jr. S.
Acosta, Bettina N.
Agabao, Lenin D.
Aganon, Ariston P.
Agnes, Ma. Caridad R.
Aguila, Janet B.
Aguinaldo, Ferdinand M.
Agustin, Christopher A.
Agustin, Jenelyn P.
Alagos, Daisy Ann T.
Alba, Greg B.
Albo, Felma D.
Alcoba, Ariel M.
Aldueza, Anne Krizelle D.
Alejandrino, Dean Lui B.
Alejandrino, Lilybeth H.
Allado, Janice L.
Alonzo, Reynold P.
Alvarez, Maria Katrina P.
Amigle, Noreen R.
Amparo, Allan B.
Anastacio, Glendale C.
Andes, Joan P.
Andrada, Jovy R.
Ang, Aries M.
Angeles, Ronald C.
Ani, Jacqueline I.
Antonio, Maria Gracia N.
Antonio, Niña M.
Apolinario, Cely E.
Aquino, Ernesto C.
Arellano, Gemma P.
Arizala, Aura Marina R.

Arrieta, Johanna Hazel M.
Ascaño, Rhoda R.
Astoveza, Azela N.
Asuncion, Jonnah Mae M.
Asuncion, Russielyn B.
Atendido, Jocelyn A.
Atibula, Kenneth T.
Audian, Cristina M.
Aurelia, Edzel D.
Aceret, Arlene C.
Austria, Rhea S.
Avecilla, Augusto R.
Avila, Ma. Rosenne M. Flores-
Ayan, Junnifer P.

B

Badenas, Paul Jason J.
Badillo, Rosa Maria V.
Bagaporo, Maria Cristina T.
Bagnes, Lyn D.
Baguio, Godofreda P.
Baguisi, Maria Lourdes A.
Baltazar, Ernan L.
Bandoy, Israel A.
Banogon, Adalzon P.
Barral, Rosalie F.
Barro, Imelda A.
Basilla, Rosalie B.
Bataan, Liz D.
Batalla, Allan Paul G.
Bautista, Grace V.
Baylon, Josielyn S.
Belisario, Karen Gail Y.
Bello, Sherwin Z.
Bello, Virginia D.
Beltran-Carandang, Ma.
Jozzenne Claire M.
Bendaña, Jose A.
Benitez, Frederick B.
Benitez, Jany V.
Benitez, Reneelyn G.
Berin, Michelle Zyhra M.
Bernal, Jullian Diolino L.
Bitang, Democrito L.

Bituín, Ida D.
Bodoso, Leen Lynnard D.
Bodoso, Via Bing B.
Bolívar, Maria Antonette B.
Bonagua, Michael B.
Boñula, Fernando S.
Boone, Aniceta A.
Boongaling, Noreen A.
Borja, Jesus Ma. Jose L.
Borjal, Rolly C.
Borlongan, Eugene V.
Bucago, Mae B.
Buenviaje, Cleofe C.
Bugayong, Danilo B.
Busing, Marymer D.
Bulleros, Daniel E.
Bulong, Joseph S.
Buna, Lanie A.
Bundalian, Glenda G.

C

Caba, Phedilyn R.
Cabotage, Raul Filomeno C.
Cabrera, Dyane D.
Cacayan, Eunice D.
Cadiz, Hyacinth N.
Caingcoy, Lirio L.
Calapan, Asuncion S.
Calbario, Auramar D.
Calleja, Ma. Evangelina P.
Calleja, Thelma C.
Calub, Marilou D.
Calvez, Vilma Y.
Canapi, Laarni L.
Cañaveral, Merlie M.
Caneja, Martin E.
Caneja, Mary Kris G.
Canela, Enrico R.
Canosa, Yu Lee B.
Canuza, Cecilia C.
Caraig, Myrna C.
Carbonell, Geoderick E.
Careng, Juana L.
Carlos, Ludivina P.
Carreon, Aileen B.
Carreon, Delia A.
Carreon, Luisito M.
Carreon, Ma. Guadalupe C.
Carreon, Marc Jumboe King N.

Carvajal, Josephine M.
Cascolan, Regierex P.
Casem, Jhoanna Pauline B.
Casiño, Ronald S.
Castillo, Jaromme Zeus
Kristoffer I C.
Castro, Ma. Margarita G.
Castro, Ruben S.
Catigbe, Hernando L.
Catome, Mary Jane L.
Centino, Ofelia M.
Chanfing, Claire R.
Ciriaco, Marie Hazel V.
Collo, Niña Jesusita P.
Comon, Bernadette P.
Concepcion, Dennis H.
Conge, Ma. Teresa D.
Cordero, Abeguel S.
Cordero, Ruben C.
Cornista, Elmer R.
Cornista, Monina J.
Corona, Enrico C.
Costa, Henry A.
Costora, Mary Joy L.
Crisostomo, Mary Ann C.
Cruz, Erwin C.
Cruz, Maria Victoria T.
Cuison, Mary Catherine Z.
Custodio, Angelito A.

D

Dabi, Sandra V.
Dadal, Roselle May R.
Dadpaas, Miriam B.
Dagohoy, Abigail R.
Datingaling, Estelita R.
Datu, Flordelis M.
Datu, Marylyn I.
De Jesus, Benjamin Jr. C.
De Jesus, Menard B.
De Jesus, Princess L.
De La Cruz, Jofrey B.
De Lemos, Raymond C.
De Leon, Joan S.
De Leon, Rafael D.
De Mesa, Ma. Lourdes G.
De Silva, Deborah C.
De Torres, Trisha Alyssa Anne B.
De Vera, Hermil P.

De Vera, Vince C.
Decena, Marivic R.
Del Rosario, Alejandro S.
Dela Cruz, Amavi Y.
Dela Cruz, Emelina M.
Dela Cruz, Richard O.
Dela Peña, Maximo Jr. C.
Dela Rosa, Emily D.
Delizo, Rihea L.
Delloso, Clarinda C.
Delloso, Myraflor A.
Delos Reyes, Emerson D.
Delos Reyes, Noel Q.
Deticio, Elaine B.
Diaz, Sandra A.
Diloy, Mary Ann D.
Dionisio, Veronica D.
Divino, Danilo P.
Dizon, Carlyle G.
Dizon, Eden Tita J.
Dizon, Rosario E.
Dojillo, Alexander N.
Drilon, Ludovina V.
Dumbrique, Dahlia E.

E

Eamilao, Dorothy C.
Echiverri, Aimee G.
Enrico, Melanie L.
Esteves, Cherrylyn L.
Estor, Michelle LD E.
Estores, Gilda T.
Estrella, Irish R.
Eugenio, Leah P.
Evangelista, Irene Mercedes D.

F

Fabro, Lucybel T.
Fajardo, Darwin E.
Fajarit, Jonnel S.
Famularcano, Maelyn S.
Farofaldane, Thelma C.
Faurillo, Opalyn S.
Felix, Shirley G.
Felix, Yasmin Corazon B.
Fernandez, Madelaine
Barbara M.
Fernando, Erwin S.
Fernando, Judalyn L.

Fernando, Modesto Jr. Y.
Ferrerias, Venus V.
Firmeza, Arlene Florence E.
Flores, Elma L.
Flores, Ma. Rosella Luz D.
Floriza, Ma. Lenita I.
Franco, Gerardo C.

G

Gabriel, Mark Y.
Gacutan, Blessery Joy D.
Galang, Cyrus T.
Galosmo, Fredy S.
Gana, Jose Mari C.
Gatdula, Abigail E.
Gatdula, Lawrence C.
Gatpatan, Edgar G.
Gaviola, Isabel P.
Gayla, Ma. Nenita N.
Gayondato, Divina C.
Gayondato, Loida A.
Geloca, Imelda V.
Gianan, Margie L.
Gloriani, Imelda L.
Go, Rosalyn M.
Gomez, Ethel Almira M.
Gonzales, Renar M.
Gonzales, Rommel A.
Granil, Gerardo A.
Guab, Analyn C.
Gualberto, Reiza Joy F.
Guico, Ana Liza F.
Guillang, Francis Ian C.
Guña, Alex L.

H

Habana, Carla Margarita S.
Hanopol, Ma. Ester D.
Haw, Ma. Freceyn M.
Hernando, Arlene R.
Herrera, Peter Noel P.

I

Ibañez, Claribel E.
Ibañez, Risel C.
Ignacio, Joel O.
Ileto, Oliver R.
Indorte, Elaida B.
Infante, Shiela Grace M.

J

Janda, Erickzon M.
Jandayan, Mary Rose A.
Jandusay, Joel B.
Jasmin, Ronald Allan B.
Javillo, Jonathan L.
Jose, Jacqueline O.
Jose, Napoleon D.
Juaño, Ada C.
Justo, Jaylord P.

L

Labatorio, Anne M.
Laconsay, Alvin Jay D.
Lacubtan, Renato D.
Ladra, Luisito H.
Lagman, Mary Rosary D.
Lamigo, Melody E.
Lanuevo, Michael C.
Lao, Aileen B.
Lao, Analinda C.
Larang, Ana Lyn E.
Lat, Anne Patricia C.
Layno, Jocelyn M.
Lazo, Salvic S.
Legaspi, Lionel N.
Lequigan, Rodney T.
Lesigues, Victoriano C.
Libre, Leizl D.
Linda, Ma. Ysabel F.
Liquigan, Xandrex Fidelis A.
Lite, Dimple M.
Llana, Maria Flora C.
Lopez, Arnel F.
Loyola, Michelle C.
Lubi, Angelica A.
Lucinario, Nilo Aldrin M.
Lucos, Florante D.

M

Maan, Alicia J.
Macabebe, Melanie M.
Macaspac, Jerome B.
Macaspac, Maricel M.
Magcase, Airene V.
Magday, Glen Benjamin B.
Magtolis, Delilah Grace V.
Malayao, Janice P.
Mallari, Kelvin Paul S.

Maloles, Maileen M.
Mamauag, January F.
Mana-Ay, Lorio G.
Manarpaac, Amor P.
Manlusoc, Ma. Jennifer P.
Mansos, Rodelia R.
Manzala, Venus P.
Marasigan, Samantha Trisha G.
Marcelo, Joselita L.
Marcelo, Maricel M.
Marges, Eliezer M.
Marges, Realinda R.
Marquez, Nanete L.
Marquez, Rowena P.
Matabang, Apolonio M.
Mateo, Arnel G.
Matutina, Caroline R.
Mejia, Aaron Christopher P.
Melo, Emily V.
Mendoza, Luisito Z.
Mendoza, Maria Aurora A.
Mendoza, Mary Ann M.
Mendoza, Romeo Jr. M.
Mercado, Christine C.
Mercado, Jose Alex P.
Mercado, Regina P.
Miano, Sergio Jr. B.
Micu, Napoleon P.
Mikin, Marlowe F.
Mindanao, Jorge Jr. M.
Mingo, Cynthia B.
Miñoza, Noela C.
Mones, Emmanuelita R.
Montes, Josefina F.
Monteverde, Helen Evangeline Q.
Mooc, Jomar E.
Morales, Elmer Allan S.
Moreno, Lorna C.
Mulato, Jose M.

N

Nadal, Nanita O.
Napala, Jenniffer Rynn P.
Natividad, Ma. Theresa D.
Nazareno, Glenn M.
Nicasio, Kristine N.
Nicolas, Fortunato A.
Niebres, Jose Carlo H.
Nolasco, Raizulli M.

O

Obrero, Angel B.
Ocampo, Sheila Therese P.
Ocava, Larnee B.
Octavo, Winna Fe B.
Olase, Eliza R.
Oldan, Jocelyn Giovanna P.
Oldan, Joven P.
Olea, Karina Loida M.
Onesa, Richard T.
Ongtangco, Louella H.
Opina, Alvin C.
Ortiz, Amalia T.
Ozo, Joan Marivic A.

P

Pacis, Arnold L.
Padolina, Elizabeth R.
Pagharion, Christi Claire R.
Paneda, Imelda R.
Pangan, Reffie M.
Panganiban, Jovita Nancy M.
Panopio, Rose Ann B.
Pantaleon, Polo Jr. L.
Pantalunan, Evangeline R.
Parra, Mario D.
Pasamba, Mylene F.
Pasion, Wilhelmina D.
Patron, Rosanna A.
Pe Benito, Romeo V.
Peña, Thelma A.
Peraja, Marizel B.
Peralta, Arlene A.
Perez, Josefina B.
Periodico, Andrei Dar D.
Pico, Ferdinand V.
Pilarca, Amado Jr. U.
Pineda, Jocelyn D.
Poblete, Rosalia S.
Policarpio, Carlota S.
Portacio, Nelson G.
Prado, Andres Jr. A.
Pulmones, Therese Ann R.
Punay, Ma. Teresa N.
Puno, Allan Joseph L.
Putong, Fe H.

Q

Quintano, Ignacio M.

R

Raborar, Corinne Zoe B.
Rafales, Wilfredo B.
Ragotero, Maria Salome E.
Ramirez, John Jeffrey L.
Ramirez, Joseph Ariel P.
Ramos, Errel Jay B.
Ramos, Jullie Anne O.
Rante, Rodolfo Reynaldo B.
Rayela, Helen L.
Rebadavia, Jennette C.
Rebosa, Myra Jehan V.
Recitas, Ma. Carmen Rosario Z.
Reformado, Maria Monita B.
Regala, Danilo Q.
Relucio, Ma. Lourdes R.
Resuta, Edmund Jerome G.
Retes, Ibelio B.
Reyes, Fely D.
Reyes, Kristine Grace A.
Reyes, Raul C.
Reyes, Rey Michael H.
Ribay, Madeleine C.
Ricerra, Milet S.
Rico, Zenaida R.
Rillorta, Ma. Saddy Mila Ena B.
Rodavia, Maria Rosario D.
Rodriguez, Precious Joy C.
Rodulfo, Dominador Jr. V.
Rollan, Evangeline L.
Rolle, Veronica O.
Romero, Doris P.
Ronquillo, Wilfredo Jr. E.
Roque, Anna Liese L.
Rosales, Vina Marie D.
Rubrico, Minviluz O.

S

Sabino, Ma. Divina E.
Sagarío, Olivia V.
Sala, Joyce A.
Salamanca, Grace G.
Salamida, Roma D.
Salazar, Jesus Jr. G.
Salceda, Arnel V.
Salcor, Ma. Theresa B.
Saligan, Jocelyn G.
Salinas, Emma F.
Salvo, Maria Rulina U.

