

**Philippine Deposit Insurance Corporation**  
**Annual Report 2004**



# **V**ISION

*The Philippine Deposit Insurance Corporation, operationally responsive to the needs of the depositing public and the banking community; professionally managed, financially strong, adequately manned and equipped, toward the enhancement of sound banking and savings mobilization for national development.*

*The PDIC employee, an epitome of exemplary public service.*

# **M**ISSION

*As INSURER, provide adequate depositor protection and education and ensure immediate processing and settlement of depositor claims;*

*As REGULATOR, conduct diligent monitoring and examination of member banks and undertake prompt, decisive and prudent interventions;*

*As RECEIVER, implement efficient receivership, judicious rehabilitation, and expeditious liquidation of closed banks.*

# **B**ELIEFS

*Integrity, professionalism, resourcefulness, perseverance, teamwork, and developmental spirit are essential in accomplishing our missions;*

*Improvement of service delivery is a continuing commitment; and  
People are our most important resource.*



# PHILIPPINE DEPOSIT INSURANCE CORPORATION

**RICARDO M. TAN**

President and Chief Executive Officer

*July 2005*

HER EXCELLENCY

**PRESIDENT GLORIA MACAPAGAL-ARROYO**

Malacañan Palace, Manila

Through : **Honorable MARGARITO B. TEVES**  
Secretary, Department of Finance  
Chairman, PDIC Board of Directors

Dear Madame President:

I have the honor to present the Annual Report of the Philippine Deposit Insurance Corporation for the year 2004. The Report focuses on the Corporation's major accomplishments in strengthening depositor protection and promoting confidence in the banking system, highlighted by the culmination of a long campaign for the passage of Republic Act 9302 amending the PDIC Charter.

On behalf of the PDIC Board of Directors, management, and staff, I convey our gratitude to Her Excellency for supporting the passage of the said Republic Act 9302. Our newly revitalized mandate will enable us to continuously upgrade our delivery of public service in the coming years.

Very truly yours,

A handwritten signature in blue ink, appearing to be "RT", is written over a faint, circular watermark or stamp.



# PHILIPPINE DEPOSIT INSURANCE CORPORATION

**RICARDO M. TAN**

President and Chief Executive Officer

*July 2005*

**Honorable FRANKLIN M. DRILON**

President of the Philippine Senate

**Honorable JOSE DE VENECIA, JR.**

Speaker of the Philippine House of Representatives

Through : **Honorable MARGARITO B. TEVES**  
Secretary, Department of Finance  
Chairman, PDIC Board of Directors

Gentlemen:

I have the honor to submit the 2004 Annual Report of the Philippine Deposit Insurance Corporation pursuant to Section 15 of Republic Act 3591, as amended. The Report highlights the major accomplishments and results of operations of the Corporation in strengthening depositor confidence in the stability of the banking system.

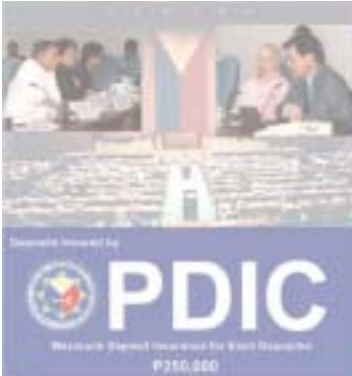
On behalf of the PDIC Board of Directors, management, and staff, I would like to thank the Senate and the House of Representatives for the support that led to the enactment of Republic Act 9302 that amended PDIC's Charter.

Very truly yours,

A handwritten signature in blue ink, appearing to be "Ricardo M. Tan", is written over a faint, circular watermark of the PDIC logo.

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# President's Report

In 2004, PDIC achieved a quantum leap in service efficiency - focusing mainly on its core mandate of protecting the depositing public.

For the first time in the Corporation's history, single digit turnaround time (TAT), the number of days from bank closure up to the start of payouts, was achieved for each of all the banks closed during the year. This represented an improvement compared to last year when single-digit TAT was achieved for 83% of closed banks. A record of five (5) days TAT for one rural bank was chalked up as well. All of these provided timely relief for depositors of closed banks.

On top of the speedy payouts, PDIC also intensified depositor protection by paying out insured deposits at the new maximum deposit insurance coverage of P250,000, which was two and a half times its previous level. The first beneficiaries of this increased ceiling were depositors of the First Savings and Loan Bank which was closed in September 2004.

Assessment collection from 891 member-banks for the year amounted to P5.03 billion, a 7% increase from 2003's level of P4.72 billion. With the aforementioned increase in MDIC to P250,000, the ratio of insured deposits to total deposits rose to 27% from previous year's 19%.

The deposit insurance fund increased by 8.2% from P38.72 billion in 2003 to P41.90 billion this year. Financial assistance granted for the year to two commercial banks amounted to P9.14 billion.

The closure by the Monetary Board of four banks (i.e., 2 thrift and 2 rural banks) brought the total number of banks under PDIC receivership/liquidation management to 431 (i.e., 2 commercial, 53 thrift, and 376 rural banks) as of December 2004. The estimated realizable value of assets (ERVA) of the aforesaid 431 closed banks amounted to P13.36 billion as of year-end. Total recoveries from assets of closed banks in 2004 amounted to P259.49 million.

The Corporation continued to take an aggressive stance in its liquidation activities. The completion of 78



final projects of distribution (FPODs) in 2004 was the highest accomplishment recorded since PDIC was designated by law as statutory liquidator of closed banks in 1992. With this, the total number of FPODs of closed banks reached 103 as of December 31, 2004. The completed FPODs for 2004 accounted for almost 76% of the total number of FPODs completed as of year-end 2004.

PDIC's financial performance fared well. Total assets of the Corporation grew by 1.5% to P127.62 billion from 2003 level of P125.78 billion. Total liabilities declined by 1.54% to P85.72 billion from the end 2003 level of P87.06 billion, mirroring the decline in loans payable to the Bangko Sentral ng Pilipinas (BSP) from P83.41 billion to P80.72 billion. Net income for the year was recorded at P202.19 million, out of which, P101.09 million in dividends to the National Government were declared.

As a vital component of the financial safety net, PDIC actively participated in the meetings and activities of the Financial Sector Forum, an interagency forum composed of the country's financial regulators/



supervisors namely, the PDIC, BSP, Securities and Exchange Commission, and the Insurance Commission.

PDIC's operations were successfully executed despite budgetary constraints imposed by Administrative Order 103 dated August 31, 2004 which directed all government agencies to implement cost-saving schemes. Austerity measures adopted by PDIC yielded P3.22 million in savings from October to December 2004.

The effectivity of Republic Act 9302, or the Amendments to the PDIC Charter on August 12, 2004, armed PDIC to provide heightened depositor protection in a number of ways: the increase in the maximum deposit insurance cover (MDIC) to P250,000 without a corresponding increase in the assessment rate for premium borne by banks; the restoration of PDIC's authority to examine banks with prior approval by the Monetary Board; continuous insurance coverage of banks; the grant of financial assistance to distressed banks under systemic risk considerations; the authority to investigate banks on frauds, irregularities and anomalies based on complaints received and reports of bank examinations; and the enhancement of PDIC's receivership and liquidation authority.

The Charter amendment which started as House Bill 12384 was made possible through the concerted efforts of various sectors who recognized the

significance of the bill, including the President of the Republic who certified the passage of the bill as urgent; key legislators of both houses of Congress; the BSP; bank groups such as the Bankers Association of the Philippines, Chamber of Thrift Banks and Rural Bankers Association of the Philippines; the print and broadcast media; and last but equally important, the depositing public who helped advocate for Charter change.

As provided in the amended Charter, the Corporation undertook in August a major reorganization that resulted to a much leaner and more nimble organization. The PDIC provided for a Separation Incentive Program for 199 employees who either retired or were separated from the service on account of the reorganization. The new organizational structure takes effect on February 1, 2005.

Fortified with new and revitalized powers, and manned by competent and dedicated personnel, the Corporation is now primed to deliver more effective depositor protection in the years to come.

A handwritten signature in black ink, appearing to read 'Ricardo M. Tan'.

**Ricardo M. Tan**  
President and Chief Executive Officer





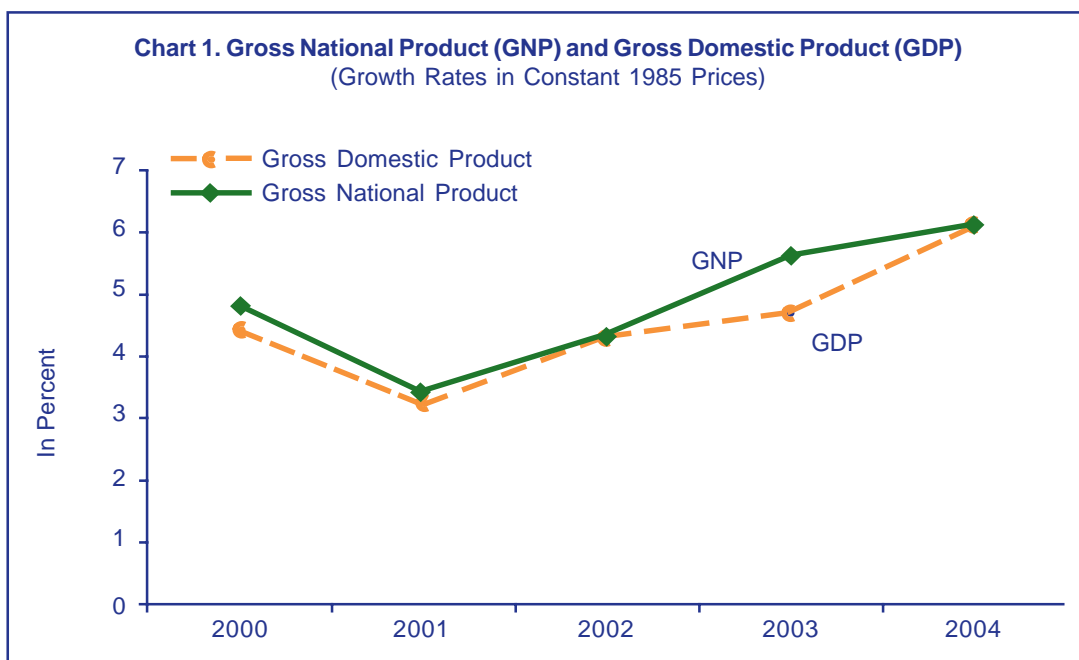
# Economy and Banking

## The Economy

The economy sustained its growth momentum in 2004 as gross domestic product (GDP) rose by 6.1% from 4.7% in 2003, exceeding the government's growth target of 5.8%. Strong private consumption spending on the demand side and the robust expansion of the services sector on the production side drove growth despite the rising prices of domestic goods. Inflation averaged 6.0% in 2004, higher than the previous year's 3.5% and the government's 5.0% target for the year. Increase in prices of food and fuel-related products, transport costs, and power rates posted upward adjustments primarily because of the continued increase in oil prices in the international market.

Election-related spending in the first half of 2004, increased OFW remittances, and improved agricultural sector income spurred private consumption spending. Capital formation accelerated with increased investments on construction and durable equipment. Exports likewise posted dramatic growth as demand for electronic products and travel services strengthened and were supported by the peso's 3.4% depreciation.

Cautious spending by the national government led to a contraction in government consumption as concerns over the widening fiscal deficit took priority. These apprehensions were assuaged with a reduction of the budget deficit to P186 billion in 2004 from almost





P200 billion in 2003, 5.9% lower than the government ceiling. Despite improvement in fiscal position, the government continued to resort to foreign and domestic borrowing due to losses sustained by public corporations. Outstanding public sector debt by the end of the year stood at P3.8 trillion.

On the production side, the services sector continued to be the biggest contributor to economic growth, posting the strongest expansion among the sectors with 7.3%. Increases were noted in transportation and communications,

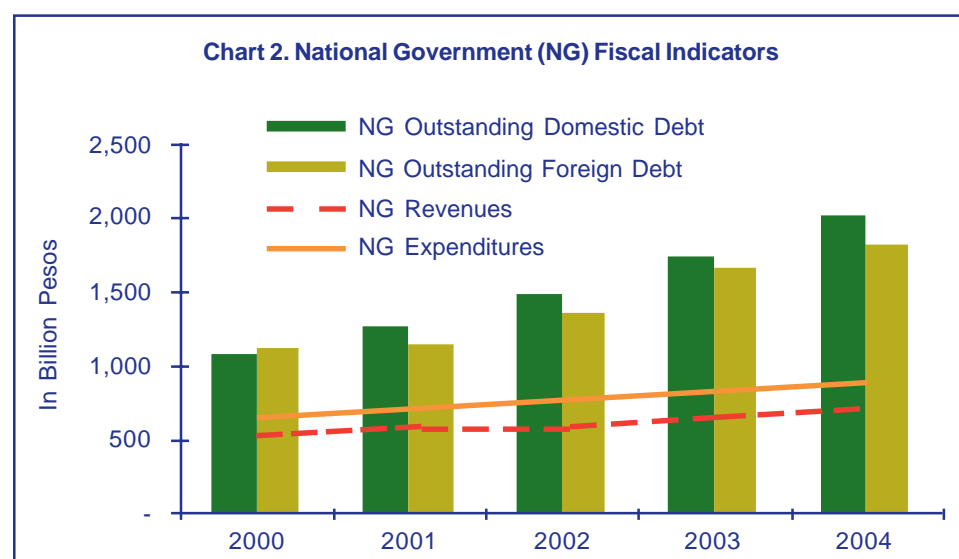
**Table 1. Gross Domestic Product, Growth Rates of Components**  
*In Constant 1985 Prices*

	2000	2001	2002	2003	2004
<b>Gross Domestic Product</b>	4.4	1.8	4.3	4.7	6.1
<b>By Expenditure Share</b>					
Personal Consumption Expenditure	3.5	3.6	4.1	5.3	5.8
Government Consumption	6.1	-5.3	-3.7	0.5	-0.8
Capital Formation	5.5	(7.3)	(5.0)	0.1	12.7
Exports	17.7	(3.4)	3.6	4.4	14.0
Imports	4.0	3.5	4.7	10.2	6.3
<b>By Industrial Origin</b>					
Agriculture, Fisheries, Forestry	3.4	3.7	3.8	3.8	4.9
Industry <sup>a</sup> Sector	4.9	-2.5	3.6	3.8	5.3
Service <sup>b</sup> Sector	4.4	4.3	5.1	5.8	7.3

<sup>a</sup> Comprised of mining and quarrying, manufacturing, construction, electricity, gas and water

<sup>b</sup> Comprised of transportation, communication, storage, trade, finance, ownership dwelling and real estate, private and government services.

Source: National Statistical Coordination Board as cited by BSP (as of March 2005)



Source: Bureau of Treasury

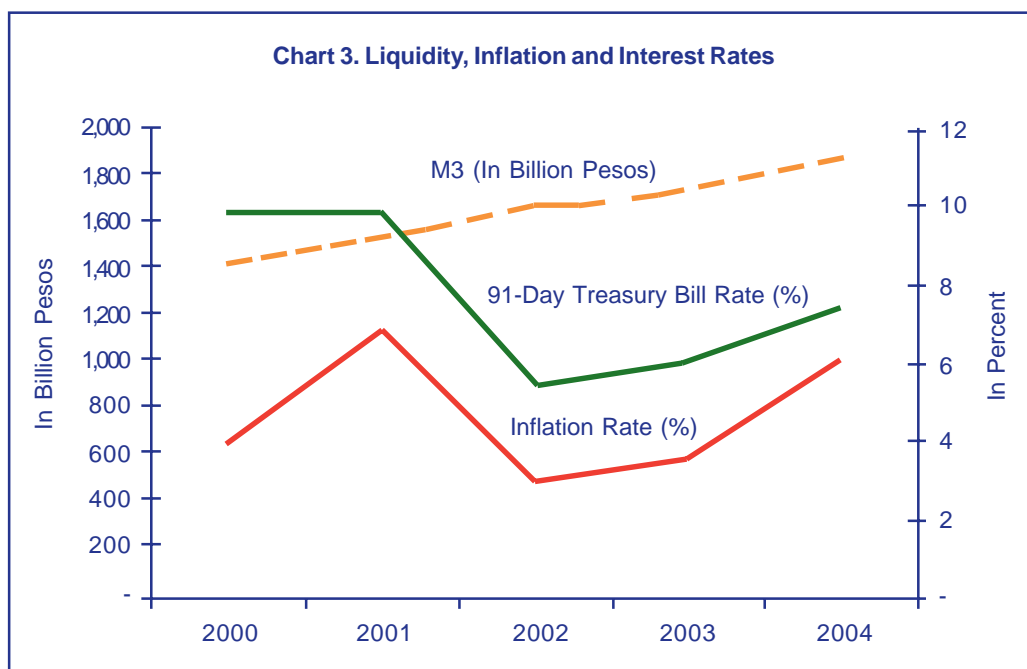
occupied dwellings<sup>1</sup> and real estate, private services and finance sub-sectors.

The industry sector posted a 5.3% growth with favorable performances in manufacturing, construction and utility sub-sectors. Manufacturing benefited from strong exports, high election-related spending and better agricultural production. Agriculture grew by 4.9% mainly driven by gains in fishery, forestry, palay and corn products, which were partly attributed to increased productivity.

<sup>1</sup> Imputed rent of owner-occupied residential units

Due to heightened economic activity, demand for money (M3) grew by 9.2% in 2004 from 3.3%<sup>2</sup> the prior year. The cost of doing business increased as average annual 91-day Treasury bill rate rose to 7.3% from 6.0%

in 2003. The upward trend in interest rates reflected market concerns over the government's fiscal position, accelerating inflation, and rising U.S. interest rates.



Source: BSP

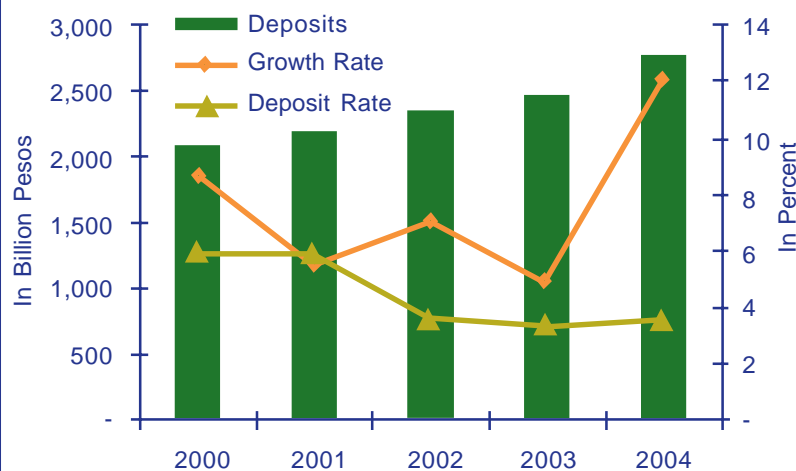
<sup>2</sup> Based on NSCB website.

## The Banking System

Total resources of the banking system grew by 9.9% to P4.0 trillion in 2004, up from the 5.3% growth registered in 2003. The asset expansion was financed by deposits which increased by 12.1% in 2004 from 4.9% in 2003. Increase in deposits came primarily from time deposits, which grew by 35.9%, as influenced by upticking interest rates. Furthermore, the share of time deposits to total deposits rose to 32.8% from 27.1% in 2003 while share of savings deposits slipped to 54.1% from 59.6%. This trend suggested depositors' preference for higher returns at fixed maturities. The shift was most evident among account balances of more than P200,000.

While total assets expanded, growth in banks' outstanding loans decelerated to 2.2% in 2004 from 6.7% in 2003. This was partly due to weak credit demand, rising lending rates and still high level of non-performing assets (NPA). However, banks managed to improve asset quality in 2004 as non-performing loans (NPL) dropped by 10.9% to P260 billion from P292 billion in 2003. This contraction was largely attributed to increased loan payments by delinquent borrowers, resulting in an improvement in NPL share to total loans to 12.9% from 14.7% the previous year. Banks maintained almost the same level of loan loss provisions while NPAs decreased. This brought the loan loss provision to NPA ratio up to 35.6% in 2004 from 33.7% the year before.

**Figure 1. Deposits**



Note: Deposit Rate or Deposit Cost is computed as Interest Expense on Deposits over Average Deposits

**Figure 2. Loans**

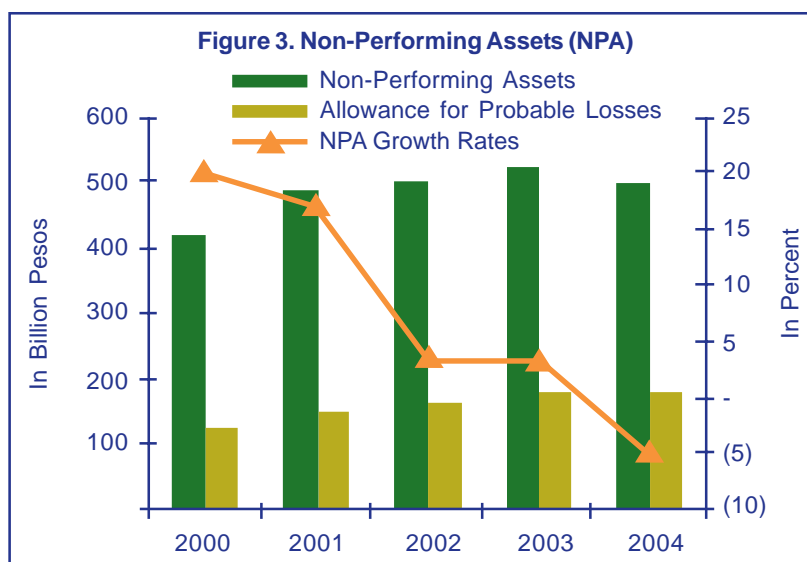


Note: Lending Rate or Yield on Loans is computed as Interest Income on Current Loans over Average Current Loans

Total investments posted growth rates of 26.1% in 2004 from 12.6% in 2003. With persistent concerns over borrowers' risks, banks continued to prefer liquid and less risky assets in the form of government securities. Bank investments in trading account and government securities, and government bonds expanded by 39.9% in 2004, the highest growth rate in five years.

