



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

THE BOARD OF DIRECTORS

Philippine Deposit Insurance Corporation
Makati City

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of Philippine Deposit Insurance Corporation (PDIC), which comprise the statements of financial position as at December 31, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the PDIC as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended in accordance with the accounting policies set pursuant to Sections 7(d) and 17 of Republic Act (RA) No. 3591, as amended (PDIC Charter), and Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

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

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements, which states that the PDIC financial statements have been prepared in compliance with PFRSs, except for the additions to Reserves for Insurance Losses which is recognized against the Provision for Insurance Losses in accordance with Sections 7(d) and 17 of RA No. 3591, as amended.

The accounting treatment constitutes a departure from PFRSs but is required under PDIC's enabling law. The additions to Reserves for Insurance Losses for CY 2024 and CY 2023 amounting to P28.187 billion and P33.134 billion, respectively, is disclosed in Note 23.1 to the financial statements.

We also draw attention to Note 11 to the financial statements, which discloses that the amount of Notes Payable to the Bangko Sentral ng Pilipinas (BSP) did not include the principal of P1.440 billion and interest of P1.749 billion, which were being claimed by the BSP due to differing interpretations of Sections 1.02 and 1.05 of the Loan Agreement dated November 21, 2002, executed between BSP and the PDIC. The matter was referred to the Department of Justice (DOJ), which issued a Resolution on October 23, 2019, affirming PDIC's liability for the outstanding balance of the P10 billion loan. PDIC filed an appeal before the Office of the President, seeking to reverse the DOJ Resolution and asserting that repayment should be sourced exclusively from the funds provided under Section 1.05 of the Loan Agreement. As further disclosed in Note 29.1, BSP and PDIC executed a Settlement Agreement in March 2025, and both have agreed to settle the obligation through the payment of P1.532 billion. PDIC remitted the amount to BSP on April 14, 2025, resulting in full discharge of the loan obligation.

Our opinion is not modified in respect to these matters.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the accounting policies set pursuant to Sections 7(d) and 17 of RA No. 3591, as amended, and PFRSs, as described in Note 2 to the financial statements, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the PDIC's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the PDIC's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the PDIC to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in accordance with the accounting policies set pursuant to Sections 7(d) and 17 of RA No. 3591, as amended, and PFRSs, as described in Note 2.1 to the financial statements.

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

Report on Other Regulatory Requirements

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

financial statements. In our opinion, the supplementary information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT

A handwritten signature in black ink, appearing to read 'Althea T. Rosas-Ladures', is written over a faint, circular official seal. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

ALTHEA T. ROSAS-LADORES

State Auditor IV

OIC-Supervising Auditor

May 26, 2025



PHILIPPINE DEPOSIT INSURANCE CORPORATION

Bank deposit mo, protektado!

STATEMENT OF MANAGEMENT RESPONSIBILITY FOR FINANCIAL STATEMENTS

The management of the Philippine Deposit Insurance Corporation (PDIC) is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and December 31, 2023, in accordance with the Republic Act (RA) No. 3591, as amended (PDIC Charter) and applicable Philippine Financial Reporting Standards and Philippine Accounting Standards, as aligned with the International Financial Reporting Standards and International Accounting Standards, and for such internal control as management determines, is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

The Comptrollership Group is responsible for overseeing the PDIC's financial reporting process.

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

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


EVANGELINE R. PANTALUNAN
Vice President
Comptrollership Group


SANDRA A. DIAZ
Senior Vice President
Management Services Sector


ROBERTO B. TAN
President and CEO



Date **MAY 23 2025**

PHILIPPINE DEPOSIT INSURANCE CORPORATION

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PHILIPPINE DEPOSIT INSURANCE CORPORATION
STATEMENTS OF FINANCIAL POSITION
As at December 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	Restated 2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	3	4,998,012,140	4,041,862,525
Investments	4	25,882,772,800	49,065,022,554
Receivables	5	419,075,561	73,592,907
Inventories	6	4,079,620	2,575,366
Other Current Assets	10	408,155,802	396,063,456
		31,712,095,923	53,579,116,808
Non-Current Assets			
Investments	4	242,338,882,836	282,083,937,553
Receivables	5	839,017,993	1,384,304,127
Investment Property	7	1,984,745,251	1,557,231,976
Property, Plant and Equipment	8	656,736,260	587,948,321
Intangible Assets	9	84,725,817	60,847,355
Other Non-Current Assets	10	394,193,006	371,269,319
		246,298,301,163	286,045,538,651
Total Assets		278,010,397,086	339,624,655,459
LIABILITIES			
Current Liabilities			
Financial Liabilities	11	15,636,626,275	6,415,858,478
Inter-Agency Payables	12	42,075,292	39,621,141
Trust Liabilities	13	9,114,092	24,424,957
Deferred Credits/Unearned Income	14	26,786,903	46,246,651
Other Payables	16	10,131,009,763	6,451,444,697
		25,845,612,325	12,977,595,924
Non-Current Liabilities			
Financial Liabilities	11	14,840,168,619	16,199,516,945
Trust Liabilities	13	53,518,006	30,702,911
Deferred Credits/Unearned Income	14	3,591,546	25,741,319
Provisions	15	315,411,223	301,926,254
Other Payables	16	2,125,758	1,355,690
		15,214,815,152	16,559,243,119
Total Liabilities		41,060,427,477	29,536,839,043
EQUITY			
Government Equity (Permanent Insurance Fund)		3,000,000,000	3,000,000,000
Reserves for Insurance Losses		226,121,087,148	279,334,388,705
Retained Earnings		7,828,882,461	27,753,427,711
Total Equity		236,949,969,609	310,087,816,416
Total Liabilities and Equity		278,010,397,086	339,624,655,459

The notes on pages 10 to 48 form part of these statements.

PHILIPPINE DEPOSIT INSURANCE CORPORATION
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	Restated 2023
Income			
Service and Business Income	17	55,219,227,711	51,597,756,644
Gains	18	638,232,441	112,917,068
Other Non-Operating Income	19	2,685,202,396	521,737,821
Total Income		58,542,662,548	52,232,411,533
Expenses			
Personnel Services	20	1,005,002,452	1,177,245,592
Maintenance and Other Operating Expenses	21	763,921,679	762,444,603
Financial Expenses	22	175,062,125	174,624,809
Non-Cash Expenses	23	36,337,396,494	33,217,196,482
Total Expenses		38,281,382,750	35,331,511,486
Net Income		20,261,279,798	16,900,900,047
Other Comprehensive Income for the Period		0	0
Total Comprehensive Income		20,261,279,798	16,900,900,047

The notes on pages 10 to 48 form part of these statements.

PHILIPPINE DEPOSIT INSURANCE CORPORATION
STATEMENTS OF CHANGES IN EQUITY
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	Note	Permanent Insurance Fund	Reserves for Insurance Losses	Retained Earnings	Total
BALANCE AT JANUARY 1, 2023		3,000,000,000	246,200,836,931	24,301,263,856	273,502,100,787
ADJUSTMENT:					
Add/ (Deduct):					
Prior period adjustment	31			1,694,600	1,694,600
RESTATED BALANCE AT JANUARY 1, 2023		3,000,000,000	246,200,836,931	24,302,958,456	273,503,795,387
CHANGES IN EQUITY FOR 2023					
Add/(Deduct):					
Additional reserves for insurance losses	23.1		33,133,551,774		33,133,551,774
Restated Net Income for the period				16,900,900,047	16,900,900,047
Declaration of cash dividends	25			(13,450,430,792)	(13,450,430,792)
RESTATED BALANCE AT DECEMBER 31, 2023		3,000,000,000	279,334,388,705	27,753,427,711	310,087,816,416
CHANGES IN EQUITY FOR 2024					
Add/(Deduct):					
Additional reserves for insurance losses	23.1		28,186,698,443		28,186,698,443
Net Income for the period				20,261,279,798	20,261,279,798
Declaration of cash dividends	25			(14,355,825,048)	(14,355,825,048)
Fund Balance to National Government	25.a		(81,400,000,000)	(25,830,000,000)	(107,230,000,000)
BALANCE AT DECEMBER 31, 2024		3,000,000,000	226,121,087,148	7,828,882,461	236,949,969,609

The notes on pages 10 to 48 form part of these statements.

PHILIPPINE DEPOSIT INSURANCE CORPORATION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Collection of Revenue/Income		57,346,056,638	52,483,892,969
Collection of Receivables		1,560,512,362	498,413,058
Other Receipts		55,727,229	97,700,563
		58,962,296,229	53,080,006,590
Cash Outflows			
Payment of Expenses		(1,214,173,727)	(1,410,205,640)
Grant of Cash Advances		(19,395,884)	(21,619,288)
Refund of Deposits		(314,631,620)	(641,796,153)
Payment of Accounts Payable		(383,573,582)	(283,846,078)
Payment of Receivership and Liquidation Expenses		(2,537,850)	(4,547,279)
Payment of Taxes Withheld		(103,956)	(90,941)
		(1,934,416,619)	(2,362,105,379)
Net Cash Provided by Operating Activities		57,027,879,610	50,717,901,211
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from Matured Investments/Redemption of Long Term Investments/Return on Investments		491,227,360,170	402,483,887,632
Cash Outflows			
Purchase/Construction of Property, Plant and Equipment		(68,738,235)	(273,353,825)
Purchase of Investments		(489,503,357,849)	(443,444,718,518)
Purchase of LBP/BSP Trust Fund		(20,927,208)	(4,893,581)
		(489,593,023,292)	(443,722,965,924)
Net Cash Provided by/(Used in) Investing Activities		1,634,336,878	(41,239,078,292)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Payment of Long-term Liabilities		0	0
Payment of Cash Dividends		(10,675,555,448)	(14,045,013,275)
Fund Balance to the National Government		(47,030,554,008)	0
Net Cash Used in Financing Activities		(57,706,109,456)	(14,045,013,275)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		42,583	(2,882)
INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS		956,149,615	(4,566,193,238)
CASH AND CASH EQUIVALENTS, JANUARY 1		4,041,862,525	8,608,055,763
CASH AND CASH EQUIVALENTS, DECEMBER 31	3	4,998,012,140	4,041,862,525

The notes on pages 10 to 48 form part of these statements.