Sambolawan, Josefina J.
Samonte, Leonor S.
Samson, Imelda D.
Samson, Maida G.
San Jose, Catherine C.
San Jose, Maria Belinda C.
Sanchez, Ma. Bernadette R.
Santos, Julita A.
Saura, Edmundo L.
Saura, Elisa T.
Segovia, Jun Carlo C.
Sena, Benjamin Jr. D.
Seña, Hermienigildo Jr. H.
Sernadilla, Mylene A.
Serrano, Michelle N.
Sese, Joseph Emil G.
Sevilla-Samson, Nancy L.
Sibulangcao, Anarose B.
Sigua, Meliza M.
Simon, Ariel C.
Simplicio, Delhi C.
Sinco, Lerma E.
Sison, Mario Jr. A.
Soldevilla, Rosalie L.
Soltura, Nenita A.
Soriano, Lani B.
Sugue, Melinda E.
Suguitan, Lynette L.
Suico, Michael T.
Sumawang, Ma. Cecilia C.
Sy, Emma D.
Sy, Myra S.
Sykimte, Baldwin L.

T

Tablizo, Edwin M.
Talattad, Brian Allan S.
Tamayo, Mila O.
Tamayo, Recaredo Leighton A.
Tan, Ricky M.
Tan, Roberto B.
Tan, Victor M.
Tan, Victoria D.
Tanieca, Corazon G.
Tapao, Milajoy J.
Tatu, Josefina May G.
Tawagon, Orwen P.
Torres, Chona H.
Torres, Daisy F.

Tumbokon, Nathanael A.
Tungol, Violeta D.
Turgo, Aurora P.
Ty, Pamela Angeli S.

U

Ubias, Jackson L.
Unlayao, Jannel G.

V

Valcos, Teddy F.
Valdezco, Michael R.
Valencia, Reynalisa L.
Vallada, Maria Joselyn S.
Vallado, Susan Victoria P.
Vargas, Ricky R.
Velasco, Carlota M.
Velasco, Janet L.
Velasquez, Mae Kirsten R.
Velilla, Josefina J.
Ventajar, Karen DT.
Ventura-Pugeda, Maria Theresa Vivian L.
Vergara, Norman Q.
Vergara, Romaila S.
Vestal, Ma. Teresa C.
Vidal, Lyra Angela M.
Viliran, Christian D.
Villaluna, Niño Ray L.
Villanueva, Ma. Theresa S.
Villanueva, Margarita V.
Villanueva, Maria Patricia T.
Villarama, Maria Melanie S.
Villareal, Joval L.
Villaret, Jose Jr. G.
Villegas, Ma. Ana Carmela L.
Villeno, Madeline T.
Viray, Ana Rosa E.
Vizcarra, Van Denver R.

Y

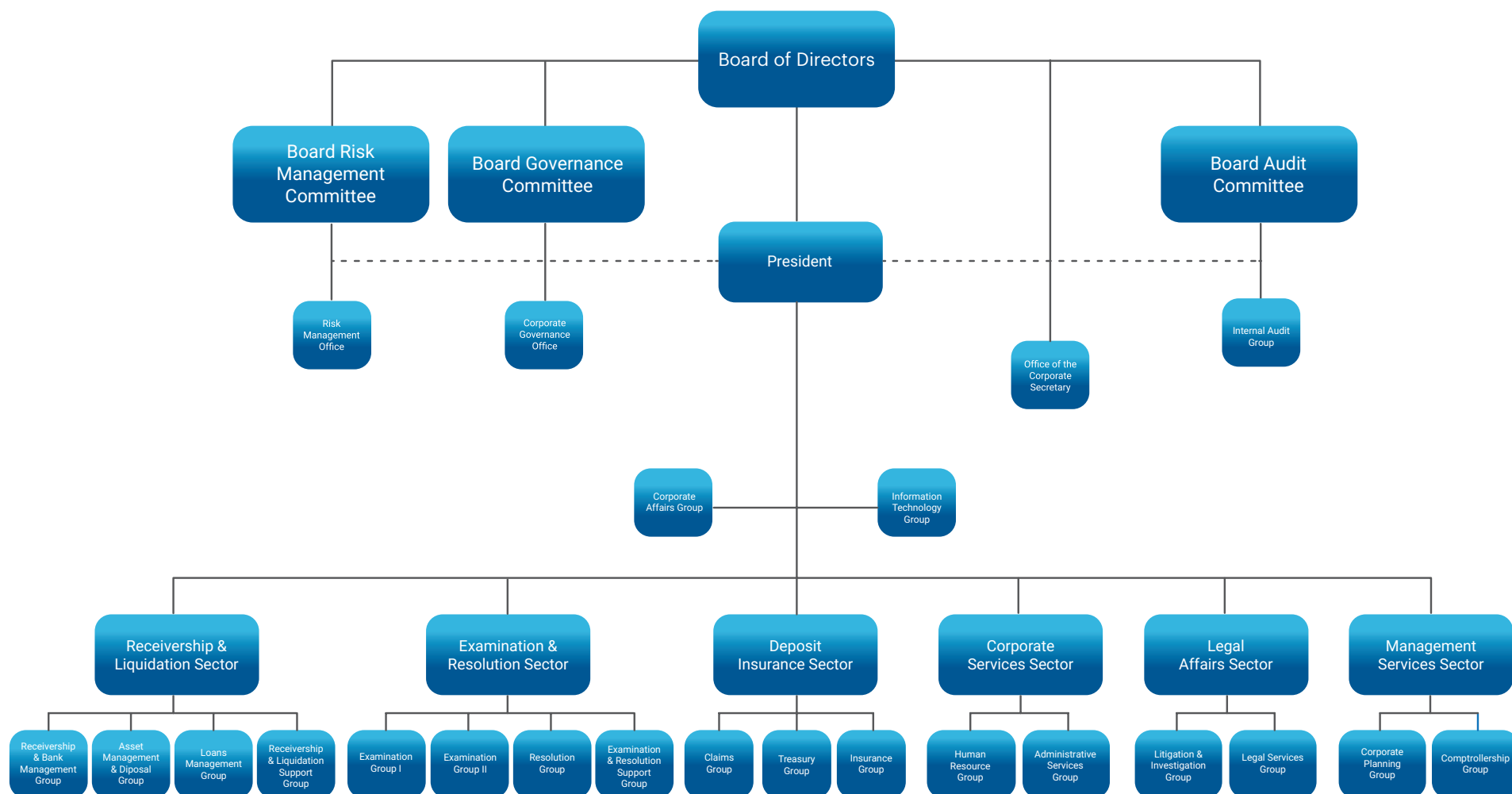
Ybañez, Antonio Errol Jr. B.

Z

Zafranco, Fernan Reagan P.

ORGANIZATIONAL CHART

AS OF 31 DECEMBER 2020



LIST OF BANKS

AS OF 31 DECEMBER 2020

COMMERCIAL BANKS

Al-Amanah Islamic Inv. Bank of the Phils.
Asia United Bank Corporation
Australia & New Zealand Banking Grp. Ltd
Bangkok Bank Public Company Ltd.
Bank of America, N.A.
Bank of China (Hong Kong) Limited - Manila Branch
Bank of Commerce
Bank of the Philippine Islands
BDO Private Bank, Inc.
BDO Unibank, Inc.
Cathay United Bank Co., Ltd. Manila Branch
Chang Hwa Commercial Bank, Ltd., Manila Branch
China Banking Corporation
CIMB Bank Philippines Inc.
Citibank, N.A.
CTBC Bank (Philippines) Corp.
Deutsche Bank AG, Manila Branch
Development Bank of the Philippines
East West Banking Corporation
First Commercial Bank, Ltd., Manila Branch
Hua Nan Commercial Bank, Ltd.-Manila Branch
Industrial and Commercial Bank of China Limited-Manila Branch
Industrial Bank of Korea Manila Branch
ING Bank, N.V.
JPMorgan Chase Bank, N.A.
KEB Hana Bank - Manila Branch
Land Bank of the Philippines
Maybank Phils., Inc.
Mega Int'l. Commercial Bank Co., Ltd.
Metropolitan Bank & Trust Company
Mizuho Bank, Ltd. Manila Branch
MUFG Bank, Ltd. - Manila Branch
Philippine Bank of Communications

Philippine National Bank
Philippine Trust Company
Philippine Veterans Bank
Rizal Commercial Banking Corporation
Robinsons Bank Corporation
Security Bank Corporation
Shinhan Bank - Manila Branch
Standard Chartered Bank
Sumitomo Mitsui Banking Corp Manila Br.
The Hongkong and Shanghai Banking Corporation Limited
Union Bank of the Philippines
United Coconut Planters Bank
United Overseas Bank Limited, Manila Branch

THRIFT BANKS

1st Valley Bank, Inc. A Development Bank
AllBank (A Thrift Bank), Inc.
Bangko Kabayan, Inc. (A Private Development Bank)
Bank of Makati (A Savings Bank), Inc.
Bank One Savings Corporation
Bataan Development Bank
BPI Direct BankO, Inc., A Savings Bank
BPI Family Savings Bank
CARD SME Bank, Inc., A Thrift Bank
Century Savings Bank Corporation
China Bank Savings, Inc.
City Savings Bank
Citystate Savings Bank, Inc.
Cordillera Savings Bank, Inc.
Dumaguete City Development Bank, Inc.
Enterprise Bank, Inc. (A Thrift Bank)
Equicom Savings Bank, Inc.
Farmers Savings & Loan Bank, Inc.
First Consolidated Bank, Inc. (A Private Development Bank)

Hiyas Banking Corp. (A Thrift Bank)
HSBC Savings Bank (Philippines), Inc.
Inter-Asia Development Bank
ISLA BANK (A Thrift Bank), Inc.
Legazpi Savings Bank, Inc.
Lemery Savings & Loan Bank, Inc.
Life Savings Bank, Inc.
Luzon Development Bank
Makiling Development Bank Corporation
Malayan Bank Savings & Mortgage Bank
Metro Cebu Public Savings Bank
Northpoint Development Bank, Inc.
Overseas Filipino Bank, Inc. A Savings Bank of LANDBANK
Pacific Ace Savings Bank, Inc.
Pampanga Development Bank
PENBANK, Inc. (A Private Devt. Bank)
Phil Star Development Bank, Inc.
Philippine Business Bank, Inc. A Savings Bank
Philippine Savings Bank
Producers Savings Bank Corporation
Queen City Development Bank
Quezon Coconut Bank, Inc. (A Thrift Bank)
Rizal Microbank, Inc. - A Thrift Bank of RCBC
Sterling Bank of Asia, Inc. (A Savings Bank)
Sun Savings Bank, Inc.
UCPB Savings Bank, Inc.
University Savings Bank, Inc.
Wealth Development Bank Corporation
Yuanta Savings Bank Philippines, Inc.

RURAL BANKS

Advance Credit Bank (A Rural Bank) Corp.
(Formerly Advantage Bank Corp. - A MFO RB)
Agribusiness Rural Bank, Inc.
Agricultural Bank of the Philippines, Inc.

Aliaga Farmers Rural Bank, Inc.
 Anilao Bank (Rural Bank of Anilao (Iloilo), Inc.
 ARDCIBank, Inc. - A Rural Bank
 Asenso Rural Bank of Bautista, Inc.
 Aspac Rural Bank, Inc.
 Aurora Bank (A Microfinance-Oriented Rural Bank), Inc.
 Baclaran Rural Bank, Inc.
 Balanga Rural Bank, Inc.
 Baliuag Rural Bank, Inc.
 Banco Alabang, Inc. (A Rural Bank)
 Banco Bakun, Inc. (A Rural Bank)
 Banco Cooperativa de Zamboanga
 Banco de Arevalo, Inc. (A Rural Bank)
 BANCO DE CALAMBA, INC. (A RURAL BANK)
 Banco de Mindoro, Inc. (A Rural Bank)
 Banco Lagawe (Lagawe Highlands Rural Bank)
 Banco Laguna, Inc. (A Rural Bank Since 1965)
 Banco Maximo, Inc. (A Rural Bank)
 Banco Mexico, Inc. (A Rural Bank)
 Banco Rural de General Tinio (BRGT) Inc.
 Banco Rural de Isla Cordova (Cebu), Inc.
 Banco San Vicente, Inc. (A Rural Bank)
 Banco Santiago de Libon, Inc. (A Rural Bank)
 Banco Sual (A Rural Bank), Inc.
 BANGKO CARRASCAL, INC. (A RURAL BANK)
 Bangko Kaisa, Inc. {Formerly Rural Bank of Bugasong (Antique) Inc.}
 Bangko Mabuhay (A Rural Bank), Inc.
 Bangko Magsaysay (Isabela), Inc. A Rural Bank
 Bangko Montañosa Inc. (A Rural Bank)
 Bangko ng Kabuhayan, (A Rural Bank), Inc.
 Bangko Nuestra Señora Del Pilar, Inc. (A Rural Bank)
 Bangko Pangasinan - A Rural Bank, Inc.
 Bangko Pasig (Rural Bank)
 Bangko Rural ng San Teodoro, Inc.
 Bank of Hope, Inc. (A Rural Bank)
 Bank of Ormoc, Inc. (A Rural Bank)
 Banko Zambaleño, Inc. (BZI) (A Rural Bank)
 BANKWAYS, INC. (A RURAL BANK)
 Bannawag Bank, Inc. (A Rural Bank)
 Bataan Cooperative Bank

Batangas Rural Bank for Cooperatives, Inc.
 Bayanihan Bank, Inc.
 BAYBANK, Inc. (A Rural Bank)
 BDO Network Bank, Inc.
 Benguet Center Bank, Inc., A Rural Bank
 BHF Rural Bank, Inc.
 Biñan Rural Bank, Inc.
 Binangonan Rural Bank, Inc.
 BINHI Rural Bank, Inc. {Formerly Rural Bank of Balingasag (Misamis Oriental), Inc.}
 BOF, Inc. (A Rural Bank)
 Bolbok Rural Bank, Inc.
 Bridgeway Rural Banking Corporation
 Bukidnon Bank (A Rural Bank), Inc.
 Butuan City Rural Bank, Inc.
 Cagsawa Rural Bank, Inc.
 Camalig Bank, Inc. (A Rural Bank)
 Camiling Rural Bank, Inc.
 Cantilan Bank, Inc. (A Rural Bank)
 CARD Bank, Inc.-A Microfinance-Oriented Rural Bank
 CARD MRI Rizal Bank, Inc., A Microfinance-Oriented Rural Bank
 Caritas Banco ng Masa, Inc. (A Rural Bank)
 Cavite United Rural Bank Corporation
 Cebuana Lhuillier Rural Bank, Inc.
 Century Rural Bank, Inc.
 Citizen's Rural Bank (Cabiao), Inc.
 Classic Rural Bank, Inc.
 Common Wealth Rural Bank, Inc.
 Community Rural Bank of Catmon (Cebu), Inc.
 Community Rural Bank of Dapitan City Incorporated
 Community Rural Bank of Medellin Cebu, Inc.
 Community Rural Bank of Romblon (Romblon), Inc.
 Community Rural Bank of San Felipe (Zambales), Inc.
 Community Rural Bank of San Gabriel (La Union), Inc.
 Consolidated Cooperative Bank (CCB)
 Cooperative Bank of Benguet