Despite intensified investment activities, banks' profitability suffered. The lower profitability can be attributed to the decreases in fee-based income and trading gains; lower income from banks' assets sold or exchanged since bulk of NPLs were sold to special purpose vehicles (SPVs); low recoveries from accounts previously written off; less dividends on equity investments; and higher operating expenses.

Banks' capital adequacy showed some improvements even with lower profits as a result of enhancement in their asset quality and growth in capital. Banks' ability to absorb potential losses from risky assets improved slightly as indicated by the increase in capital to risk assets ratio to 13.5% in 2004 from 13.2% in 2003. The capital base of banks expanded by 5.5% in 2004 from 3.3% in 2003 with more banks responding positively to calls by the BSP to meet capital requirements.



Out of 897 operating member-banks at the end of 2003, four were closed and four were merged or consolidated<sup>3</sup>, leaving 891 operating member banks by the end of 2004. Amid this backdrop, the challenges are formidable for banks to continue to clean up their balance sheets and expand intermediation activities.

The PDIC will continue to work closely with regulatory authorities to ensure that banks operate safely and soundly, intervening when warranted in the case of distressed banks. However, if banks fail, PDIC is ready to protect depositors through prompt servicing of claims payments.

<sup>3</sup> However, one bank was opened and another re-opened in 2004.

# Charter Amendments: A Chronicle



The beginning of a long struggle to amend the PDIC Charter and to advocate for reforms in deposit insurance operations dated back to 1998, six years after the enactment of Republic Act 7400, the law that enhanced PDIC's mandate. It was prompted by the spate of bank closures during said year.

In 1999, Rep. Jesli Lapus (Tarlac) filed House Bill 6724 that sought to amend the PDIC Charter. While the proposed bill passed the third reading at the House of Representatives, the Senate failed to pass the required counterpart bill for lack of time. The fate of the Charter amendments thus lay in limbo for three years.

During the economic summit in 2002, Malacañang, upon recommendation by the Legislative-Executive Development Authority Council (LEDAC), certified as urgent bills that called for economic and financial reforms including the amendment of the PDIC Charter. The proposed amendments sought, among others, to double the maximum deposit insurance coverage (MDIC) from P100,000 to P200,000 as inflation had eroded the purchasing power of the MDIC.

The proposed legislation was endorsed as a priority administration measure after thousands of depositors with deposit balances beyond P100,000 were adversely affected by the closure of Unitrust Development Bank in 2002.

In the same year, the late Senator Renato Cayetano authored the Senate version of the Charter amendments proposing a stratified increase of the MDIC to as much as P175,000. Under his proposed bill, the insurance coverage shall be 100% of the amount of deposit if it is less than P100,000. For deposits of P100,000 and up to but less than P250,000, coverage will be increased to 75% of the deposit, provided the depositor shall receive no less than P100,000. For deposits of P250,000 or more, coverage will be 50% of the deposits, provided the depositor will receive no less than P175,000.



*Senator Sergio Osmeña receives a plaque of appreciation from the PDIC management. He is flanked from left by VP-Training and Public Affairs Group Rescina Bhagwani, VP-Human Resource Management Group Nestor Flores, Mr. Joe Flores, PDIC PCEO Ricardo M. Tan, SVP-Management Services Sector Noemi Javier, former Press Secretary and PDIC Consultant Hector Villanueva and SVP-Legal Affairs Sector Jesus Fidelino Clariza.*

At the House of Representatives, Rep. Lapus revived his legislative proposal to amend the Charter through House Bill 255 which sought to raise the MDIC from P100,000 to P200,000 with a provision for automatic review and adjustment every five years and to provide continuous insurance cover for all banks despite bank's failure to pay assessment fees.

House Speaker Jose de Venecia directed the Committee on Banks to speed up deliberations by holding two hearings per week to be able to pass it on the third reading before Congress adjourned on June 6.

During the House committee deliberations, an increase in the MDIC of up to P350,000, or a 250% increase from the P100,000 coverage was proposed. This would mean wider insurance coverage for more deposit accounts. This, however, could not be implemented without the necessary and corresponding adjustment in the rate of insurance premium to cover potential losses on the Deposit Insurance Fund.





The bill seeking the amendment of the PDIC Charter was not passed before the Congress adjourned on June 6.

In October 2002, Senator Juan Flavio filed a bill which proposed to increase the MDIC to a minimum of P200,000 up to a maximum of P500,000 to cushion the adverse effects of bank closures on depositors. During the public hearings, PDIC expressed concern over the proposal as it posed a moral hazard on the part of the depositors who, defying sound judgement, may be lured by high interest rates offered by distressed banks. Such proposal would not foster responsible and prudent business judgment among depositors. For its part, the Lower House proposed House Bill 6003, increasing the MDIC to P400,000, with no additional insurance premium.

By January 2003, the Senate Committee on Banks, Financial Institutions and Currencies, passed on its third reading Senate Bill 2730. The bill sought to amend PDIC's Charter by increasing the MDIC to P200,000 and restoring PDIC's authority to independently examine banks not previously examined by the BSP.

In February 2004, both Houses of Congress reached a compromise agreement during the bicameral conference committee hearing. The lawmakers finally agreed that the MDIC will be increased to P250,000 with no additional premium levied against banks. PDIC's examination authority would be restored, with prior approval of the Monetary Board. Before Congress went on recess prior to the May 2004 general elections, the Senate, in plenary, was able to ratify the joint bill. The House of Representatives, on the other hand, went on recess without ratifying the bicameral conference committee report on the joint bill.

However, when Congress resumed in June 2004, it convened not as a legislative body, but as the National Board of Canvassers for the recently concluded elections. Undaunted by the series of stumbling blocks to the passage of the amendments to its Charter, PDIC, together with the banking sector and the media, rallied behind the bill and urged the House to ratify the Senate-ratified bicameral conference committee report.

The Bankers Association of the Philippines (BAP) through its president, former prime minister Cesar E.A. Virata, made an official pronouncement declaring that non-passage of the bill would deprive potential and existing depositors of sufficient protection.

The Chamber of Thrift Banks (CTB) issued a resolution enjoining the House of Representatives to include the ratification of the PDIC bill in the agenda of Congress when it resumed session or in a special session.

The Rural Bankers Association of the Philippines (RBAP) also passed a resolution asserting that failure to increase the MDIC would erode the confidence of small countryside depositors.

Depositors nationwide also supported the ratification of the bill by way of letters to the President, Congress, PDIC, and newspapers noting that failure to pass the bill will deprive millions of depositors better protection.



*Rep. Jesli Lapus, a staunch supporter of the PDIC Charter amendments, enjoys a light moment with PDIC President and CEO Ricardo M. Tan and BSP Governor Rafael B. Buenaventura during the thanksgiving cocktails hosted by PDIC.*

Print and broadcast media also aired support for the passage of the PDIC bill.

Congress ratified the bill amending the PDIC Charter on the day of its *sine die* adjournment on June 11, 2004, in what would now be remembered as an unprecedented display of brinkmanship. Speaker de Venecia expressed hope that the last-minute approval of the bill would generate more savings and enable the country to be at par with the strong savings efforts of Singapore, Thailand and Malaysia.



*President Gloria Macapagal-Arroyo signs into law Republic Act 9302, amending the PDIC Charter, in simple ceremonies at Malacanang. The law provides better protection to 26 million depositors through increased deposit insurance cover of P250,000.*

The PDIC bill, also known as Republic Act 9302, was signed into law on July 27, 2004 by President Gloria Macapagal-Arroyo in Malacañang. It was one of the first pieces of legislation that the President signed since assuming office in 2004.

RA 9302 took effect on August 12, 2004, capping a six-year legislative struggle to champion the interests of the depositing public.





# Risk Assessment and Management

**A**ssessment collection from 891 member-banks amounted to P5.03 billion, a 7% increase from previous year-end level of P4.72 billion. This mirrored the 12.1% growth in deposits. Commercial banks contributed 89% to total assessment collection, thrift banks 8% and rural banks 3%. Note that despite the increase in the MDIC from P100,000 to P250,000, assessment rate was maintained at 1/5 of 1% of total deposit liabilities of banks.

Total deposits in the Philippine banking system stood at P2.75 trillion, of which P735.7 billion or 26.7% were insured. Of this insured amount, P441 billion or 60% were fully insured at the MDIC of P250,000. Total number of accounts in the system stood at 26.17 million, of which 24.99 million deposit accounts or 95.5% were fully insured.



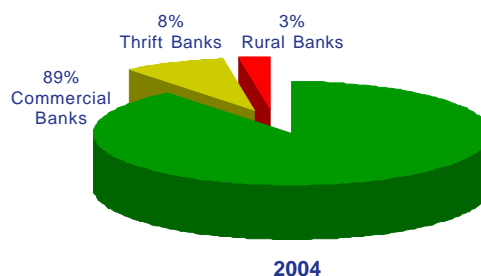
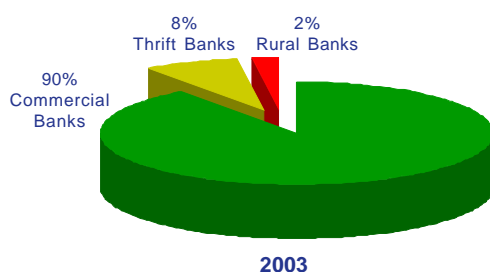
Utilizing an internally developed monitoring system, the Corporation classifies banks by risk ratings to determine banks in need of prompt intervention.

**Table 1**  
**Deposit Liabilities and Assessment Collection from Member Banks**  
**As of December 2004**  
(Amounts in Billion Pesos)

Bank Type	2004				2003			
	Member Banks	Total Deposits <sup>a/</sup>	Insured Deposits	Assessment Collections	Member Banks	Total Deposits <sup>a/</sup>	Insured Deposits	Assessment Collections
<b>Commercial Banks</b>	42	2,460.08	603.63	4.49	42	2,196.46	376.59	4.24
<b>Thrift Banks</b>	87	223.73	80.40	0.41	92	196.96	49.65	0.36
<b>Rural Banks</b>	762	70.72	51.70	0.13	763	62.21	36.33	0.11
<b>Total</b>	<b>891</b>	<b>2,754.53</b>	<b>735.73</b>	<b>5.03</b>	<b>897</b>	<b>2,455.63</b>	<b>462.57</b>	<b>4.72</b>

<sup>a/</sup> Deposit data refer to deposits of PDIC members banks, excluding deposits in overseas branches

**Assessment Collection from Member Banks**



## Deposit Insurance Fund

**Table 2**  
**Deposit Insurance vs. Insured Deposits**  
(Amount in Million Pesos)

	2004	2003
<b>Deposit Insurance Fund</b>	<b>41,897</b>	<b>38,722</b>
Permanent Insurance Fund	3,000	3,000
Estimated Insurance Losses	36,578	33,363
Retained Earnings	2,319	2,358
<b>Total Deposits <sup>a/</sup></b>	<b>2,754,533</b>	<b>2,455,634</b>
<b>Total Insured Deposits</b>	<b>735,722</b>	<b>462,574</b>

<sup>a/</sup> Deposit data refer to deposits of PDIC members banks, excluding deposits in overseas branches

As of end 2004, the Deposit Insurance Fund (DIF) stood at P41.90 billion, an 8.2% increase from last year's P38.72 billion. Under Section 13 of the amended Charter, the DIF is composed of the following: 1) Permanent Insurance Fund (PIF), 2) assessment collections subject to charges enumerated in Section 6 (d)<sup>4</sup>, 3) reserves for insurance and financial assistance losses, and 4) retained earnings.

With the new MDIC of P250,000, ratio of DIF to estimated insured deposits decreased to 5.7% compared to previous year's 8.4% at MDIC of P100,000.

Starting year-end 2003, PDIC adopted a fund target approach with the target level derived based on direct threat to and potential demand from the Corporation's capital or the DIF. This is a shift from previous methodology of determining the amount of annual provision for insurance losses as basis for DIF build-up.

PDIC adopted a DIF target level of P90 billion which the Corporation aims to reach in 2011. This amount reflects the best estimate as to adequacy of reserves against risks in the banking system given prevailing conditions.

## Risk Monitoring

PDIC monitors the financial condition of member-banks toward minimizing the risks posed to the DIF. When necessary, PDIC enforces prompt corrective measures essential in maintaining public confidence in the stability of the banking system.

Devised in 2002 to replace the Bank Monitor (BM) system, the Off-site Bank Rating Model (OBRM) provides comprehensive assessment of banks' condition using commonly applied ratios to measure soundness and viability. Through this internally developed model coupled with data from financial statements submitted by banks, examination findings shared by the BSP, and credit rating agencies, PDIC evaluates the general condition of each member bank and identifies those that require closer monitoring. Priority banks for monitoring are further subjected to an in-depth quantitative and qualitative analysis to better determine the likelihood of failure and requirements for possible payout.

## Financial Assistance

The Corporation is authorized to grant financial assistance to banks in danger of closing if the continued operations of such bank is vital to the interests of the community or to the maintenance of financial stability in the economy. The Corporation may also extend financial assistance to a closed bank if the reopening and resumption of operations of said closed bank is deemed to be vital to the interests of the community, or if threats to the banking system's stability exist. Further, PDIC may also assist any corporation acquiring control of, merging, or consolidating with, or acquiring the assets of an insured bank in danger of closing to prevent its closure; or of a closed bank to restore it to normal operations.

<sup>4</sup> Charges enumerated in this Section are: (a) the operating costs and expenses of the Corporation for the calendar year; (b) additions to reserve to provide for insurance and financial assistance losses, net of recoverable amounts from applicable assets and collaterals during the calendar year; and (c) the net insurance and financial losses sustained in said calendar year.



The financial assistance can be in the form of direct loan, purchase of assets, assumption of liabilities, placement of deposits and preferred or quasi-equity of the insured bank. The determination of the appropriate rehabilitation scheme and financial assistance package for a bank is guided by the principles of reasonable burden sharing among stakeholders i.e., shareholders, strategic third party investors, depositors/creditors and government, with the goal of bringing the bank to safe harbor. The rehabilitation scheme should uphold good governance and present the strongest prospects for long term sustainability and viability of operations based on the evaluation of strength of investors and quality of the rehabilitation plan. Prior to the exercise of authority to grant financial assistance, PDIC has to first determine that the costs of actual payoff and liquidation of the bank concerned will be more expensive than grant of financial assistance.

In 2004, the Corporation extended a total of P9.14 billion in assistance to two commercial banks.

The 10-year loan to the Philippine Bank of Communications (PBCom) in the amount of P7.64 billion is part of the rehabilitation package approved by the PDIC Board and the Monetary Board, which involved a P3 billion capital injection by the existing majority owners, disposal of P12 billion NPAs to a special purpose asset vehicle, dilution of the shares of the major stockholders to 33% or less in favor of a strategic investor through the latter's purchase of stockholdings of at least 67%, or merger/consolidation on or before the 6th year, and appointment of four (4) board members nominated by PDIC, among others.

On the other hand, liquidity assistance of P1.5 billion was availed by Export and Industry Bank (EIB)

to be settled within a period of 2 years with interest based on prevailing 91-day Treasury bill rate plus 1.5%, payable quarterly in arrears. The P1.5 billion standby liquidity assistance was part of the total financial assistance package granted to EIB in 2001 by virtue of its merger with Urban Bank, Inc. and Urbancorp Investment, Inc.

### Linking Arms with BSP

The implementing guidelines of the Memorandum of Agreement on Information Exchange between the BSP and the Corporation were approved during the year. Signed in 2002, the MOA provided for periodic information sharing of bank pre-licensing information, individual bank data, banking industry statistics and reports, as well as early warning indicators, regulatory issuances and circulars. To ensure consistency in bank and industry data generated by both agencies, a data processing and sharing scheme of bank-submitted reports was formulated. Under the framework, BSP will electronically forward processed and validated bank-submitted reports to PDIC on a periodic basis. Parallel runs had been conducted in June and September for commercial banks (KB) data and in June for thrift banks (TB) data. This agreement provided PDIC with greater access to relevant data and banking information.

Draft of Part 2 of the memorandum that involves sharing of more sensitive information on distressed banks, is being reviewed by BSP. The second phase of the agreement that entails the formation of joint committees will promote closer coordination between BSP and PDIC in enforcing prompt corrective actions and failure resolution alternatives for problem banks.

# Receivership and Liquidation



## CLOSURES

The Monetary Board of the BSP ordered the closure of four banks in 2004. Two of the said banks, First Savings Bank and Ever Development Bank, were thrift banks, while the other two, the Rural Bank of Sto. Domingo (Albay), Inc., and the Rural Bank of Culasi (Antique), Inc. were rural banks.

This brought the total number of banks under PDIC receivership/liquidation to 431, consisting of two (2) commercial banks, 53 thrift banks and 376 rural banks.

During the year, PDIC turned over the Rural Bank of Buruanga to the BSP for final liquidation and settlement of creditors' claims. The court earlier approved the final liquidation of the closed bank by the BSP. Another closed bank, Urbancorp Development Bank, was formally endorsed for rehabilitation during the same year.



*PDIC receivership team posts a notice of closure in front of the premises of First Savings Bank Head Office at E. Rodriguez, Quezon City.*

### Banks Closed in 2004

Name of Bank	Province	MB Resolution No.	Date Closed by MB	Bank Type	Date of PDIC Takeover
Rural Bank of Sto. Domingo (Albay), Inc.	Albay	10	01/08/04	RB	01/09/04
First Savings Bank	Metro Manila	1265	09/08/04	TB	09/08/04
Rural Bank of Culasi, Inc.	Antique	1548	10/21/04	RB	10/22/04
Ever Development Bank	Subic	1718	11/25/04	TB	11/26/04

## ASSET ADMINISTRATION AND RECOVERY

The Estimated Realizable Value of Assets (ERVA) of the 431 closed banks was P13.36 billion as of year-end. Thirty-one percent (31%) of the ERVA represented cash and investments in government securities, 40% in loans and other assets, and 29% in Real and Other Properties Owned or Acquired (ROPOA) and bank premises/Furniture, Fixtures and Equipment (FFE)/fixed assets. Liabilities, on the other hand, amounted to P35.05 billion, with P23.23 billion or 66% of the total liabilities payable to the government.

Total recoveries from assets of closed banks in 2004 amounted to P259.49 million. Of the said amount, P145 million represented loan collection with P77.9 million coming from property disposal, and P36.6 million from collections on other receivables and rental income.

The Corporation efficiently managed the investible funds of closed banks resulting in a 6% expansion from year-ago level. As of end-December 2004, the trust funds held by PDIC in behalf of the closed banks





amounted to P4.1 billion. Of the said amount, P2.7 billion were invested in time deposit, P31 million in special savings deposit, P450 million in treasury bills, P800 million in fixed-rate treasury notes/bonds and P93 million in global bonds.

## ASSET DISTRIBUTION

A total of 78 final projects of distribution (FPODs) of closed banks were completed during the year for filing with the liquidation courts. This represented a 680% increase in the completion of FPODs compared to 2003's 10 FPODs and the highest recorded since PDIC assumed receivership and liquidation function in 1992. As of year-end, the total number of FPODs of closed banks reached 103 with estimated realizable

value (ERV) of distributable assets at P1.48 billion. FPODs completed in 2004 represented almost 76% of the total number of FPODs completed as of year-end 2004 and ERV at P1.19 billion.

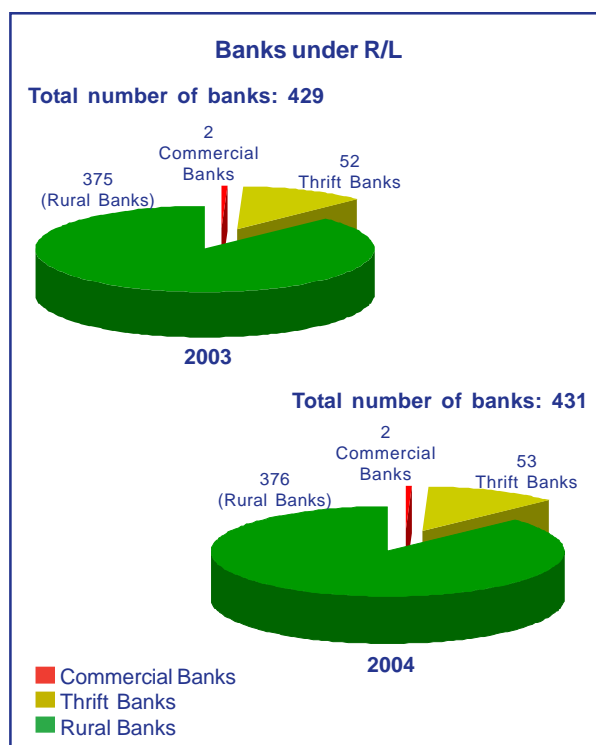
Total dividends distributed to various creditors during the year reached P98.92 million while R/L expenses and trust accounts settled amounted to P15.47 million and P1.14 million, respectively.

Total dividends distributed to the creditors from the time PDIC first started distribution in 1997 up to 2004 aggregated P7.50 billion, broken down as follows: National Government, P2.62 billion; PDIC, P700 million; BSP, P546 million; Central Bank-Board of Liquidators (CB-BOL), P3.39 billion and other creditors, P243 million. Total R/L expenses and trust accounts settled amounted to P207 million and P69 million, respectively.

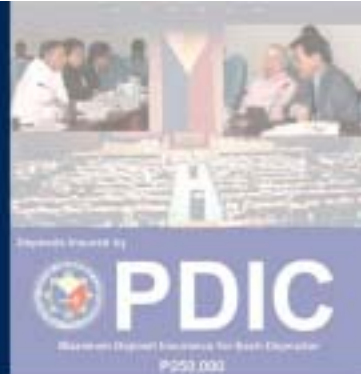


PDIC Vice President Aurora Baldoz and Executive Vice President Imelda Singzon serve the closure order to FSB Executive Vice President Augusto Fausto.

PDIC officers and employees took over First Savings Bank after it declared a bank holiday.



# Claims Servicing



## Record-breaking turnaround time

During the year, PDIC further reduced the turnaround time (TAT) from takeover of closed banks to the start of servicing of deposit insurance claims. The average TAT for all the four (4) banks closed in 2004 was six (6) days. This was a feat because for the first time in PDIC history, a single digit TAT was attained for all banks closed during the year, comparing favorably with last year's 83% accomplishment level.