PHILIPPINE DEPOSIT INSURANCE CORPORATION

NOTES TO FINANCIAL STATEMENTS

For the years ended December 31, 2024 and 2023
(All amounts in Philippine Peso unless otherwise stated)

1. GENERAL / CORPORATE INFORMATION

The Philippine Deposit Insurance Corporation (PDIC) or the "Corporation" is a government instrumentality with corporate powers established on June 22, 1963 with the passage of Republic Act (RA) No. 3591. The Corporation shall, as a basic policy, promote and safeguard the interests of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits. It shall also be the policy of the state to strengthen the mandatory deposit insurance coverage system to generate, preserve, maintain faith and confidence in the country's banking system, and protect it from illegal schemes and machinations. PDIC is likewise mandated by law to act as receiver/liquidator of closed banks. By virtue of the RA No. 11840 effective July 20, 2022, the Corporation shall be attached to the Bangko Sentral ng Pilipinas (BSP) for policy and program coordination.

Under the PDIC Charter, as amended by RA No. 11840, the Board of Directors shall be composed of seven members, as follows:

- a) The governor of the BSP who shall be the ex-officio Chairperson of the Board without compensation;
- b) The Secretary of Finance who shall be the ex-officio Vice-Chairperson and member of the Board without compensation;
- c) The President of the Corporation, who shall be appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for Government-Owned or Controlled Corporations (GCG) pursuant to RA No. 10149, or the "GOCC Governance Act of 2011" to serve on a full-time basis for a term of six years as member of the Board; and
- d) Four members from the private sector to be appointed by the President of the Philippines from a shortlist prepared by the GCG pursuant to RA No. 10149. The appointive directors shall serve for a term of six years.

As at December 31, 2024, PDIC's total workforce¹ complement stood at 658 (210 officers, 334 rank and file and 114 casual employees), 535 of whom are of permanent status, 1 temporary, 2 contractual, 6 are coterminous and 114 casual employees.

The Corporation maintains two principal offices located at the SSS Building, 6782 Ayala Avenue corner V.A. Rufino Street and at 2228 Chino Roces Avenue, both in Makati City.

¹ Excluding externally provided services by 314 personnel.

The Board of Directors authorized the issuance of the financial statements on February 7, 2025.

2. SUMMARY OF MATERIAL ACCOUNTING POLICIES

2.1 Statement of compliance and Basis of financial statements preparation

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

However, the additions to Reserves for Insurance Losses is recognized against the Provision for Insurance Losses in accordance with the following provisions of RA No. 3591, as amended (PDIC Charter):

Section 7(d)

All assessment collections and income from operations after expenses and charges shall be added to the Deposit Insurance Fund under Section 17 hereof. Such expenses and charges are: (1) the operating costs and expenses of the Corporation for the calendar year; (2) 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 (3) the net insurance and financial assistance losses sustained in said calendar year.

Section 17

To carry out the purposes of this Act, the permanent insurance fund shall be Three billion pesos (₱ 3,000,000,000.00).

The Deposit Insurance Fund shall be the capital account of the Corporation and shall principally consist of the following: (i) the Permanent Insurance Fund; (ii) assessment collections, subject to the charges enumerated in Section 6² (d); (iii) reserves for insurance and financial assistance losses; and (iv) retained earnings: Provided: That the reserves for insurance and financial assistance losses and retained earnings shall be maintained at a reasonable level to ensure capital adequacy.

The financial statements comprise the statements of financial position, the statements of comprehensive income, the statement of changes in deposit insurance fund, the statement of cash flows, and the notes to the financial statements.

² Refers to Section 7 in view of the renumbering.

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

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

2.2 Use of judgments and estimates

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

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

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

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

The carrying amount of investments as at December 31, 2024 and 2023 are disclosed in Note 4. There was no impairment loss recognized on investments in CY 2024 and CY 2023.

a. Impairment of financial assets

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

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

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

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

In addition, in the subsequent estimation/recognition of Allowance for Impairment Losses (AFIL) on financial assets subject to impairment, the use of judgement shall be exercised owing to the status of the debtor which are the closed banks and the length of the liquidation period thereof. In such case, additional AFIL shall be recognized when the required AFIL is greater than the current balance, but in no case shall AFIL exceed the outstanding balance of the asset being impaired; and no adjustment shall be necessary when the recorded balance is higher than the required AFIL.

PFRS 9 does not prescribe a method in the determination of the ECL or impairment as it allows entities to determine or use judgement on the appropriate measure in computing ECL based on various considerations but should not entail undue cost or effort at the reporting date.

The carrying amount of loans and receivables as at December 31, 2024 and 2023 are disclosed in Note 5.

b. Impairment of non-financial assets

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

In the subsequent estimation/recognition of Allowance for Impairment Losses (AFIL) on assets subject to impairment, additional AFIL shall be recognized when the required AFIL is greater than the current balance, but in no case shall AFIL exceed the outstanding balance of the asset being impaired; and no adjustment shall be necessary when the recorded balance is higher than the required AFIL.

The carrying amount of investment properties, property, plant and equipment and intangible assets as at December 31, 2024 and 2023 are disclosed in Notes 7, 8, and 9 respectively.

c. Estimated useful lives of property, plant and equipment

The Corporation uses the government-prescribed estimated useful lives for Property, Plant and Equipment account (Note 2.8).

d. Contingencies

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

e. Estimated Deposit Insurance Liability

In accordance with PFRS 9, the Corporation recognizes ECL on deposit insurance provided to member banks as Estimated Liability on Deposit Insurance (ELDI), considering the likelihood of default (Probability of Default), the severity of loss in case of default (Loss Given Default), and the exposure at the time of default (Exposure at Default) for all member banks, using a forward-looking approach based on historical data, current conditions, and reasonable forecasts of future economic conditions.

2.3 Changes in accounting policies and disclosures

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

2.3.1. New and amended standards and interpretations

The new amendments to existing PFRS which became effective for accounting period beginning on or after January 1, 2024 that have or have no impact on the accounting policies and financial statements' presentation and reporting of the Corporation, are the following:

a) With Impact

- I. Amendments to PAS 1, Presentation of Financial Statements - Classification of Liabilities as current or non-current.** The amendment aims to promote consistency in applying the requirements by helping companies determine whether, in the

statement of financial position, debt and other liabilities with uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

- II. Amendments to PAS 1, Presentation of Financial Statements- Non-current Liabilities with Covenants. The amendments modify the requirements introduced by Classification of Liabilities as Current or Non-Current on how an entity classifies debt and other financial liabilities as current or non-current in particular circumstances. Only covenants with which an entity is required to comply on or before the reporting date affect the classification of a liability as current or non-current. In addition, an entity must disclose information in the notes that enable users of financial statements to understand the risk that non-current liabilities with covenants could become repayable within twelve months.
- b) With No Impact
- I. Amendments to PAS 7 Statement of Cash Flows and PFRS 7 Financial Instruments: Disclosures - Supplier Finance Arrangements. These amendments require disclosure to enhance the transparency of supplier finance arrangements and their effects on a company's liabilities, cash flows and exposure to liquidity risk. The disclosure requirements are the IASB's response to investors' concept that some companies' supplier finance arrangements are not sufficiently visible, hindering investors' analysis.
 - II. Amendments to PFRS 16 Leases – Leases on sale and leaseback. These amendments include requirements for sale and leaseback transactions in PFRS 16 to explain how an entity accounts for a sale and leaseback after the date of transaction. Sale and leaseback transactions where some or all the lease payments are variable lease payments that do not depend on an index or rate are most likely to be impacted.
 - III. PFRS S1, General requirements for disclosure of sustainability-related financial information. This standard includes the core framework for the disclosure of material information about sustainability-related risks and opportunities across an entity's value chain. This is subject to endorsement of the standards by local jurisdictions.
 - IV. PFRS S2, Climate-related disclosures. This is the first thematic standard issued that sets out requirements for entities to disclose information about climate-related risks and opportunities. This is subject to endorsement of the standards by local jurisdictions.

2.3.2. Issued PFRS but are not yet effective

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

- Amendments to SASB standards to enhance their international applicability. The amendments remove and replace jurisdiction-specific references and definition in

the SASB standards, without substantially altering industries, topics or metrics. Effective for the annual periods beginning on or after January 1, 2025.

