



## 60 Years of Championing Depositor Protection and Fostering Financial Stability

### 2023 ANNUAL REPORT HIGHLIGHTS

In 2023, the Philippine Deposit Insurance Corporation (PDIC) reached a significant milestone, marking 60 years of deposit insurance system in the country. Since 1963, the dedicated men and women of PDIC have become stewards of depositor protection and agents for financial stability. Through the years, we have successfully fulfilled our core mandates as the state deposit insurer, co-regulator of banks, and receiver of closed banks.

In keeping with the tradition of going beyond our mandates, we have also pursued, through the years, various initiatives to advance good governance, financial stability, as well as public awareness and financial literacy.

Our 60th anniversary was particularly momentous, and our contributions to depositor protection and to the stability of the financial system are captured in the PDIC Annual Report 2023, aptly themed, ***"60 Years of Championing Depositor Protection and Fostering Financial Stability."***

It is with pride that I share with you, our stakeholders, the PDIC 2023 Annual Report and Financial Statements, which may be accessed through this link: [https://www.pdic.gov.ph/files/2023\\_PDIC\\_Annual\\_Report\\_and\\_Financial\\_Statements.pdf](https://www.pdic.gov.ph/files/2023_PDIC_Annual_Report_and_Financial_Statements.pdf)

As we look ahead, we do so with optimism and a renewed sense of purpose for the next 60 years of deposit insurance system in the Philippines, just as those before us also laid the foundation for the innovations that define our services today.

Very truly yours,



**ROBERTO B. TAN**  
President and CEO





# Highlights of the PDIC Story for 2023

## AS DEPOSIT INSURER

### 1. Building Up the Deposit Insurance Fund

The Deposit Insurance Fund (DIF) is the PDIC's main fund source that enables us to respond to insurance calls in case of bank closures. The DIF has steadily grown, strongly driven by the Corporation's prudent investment and fund management strategies. More than its intrinsic value, the DIF's worth lies in the confidence it provides to PDIC and the depositing public. In 2023, the 12-month average ratio of the DIF to estimated insured deposits in the banking system stood at 8.84 percent, exceeding the target of 5.5 percent.

### 2. Reimbursing Depositors of Closed Banks in a Timely and Efficient Manner

Protection by way of deposit insurance was evident with the closure by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) of seven banks in 2023. The PDIC promptly paid affected depositors within the target turnaround time, up to the maximum deposit insurance coverage (MDIC) of ₱500,000 per depositor. Employing various payment modes to provide convenience to depositors, the PDIC paid a total of ₱614.0 million in deposit insurance for 15,796 accounts in these seven banks. The prompt reimbursement to depositors underscores the financial strength of the DIF and the effectiveness of the PDIC mechanisms to carry out deposit insurance operations during bank failures.

## AS CO-REGULATOR OF BANKS

### 3. Pursuing Studies on MDIC and Risk-Based Assessment

The amended PDIC Charter mandates the PDIC Board of Directors (BOD) to review the MDIC every three years and adjust the amount as needed based on inflation or other economic indicators, as deemed appropriate by the PDIC BOD. After receiving a model from the World Bank consultant in 2022 to review and adjust the MDIC, the PDIC constituted a Technical Working Group in 2023 to undertake the review and enhancement of the proposed methodology considering latest data and to recommend the adjusted MDIC based on impact assessment.

Guided by the provisions of the amended PDIC Charter, the PDIC BOD approved in December 2023 the Terms of Reference to engage a consultancy service for the conduct of a study on the risk-based assessment system (RBAS) that aims to evaluate the need to establish and implement RBAS in the Philippines and develop the scheme that shall reduce moral hazard by discouraging excess risk-taking of banks and incentivizing them to manage their risks more

prudently, ultimately promoting the stability of the financial system.

### 4. Conducting Bank Examination and Monitoring to Mitigate Risks

In 2023, the PDIC conducted bank examinations jointly with the BSP in accordance with the provisions of the amended PDIC Charter. A total of 17 banks were jointly examined, with corresponding total deposits of ₱69.6 billion and estimated insured deposits of ₱15.6 billion as of the examination cut-off date. Bank examination reports and PDIC directives for the examined banks were completed and transmitted within the set turnaround time.

The Bank Monitoring System with Multi-Dimensional Analytics System Project was also developed in October 2023. This project aims to upgrade and seamlessly integrate the corporate database and reporting tool systems on operating banks to further strengthen our oversight capabilities.

## AS RECEIVER OF CLOSED BANKS

### 5. Taking Over and Liquidating Banks Ordered Closed by the BSP

As statutory receiver, the PDIC took over the affairs of seven banks ordered closed by the BSP in 2023. These successful takeover operations demonstrated the PDIC's capability to manage and stabilize distressed banks and their branches, ensuring expedient liquidation that will contribute to orderly distribution of assets and settlement of claims of creditors.

In support of its asset disposal initiatives for the benefit of closed banks' creditors, the PDIC conducted negotiated sales and 14 public biddings during the year, resulting in aggregate proceeds of ₱327.0 million for 281 sold properties. The total number of real properties sold was 30.1 percent more than the 216 properties sold in the previous year. Meanwhile, total collections from settled loans in 2023 reached ₱585.3 million, 28 percent higher compared to the payments collected in 2022.