Initial claims settlement for Ever Development Bank (Zambales) and Rural Bank of Culasi (Antique) commenced five (5) days after PDIC's takeover of said banks. This is now the shortest TAT on record, besting the six (6)-day TAT for the Cooperative Bank of Pangasinan which set the record in 2003. Payout for both First Savings Bank and Rural Bank of Sto. Domingo (Albay) started six (6) days after takeover. Recognizing the Corporation's swift action, the Sangguniang Bayan of Sto. Domingo passed a resolution commending PDIC for its speedy and efficient payment of depositors' claims.

## Claims Settlement Operations

Since PDIC started payout operations in 1970 until end-2004, the Corporation had paid a total of P13.97 billion deposit insurance claims involving some 1.5 million accounts. These represented 94% of the aggregate estimated insured amount and 74% of the estimated insured deposit accounts.

Cumulative claims filed with PDIC as of year-end 2004 amounted to P14.24 billion, covering some 1.5 million deposit accounts. Of these levels, less than 2% remained unsettled as of year-end due mostly to documentary deficiencies. The rest of the unsettled claims already filed either needed further verification, were awaiting legal resolution, or involved small amounts which have remained unclaimed by the depositors.

A total of P186.11 million corresponding to 6,671 accounts were paid to depositors of the four (4) banks closed in 2004. All except for RB Sto. Domingo, benefited from the new MDIC of P250,000, which took effect August 12, 2004.

**Table 1**  
**Claims Settlement Operations (CSO) as of December 31, 2004** (Amounts in Million Pesos)

Particulars	Closure Date	CSO	Banking Units	Total Deposit Liabilities		Estimated Insured Deposits		Claims Filed		Insured Deposits Paid	
				Accounts	Amount	Accounts	Amount	Accounts	Amount	Accounts	Amount
Banks started CSO prior to 2004				5,639,620	31,177.64	2,003,782	14,652.29	1,499,616	14,046.81	1,480,921	13,788.05
Banks started CSO in 2004			7	15,789	230.00	15,775	206.97	6,709	190.18	6,671	186.11
1. Rural Bank of Sto. Domingo (Albay), Inc.	01/09/04	01/15/04	1	3,604	15.01	3,604	14.75	1,134	13.20	1,129	12.96
2. First Savings Bank	09/08/04	09/14/04	4	10,005	192.05	9,991	171.95	4,605	162.46	4,583	159.15
3. Rural Bank of Culasi (Antique), Inc.	10/22/04	10/27/04	1	1,272	14.95	1,272	14.93	607	11.59	601	11.29
4. Ever Development Bank (Zambales)	11/26/04	12/01/01	1	908	7.99	908	5.34	363	2.93	358	2.71
Grand Total				5,655,409	31,407.64	2,019,557	14,859.26	1,506,325	14,236.99	1,487,592	13,974.16

**Table 2**  
**Subrogated Claims Filed and Recoveries Cumulative Year-end 2003-2004**  
(Amounts in Million Pesos)

Particulars	As of end-2003		2004		2004	
	No. of Banks	Amount	For the year		As of year-end	
			No. of Banks	Amount	No. of Banks	Amount
Subrogated claims filed	384	5,348.47	127	154.86	395	5,503.33
Recoveries on claims filed	63	1,895.89	18	55.02	77	1,950.91



## Claims on subrogated deposits

In 2004, subrogated claims filed by PDIC against the assets of 127 closed banks amounted to P154.86 million bringing the cumulative claims filed as of year-end to P5.50 billion, after provisions.

Meanwhile, recoveries from subrogated claims against 18 banks during the year totaled P55.02 million, resulting in cumulative recoveries of P1.95 billion as of year-end. This translated to a recovery rate of 13.96% against total subrogated deposits of P13.97 billion from 436 banks as of end-2004.

### ***First Savings Bank Depositors: First to benefit from the New MDIC***

As destiny would have it, the depositors of the First Savings Bank (FSB) were the *first* to benefit from PDIC's new maximum deposit insurance coverage (MDIC) of P250,000.

It all began on September 6, 2004 when FSB barred its depositors from making withdrawals. The following day, apprehensive depositors trooped to the bank's branches in E. Rodriguez (Quezon City), Divisoria, Cubao, and Tanay, Rizal forcing the bank to declare a bank holiday. A spate of depositor protests and complaints about the bank's inability to service withdrawals followed.

On September 8, the Monetary Board ordered the closure of FSB through Resolution No. 1265. PDIC took over FSB on the same day. With pre-settlement examination and R/L personnel working round-the-clock, initial claims settlement operations started six days later, on September 14.



*A depositor receives her check payment.*



*PDIC President and CEO Ricardo M. Tan allays depositors' fears about their deposits in an interview with Carmelita Valdez of ABS-CBN. First Savings Bank depositor Mrs. Liwayway Pangan (left) beams in appreciation.*

Established in 1965, FSB had 9,991 insured deposit accounts amounting to P171.95 million. Almost all accounts were fully insured at the new MDIC of P250,000. The total deposit liabilities of FSB amounted to P192.05 million.

Much to depositors' delight, PDIC was able to pay P19.7 million in deposit insurance on the first day of payout alone. Particularly grateful were those with deposits exceeding PDIC's old MDIC of P100,000.

As of December 2004, PDIC had settled 4,583 or 45.87% of total estimated insured accounts in FSB representing P159.15 million or 92.56% of total estimated insured amount.



# Support Infrastructure



## Effective service delivery hinges on well-equipped workforce

PDIC spent P1.71 million or 78.19% of the approved training budget to continuously enhance employees' competencies critical to the performance of their tasks. However, the Corporation had to shelve its last quarter training programs to comply with restrictions imposed by the government's austerity program embodied in Administrative Order No. 103 dated August 31, 2004. Since the Corporation committed to save from the approved 2004 budget, the PDIC austerity program set the trail for corporate savings without compromising work productivity and quality service delivery.

In spite of the belt-tightening, a total of 515 employees benefited from 46 training programs while eleven (11) staff members participated in international meetings and conferences, namely: Risk Management sponsored by Swedish International Development Agency (SIDA), International Seminar on Deposit Insurers conducted by the International Association of Deposit Insurers (IADI), Dialogue on Deposit Insurance and Financial Disclosure by the Asia Pacific Economic Cooperation (APEC), Financial Fragility and Banking Crises by the International Monetary Fund - Singapore Technical Institute, Bali Initiative on Deposit Insurance

System and Valuation Method, 2<sup>nd</sup> ASEAN Bali Initiative Workshop, Annual IADI Executive Council Meeting, Meeting with Members of the Board of Directors, Philippine National Bank – Europe PLC and with the Financial Services Authority (FSA) of United Kingdom; and Executive Forum for Financial Sector Regulators and Supervisors by the Toronto International Centre for Financial Sector Supervision.

Two (2) employees were granted foreign scholarships to pursue graduate degrees in public administration and development economics at the International Christian University in Japan and Williams College in the United States, respectively. Japan International Cooperation Center and Joint Japan/World Bank Graduate Scholarship Program sponsored the scholarships.

The 2004 corporate master training plan comprised a broad range of functional and personal development trainings further classified into core, basic, technical, specialized and leadership/behavioral trainings. Institutional trainings on management, work values, team-building, lifestyle planning, and skills training were also conducted. Financial planning for retirees and review classes preparatory for civil service eligibility examinations were also facilitated during the year.



PDIC ranks continuously enhance their craft through seminars, lectures, trainings and workshops.

## Incentives for Service Excellence

After nearly a decade, the Chairman's Award for exemplary group/team performance was revived in December 2004. A component of the PDIC Program for Awards and Incentives for Service Excellence (PRAISE), the Chairman's Award was conferred to the Insurance Claims Group, Receivership and Liquidation Group I, Information Technology Group, the Legal Affairs Sector, Public Affairs Department and Depositors Assistance Bureau. These groups and units were cited for their significant contribution to the drastic reduction of turn-around time (TAT) for payment of insured deposits in closed banks serviced for the year.



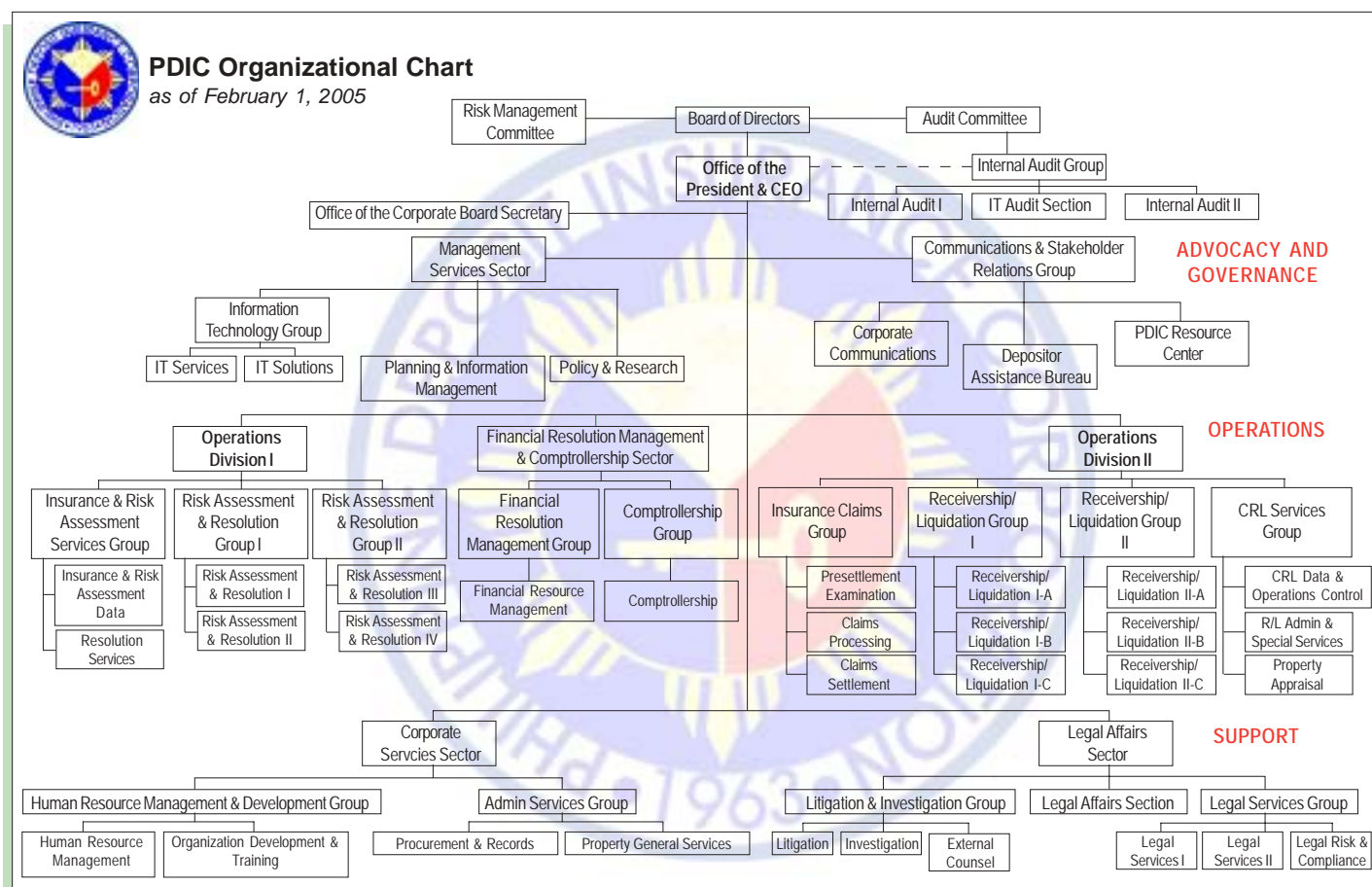
## The birth of a new PDIC

On October 14, 2004, the Board approved the new organizational structure that reduced the number of units to 61 from 68 and decreased authorized plantilla positions to 723 from the original 1,046. Of the approved plantilla positions, 10% were reserved for hiring in 2006. The new PDIC organizational structure will take effect on February 1, 2005. The corporate reorganization was provided for under Section 23 of Republic Act 9302 allowing the Corporation to streamline its critical functions and place people with proven skills and technical expertise in or out of the bureaucracy to take on greater responsibilities set out by the amended Charter.

divisions, four (4) sectors, 16 groups and 39 departments. These units were generally classified under three (3) primary functions, namely: (a) advocacy/governance, (b) operations, and (c) support. **Advocacy/governance** takes charge of strategic direction setting, policy formulation, management and integration of information to ensure good governance and alignment of activities with the strategies. On the other hand, **operations** perform the primary mandate of the Corporation of deposit insurance, risk assessment and management and statutory receivership/liquidation of closed banks. Lastly, **support** exists in partnership with the advocacy/governance and operations units, ensuring adequacy of support infrastructures in fulfilling the Corporation's mandate.

The 61 remaining units were composed of two (2)

Integral to the reorganization was the strict





*PDIC personnel undergo assessment as part of the selection and placement process.*



adherence to pre-defined qualification standards. To professionalize the ranks, qualification standards were revised to provide the minimum requirements for each position in terms of education, experience, training, and eligibility. The selection, placement and appointment to the positions in the staffing pattern were performed by a screening body, the Placement Committee, which evaluated employee qualifications. Rank-and-file personnel were represented in the placement deliberation to ensure fairness and transparency.

The placement process was executed in strict compliance with the Civil Service rules and regulations.

In light of the 2004 PDIC Charter amendments that mandated, among others, the review of the Corporation's compensation and benefits, PDIC, in consultation with Watson Wyatt Philippines, Inc., pursued and concluded its job analysis/job evaluation (JA/JE) activities during the second half of the year. The end results were the Corporation's new job classification and salary administration systems.

## Separation compensation program

The Corporation designed a fair and just separation incentive program (SIP) for employees who retired or were separated from service due to the reorganization. This included employees with at least fifteen (15) years of creditable service, and those not retained in the new structure for failure to meet the qualification standards, or due to redundancy arising from abolition or merging of functions, or ill health.

## Public Awareness Program

The Corporation implemented a tri-media information campaign designed not just to inform the public about the benefits of the proposed PDIC Charter amendments but also to heighten positive public opinion for these amendments. As a result, the Corporation was able to mobilize public support for the passage of the PDIC bill through a well crafted information campaign that included e-mail, conventional mail and text brigades, radio and TV guestings and interviews; newspapers and Internet releases; and letters to the editors. The campaign succeeded in helping push the long-delayed passage of the Charter Amendment Bill.



*Members of the business press corps listen intently as PDIC Management headed by President and CEO Ricardo M. Tan clarifies a point during the media briefing conducted in July 2004 after the PDIC Charter Amendment was ratified by Congress.*





## Depositors Assistance Bureau

The Depositors Assistance Bureau (DAB) continued to provide assistance to depositors filing claims for insured deposits, to entertain queries of depositors and researchers and to facilitate resolution of depositor complaints concerning live banks.

In 2004, the quick-response desk logged 495 complaints relative to deposit accounts in both operating and closed banks. By continuously monitoring claims filed at the PDIC headquarters, DAB made great strides in assisting the Insurance Claims Group (ICG) to shorten the turnaround time (TAT) in settling claims for insured deposits. Using a claims monitoring survey, DAB tracked the start and end of the claims processing and payment transactions of each depositor and



*The Depositors Assistance Bureau Claims Counter is open on weekdays from 8:00 a.m - 5:00 p.m.*

periodically reported TAT of claims settlement to the ICG for appropriate interventions. The average response time recorded for 2004 was 42 minutes for claims processing and 14 minutes for claims settlement/payment.

To further expand its depositor assistance program, the Corporation joined the ConsumerNet in 2004. ConsumerNet is an alliance of government agencies supporting and advocating consumer rights and interests. The endeavor made PDIC more accessible to the depositing public seeking redress for complaints and grievances, thereby enhancing consumer protection.

## Legal Services

In its effort to operate more efficiently, the Corporation outsourced a total of 368 cases involving banks under its receivership/liquidation. The Office of the Government Corporate Counsel (OGCC) approved the parameters of engagement and fees of external counsel for cases involving assets that were acquired by PDIC as a result of the grant of financial assistance.

The Legal Affairs Sector adopted a three-step review process for complex/complicated legal issues that enabled it to properly and thoroughly respond to legal issues brought to its attention. Moreover, TAT for referrals from various organizational units was brought down to five days for simple cases and 15 days for complex ones.

# Institutional Relations



## Financial Sector Forum

The PDIC is a member of the Financial Sector Forum (FSF), a high level interagency body, whose other members include the Bangko Sentral ng Pilipinas (BSP), Securities and Exchange Commission (SEC), the PDIC and Insurance Commission (IC). The FSF was formed on July 7, 2004 in answer to the need for an institutionalized interagency forum of the country's financial regulators/supervisors. It aims to continuously strengthen the coalition in support of policies pertaining to supervision and regulation. The Governor of BSP serves as chairperson of the FSF. Meetings are held periodically to discuss and resolve issues and concerns to effectively perform the agencies' complementary mandates.

PDIC is represented in all three subcommittees of the FSF namely, the Subcommittee on Supervision Methodology and Regulatory Policy Coordination which deals with matters relating to supervisory and regulatory policies and issues arising from bilateral agreements among the participating agencies; the Subcommittee on Reporting, Information Exchange and Dissemination which handles matters concerning the harmonization of regulatory reporting requirements from financial

institutions, database management, linkages, and related issues; and the Subcommittee on Consumer Protection and Education which is involved with the identification of unethical practices and illegal activities conducted in the offering or sale of financial products; development and dissemination of education programs for protection of financial consumers; and empowerment of consumers.

The FSF has started harmonizing supervisory and regulatory efforts, strengthening the exchange of information among the different regulators and promoting better consumer protection.

## Local and International Conferences

PDIC also actively participated in various international/local conferences by sending its staff as resource persons. These included the 2nd Conference of the Asian Regional Committee (ARC) of the International Association of Deposit Insurers (IADI) held in Kyoto, Japan; Asia-Europe Meeting Bali Initiative Workshop on Deposit Insurance held in Indonesia; ADB Workshop on Assets Reconstruction Companies held in Manila; 51st Rural Bankers Association of the Philippines (RBAP) Annual National Convention in Cebu City; Joint Annual Management Conference for Southern Tagalog Rural Bankers and Federation of Metro Manila Rural Bankers; and Corporate Governance Seminar sessions conducted for rural banks in La Union, Manila, Davao, and Legaspi.

The conduct of corporate governance seminars for rural bankers is an ongoing collaborative activity, under a memorandum of agreement between PDIC and RBAP signed in April 2004, to promote professionalism in the rural banking industry. It also formed part of PDIC's commitment and continuing effort to help strengthen the financial system.

The Philippines, represented by the PDIC, is a founding member of IADI, a non-profit organization established on May 6, 2002 in Basel, Switzerland. IADI



PDIC President and CEO Ricardo M. Tan (extreme left), Securities Exchange Commission (SEC) Chairperson Lilia R. Bautista, Bangko Sentral ng Pilipinas (BSP) Governor Rafael Buenaventura and Insurance Commission (IC) Commissioner Eduardo T. Malinis sign the master memorandum of agreement creating the Financial Sector Forum (FSF) in simple ceremonies held at the BSP Executive Business Center last July 7.



*Delegates to the IADI 2nd ARC Meeting and International Seminar on Deposit Insurance pose for a souvenir photo. PDIC President and CEO Ricardo M. Tan is seated in the front row, 4th from right. Director Carmen de Venecia- Lim and Vice President Rescina S. Bhagwani are standing in the 2nd row, 3rd and 5th from left, respectively. Bangko Sentral ng Pilipinas Deputy Governor Alberto V. Reyes is 5th from left, last row.*

aims to contribute to the stability of the financial systems by enhancing deposit insurance effectiveness through guidance and international cooperation and encourage global interaction among deposit insurance agencies.

The PDIC President/CEO is a member of the Executive Council, the policy-making body of IADI. PDIC is also an active participant in IADI's ARC which is composed of deposit insurers from Asia. The ARC serves as a forum where members discuss common regional interest and issues through exchange of information and sharing of expertise.

### Briefings with Counterparts

Strengthening linkages with its international counterparts, PDIC in 2004 welcomed top executives from the Deposit Insurance Corporation of Japan (DICJ) and the Canada Deposit Insurance Corporation (CDIC).

DICJ Governor Noboru Matsuda who was also Chairman of the ARC, visited on January 15 and was briefed on PDIC operations, accomplishments, and targets. On the other hand, CDIC Director for Research David Walker was apprised on deposit insurance developments in the local front during his visit on July 20.



*Deposit Insurance Corporation of Japan (DICJ) Governor Noboru Matsuda (left) pays a courtesy call to PDIC President and CEO Ricardo M. Tan during his visit to the Philippines.*

## Visitor Exchange

As part of PDIC's continuing visitor exchange program, the Corporation briefed two (2) senior officers from the Central Bank of Lesotho, who came for a one-week study visit in April on PDIC's operational infrastructure and deposit insurance practices. Kingdom of Lesotho is an enclave of South Africa with a parliamentary constitutional monarchy as government. It was renamed from Basutoland upon independence from the United Kingdom in 1966.



*Presettlement Examination Department Manager Flordeliz Porsovigan (left) and Claims Processing Department Officer-in-Charge Luisito M. Carreon (2nd from left) discuss the steps in claims settlement, while Ms. Nthabiseng Liphapang and Mr. Seabata Ntelo of the Central Bank of Lesotho listen intently.*

## Corporate Social Responsibility



*PDIC Executive Vice President Imelda S. Singzon (left) and VP-Finance Ma. Elena E. Bienvenida (right) turn over to Social Welfare and Development Secretary Corazon Soliman (center) the donation of P1 million from the PDIC for the relief and rehabilitation operations in the calamity-stricken Quezon and Aurora provinces. Also representing the PDIC were Phildiceo (rank and file organization) president Baldwin L. Sykimte and Officers Club president Alteo Malabuyoc.*

The Corporation decided to forego its Christmas activities and instead donated P1 million to the Department of Social Welfare and Development for relief and rehabilitation operations in the calamity-stricken Quezon and Aurora provinces. The PDIC officers and staff also conducted a donation campaign in cooperation with the Sagip Kapamilya project of ABS-CBN, a major broadcast network in the country.