- Amendments to PAS 21 Lack of Exchangeability amend the Effects of Changes in Foreign Exchange Rates. An entity is impacted by the amendments when it has a transaction or an operation in a foreign currency that is not exchangeable into another currency at a measurement date for a specified purpose. A currency is exchangeable when there is an ability to obtain the other currency (with a normal administrative delay), and the transaction would take place through a market or exchange mechanism that creates enforceable rights and obligations. Effective for the annual periods beginning on or after January 1, 2025 (early adoption is available).
- Amendments to PFRS 9 and PFRS 7 regarding the classification and measurement of financial instruments to address matters identified during the post-implementation review of the classification and measurement requirements of PFRS 9. Effective for the annual periods beginning on or after January 1, 2026.
- PFRS 18 Presentation and Disclosures in Financial Statements. This includes requirements for all entities applying PFRS for the presentation and disclosure of information in financial statements. Applicable to annual reporting periods beginning after January 1, 2027.
- PFRS 19 Subsidiaries without Public Accountability: Disclosures. This specifies the disclosure requirements an eligible subsidiary is permitted to apply instead of the disclosure requirements in other PFRS Accounting Standards. Applicable to annual reporting periods beginning on or after January 1, 2027.

2.4 Financial assets

Initial recognition

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

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

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

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

Classification of financial assets

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

*including earmarked funds for loans payment

Amortized cost and effective interest method

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

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

Fair Value through Other Comprehensive Income (FVTOCI)

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

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

However, in limited circumstances and in cases where there is insufficient information available to measure fair value such as the absence of market participants/transaction, cost may be used to record an appropriate estimate of transaction.

Derecognition of financial assets

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

Corporation continues to recognize the financial asset and also recognizes a collateralized borrowing for the proceeds received.

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

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

2.5 Inventories

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

2.6 Non-Current Assets Held for Sale

The Corporation is authorized to purchase the non-performing assets of an insured bank as a mode of financial assistance. Acquired assets also include those received from closed banks as payments for Subrogated Claims Receivables and Receivership and Liquidation Expenses. Acquired assets being held for sale and wherein sale is highly probable within a one-year period are classified in this account. These are booked at cost with periodic valuation for impairment.

The Corporation shall classify a non-current asset (or disposal group) as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use.

For this to be the case, the asset (or disposal group) must be available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets (or disposal groups) and its sale must be highly probable.

For the sale to be highly probable, the appropriate level of management must be committed to a plan to sell the asset (or disposal group), and an active programme to locate a buyer and complete the plan must have been initiated. Further, the asset (or disposal group) must be actively marketed for sale at a price that is reasonable in relation to its current fair value. In addition, the sale should be expected to qualify for recognition as a completed sale within the year from the date of classification, except as permitted by paragraph 9 of PFRS 5, and actions required to complete the plan should indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Events or circumstances may extend the period to complete the sale beyond one year. An extension of the period required to complete a sale does not preclude an asset (or disposal group) from being classified as held for sale if the delay is caused by events or circumstances beyond the entity's control and there is sufficient evidence that the entity remains committed to its plan to sell the asset (or disposal group).

The classification of assets for sale/disposal is covered by the guidelines laid down in the SOGI on Disposal of Real Properties Acquired by PDIC and Owned/Acquired by Closed Banks.

2.7 Investment property

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

Land and its attached improvement shall be valued and recorded separately using the acquisition cost of the respective account at the time of assignment. In case of no separate valuation for both the land and improvement/s, the adjustment of the carrying amount (book value) of the land and improvement/s shall be pro-rated using the latest available appraised value of land and improvement/s. Further, if no separate valuation and no valid appraisal report is available, the property shall be booked under Investment Property-Land.

Impairment of IP shall be based on objective evidence of impairment which may be due to physical damage to an asset, obsolescence or asset becoming idle, or decline in market value. The amount of impairment loss shall be measured as the difference between the carrying amount of the asset and the recoverable amount. Impairment loss occurs when the recoverable value of assets falls below its carrying amount. The recoverable amount shall be the value in use, if fair value less costs to sell cannot be determined. When an asset has been determined to have no realizable value, the allowance for impairment shall be equivalent at 100 per cent of the book value.

The monthly depreciation is computed using the straight-line method at cost less residual value of five per cent over the estimated useful life of an asset, or up to 10 years from date of acquisition, whichever is shorter.

The monthly depreciation on impaired assets shall be computed using the straight-line method at carrying amount less residual value of five per cent over the estimated useful life of the asset, or up to 10 years from date of acquisition, whichever is shorter. The carrying amount is equivalent to the cost less accumulated depreciation and impairment losses.

2.8 Property, plant and equipment

The Corporation's depreciable properties are stated at cost less accumulated depreciation and amortization. The initial cost of property and equipment consists of its purchase price, including taxes and any directly attributable costs of bringing the asset to its working condition and intended use. Expenditures incurred after items of property and equipment have been put into operation, such as repairs and maintenance are charged against operations in the year in which the costs are incurred. When property and equipment are retired or otherwise disposed of, the cost and the related accumulated depreciation and amortization are removed from the accounts, and any resulting gain or loss is reflected as income or loss in the statement of comprehensive income. Depreciable assets below the capitalization threshold of P50,000 are recognized as expense when issued to end users.

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

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

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

2.9 Intangible assets

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

2.10 Financial liabilities and Equity

Classification as debt or equity instruments

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

The Notes Payable are measured at amortized cost except for those payable through assumption of liability or assigned accounts.

2.10.1. Financial liabilities

Initial recognition

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

Financial liabilities subsequently measured at amortized cost

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

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

Derecognition of financial liabilities

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

2.10.2. Equity

Deposit insurance fund

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

Permanent insurance fund

This is the total capital provided by the National Government (NG) by virtue of RA No. 3591, as amended. The full capitalization from the NG of P3 billion was reached in 1994 with the conversion of the obligations of PDIC to the then Central Bank of the Philippines in the amount of P977.787 million into equity of the NG.

Reserves for insurance losses

PDIC sets aside reserves for insurance losses to build-up the DIF to estimated insured deposits (Philippine Banking System) target ratio of 6.5 per cent.

Retained earnings

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

2.11 Income recognition

Income represents increases in economic benefits during the accounting period in the form of inflows or enhancements of assets or decreases of liabilities that result in an increase in equity, other than those relating to contributions from equity participants. For receivables preliminarily set-up and booked as other income for monitoring purposes, shall be subjected to dividends only once, upon collection.

Assessments

Assessment collected from member banks are recognized as income in the year these are received by the Corporation. The semestral assessment collections are amortized over a period of six months.

Member banks are being assessed a maximum rate of one-fifth of one per cent per annum of the assessment base, which is the amount of liability of the bank to deposits as defined under subsection (a) of Section 7 of RA No. 3591, as amended. This shall in no case be less than P5,000 and collected on a semestral basis. The amount of assessment is based on the average of deposit liabilities as at the close of business on March 31 and June 30

for the first semester and as at the close of business on September 30 and December 31 for the second semester. Such assessments are payable by banks not later than July 31 of the current year and January 31 of the ensuing year for the first and second semesters, respectively. Failure or refusal by any member bank to pay any assessment due allows the Corporation to file a collection case against the bank and impose administrative sanctions against its officers who are responsible for non-payment. Late payment of assessment is likewise subject to interest and penalty.

Membership with PDIC of all banks doing business in the country is mandatory. RA No. 3591, as amended, also provides that the deposit liabilities of any bank which engaged in the business of receiving deposits as defined in the PDIC Charter, or which thereafter may engage in the business of receiving deposits, shall be insured with the Corporation.

Interest Income

a. Income from investments

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

b. Income from financial assistance

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

2.12 Dollar-denominated assets

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

2.13 Employee benefits

Provident fund

In accordance with Section 9 (11) of RA No. 3591, as amended, the Corporation has established a Provident Fund, which is a defined contribution plan where contributions made both by its officers and employees and the Corporation are accumulated. The Fund is administered by its Board of Trustees.

Retirement

Government Services Insurance System (GSIS) retirement benefit under RA No. 8291 is available to any qualified employee who is at least 60 years old and with at least 15 years of government service at the time of retirement. RA No. 8291 likewise provides separation benefits.

Separation Benefits

Voluntary or involuntarily separation of employees from service, including payment of separation benefits shall be in accordance with Civil Service Commission (CSC), GSIS, Commission on Audit and other applicable laws, rules and regulations.

Accrued leave pay

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

2.14 Leases

PDIC as Lessor

Leases, which do not transfer to the lessee substantially all the risks and benefits of ownership of the asset are classified as operating leases.

Operating lease collections are mainly from investment properties acquired from closed banks or financially assisted banks. The operating lease collections are recognized as income in profit or loss based on a straight-line basis over the lease term agreement.

In cases where a lease contract provides for the annual increment on rental fee within certain term or period, income is also recognized based on a straight-line method within the accounting period.

PDIC as Lessee

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

2.15 Financial assistance to banks

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

2.16 Provisions and contingencies

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. Provisions are renewed at the end

of reporting period and adjusted to reflect the current best estimate. Contingent liabilities are not recognized in the financial statements but are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are likewise not recognized but are disclosed in the financial statements when an inflow of economic benefits is probable.

2.17 Taxes

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

2.18 Events after the reporting period

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

3. CASH AND CASH EQUIVALENTS

This account includes the following:

	2024	2023
Cash on Hand	45,094,285	1,627,694
Cash in Bank – Local Currency	159,474,250	106,994,492
Cash in Bank – Foreign Currency	371,072	355,402
Cash Equivalents	4,793,072,533	3,932,884,937
	4,998,012,140	4,041,862,525

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

Cash in bank consists of bank accounts in local and foreign currency (US dollar) for operating funds, pay-out funds, collections, emergency drawing accounts and BSP current account.

