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NEWS/PRESS RELEASE

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PDIC's bank examination process passes international standards

Two frontline services sustain ISO seal

TÜV Rheinland Philippines, Inc. has recently certified the bank examination process of the Philippine Deposit Insurance Corporation (PDIC) as compliant with ISO 9001:2015 standards.

This quality assurance provides confidence to PDIC's stakeholders that the Corporation's bank examination process is at par with international standards, and responsive even during times of crisis, such as the current pandemic.

The PDIC conducts bank examination as part of its risk mitigation function to protect the Deposit Insurance Fund (DIF), which represents PDIC's overall capacity to respond to insurance calls due to bank failures. Consistent with its Memorandum of Agreement on Bank Examination signed with the Bangko Sentral ng Pilipinas (BSP), the PDIC's examination of banks focuses on a bank's deposit operations and compliance with deposit-related laws, rules and regulations. During its bank examinations, the PDIC is able to assess if a bank's deposit-related activities are done in a safe and sound manner thereby reinforcing protection of the depositing public. Deficiencies and findings uncovered during PDIC's examination are communicated to the subject banks which are then enjoined to correct the deficiencies.

TÜV Rheinland also cited the PDIC's resourceful approach in conducting offsite bank examination through a virtual platform in response to the Covid-19 pandemic.

In addition to PDIC's bank examination process, TÜV Rheinland also recommended two other PDIC frontline services for continued ISO certification under the 9001:2015 standards following successful virtual audits held in November and December last year. These processes include real property disposal operations and loans management and their support processes.

TÜV Rheinland noted that the PDIC has established and continues to maintain an effective system to ensure compliance with its policy and objectives. As statutory receiver, the PDIC collects loans from closed banks' borrowers and disposes of the bank's remaining assets. Proceeds from loan collections and asset disposal initiatives are later distributed to creditors of closed banks to the extent of recovered assets of the closed banks.

The QMS for loans management and real property disposal operations were first certified under ISO 9001:2015 standards in 2018 and 2019, respectively. In 2020, the QMS for two other PDIC's frontline services namely, claims settlement operations and assessment of member banks, have also been recommended for continued certification under ISO 9001:2015 standards by another certifying body.

"The adherence to international standards of the quality management systems of our core processes helps increase depositor confidence in PDIC's ability to carry out its mandates of depositor protection and financial stability. The continuing certification of our frontline services under ISO 9001:2015 standards is a seal of excellence that speaks of our commitment and responsiveness to serve our stakeholders despite the challenges of the pandemic," PDIC President and CEO Roberto B. Tan said.

An ISO certification is a seal of approval from a third-party certifying body, which adds credibility to an organization's processes and services. The ISO certifications on PDIC's frontline services assure its stakeholders and clients of an efficient service delivery through systems and processes duly audited by a third party.

TÜV Rheinland Philippines, Inc. is a subsidiary of TÜV Rheinland Group (Cologne, Germany), a leading provider of technical services worldwide, and has been active as an independent third-party test house in the Philippines since 1991.

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The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963 by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is PhP500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

PDIC news/press releases and other information are available at the website, www.pdic.gov.ph.

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