# Corporate Priorities for 2005

## Gearing Up for the Flight to Greatness

The coming year 2005 will be a transition period for the Corporation and priorities would have to focus on realizing PDIC's expanded mandate. All initiatives will be aimed at the further improvement of service delivery to the public, in order to propel PDIC from a good corporation to a great one.

Central to the success of this transformation is the proper identification of goals and strategies that will maximize our collective potential and bring our service delivery to heightened degree of excellence.

A strategic planning exercise to be spearheaded by Management Services Sector will be conducted in July 2005, to produce the Corporation's roadmap for the future and to cement the nascent bond among members of the Management Committee.

A research and policy agenda consistent with the requirements of operations divisions and sectors as reflected in their core priorities will be formulated and implemented. The Information Technology Group (ITG) will also review the need for Enterprise Resource Planning that will enhance and integrate existing systems, and when needed, develop new systems that will facilitate prioritized areas of operations.

## Focusing Improvements in Core Competencies

The Corporation will sustain efforts at minimizing insurance risks posed to the Deposit Insurance Fund. Among the risk mitigating activities would be the exercise of the newly restored examination powers in coordination with Bangko Sentral ng Pilipinas. Additionally, the implementation of failure resolution and rehabilitation programs for banks identified in 2004 will be pursued in 2005. The Insurance and Risk Assessment Services Group will organize and validate



*PDIC's ultimate goal is to safeguard the interest of the depositing public.*

the inventory of assets acquired from banks through PDIC's financial assistance and determine status and corresponding actions for recovery.

The rationalization of the Corporation's assessment audit process and its framework of ranking banks requiring audit assessment is also identified as a priority work program for the year. In coordination with ITG, the electronic assessment audit system will be enhanced to streamline audit process.

To sustain the single-digit turnaround time for the start of payment of insured deposits, a review of business processes will be undertaken with the aim of further improvement and centralization of key receivership and liquidation activities. Such direction will result to significant improvements in the implementation of the following core activities: release/cancellation of mortgage; judicial foreclosures; remittance on rediscounted obligations; collection and disbursements; warehousing of furniture, fixtures and equipment (FFEs) and records; electronic updating of the closed banks' books; and review of cash accountabilities of deputies.

To enable the Receivership and Liquidation Groups to focus on their key responsibilities, PDIC will



outsource some related activities such as collection through services of accredited collection agents; asset disposals through brokers/agents; engagement of external deputy liquidators; biddings for whole bank outsourcing of liquidation; and review of deputy's functions relative to collection of loans, sale of properties, and conduct of bidding.

### Providing Efficient Support Services

The Legal Affairs Sector (LAS) will lay the groundwork for smooth implementation of the amended Charter by way of completion of Implementing Rules and Regulations, and dissemination of Regulatory Issuances on Examination and Investigation Powers.

To support the operations units, the Sector will work on the guidelines on legal compliance review, outsourcing of cases related to receivership and liquidation, and enhancement of database of legal opinions and monitoring of court cases. In partnership with the Communications and Stakeholder Relations Group (CSRG), LAS will develop an information program for members of the judiciary, prosecution and external counsels to provide working knowledge on PDIC's mandate and functions.

With the amended Charter allowing the Corporation to build up its reserves from the excess of its revenues over expenditures, the Financial Resource Management and Comptrollership Sector (FRMCS) will assess, develop and revise key policies on investment, borrowing, reserves management and budget administration. The accounting system will be converted to the New Government Accounting System (NGAS) and accounts specific to PDIC will be defined in compliance with the directives of the Commission on Audit.

To empower the depositing public, PDIC through the CSRG is set to reach out to more people through

its multi-pronged deposit insurance awareness campaign and through revitalized frontline assistance during bank closures. The Corporation will sustain active representation in the International Association of Deposit Insurers and the Financial Sector Forum.

In the coming year, the PDIC Resource Center will be operationalized and made accessible to the public. It will start to build a physical and virtual library to address the information needs of clients. It will likewise develop and maintain institutional linkages with other deposit insurers, agencies, and other like-minded institutions for information sharing, study visits, and other similar activities.

The Internal Audit Group will continue to outsource the audit of closed banks, resolve audit findings, and conduct regular audit activities. Existing audit process and guidelines will be reviewed in view of the new corporate authorities of PDIC and revisions in a number of operational procedures.

The Corporate Services Sector (CSS) will complete the reorganization activities and initiate change and transition processes through change management and team-building exercises. It will reevaluate the Corporation's Performance Management System, and implement the New Salary Structure and Performance-based Incentive Structure. CSS will also endeavor to align employee benefits with other Government Financial Institution comparators. It will improve PDIC's Manpower Development Program through the implementation of the new Master Training Plan. It will finalize arrangements for the PDIC headquarters, revise its records management system, and fast track hiring of personnel.

PDIC may be leaner after the reorganization but it will be in a better shape to meet the challenges that will confront it in the years to come.



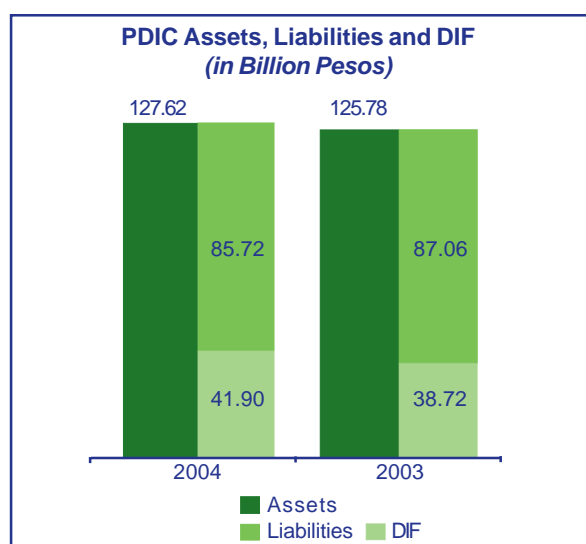
# 2004 Financial Highlights

## Financial Performance

Total assets of the Corporation grew by 1.46% to P127.62 billion as of December 2004 from the 2003 level of P125.78 billion. Investments in both short and long term instruments which increased by 12% to P38.46 billion represented 30% of total assets, and 92% of the Deposit Insurance Fund (DIF). Financial assistance (net) to banks at P65.18 billion comprised 51% of the total assets, with its growth significantly declining from 56% in 2003 to negative 4.59% in 2004. This was due to the increase in allowance for probable losses from P3.6 billion to P5.5 billion; and collections of acquired assets and from assisted banks.

Total liabilities declined to P85.72 billion from 2003 level of P87.06 billion as it mirrored the decline in loans payable to BSP from P83.41 billion to P80.72 billion.

The DIF, the Corporation's capital, in 2004 expanded by 8.2% to a total of P41.90 billion from P38.72 billion as of 2003.

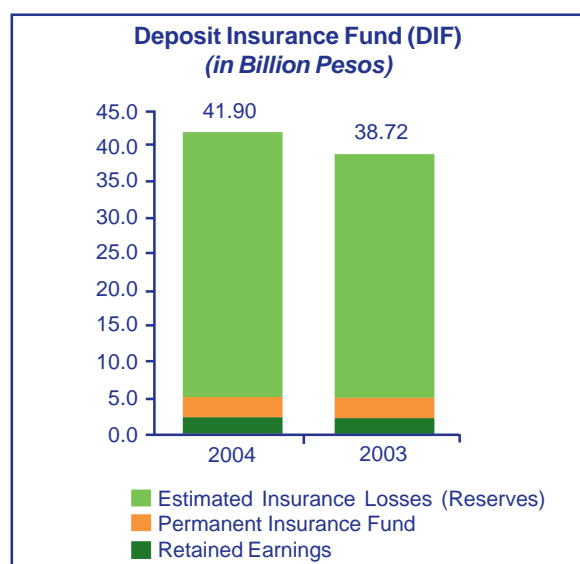


Assessments collected from member banks increased to P5.02 billion from last year's P4.72 billion.

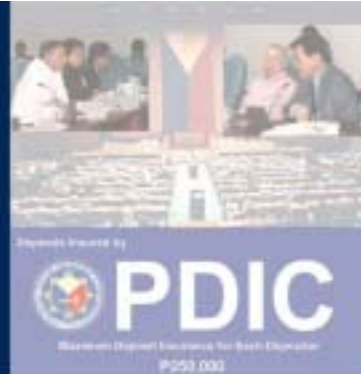
Commercial banks' assessments amounted to P4.49 billion, thrift banks at P408 million and rural banks at P128 million. This allowed the addition to reserves (Estimated Insurance Losses) of around P3.02 billion.

Insurance and Financial Assistance losses sustained during the year. These covered amortization of bank rehabilitation cost, additional provisions for probable loss on acquired assets, subrogated claims, and accounts receivable-receivership and liquidation, which amounted to P4.56 billion, P3.33 billion of which was charged to income from operations.

Gross income for the twelve-month period reached P5.12 billion, 2% higher than previous year's P5.01 billion. Almost 70% of total income represented net income from investments at P3.47 billion. Total expenses at P4.91 billion for the year increased by 4% from the year-end 2003 level of P4.71 billion. This is composed of expenses not covered by assessment collections at P3.33 billion and interest on borrowings at P1.58 billion. This resulted to a net income of P202.19 million for the year, of which 50% or P101.09 million was declared as dividend to the National Government in compliance with Republic Act 7656.



# Financial Statements



## COMPARATIVE STATEMENTS OF CONDITION

(In Thousand Pesos)

	2004	2003 (as restated)*	Inc./(Dec.) Amount	%
<b>ASSETS</b>				
Current Assets				
Cash on Hand and in Banks (Note 2)	P 69,456	P 78,239	P (8,783)	(11.23)
Short Term Investments (Note 3)	11,193,074	7,083,236	4,109,838	58.02
Other Current Assets (Note 4)	1,833,672	1,472,334	361,338	24.54
Total Current Assets	13,096,202	8,633,809	4,462,393	51.69
Long Term Investments (Note 5)	27,266,365	27,103,773	162,592	0.60
Financial Assistance to Banks - net (Note 6)	65,176,302	68,311,964	(3,135,662)	(4.59)
Due from BSP - Treasury (Note 7)	4,165,766	4,165,766	-	0.00
Investments in Preferred Stocks (Note 8)	7,807,018	7,807,018	-	0.00
Special Fund (Note 9)	530,847	395,406	135,441	34.25
Subrogated Claims Receivable - net (Note 10)	5,753,750	7,106,747	(1,352,997)	(19.04)
Fixed Assets - net (Note 11)	178,013	180,996	(2,983)	(1.65)
Other Assets - net (Note 12)	3,644,787	2,074,886	1,569,901	75.66
<b>TOTAL ASSETS</b>	<b>127,619,050</b>	<b>125,780,365</b>	<b>1,838,685</b>	<b>1.46</b>
<b>LIABILITIES AND DEPOSIT INSURANCE FUND</b>				
<b>LIABILITIES</b>				
Current Liabilities (Note 13)	4,026,663	2,658,996	1,367,667	51.44
Long Term Liabilities (Note 14)	80,724,297	83,405,447	(2,681,150)	(3.21)
Deferred Credits (Note 15)	971,134	994,388	(23,254)	(2.34)
<b>TOTAL LIABILITIES</b>	<b>85,722,094</b>	<b>87,058,831</b>	<b>(1,336,737)</b>	<b>(1.54)</b>
<b>DEPOSIT INSURANCE FUND</b>				
Permanent Insurance Fund (Note 16)	3,000,000	3,000,000	-	0.00
Estimated Insurance Losses	36,578,209	33,363,345	3,214,864	9.64
Retained Earnings	2,318,747	2,358,189	(39,442)	(1.67)
<b>TOTAL DEPOSIT INSURANCE FUND</b>	<b>41,896,956</b>	<b>38,721,534</b>	<b>3,175,422</b>	<b>8.20</b>
<b>TOTAL LIABILITIES AND DEPOSIT INSURANCE FUND</b>	<b>P127,619,050</b>	<b>P125,780,365</b>	<b>P 1,838,685</b>	<b>1.46</b>

\*Refer to Note 1a



## SCHEDULE OF ASSESSMENTS

(In Thousand Pesos)

	2004	2003	Inc./(Dec.) Amount	%
<b>ASSESSMENT COLLECTIONS</b> (Note 17)	<b>P 5,024,226</b>	<b>P 4,715,295</b>	<b>P 308,931</b>	<b>6.55</b>
<b>LESS: EXPENSES AND PROVISIONS</b> (Note 1a)				
Operating Expenses	784,165	1,206,666	(422,502)	(35.01)
Additions to Reserves (Provision for Insurance Losses) (Note 1g)	3,015,531	3,661,800	(646,269)	(17.65)
Insurance and Financial Assistance Losses:				
Cost of Bank Rehabilitation (Note 18)	865,000	1,255,200	(390,200)	(31.09)
Provision for Probable Losses - Acquired Assets (Note 1e)	1,941,400	1,516,500	424,900	28.02
Provision for Uncollectible Accounts - Subrogated Claims (Note 1i)	1,666,580	620,265	1,046,315	68.69
Provision for Uncollectible Accounts - Accounts Receivable	83,023	125,926	(42,903)	(34.07)
Receivership/Liquidation (Note 1i)				
<b>Total Expenses and Provisions</b>	<b>8,355,698</b>	<b>8,386,357</b>	<b>(30,659)</b>	<b>(0.37)</b>
<b>EXPENSES IN EXCESS OF ASSESSMENTS</b>	<b>P (3,331,472)</b>	<b>P(3,671,061)</b>	<b>P 339,590</b>	<b>(9.25)</b>

## COMPARATIVE STATEMENTS OF INCOME AND EXPENSE

(In Thousand Pesos)

	2004	2003 (as restated)	Inc./(Dec.) Amount	%
Gross Income from Investments	P 4,325,316	P 4,062,425	P 262,891	6.47
Less: Tax	858,774	810,077	48,697	6.01
<b>NET INCOME FROM INVESTMENTS</b>	<b>3,466,542</b>	<b>3,252,348</b>	<b>214,194</b>	<b>6.59</b>
<b>INCOME FROM FINANCIAL ASSISTANCE</b>	<b>1,615,744</b>	<b>1,632,969</b>	<b>(17,225)</b>	<b>(1.05)</b>
<b>OTHER INCOME (Note 19)</b>				
Dividend Income - Surplus	499	41,247	(40,748)	(98.79)
Recoveries from Rehabilitation Cost	-	2,617	(2,617)	(100.00)
Service Income	2,033	2,442	(409)	(16.75)
Interest on Late Payment of Assessment	82	208	(126)	(60.58)
Miscellaneous Income	6,622	8,689	(2,067)	(23.79)
Gain on Foreign Currency Revaluation	23,824	65,630	(41,806)	(63.70)
Total Other Income	33,060	120,833	(87,773)	(72.64)
<b>INCOME FROM OPERATIONS</b>	<b>5,115,346</b>	<b>5,006,150</b>	<b>109,196</b>	<b>2.18</b>
<b>Less:</b>				
Interest on Borrowings	1,581,687	1,034,360	547,327	52.91
Expenses in Excess of Assessments	3,331,472	3,671,062	(339,590)	(9.25)
<b>TOTAL EXPENSES</b>	<b>4,913,159</b>	<b>4,705,422</b>	<b>207,737</b>	<b>4.41</b>
<b>NET INCOME</b>	<b>P 202,187</b>	<b>P 300,728</b>	<b>P (98,541)</b>	<b>(32.77)</b>





# Notes to Financial Statements

## NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### a. *Charter Amendment*

Following the amendment of the PDIC Charter effective August 12, 2004, necessary changes/modifications were made in the books.

Pursuant to Sec. 13 of R.A. 3591, as amended, assessment collections are booked to Assessment Fund as a component of the Deposit Insurance Fund (DIF), the Corporation's capital account. Expenses and charges enumerated in Section 6 (d) of the Charter are charged against assessment collections. Allowable expenses and charges are:

- i. Operating costs and expenses of the Corporation for the calendar year;
- ii. Additions to reserve to provide for insurance and financial assistance losses, net of recoverable amounts from applicable assets and collaterals, during the calendar year;
- iii. Net insurance and financial losses sustained in the calendar year.

The expenses and charges in excess of assessments, are charged against income from operations.

### b. *Basis for Recording*

These financial statements are presented in accordance with the generally accepted accounting principles (GAAP). Assets and liabilities of closed banks, however, where the Corporation acts as receiver or liquidator are not included in these financial statements.

### c. *Assessment*

Member banks are assessed premium of 1/5 of 1% per annum and collected every semester. The amount of assessment is based on the average of deposit liabilities as of March and June for the first semester and as of September and December for the second semester. Such assessments are payable by banks not later than July 31 and January 31 for assessments based on 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 responsible for non-payment. Late payment of assessment is likewise subject to interest and penalty.

### d. *Financial Assistance*

The Corporation may grant financial assistance to a

distressed member bank, or its acquirer, for its rehabilitation to prevent closure, provided the optimal cost resolution principle, where the grant of assistance proves less costly than deposit insurance payout and liquidation of the bank, and other underlying conditionalities are observed. This financial assistance may be in the form of a direct loan, purchase of assets, assumption of liabilities or placement of deposits and preferred or quasi-equity in the bank.

### e. *Investments*

Investments in Treasury Bills, Notes and Bonds (*both peso and dollar*) are recorded at cost. Discount or premium is amortized over the term of these instruments. Income from these investments is recognized on accrual basis. Final taxes paid upon placement are booked as Prepaid Taxes and amortized over the term of the placement.

### f. *Dollar-Denominated Assets*

Dollar denominated assets are initially carried at the value at transaction date and revalued at the applicable exchange rate at year-end.

### g. *Insurance Reserves*

Starting year-end 2003, PDIC adopted a Fund Target approach with the target level derived based on direct threat and potential demand on the Corporation's capital or the DIF. This is measured by PDIC's risk exposure on banks deemed on the verge of closure or beyond resolve unless with third party intervention, to include additional allowance for the potential failure of other banks arising from unforeseen economic and industry conditions that may cause the financial deterioration of the bank. Given this Fund Target approach, all assessment collections after operating expenses and applicable charges and net income from operations accrue to the DIF.

In the year 2004, the target level of Deposit Insurance Fund Reserves is at P90 billion. This amount reflects the best estimate as to adequacy of DIF against probable risks of failure in the banking system as of a given date. The insurance reserve is recorded in the books as Estimated Insurance Losses.

### h. *Allowance for Probable Losses on Acquired Assets*

The allowance represents the accumulated provisions for probable losses on the bank assets acquired through the grant of financial assistance booked annually based on a programmed schedule in accordance with PDIC policy.

i. *Allowance for Losses on Subrogated Claims Receivable/Accounts Receivable-Receivership and Liquidation*

Subrogated Claims Receivable (payments made by the Corporation on deposit insurance claims, see Note 10) is being provided allowance for probable losses from non-recovery of such exposure from liquidation proceeds of closed banks. Starting year 2003, the allowance has been computed taking into consideration each closed bank's Estimated Realizable Value of Assets (ERVA). The amount computed is amortized over three years.

Expenses incurred by the Corporation for its receivership and liquidation functions are charged against closed banks (booked as Accounts Receivable – Receivership and Liquidation, see Note 12c) and allowance is being provided for probable losses computed at 70% of total receivable outstanding at year-end based on recovery experience.

j. *Inventories*

Inventories of supplies and materials, decals and standees, postage stamps and documentary stamps are recorded on a first-in first-out (FIFO) method.

k. *Fixed Assets*

Fixed assets are carried at cost and depreciated using the straight line method as follows:

Computers, Furniture, Fixtures and Equipment	3 years
Vehicles	5 years
Building	25 years

l. *Employee Benefit Plan*

The Corporation has a contributory Provident Fund covering all employees. The fund is divided into provident fund and housing fund. Employee may opt a percentage of their basic salary as regular contribution to each fund, while the Corporation puts in a fixed percentage of employees' basic salary. Corporate contribution is vested to the employee after completing a year of service in the Corporation.

m. *Retained Earnings*

The beginning balance of this account was adjusted downwards to reflect prior period adjustment amounting to P140.5 million in compliance with the revised 2000

Statement of Financial Accounting Standards (SFAS) No.13 requiring that items reported as prior period adjustments be reflected as adjustments of true opening balance of retained earnings.

**Note 2 – CASH ON HAND AND IN BANKS**

This account includes the following:

	2004	2003
	(In Thousands Pesos)	
Cash on Hand	42,107	1,405
Checks & Other Cash Items /a	7,254	11,601
Cash in Bank – Principal Accounts /b	9,893	23,771
Cash in bank – Settlement of Claims /c	10,058	41,254
Cash in Bank – Transferee Banks /d	59	59
Due from BSP	29	0
Petty Cash Fund	69,456	78,239
<b>Total</b>		

- Checks and Other Cash Items amounting to P42.11 million were received at the close of office hours on the last business day of the year.
- Cash in Bank – Principal Accounts includes accounts with LBP for corporate operating funds, UOB, PNB, Trust Fund BDO accounts and CRL revolving fund.
- Cash in Bank – Settlement of Claims: refers to deposit accounts used for payment of insured deposits administered by authorized disbursing officers of the Corporation who are deployed at the closed banks.
- Cash in Bank – Transferee Banks: refers to deposit accounts with underlying servicing agreement with deposit transferee banks as a means of paying out insured deposits of identified closed banks.

**NOTE 3 – SHORT TERM INVESTMENTS**

This account includes the following:

	2004	2003
	(In Thousands Pesos)	
Treasury Bills /a	1,183,588	1,083,536
Dollar Time Deposit /b	3,440,203	-
Special Savings Deposit /c	11,193,074	7,083,236
<b>Total</b>		

- With terms ranging from 177 to 364 days and yield of 8.50% to 9.625%.
- With terms ranging from 91 to 123 days and yield of 1.68% to 3.93%.
- With terms ranging from 90 to 356 days and yield of 8.375% to 9.30%.