### 6. Filing Asset Distribution Plans with Liquidation Courts

To expedite the termination of liquidation proceedings of closed banks, the PDIC met its target to file a total of 43 asset distribution plans (ADP) for 2023 for approval of various liquidation courts. These ADPs are crucial in ensuring the orderly and equitable distribution of assets to creditors. They also underscored the PDIC's judicious approach to the closed bank liquidation process. Through these ADPs, the total amount of ₱925.6 million was fully distributed to closed bank creditors in accordance with the liquidation court-approved ADPs.

## 7. Pursuing Legal Action to Uphold Accountability

Through the years, the PDIC has remained relentless in its pursuit of justice against erring individuals to protect depositors' interests, safeguard the DIF, and deter abuse of the deposit insurance system. In 2023, the Corporation upheld the integrity of the deposit insurance system when it secured convictions in various PDIC-initiated criminal charges against responsible bank directors and officers. Four bank officers, employees, and a private individual were found guilty for violation of the Revised Penal Code and the provisions of the PDIC Charter, with two of the four accused convicted with finality during the year.

## INITIATIVES FOR GOOD GOVERNANCE

### 8. Strengthening the Corporation's Most Important Resource

Recognizing that our people are our greatest asset, the PDIC improved employee competency by seven percent across key areas through learning and development programs, with all sectors of the Corporation contributing to overall improvement.

### 9. Equipping the Corporation through Information Technology

In the fourth year of implementing its Information Systems Strategic Plan, the PDIC continued to modernize its IT infrastructure through the completion of four information communications technology projects and one information system project to boost productivity and secure IT systems.

### 10. Measuring Customer Satisfaction on PDIC Services

Using a methodology prescribed by the Anti-Red Tape Authority and the Governance Commission for GOCCs, the overall client satisfaction of services rendered by the PDIC stood at 87.6 percent during the year. Across all eight service quality dimensions (SQDs), the PDIC scored an average of 78.6 percent, indicating opportunities to improve service delivery. Of these SQDs, the Corporation was rated highly in the areas of assurance, reliability and integrity.

### 11. Sustaining Seal of Service Excellence

The PDIC maintained ISO certifications for five of its core corporate processes, namely, claims settlement operations, assessment of member banks, loans management, real property disposal and bank examination. The certification under ISO 9001:2015 standards validated the service excellence consistently observed in PDIC's systems and processes for its stakeholders.

## INITIATIVES FOR FINANCIAL STABILITY

### 12. Ensuring Financial Crisis Preparedness

Building on insights from previous financial crisis simulations, the Corporation established a Task Force and Technical Working Group to enhance its Integrated Financial Crisis Management Plan. The revised plan that addressed identified gaps and corporate-wide challenges was approved by the PDIC BOD in November 2023.

### 13. Contributing to an Effective Global Deposit Insurance System

The PDIC remained a key contributor to collaborative engagements initiated by the International Association of Deposit Insurers to promote knowledge-sharing for deposit insurance effectiveness and financial stability. Throughout the year, the Corporation hosted the PDIC Web Talks, a virtual learning session led by international experts who addressed critical topics in the deposit insurance landscape. Moreover, the Corporation continued to strengthen its strategic engagements on both bilateral and multilateral fronts, aimed at enhancing depositor protection and advancing global financial stability.

## INITIATIVES FOR PUBLIC AWARENESS AND FINANCIAL LITERACY

### 14. Empowering Stakeholders through Financial Literacy

Our flagship savings advocacy program, the Be A Wise Saver (BAWS) campaign, continued to raise awareness on the importance of saving in banks and responsible banking through financial literacy sessions conducted for partner-government agencies and the academe.

Meanwhile, the PDIC-led Depositor Protection and Awareness Week (DPAW) every June amplified the Corporation's advocacy for wise saving and responsible banking as the DPAW also utilized various materials from the PDIC's award-winning *Maniguro, Magbangko, Umasenso* multimedia public awareness campaign.

### 15. Crafting a New Handbook for Depositors

During the year, the PDIC BOD approved the Corporation's latest advocacy campaign to educate and empower the depositing public in making informed financial decisions. The *Be an Empowered Saver Handbook (BESH)* is an easy-to-understand compilation of the rights of bank depositors covering all stages of having a deposit account. BESH will form part of the communication arsenal of the Corporation for its public awareness and consumer protection programs.

**PDIC @ 60: CHAMPIONING DEPOSITOR PROTECTION,  
FOSTERING FINANCIAL STABILITY**








*The PDIC commemorated its legacy of protecting depositors and promoting financial stability during its 60th anniversary on 22 June 2023 at the historic Philippine International Convention Center. The event marked this significant milestone with a series of impactful initiatives throughout the year.*

*From introducing a new Strategy Map to launching commemorative stamps, and unveiling a multimedia public awareness campaign, this year's anniversary activities underscored the important role the PDIC plays in protecting depositors and promoting financial stability since its inception in 1963.*

*As we celebrate this important chapter in PDIC's history, the Corporation reaffirms its commitment to nation-building and safeguarding the financial system to ensure a bright future for the next generation of informed and empowered depositors.*



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