Cooperative Bank of Bohol
 Cooperative Bank of Cagayan
 Cooperative Bank of Cebu
 Cooperative Bank of Cotabato
 Cooperative Bank of La Union
 Cooperative Bank of Mountain Province
 Cooperative Bank of Negros Oriental
 Cooperative Bank of Nueva Vizcaya
 Cooperative Bank of Palawan
 Cooperative Bank of Quezon Province
 Cooperative Bank of Zambales
 Cordillera Bank (A Rural Bank), Inc.
 Country Builders Bank, Inc. (A Rural Bank)
 Countryside Rural Bank of Palauig (Zambales), Inc.
 Crown Bank, Inc.
 CSFirst Bank, Inc.-A Rural Bank
 Cuyapo Rural Bank, Inc.
 Diamond Rural Bank, Inc.
 Dumaguete Rural Bank, Inc.
 Dungganon Bank (A Microfinance Rural Bank), Inc.
 East West Rural Bank, Inc.
 Emerald Rural Bank, Inc.
 Enterprise Capital Bank, Inc. (Taguig Rural Bank)
 Entrepreneur Rural Bank, Inc.
 Far Eastern Bank (A Rural Bank), Inc.
 FARMBANK, Inc. (A Rural Bank)
 FBC First Bank of Calaca, Inc. (Rural Bank of Calaca)
 Filidian Rural Bank of Antipolo, Inc.
 First Agro-Industrial Rural Bank, Inc. (FairBank)
 First Community Bank, Inc. (Rural Bank)
 First Imperial Business Bank, Inc. (A Rural Bank)
 First Integrity Bank, Inc. (Rural Bank of Bailen)
 First Isabela Cooperative Bank (FICOBANK)
 First Mindoro Microfinance Rural Bank, Inc.
 First State Bank, Inc., A Rural Bank
 First Tagum Rural Bank, Inc.

First United Farmers Rural Bank, Inc.
Frontier Rural Bank, Inc.
Gateway Rural Bank, Inc.
GM Bank of Luzon, Inc. (A Rural Bank)
Golden Rural Bank of the Philippines, Inc.
Grand Agri Rural Bank, Inc.
Guagua Rural Bank, Inc.
Guagua Savers Bank, A Rural Bank, Inc.
Highland Rural Bank, Inc.
Ilocos Consolidated Cooperative Bank
Imus Rural Bank, Inc.
Innovative Bank, Inc. (A Rural Bank)
Janiuay Rural Bank, Inc.
Kaluyagan Rural Bank, Inc.
Katipunan Bank, Inc. "A Rural Bank"
Key Rural Bank, Inc.
Laguna Prestige Banking Corporation, (A Rural Bank)
Liberty Bank (A Rural Bank) Inc.
LifeBank - A Rural Bank
Limcoma Rural Bank, Inc.
Lipa Bank, Inc. (A Rural Bank)
LUDB Bank, Inc. (A Rural Bank)
Mactan Rural Bank (Lapu-lapu City), Inc.
Maharlika Rural Bank, Inc.
Malarayat Rural Bank, Inc.
Malaybalay Rural Bank, Inc.
Mallig Plains Rural Bank (Isabela), Inc.
MANOR BANK - A Rural Bank Corp.
Marayo Bank, Inc. (A Rural Bank)
Maritime Bank Corporation (A Rural Bank)
Masagana Rural Bank, (Gen. Natividad, N.E.), Inc.
Masantol Rural Bank, Inc.
Masuwerte Rural Bank of Bacoor (Cavite), Inc.
Mega Rural Bank (Lucena City), Inc.
Metro South Cooperative Bank
Meycauayan Second Rural Bank, Inc.
Mindanao Consolidated Cooperative Bank
Misamis Bank, Inc. A Rural Bank
Money Mall Rural Bank, Inc.
Mount Carmel Rural Bank, Inc.

Municipal Rural Bank of Libmanan (Camarines Sur), Inc.
Municipal Rural Bank of Nabua (Camarines Sur), Inc.
MVSM Bank (A Rural Bank since 1953), Inc.
Naawan Community Rural Bank (Misamis Oriental), Inc.
National Teachers and Employees Cooperative Bank (NTECB)
Negros Cooperative Bank
Network Consolidated Cooperative Bank
New Covenant Bank, Inc. (A Rural Bank)
New Rural Bank of Agoncillo, Inc.
New Rural Bank of San Leonardo (Nueva Ecija), Inc.
North Pacific Banking Corporation (A Rural Bank of Sta. Maria, Isabela)
Occidental Mindoro Cooperative Bank
Occidental Mindoro Rural Bank, Inc.
One Unified Rural Bank of Cavite, Inc.
Opportunity Kauswagan Bank, Inc. (A Microfinance Rural Bank)
Oriental Tamaraw Rural Bank of Naujan (Or. Mdo.), Inc.
Ormon Bank (Rural Bank of Mulanay (Quezon)), Inc.
Own Bank, The Rural Bank of Cavite City, Inc.
PALM TREE BANK, INC. (A Rural Bank)
Pangasinan Bank (A Rural Bank), Inc.
Panguil Bay Rural Bank of Ozamiz, Inc.
Partner Rural Bank (Cotabato), Inc.
PBCOM Rural Bank, Inc.
Peoples Bank of Caraga, Inc. "A Rural Bank"
People's Rural Bank (General Santos City), Inc.
Philippine SME Bank, Inc., A Rural Bank
Pioneer Bank (A Rural Bank), Inc.
PlanBank "Rural Bank of Canlubang Planters, Inc."
ProFarmers Rural Banking Corporation
Progressive Bank, Inc. Under name
Progressive a Rural Bank
Progressive Rural Bank, Inc.
Provident Rural Bank of Sta. Cruz (Laguna) Inc.

Queen City Rural Bank, Inc.
Quezon Capital Rural Bank, Inc.
RACSO'S Bank, Inc. (A Rural Bank)
Rang-ay Bank (A Rural Bank), Inc.
RBT Bank, Inc., A Rural Bank
RNG Coastal Bank, Inc. (A Rural Bank)
Rural Bank of Abucay (Bataan), Inc.
Rural Bank of Agoon, Inc.
Rural Bank of Alabang (Sarangani), Inc.
Rural Bank of Alaminos, (Pangasinan) Inc.
Rural Bank of Alicia (Isabela), Inc.
Rural Bank of Alimodian (Iloilo), Inc.
Rural Bank of Alitagtag, Inc.
Rural Bank of Altavas (Aklan), Inc.
Rural Bank of Amlan (Negros Oriental), Inc.
Rural Bank of Anda (Pangasinan), Inc.
Rural Bank of Angat (Bulacan), Inc.
Rural Bank of Angeles, Inc.
Rural Bank of Angono, Inc.
Rural Bank of Antipolo, Inc.
Rural Bank of Apalit, Inc.
Rural Bank of Aritao, Inc.
Rural Bank of Bacnotan, Inc.
Rural Bank of Baco (Oriental Mindoro), Inc.
Rural Bank of Bacolod City, Inc.
Rural Bank of Bacong (Negros Oriental), Inc.
Rural Bank of Bagabag (N.V.), Inc.
Rural Bank of Bagac, Bataan, Inc.
Rural Bank of Baguio, Inc.
Rural Bank of Balungao (Pangasinan), Inc.
Rural Bank of Bambang (Nueva Vizcaya), Inc.
Rural Bank of Banga (Aklan), Inc.
Rural Bank of Bansud (Oriental Mindoro), Inc.
Rural Bank of Barili (Cebu), Inc.
Rural Bank of Batac, Inc.
Rural Bank of Bato (Leyte), Inc.
Rural Bank of Bauang, Inc.
Rural Bank of Bay, Inc.
Rural Bank of Bayambang (Pangasinan), Inc.
Rural Bank of Bayombong, Inc.
Rural Bank of Bogo (Cebu), Inc.
Rural Bank of Bolinao (Pang.), Inc.

Rural Bank of Bonifacio (Misamis Occidental), Inc.
 Rural Bank of Bontoc (Mountain Province), Inc.
 Rural Bank of Brooke's Point (Palawan), Inc.
 Rural Bank of Bucay (Abra), Inc.
 Rural Bank of Cabangan (Zambales), Inc.
 Rural Bank of Cabatuan (Iloilo), Inc.
 Rural Bank of Cabugao (Ilocos Sur), Inc.
 Rural Bank of Cadiz, Inc.
 Rural Bank of Calauan, Inc.
 Rural Bank of Calbayog City, Inc.
 Rural Bank of Calinog (Iloilo), Inc.
 Rural Bank of Caloocan, Inc.
 Rural Bank of Candelaria, Inc.
 Rural Bank of Capalonga (Camarines Norte), Inc.
 Rural Bank of Cardona (Rizal), Inc.
 Rural Bank of Casiguran (Aurora), Inc.
 Rural Bank of Cauayan, Inc.
 Rural Bank of Cavinti (Laguna), Inc.
 Rural Bank of Central Pangasinan, Inc.
 Rural Bank of Compostela (COMVAL), Inc.
 Rural Bank of Cuartero (Capiz), Inc.
 Rural Bank of Cuenca, Inc.
 Rural Bank of Cuyo (Palawan), Inc.
 Rural Bank of Datu Paglas, Inc.
 Rural Bank of Digos, Inc.
 Rural Bank of Dolores (Quezon), Inc.
 Rural Bank of Doña Remedios Trinidad (Bulacan), Inc.
 Rural Bank of Donsol (Sorsogon), Inc.
 Rural Bank of Dulag (Leyte), Inc.
 Rural Bank of Dumangas, Inc.
 Rural Bank of Dupax (Nueva Vizcaya), Inc.
 Rural Bank of El Salvador (Misamis Oriental), Inc.
 Rural Bank of Escalante (Neg. Occ.), Inc.
 Rural Bank of Galimuyod (Ilocos Sur), Incorporated
 Rural Bank of Gandara (Samar), Inc.
 Rural Bank of Gattaran, Inc.
 Rural Bank of General Luna (Quezon), Inc.
 Rural Bank of Gingoog, Inc.

Rural Bank of Gitagum (Misamis Oriental), Inc.
 Rural Bank of Gloria (Or. Min.), Inc.
 Rural Bank of Guinobatan, Inc.
 Rural Bank of Guiuan (Eastern Samar), Inc.
 Rural Bank of Hermosa (Bataan), Inc.
 Rural Bank of Hilongos (Leyte), Inc.
 Rural Bank of Hindang (Leyte), Inc.
 Rural Bank of Hinundayan (Southern Leyte), Inc.
 Rural Bank of Ibajay, Inc.
 Rural Bank of Ilog (Negros Occidental), Inc.
 Rural Bank of Iloilo City, Inc.
 Rural Bank of Infanta (Quezon), Inc.
 Rural Bank of Irosin (Sorsogon), Inc.
 Rural Bank of Itogon (Benguet), Inc.
 Rural Bank of Jaen, Inc.
 Rural Bank of Jamindan (Capiz), Inc.
 Rural Bank of Jimenez (Mis. Occ.), Inc.
 Rural Bank of Jose Panganiban (Camarines Norte), Inc.
 Rural Bank of Kapalong (Davao), Inc.
 Rural Bank of Karomatan, Inc.
 Rural Bank of Kiamba (Sarangani), Inc.
 Rural Bank of Kibawe (Bukidnon), Inc.
 Rural Bank of La Paz, Inc.
 Rural Bank of Labason (Zamboanga del Norte), Incorporated
 Rural Bank of Lanuza (Surigao del Sur), Inc.
 Rural Bank of Lebak (Sultan Kudarat), Incorporated
 Rural Bank of Leganes (Iloilo), Inc.
 Rural Bank of Liloy (Zamboanga Del Norte), Inc.
 Rural Bank of Limay (Bataan), Inc.
 Rural Bank of Lipa City, Inc.
 Rural Bank of Loon (Bohol), Inc.
 Rural Bank of Lopez Jaena (Misamis Occidental), Inc.
 Rural Bank of Lucban (Quezon), Inc.
 Rural Bank of Luisiana, Inc.
 Rural Bank of Lumban (Laguna), Inc.
 Rural Bank of Maasin (Southern Leyte), Inc.
 Rural Bank of Mabalacat, Inc.

Rural Bank of Maddela (Quirino), Inc.
 Rural Bank of Madridejos (Cebu), Inc.
 Rural Bank of Magdalena (Laguna), Inc.
 Rural Bank of Mahaplag (Leyte), Inc.
 Rural Bank of Makato (Aklan), Inc.
 Rural Bank of Malitbog (Southern Leyte), Inc.
 Rural Bank of Malolos, Inc.
 Rural Bank of Mambusao, Inc.
 Rural Bank of Manapla, Inc.
 Rural Bank of Mandaue, Inc.
 Rural Bank of Mangaldan, Inc.
 Rural Bank of Manolo Fortich (Bukidnon), Inc.
 Rural Bank of Manukan (Zamboanga del Norte), Inc.
 Rural Bank of Maria Aurora (Aurora), Inc.
 Rural Bank of Marilag (Sta. Maria, Laguna), Inc.
 Rural Bank of Matag-ob Leyte, Inc.
 Rural Bank of Mati, Inc.
 Rural Bank of Mauban, Inc.
 Rural Bank of Medina (Misamis Oriental), Inc.
 Rural Bank of Miagao (Iloilo), Inc.
 Rural Bank of Midsayap, Inc.
 Rural Bank of Montalban, Inc.
 Rural Bank of Nabunturan (Compostela Valley), Inc.
 Rural Bank of Naic, Inc.
 Rural Bank of New Washington (Aklan), Inc.
 Rural Bank of Norala (S. Cotabato), Inc.
 Rural Bank of Oslob (Cebu), Inc.
 Rural Bank of Padre Garcia, Inc.
 Rural Bank of Paete, Inc.
 Rural Bank of Pagadian, Inc.
 Rural Bank of Pamplona (Negros Oriental), Inc.
 Rural Bank of Pana-on (Misamis Occidental), Inc.
 Rural Bank of Pangil (Laguna), Inc.
 Rural Bank of Paracale (Camarines Norte), Incorporated
 Rural Bank of Pilar (Bataan), Inc.
 Rural Bank of Pilar (Sorsogon), Inc.
 Rural Bank of Pinamalayan, Inc.
 Rural Bank of Placer, Inc.
 Rural Bank of Pola (Oriental Mindoro), Inc.