#### NOTE 4 – OTHER CURRENT ASSETS

This account includes the following:

	2004	2003
	(In Thousand Pesos)	
Accrued Interest on Investments	1,496,758	674,627
Accrued Interest on		
Financial Assistance /a	212,389	727,923
Prepaid Expenses /b	93,252	35,877
Inventory of Supplies and Materials /c	15,692	13,523
Accounts Receivable	14,235	17,717
Due from Officers and Employees	1,003	2,273
Cash Advance /d	343	394
<b>Total</b>	<b>1,833,672</b>	<b>1,472,334</b>

- a) Refer to Note 6.
- b) Includes prepaid taxes on investments, P88.38 million; Others P4.87 million.
- c) Includes semi-expendable supplies and materials booked under Inventory account in compliance with COA regulations.
- d) These are cash advances of officers and staff for approved travel assignments.

#### NOTE 5 – LONG TERM INVESTMENTS

Long term investments are mainly composed of peso and dollar-notes/bonds.

	2004	2003
	(In Thousand Pesos)	
Government Securities-		
Treasury Notes/Bonds (Peso)	26,108,849	26,097,539
Government Securities-		
Treasury Bond (Dollar)	487,536	436,254
Pag-ibig Housing Bonds	569,980	569,980
HGC Debenture Bonds	100,000	-
<b>Total</b>	<b>27,266,365</b>	<b>27,103,773</b>

#### NOTE 6 – FINANCIAL ASSISTANCE TO BANKS

As of year-end 2004, financial assistance extended by PDIC amounted to P70.67 billion, of which P70.29 billion was extended to eight (8) commercial banks, one (1) savings and mortgage bank, one (1) private development bank, one (1) savings and loan association and one (1) rural bank and the balance of P0.38 billion represents swap between BSP's receivable from various rural banks and PDIC's subrogated claims for the implementation of the Countryside Financial Institution Enhancement Program (CFIEP).

Assets acquired by PDIC arising from financial assistance amounting to P41.73 billion is given an allowance for probable losses in the amount of P5.49 billion.

#### NOTE 7 – DUE FROM BSP-TREASURY DEPARTMENT

This account represents funds managed by BSP for the settlement of borrowings that funded the financial assistance extended by PDIC to two banks in 1997 and 1999.

#### NOTE 8 – INVESTMENT IN PREFERRED STOCKS

This refers to the preferred shares issued by a bank to PDIC by way of debt-to-equity conversion relative to its rehabilitation program.

#### NOTE 9 – SPECIAL FUND

This account is used to record collection proceeds and recoveries relative to the financial assistance granted to a bank pursuant to a Loan Agreement between BSP and PDIC.

#### NOTE 10 – SUBROGATED CLAIMS RECEIVABLE

These are amounts paid by PDIC to insured depositors of closed banks for recovery from the liquidation of closed banks' assets. On the other hand, the Subrogated Claims Receivable Assigned account represents the amount of subrogated claims assigned to BSP in consideration of its notes receivable from banks that availed of the CFIEP administered jointly by PDIC, LBP and BSP. In turn, the notes receivable of BSP are redeemed by the banks from PDIC via assignment of LBP Non-negotiable Promissory Note which is due at the end of 7 years from the date of asset swap, and collection thereon will be used to redeem the subrogated claims assigned to BSP (see Note 6).

This account is composed of the following:

	2004	2003
	(In Thousand Pesos)	
Subrogated Claims Receivable	12,028,898	11,715,315
Less: Subrogated Claims		
Receivable Assigned	386,404	386,404
Allowance for Losses	5,888,744	4,222,164
<b>Net</b>	<b>5,753,750</b>	<b>7,106,747</b>

In the year 2004, four (4) banks were closed with total deposit liabilities of P230 million consisting of 15,789 accounts.

#### NOTE 11 – FIXED ASSETS

This account includes the following:

	2004	2003
	(In Thousand Pesos)	
Land /a	26,206	26,206
Building /a	145,317	147,224
Furniture, Fixtures, Equipment and Books	177,571	168,206
Leasehold Rights and Improvements /b	6,354	8,919
Total	355,448	350,555
Less: Allowance for Depreciation /c	177,435	169,559
<b>Total Net Book Value</b>	<b>178,013</b>	<b>180,996</b>

- a) Refers to the property of the Corporation located at Chino Roces, Makati City.
- b) Refers to expenses incurred for the refurbishing of the PDIC extension office in Ayala, Makati City and is being amortized for a period of three years.
- c) Depreciation expense for 2003 and 2004 amounted to P25.38 million and P14.63 million, respectively.

#### NOTE 12 – OTHER ASSETS

This account includes the following:

	2004	2003
	(In Thousand Pesos)	
Due from Rehabilitation Fund /a	1,898,685	895,480
Deferred Charges /b	913,468	781,825
Accounts Receivable Closed Banks- Receivership and Liquidation Expenses /c	661,128	551,426
Due from LBP – Escrow Deposit	339,131	-
Accounts Receivable: Financial assistance to various banks w/c were subsequently closed /d	158,234	158,234
Advances to National Government	70,000	-
Land	67,305	67,305
Provident Fund /e	38,957	39,456
Building /f	2,443	2,443
Others /g	5,147	5,405
Other Banks – Assessment Deficiencies /h	10	10
Total	4,154,508	2,501,584
Less: Allowance for Probable Losses	509,721	426,698
<b>Net</b>	<b>3,644,787</b>	<b>2,074,886</b>

- a) Refers to interest receivable from a bank rehabilitation fund to service borrowings from BSP at a later date (see Note 14).
- b) Relates to cost of financial assistance, which would be recovered from interest income on government securities purchased under approved rehabilitation plans for two (2) banks.
- c) Pertains to necessary expenses advanced by the Corporation as receiver and liquidator of closed banks.
- d) A 100% allowance is provided in view of nil probability of recovery from the liquidation of the closed banks.
- e) This represents corporate advances to the provident fund (P2.0 million), housing fund (P5.5 million) and car fund (P31.46 million).
- f) This refers to the closed Banco Primero Development Bank property located in Pasay City acquired by the Corporation in 1999 in settlement of subrogated deposits.
- g) Represents Miscellaneous Assets, i.e., subscriber's investments and deposits with other companies like MWSS, MERALCO and PLDT.
- h) Refers to unpaid assessment deficiencies of banks subsequently closed.

#### NOTE 13 – CURRENT LIABILITIES

This account includes the following:

	2004	2003
	(In Thousand Pesos)	
Accrued Interest Payable to BSP /a	3,222,849	1,519,798
Accounts Payable-Variou /b	677,845	1,108,851
Dividends Payable	101,093	0
Others /c	24,876	30,347
<b>Total</b>	<b>4,026,663</b>	<b>2,658,996</b>

- a) Refer to Note 6 and Note 14.
- b) Refers to the amount due to various suppliers/creditors.
- c) Composed of: a) Due to Officers and Employees (P4.91 million) and b) Provision for retirement (P19.97 million)

#### NOTE 14 – LOANS PAYABLE TO BSP

This account represents outstanding loans payable to BSP which mainly funded the financial assistance extended to various banks and to service insurance claims in the 1980's.





#### NOTE 15 – DEFERRED CREDITS

This account includes the following:

	2004	2003
	(In Thousand Pesos)	
Deferred Credits–Loans /a	535,481	578,700
Unearned Income /b	333,024	335,231
Deferred Service Income /c	88,285	68,556
Deferred Credits–Inventories /d	14,166	11,815
Deferred Assessment /e	178	86
<b>Total</b>	<b>971,134</b>	<b>994,388</b>

- a) Temporary lodging account for collections to be used to pay obligations to BSP at the end of the term of the financial assistance extended to various banks.
- b) Refers to discounts on investments to be recognized as income over the term of investments.
- c) Partial reimbursement of salary and other benefits of PDIC officials involved in receivership and liquidation of closed banks.
- d) Refers to the contra-account of Inventory Supplies and Materials – Semi-expendable booked as such in compliance with COA regulations. (See Note 4c)
- e) Refers to overpayment by banks, which are creditable to subsequent assessment period.

#### NOTE 16 – PERMANENT INSURANCE FUND

This is the capital provided by the National Government by virtue of R.A. 3591, as amended.

#### NOTE 17 – BANK ASSESSMENTS

This represents assessment collected from member banks (refer to Note 1c). Assessments collected during the past two years were as follows:

	2004	2003
	(In Thousand Pesos)	
Commercial Banks	4,488,924	4,243,766
Thrift Banks	407,516	358,739
Rural Banks	127,786	112,790
<b>Total</b>	<b>5,024,226</b>	<b>4,715,295</b>

#### NOTE 18 – COST OF BANK REHABILITATION

This account represents the amortized cost to PDIC in granting financial assistance to various banks.

#### NOTE 19 – OTHER INCOME

Among those included in this classification are leasehold payments for office space by various closed banks, interest and penalties on late payments of assessments, dividends from PLDT, and proceeds from sale of decals and standees.

#### NOTE 20 – CONTESTED BILLINGS

In compliance with Regulatory Issuance No. 92-1 regarding rules and regulations governing the posting of security deposit by banks with contested billings, two banks have posted escrow deposits with government banks in the amount of P0.597 billion for contested billings of P0.494 billion.

#### NOTE 21 – BANKS UNDER RECEIVERSHIP AND LIQUIDATION

There are a total of 431 closed banks as of December 31, 2004 under PDIC receivership and liquidation, with total assets and total liabilities of P13.36 billion and P35.05 billion, respectively. Four (4) were closed during the year with corresponding deposit liabilities aggregating P230 million. A total of P436.64 million deposit liabilities were paid for the year 2004 consisting of 12,731 deposit accounts.

#### NOTE 22 – UNPAID CLAIMS

As of end of 2004, total claims for insured deposits filed with PDIC but still unpaid due to various reasons such as: a) defective supporting documents; b) with questions of validity of claims; c) claimants' whereabouts unknown, etc., amounted to P286.54 million.

#### NOTE 23 – SPECIAL INCENTIVE PLAN (SIP)

In view of the reorganization undertaken under Sections 23 and 24 of the new PDIC Charter, the Board of Directors thru Resolution No. 2004-10-104 dated October 13, 2004, approved the supplemental budget to cover Special Incentive Plan (SIP) benefits for 2004 and 2005. The estimated amount of P131.5 million was set up for the payment of SIP benefits to 204 entitled employees.

# COA Audit Report



Republic of the Philippines  
**COMMISSION ON AUDIT**  
Commonwealth Avenue, Quezon City, Philippines

## The Board of Directors

Philippine Deposit Insurance Corporation  
Makati City

We have audited the accompanying balance sheet of Philippine Deposit Insurance Corporation (PDIC) as of December 31, 2004 and the related statements of income, changes in fund balance and cash flows for the year then ended. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audit in accordance with laws, Commission on Audit and International Organization of Supreme Audit Institutions standards and applicable generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the Company as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

As discussed in Comments and Observations No. 2, the Corporation has incurred costs in the management and disposal of non-performing assets acquired in payment for the financial assistance granted to rehabilitated banks. Based on currently available information, estimated recoveries may not be sufficient to cover future losses resulting from the acquisition and holding of these assets. Considering that these are non-performing assets, the amount of allowance for probable losses recorded in the books may not be adequate.

Furthermore, the PDIC is faced to defend in various courts nationwide several pending lawsuits involving these assets. The ultimate outcome of these lawsuits involving an aggregate amount of P2.551 billion cannot be presently determined, and no provision for any liability that may result has been made in the financial statements.

As explained in Note 23b, the Bureau of Internal Revenue has assessed the Corporation the amount of P5.70 billion, including interest and surcharges, representing value added tax on assessments from member banks for the years 1996-2002. PDIC is contesting said assessment and the subject case is now pending with the Department of Justice for adjudication.

While the amended Charter provides for an increase in insurance coverage from P100,000 to P250,000 per depositor, the rate of assessment premiums charged to member banks was not correspondingly increased. The amended Charter



further provides that assessment collections, net of operating costs and expenses, additions to reserves and net insurance and financial assistance losses, should be added to the Deposit Insurance Fund (DIF).

Until the final disposition of the acquired assets and the final resolution of the pending legal cases and the value added tax issue with the BIR herein mentioned have been made, the long-term financial viability of PDIC cannot yet be ascertained.

In our opinion, except for the effects of such adjustments, if any, as might have been required had the outcome of the uncertainties mentioned in the preceding paragraphs been known, the financial statements referred to above present fairly, in all material respects, the financial position of the Philippine Deposit Insurance Corporation as of December 31, 2004 and the results of its operations and its cash flows for the year then ended, in conformity with applicable generally accepted accounting principles.

**COMMISSION ON AUDIT**

  
**ROSEMARIE L. LERIO**  
**Director IV**  
**Cluster II - Financial B**  
**Corporate Government Sector**

February 28, 2005

# Board of Directors



## 2004 Board Of Directors



(From left to right): Finance Secretary Juanita D. Amatong (Chairman); PDIC President and Chief Executive Officer Ricardo M. Tan (Vice Chairman); Bangko Sentral ng Pilipinas Governor Rafael B. Buenaventura (Director) ; Director Norberto C. Nazareno (November 22, 2002-May 25, 2004); and Director Carmen De Venecia-Lim

## 2005 Board Of Directors



(From left to right): Director Carmen De Venecia Lim; PDIC President and CEO Ricardo M. Tan (Vice Chairman); Finance Secretary Margarito B. Teves (Chairman); BSP Governor Amando M. Tetangco Jr. (Director); and Director Ruben D. Almendras

*\*Former Members of the 2005 Board of Directors: Former Chairman and Finance Secretary Juanita D. Amatong (December 1, 2003-February 14, 2005); Former Chairman and Finance Secretary Cesar V. Purisima (February 16, 2005-July 8, 2005); and Former Bangko Sentral ng Pilipinas Governor Rafael B. Buenaventura (July 6, 1999-July 3, 2005)*

## Alternate Directors

(From left to right): BSP Deputy Governor Nestor A. Espenilla Jr. and Finance Undersecretary Gabriel R. Singson Jr.







# 2004-2005 Board of Directors

## 2004-2005 Board of Directors

**Margarito B. Teves**, Finance Secretary  
Chairman  
(July 12, 2005–present)

Margarito B. Teves was appointed Finance Secretary on July 12, 2005. His professional life boasts of a long and multi-faceted career as a banker, an economist and a lawmaker. Before assuming the top post of the Department of Finance, Teves was president of the Land Bank of the Philippines.

His political career started in July 1987 when he was elected as Congressional representative of the 3<sup>rd</sup> District of Negros Oriental. Teves, the lawmaker, crafted several laws and bills, including Republic Act 7221 that liberalized the entry and scope of operations of foreign banks in the country, Republic Act 6911 or the Magna Carta for Small Enterprises and Republic Act 8293, an Act amending the Patents, Trademarks and Copyright Laws of the country.

Teves took up Bachelor of Arts at the Universidad Central de Madrid, Spain in 1961. He earned his Higher Education Diploma in Business Studies in 1965 at the City of London College in England. In 1968, he finished his master's degree in Development Economics at Williams College, Massachusetts, USA.

**Cesar V. Purisima**, Former Finance Secretary  
Former Chairman  
(February 16, 2005–July 8, 2005)

Cesar V. Purisima assumed office as Secretary of the Department of Finance on February 15, 2005. Before his appointment to the DOF, he was the Secretary of Department of Trade and Industry. His appointments to these top government posts were preceded by an illustrious career in the private sector.

Among the top placers in the 1979 CPA board examination, Purisima graduated from the De La Salle University with a bachelor's degree in Commerce, major in Accounting and Financial Institutions. He earned his MBA from the J. L. Kellogg Graduate School of Management of the Northwestern University in the US. He was also a Fellow of the Eminent Southeast Asians Programme of the Singapore International Foundation.

**Juanita D. Amatong**, Former Finance Secretary  
Former Chairman  
(December 1, 2003 – February 14, 2005)

Juanita D. Amatong is the first woman to be appointed Secretary of the Department of Finance. She started her career at the DOF in 1971 as a Senior Financial Analyst then rose from the

ranks to become an Assistant Secretary in 1986. Thereafter, Amatong worked with the World Bank as an Advisor to the Executive Director in 1995 and as an Alternate Executive Director for the Multilateral Investment Guarantee Administration.

Amatong earned her bachelor's degree in Business Administration (*cum laude*) from Silliman University, and her master's degree in Economics and Public Administration at the Syracuse University in New York. She earned a Certificate in Public Enterprise Management in Developing Countries at the Harvard Institute of International Development, and a Certificate in Financial and Fiscal Policies and Programming at the International Monetary Fund.

**Ricardo M. Tan**, PDIC President & CEO  
Vice Chairman  
(February 27, 2003 – present)

Ricardo M. Tan assumed vice chairmanship of the PDIC Board with his appointment as PDIC President and CEO on February 27, 2003. He is the former Executive Vice President and Head of the Insurance and Risk Management Sector of the PDIC. Tan has 24 years of vast work experience in various positions held at the Asian Development Bank and four years of banking practice with the Rizal Commercial Banking Corporation. He was a former senior economist at the Central Bank and was CB Financial Attaché in London in 1965. He also worked as Presidential Staff Assistant at the Office of the President in the early 1960s.

Tan graduated at the University of San Francisco (California) with a degree in Economics. He earned his Master's in Economics (Money and Banking/Central Banking in Developing Countries) from the London School of Economics and Political Science.

**Amando M. Tetangco Jr.**, BSP Governor  
Director  
(July 3, 2005–present)

Amando M. Tetangco, Jr. assumed office as Governor of the Bangko Sentral ng Pilipinas on July 3, 2005. His ascent to becoming chief of the country's financial regulator is the result of his 30 years' hard work in the central bank. Prior to his appointment as BSP Governor, he was Deputy Governor in-charge of the Banking Services Sector, Economic Research and Treasury. Tetangco also represented the BSP at the National Economic and Development Authority (NEDA) Board which is chaired by the President of the Republic of the Philippines.

Tetangco took up AB Economics at the Ateneo de Manila University where he graduated *cum laude*. He took up graduate courses in business administration in the same institution. As a

central bank scholar, Tetangco took up his MA in Public Policy and Administration at the University of Wisconsin in Madison, USA.

**Rafael B. Buenaventura**, Former BSP Governor  
Former Director  
(July 6, 1999 – July 3, 2005)

Rafael B. Buenaventura assumed office as the Governor of the BSP on July 6, 1999, following a long and distinguished career of over 30 years in private commercial banking. Prior to his appointment to BSP, Buenaventura was the President and Chief Executive Officer of the Philippine Commercial International Bank. He earned the distinction "One of Asia's Most Outstanding Bankers" in an award presented by Asia Money in 1991.

Buenaventura graduated from De La Salle University with a degree in Commerce. He earned his master's degree in Business Administration at the Stern Graduate School of Business, New York University. He also attended the University of Hawaii/Harvard University Advanced Management Program.

**Carmen de Venecia-Lim**, Private Sector Representative  
Director  
(May 2, 2001 - present)

Carmen de Venecia-Lim is the present PDIC consultant to the Philippine National Bank and former consultant to the Bank of Commerce. She established her career in banking with the then Central Bank of the Philippines where she spent 16 years holding various positions including the rank of supervising bank examiner. She also served as Director to the boards of Philippine Commercial International Bank from 1997-98 and PNB Securities, Inc. from 1995-98. Lim was also the President of Carven Realty, Inc. and a Director of Philippine Chamber of Real Estate Professionals.

Lim graduated from the University of Sto. Tomas with a degree in Bachelor of Science in Commerce.

**Ruben D. Almendras**, Private Sector Representative  
Director  
(March 4, 2005–present)

Ruben D. Almendras is the Chairman of the Metro Cebu Water District (MCWD). Almendras has served in various capacities as consultant, banker, chairman and president of private and government agencies in a career that spans over three decades. He is currently the president and director of Cebu International Finance Corporation (CIFC), a board director of the Philippine Bank of Communications; and a vice president, treasurer and director of J.D. Almendras Corporation.

Almendras obtained his Bachelor of Arts degree in Philosophy and MBA from the University of the Philippines in 1965 and 1969, respectively.

**Norberto C. Nazareno**, Private Sector Representative  
Former Director  
(November 22, 2002 – May 25, 2004)

Director Norberto C. Nazareno was appointed member of the PDIC Board immediately following his resignation as President and CEO of PDIC on November 22, 2002 where he served for more than two years. Prior to his appointment as PDIC Director, he was the president of Lisieux Inc., a management and consultancy firm. He served as President and CEO of the Philippine Banking Corporation (PhilBank) from 1994-99, where he held directorship positions in the corporation's subsidiaries. Before this, he was president of Citicorp Securities for four years. He carved a career in Citibank N.A. for 19 years serving in various capacities. He also served as Governor and Treasurer of the Philippine Stock Exchange and Governor of the Makati Stock Exchange.

He obtained his bachelor's degree in Economics and Master's in Business Management from the Ateneo de Manila University.



# Board Committees

(as of July 2005)



(From left to right): Director Carmen De Venecia-Lim (Chairperson); Director Ruben D. Almendras (Member); and Bangko Sentral ng Pilipinas Deputy Governor Nestor Espenilla (Member)

## Audit COMMITTEE

The Board Audit Committee provides oversight supervision over the Corporation's internal audit function. It operates to give reasonable assurance to the PDIC Board of Directors that the internal control system and the internal audit activities are adequate and that they operate effectively and efficiently. The authority of the Board Audit Committee emanates from the Audit Charter that serves to provide a framework for an independent, objective assurance and consulting activity that will enhance control and internal audit in support of sound corporate governance.

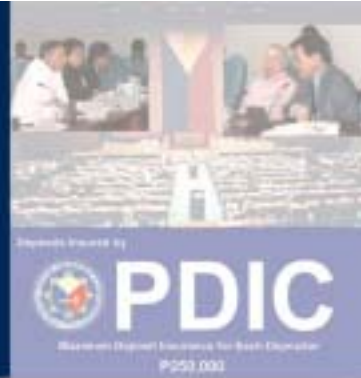


(From left to right): Director Ruben D. Almendras (Chairman); Director Carmen De Venecia-Lim (Member); Finance Secretary Margarito B. Teves (Member); and Finance Undersecretary Gabriel Singson Jr. (Alternate to Finance Secretary)

## Risk Management COMMITTEE

The Board Risk Management Committee (BRMC) determines strategic risks that may affect the viability and survival of PDIC. It recommends policy initiatives and changes to the PDIC Board of Directors to avoid, minimize, mitigate, or transfer identified risks. The BRMC likewise monitors the risk management performance of the operating units by establishing risk limits, risk indicator ratios, (e.g., liquidity ratios) and incorporating these in the regular reports of the operating units.