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

4. INVESTMENTS

This account includes the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Investment Securities at Amortized Cost:						
Corporate	17,129,897,827	238,908,152,066	256,038,049,893	41,254,379,604	278,408,941,842	319,663,321,446
Sinking Funds	8,752,874,973	3,328,101,220	12,080,976,193	7,810,642,950	3,572,366,161	11,383,009,111
Financial Assets at Fair Value Through Other Comprehensive Income	0	102,629,550	102,629,550	0	102,629,550	102,629,550
	25,882,772,800	242,338,882,836	268,221,655,636	49,065,022,554	282,083,937,553	331,148,960,107

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

Investment securities at amortized cost consist of special savings and time deposits, treasury bills, notes and bonds. Interest income from investment securities at amortized cost amounted to ₱16.15 billion and ₱15.58 billion in 2024 and 2023, respectively.

Investment securities at amortized cost declined by 19 per cent or ₱62.93 billion, from ₱331.05 billion to ₱268.12 billion. The decrease mainly pertains to the transfer of government securities at no loss to the Bureau of Treasury together with cash remittances comprising the Fund Balance (FB) in compliance with the collection of Unprogrammed Appropriations from PDIC to the NG/Department of Finance (DOF) pursuant to Special Provision 1(d), XLIII. Unprogrammed Appropriations of RA 11975, entitled “General Appropriations Act of FY 2024” and DOF Department Circular No. 003-2024 as supported by OGCC Opinion No. 085 Series of 2024 by way of a legal clearance.

Sinking funds represent the balances of funds being accumulated for the repayment of loans with BSP upon maturity, a portion of which is being managed by the BSP-Financial Services Department.

The investment securities, including the sinking funds at amortized cost has a fair value of ₱261.30 billion.

The Financial assets at fair value through other comprehensive income (FA-FVTOCI) are PDIC’s financial assistance by way of subscription to preferred shares of 114,050 and 9,122,455 with par value of ₱100 and ₱10 per share from two rural banks on December 27, 2017 and September 24, 2018, respectively, with the following features: non-voting, cumulative and convertible to common shares, redeemable and at PDIC’s option can be sold, assigned or transferred. This represents the equity component of the financial assistance granted under the Strengthening Program for Rural Bank Plus and is covered by a Subscription Agreement (SA) which includes a put option with a price equivalent to the par value of the share and the redemption is secured by a Sinking Fund.

If PDIC exercises its Put Option, PDIC shall, pursuant to its authority as fund manager of the Sinking Fund for the redemption of the preferred shares, immediately apply the Sinking Fund as payment of the Preferred Shares at the Option Price.

Should the Sinking Fund be insufficient to pay for the Preferred Shares, the bank is obligated to redeem the remaining Preferred Shares at the Option Price.

The FA-FVTOCI in the books carrying value amounting to ₱102.629 million is equal to the cost of the preferred shares as at December 31, 2024 given the insufficiency of market information on the exchange/trading of the preferred share of both rural banks. Likewise, the provisions of the SA provides particularly the Put Option available to PDIC and the Sinking Fund for the redemption of the Preferred shares where PDIC is designated as fund manager with full authority.

These are not actively traded in the market nor information on recent deals closed in similarly situated banks are publicly published. In view thereof, these are currently recorded in PDIC's books at cost based on the par value per share.

The Fair Value of the Investments are shown below:

	Carrying Amount	Fair Value	Difference
Investment securities at amortized cost			
Special Savings Deposit	5,718,379,418	5,718,379,418	0
Retail Bonds	74,822,600,778	73,342,036,027	1,480,564,751
Treasury Bonds - Fixed	175,496,864,348	170,228,473,466	5,268,390,882
LBP 10-year Bonds	205,349	205,349	0
Sinking Fund	12,080,976,193	12,013,973,938	67,002,255
Financial Assets at Fair Value through OCI	102,629,550	102,629,550	0
	268,221,655,636	261,405,697,748	6,815,957,888

5. RECEIVABLES

This account includes the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Loans and Receivables-net	417,429,619	834,506,694	1,251,936,313	72,616,859	1,321,465,831	1,394,082,690
Inter-Agency Receivables-net	950,766	4,500,000	5,450,766	950,766	62,838,296	63,789,062
Other Receivables-net	695,176	11,299	706,475	25,282	0	25,282
	419,075,561	839,017,993	1,258,093,554	73,592,907	1,384,304,127	1,457,897,034

The Fair Value of the Receivable is shown below.

	Carrying Amount	Fair Value
Receivables	1,258,093,554	1,258,093,554

Loans and Receivables

This account includes the following:

	2024			Restated 2023		
	Current	Non-current	Total	Current	Non-current	Total
Notes Receivable	357,668,463	89,063,289	446,731,752	2,403,396	426,116,307	428,519,703
Subrogated Claims Receivable	0	64,047,147,600	64,047,147,600	0	65,229,190,153	65,229,190,153
Allowance for Impairment	0	(63,819,168,456)	(63,819,168,456)	0	(65,046,890,797)	(65,046,890,797)
Net Value	0	227,979,144	227,979,144	0	182,299,356	182,299,356
Receivership and Liquidation Receivable	0	3,606,920,394	3,606,920,394	0	3,533,771,418	3,533,771,418
Allowance for Impairment	0	(3,579,136,944)	(3,579,136,944)	0	(3,514,975,804)	(3,514,975,804)
Net Value	0	27,783,450	27,783,450	0	18,795,614	18,795,614
Assigned Loans Receivables	11,980,157	12,556,128,672	12,568,108,829	0	12,636,582,956	12,636,582,956
Allowance for Impairment	0	(12,075,743,768)	(12,075,743,768)	0	(11,978,754,457)	(11,978,754,457)
Net Value	11,980,157	480,384,904	492,365,061	0	657,828,499	657,828,499
Loans Receivable -Others	0	1,503,719,609	1,503,719,609	0	2,610,164,963	2,610,164,963
Allowance for Impairment	0	(1,499,125,728)	(1,499,125,728)	0	(2,605,571,081)	(2,605,571,081)
Net Value	0	4,593,881	4,593,881	0	4,593,882	4,593,882
Sales Contract Receivable	32,395,098	5,767,045	38,162,143	56,506,558	32,527,456	89,034,014
Allowance for Impairment	0	(1,065,019)	(1,065,019)	0	(695,283)	(695,283)
Net Value	32,395,098	4,702,026	37,097,124	56,506,558	31,832,173	88,338,731
Interest Receivable	15,385,901	0	15,385,901	13,706,905	0	13,706,905
Total	417,429,619	834,506,694	1,251,936,313	72,616,859	1,321,465,831	1,394,082,690

Notes receivable represent loans granted to a thrift bank and two rural banks, fully secured by government securities under the Strengthening Program for Rural Banks Plus.

Subrogated claims receivable arises from payment by the Corporation of insured deposits where the Corporation is subrogated to all rights of the depositor against a closed bank to the extent of such payment. Such subrogation includes the right on the part of the Corporation to receive the same payments and dividends from the proceeds of the assets of such closed bank and recoveries on account of stockholders' liability as would have been payable to the depositor on a claim for the insured deposits. However, such depositor shall retain his claim for any uninsured portion of his deposit against the remaining assets of the closed bank, if any. For the year 2024, the Subrogated Claims Receivable are provided with allowance for impairment losses at 85 percent over a discount period of two to seven years from 2024 based on present value of Estimated Realizable Value of Assets (ERVA) of closed banks as of December 31, 2024.

Receivership and liquidation receivable pertains to expenses advanced by the Corporation in carrying out its mandate as receiver and liquidator of closed banks. For the

year 2024, the Accounts Receivable - Receivership/Liquidation are provided with allowance for impairment losses at 25 percent over a discount period of two to seven years from 2024 based on present value ERVA of closed banks as of December 31, 2024.

Assigned loans receivables are non-performing loans acquired from banks as a mode of financial assistance and from closed banks in payment of receivables. Interest income is booked upon collection. No interest income is accrued on these loans owing to their past due status.

During the year, a sale of loans receivable was concluded which involved 27 loan accounts assigned to PDIC by a financially assisted bank in December 2014 at an assigned value of ₱64.76 million. The loan accounts were secured by two properties located at Mamplasan Laguna with total Market Value of ₱96.44 million as of June 16, 2021 based on external appraisal of the properties.

The public bidding was conducted on December 17, 2024 with the presence of third parties interested to purchase the loan accounts. The Minimum Disposal Price of ₱96.44 million based on latest Market Value of the mortgaged properties was approved by the PDIC Board of Directors on November 24, 2021. The loan accounts were awarded to the highest bidder at a bid price of ₱96.50 million

The market value was determined by an external appraisal on January 21, 2021 and by the Property and Appraisal Department on June 16, 2021. The proceeds from the sale resulted to income as the booked value of the loan accounts amounted to ₱64.76 million vis-à-vis bid amount of ₱96.50 million.

This successful public bidding underscored the commitment to financial prudence and operational efficiency. The liquidation of non-performing loans and receivables aids the Corporation in strengthening its financial resources and maintaining transparency and accountability.

Loans receivable – others arises from financial assistance by way of non-interest bearing loans and liquidity assistance to four banks that subsequently closed. No interest income is accrued on these loans owing to their past due status.

Sales contract receivable are receivables from installment sales of assets acquired from financially assisted banks and from closed banks in payment for subrogated deposits and/or advances for receivership and liquidation expenses.

Interest receivable pertains to interest accrued from short-term investments.