Rural Bank of Polomolok (South Cotabato), Inc.
Rural Bank of Porac (Pampanga), Inc.
Rural Bank of Pototan, Inc.
Rural Bank of Pozorrubio, Inc.
Rural Bank of Puerto Galera (Oriental Mindoro), Inc.
Rural Bank of Pura (Tarlac), Inc.
Rural Bank of Quezon (N.E.), Inc.
Rural Bank of Ramon (Isabela), Inc.
Rural Bank of Rizal (Kalinga Apayao), Inc.
Rural Bank of Rizal (Laguna), Inc.
Rural Bank of Rizal (Zamboanga del Norte), Inc.
Rural Bank of Rosario (La Union), Inc.
Rural Bank of Roxas (Or. Min.), Inc.
Rural Bank of Sagada (Mt. Prov.), Inc.
Rural Bank of Sagay, Inc.
Rural Bank of Salcedo (Ilocos Sur), Inc.
Rural Bank of Salug (Zamboanga del Norte), Inc.
Rural Bank of Sampaloc (Quezon), Inc.
Rural Bank of San Agustin (Isabela), Inc.
Rural Bank of San Antonio, Inc.
Rural Bank of San Jacinto (Masbate), Inc.
Rural Bank of San Jose (Camarines Sur), Inc.
Rural Bank of San Juan (So. Leyte), Inc.
Rural Bank of San Lorenzo Ruiz (Siniloan), Inc.
Rural Bank of San Luis (Batangas), Inc.
Rural Bank of San Luis (Pampanga), Inc.
Rural Bank of San Manuel (Isabela), Inc.
Rural Bank of San Marcelino, Inc.
Rural Bank of San Mateo (Isabela), Inc.
Rural Bank of San Miguel (Iloilo), Inc.
Rural Bank of San Narciso, Inc.
Rural Bank of San Nicolas (Pangasinan), Inc.
Rural Bank of San Pascual (Obando, Bulacan), Inc.
Rural Bank of San Quintin, Inc.
Rural Bank of San Rafael (Bulacan), Inc.
Rural Bank of Sanchez Mira (Cagayan), Inc.
Rural Bank of Santa Fe (Romblon), Inc.
Rural Bank of Santa Maria (Ilocos Sur), Inc.

Rural Bank of Sasmuan (Pampanga), Inc.
Rural Bank of Seven Lakes (San Pablo City), Inc.
Rural Bank of Silay City, Inc.
Rural Bank of Siocon (Zamboanga del Norte), Inc.
Rural Bank of Sipocot (Camarines Sur), Inc.
Rural Bank of Socorro (Oriental Mindoro), Inc.
Rural Bank of Solano (Nueva Vizcaya), Inc.
Rural Bank of Sta. Barbara (Iloilo), Inc.
Rural Bank of Sta. Catalina, Negros Oriental, Inc.
Rural Bank of Sta. Ignacia, Inc.
Rural Bank of Sta. Rosa (Laguna), Inc.
Rural Bank of Sta. Rosa de Lima (Paniqui, Tarlac), Inc.
Rural Bank of Sudipen (La Union), Inc.
Rural Bank of Taal, Inc.
Rural Bank of Talisay (Batangas), Inc.
Rural Bank of Talisay (Cebu), Inc.
Rural Bank of Talugtog (N. E.), Inc.
Rural Bank of Tandag (Surigao del Sur), Inc.
Rural Bank of Tangub City, Inc.
Rural Bank of Tanjay, Inc.
Rural Bank of Tigaon Camarines Sur, Inc.
Rural Bank of Tigbauan (Iloilo), Inc.
Rural Bank of Victoria, Inc.
Rural Bank of Villaverde (Nueva Vizcaya), Inc.
Rural Bank of Zarraga (Iloilo), Inc.
Sadiri Rural Bank (San Juan, Ilocos Sur), Inc.
Salug Valley Rural Bank, Inc.
San Bartolome Rural Bank, Inc.
Saviour Rural Bank, Inc.
Second Rural Bank of San Luis Pampanga, Inc.
Second Rural Bank of Valenzuela (Metro Manila), Inc.
Secured Bank, Inc. (A Rural Bank)
SG BANK - A RURAL BANK, INC.
Silahis Bank, Inc. (A Rural Bank)
South Bank (A Rural Bank), Inc.
Southeast Country Bank, Inc. (A Rural Bank)
St. Michael Rural Bank of Tarlac (Tarlac), Inc.
Sta. Maria Rural Bank, Inc.

Summit Bank (Rural Bank of Tublay, Inc.)
Summit Rural Bank of Lipa City, Inc.
Sunrise Rural Bank (Rosario, Batangas), Inc.
Talisay Rural Bank, Inc.
Tamaraw Rural Bank, Inc.
The Country Bank Rural Bank of Bongabong Or. Mindoro, Inc.
Tonik Digital Bank, Inc.
Towncall Rural Bank, Inc.
TRBank, Inc. (A Rural Bank)
Turumba Rural Bank of Pakil, Lag. Inc.
Unilink Bank, Inc. (A Rural Bank)
United Consumers Rural Bank, Inc.
United Peoples Rural Bank, Inc.
Universal Rural Bank of Lopez (Quezon), Inc.
Upland Rural Bank of Dalaguete (Cebu), Inc.
Utility Bank-A Rural Bank, Inc.
Vigan Banco Rural Incorporada
Village Bank, Inc. (A Rural Bank)
Vizcaya Bank, A Rural Bank, Inc.
Welcome Bank (Rural Bank), Inc.
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1226 Makati City, Philippines
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pad@pdic.gov.ph

An abstract graphic on the left side of the page consists of various shades of gray and gold geometric shapes, including rectangles and triangles, some of which are layered to create a sense of depth and movement.

KEEPING STRONG Amid Uncertainties

2020 FINANCIAL STATEMENTS

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STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The Management of the Philippine Deposit Insurance Corporation is responsible for the preparation and fair presentation of the financial statements for the year ended December 31, 2020, in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

The Board Audit Committee reviews and endorses to the Board of Directors the financial statements for notation. The Board of Directors approves the release of the financial statements to the Commission on Audit and other users.

The Commission on Audit has audited the financial statements of the PDIC in accordance with the International Standards of Supreme Audit Institutions and has expressed its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.



JOSEFINA J. VELILLA
First Vice President
Comptrollership Group



SANDRA A. DIAZ
Senior Vice President
Management Services Sector



ROBERTO B. TAN
President and CEO

June 17, 2021

INDEPENDENT AUDITOR'S REPORT



Republic of the Philippines
COMMISSION ON AUDIT
 Commonwealth Ave., Quezon City
CORPORATE GOVERNMENT SECTOR
 CLUSTER 1 - BANKING AND CREDIT

THE BOARD OF DIRECTORS

Philippine Deposit Insurance Corporation
 Makati City

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Philippine Deposit Insurance Corporation (PDIC), which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the PDIC as at December 31, 2020 and 2019, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the PDIC in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence

we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 11 to the financial statements which disclosed that Notes Payable to the Bangko Sentral ng Pilipinas (BSP) did not include the principal amount of ₱1.44 billion and interest of ₱1.34 billion claimed by BSP due to an unresolved issue on the interpretation of Section 1.02 in relation to Section 1.05 of the Loan Agreement dated November 21, 2002 executed between BSP and PDIC. The matter was elevated by BSP to the Department of Justice (DOJ) for resolution and adjudication. DOJ issued a Resolution dated October 23, 2019 resolving the issues presented. A Notice of Appeal dated November 8, 2019 was filed by PDIC before the Office of the President of the Philippines. An Appeal Memorandum dated December 9, 2019 was further filed for the DOJ Resolution to be set aside and that the source for the repayment of its loan obligation to BSP be held exclusively limited to those provided for under Section 1.05 of the Loan Agreement. These appeals are awaiting final resolution by the Office of the President and the DOJ. The BSP filed its Comment dated January 17, 2020 declaring the Section 1.05 of the Loan Agreement dated November 21, 2002 is not an Exclusive List; dismissing the appeal of Respondent; and upholding the Resolution dated October 23, 2019 of the Secretary of Justice. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the PDIC financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the PDIC's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the PDIC or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the PDIC's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PDIC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for the direction, supervision and performance of the audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 15-2010 in Note 24 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the management of PDIC and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

By:



LEONILA P. LITERAL
State Auditor IV
OIC-Supervising Auditor

25 June 2021

STATEMENTS OF FINANCIAL POSITION

As at December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	Restated 2019
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	156,175,605	1,535,143,114
Investments	4	35,213,355,947	38,115,913,709
Receivables	5	17,772,341	17,198,903
Inventories	6	819,296	173,157
Other Current Assets	10	343,410,955	376,434,573
		35,731,534,144	40,044,863,456
Non-Current Assets			
Investments	4	231,451,869,677	228,000,472,830
Receivables	5	2,296,355,026	2,613,393,152
Investment Property, net	7	1,803,715,929	1,825,343,796
Property, Plant and Equipment, net	8	258,287,065	151,967,981
Intangible Assets, net	9	8,552,375	11,003,350
Other Non-Current Assets	10	481,262,624	473,150,623
		236,300,042,696	233,075,331,732
Total Assets		272,031,576,840	273,120,195,188
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	37,338,093,912	21,250,895,436
Inter-Agency Payables	12	38,937,033	32,731,937
Trust Liabilities	13	14,990,841	3,955,382
Unearned Income	14	1,105,329	2,365,873
Other Payables	16	4,916,570,040	4,328,490,289
		42,309,697,155	25,618,438,917
Non-Current Liabilities			
Financial Liabilities	11	14,694,667,830	50,736,842,688
Trust Liabilities	13	5,275,254	4,083,068
Unearned Income	14	461,572	1,114,519
Provisions	15	268,546,576	240,945,007
		14,968,951,232	50,982,985,282
Total Liabilities		57,278,648,387	76,601,424,199
EQUITY			
Government Equity (Permanent Insurance Fund)		3,000,000,000	3,000,000,000
Reserves for Insurance Losses		195,720,867,017	168,736,229,639
Retained Earnings		16,032,061,436	24,782,541,350
Total Equity		214,752,928,453	196,518,770,989
Total Liabilities and Equity		272,031,576,840	273,120,195,188

STATEMENT OF COMPREHENSIVE INCOME

For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	2019
Income			
Business Income	17	39,729,771,091	37,330,911,584
Gains	18	1,778,350,795	28,200,250
Other Non-operating Income	19	225,629,555	553,443,464
Total Income		41,733,751,441	37,912,555,298
Expenses			
Personnel Services	20	995,204,135	969,066,399
Maintenance and Other Operating Expenses	21	381,805,176	387,850,727
Deposit Claims Pay-out Expenses		219,677,807	1,241,238,669
Receivership and Liquidation Expenses		249,311,982	269,052,676
Financial Expenses	22	2,984,221,845	3,471,532,064
Non-Cash Expenses	23	27,087,896,080	22,924,365,177
Total Expenses		31,918,117,025	29,263,105,712
Net Income for the Period		9,815,634,416	8,649,449,586
Income Tax Expense		-	-
Net Income		9,815,634,416	8,649,449,586
Other Comprehensive Income for the Period		0	0
Total Comprehensive Income		9,815,634,416	8,649,449,586

STATEMENT OF CHANGES IN EQUITY

For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	Permanent Insurance Fund	Reserves for Insurance Losses	Retained Earnings	Total
BALANCE AT JANUARY 1, 2019		3,000,000,000	146,057,190,935	27,813,339,916	176,870,530,851
ADJUSTMENT:					
Add: Prior period adjustment				-	-
RESTATED BALANCE AT JANUARY 1, 2019		3,000,000,000	146,057,190,935	27,813,339,916	176,870,530,851
CHANGES IN EQUITY FOR 2019					
Add/(Deduct):					
Additional reserves for insurance losses			22,679,038,704		22,679,038,704
Net Income for the period				8,649,449,586	8,649,449,586
Declaration of cash dividends	25			(11,680,248,152)	(11,680,248,152)
RESTATED BALANCE AT DECEMBER 31, 2019		3,000,000,000	168,736,229,639	24,782,541,350	196,518,770,989
CHANGES IN EQUITY FOR 2020					
Add/(Deduct):					
Additional reserves for insurance losses	23		26,984,637,378		26,984,637,378
Net Income for the period				9,815,634,416	9,815,634,416
Declaration of cash dividends	25			(18,566,114,330)	(18,566,114,330)
BALANCE AT DECEMBER 31, 2020		3,000,000,000	195,720,867,017	16,032,061,436	214,752,928,453

STATEMENTS OF CASH FLOWS

For the Years Ended December 31, 2020 and 2019
(In Philippine Peso)

	Note	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collections of Income/Revenue		41,048,051,732	37,811,592,080
Collections of Receivables		676,067,421	467,759,889
		41,724,119,153	38,279,351,969
Cash Outflows			
Payment of Expenses		(5,766,091,360)	(1,354,206,417)
Payment of Insured Deposits		(178,623,847)	(1,229,283,700)
Grant of Cash Advances and Various Receivables		(16,419,821)	(24,232,922)
Payment of Accounts Payable		(86,093,443)	(218,540,702)
Grant of Financial Assistance		-	(677,884,947)
Payment of Receivership and Liquidation Expenses		(1,298,500)	(13,710,538)
Remittance of Taxes Withheld		(42,531)	(4,455,933)
		(6,048,569,502)	(3,522,315,159)
Net Cash Provided by Operating Activities		35,675,549,651	34,757,036,810
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from Matured Investments		138,335,208,791	98,114,354,063
		138,335,208,791	98,114,354,063
Cash Outflows			
Purchase of Investments		(139,775,555,860)	(125,094,570,748)
Purchase/Construction of Property and Equipment		(113,887,986)	(34,696,795)
		(139,889,443,846)	(125,129,267,543)
Net Cash Used in Investing Activities		(1,554,235,055)	(27,014,913,480)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Inflows			
Proceeds from Long-term Liabilities to BSP		-	338,942,474
		-	338,942,474
Cash Outflows			
Payment of Cash Dividends		(17,983,021,916)	(10,582,799,524)
Payment of Long-term Liabilities to BSP		(17,517,252,915)	(12,705,628)
		(35,500,274,831)	(10,595,505,152)
Net Cash Used in Financing Activities		(35,500,274,831)	(10,256,562,678)
INCREASE IN CASH AND CASH EQUIVALENTS		(1,378,960,235)	(2,514,439,348)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		(7,274)	(15,427)
CASH AND CASH EQUIVALENTS, JANUARY 1		1,535,143,114	4,049,597,889
CASH AND CASH EQUIVALENTS, DECEMBER 31	3	156,175,605	1,535,143,114

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2020 and 2019

(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL INFORMATION

The Philippine Deposit Insurance Corporation (PDIC) or the "Corporation" is a government corporation established on June 22, 1963 with the passage of Republic Act No. 3591. The Corporation shall, as a basic policy, promote and safeguard the interests of the depositing public by way of providing insurance coverage on all insured deposits. It shall also be the policy of the state to strengthen the mandatory deposit insurance coverage system to generate, preserve, maintain faith and confidence in the country's banking system, and protect it from illegal schemes and machinations. PDIC is likewise mandated by law to act as receiver/liquidator of closed banks. The PDIC collaborates with the Bangko Sentral ng Pilipinas (BSP) in promoting stability in the banking system and the economy as a whole.