# The **PDIC** Management



## Executive Committee

*(Seated left to right) Imelda S. Singzon, Executive Vice President; Ricardo M. Tan, President and CEO; Cristina Que Orbeta, Executive Vice President*

*(Standing left to right) Sandra A. Diaz, Senior Vice President, Financial Resource Management and Comptrollership Sector; Nestor Z. Flores, Officer-in-Charge, Office of the Senior Vice President-Corporate Services Sector and First Vice President, Human Resource Management and Development Group; Ma. Ana Carmela L. Villegas, Senior Vice President, Management Services Sector; Atty. Romeo M. Mendoza Jr., General Counsel and Senior Vice President, Legal Affairs Sector; and Ma. Ester D. Hanopol, Vice President, Internal Audit Group*





#### Operations-Division 1

*(Seated left to right) Nestor Z. Flores, Officer-in-Charge, Office of the Senior Vice President-Corporate Services Sector and First Vice President, Human Resource Management and Development Group; Cristina Que Orbeta, Executive Vice President*

*(Standing left to right) Cynthia B. Marcelo, Assistant Vice President/Officer-in-Charge, Insurance and Risk Assessment Services Group; Nina Noreen A. Jacinto, Vice President, Administrative Services Group; Shirley G. Felix, Officer-in-Charge, Risk Assessment and Resolution Group 2; and Josefina J. Velilla, First Vice President, Risk Assessment and Resolution Group 1.*



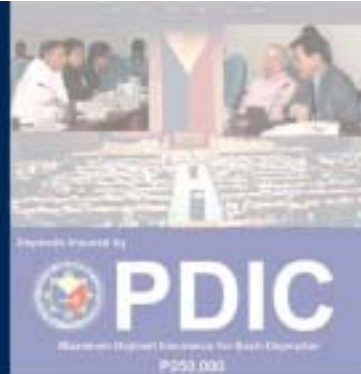
#### Operations-Division II

*(Seated left to right) Sandra A. Diaz, Senior Vice President, Financial Resource Management and Comptrollership Sector; Imelda S. Singzon, Executive Vice President ; Elizabeth E. Oller, Vice President, CRL Services Group*

*(Standing left to right) Nancy L. Sevilla, Assistant Vice President/Officer-in-Charge, Receivership and Liquidation Group 2; Teresita D. Gonzales, Assistant Vice President/Officer-in-Charge, Receivership and Liquidation Group 1; Geronimo V. Ambe, Vice President, Comptrollership Group; and Lilian I. Serna, Vice President, Insurance Claims Group*

# The PDIC Management

(as of May 31, 2005)



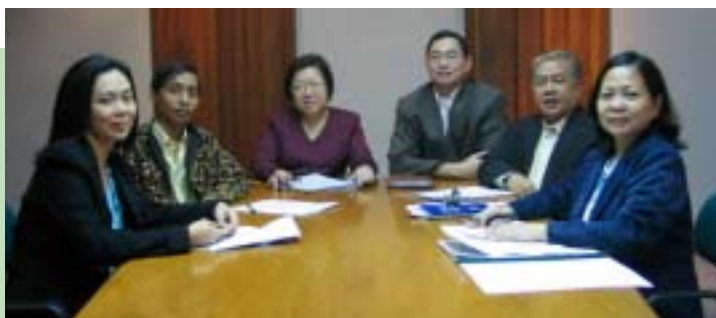
## Advocacy and Governance

*(Seated left to right) Atty. Romeo M. Mendoza Jr., General Counsel and Senior Vice President, Legal Affairs Sector; Ricardo M. Tan, President and CEO; Ma. Ana Carmela L. Villegas, Senior Vice President, Management Services Sector*

*(Standing left to right) Maria Leonida Fres-Felix, Vice President, Communications and Stakeholder Relations Group; Atty. Cristine C. Remollo, First Vice President, Legal Services Group; Atty. Ma. Antonette B. Bolivar, Vice President, Litigation and Investigation Group; Ma. Ester D. Hanopol, Vice President, Internal Audit Group; and Ma. Aurora M. Pagcaliwagan, Vice President, Information Technology Group*

## PDIC Ethics Committee

*(From left to right):  
Ma. Ester D. Hanopol, VP-Internal Audit Group;  
Francis Randy J. Hortelano, Representative of the PDIC  
Employees Organization (Phildiceo)  
Cristina Que Orbeta, EVP-Division I (Chairperson);  
Atty. Romeo M. Mendoza Jr., General Counsel and SVP-  
Legal Affairs Sector; Nestor Z. Flores, Officer-in-Charge,  
OSVP-Corporate Services Sector and FVP-Human  
Resources Management and Development Group; and  
Herminia S. Morales, Representative of  
the PDIC Officers Club*



In strict compliance with the Code of Conduct and Ethical Standards for Public Officials and Employees or Republic Act No. 6713, the PDIC created the Ethics Committee to ensure that its officers and employees adhere to high ethical standards. The Ethics Committee works to ensure that PDIC public servants perform their duties with the highest degree of integrity and professionalism.

As the Code's active conduit to PDIC, the Ethics Committee formulates and revises guidelines on norms of conduct and ethical behavior. The Committee deliberates on cases that violate the adopted norms of conduct and, when necessary, refers such cases to authorities for appropriate action.



# **Management Committee**

(as of May 31, 2005)

**RICARDO M. TAN**

*President and Chief Executive Officer*

**CRISTINA QUE ORBETA**

*Executive Vice President  
Operations-Division I*

**IMELDA S. SINGZON**

*Executive Vice President  
Operations-Division II*

**ATTY. ROMEO M. MENDOZA JR.**

*General Counsel and Senior Vice President  
Legal Affairs Sector*

**SANDRA A. DIAZ**

*Senior Vice President  
Financial Resource Management and Comptrollership Sector*

**MA. ANA CARMELA L. VILLEGAS**

*Senior Vice President  
Management Services Sector*

**NESTOR Z. FLORES**

*Officer-in-Charge, OSVP-Corporate Services Sector  
First Vice President  
Human Resource Management and Development Group*

**ATTY. CRISTINE C. REMOLLO**

*First Vice President  
Legal Services Group*

**JOSEFINA J. VELILLA**

*First Vice President  
Risk Assessment and Resolution Group I*

**GERONIMO V. AMBE**

*Vice President  
Comptrollership Group*

**ATTY. MA. ANTONETTE B. BOLIVAR**

*Vice President  
Litigation and Investigation Group*

**MARIA LEONIDA FRES-FELIX**

*Vice President  
Communications and Stakeholder Relations Group*

**MA. ESTER D. HANOPOL**

*Vice President  
Internal Audit Group*

**NINA NOREEN A. JACINTO**

*Vice President  
Administrative Services Group*

**ELIZABETH E. OLLER**

*Vice President  
CRL Services Group*

**MA. AURORA M. PAGCALIWAGAN**

*Vice President  
Information Technology Group*

**LILIAN I. SERNA**

*Vice President  
Insurance Claims Group*

**TERESITA D. GONZALES**

*Officer-in-Charge/Assistant Vice President  
Receivership and Liquidation Group I*

**CYNTHIA B. MARCELO**

*Officer-in-Charge/Assistant Vice President  
Insurance and Risk Assessment Services Group*

**NANCY L. SEVILLA**

*Officer-in-Charge/Assistant Vice President  
Receivership and Liquidation Group II*

**SHIRLEY G. FELIX**

*Officer-in-Charge  
Risk Assessment and Resolution Group II*



# List of Officers

(as of December 31, 2004)



## Corporate Direction, Management and Control

### OFFICE OF THE PRESIDENT AND CHIEF EXECUTIVE OFFICER

RICARDO M. TAN  
*President and Chief Executive Officer*

MA. CARMEN ROSARIO Z. RECITAS  
*Corporate Executive Officer III/OIC*

### OFFICE OF THE CORPORATE BOARD SECRETARY

MARY ROSALIND A. ALARCA  
*Assistant Department Manager III/OIC*

VICTORIA P. MARTINEZ  
*Corporate Executive Officer III*

### OFFICE OF THE BOARD CHAIRMAN

ROSALIA V. DE LEON  
*Vice President*

### OFFICE OF THE VICE PRESIDENT - INTERNAL AUDIT GROUP

ARMANDO L. QUILALA  
*Vice President*

#### Internal Audit Department I

ZENaida A. VILLAROMAN  
*Department Manager III*

QURALENE P. PATALINGHUG  
*Assistant Department Manager II*

GLORIA S. MEDINA  
*Corporate Executive Officer II*

#### Internal Audit Department II

CARLITO B. BANAAG  
*Assistant Department Manager III/OIC*

MARILou G. MIRANDA  
*Corporate Executive Officer II*

#### IT Audit Section

NANCY M. MENDOZA  
*Corporate Executive Officer III*

### OFFICE OF THE SENIOR VICE PRESIDENT - MANAGEMENT SERVICES GROUP

NOEMI R. JAVIER  
*Senior Vice President*

ROBERT VICTORINO E. JONGCO  
*Corporate Executive Officer III*

#### Planning Department

SANDRA B. CATRAL  
*Department Manager III*

JOSEFINA MAY G. TATU  
*Corporate Executive Officer I*

#### Research Department

JOSE G. VILLARET, JR.  
*Assistant Department Manager II*

ANTONIO L. PANALIGAN  
*Corporate Executive Officer II/OIC*

#### Policy and Systems Department

CAROLINE LORETO E. VASQUEZ  
*Department Manager III*

VANESSA ESTHER G. MANALO  
*Corporate Executive Officer I*

ISMAEL C. SANTILLAN  
*Corporate Executive Officer I*

## Legal Affairs

### OFFICE OF THE GENERAL COUNSEL

JESUS FIDELINO D. CLARIZA  
*Senior Vice President*

#### Special Legal Services Department

LUISITO Z. MENDOZA  
*Assistant Department Manager II*

SUSANA R. CAROLINO  
*Corporate Executive Officer I*

### OFFICE OF THE VICE PRESIDENT - LEGAL GROUP I

CRISTINE C. REMOLLO  
*Vice President*

#### Legal Support I

HERNANDO L. CATIGBE  
*Corporate Executive Officer I*

#### Legal Services Department I

FERNANDO S. ABADILLA  
*Department Manager III*

ELAINE B. DETICIO  
*Attorney V*

ERIC R. CORTES  
*Corporate Executive Officer II*

#### Litigation Department II

MARIVIC C. ARRIOLA  
*Attorney V/OIC*

ROMEL M. BARRERA  
*Legal Officer V*

NILO ALDRIN M. LUCINARIO  
*Legal Officer V*

RAYMOND C. DE LEMOS  
*Attorney IV*

#### Litigation Department IV

NANCY L. SEVILLA  
*Department Manager III*

GILROY V. BILLONES  
*Legal Officer V*

MA. LUISA R. MIRANDA  
*Legal Officer V*

### OFFICE OF THE VICE PRESIDENT - LEGAL GROUP II

MA. ANTONETTE B. BOLIVAR  
*Assistant Vice President/OIC*

#### Legal Support II

RICARDO D. ANTONIO  
*Corporate Executive Officer I*

#### Legal Services Department I

JOSETTE SONIA H. MARCILLA  
*Department Manager III*

JOANNE N. LIMPIN  
*Attorney V*

PAULO V. SARET  
*Legal Officer V*

#### Litigation Department II

JOSELITO S. MENDOZA  
*Attorney V/OIC*

RODOLFO B. SAMSON  
*Attorney V*



CLARENCE E. DATO  
*Attorney IV*

JOSEFINA J. SAMBOLAWAN  
*Attorney IV*

**Legal Services Department III**

MARIE HAZEL V. CIRIACO  
*Department Manager III*

GEODERICK E. CARBONELL  
*Attorney IV*

**Litigation Department IV**

MANUEL C. TAN  
*Attorney V/OIC*

JOSE MARI C. GANA  
*Legal Officer V*

REUBEN RITZUKO T. VERADIO  
*Legal Officer V*

**Division I**

**OFFICE OF THE SENIOR EXECUTIVE VICE PRESIDENT**

ROSALINDA U. CASIGURAN  
*Senior Executive Vice President*

**OFFICE OF THE VICE PRESIDENT - INSURANCE AND RISK ASSESSMENT GROUP**

VICENTE T. DE VILLA III  
*Assistant Vice President/OIC*

**Bank Performance Monitoring Department**

MA. LENITA I. FLORIZA  
*Corporate Executive Officer II/OIC*

**Insurance Department**

ELISEO R. RAMALLOSA  
*Assistant Department Manager III/OIC*

MA. LUCILA H. REYES  
*Assistant Department Manager II*

AGNES E. REMOLONA  
*Corporate Executive Officer I*

**OFFICE OF THE VICE PRESIDENT - RISK MANAGEMENT GROUP I**

JOSEFINA J. VELILLA  
*Vice President*

**Risk Management Department I**

ROSSANA V. CASTALLA  
*Assistant Department Manager III/OIC*

JOSEFINA E. CORTEZ  
*Corporate Executive Officer II*

JOSEFINA R. FAJARDO  
*Corporate Executive Officer II*

**Risk Management Department II**

FELY D. REYES  
*Department Manager III*

JUSTICE LADY S. FLORES  
*Corporate Executive Officer III*

**OFFICE OF THE VICE PRESIDENT - RISK MANAGEMENT GROUP II**

MA. ANA CARMELA L. VILLEGAS  
*Vice President*

**Risk Management Department III**

MA. ESTER D. HANOPOL  
*Department Manager III*

**Risk Management Department IV**

SHIRLEY G. FELIX  
*Department Manager III*

MARLOWE F. MIKIN  
*Corporate Executive Officer III*

**OFFICE OF THE VICE PRESIDENT - RISK MANAGEMENT GROUP III**

SANDRA A. DIAZ  
*Vice President*

**Risk Management Department V**

ANGEL B. OBRERO  
*Department Manager III*

POLO L. PANTALEON  
*Assistant Department Manager II*

**Risk Management Department VI**

ALTEO C. MALABUYOC  
*Assistant Department Manager III/OIC*

ANNE BELINDA N. HIÑOLA  
*Corporate Executive Officer II*

**OFFICE OF THE VICE PRESIDENT - HUMAN RESOURCE MANAGEMENT GROUP**

NESTOR Z. FLORES  
*Vice President*

ROSARIO F. ADVIENTO  
*Corporate Executive Officer III*

**Personnel Department**

NINA NOREEN A. JACINTO  
*Department Manager III*

ARACELI H. TABAC  
*Corporate Executive Officer I*

VIRGILIO C. ESTANISLAO  
*Corporate Executive Officer I*

ARLENE T. PANGILINAN  
*Corporate Executive Officer I*

**Organization Development Department**

IRMINA D. SICIO  
*Department Manager III*

ASUNCION S. CALAPAN  
*Corporate Executive Officer III*

EUGENE V. BORLONGAN  
*Corporate Executive Officer III*

**Provident Fund Department**

ANITA R. GONGON  
*Corporate Executive Officer III/OIC*

MA. TERESA C. VESTAL  
*Corporate Executive Officer I*

**OFFICE OF THE VICE PRESIDENT - TRAINING AND PUBLIC AFFAIRS GROUP**

RESCINA S. BHAGWANI  
*Vice President*

ESTER B. BINALLA  
*Corporate Executive Officer IV*

**Training Department**

MA. ANGELETTE I. FLESTADO  
*Department Manager III*

ELIZABETH R. PADOLINA  
*Corporate Executive Officer III*



# **Public Affairs Department**

AURAMAR D. CALBARIO  
*Department Manager III*

NIMFA D. CAMUA  
*Corporate Executive Officer II*

ISABEL P. GAVIOLA  
*Corporate Executive Officer II*

LEO L. AGUINALDO  
*Corporate Executive Officer I*

# **INFORMATION TECHNOLOGY GROUP**

RODANTE G. PINEDA  
*Department Manager III/OIC*

# **Information Technology Services Department**

MADELAINE BARBARA M. FERNANDEZ  
*Corporate Executive Officer III/OIC*

MAYBELYN V. HOMBREBUENO  
*Corporate Executive Officer II*

# **Information Technology Solutions Department**

JOSE ALEX P. MERCADO  
*Corporate Executive Officer III/OIC*

JOSE ALEXANDER G. FESTIN  
*Corporate Executive Officer I*

# **DIVISION II**

# **OFFICE OF THE EXECUTIVE VICE PRESIDENT**

IMELDA S. SINGZON  
*Executive Vice President*

NESTOR N. UBALDE  
*Corporate Executive Officer III*

# **OFFICE OF THE VICE PRESIDENT - INSURANCE CLAIMS GROUP**

ELENITA B. VIDAL  
*Vice President*

# **Presettlement Examination Department**

FLORDELIZ C. PORSOVIGAN  
*Department Manager III*

VICTORIA M. CANCINO  
*Assistant Department Manager II*

JANET B. AGUILA  
*Assistant Department Manager II*

NERILYN O. ABOGADO  
*Corporate Executive Officer II*

# **Claims Processing Department**

LUISITO M. CARREON  
*Assistant Department Manager III/OIC*

EVANGELINE T. RIGAYEN  
*Corporate Executive Officer II*

MILA O. TAMAYO  
*Corporate Executive Officer I*

MA. TERESA A. HERRERA  
*Corporate Executive Officer I*

# **Claims Settlement Department**

VIVENCIO M. MANIAGO  
*Department Manager III*

ROSENDA L. BARRIL  
*Corporate Executive Officer II*

MA. GINA G. MARTOS  
*Corporate Executive Officer II*

# **OFFICE OF THE VICE PRESIDENT - RECEIVERSHIP AND LIQUIDATION GROUP I**

AURORA C. BALDOZ  
*Vice President*

# **Receivership and Liquidation Department I-A**

TEODORO JOSE D. HIRANG  
*Department Manager III*

IMELDA R. SALGADO  
*Assistant Department Manager II*

ELMER JUAN C. HABER  
*Corporate Executive Officer II*

LALAINA P. DELOS REYES  
*Corporate Executive Officer II*

ZOSIMA D. LACONSAY  
*Corporate Executive Officer II*

IMELDA A. BARRO  
*Corporate Executive Officer II*

# **Receivership and Liquidation Department I-B**

TERESA H. GARCIA  
*Department Manager III*

LEVY C. CRUZ  
*Assistant Department Manager II*

RONALD C. ANGELES  
*Corporate Executive Officer II*

ANA ROSA E. VIRAY  
*Corporate Executive Officer II*

MA. BERNADETTE R. SANCHEZ  
*Corporate Executive Officer II*

FLORANTE D. LUCOS  
*Corporate Executive Officer II*

# **OFFICE OF THE VICE PRESIDENT - RECEIVERSHIP AND LIQUIDATION GROUP II**

PABLO Y. ROMERO, JR.  
*Vice President*

# **Receivership and Liquidation Department II-A**

ALBERTO M. CRUZ  
*Department Manager III*

NICANORA H. BAG-AO  
*Assistant Department Manager II*

BERNARDO A. TABUGADER  
*Corporate Executive Officer II*

MA. REDENCION S. DAVID  
*Corporate Executive Officer II*

LEONOR S. SAMONTE  
*Corporate Executive Officer II*

RENATO R. ARGEL  
*Corporate Executive Officer II*

# **Receivership and Liquidation Department II-B**

TERESITA D. GONZALES  
*Department Manager III*

RU C. DE ASAS  
*Corporate Executive Officer II*



FERNANDO S. BOÑULA  
*Corporate Executive Officer II*

HONORIO E. FRANCO, JR.  
*Corporate Executive Officer II*

RIZALINA I. REPEDRO  
*Corporate Executive Officer II*

**OFFICE OF THE VICE PRESIDENT -  
 ASSET MANAGEMENT GROUP**

MARY ANN C. CRISOSTOMO  
*Corporate Executive Officer II*

**AMG-Administrative Services and  
 Support Section**

ESPERANZA L. CHINGCUANGCO  
*Corporate Executive Officer I*

**Asset Management Department I**

FERDINAND M. BELUAN  
*Department Manager III*

DEMOCRITO L. BITANG  
*Corporate Executive Officer II*

LEON C. CABRADILLA  
*Corporate Executive Officer II*

**Asset Management Department II**

BENEFICO M. MAGDAY  
*Department Manager III*

MA. ROSARIO T. MOJICA  
*Corporate Executive Officer I*

MARIO D. LASAM  
*Corporate Executive Officer I*

MA. NENITA N. GAYLA  
*Corporate Executive Officer I*

**OFFICE OF THE VICE PRESIDENT - CRL  
 SERVICES GROUP**

EDITA D. VILLAR  
*Vice President*

**CRL Services Support Section**

ALEX N. MARAVILLA  
*Corporate Executive Officer I*

**CRL Data and Support Services  
 Department**

ELIZABETH E. OLLER  
*Department Manager III*

MA. THERESA B. SALCOR  
*Assistant Department Manager II*

DOROTHY C. EAMILAO  
*Corporate Executive Officer I*

**Property Appraisal Department**

RAMON A. MAAMO  
*Corporate Executive Officer (VIOIC)*

RECAREDO LEIGHTON A. TAMAYO  
*Corporate Executive Officer I*

JOSE L. VALDEZ  
*Corporate Executive Officer I*

**OFFICE OF THE VICE PRESIDENT -  
 FINANCE GROUP**

MA. ELENA E. BIENVENIDA  
*Vice President*

GLORIA M. VILLANUEVA  
*Corporate Executive Officer II*

CAROL P. CAGALINGAN  
*Corporate Executive Officer I*

**Accounting Department**

GERONIMO V. AMBE  
*Department Manager III*

SALUD E. MARGAJAY  
*Corporate Executive Officer I*

JUANITO R. ENRIQUEZ  
*Corporate Executive Officer I*

THELMA B. ARIAS  
*Corporate Executive Officer I*

SIMEON B. KASALA, JR.  
*Corporate Executive Officer I*

**Treasury Department**

JOSEFINA G. COLIGADO  
*Department Manager III*

MERLIE M. CAÑAVERAL  
*Assistant Department Manager II*

ESTELITAR. DATINGALING  
*Corporate Executive Officer I*

MARCIA BELLA C. RAMIREZ  
*Corporate Executive Officer I*

**Financial Assistance and Securities  
 Monitoring Department**

JOCELYN J. NEPOMUCENO  
*Department Manager III*

HERMINIA S. MORALES  
*Corporate Executive Officer I*

**OFFICE OF THE VICE PRESIDENT -  
 ADMINISTRATIVE SERVICES GROUP**

CATHERINE F. BAMBA  
*Vice President*

**Procurement, Property and Records  
 Department**

ZENALDA P. BAUTISTA  
*Department Manager III*

CARMELYNE J. REYES  
*Assistant Department Manager II*

CONCEPCION C. CALUAG  
*Corporate Executive Officer I*

GEORGE BENEDICT O. CARREON  
*Corporate Executive Officer I*

**Building Administration, Security and  
 Transportation Department**

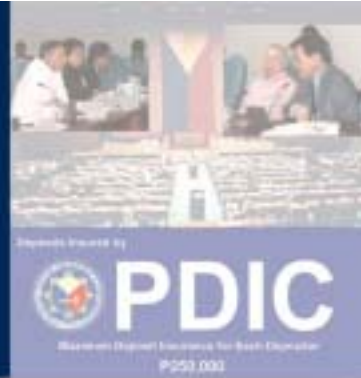
ERNESTO R. TORRES, JR.  
*Corporate Executive Officer II*