Inter-Agency Receivables

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Bureau of Internal Revenue	0	885,730,142	885,730,142	0	885,730,142	885,730,142
National Government	0	0	0	0	58,338,296	58,338,296
DBM-Procurement Service	950,766	4,500,000	5,450,766	950,766	4,500,000	5,450,766
Total	950,766	890,230,142	891,180,908	950,766	948,568,438	949,519,204
Allowance for Impairment	0	(885,730,142)	(885,730,142)	0	(885,730,142)	(885,730,142)
Net Amount	950,766	4,500,000	5,450,766	950,766	62,838,296	63,789,062

Inter-Agency Receivables are receivables from the following agencies:

Bureau of Internal Revenue (BIR) represents creditable taxes withheld by withholding agents from assessment collections and interests on financial assistance for the year 2010 - 2014, for refund by the BIR in accordance with the provisions of BIR Revenue Regulation No. 6-2010. PDIC continuously followed-up with the BIR the claim for refund, and in 2024, BIR received a letter from PDIC regarding the matter. However, BIR has yet to respond to date.

National Government represents the balance of the share of the NG in insured deposits paid in excess of ₱250,000 up to ₱500,000 in bank closures from June 1, 2009 to May 31, 2012 as provided in the amendments of the PDIC Charter in 2009. On April 11, 2023, the PDIC has filed its claim with the Department of Budget and Management (DBM) amounting to ₱58.34 million and received the amount from the Bureau of Treasury on April 1, 2024.

DBM Procurement Service (DBM-PS) represents the revolving fund maintained for the DBM-PS facility for the purchase of plane tickets for local travel. This balance also includes advance payments for the procurement of supplies, materials and equipment to the DBM-PS.

Other receivables

This represents other receivables which include the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Due from Officers and Employees	685,062	30,757,480	31,442,542	13,708	20,554,051	20,567,759
Allow. for Impairment	0	(30,757,480)	(30,757,480)	0	(20,554,051)	(20,554,051)
Net Value	685,062	0	685,062	13,708	0	13,708
Receivables-Disallowance and Charges	0	92,028	92,028	0	92,028	92,028
Allow. for Impairment	0	(92,028)	(92,028)	0	(92,028)	(92,028)
Net Value	0	0	0	0	0	0
Other Receivables	14,761	4,631,674	4,646,435	11,574	4,543,105	4,554,679
Allow. for Impairment	(4,647)	(4,620,375)	(4,625,022)	0	(4,543,105)	(4,543,105)
Net Value	10,114	11,299	21,413	11,574	0	11,574
Total	695,176	11,299	706,475	25,282	0	25,282

Aging/Analysis of Receivables

As at December 31, 2024

Accounts	Gross Amount	Not Past Due	Past Due		
			< 30 days	30-60 days	>60 days
Subrogated Claims Receivables	64,047,147,600	0	0	30,689,699	64,016,457,901
Assigned Loans Receivables	12,568,108,829	0	0	0	12,568,108,829
Receivership and Liquidation Receivable	3,606,920,394	0	0	944,601	3,605,975,793
Loans Receivable - Others	1,503,719,609	0	0	0	1,503,719,609
Inter-Agency Receivables	891,180,908	4,500,000	0	0	886,680,908
Notes Receivable	446,731,752	446,731,752	0	0	0
Sales Contract Receivables	38,162,143	36,917,289	0	0	1,244,854
Interest Receivable	15,385,901	15,385,901	0	0	0
Other Receivables	36,181,005	30,506,801	346	4,903	5,668,955
	83,153,538,141	534,041,743	346	31,639,203	82,587,856,849

6. INVENTORIES

a. Inventories for Consumption

	2024	2023
Balance, January 1	1,381,207	1,151,101
Office Supplies Inventory	1,331,888	1,030,926
Semi-Expendable	49,319	120,175
Additions/Acquisitions during the year	7,970,788	5,171,297
Office Supplies Inventory	7,771,864	4,902,283
Semi-Expendable	198,924	269,014
Expensed during the year	(6,362,676)	(4,941,191)
Office Supplies Inventory	(6,114,433)	(4,601,321)
Semi-Expendable	(248,243)	(339,870)
Balance, December 31	2,989,319	1,381,207

b. Inventories for Distribution

	2024	2023
Balance, January 1	1,194,159	1,283,720
Decals	42,499	36,429
Standees	1,151,660	1,247,291
Additions/Acquisitions during the year	28,571	114,122
Decals	28,571	114,122
Standees	0	0
Expensed during the year	(132,429)	(203,683)
Decals	(58,099)	(108,052)
Standees	(74,330)	(95,631)
Balance, December 31	1,090,301	1,194,159

Inventories held for consumption refer to office supplies and materials for the use of the Corporation while the decals and standees are those held for distribution to insured banks.

7. INVESTMENT PROPERTY

This account includes the following:

	2024	2023
Carrying Amount, January	1,557,231,976	1,505,980,847
Addition/Acquisition	515,442,091	77,211,426
Total	2,072,674,067	1,583,192,273
Disposals	(45,958,499)	(13,507,160)
Reversal of Impairment	0	10,077,553
Impairment Loss	(2,861,829)	(14,582,099)
Depreciation	(39,260,938)	(7,629,055)
Reclassification	152,450	(319,536)
Carrying Amount	1,984,745,251	1,557,231,976

	2024	2023
Gross Cost	2,632,676,771	2,167,228,730
Accumulated Impairment	(433,974,433)	(434,654,950)
Accumulated Depreciation	(213,957,087)	(175,341,804)
Carrying Amount	1,984,745,251	1,557,231,976

These are real and other properties acquired from financially assisted banks and assigned by closed banks in payment for subrogated deposits and advances for receivership and liquidation expenses for continuing sale/disposal.

As of December 31, 2024, there are 6,293 Investment Properties with a total book value of ₱2.63 billion and a total appraised value of ₱5.30 billion. The balance includes 175 condominium properties and other improvements attached to the lots, of which 62 are condominium properties composed of 53 condominium units and nine parking spaces acquired from 2002 to 2024. The condominium properties and other improvements have a total book value of ₱623.08 million with allowance for impairment of ₱75.80 million and accumulated depreciation of ₱213.96 million, or a net book value of ₱333.32 million. At present, one condominium unit, five parking spaces and three commercial/residential houses/buildings are covered by lease contracts. Further, the balance is inclusive of 48 properties with Acquisition Cost/ Dacion Value of ₱49.84 million. One property is awaiting the consolidation of title and tax declaration from FA bank, seven properties covered by Comprehensive Agrarian Reform Program (CARP) and 40 properties with Dacion Value of ₱13.64 million are fully provided with allowance for impairment losses. For properties covered by CARP, documentary requirements need to be submitted to Land Bank of the Philippines Agrarian Operation Center before the proceeds can be released to PDIC.

8. PROPERTY, PLANT AND EQUIPMENT

This account includes the following:

Particulars	2024					Total
	Land	Buildings	CIP - Buildings and Other Structures	Furniture, Fixtures, Equipment	Transportation Equipment	
Cost						
At January 1, 2024	26,206,018	154,245,207	473,912,569	114,786,988	55,357,098	824,507,880
Additions	0	3,847,680	41,129,220	44,432,386	0	89,409,286
Disposals/ adjustments	0	0	0	(3,391,511)	(4,483,950)	(7,875,461)
At December 31, 2024	26,206,018	158,092,887	515,041,789	155,827,863	50,873,148	906,041,705
Accumulated Depreciation						
At January 1, 2024	0	139,307,770	0	76,379,613	20,872,176	236,559,559
Depreciation/ Amortization	0	5,088,393	0	8,161,793	5,662,068	18,912,254
Disposals/ adjustments	0	0	0	(2,130,813)	(4,035,555)	(6,166,368)
At December 31, 2024	0	144,396,163	0	82,410,593	22,498,689	249,305,445
Net book value						
At December 31, 2024	26,206,018	13,696,724	515,041,789	73,417,270	28,374,459	656,736,260

2003						
Particulars	Land	Buildings	CIP - Buildings and Other Structures	Furniture, Fixtures, Equipment	Transportation Equipment	Total
Cost						
At January 1, 2023	26,206,018	153,352,395	284,509,565	103,637,860	34,863,405	602,569,243
Additions	0	892,812	189,403,004	20,688,328	23,211,593	234,195,737
Disposals/ adjustments	0	0	0	(9,539,200)	(2,717,900)	(12,257,100)
At December 31, 2023	26,206,018	154,245,207	473,912,569	114,786,988	55,357,098	824,507,880
Accumulated Depreciation						
At January 1, 2023	0	134,261,786	0	76,259,066	19,861,106	230,381,958
Depreciation/ Amortization	0	5,045,984	0	8,594,849	3,457,180	17,098,013
Disposals/ adjustments	0	0	0	(8,474,302)	(2,446,110)	(10,920,412)
At December 31, 2023	0	139,307,770	0	76,379,613	20,872,176	236,559,559
Net book value						
At December 31, 2023	26,206,018	14,937,437	473,912,569	38,407,375	34,484,922	587,948,321

This account includes the corporate property located at Chino Roces Avenue, Makati City, with appraised value of ₱1.7 billion for the land and ₱568.24 million for the building totaling ₱2.27 billion. The area of 246 square meters of the land is subject to the ongoing expropriation by the government in view of the Department of Transportation – Philippine National Railway North South Commuter Railway Extension Project.

As of end-December 2024, the PDIC Building Project, which covers the renovation of the 8-storey building and the construction of a 5-storey Annex building with parking, is more than 95 per cent complete and is expected to be finished within 2025.

9. INTANGIBLE ASSETS

This account includes cost of computer software. Any software that is an integral part of the hardware is classified under the Property, Plant and Equipment account.