The Corporation's principal office is located at the SSS Building, 6782 Ayala Avenue corner V.A. Rufino Street, Makati City.

As at December 31, 2020, PDIC's total manpower¹ complement stood at 528 (184 officers and 344 rank and file employees), 518 of whom are of permanent status, 2 contractual and 8 are coterminous. Under the PDIC Charter, as amended by RA 10846, the President of the Corporation shall be appointed by the President of the Philippines for a term of six years and shall also serve as Vice Chairman of the PDIC Board of Directors, of which four members are appointed by the President of the Philippines, also to serve for six years, and two are ex-officio, the Secretary of Finance and the Governor of the BSP.

The Board of Directors authorized the issuance of the financial statements on February 8, 2021.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Statement of Compliance and Basis of financial statements preparation

The Corporation's financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRSs). The term PFRSs in general includes all applicable PFRSs, Philippine Accounting Standards (PASs) and Standing Interpretations Committee (SIC)/International Financial Reporting Interpretations Committee (IFRIC) interpretations which have been approved by the Financial Reporting Standards Council (FRSC).

¹ Excluding externally provided services by 264 personnel.

The Corporation, as Receiver/Liquidator, is responsible for managing and disposing the assets of closed banks in an orderly and efficient manner. The receivership and liquidation transactions of closed banks are accounted in separate books of accounts to ensure that liquidation proceeds of closed banks assets, if any, are distributed properly to their respective creditors in accordance with applicable laws and regulations. Also, the income and expenses attributable to receivership/liquidation are accounted for as transactions of the closed banks, and expenses advanced by the Corporation are billed to the respective closed banks.

The financial statements have been prepared on a historical cost basis unless otherwise stated. The financial statements are presented in Philippine Peso which is also the country's functional currency. All values are rounded to the nearest peso unless otherwise stated.

2.2 Use of judgments and estimates

The preparation of the financial statements in accordance with the PFRS requires the Corporation to make estimates and assumptions that affect the reported amounts of assets, liabilities, capital, income and expenses and disclosure of contingent resources and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. While the estimates are based on the most reliable data available, actual results, in the near term, could differ significantly from those estimates depending upon certain events and uncertainties, including:

- The timing and extent of losses the Corporation incurs as a result of future failures of member banks;
- The extent to which the Corporation will pay insurance claims of depositors of member banks that are closed or extend financial assistance to banks in danger of closing;
- The ability to recover its claims receivable and advances based on the trends and expectations of the liquidation of the closed banks;
- The extent to which the Corporation can maximize the sale and recoveries from the assets it acquires as a way of rehabilitating banks and those received as reimbursement of insurance payments and advances to closed banks; and
- The probability of recovery through successful lawsuits as appropriate against relevant parties.

The Corporation classifies financial assets with fixed or determinable payments and fixed maturity as Investment Securities at Amortized Cost. This classification entails judgment in evaluating the intention of the Corporation and its ability to hold such investments to maturity. If the Corporation is no longer consistent with its business model to keep these investments to maturity or has sold government securities exceeding 10 per cent of total portfolio as of the end of the immediately preceding year, it will reassess its business model.

The carrying amount of investments as at December 31, 2020 and 2019 are disclosed in Note 4. There was no impairment loss recognized on investments in 2020 and 2019.

a. Impairment of financial assets

The Corporation recognizes impairment for expected credit loss (ECL) based on PFRS 9 on investments in debt instruments, loans and other receivables that are measured at amortized cost. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instruments.

The Corporation recognizes lifetime ECL on purchased or credit impaired loans acquired/received from banks under financial assistance or from closed banks in payment of receivables.

The carrying amount of the financial asset is reduced by the impairment loss for all financial assets, where the carrying amount is reduced through the use of an allowance account. When a receivable is considered uncollectible, it is written-off against the allowance account subject to required approval. Subsequent recoveries of amounts previously written off and changes in the carrying amount of the allowance account are recognized in profit and loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be traced objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed through profit and loss to the extent that the carrying amount of the financial asset at the date the impairment is reversed does not exceed what the amortized cost would have been had the impairment not been recognized.

The carrying amount of loans and receivables as at December 31, 2020 and 2019 are disclosed in Note 5.

b. Impairment of non-financial assets

At each statement of financial position date, the Corporation assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when annual impairment testing for an asset is required, the Corporation makes an estimate of recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written-down to its recoverable amount.

The carrying amount of investment properties, property, plant and equipment and intangible assets as at December 31, 2020 and 2019 are disclosed in Notes 7, 8 and 9 respectively.

c. Estimated useful lives of property, plant and equipment

The Corporation uses the government-prescribed estimated useful lives of Property, Plant and Equipment account (Note 2.4d).

d. Contingencies

There may be pending cases where the Corporation is impleaded as party defendant. The estimate of possible adverse judgments of these cases will be based on the assessment of the strength of the defense of the Corporation or advisability of a compromise. The Corporation evaluates whether these legal cases will have material adverse effect on its financial position, thus may have material changes in the estimates in the future based on developments or events.

2.3 Changes in accounting policies and disclosures

The Accounting policies adopted are consistent with those used in the previous financial year.

2.3.1. New and amended standards and interpretations

The new amendments to existing Philippine Financial Reporting Standards (PFRS) which became effective for accounting period beginning on or after January 1, 2020 but has no impact on the accounting policies and financial statements' presentation and reporting of the Corporation:

Amendments to PAS 1 Presentation of Financial Statements and PAS 8 Accounting Policies, Changes in Accounting Estimates and Errors, clarify the definition of 'material' and how it should be applied. The changes are effective from 1 January 2020 but entities can decide to apply them earlier. The amendments also improve the explanations of the definition and ensure consistency across all PFRS. The new definition is: "Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity."

PAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors" is applied in selecting and applying accounting policies, accounting for changes in estimates and reflecting corrections of prior period errors. The standard requires compliance with any specific PFRS applying to a transaction, event or condition, and provides guidance on developing accounting policies for other items that result in relevant and reliable information. Changes in accounting policies and corrections of errors are generally retrospectively accounted for, whereas changes in accounting estimates are generally accounted for on a prospective basis. The amendment is effective for annual reporting periods beginning on or after January 1, 2020.

2.3.2. Issued PFRS but are not yet effective

The accounting standards issued but not yet effective up to date of issuance of the Corporation's financial statements are not reasonably expected to be applicable at a future date are as follows:

- Amendments to PAS 16 Property, Plant and Equipment — Proceeds before Intended Use (effective for annual periods beginning on or after January 1, 2022 with early application permitted).
- Amendments to PAS 37 Provisions, Contingent Liabilities and Contingent Assets – Onerous Contracts - Cost of Fulfilling a Contract (effective for annual periods beginning on or after January 1, 2022 with early application permitted).
- Amendments to PFRS 4 Insurance Contracts – Extension of the Temporary Exemption from Applying PFRS 9.
- PFRS 17 Insurance Contracts. The standard is effective for annual periods beginning on or after January 1, 2023, with earlier application permitted.

2.4 Significant accounting policies

a. Financial assets

Initial recognition

Financial assets are recognized in the Corporation's financial statements when the Corporation becomes a party to the contractual provisions of an instrument. Financial assets are recognized initially at fair value. Transaction costs are included in the initial measurement of the Corporation's financial assets.

Debt instruments that meet the following conditions are subsequently measured at amortized cost less impairment loss, if any.

- The asset is held within a business model whose objective is to hold assets in order to collect contractual cash flow; and
- The contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All recognized financial assets are subsequently measured in their entirety at amortized costs or fair value, depending on the classification of the financial assets.

Classification of financial assets

Financial Assets	Measurement Category
Cash and Cash Equivalents	Amortized Cost
Investment Securities at Amortized Cost*	Amortized Cost
Fair Value through Other Comprehensive Income	FVTOCI
Receivables	Amortized Cost

*including earmarked funds for loans payment

Amortized cost and effective interest method

The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, when appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognized on an effective interest basis for debt instruments measured subsequently at amortized cost. Interest income is recognized in profit and loss. Financial assets under this category include Investment Securities at Amortized Cost.

Fair Value through Other Comprehensive Income (FVTOCI)

On initial recognition, the Corporation can make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit and loss on disposal of the investments but directly added or charged to retained earnings.

Derecognition of financial assets

The Corporation derecognizes a financial asset only when the contractual rights to the cash flows from asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Corporation neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Corporation recognizes its retained interest in the asset and an associated liability for amounts it may have to pay. If the Corporation retains substantially all the risks and rewards of ownership of a transferred financial asset, the Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

On derecognition of a financial asset measured at amortized cost, the difference between the asset's carrying amount and the sum of the consideration received and receivable is recognized in profit and loss.

On derecognition of financial asset that is classified as FVTOCI, the cumulative gain or loss previously accumulated in the investments revaluation reserve is not reclassified to profit and loss, but is charged to retained earnings.

b. Inventories

Inventories are measured at cost upon initial recognition and recognized as an expense when used for consumption in the ordinary course of operations or distributed to insured banks.

c. Investment property

Included in this account are land or building, or part of a building, or both, held by the Corporation which are awaiting disposal including those under lease agreement. These are initially booked at cost and subsequently measured at cost net of allowance for impairment.

d. Property, plant and equipment

The Corporation's depreciable properties are stated at cost less accumulated depreciation and amortization. The initial cost of property and equipment consists of its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and intended use. Expenditures incurred after items of property and equipment have been put into operation, such as repairs and maintenance are charged against operations in the year in which the costs are incurred. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected as income or loss in the statement of comprehensive income. Depreciable assets below the capitalization threshold of ₱15,000 are recognized as expense when issued to end users.

Depreciation is computed using the straight-line method over the estimated useful lives of the respective assets. This is computed at cost less 10 per cent residual value over useful life. The estimated useful life of the respective asset follows:

Building	30 years
Furniture and Fixtures and Machineries and Equipment	10 years
Transportation Equipment	7 years
Information Technology (Integral Part) and Computer	5 years
Office Equipment	5 years
Leasehold Improvements, Buildings	3 years

Leasehold improvements are amortized over the shorter of the terms of the covering leases or the estimated useful lives of the improvements.

e. Intangible assets

Intangible assets are stated in the financial statements at cost less accumulated amortization. They comprise software licenses, among others. The Corporation has adopted the straight-line amortization method for the intangible assets over five years.

f. Financial liabilities and EquityClassification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and equity instrument.

The Notes Payable of PDIC is measured at amortized cost.

f.1 Financial liabilitiesInitial recognition

Financial liabilities are initially recognized at fair value, being their issue proceeds, net of transaction costs incurred. Borrowing costs are recognized as expense in the year in which these costs are incurred.

Financial liabilities subsequently measured at amortized cost

Financial liabilities that are not held-for-trading and are not designated as at fair value through profit or loss are measured at amortized cost at subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortized costs are determined based on the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees paid that form an integral part of the effective interest rate, transaction costs and other premiums or discounts through the expected life of the financial liability, or (when appropriate), a shorter period, to the net carrying amount on initial recognition.

Derecognition of financial liabilities

The Corporation derecognizes financial liabilities when the Corporation's obligation are discharged, cancelled or expired. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognized in profit or loss.

f.2 EquityDeposit insurance fund

The Deposit Insurance Fund (DIF) is the capital/equity account of the Corporation and consists of the following: (a) the permanent insurance fund; (b) reserves for insurance losses; and (c) retained earnings. The DIF shall be maintained at a reasonable level to ensure capital adequacy.

Permanent insurance fund

This is the total capital provided by the National Government (NG) by virtue of Republic Act No. 3591, as amended. The full capitalization from the NG of ₱3 billion was reached in 1994 with the conversion of the obligations of PDIC to the Central Bank of the Philippines in the amount of ₱977.787 million into equity of the NG.

Reserves for insurance losses

PDIC sets aside reserves for insurance losses to build-up the DIF target ratio of 5.5 per cent to 8 per cent over the estimated insured deposits in the Philippine Banking System.

Retained earnings

Refers to the cumulative income of the Corporation net of dividends declared to the NG and any prior year's adjustments.

g. Income recognition

Income is recognized to the extent that it is probable that the economic benefits will flow into the Corporation and the income can be reliably measured.

Assessments

Assessment collections from member banks are recognized as income in the year these are received by the Corporation.