JUAN V. LANTING  
*Corporate Executive Officer I*



# PDIC Roll

(as of December 31, 2004)



## A

ABADILLA, FERNANDO S.  
 ABAN, ALEXIS A.  
 ABAY, JOSUE G.  
 ABELEDA, SONIA A.  
 ABENIS, MA. SALOME C.  
 ABIERA, DENNIS Y.  
 ABOGADO, NERILYN O.  
 ABRIAM, CHERRY L.  
 ABRIAM, RODERICK M.  
 ACOSTA, ALEJANDRO JR. S.  
 ACOSTA, BETTINA N.  
 ACUNA, ADELIA H.  
 ACUNIN, MARA JANE L.  
 ADOTE, DHELIA A.  
 ADUANA, GERHARDUS C.  
 ADVIENTO, ROSARIO F.  
 AGABAO, LENIN D.  
 AGNES, MA. CARIDAD R.  
 AGUILA, JANET B.  
 AGUILAR, ELADIO R.  
 AGUINALDO, LEO L.  
 AGUSTIN, JENELYN P.  
 ALAGOS, DAISY ANN T.  
 ALAMBRA, LOIDA A.  
 ALARCA, MARY ROSALIND A.  
 ALCOPA, ARIEL M.  
 ALDEGUER, VICTORIA T.  
 ALIDON, PIO B.  
 ALTERIA, EDGARDO A. JR.  
 AMBE, GERONIMO V.  
 AMIGLEO, NOREEN R.  
 ANDAYA, ARLEIGH S.  
 ANDES, JOAN P.  
 ANDRADA, JOVY R.  
 ANGELES, BEATRIZ R.  
 ANGELES, RONALD C.  
 ANI, JACQUELINE I.  
 ANINGALAN, RACELLE B.  
 ANTONIO, APRIL A.  
 ANTONIO, FLORANTE JR. F.  
 ANTONIO, MA. GRACIA N.  
 ANTONIO, NIÑA M.  
 ANTONIO, RICARDO D.  
 APARICIO, JONA M.  
 APOLINARIO, CELY E.  
 AQUINO, ERNESTO C.  
 AQUINO, SHEILA MARIE I.  
 ARA, ERLEEN B.  
 AREVALO, ELMO R.  
 ARGEL, RENATO R.  
 ARIAS, THELMA B.  
 ARIZALA, AURA MARINA R.  
 ARRIOLA, MARIVIC C.  
 ARRIOLA, ROMEO C.  
 ARTILLO, MARY ARDELYN D.  
 ARZAGA, VICTORIANO C.  
 ASCANO, RHODA R.  
 ASUELO, EDGARDO P.  
 ASUNCION, CARMENCITA C.  
 ATENDIDO, JOCELYN A.  
 ATIBULA, KENNETH T.  
 AURE, OLIVER A.

AURELIA, EDZEL D.  
 AUSTRIA, ARLENE C.  
 AUSTRIA, RHEA S.  
 AVECILLA, AUGUSTO R.  
 AYRAN, JUNNIFER P.

## B

BACSAL, DIONISIA E.  
 BADILLA, JUDITH E.  
 BADILLO, ROSA MARIA V.  
 BAG-AO, NICANORA H.  
 BAGAPORO, MA. CRISTINA T.  
 BAGNES, LYN D.  
 BAGUIO, GODOFREDA P.  
 BALASABAS, MARILOU M.  
 BALDE, MA. LEA D.  
 BALDONO, SHEILA MARIE C.  
 BALDOZ, AURORA C.  
 BALLESTEROS, ARTURO D.  
 BALTAZAR, MA. PAZ V.  
 BAMBA, CATHERINE F.  
 BANAAG, CARLITO B.  
 BANDERA, SOCORRO C.  
 BARNACHEA, RENE S.  
 BARRAL, ROSALIE F.  
 BARRANDA, STELLA D.  
 BARRERA, ROMEL M.  
 BARRIL, ROSENDA L.  
 BARRO, IMELDA A.  
 BARROS, LENY GRACE A.  
 BATAAN, LIZ D.  
 BATAC, ARACELI F.  
 BATALLA, ALLAN PAUL G.  
 BATAY, ROSALYN D.  
 BATHAN, AILEEN M.  
 BAUTISTA, EDGARDO M.  
 BAUTISTA, GRACE V.  
 BAUTISTA, RHAMAR V.  
 BAUTISTA, ZENAIDA P.  
 BAYLON, JOSIELYN S.  
 BELLO, SHERWIN Z.  
 BELLO, VIRGINIA D.  
 BELTEJAR, YSHMAEL C.  
 BELTRAN, MA. LOURDES E.  
 BELUAN, FERDINAND M.  
 BENDANA, JOSE A.  
 BHAGWANI, RESCINA S.  
 BIENVENIDA, MA. ELENA E.  
 BILLONES, GILROY V.  
 BINALLA, ESTER B.  
 BITANG, DEMOCRITO L.  
 BLAZA, VICTORIA P.  
 BOLIVAR, MA. ANTONETTE B.  
 BONDOC, JOHN LEONARD S.  
 BONGALOS, MARIA ELIZA B.  
 BOÑULA, FERNANDO S.  
 BOONE, ANICETA A.  
 BORLONGAN, EUGENE V.  
 BRIONES, EROLYN R.  
 BRIONES, GUILLERMO A.  
 BUENAVENTURA, ARDIN S.  
 BUENO, PRINCESS L.  
 BUGAYONG, DANILO B.

BUIQUIL, RENE C.  
 BUISING, MARYMER D.  
 BUNA, LANIE A.  
 BUNDALIAN, GLENDA G.

## C

CABA, PHEDILYN R.  
 CABRADILLA, LEON C.  
 CADERAO, MARDONIO C.  
 CAGALINGAN, CAROL P.  
 CALAPAN, ASUNCION S.  
 CALBARIO, AURAMAR D.  
 CALDERON, CRISTINA C.  
 CALLEJA, MA. EVANGELINE P.  
 CALLEJA, THELMA C.  
 CALUAG, CONCEPCION C.  
 CALUB, MARILOU D.  
 CALVEZ, VILMA Y.  
 CAMONAY, MA. SOCORRO R.  
 CAMUA, NIMFA D.  
 CANAPI, LAARNI L.  
 CAÑAVERAL, JOSELITO H.  
 CAÑAVERAL, MERLIE M.  
 CANCINO, VICTORIA M.  
 CANELA, ENRICO R.  
 CAPUNO, JAIME C.  
 CARAIG, MYRNA C.  
 CARBO, RIZZA L.  
 CARBONELL, GEODERICK E.  
 CARENG, JUANA L.  
 CARIGMA, HOMER SM.  
 CARLOS, LUDIVINA P.  
 CAROLINO, SUSANA R.  
 CARREON, AILEEN B.  
 CARREON, DELIA A.  
 CARREON, GEORGE BENEDICT O.  
 CARREON, LUISITO M.  
 CARVAJAL, JOSEPHINE M.  
 CASCOLAN, REGIEREX P.  
 CASIA, THELMA A.  
 CASIGURAN, MERLYN F.  
 CASIGURAN, ROSALINDA U.  
 CASINO, RONALD S.  
 CASTALLA, ROSSANA V.  
 CASTOR, CLEOFE D.  
 CASTRO, CHARMAINE CHERYL S.  
 CASTRO, HARRY C.  
 CASTRO, MA. MARGARITA G.  
 CASTRO, RUBEN S.  
 CATIGBE, HERNANDO L.  
 CATRAL, SANDRA B.  
 CENTINO, OFELIA M.  
 CERDON, JESSE S.  
 CHAVARRIA, MA. CORAZON M.  
 CHINGCUANGCO, ESPERANZA L.  
 CIRIACO, MARIE HAZEL V.  
 CIRIACO, VIRGINIA C.  
 CLARIZA, JESUS FIDELINO D.  
 COBILLA, FRANCISCO D.  
 COLIGADO, JOSEFINA G.  
 COMON, BERNADETTE P.  
 CONCEPCION, DENNIS H.  
 CONGE, ANASTACIO T.



CONGE, MA. TERESA D.  
 CORDERO, RUBEN C.  
 CORNISTA, ELMER R.  
 CORNISTA, MONINA J.  
 CORONA, ENRICO C.  
 CORPUZ, VICTOR REY A.  
 CORTES, ERIC R.  
 CORTES, JACINTO C.  
 CORTEZ, ENRIQUE M.  
 CORTEZ, JOSEFINA E.  
 CORTINA, RACQUEL C.  
 COSTA, HENRY A.  
 CRISOSTOMO, ENRICO A.  
 CRISOSTOMO, MARY ANN C.  
 CRUZ, ALBERTO M.  
 CRUZ, CLARINDA T.  
 CRUZ, LEVY C.  
 CRUZ, RICO C.  
 CRUZ, WILFREDO S.  
 CUISON, MARY CATHERINE Z.  
 CUNAN, ROMEO P.  
 CUSTODIO, ANGELITO A.

## D

DABI, SANDRA V.  
 DADPAAS, MIRIAM B.  
 DALIDA, CELY M.  
 DATINGALING, ESTELITA R.  
 DATO, CLARENCE E.  
 DATU, FLORDELIS M.  
 DATU, MARYLYN I.  
 DAVID, JOSE G.  
 DAVID, MA. REDENCION S.  
 DAYO, LAZEL C.  
 DAYOG, LILY F.  
 DE ASAS, RU C.  
 DE GUIA, JESSICA N.  
 DE GUZMAN, CAREY F.  
 DE JESUS, EDMUNDO F.  
 DE JESUS, FE R.  
 DE JESUS, JEFRIE T.  
 DE JESUS, MENARD B.  
 DE LEMOS, RAYMOND C.  
 DE LEON, ALICIA M.  
 DE LEON, EMMANUEL C.  
 DE LEON, JOAN S.  
 DE LEON, RAFAEL D.  
 DE LEON, ROSALIA V.  
 DE MESA, MA. LOURDES G.  
 DE RAMOS, MARCELINO A.  
 DE SILVA, DEBORAH C.  
 DE VERA, HERMIL P.  
 DE VILLA, VICENTE III T.  
 DE VIVAR, MARIANITA S.  
 DECENA, MARIVIC R.  
 DEL ROSARIO, ALEJANDRO S.  
 DEL VALLE, JENNIFER R.  
 DELA CRUZ, AMAVI Y.  
 DELA CRUZ, EMELINA M.  
 DELA CRUZ, JOFREY B.  
 DELA CRUZ, NERISSA B.  
 DELA CRUZ, RAQUEL A.  
 DELA CRUZ, RICHARD O.

DELA PEÑA, MAXIMO C.  
 DELA ROSA, FRANKLIN M.  
 DELLOSA, MARK ANTHONY L.  
 DELOS REYES, LALAINA P.  
 DELOS REYES, NOEL Q.  
 DELOS REYES, ROSSWELL C.  
 DELOS REYES, VIRGINIA E.  
 DELOS SANTOS, ARNEL M.  
 DETICIO, ELAINE B.  
 DIAZ, SANDRA A.  
 DILOY, MARY ANN D.  
 DIONISIO, VERONICA D.  
 DIVINO, DAN P.  
 DIZON, CARLYLE G.  
 DIZON, FRANCISCO N.  
 DIZON, ROSARIO E.  
 DONATO, MATEO A.  
 DRILON, LUDOVINA V.  
 DULALIA, ROGELIO JR. P.  
 DUMAGPI, CYNTHIA S.  
 DUMALE, GENALIN A.  
 DUMBRIQUE, DAHLIA E.  
 DUQUE, CRISANTA M.  
 DURANA, EUNICE L.

## E

EAMILAO, DOROTHY C.  
 ECO, MA. CELESTE G.  
 ELARDO, NILO T.  
 ENGADA, SHIRLEY N.  
 ENRICO, MELANIE L.  
 ENRIQUEZ, JAN CEDRIC P.  
 ENRIQUEZ, JUANITO R.  
 ENRIQUEZ, REMEL R.  
 ESCARAN, ABIGAIL B.  
 ESCOBAR, MA. CORAZON J.  
 ESPINEDA, MARYLOU V.  
 ESPIRITU, GLIZEL C.  
 ESTAMPADOR, MA. SALOME D.  
 ESTANISLAO, VIRGILIO C.  
 ESTEVES, CHERRYLYN L.  
 ESTORES, GILDA T.  
 EUGENIO, LEAH P.  
 EVANGELISTA, IRENE MERCEDES D.

## F

FAJARDO, IMELDA A.  
 FAJARDO, JOSEFINA R.  
 FAMOR, JOEL B.  
 FAMULARCANO, MAELYN S.  
 FAUNE, LYNN N.  
 FELIX, SHIRLEY G.  
 FELIX, YASMIN CORAZON B.  
 FENOL, EDUARDCEL L.  
 FERAREZA, MARIO G.  
 FERNANDEZ, LAURA P.  
 FERNANDEZ, MADELAINE BARBARA M.  
 FERNANDEZ, REIZA JOY S.  
 FERNANDEZ, VENUS F.  
 FERRERAS, VENUS V.

FESTIN, JOSE ALEXANDER G.  
 FIRMEZA, ARLENE FLORENCE E.  
 FLESTADO, MA. ANGELETTE I.  
 FLORES, ELMA L.  
 FLORES, JUSTICE LADY S.  
 FLORES, MA. CECILIA E.  
 FLORES, NESTOR Z.  
 FLORES, ROBERTO G.  
 FLORIZA, MA. LENITA I.  
 FORMARAN, LILIBETH R.  
 FRANCISCO, MA. LUZ B.  
 FRANCO, GERARDO C.  
 FRANCO, HONORIO JR. E.  
 FRIA, ROSARIO R.

## G

GACAYAN, CYNTHIA V.  
 GALAN, JOSE E.  
 GALOSMO, FREDY S.  
 GAMBOA, ARIES T.  
 GANA, JOSE MARI C.  
 GARAY, MARISA A.  
 GARCIA, CAROL L.  
 GARCIA, RENATO C.  
 GARCIA, TERESA H.  
 GATDULA, LAWRENCE C.  
 GATPATAN, EDGAR G.  
 GAVIOLA, ISABEL P.  
 GAYLA, MA. NENITA N.  
 GAYONDATO, DIVINA C.  
 GAYONDATO, LOUELLA BELLE L.  
 GELOCA, IMELDA V.  
 GENER, CORAZON P.  
 GEPILA, MARY JANE G.  
 GINDAP, HONEY JOYCE L.  
 GIRON, JOSELITO M.  
 GLORIANI, IMELDA L.  
 GO, ROSALYN M.  
 GONGON, ANITA R.  
 GONZALES, TERESITA D.  
 GONZALEZ, ERWIN L.  
 GOPEZ, BERNADETTE L.  
 GRANIL, GERARDO A.  
 GUANLAO, ANELEN L.  
 GUAPE, PROCESO B.  
 GUERRERO, JOHNNA LOU P.  
 GUERRERO, NAPOLEON JOEY A.  
 GUICO, ANA LIZA F.  
 GUINTU, MA. TERESA C.  
 GUÑA, ALEX L.

## H

HABER, ELMER JUAN C.  
 HANOPOL, MA. ESTER D.  
 HERNANDEZ, KATHLEEN M.C. B.  
 HERNANDEZ, LILYBETH C.  
 HERRERA, MA. TERESA A.  
 HERRERA, ROMEO L.  
 HIÑOLA, ANNE BELINDA N.  
 HIPONIA, GRACE F.

HIRANG, TEODORO JOSE D.  
 HOMBREBUENO, MAYBELYN V.  
 HORTELANO, FRANCIS RANDY J.

## I

IBABAO, WILFRIDA S.  
 IGNACIO, JHOANABEL E.  
 ILETO, OLIVER R.  
 INDORTE, ELOIDA B.  
 INFANTE, SHIELA GRACE M.

## J

JACINTO, NINA NOREEN A.  
 JACINTO, VIRGINIA S.  
 JANDUSAY, JOEL B.  
 JAO, JASON C.  
 JAVIER, NOEMI R.  
 JAVILLO, JONATHAN L.  
 JONGCO, ROBERT VICTORINO E.  
 JORDA, ANNABELLE A.  
 JOSE, JACQUELINE O.  
 JOSE, NAPOLEON D.  
 JOVEN, CELIA D.  
 JOYAS, MA. VICTORIA C.  
 JUANO, ADA C.  
 JURADO, RIZALYN P.

## K

KASALA, SIMEON JR. B.  
 KIMPO, GAMALIEL F.

## L

LABATORIO, ANNE M.  
 LACAO, FAMELA PAT B.  
 LACONSAY, ZOSIMA D.  
 LACSON, MYLENE O.  
 LADRA, LUISITO H.  
 LAJOM, JOSE ALEJANDRO C.  
 LANDICHO, WENNIE C.  
 LANTING, JUAN V.  
 LAO, ANALINDA C.  
 LAPINID, EVANGELINE B.  
 LAPITAN, LIGAYA A.  
 LAQUIAN, ANICETAS C.  
 LARANG ANA LYN E.  
 LARESMA, LUIS D.  
 LASAM, MARIO D.  
 LAURORA, FRITZIE FAYE S.  
 LAXAMANA, ERNESTO SR. R.  
 LAYNO, JOCELYN M.  
 LEAL, LOU D.  
 LEDESMA, IDA T.  
 LEGASPI, LIONEL N.  
 LEGION, ISAAC A.  
 LEPASANA, TYRONE D.

LESIGUES, VICTORIANO C.  
 LIMPIN, JOANNE N.  
 LLAMOSO, HELEN V.  
 LLANA, MA. FLORA C.  
 LOJA, REYNALDO L.  
 LOMIO, EMERSON M.  
 LOSTE, AHLENEA P.  
 LOYOLA, MICHELLE C.  
 LUCINARIO, NILO ALDRIN M.  
 LUCOS, FLORANTE D.  
 LUMACANG, MARCELO M.  
 LUMAQUEZ, JOSE C.  
 LUMBAN, MA. SARAH A.  
 LUNA, MA. THERESA F.

## M

MAAMO, RAMON A.  
 MAAN, ALICIA J.  
 MACADANGDANG, GLINDA R.  
 MACASPAC, JEROME B.  
 MACAYAN, GLENDA A.  
 MAGBUHAT, ERIBERTO B.  
 MAGCASE, AIRENE V.  
 MAGDAY, BENEFICO M.  
 MAGSAKAY, TRINIDAD F.  
 MAGSINO, IMELDA K.  
 MAGSINO, MARISSA C.  
 MALABANAN, MARCIAL M.  
 MALABUYOC, ALTEO C.  
 MALBUN, ABDUA-ZAMIR U.  
 MALCO, ANDRES T.  
 MALLON, ERLINDA A.  
 MALOLES, MAILEEN M.  
 MANA-AY, LORIO G.  
 MANAHAN, HELEN M.  
 MANALANG, GLADIS A.  
 MANALANG, JO-ANN MARIE C.  
 MANALO, VANESSA ESTHER G.  
 MANARPAAC, AMOR P.  
 MANGAHAS, ROSITA G.  
 MANIAGO, VIVENCIO M.  
 MANSOS, RODELIA R.  
 MANUEL, ROGELIO, JR. D.  
 MANZALA, VENUS P.  
 MANZANARES, MAURICIA C.  
 MARAVILLA, ALEX N.  
 MARBELLA, MELCHOR N.  
 MARCELLANA, EUFROCINO M.  
 MARCELO, JOSELITA L.  
 MARCELO, MARICEL M.  
 MARCILLA, JOSETTE SONIA H.  
 MARGAJAY, SALUD E.  
 MARGES, ELIEZER M.  
 MARGES, REALINDA R.  
 MARQUEZ, ROWENA P.  
 MARTILLANO, MAUREEN B.  
 MARTIN, LEONARDO L. JR.  
 MARTINEZ, LUISA F.  
 MARTINEZ, MA. VICTORIA P.  
 MARTOS, MA. GINA G.  
 MATA, ADORACION O.  
 MATABANG, APOLONIO M.  
 MATAMAROSA, ALEXANDREU L.