	2024	2023
Carrying Amount, January 1	60,847,355	29,240,065
Addition (Reclass):		
Computer Software	26,580,627	35,673,426
Dev't. in Progress - Computer Software	12,236,768	11,175,500
Total	99,664,750	76,088,991
Amortization	(14,938,933)	(15,241,636)
Carrying Amount, December 31	84,725,817	60,847,355
Gross Cost		
Computer Software	212,199,059	185,673,222
Development in Progress- Computer Software	45,903,458	33,666,690
Accumulated Amortization	(173,376,700)	(158,492,557)
Carrying Amount, December 31	84,725,817	60,847,355

For CY 2024, the Corporation has written-off dormant Intangible assets amounting to ₱54,790.35 in compliance with the COA Circular No 2023-008, duly approved by COA in

its letter dated October 8, 2024 and confirmed by the PDIC Board per Board Resolution No. 2025-01-009.

10. OTHER ASSETS

This account includes the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Restricted Fund	366,000,070	49,032,642	415,032,712	355,151,858	26,474,130	381,625,988
Prepayments	41,862,144	15,285,784	57,147,928	39,293,328	15,728,046	55,021,374
Guaranty Deposits	0	35,384,158	35,384,158	0	34,705,088	34,705,088
Impairment Loss-Guaranty Deposits	0	0	0	0	(7,897)	(7,897)
Other Assets	293,588	1,445,176,528	1,445,470,116	1,618,270	1,445,056,058	1,446,674,328
Accumulated Impairment-Other Assets	0	(1,150,686,106)	(1,150,686,106)	0	(1,150,686,106)	(1,150,686,106)
	408,155,802	394,193,006	802,348,808	396,063,456	371,269,319	767,332,775

Restricted Fund is composed of the Legal Liability Indemnification Fund held in trust by Land Bank of the Philippines-Trust Banking Group to finance legal expenses for possible cases against employees and directors of the Corporation in the performance of their duties and the BSP Trust Fund representing fund put in escrow for the account of PDIC for payment of Notes Payable to BSP which was used to fund the financial assistance granted to banks.

Prepayments include various expenses paid in advance such as mobilization fees, fidelity bond premiums, insurance, membership dues, repair and maintenance services and subscriptions to be charged in future periods and creditable input tax.

Guaranty Deposits include miscellaneous assets such as subscriber's investments and deposits with utility companies (such as SSS, LRA, MERALCO, PLDT, Petron Corp.).

Other Assets represent unserviceable assets for disposal, various assets acquired from financially assisted and closed banks such as chattels, paintings, stocks and club shares and receivables from the PDIC Provident Fund for advances by the Corporation for the car plan of officers.

11. FINANCIAL LIABILITIES

This account includes the following:

	2024			Restated 2023		
	Current	Non-current	Total	Current	Non-current	Total
Notes Payable	1,532,395,918	14,840,168,619	16,372,564,537	0	16,199,516,945	16,199,516,945
Estimated Deposit Insurance Liability	13,904,394,941	0	13,904,394,941	6,216,552,662	0	6,216,552,662
Accounts Payable	160,529,611	0	160,529,611	76,705,488	0	76,705,488
Due to Officers and Employees	39,305,805	0	39,305,805	122,600,328	0	122,600,328
	15,636,626,275	14,840,168,619	30,476,794,894	6,415,858,478	16,199,516,945	22,615,375,423

Notes Payable represents outstanding loans accounts payable to the BSP which were utilized to fund financial assistance to operating or acquirer banks in accordance with Section 22 of RA No. 3591, as amended.

There are two loan accounts with principal amount of ₱2.46 billion and ₱10 billion which have matured last May 7, 2022 and October 23, 2022, respectively. PDIC proposals for full settlement were forwarded to BSP and are now under the latter's consideration.

The above balances do not include the amount of principal and interest of ₱1.440 billion and ₱1.749 billion, respectively, claimed by BSP due to an issue on the interpretation of Section 1.02 in relation to Sec. 1.05 of the Loan Agreement between BSP and PDIC dated November 21, 2002. Under Section 1.02 of the Loan Agreement, an interest rate of two per cent lower than the interest charged to the underlying government loan accounts assigned by way of dacion to PDIC, shall be paid at the end of the following month after receipt of payment. Section 1.05 of the Loan Agreement also provides that the repayment of the BSP loan shall be sourced from collections from the underlying government loan accounts, among others. Interest charges on the BSP funding are only recognized and remitted to BSP upon actual collection from the underlying government loan accounts.

The matter was elevated by the BSP to the Department of Justice (DOJ) for administrative adjudication pursuant to Executive Order No. 292, otherwise known as the Revised Administrative Code. On October 23, 2019, the DOJ issued a resolution which, among others, found the PDIC still liable to pay the BSP for the outstanding balance, including interest, of the ₱10 billion loan. The PDIC filed on November 8, 2019 its Notice of Appeal with the Office of the President of the Philippines from the DOJ Resolution dated October 23, 2019.

On December 9, 2019, the PDIC filed its Appeal Memorandum with a prayer to set aside the October 23, 2019 DOJ Resolution and that the source for the repayment of its loan obligation to BSP be held exclusively limited to those provided for under Section 1.05 of the Loan Agreement. On the other hand, the BSP filed its Comment dated January 17, 2020.

Meantime, both BSP and PDIC are discussing a possible settlement of the case, in consultation with their respective counsels, which is the Office of the Government Counsel for the PDIC.

During the year, the PDIC and BSP, after a series of negotiations, has yet to agree on the provisions of the Settlement Agreement of the PDIC Notes Payable to BSP used to fund the financial assistance of one Commercial Bank.

Estimated Liability on Deposit Insurance represents the total Estimated Insured Deposits (EID) amounting to ₱13.84 billion of banks forecasted to be closed in the succeeding year inclusive of the ₱0.1 billion balance of validated insured deposits still unclaimed by concerned depositors.

Accounts Payable refers to the amount due to various suppliers/creditors and payable to the PDIC Provident Fund (PF) representing corporate and employees' contributions and loan amortizations deducted from salaries of employees for remittance in the following month to PF.

Due to Officers and Employees are composed of employees' unpaid salaries and benefits such as loyalty pay, overtime, performance and other incentives, rice benefits, unpaid reimbursements, other bonuses and allowances and tax refunds to be paid in the succeeding year.

12. INTER-AGENCY PAYABLES

This account consists of the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Due to BIR	27,639,873	0	27,639,873	26,291,783	0	26,291,783
Due to GSIS	11,934,128	0	11,934,128	11,544,226	0	11,544,226
Due to PHIC	1,901,856	0	1,901,856	1,418,982	0	1,418,982
Due to HDMF	599,435	0	599,435	366,150	0	366,150
	42,075,292	0	42,075,292	39,621,141	0	39,621,141

Due to Bureau of Internal Revenue (BIR) represents taxes withheld on compensation, professional fees, rental, contractors, suppliers, fringe benefits taxes and other taxes for remittance in the following month.

Due to Government Service Insurance System (GSIS) represents corporate and employees' contributions and loan payments deducted from salaries of employees for remittance in the following month.

Due to Philippine Health Insurance Corporation (PHIC) represents corporate and employee's contributions for remittance in the following month.

Due to Home Development Mutual Fund (HDMF) represents corporate and employee's contributions and loan payments deducted from salaries of employees for remittance in the following month.

13. TRUST LIABILITIES

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Guaranty/Security Deposits Payable	8,263,066	52,522,001	60,785,067	23,473,216	29,706,906	53,180,122
Customers' Deposits Payable	851,026	996,005	1,847,031	951,741	996,005	1,947,746
	9,114,092	53,518,006	62,632,098	24,424,957	30,702,911	55,127,868

The Guaranty/Security Deposits Payable represents performance bond, warranty bond and/or retention money received from the winning bidder/contractor to ensure delivery of the items and/or performance of the project and to be released upon the actual delivery of the items, completion of the project and/or lapse of the warranty. On the other hand, Customers' Deposits Payable represents cash deposits from lessee of Investment Property to be released upon the application to the lease payment at the end of the lease contract and of the damages to the leased property.

14. UNEARNED INCOME

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Unearned Income	26,786,903	3,591,546	30,378,449	46,246,651	25,741,319	71,987,970

This account represents unearned income on acquired assets sold on installment basis.

15. PROVISIONS

	2024	2023
Balance, January 1	301,926,254	288,989,810
Accrual	38,089,820	44,081,139
Monetization	(12,975,899)	(8,895,555)
Separation	(11,628,952)	(22,249,140)
Balance, December 31	315,411,223	301,926,254

This account represents accrual of money value of the earned leave credits of PDIC personnel payable upon monetization or separation.

16. OTHER PAYABLES

This account consists of the following:

	2024			2023		
	Current	Non-current	Total	Current	Non-current	Total
Dividends Payable	10,130,639,899	0	10,130,639,899	6,450,370,299	0	6,450,370,299
Other Payables	369,864	2,125,758	2,495,622	1,074,398	1,355,690	2,430,088
	10,131,009,763	2,125,758	10,133,135,521	6,451,444,697	1,355,690	6,452,800,387

Dividends Payable represents accrued dividends due to the NG for 2024 income from other sources except assessments for remittance on or before May 15 of the succeeding year.

Other Payables include overpayment by banks which are creditable to subsequent assessment periods and advance rentals paid by lessees.