Member banks are assessed a maximum rate of one-fifth of one per cent per annum of the assessment base, which is the amount of liability of the bank for deposits as defined under subsection (a) of Section 7 of R.A. 3591, as amended. This shall in no case be less than ₱5,000 and collected on a semestral basis. The amount of assessment is based on the average of deposit liabilities as at the close of business on March 31 and June 30 for the first semester and as at the close of business on September 30 and December 31 for the second semester. Such assessments are payable by banks not later than July 31 of the current year and January 31 of the ensuing year for the first and second semesters, respectively. Failure or refusal by any member bank to pay any assessment due allows the Corporation to file a collection case against the bank and impose administrative sanctions against its officers who are responsible for non-payment. Late payment of assessment is likewise subject to interest and penalty.

Interest Income

a. Income from investments

Interest on interest-bearing placements and securities are recognized as the interest accrues, taking into account the effective interest rate on such assets.

b. Income from financial assistance

Interest on loans receivables on account of financial assistance is recognized applying the effective interest using the market rates at initial recognition, as applicable.

h. Dollar-denominated assets

Dollar-denominated assets are initially carried at the equivalent value using Bangko Sentral ng Pilipinas (BSP) reference rate at transaction date and revalued at the end of each month on the same basis.

i. Employee benefits

Provident fund

In accordance with Section 9 (11) of R.A. 3591, as amended, the Corporation has established a Provident Fund, which is a defined contribution plan where contributions made both by its officers and employees and the Corporation are accumulated. The Fund is administered by its Board of Trustees.

Retirement

GSIS retirement benefit under R.A. No. 8291 is available to any qualified employee who is at least 60 years old and with at least 15 years of government service at the time of retirement. R.A. No. 8291 likewise provides for separation benefits.

Separation Benefits

Voluntary or involuntarily separation of employees from service, including payment of separation benefits shall be in accordance with CSC, GSIS and COA rules and regulations and other applicable laws, rules and regulations.

Accrued leave pay

This represents the cash value of the accumulated vacation and sick leave credits of employees, 50 per cent of which can be monetized in accordance with CSC Omnibus Rules of Leave and applicable guidelines on monetization of leaves.

j. Leases

PDIC as Lessor

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease collections are recognized as income in profit or loss as part of Rent/Other Income account in the statement of comprehensive income on a straight-line basis over the lease term.

PDIC as Lessee

PDIC has elected to account for short-term leases using the practical expedients. Instead of recognizing a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense as incurred.

k. Financial assistance to banks

In accordance with Sec. 22 (e) of R.A. No. 3591, as amended, PDIC may grant financial assistance to a distressed member bank for its rehabilitation to prevent closure, provided such assistance is the least costly alternative. The alternative chosen must not cost more than the estimated cost of actual pay-out of the insured deposits of the bank and liquidation thereof. The financial assistance to a bank may be in the form of a loan, purchase of assets, assumption of liabilities, placements of deposits, equity or quasi-equity. The grant is upon such terms and conditions as the Board of Directors may prescribe when the grant of financial assistance is essential to provide adequate banking service in the community or maintain financial stability in the economy.

l. Provisions and contingencies

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are renewed at the end of reporting period and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

m. Taxes

In accordance with Section 22 (c) of R.A. 3591, as amended, the Corporation shall be exempt from income tax, final withholding tax, value-added tax on assessments collected from member banks, and local taxes starting June 1, 2014. Incomes from other sources are still subject to value-added tax. Effective January 1, 2018, PDIC exemption from payment of VAT on assessments collected from member banks has been repealed under Section 86 (ee) of the Republic Act No. 10963 also known as the Tax Reform for Acceleration and Inclusion (TRAIN) Law. The VAT obligation under such Act shall be chargeable to the Tax Expenditure Fund (TEF) provided for in the annual General Appropriations Act.

n. Events after the reporting period

Post year-end events that provide additional information about the Corporation's position at the balance sheet date (adjusting event) are reflected in the financial statements. Post year-end events that are not adjusting events, if any, are disclosed when material to the financial statements.

3. CASH AND CASH EQUIVALENTS

This account includes the following:

	2020	2019
Cash on Hand	1,558,353	2,224,370
Cash in Bank – Local Currency	90,396,481	84,427,795
Cash in Bank – Foreign Currency	302,898	320,039
Cash Equivalents	63,917,873	1,448,170,910
	156,175,605	1,535,143,114

Cash on hand includes petty cash funds, checks and other cash items received after the close of banking hours on the last business day of the year.

Cash in bank consists of bank accounts for operating funds, pay-out funds, collections, emergency drawing accounts and BSP current account.

Cash equivalents refer to short term investments classified as cash equivalents having maturities of three months or less from the date of acquisition/ placement.

4. INVESTMENTS

This account includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Investment Securities at Amortized Cost	20,512,565,130	202,954,327,485	223,466,892,614	23,668,900,519	181,321,383,482	204,990,284,001
Sinking Fund	14,700,790,817	16,394,912,642	31,095,703,459	14,447,013,190	34,576,459,798	49,023,472,988
Financial Assets at Fair Value Through Other Comprehensive Income - net	0	12,102,629,550	12,102,629,550	0	12,102,629,550	12,102,629,550
	35,213,355,947	231,451,869,677	266,665,225,624	38,115,913,709	228,000,472,830	266,116,386,539

In accordance with PFRS 9, investment balances are valued at amortized cost consistent with the business model adopted, which is to hold the financial assets to collect the contractual cash flows rather than to sell the instrument prior to its contractual maturity to realize its fair value changes.

Investment securities at amortized cost consist of special savings and time deposits, treasury bills, notes and bonds. Interest income from investment securities at amortized cost amounted to ₱11.741 billion and ₱11.392 billion in 2020 and 2019.

Sinking fund represents the balance of funds being accumulated to repay PDIC loans with BSP upon maturity, a portion of which is being managed by the BSP-Treasury Department.

Financial assets at fair value through other comprehensive income (FAFVTOCI) consist of Preferred shares and Special Preferred Shares of Capital Stock.

Preferred shares represent PDIC's subscription to the preferred shares of stock with par value of ₱100 and ₱10 per share issued by two rural banks on December 28, 2017 and September 24, 2018. The subscription to the banks' preferred shares, which are non-voting, cumulative and convertible to common shares, represents the equity component of the financial assistance granted under the Strengthening Program for Rural Banks Plus.

Likewise, the PDIC holds Special Preferred Shares (SPS) of Capital Stock issued by a commercial bank in favor of PDIC on July 8, 2019 by way of conversion of the bank's Capital Notes in the amount of ₱12 billion, which, the PDIC Board resolved to exercise its right to convert the Capital Notes into SPS of the bank at the conversion price on May 10, 2019. The SPS are with a par value of ₱1.00 per share and are voting, perpetual, convertible to common stock and non-cumulative.

5. RECEIVABLES

This account includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Loans and Receivable-net	6,657,091	2,238,016,730	2,244,673,821	12,506,415	2,555,054,856	2,567,561,271
Inter-Agency Receivables-net	10,492,523	58,338,296	68,830,819	4,660,296	58,338,296	62,998,592
Other Receivables-net	622,727	0	622,727	32,192	0	32,192
	17,772,341	2,296,355,026	2,314,127,367	17,198,903	2,613,393,152	2,630,592,055

Loans and Receivables

This account includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Notes Receivable	2,927,957	1,630,158,596	1,633,086,553	2,978,675	1,951,673,084	1,954,651,759
Subrogated Claims Receivable	0	64,602,316,882	64,602,316,882	0	64,866,996,330	64,866,996,330
Allowance for Impairment	0	(64,602,316,882)	(64,602,316,882)	0	(64,866,996,330)	(64,866,996,330)
Net Value	0	0	0	0	0	0
Assigned Loans Receivables	0	12,611,245,129	12,611,245,129	0	12,622,873,453	12,622,873,453
Allowance for Impairment	0	(12,011,951,158)	(12,011,951,158)	0	(12,029,781,688)	(12,029,781,688)
Net Value	0	599,293,971	599,293,971	0	593,091,765	593,091,765
Loans Receivable – Others	0	2,610,164,962	2,610,164,962	0	2,582,856,581	2,582,856,581
Allowance for Impairment	0	(2,605,571,081)	(2,605,571,081)	0	(2,578,262,700)	(2,578,262,700)
Net Value	0	4,593,881	4,593,881	0	4,593,881	4,593,881
Receivership and Liquidation Receivable	0	3,065,672,662	3,065,672,662	0	2,842,239,383	2,842,239,383
Allowance for Impairment	0	(3,065,672,662)	(3,065,672,662)	0	(2,842,239,383)	(2,842,239,383)
Net Value	0	0	0	0	0	0
Sales Contract Receivable	3,724,902	4,006,070	7,730,972	6,852,289	5,855,883	12,708,172
Allowance for Impairment	0	(35,788)	(35,788)	0	(159,758)	(159,758)
Net Value	3,724,902	3,970,282	7,695,184	6,852,289	5,696,125	12,548,414
Interest Receivable	4,232	0	4,232	2,675,451	0	2,675,451
Total	6,657,091	2,238,016,730	2,244,673,821	12,506,415	2,555,054,856	2,567,561,271

Notes receivable represent loans granted to one commercial bank and four rural banks, fully secured by government securities.

Subrogated claims receivable arises from payment by the Corporation of insured deposits where the Corporation is subrogated to all rights of the depositor against a closed bank to the extent of such payment. Such subrogation includes the right on the part of the Corporation to receive the same payments and dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposits. However, such depositor shall retain his claim for any uninsured portion of his deposit.

Assigned loans receivables are non-performing loans acquired from banks as a mode of financial assistance and from closed banks in payment of receivables. Interest income is booked upon collection. No interest income is accrued on these loans owing to their past due status.

Loans receivable – others arises from financial assistance by way of non-interest bearing loans and liquidity assistance to four banks that subsequently closed. It also includes loans granted to one commercial bank pursuant to Section 22 (e) of R.A. 3591, as amended. As of December 31, 2020, delivery of transfer documents for the remaining balance is ongoing. No interest income is accrued on these loans owing to their past due status.

Receivership and liquidation receivable pertains to expenses advanced by the Corporation in carrying out its mandate as receiver and liquidator of closed banks.

Sales contract receivable are receivables from installment sales of assets acquired from financially assisted banks and from closed banks in payment for subrogated deposits and/or advances for receivership and liquidation expenses.

Interest receivable pertains to interest accrued from short-term investments.

Inter-Agency Receivables

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Bureau of Internal Revenue	0	885,730,142	885,730,142	0	885,730,142	885,730,142
National Government	0	58,338,296	58,338,296	0	58,338,296	58,338,296
DBM-Procurement Service	10,492,523	0	10,492,523	4,660,296	0	4,660,296
	10,492,523	944,068,438	954,560,961	4,660,296	944,068,438	948,728,734
Allowance for Impairment	0	(885,730,142)	(885,730,142)	0	(885,730,142)	(885,730,142)
	10,492,523	58,338,296	68,830,819	4,660,296	58,338,296	62,998,592

Inter-Agency Receivables are receivables from the following agencies:

Bureau of Internal Revenue represents creditable taxes withheld by withholding agents from assessment collections and interests on financial assistance, for refund by the BIR in accordance with the provisions of BIR RR 6-2010.

National Government represents the balance of the share of the NG in insured deposits paid in excess of ₱250,000 up to ₱500,000 in bank closures from June 1, 2009 to May 31, 2012 in accordance with the PDIC Charter.

DBM Procurement Service represents the revolving fund maintained for the DBM-PS facility used in the purchase of plane tickets for local travel. This balance also includes advance payments for the procurement of supplies, materials and equipment from PS.

Other receivables

This represents other receivables which includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Due from Officers and Employees	79,713	8,539,069	8,618,782	15,201	5,779,344	5,794,545
Allowance for Impairment	0	(8,539,069)	(8,539,069)	0	(5,779,344)	(5,779,344)
Net Value	79,713	0	79,713	15,201	0	15,201
Receivables-Disallowance and Charges	0	92,028	92,028	0	92,028	92,028
Allowance for Impairment	0	(92,028)	(92,028)	0	(92,028)	(92,028)
Net Value	0	0	0	0	0	0
Other Receivables	543,014	4,546,892	5,089,906	16,991	4,491,351	4,508,342
Allowance for Impairment	0	(4,546,892)	(4,546,892)	0	(4,491,351)	(4,491,351)
Net Value	543,014	0	543,014	16,991	0	16,991
Total	622,727	0	622,727	32,192	0	32,192

Aging/Analysis of Receivables

As at December 31, 2020

Accounts	Gross Amount	Not Past Due	Past Due		
			< 30 days	30-60 days	>60 days
Notes Receivable	1,633,086,553	1,633,086,553	0	0	0
Subrogated Claims Receivables	64,602,316,882	0	0	0	64,602,316,882
Assigned Loans Receivables	12,611,245,129	0	0	0	12,611,245,129
Loans Receivable - Others	2,610,164,962	0	0	0	2,610,164,962
Receivership and Liquidation Receivable	3,065,672,662	0	0	0	3,065,672,662
Sales Contract Receivables	7,730,972	5,223,520	0	0	2,507,452
Interest Receivable	4,232	4,232	0	0	0
Inter-Agency Receivables	954,560,961	10,492,523	0	0	944,068,438
Other Receivables	13,800,716	0	215,726	150,752	13,434,238
	85,498,583,069	1,648,806,828	215,726	150,752	83,849,409,763

6. INVENTORIES

	2020	2019
Inventory Held for Consumption		
Balance, January 1	173,157	161,133
Additions/Acquisitions during the year	2,853,138	9,622,965
Expensed during the year	(2,206,999)	(9,610,941)
Balance, December 31	819,296	173,157

Inventory held for consumption refers to office supplies and materials of the Corporation including decals and standees for distribution to insured banks.

7. INVESTMENT PROPERTY

This account includes the following:

	2020	2019
Carrying Amount, January 1	1,825,343,796	1,742,190,599
Addition/Acquisition	0	51,897,000
Transfers/Reversals	0	(831,391)
Total	1,825,343,796	1,793,256,208
Disposals	(22,972,291)	(11,947,380)
Reversal of Allowance for Impairment Loss	1,344,424	0
Reclassification	0	44,034,968
Carrying Amount, December 31	1,803,715,929	1,825,343,796
Gross Cost	2,557,355,604	2,580,327,895
Accumulated Impairment Loss	(753,639,675)	(754,984,099)
Carrying Amount, December 31	1,803,715,929	1,825,343,796

These are real and other properties acquired from financially assisted banks and assigned by closed banks in payment for subrogated deposits and advances for receivership and liquidation expenses for continuing sale/disposal. Request for replacement on the 23 properties with a book value of ₱240,400,434.71 have been coordinated thru letters dated March 10 and November 20, 2020 from one of the financially assisted banks.