MATANGUIHAN, CARMELA M.  
 MATEO, CARMINA V.  
 MATILLA, ROSA MAY A.  
 MEDINA, GLORIA S.  
 MELO, EMILY V.  
 MENDOZA, EDGARDO L.  
 MENDOZA, JOSELITO S.  
 MENDOZA, LIWANAG R.  
 MENDOZA, LUISITO Z.  
 MENDOZA, MARY ANN M.  
 MENDOZA, NANCY M.  
 MERCADO, JOSE ALEX P.  
 MERCADO, REGINA P.  
 MERCADO, ROBERTO V.  
 MERCADO, SHIELA O.  
 MERIOLES, OSIAS, JR. M.  
 MESA, FREDERICK B.  
 MIANO, JOSE P.  
 MIANO, SERGIO JR. B.  
 MIGUEL, CELESTE L.  
 MIKIN, MARLOWE F.  
 MINDANAO, JORGE JR. M.  
 MIÑOZA, NOELA C.  
 MIRANDA, MA. LUISA R.  
 MIRANDA, MARILOU G.  
 MIRANDA, RONALD B.  
 MIRANDA, VERONICA C.  
 MOJICA, MA. ROSARIO T.  
 MOLINES, RAFAEL A.  
 MONDERO, VERNESA G.  
 MONES, EMMANUELITA R.  
 MONTES, JOSEFINA F.  
 MONTEVERDE, HELEN EVANGELINE Q.  
 MORA, MA. THERESA A.  
 MORALES, HERMINIA S.  
 MORALES, ROSALINA G.  
 MORENO, LORNA C.  
 MOZAR, ELLEN M.  
 MUHAT, JESSIE DANTE B.  
 MUSNI, MELANIE V.

## N

NADAL, NANITA O.  
 NAGANO, ELIZABETH D.  
 NATIVIDAD, MA. THERESA G.  
 NAZARENO, ANNA RIA P.  
 NEMENZO, MA. CECILIA G.  
 NEPOMUCENO, JOCELYN J.  
 NICOLAS, FORTUNATO A.  
 NORA, ADELAIDA M.  
 NUEVAS, MARGARET V.

## O

OBRERO, ANGEL B.  
 OBSEQUIO, BRIAN R.  
 OCAMPO, JOEL C.  
 OCAMPO, SHEILA THERESE P.  
 OCTAVO, WINNA FE B.  
 OLASE, ELIZA R.  
 OLDAN, JOCELYN GIOVANNA P.





OLDAN, JOVEN P.  
OLEA, KARINA LOIDA M.  
OLLER, ELIZABETH E.  
OLPINDO, BABYLINDA T.  
OPURA, ROMEO B.  
ORDAS, LILY ANN M.  
ORILLANA, JULIO O.  
ORLINA, TERESITA P.  
ORODIO, ROSELILY E.  
ORTEGA, VIVIAN D.  
ORTIZ, AMALIA T.

## P

PACIS, ARNOLD L.  
PADILLA, DORCAS MAE M.  
PADILLA, JAMES ROY T.  
PADOLINA, ELIZABETH R.  
PAGARIGAN, CYNTHIA U.  
PAGHARION, CHRISTI CLAIRE R.  
PALEC, ANA ROSE M.  
PALMERO, ARLENE U.  
PANALIGAN, ANTONIO L.  
PANEDA, IMELDA R.  
PANGAN, REFFIE M.  
PANGANIBAN, JOVITA NANCY M.  
PANGILINAN, ARLENE T.  
PANTALEON, ARTEMIO J.  
PANTALEON, POLO L.  
PARRA, MARIO D.  
PARRENO, EDMUNDO P.  
PASAMANERO, JESUSANA L.  
PASCUAL, ETHEL C.  
PASCUAL, MA. TERESA B.  
PASTRANA, JOMAR A.  
PATALINGHUG, QURALENE P.  
PATRON, ROSANNA A.  
PATRON, VAFIL V.  
PE BENITO, ROMEO V.  
PENUS, ARNEL D.  
PERAJA, MARIZEL B.  
PERALTA, ARLENE A.  
PEREZ, FERNANDO C.  
PEREZ, JOSEFINA B.  
PERMEJO, ALICIA R.  
PICO, FERDINAND V.  
PINEDA, JOCELYN D.  
PINEDA, RICHARD R.  
PINEDA, RODANTE G.  
POBLETE, LOLITA B.  
POBLETE, ROSALIA S.  
PORSOVIGAN, FLORDELIZ C.  
PORTACIO, NELSON G.  
PRADO, ANDRES JR. A.  
PUNAY, MA. TERESA N.  
PUTONG, FE H.  
PUZON, MA. ELIZABETH M.  
PUZON, MARIVIC C.

## Q

QUEMADA, JONAH A.

QUILALA, ARMANDO L.  
QUINTANO, IGNACIO M.  
QUINTOS, GERARDO G.  
QUITORAS, EDRA LIN G.

## R

RABIDA, EDUARDO Q.  
RABOT, NENITA M.  
RACELIS, CRISTINA M.  
RAFALES, WILFREDO B.  
RAMA, NESTOR M.  
RAMALLOSA, ELISEO R.  
RAMIREZ, JOSEPH ARIEL P.  
RAMIREZ, MARCIA BELLA C.  
RANTE, RODOLFO B.  
REBADAVIA, JENNETTE C.  
RECITAS, MA. CARMEN ROSARIO Z.  
REFORMADO, MA. MONITA B.  
RELUCIO, MA. LOURDES R.  
REMOLLO, CRISTINE C.  
REMOLONA, AGNES E.  
REPEDRO, RIZALINA I.  
RESUTA, EDMUND JEROME G.  
REY LARA, LEONORA V.  
REYES, CARMELYNE J.  
REYES, FELY D.  
REYES, LILIAN P.  
REYES, MA. LUCILA H.  
REYES, MA. VICTORIA R.  
REYES, RAUL C.  
REYES, REY MICHAEL H.  
REYES, RONALD L.  
REYES, ROWENA H.  
RIBAY, MADELEINE C.  
RICO, ZENAIDA R.  
RIGAYEN, EVANGELINE T.  
RIVERA, CECILIA C.  
RIVERA, CRISTONICK V.  
RIVERA, RADAMIS C.  
ROBES, FERDINAND P.  
RODRIGO, RAMIL B.  
RODRIGUEZ, JUANITO V.  
ROLLE, VERONICA O.  
ROMANA, JOSEPH GERARD F.  
ROMERO, PABLO Y. JR.  
RONQUILLO, WILFREDO E. JR.  
ROQUE, ANNA LIESE L.  
ROSACEÑA, VOLTAIRE E.  
ROSARIO, MELVIN C.  
ROXAS, NEMIA L.  
RUBRICO, MINVILUZ O.

## S

SABAS, AGAPITO S.  
SABINO, MA. DIVINA E.  
SABINO, ROBERT DENNIS S.  
SALA, JOYCE A.  
SALAMANCA, GRACE G.  
SALAZAR, JESUS JR. G.  
SALCEDA, ARNEL V.

SALCOR, MA. THERESA B.  
SALGADO, IMELDA R.  
SALINAS, EMMA F.  
SALONGA, EMILIA C.  
SALONGA, LORETTA M.  
SALVADOR, MARY JANE L.  
SAMBOLAWAN, JOSEFINA J.  
SAMONTE, LEONOR S.  
SAMSON, IMELDA D.  
SAMSON, MAIDA G.  
SAMSON, RODOLFO B.  
SAMSON, SAMUELEX S.  
SAN PEDRO, JOSEFINA S.  
SANCHEZ, ABIGAIL R.  
SANCHEZ, JAIME JR. B.  
SANCHEZ, MA. BERNADETTE R.  
SANDOVAL, VIRGILIO H.  
SANTILLAN, ISMAEL C.  
SANTILLAN, MARY ANN M.  
SANTOS, CARLOTA P.  
SANTOS, JOHN EPHRAIM A.  
SANTOS, JULITA A.  
SANTOS, MARICAR C.  
SANTOS, MARITESS H.  
SANTOS, MILET B.  
SARANILLO, RODOLFO D.  
SARET, JAIME H.  
SARET, PAULO V.  
SAURA, EDMUNDO L.  
SAURA, ELISA T.  
SEÑA, HERMIENIGILDO JR. H.  
SEPE, VILMA A.  
SERAFIN, EVELYN R.  
SERDON, TEODORO N.  
SESE, JOSEPH EMIL G.  
SEVILLA, NANCY L.  
SIAT, GLENN FLORENTINO V.  
SICIO, IRMINA D.  
SIGUA, MELIZA M.  
SIMEON, RICARDO R.  
SIMON, ARIEL C.  
SIMPLICIO, DELHI C.  
SINCO, LERMA E.  
SINGZON, IMELDA S.  
SOLDEVILLA, ROSALIE L.  
SOLIS, FERDINAND S.  
SOLIS, MA. CRISTINA S.  
SOLTURA, NENITA A.  
SONEJA, LYN L.  
SORIANO, JOCELYN A.  
SORIANO, LANI B.  
SUGUITAN, CHRISTOPHER G.  
SUGUITAN, LYNETTE L.  
SULIT, LEO DAVE  
SUMAWANG, MA. CECILIA C.  
SY, EMMA D.  
SY, MYRA S.  
SYKIMTE, BALDWIN L.

## T

TABAC, ARACELI H.  
TABLIZO, EDWIN M.  
TABUGADER, BERNARDO A.

TABUGADER, THELMA M.  
 TAGLE, AMABELLE L.  
 TAMAYO, MILA O.  
 TAMAYO, RECAREDO LEIGHTON A.  
 TAN, ABELLA M.  
 TAN, MANUEL C.  
 TAN, MICHAEL L.  
 TAN, RICARDO M.  
 TAN, VICTORIA D.  
 TANIECA, CORAZON G.  
 TAPIA, SANDRA P.  
 TATU, JOSEFINA MAY G.  
 TOLENTINO, IONIE L.  
 TONGKO, BERNARDINO A.  
 TORRES, ANDREW FORTUNATO JR. D.  
 TORRES, DAISY F.  
 TORRES, ERNESTO JR. R.  
 TORRES, MARCELO M.  
 TRAJANO, JOSE CHITO A.  
 TROGANI, MARTINA C.  
 TUBELONIA, CLEOFÉ J.  
 TULAYLAY, MA. RAFAELA T.  
 TUMANG, EDITHA D.  
 TUMBOKON, NATHANAELA.  
 TURGO, AURORA P.

## U

UBALDE, NESTOR N.  
 ULBATA, LETICIA S.

UNLAYAO, JANNEL G.  
 UY, ANTONIO C.

## V

VALDES, JOSEPHINE D.  
 VALDEZ, JOSE L.  
 VALDEZCO, MICHAEL R.  
 VALENCIANO, DOROTHEA N.  
 VALERIO, REDELINA RAMA S.  
 VALLADA, MA. JOSELYN S.  
 VALLADO, SUSAN VICTORIA P.  
 VARGAS, ALICIA I.  
 VARGAS, RICKY R.  
 VASQUEZ, CAROLINE LORETO E.  
 VECINO, ANTHONY S.  
 VELASCO, JANET L.  
 VELASQUEZ, ANDRES C.  
 VELEZ, RENATO P.  
 VELILLA, JOSEFINA J.  
 VERADIO, REUBEN RITZUKO T.  
 VERGARA, NORMAN Q.  
 VERIDIANO, ARVIN A.  
 VESTAL MA. TERESA C.  
 VICTORIA, GENOVEVA A.  
 VIDAL, ELENITA B.  
 VILLALUNA, NIÑO RAY L.  
 VILLANUEVA, GLORIA M.  
 VILLANUEVA, KAREN SUZETTE D.  
 VILLANUEVA, MA. THERESA S.

VILLANUEVA, MELROSE S.  
 VILLAR, EDITA D.  
 VILLAREAL, JOVAL L.  
 VILLARET, JOSE JR. G.  
 VILLAROMAN, ZENaida A.  
 VILLAVIRAY, OLIVIA S.  
 VILLEGAS, MA. ANA CARMELA L.  
 VILLENÓ, MADELINE T.  
 VILORIA, KATHLEEN P.  
 VIÑAS, GLEN P.  
 VIRAY, ANA ROSA E.  
 VIZCARRA, DAISY A.

## Y

YBAÑEZ, ANTONIO ERROL JR. E.

## Z

ZABAYLE, PATRICIA J.  
 ZUÑIGA, ANNA LEAH M.



# **Regulatory Issuances**

## **PDIC REGULATORY ISSUANCE NO. 2004 - 01**

**TO : ALL MEMBER BANKS**

**SUBJECT : POSTING OF PDIC BULLETIN NO. 2004-04**

Pursuant to Sections 4 (g) and 21 (g) of R.A. 3591, otherwise known as the Charter of PDIC, as amended by R.A. 9302, which took effect on August 12, 2004, the Board of Directors of PDIC by virtue of Resolution No. 2004-08-071 dated August 11, 2004, approved the promulgation of the following:

### **SECTION I. DUTY OF MEMBER BANKS**

Within thirty (30) days from effectivity of this Regulatory Issuance (RI), member banks shall post in a conspicuous place within the bank premises PDIC Bulletin No. 2004-04 on the Treatment of Joint Deposit Accounts for Purposes of Deposit Insurance and the Determination of Insured Deposits in Cases Where Depositors have Obligations with the Closed Bank.

### **SECTION II. PENALTIES/SANCTIONS**

Non-compliance with, or violation of, this RI shall subject the bank, its directors, officers and employees to the penalties provided for under Section 21 (g) of R.A. 3591, as amended by R.A. 9302.

### **SECTION III. SEPARABILITY CLAUSE**

If any provision of this RI or the application thereof to any person and/or banking institution is declared invalid for whatever reason, the other provisions hereof shall not be affected thereby.

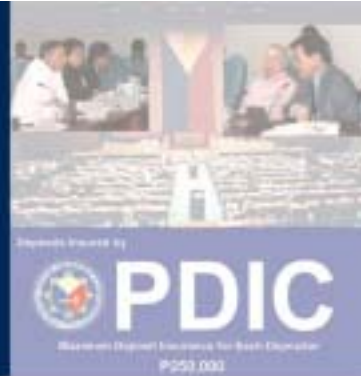
### **SECTION IV. EFFECTIVITY**

This RI shall take effect fifteen (15) days after its publication in a newspaper of general circulation.

A handwritten signature in dark ink, appearing to read 'Ricardo M. Tan'.

**RICARDO M. TAN**  
**President and Chief Executive Officer**

12 August 2004



## PDIC REGULATORY ISSUANCE NO. 2004 - 02

**TO : MEMBER BANKS**

**SUBJECT : FURTHER AMENDMENTS TO Regulatory Issuance No. 2002-01 (Amended Rules and Regulations on Advertisement of Membership with PDIC)**

Pursuant to Sections 4(g) and 21(a), 21(f)(10) and 21(g) of Republic Act No.3591 (otherwise known as The Charter of the Philippine Deposit Insurance Corporation), as amended by Republic Act No. 9302, effective 12 August 2004, the PDIC Board of Directors under Resolution No. 2004-07-060A dated 07 July 2004 approved the promulgation of the following further amendments to Regulatory Issuance No. 2002-01 (Amended Rules and Regulations on Advertisement of Membership with PDIC).

**SECTION 1.** Item 1 of Regulatory Issuance (RI) No. 2002-01 is hereby further amended to read as follows:

“1. The PDIC shall supply the signs which an insured bank shall display. The signs shall be of two (2) types: Desktop or standees and sticker or decal which shall read as follows:

- a) For PDIC Decals: ‘This Bank is a Member of PDIC. Maximum Deposit Insurance for Each Depositor P250,000.00.’
- b) For PDIC Standees: ‘Deposits insured by PDIC. Maximum Deposit Insurance for Each Depositor P250,000.’

**SECTION 2.** Item 10 (a) of the same RI is hereby further amended to read as follows:

“10. The PDIC insurance statement shall be of two (2) types:

- “(a) The official advertising statement ‘Member of the Philippine Deposit Insurance Corporation. Maximum Deposit Insurance for Each Depositor P250,000’, which shall be used in all printed advertisements;” xxx

**SECTION 3.** All other related rules and/or regulations which are inconsistent herewith are hereby repealed or amended accordingly.

**SECTION 4.** This Amended RI shall take effect fifteen (15) days after publication in a newspaper of general circulation.

  
**RICARDO M. TAN**  
President and Chief Executive Officer

12 August 2004



## PDIC REGULATORY ISSUANCE NO. 2004 - 03

**TO : MEMBER BANKS**

**SUBJECT : FURTHER AMENDMENTS TO REGULATORY ISSUANCE No. 2002-01 (Amended Rules and Regulations on Advertisement of Membership with PDIC)**

Pursuant to Sections 4(g) and 21(a), 21(f)(10) and 21(g) of Republic Act No. 3591 (otherwise known as The Charter of the Philippine Deposit Insurance Corporation), as amended by Republic Act No. 9302, effective 12 August 2004, the PDIC Board of Directors under Resolution No. 2004-09-089 dated 23 September 2004 approved the promulgation of the following further amendments to Regulatory Issuance No. 2002-01 (Amended Rules and Regulations on Advertisement with PDIC).

SECTION 1. Item 4 of Regulatory Issuance (RI) No. 2002-01 is hereby further amended to read as follows:

*"At the site of the Automated Teller Machines (ATM), an insured bank shall either display the PDIC desktop or shall post the PDIC sticker, whichever is appropriate. **As an alternative option to the PDIC desktop or sticker, the official PDIC sign may be shown electronically / digitally on the ATM screen. The official PDIC sign should appear on the screen preceding the transactional screen requesting for the customer's Personal Identification Number (PIN). A soft copy of the authorized design and size of the official PDIC sign for ATM screens can be directly requested from the PDIC Insurance Department or downloaded from the PDIC website. Instructions to download the official PDIC sign can be accessed through [www.pdic.gov.ph / pdicatm.asp](http://www.pdic.gov.ph/pdicatm.asp)**"*

SECTION 2. Item No. 5 of RI 2002-01 is hereby further amended to read as follows:

*"The **PDIC desktop and sticker** shall be prominently displayed at all times."*

SECTION 3. All other related rules and/or regulations which are inconsistent herewith are hereby repealed or amended accordingly.

SECTION 4. This Amended RI shall take effect fifteen (15) days after publication in a newspaper of general circulation.

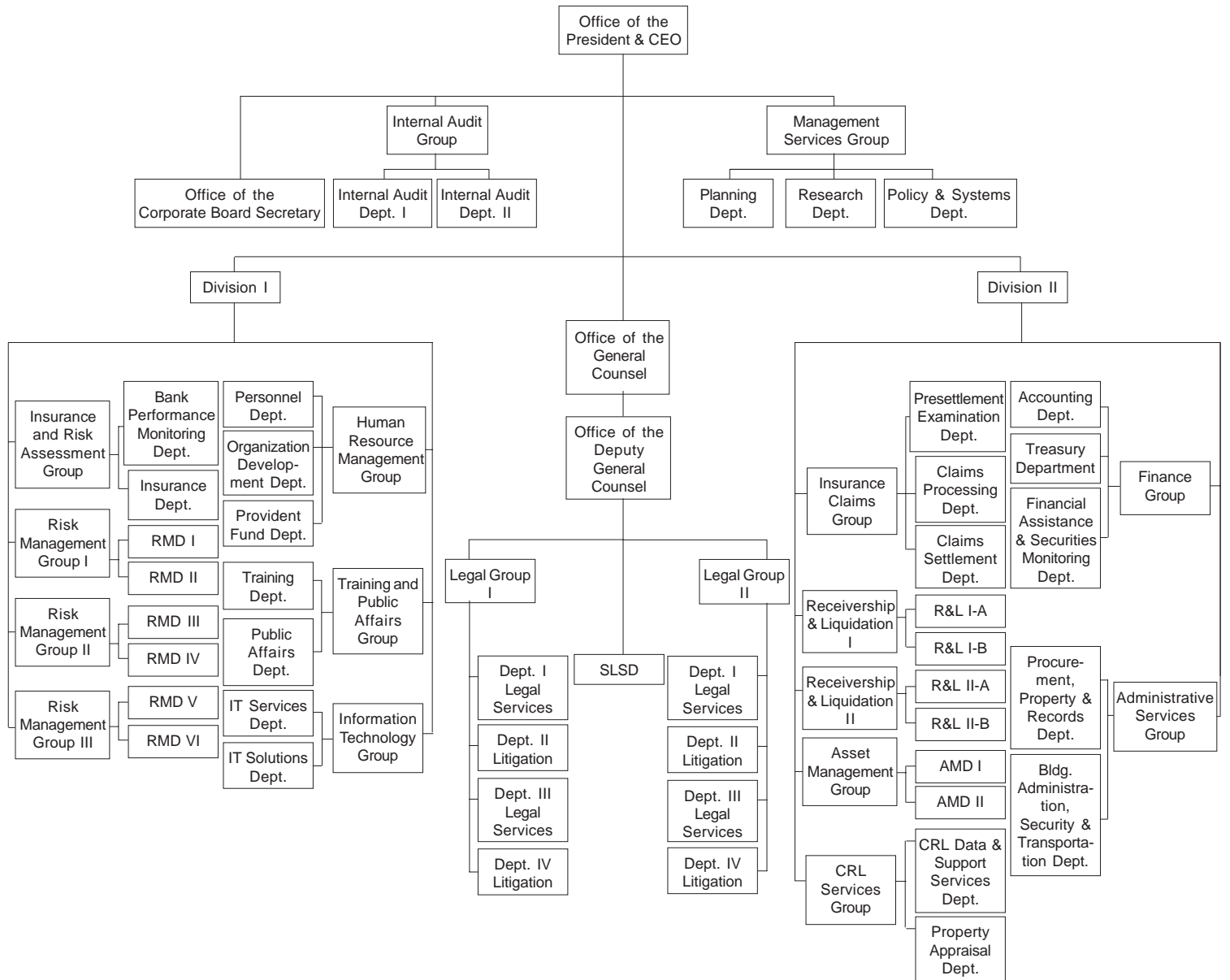
  
**RICARDO M. TAN**  
President and Chief Executive Officer

05 October 2004





**PDIC Organizational Chart**  
*as of December 31, 2004*



**PHILIPPINE DEPOSIT INSURANCE CORPORATION**

Head Office: PDIC Bldg., 2228 Chino Roces Avenue, 1231 Makati City, Philippines

Extension Office: PDIC Extension Office, 6/F - 9/F SSS Building, Ayala Avenue  
corner V.A. Rufino St., 1226 Makati City, Philippines

Tel. Nos: (632) 841-4000 to 30

Fax No: (632) 841-4637

Website: [www.pdic.gov.ph](http://www.pdic.gov.ph)

E-mail: [info@pdic.gov.ph](mailto:info@pdic.gov.ph)