17. BUSINESS INCOME

	2024	2023
Assessment Income	38,017,842,419	35,053,854,129
Interest Income	16,877,139,368	16,154,626,770
Dividend Income	48,763,709	112,418,364
Rent/Lease Income	12,255,647	10,183,256
Fines and Penalties-Business Income	141,668	286,925
Other Business Income	263,084,900	266,387,200
	55,219,227,711	51,597,756,644

18. GAINS

	2024	2023
Gain on Sale of Investment Property	149,023,426	103,349,524
Gain on Sale/Redemption/Transfer of Investments	488,733,992	9,222,238
Gain on Foreign Exchange	475,023	345,306
	638,232,441	112,917,068

19. OTHER NON-OPERATING INCOME

	2024	2023
Reversal of Impairment Loss	1,129,596,431	11,084,773
Recoveries	1,554,256,070	509,292,022
Miscellaneous Income	1,349,895	1,361,026
	2,685,202,396	521,737,821

20. PERSONNEL SERVICES

	2024	Restated 2023
Salaries and Wages	517,116,497	551,790,128
Personnel Benefit Contributions	121,619,046	195,328,857
Other Compensation	304,936,780	357,013,961
Other Personnel Benefits	61,330,129	73,112,646
	1,005,002,452	1,177,245,592

20.1 Personnel Benefit Contributions

	2024	2023
Provident/Welfare Fund Contributions	45,473,043	119,045,205
Retirement and Life Insurance Premiums	62,474,090	66,583,201
PhilHealth Contributions	11,351,285	8,154,201
Pag-IBIG Contributions	1,537,928	772,400
Employees Compensation Insurance	782,700	773,850
	121,619,046	195,328,857

20.2 Other Compensation

	2024	Restated 2023
Year-end Bonus	86,224,256	92,465,445
Mid-Year Bonus	42,900,142	44,918,732
Cash Gift	3,262,750	3,235,000
Productivity Incentive Allowances	28,620,195	26,235,453
Representation Allowance	18,376,125	15,909,250
Transportation Allowance	17,898,183	15,591,259
Overtime and Night Differential	12,438,941	14,656,721
Personnel Economic Relief Allowance	15,379,932	21,854,330

	2024	Restated 2023
Clothing/Uniform Allowance	4,137,786	3,684,000
Longevity Pay	1,906,212	3,158,426
Other Bonuses and Allowances	73,792,258	115,305,345
	304,936,780	357,013,961

20.3 Other Personnel Benefits

	2024	2023
Terminal Leave Benefits	34,190,566	46,176,216
Other Personnel Benefits	27,139,563	26,936,430
	61,330,129	73,112,646

21. MAINTENANCE AND OTHER OPERATING EXPENSES

	2024	2023
Utility Expenses	60,301,105	69,599,647
Professional Services	74,620,222	42,942,485
General Services	59,913,087	52,719,637
Travel Expenses	23,856,590	23,896,129
Supplies and Materials Expenses	43,773,446	30,610,508
Repairs and Maintenance	4,088,492	4,710,265
Taxes, Insurance Premiums & Other Fees	5,508,785	5,779,976
Communication Expenses	5,095,336	7,153,933
Confidential, Intelligence & Extraordinary	18,771,109	18,209,252
Training Expenses	9,993,137	10,758,616
Receivership and Liquidation Expense	258,525,645	265,252,438
Other Maintenance and Operating Expenses	199,474,725	230,811,717
	763,921,679	762,444,603

21.1 Utility Expenses

	2024	2023
Electricity Expenses	55,121,480	63,262,425
Water Expenses	5,179,625	6,337,222
	60,301,105	69,599,647

21.2 Professional Services

	2024	2023
Auditing Services	14,797,999	14,690,997
Consultancy Services	35,037,842	8,328,475
Other Professional Services	24,784,381	19,923,013
	74,620,222	42,942,485

21.3 General Services

	2024	2023
Security Services	31,842,120	31,715,766
Janitorial Services	27,319,107	20,262,111
Other General Services	751,860	741,760
	59,913,087	52,719,637

21.4 Travel Expenses

	2024	2023
Travel Expenses – Local	11,899,844	15,108,640
Travel Expenses – Foreign	11,956,746	8,787,489
	23,856,590	23,896,129

21.5 Supplies and Materials Expenses

	2024	2023
Office Supplies Expenses	8,453,525	9,537,075
Semi-Expendable Machinery and Equipment	7,225,924	4,571,461
Fuel, Oil and Lubricants Expenses	2,507,567	2,062,103
Drugs and Medicines Expenses	476,688	571,517
Semi-Expendable Furniture, Fixtures and	23,959,693	12,746,582
Accountable Forms Expenses	56,000	132,750
Medical, Dental and Laboratory Supplies	167,490	271,488
Other Supplies and Materials	926,559	717,532
	43,773,446	30,610,508

21.6 Repairs and Maintenance

	2024	2023
Machinery and Equipment	1,394,757	3,041,209
Semi-Expendable Machinery and Equipment	551,705	29,722
Transportation Equipment	1,747,967	1,202,799
Buildings and Other Structures	370,563	436,535
Furniture and Fixtures	23,500	0
	4,088,492	4,710,265

21.7 Taxes, Insurance Premiums and Other Fees

	2024	2023
Fidelity Bond Premiums	3,300,302	3,491,349
Insurance Expenses	2,104,527	2,197,686
Taxes, Duties and Licenses	103,956	90,941
	5,508,785	5,779,976

21.8 Communication Expenses

	2024	2023
Telephone Expenses	2,093,584	2,717,621
Postage and Courier Services	961,700	2,263,520
Internet Subscription Expenses	2,040,052	2,172,792
	5,095,336	7,153,933

21.9 Other Maintenance and Operating Expenses

	2024	2023
Rent/Lease Expenses	86,024,160	125,312,445
Litigation/Acquired Assets Expenses	42,384,858	31,622,081
Directors and Committee Members' Fees	11,761,684	8,376,429
Subscription Expenses	31,012,248	19,476,187
Membership Dues and Contributions to Organization	2,191,051	1,843,918
Advertising, Promotional and Marketing	2,358,922	2,747,617
Printing and Publication Expenses	203,534	353,865
Donations	1,172,206	0
Other Maintenance and Operating Expenses	22,366,062	41,079,175
	199,474,725	230,811,717

22. FINANCIAL EXPENSES

	2024	2023
Interest Expenses	173,047,591	171,381,252
Management Supervision/Trusteeship	368,396	351,457
Bank Charges	67,636	76,055
Other Financial Charges	1,578,502	2,816,045
	175,062,125	174,624,809

23. NON-CASH EXPENSES

	2024	2023
Provision for Insurance Losses	36,143,492,554	33,133,551,774
Depreciation	58,173,192	24,727,068
Amortization – Intangible Assets	14,938,933	15,241,636
Impairment Loss – Receivables	119,903,626	42,489,817
Losses on Foreign Exchange & Notes Payable	888,189	1,186,187
	36,337,396,494	33,217,196,482

23.1 Provision for Insurance Losses

	2024	2023
Provision for capital build-up	28,186,698,443	33,133,551,774
Provision for projected bank closures (net)	7,956,794,111	0
	36,143,492,554	33,133,551,774

23.2 Losses

	2024	2023
Loss on Foreign Exchange	368,056	440,869
Other Losses – Notes Payable (Early Extinguishment)	520,133	745,318
	888,189	1,186,187

24. TAXES

The Corporation is exempt from income tax, final withholding tax, value added tax (VAT) on assessments and local taxes pursuant to Section 22 c of RA No. 3591, as amended. R.A. No. 10963 or the TRAIN law became effective on January 1, 2018 where PDIC is no longer exempt from the payment of VAT on assessment collections but provides that such VAT obligations shall be charged against the Tax Expenditure Fund of the NG.

In compliance with the requirements of the BIR Revenue Regulation No. 15-2010, hereunder are the information on the taxes, duties and license fees paid in 2024 and 2023:

	2024	2023
Withholding Taxes:		
On Compensation and Benefits	125,648,949	119,993,472
Creditable Withholding Taxes	30,732,303	35,391,273
Final Withholding Taxes	138,425	127,125
Value Added Tax	4,542,192,948	4,178,263,327
BIR Annual Registration Fee	500	500
Total	4,698,713,125	4,333,775,697

25. DIVIDENDS TO THE NG

Dividends to the NG amounted to ₱10.13 billion and ₱12.68 billion in 2024 and 2023, respectively, representing 50 per cent and 75 per cent of income from other sources, net of unrealized income, in 2024 and 2023, respectively.

For CY 2024, the Corporation declared dividends to the NG at 50 per cent of the ₱20.26 billion of the income from other sources, net of unrealized income. For CY 2023, the total dividends declared at 75 per cent of ₱16.90 billion or ₱12.68 billion, of which ₱2.00 billion had been remitted in advance on November 16, 2023 while ₱10.68 billion was remitted on March 26, 2024. In total, the Corporation has dividend remittance to the NG of ₱10.68 billion and ₱14.05 billion for 2024 and 2023, respectively.

The additional dividends of 25 per cent in 2023 was approved by the Board on March 6, 2024 in response to the request of the DOF to help the Philippine economy shift to a higher growth path through fiscal consolidation efforts and prioritizing expenditures aligned with the administrations 8-point Socio-economic Agenda.

The details of the dividends booked in 2024 and 2023 are shown below.