8. PROPERTY, PLANT AND EQUIPMENT

This account includes the following:

Particulars	2020						Total
	Land	Buildings	Construction in Progress-Buildings and Other Structures	Furniture, Fixtures, Equipment	Transportation Equipment	Leased Assets Improvements, Buildings	
Cost							
At January 1, 2020	26,206,018	145,317,082	31,729,705	157,105,134	28,031,959	864,152	389,254,050
Additions	0	0	105,647,055	18,263,756	3,269,732	0	127,180,543
Disposals/adjustments	0	0	0	(2,253,952)	(2,628,000)	0	(4,881,952)
At December 31, 2020	26,206,018	145,317,082	137,376,760	173,114,938	28,673,691	864,152	511,552,641
Accumulated Depreciation							
At January 1, 2020	0	120,469,751	0	98,131,506	17,867,710	817,102	237,286,069
Depreciation/Amortization	0	3,472,400	0	14,279,125	2,468,616	47,050	20,267,191
Disposals/adjustments	0	0	0	(1,922,484)	(2,365,200)	0	(4,287,684)
At December 31, 2020	0	123,942,151	0	110,488,147	17,971,126	864,152	253,265,576
Net book value							
At December 31, 2020	26,206,018	21,374,931	137,376,760	62,626,791	10,702,565	0	258,287,065

Particulars	2019						Total
	Land	Buildings	Construction in Progress-Buildings and Other Structures	Furniture, Fixtures, Equipment	Transportation Equipment	Leased Assets Improvements, Buildings	
Cost							
At January 1, 2019	26,206,018	145,317,082	29,315,285	166,219,637	34,646,559	807,693	402,512,274
Additions	0	0	2,414,420	2,164,419	0	56,459	4,635,298
Disposals/adjustments	0	0	0	(11,278,922)	(6,614,600)	(0)	(17,893,522)
At December 31, 2019	26,206,018	145,317,082	31,729,705	157,105,134	28,031,959	864,152	389,254,050
Accumulated Depreciation							
At January 1, 2019	0	116,997,349	0	93,771,966	21,352,233	692,308	232,813,856
Depreciation/Amortization	0	3,472,402	0	14,458,540	2,468,617	124,794	20,524,353
Disposals/adjustments	0	0	0	(10,099,000)	(5,953,140)	(0)	(16,052,140)
At December 31, 2019	0	120,469,751	0	98,131,506	17,867,710	817,102	237,286,069
Net book value							
At December 31, 2019	26,206,018	24,847,331	31,729,705	58,973,628	10,164,249	47,050	151,967,981

This account includes Corporate property located at Chino Roces Avenue, Makati City, with appraised value of ₱1 billion for the land and ₱206 million for the building totaling ₱1.206 billion.

9. INTANGIBLE ASSETS

This account includes cost of computer software. Any software that is an integral part of the hardware is classified under the Property, Plant and Equipment account.

	2020	2019
Carrying Amount, January 1	11,003,350	15,871,445
Addition – Internally Developed	0	0
Addition – Purchased	2,958,036	2,452,687
Total	13,961,386	18,324,132
Amortization	(5,409,011)	(7,320,782)
Carrying Amount, December 31	8,552,375	11,003,350
Gross Cost	135,960,984	133,002,948
Accumulated Amortization	(127,408,609)	(121,999,598)
Carrying Amount, December 31	8,552,375	11,003,350

10. OTHER ASSETS

This account includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Restricted Fund	321,370,038	12,905,653	334,275,691	310,189,701	6,787,822	316,977,523
Prepayments	21,211,981	172,788,479	194,000,460	65,437,973	171,676,201	237,114,174
Deposits	0	29,586,273	29,586,273	0	28,704,381	28,704,381
Other Assets	828,936	1,444,746,817	1,445,575,753	806,899	1,444,746,817	1,445,553,716
Accumulated Impairment-Other Assets	0	(1,178,764,598)	(1,178,764,598)	0	(1,178,764,598)	(1,178,764,598)
	343,410,955	481,262,624	824,673,579	376,434,573	473,150,623	849,585,196

Restricted Fund represents the Legal Liability Indemnification Fund held in trust by Land Bank of the Philippines Trust Banking Group to finance legal expenses for possible cases against employees and directors of the Corporation in the performance of their duties.

Prepayments include various expenses paid in advance i.e., mobilization fees, fidelity bond premiums, insurance, membership dues, repair and maintenance services and subscriptions to be charged in future periods and creditable input tax.

Deposits include miscellaneous assets such as subscriber's investments and deposits with utility companies (SSS, LRA, MERALCO, PLDT, Petron Corp., etc.).

Other Assets represent unserviceable assets for disposal, various assets acquired from financially assisted and closed banks such as chattels, paintings, stocks and club shares, etc. and receivables from the PDIC Provident Fund for advances by the Corporation for the car plan of officers.

11. FINANCIAL LIABILITIES

This account includes the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Notes Payable	36,970,354,777	14,694,667,830	51,665,022,607	20,948,172,885	50,736,842,688	71,685,015,573
Insured Deposit Claims Payable	224,532,648	0	224,532,648	183,118,541	0	183,118,541
Accounts Payable	85,735,482	0	85,735,482	75,470,677	0	75,470,677
Due to Officers and Employees	57,471,005	0	57,471,005	44,133,333	0	44,133,333
	37,338,093,912	14,694,667,830	52,032,761,742	21,250,895,436	50,736,842,688	71,987,738,124

Notes Payable represents outstanding loans and interest payable to the Bangko Sentral ng Pilipinas which were utilized to fund financial assistance to operating or acquirer banks in accordance with Section 22 of R.A. 3591, as amended.

The above balances do not include the amount of principal and interest of ₱1.44 billion and ₱1.34 billion, respectively, claimed by BSP due to an issue on the interpretation of Section 1.02 in relation to Sec. 1.05 of the Loan Agreement between BSP and PDIC dated November 21, 2002. Under Section 1.02 of the Loan Agreement, an interest rate of two per cent lower than the interest charged to the underlying government loan accounts assigned by way of dacion to PDIC, shall be paid at the end of the following month after receipt of payment. Section 1.05 of the Loan Agreement also provides that the repayment of the BSP loan shall be sourced from collections from the underlying government loan accounts, among others. Interest charges on the BSP funding are only recognized and remitted to BSP upon actual collection from the underlying government loan accounts. The matter was elevated by BSP to the Department of Justice (DOJ) for resolution and adjudication and on October 23, 2019, DOJ issued a resolution resolving the issues presented. The PDIC filed on November 8, 2019 its Notice of Appeal with the Office of the President of the Philippines of the DOJ Resolution dated October 23, 2019.

Moreover, the PDIC filed its Appeal Memorandum dated December 9, 2019 for the October 23, 2019 DOJ Resolution to be set aside and that the source for the repayment of its loan obligation to BSP be held exclusively limited to those provided for under Section 1.05 of the Loan Agreement. On the other hand, the BSP filed its Comment dated January 17, 2020 for the DOJ Office issue and order: (a) declaring the Section 1.05 of the Loan Agreement dated November 21, 2002 is not an Exclusive List; (b) Dismissing the appeal of Respondent; and (c) Upholding the Resolution dated October 23, 2019 of the Secretary of Justice.

Insured Deposit Claims Payable represents balance of validated insured deposits but unclaimed by concerned depositors. The balance excludes the estimated insured deposit liabilities at ₱1.29 billion based on the latest report to PDIC of one bank which was closed and placed under the liquidation of the PDIC by the Monetary Board in November 2019. Subsequently, the Court of Appeals nullified the order of closure in September 2020. However, the Decision of the Court of Appeals has not yet attained finality.

Accounts Payable refers to the amount due to various suppliers/creditors and payable to the PDIC Provident Fund (PF) representing corporate and employees' contributions and loan amortizations deducted from salaries of employees for remittance in the following month to PF.

Due to Officers and Employees are composed of employees' unpaid salaries and benefits such as loyalty pay, overtime, performance incentive, rice benefit and tax refunds to be paid in the succeeding year.

12. INTER-AGENCY PAYABLES

This account consists of the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Due to BIR	30,049,402	0	30,049,402	21,563,830	0	21,563,830
Due to GSIS	7,864,209	0	7,864,209	10,244,399	0	10,244,399
Due to Philhealth	805,532	0	805,532	658,490	0	658,490
Due to Pag-IBIG	217,890	0	217,890	265,218	0	265,218
	38,937,033	0	38,937,033	32,731,937	0	32,731,937

Due to Bureau of Internal Revenue (BIR) represents taxes withheld on compensation, professional fees, rental, contractors, suppliers, fringe benefits taxes and other taxes for remittance to BIR in the following month.

Due to Government Service Insurance System (GSIS) represents corporate and employees' contributions and loan payments deducted from salaries of employees for remittance to GSIS in the following month.

Due to Philhealth represents corporate and employees' contributions for remittance to the Philippine Health Insurance Corporation in the following month.

Due to Pag-IBIG represents corporate and employees' contributions and loan payments deducted from salaries of employees for remittance to Home Development Mutual Fund in the following month.

13. TRUST LIABILITIES

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Guarantee/Security Deposits Payable	12,360,572	5,219,254	17,579,826	1,387,977	4,027,068	5,415,045
Customers' Deposits Payable	2,630,269	56,000	2,686,269	2,567,405	56,000	2,623,405
	14,990,841	5,275,254	20,266,095	3,955,382	4,083,068	8,038,450

This account includes security, guarantee deposits and bidders' performance bond payable.

14. UNEARNED INCOME

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Unearned Income	1,105,329	461,572	1,566,901	2,365,873	1,114,519	3,480,392

This account represents unearned income on sale of acquired assets on installment basis.

15. PROVISIONS

This account represents accrual of money value of the earned leave credits of PDIC personnel payable upon monetization, retirement or resignation.

16. OTHER PAYABLES

This account consists of the following:

	2020			2019		
	Current	Non-current	Total	Current	Non-current	Total
Dividends Payable	4,907,817,208	0	4,907,817,208	4,324,724,793	0	4,324,724,793
Other Payables	8,752,832	0	8,752,832	3,765,496	0	3,765,496
	4,916,570,040	0	4,916,570,040	4,328,490,289	0	4,328,490,289

Dividends Payable represents dividends due to NG for 2020 income for remittance on the first quarter of the following year.

Other Payables include overpayment by banks which are creditable to subsequent assessment periods.

17. BUSINESS INCOME

	2020	2019
Assessment Income	27,515,619,478	25,380,900,767
Interest Income	11,938,372,578	11,663,892,339
Dividend Income	14,778,969	20,475,493
Rent/Lease Income	3,371,628	4,107,053
Fines and Penalties-Business Income	216,238	3,086,932
Other Business Income	257,412,200	258,449,000
	39,729,771,091	37,330,911,584

18. GAINS

	2020	2019
Gain on Sale of Investment Property	6,730,503	15,076,642
Gain on Sale/Redemption/Transfer of Investments	627,536,658	0
Other Gains	1,144,083,634	13,123,608
	1,778,350,795	28,200,250

19. OTHER NON-OPERATING INCOME

	2020	2019
Reversal of Impairment Loss	223,941,698	551,794,144
Miscellaneous Income	1,687,857	1,649,320
	225,629,555	553,443,464

20. PERSONNEL SERVICES

	2020	2019
Salaries and Wages	442,377,454	439,360,805
Personnel Benefit Contributions	257,376,782	255,352,080
Other Compensation	222,269,167	222,075,303
Other Personnel Benefits	73,180,732	52,278,211
	995,204,135	969,066,399

20.1 Personnel Benefit Contributions

	2020	2019
Provident/Welfare Fund Contributions	198,169,708	197,713,035
Retirement and Life Insurance Premiums	53,152,425	52,894,827
PhilHealth Contributions	4,802,777	3,421,118
Pag-IBIG Contributions	605,372	661,800
Employees Compensation Insurance Premiums	646,500	661,300
	257,376,782	255,352,080

20.2 Other Compensation

	2020	2019
Year-end Bonus	90,187,839	81,871,877
Productivity Incentive Allowances	25,160,177	23,428,651
Representation Allowance	15,201,188	15,365,250
Transportation Allowance	14,893,725	15,024,665
Overtime and Night Differential	2,008,140	5,752,477
Personnel Economic Relief Allowance	3,205,968	3,282,345
Clothing/Uniform Allowance	3,222,000	3,046,382
Longevity Pay	2,244,030	2,198,140
Hazard Pay	177,632	0
Other Bonuses and Allowances	65,968,468	72,105,516
	222,269,167	222,075,303

20.3 Other Personnel Benefits

	2020	2019
Terminal Leave Benefits	47,976,564	26,979,402
Other Personnel Benefits	25,204,168	25,298,809
	73,180,732	52,278,211

21. MAINTENANCE AND OTHER OPERATING EXPENSES

	2020	2019
Utility Expenses	53,141,306	53,475,390
Professional Services	42,420,719	52,653,794
General Services	31,497,175	35,223,143
Travel Expenses	2,173,850	23,878,995
Supplies and Materials Expenses	7,710,325	13,205,486
Repairs and Maintenance	11,397,360	10,283,308
Confidential, Intelligence and Extraordinary	5,282,883	8,266,813
Taxes, Insurance Premiums and Other Fees	3,669,396	8,222,043
Training Expenses	1,981,527	5,646,724
Communication Expenses	7,290,931	5,195,579
Other Maintenance and Operating Expenses	215,239,704	171,799,452
	381,805,176	387,850,727

21.1 Utility Expenses

	2020	2019
Electricity Expenses	46,915,247	48,068,061
Water Expenses	6,226,059	5,407,329
	53,141,306	53,475,390

21.2 Professional Services

	2020	2019
Auditing Services	12,722,170	16,582,155
Consultancy Services	3,907,877	6,272,699
Other Professional Services	25,790,672	29,798,940
	42,420,719	52,653,794

21.3 General Services

	2020	2019
Security Services	20,415,461	22,976,302
Janitorial Services	10,242,702	11,180,325
Other General Services	839,012	1,066,516
	31,497,175	35,223,143

21.4 Travel Expenses

	2020	2019
Travel Expenses – Local	1,696,230	18,558,330
Travel Expenses – Foreign	477,620	5,320,665
	2,173,850	23,878,995

21.5 Supplies and Materials Expenses

	2020	2019
Office Supplies Expenses	4,426,189	8,921,561
Semi-Expendable Machinery and Equipment	664,534	1,810,225
Fuel, Oil and Lubricants Expenses	893,917	1,279,645
Drugs and Medicines Expenses	361,450	267,252
Semi-Expendable Furniture, Fixtures and Books Expenses	619,165	123,183
Accountable Forms Expenses	0	78,000
Medical, Dental and Laboratory Supplies	423,679	36,241
Other Supplies and Materials	321,391	689,379
	7,710,325	13,205,486

21.6 Repairs and Maintenance

	2020	2019
Machinery and Equipment	8,774,888	9,112,830
Transportation Equipment	435,526	417,809
Buildings and Other Structures	1,861,053	385,066
Leased Assets Improvements-Buildings	0	359,433
Furniture and Fixtures	325,893	8,170
	11,397,360	10,283,308

21.7 Taxes, Insurance Premiums and Other Fees

	2020	2019
Fidelity Bond Premiums	2,076,289	2,482,767
Insurance Expenses	1,550,575	1,281,440
Taxes, Duties and Licenses	42,532	4,457,836
	3,669,396	8,222,043

21.8 Communication Expenses

	2020	2019
Telephone Expenses	3,367,286	2,567,202
Postage and Courier Services	1,955,855	1,849,968
Internet Subscription Expenses	1,967,790	778,409
	7,290,931	5,195,579

21.9 Other Maintenance and Operating Expenses

	2020	2019
Rent/Lease Expenses	143,451,709	115,801,068
Documentary Stamps Expenses	18,483,351	0
Litigation/Acquired Assets Expenses	10,885,394	9,614,032
Directors and Committee Members' Fees	8,606,000	11,311,825
Subscription Expenses	5,994,823	4,697,928
Membership Dues and Contributions to Organization	1,343,165	1,155,174
Advertising, Promotional and Marketing	303,323	1,548,337
Printing and Publication Expenses	40,749	5,028,605
Donations	0	39,072
Other Maintenance and Operating Expenses	26,131,190	22,603,411
	215,239,704	171,799,452

22. FINANCIAL EXPENSES

	2020	2019
Interest Expenses	2,983,071,715	3,465,702,191
Management Supervision/Trusteeship Fees	333,069	306,679
Bank Charges	34,383	174,837
Other Financial Charges	782,678	5,348,357
	2,984,221,845	3,471,532,064

23. NON-CASH EXPENSES

	2020	2019
Provision for Insurance Losses	26,984,637,378	22,679,038,704
Depreciation	20,267,192	20,524,353
Amortization – Intangible Assets	5,409,011	7,320,782
Impairment Loss – Other Receivables	50,994	11,138
Losses on Foreign Exchange & Notes Payable	77,531,505	217,470,200
	27,087,896,080	22,924,365,177

23.1 Losses

	2020	2019
Loss on Foreign Exchange	193,045	132,281
Other Losses – Notes Payable (Early Extinguishment)	77,338,460	217,337,919
	77,531,505	217,470,200

24. TAXES

The Corporation is exempt from income tax, final withholding tax, value added tax (VAT) on assessments and local taxes pursuant to Section 22 c of R.A. 3591, as amended. R.A. 10963 or the TRAIN law became effective on January 1, 2018 where PDIC is no longer exempt from the payment of VAT on assessment collections but provides that such VAT obligations shall be charged against the TEF of the NG.

In compliance with the requirements of the Bureau of Internal Revenue (BIR) in Revenue Regulation No. 15-2010, hereunder are the information on the taxes, duties and license fees paid in 2020 and 2019:

	2020	2019
Withholding Taxes:		
On Compensation and Benefits	104,953,683	114,864,657
Creditable Withholding Taxes	21,077,910	49,846,416
Final Withholding Taxes	108,081	368,180
Value Added Tax	3,279,880,456	3,029,469,128
Documentary Stamp	18,483,351	0
BIR Annual Registration Fee	500	500
	3,424,503,981	3,194,548,881

25. DIVIDENDS TO THE NG

Dividends to the National Government (NG) amounted to ₱4.907 billion and ₱4.325 billion, in 2020 and 2019, respectively, representing 50 per cent of net income from other sources in 2020 and 2019, respectively.

A Memorandum of Agreement (MOA) dated December 21, 2017 was executed between PDIC and Department of Finance (DOF) where the settlement amount for the years 2004 to 2015 was agreed at ₱23.8 billion pending Department of Justice (DOJ) opinion/resolution of the issue with regard to the basis of the dividends due to the NG, in view of the differences of the parties on the proper application and interpretation of the Dividend Law and the relevant provisions in the PDIC Charter. Remittances under this MOA totaling ₱10.8 billion were made on December 22, 2017 and December 14, 2018; and ₱6 billion on December 13, 2019. On March 31, 2020, the Corporation remitted the amount of ₱7.0 billion ahead of installment due dates under the said MOA in response to the unexpected expenditures of the government in view of the COVID-19 pandemic.

On November 20, 2020, the DOJ issued its Opinion No. 47 S. 2020 to the Secretary of Finance in response to its request for a confirmatory opinion on whether PDIC is allowed by law to deduct any reserve from its net earnings for the purpose of calculating the dividends due to the NG for the period 2004 to 2015. The PDIC Board noted that the DOJ opined that the dividends remitted by PDIC to the NG for the period 2004 to 2015 were deficient due to the deduction of the reserves by the PDIC from its assessment collections and income from operations, contrary to the express provision of the Dividend Law. The DOJ opinion also highlighted that R. A. 10846 has a prospective application.

Moreover, a MOA dated March 14, 2019 (settlement amount of ₱4.066 billion for dividends years 2016-2017), Supplemental MOA dated March 9, 2020 (settlement amount of ₱2.006 billion for dividend year 2018) and 2nd Supplemental MOA dated October 21, 2020 (settlement amount of ₱1.942 billion for dividend year 2019) had been executed between DOF and PDIC on other dividend issues with the regard to deductibility from the dividend base the interest on borrowings for financial assistance and insurance purposes, and propriety of the exclusion of unrealized income, booked to comply with International Financial Reporting Standards, from the dividend base. Remittances under these MOAs in the amount of ₱1.355 billion and ₱6.659 billion were made in 2019 and 2020, respectively.

In a letter dated December 17, 2020, the DOF and PDIC have jointly replied to the DOJ letter dated 5 June 2020 which recommended the commencement of administrative adjudication on the proper interpretation and application of Section 18 of Republic Act No. 3591, as amended (PDIC Charter) on the abovementioned dividend issues. The DOF and PDIC, as approved by its Board, informed DOJ that they have agreed that there is no need to arbitrate. Instead, both DOF and PDIC shall request for an opinion DOJ and shall be bound therewith.

On March 4, 2021, DOF requested the remittance of ₱2.192 billion as additional dividends for CY 2020 based on the abovementioned dividend issues, citing the immediate need for NG resources to fund the health and economic recovery measures. The Board declared ₱2.192 billion additional dividends on March 24, 2021 and PDIC remitted to the NG on March 25, 2021. The same shall be covered by a 3rd Supplemental MOA pending the DOJ opinion.

26. LEASES

The Corporation leased the premises of the Social Security System at Ayala Avenue, Makati City which serves as PDIC's principal office for ₱126.30 million and ₱111.61 million as at December 31, 2020 and 2019, respectively. The lease is of short-term duration and renewable under certain terms and conditions. Payments made under such lease are expensed as incurred.

27. CONTINGENT LIABILITIES AND OTHER MATTERS

27.1 The following are the pending cases which may result in contingent liabilities as a consequence of adverse judgments that may be rendered:

Claims for deposit insurance

There were 16 cases were filed against the Corporation for payment of deposit insurance in the estimated amount of ₱27.393 million.

Cases subject matter of which are incapable of pecuniary estimation

There are eleven (11) cases where the Corporation was impleaded as a respondent or defendant, subject matter of which is incapable of pecuniary estimation. These involve acts of the Corporation in its capacity as Receiver/Liquidator.

The above excludes the items in litigation, which were acquired from the banks that were extended financial assistance.

27.2 Estimated insured deposits (EID)

As at December 31, 2020, estimated insured deposits up to the ₱500,000 maximum deposit insurance coverage amounted to ₱3.07 trillion², representing 78.74 million accounts. This is equivalent to 21.39 per cent of the total deposits of ₱14.35 trillion in the banking industry.

²Based on EID as of December 31, 2020

27.3 Banks under receivership and liquidation

After the PDIC Board approved the Reports of Termination of Liquidation of the Assets and Winding-up Operation of the Affairs of 337 closed banks, remaining banks under liquidation by PDIC as of December 31, 2020 stood at 367 closed banks. Based on available financial statements, the total estimated realizable value of assets (ERVA) and liabilities of 361 closed banks, excluding the five (5) banks closed in 2020 and a bank whose liquidation was nullified by the Court of Appeals in 2020 although the decision nullifying the liquidation has not yet attained finality, amounted to ₱43.30 billion and ₱141.31 billion, respectively. From the total ₱43.30 billion ERVA, PDIC has an estimated recovery of ₱17.97 billion for subrogated claims and ₱2.75 billion for receivership and liquidation expenses. This is subject to the approval of the Asset Distribution Plan of closed banks by their respective Liquidation Courts.

As of December 31, 2019, there were 375 closed banks under PDIC liquidation of which, 374 (excludes one bank closed in later part of 2019) have ERVA of ₱42.53 billion and liabilities of ₱142.58 billion based on their latest available financial statements.

28. RELATED PARTY TRANSACTION

The Corporation does not have dealings with related parties involving transfer of resources and obligations.

29. FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial Risk Factors

The Corporation is exposed to a variety of financial risks such as market risk, credit risk, and liquidity risk.

The financial risks are identified, measured and monitored to assess adequately the market circumstances to avoid adverse financial consequences to the Corporation.

Market risk

The Corporation measures and manages its rate sensitivity position to ensure build-up of its investment portfolio. Special emphasis is placed on the change in net interest income that will result from possible fluctuations in interest rates, changes in portfolio mix and tenor.

Credit risk

Credit risk to the Corporation is the risk that the loans granted to operating banks needing financial assistance or assigned to PDIC will not be paid or collected when due, and when investing activities are not prudently exercised to consider risk/reward relationships of market factors and established parameters.

PDIC exercises prudence in the grant of financial assistance based on the provisions of its Charter and its exposures to credit risks cognizant of its mandate to safeguard the interest of the depositing public and contribute to the promotion of financial stability. This is managed through periodic examination of assisted banks and monitoring of the covenants in the loan agreements. The Corporation likewise mitigates such risk through the collateral requirements as part of its sources of payment.

Moreover, the Corporation is allowed to invest only in obligations of the Republic of the Philippines (ROP) or in obligations guaranteed as to principal and interest by the ROP.

The table below provides the analysis of the maximum exposure to credit risk of the Corporation's Notes Receivables before and after taking into account collateral held or other credit enhancements:

	Maximum Exposure	Fair value of collateral or credit enhancement	Net Exposure
2020			
Notes Receivable	1,633,086,553	1,633,086,553	0
2019			
Notes Receivable	1,954,651,759	1,954,651,759	0

Liquidity risk

The liquidity risk is the adverse situation when the Corporation encounters difficulty in meeting unconditionally the settlement of insurance calls and its obligations at maturity. Prudent liquidity management requires that liquidity risks are identified, measured, monitored and controlled in a comprehensive and timely manner. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory and other external factors that may affect the liquidity position of the Corporation.

The liquidity management policy of the Corporation is conservative in maintaining optimal liquid cash funds to ensure capability to adequately finance its mandated activities and other operational requirements at all times. The Corporation's funding requirements is generally met through any or a combination of financial modes allowed in the PDIC Charter that would give the most advantageous results. Senior management is actively involved in the Asset Liability Committee headed by the President and CEO with most of the Executive Committee as members.

The Corporation is authorized to borrow from the BSP and from designated depository or fiscal agent of the Philippine Government for insurance and financial assistance purposes.

The table below summarizes the maturity profile of the Corporation's financial liabilities as at December 31, 2020 and 2019.

	On Demand	Up to 3 months	> 3 up to 12 months	> 1 up to 5 years
As at December 31, 2020				
Accounts Payable and Due to Officers and Employees	143,206,487	0	0	0
Insured Deposit Claims Payable	224,532,648	0	0	0
Notes Payable	1,532,395,917	0	36,970,354,777	12,728,920,854
	1,900,135,052	0	36,970,354,777	12,728,920,854
As at December 31, 2019				
Accounts Payable and Due to Officers and Employees	119,604,010	0	0	0
Insured Deposit Claims Payable	183,118,541	0	0	0
Notes Payable	5,921,991	0	20,942,250,894	50,040,100,680
	308,644,542	0	20,942,250,894	50,040,100,680
	> 5 up to 10 years	> 10 up to 20 years	Over 20 years	Total
As at December 31, 2020				
Accounts Payable and Due to Officers and Employees		0	0	143,206,487
Insured Deposit Claims Payable		0	0	224,532,648
Notes Payable	306,230,998	0	127,120,061	51,665,022,607
	306,230,998	0	127,120,061	52,032,761,742
As at December 31, 2019				
Accounts Payable and Due to Officers and Employees		0	0	119,604,010
Insured Deposit Claims Payable		0	0	183,118,541
Notes Payable	292,158,840	285,003,230	119,579,938	71,685,015,573
	292,158,840	285,003,230	119,579,938	71,987,738,124


Capital Management

PDIC aims to maintain its Deposit Insurance Fund (DIF) to Estimated Insured Deposits (EID) ratio of at least five and one half per cent to eight percent (5.5% - 8%) which the Corporation's Board of Directors adopted as a measure of capital adequacy since 2017.

The target ratio represents the ability of the Corporation to cover anticipated and unanticipated risks in the banking system to enable it to promptly respond to possible insurance calls and financial assistance to banks, as may be warranted, towards maintaining the faith and confidence in the Country's banking system.

As of December 31, 2020, DIF/EID ratio stood at 6.99% with DIF at ₱214.75 billion over estimated EID at ₱3.07 trillion³.

³Based on EID as of December 31, 2020

An abstract graphic on the right side of the page. It features a horizontal bar with a yellow-to-white gradient, positioned above a dark, pixelated city skyline. The skyline is composed of various grey and black rectangular blocks of different heights. The entire graphic is set against a light grey background that has a subtle gradient from top to bottom.

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