	2024	2023
Total Income	58,542,662,548	52,232,411,533
Assessment Income	(38,017,842,419)	(35,053,854,130)
Income not subject to dividend	(263,540,330)	(277,816,807)
Dividend Base	20,261,279,799	16,900,740,596
Dividend rate	50%	50%
Dividend for the Year	10,130,639,899	8,450,370,298
2022 Additional Dividends declared in 2023		5,000,000,000
2022 Dividend Adjustment based on COA AOM		60,494
2023 Additional Dividends declared in 2024	4,225,185,149	
Total	14,355,825,048	13,450,430,792

The Memorandum of Agreement (MOA) dated March 14, 2019 with settlement amount of ₱4.07 billion for dividend years 2016-2017; Supplemental MOA dated March 9, 2020 with settlement amount of ₱2.01 billion for dividend year 2018 and 2nd Supplemental MOA dated October 21, 2020 with settlement amount of ₱1.94 billion for dividend year 2019 had been executed between DOF and PDIC on dividend issues with regard to deductibility from the dividend base the interest on borrowings for financial assistance and insurance purposes, and propriety of the exclusion of unrealized income, booked to comply with International Financial Reporting Standards, from the dividend base. Remittances under these MOAs in the amount of ₱1.36 billion and ₱6.66 billion were made in 2019 and 2020, respectively.

In a letter dated December 17, 2020, the DOF and PDIC have jointly replied to the Department of Justice (DOJ) letter dated June 5, 2020 which recommended the commencement of administrative adjudication on the proper interpretation and application of Section 18 of R.A. No. 3591, as amended (PDIC Charter) on the abovementioned dividend issues. The DOF and PDIC, as approved by its Board, informed DOJ that they have agreed that there is no need to arbitrate. Instead, both DOF and PDIC shall request for an opinion from DOJ and shall be bound therewith.

On March 4, 2021, DOF requested the remittance of ₱2.19 billion as additional dividends for CY 2020 based on the abovementioned dividend issues, citing the immediate need for NG resources to fund the health and economic recovery measures. The Board declared ₱2.19 billion additional dividends on March 24, 2021 and PDIC remitted to the NG on March 25, 2021. Further, the PDIC Board through its Resolution No. 2022-04-049 dated April 27, 2022 approved the Settlement Amount in the 3rd Supplemental MOA for the dividend year 2020 amounting to ₱1.908 billion.

The Board Resolution No. 2022-02-014A dated February 11, 2022, approved the declaration of additional ₱1.16 billion dividend for CY 2021 based on the same dividend issues. These outstanding Supplemental MOAs are still awaiting the DOJ opinion.

25.1 FUND BALANCE REMITTED TO NG

The Corporation, through Board Resolution Nos. 2024-05-053, 2024-07-074, and 2024-12-129 has remitted Fund Balance in the total amount of ₱107.23 billion to the Bureau of Treasury (BTr) in compliance with the April 24, 2024 letter of the Finance Secretary to PDIC to remit the Fund Balance pursuant to the Department Circular No. 003-2024 issued on February 27, 2024 implementing Paragraph 1 (d) of the Special Provision, under Chapter XLIII on Unprogrammed Appropriations of Republic Act No. 11975, entitled General Appropriations Act for Fiscal Year 2024, and supported by Office of the Government Corporate Counsel Opinion No. 085, Series of 2024 by way of legal clearance. Per DOF, the collection of Fund Balance was approved during the Cabinet meeting dated April 3, 2024, to support the funding of priority infrastructure and social projects of the NG in ensuring the nation's economic growth and development.

26. LEASES

The Corporation leased the premises of the Social Security System at Ayala Avenue, Makati City, which serves as one of the two PDIC's principal offices, for ₱85 million and ₱120 million (net of taxes and other charges) as at December 31, 2024 and 2023, respectively. The lease is of short-term duration and renewable under certain terms and conditions. Payments made under such lease are expensed as incurred.

27. CONTINGENT LIABILITIES AND OTHER MATTERS

27.1 The following are the cases which may result in contingent liabilities as a consequence of adverse judgments that may be rendered:

Claims for deposit insurance

There are 14 pending cases against the Corporation for payment of deposit insurance in the estimated amount of ₱17.61 million.

In addition, there are 10 pending cases (questioning bank closures) where the Corporation was impleaded as a respondent or defendant, subject matter of these cases is incapable of pecuniary estimation. These involve acts of the Corporation in its capacity as Receiver/Liquidator of closed banks.

The above excludes the items in litigation, which were acquired from the banks that were extended financial assistance.

27.2 Estimated insured Deposits (EID)

As at December 31, 2024, estimated insured deposits up to the P500,000 maximum deposit insurance coverage amounted to ₱3,562.08 billion, representing 138.33 million accounts as of September 30, 2024 latest available data. This is equivalent to 18.26 per cent of the total deposits of ₱19,509.33 billion in the banking industry.

27.3 Banks under receivership and liquidation

Closed banks under liquidation by PDIC as of December 31, 2024, stood at 362 exclusive of the 373 closed banks whose liquidation were terminated pursuant to the Final Report on the Termination of Liquidation of Assets and Winding-up of Affairs of Closed Banks approved by the PDIC Board and a bank whose liquidation was nullified by the Court of Appeals on September 7, 2020 and affirmed by the Supreme Court in its Resolution dated March 1, 2023 and on May 28, 2024. Based on available financial statements, the total Estimated Realizable Value of Assets (ERVA) and liabilities of 359³ closed banks amounted to ₱ 50.03 billion and ₱134.31 billion, respectively. From the total ERVA of ₱50.03 billion, PDIC has an estimated recovery of ₱24.14 billion for subrogated claims and ₱3.40 billion for receivership and liquidation expenses in cash and in kind. The settlement of PDIC's claims is subject to the approval of the Asset Distribution Plan of closed banks by their respective Liquidation Courts.

As of December 31, 2023, there were 369 closed banks under PDIC liquidation, of which, 365⁴ have ERVA of ₱54.02 billion and liabilities of ₱140.39 billion based on their latest available financial statements.

28. RELATED PARTY TRANSACTION

The Corporation does not have dealings with related parties involving transfer of resources and obligations.

29. EVENTS AFTER THE REPORTING PERIOD

29.1 Settlement of the Notes Payable to BSP

The Settlement Agreement is made and executed between PDIC and BSP on March 17, 2025 on the settlement of the PDIC Notes Payable to BSP that funded the financial assistance of a commercial bank in 2001. The PDIC and BSP, in accordance with the Resolutions as respectively approved by both parties, have agreed on the full/complete payment and acquittance of the Loan upon payment by PDIC to BSP of the agreed settlement amount of ₱1.532 billion.

PDIC paid to BSP the agreed settlement amount on April 14, 2025.

29.2 Financial Assistance granted to two banks

On August 2, 2012, COA rendered Decision No. 2012-120 which denied the request for condonation of the financial assistance granted by PDIC to a commercial bank in the amount of P1,656,830,000 and the recommendation to write-off a portion of the financial assistance granted to a thrift bank in the amount of P325 million.

³ Excludes SOA of three (3) banks closed in 2021 and 2024.

⁴ Excludes SOA of four (4) banks closed in 2021 and 2023.

On March 15, 2022, the SC affirmed COA Decision No. 2012-120 and dismissed PDIC's Petition for Certiorari (G.R. No. 218068). The March 15, 2022 Decision became final after the SC denied PDIC's Motion for Reconsideration on January 28, 2025.

Meanwhile, COA issued NDs No. 15-001-AFA-98 and 15-002-AFA-99 based on COA Decision No. 2012-120. The NDs were appealed to the COA Proper which was denied in the Decision dated December 7, 2023. PDIC filed its Motion for Reconsideration, which remains pending.

30. FINANCIAL RISK AND CAPITAL MANAGEMENT

Financial Risk Factors

The Corporation is exposed to a variety of financial risks such as market risk, credit risk, and liquidity risk.

The financial risks are identified, measured and monitored to assess adequately the market circumstances to avoid adverse financial consequences to the Corporation.

Market risk

The Corporation measures and manages its rate sensitivity position to ensure build-up of its investment portfolio. Special emphasis is placed on the change in net interest income that will result from possible fluctuations in interest rates, changes in portfolio mix and tenor.

Credit risk

Credit risk to the Corporation may refer to the following risks: a) loans granted to operating banks needing financial assistance will not be paid or collected when due, b) non recovery of subrogated claims receivables, c) for advances made for receivership and liquidation expenses and d) when investing activities are not prudently exercised to consider risk/reward relationships of market factors and established parameters.

PDIC exercises prudence in the grant of financial assistance based on the provisions of its Charter. This is managed through regular offsite monitoring and periodic examination of assisted banks and strict monitoring of compliance with the covenants of the financial assistance agreements. The Corporation likewise mitigates such risk through the collateral requirements to secure the loans to assisted banks as part of its sources of payment.

Moreover, on the management of its investment, the Corporation is allowed to invest only in obligations of the Republic of the Philippines (ROP) or in obligations guaranteed as to principal and interest by the ROP.

The table in the next page provides the analysis of the maximum exposure to credit risk of the Corporation's Notes Receivables before and after taking into account collateral held or other credit enhancements:

	Maximum Exposure	Fair value of collateral or credit enhancement	Net Exposure
2024			
Notes Receivable	446,731,752	446,731,752	0
2023			
Notes Receivable	428,519,703	428,519,703	0

Liquidity risk

The liquidity risk is the adverse situation when the Corporation encounters difficulty in meeting unconditionally the settlement of insurance calls and its obligations at maturity. Liquidity management is a major component of the corporate-wide risk management system. Liquidity planning takes into consideration various possible changes in economic, market, political, regulatory, and other external factors that may affect the liquidity position of Corporation.

PDIC liquidity management policy is to maintain optimal liquid cash funds to adequately finance its operational requirements at any given time. The Corporation's funding requirement is generally met through any or a combination of financial modes allowed in the PDIC Charter that would give the most advantageous results.

The maturity profile of the financial assets is also shown, which are presented in the Statement of Financial Position at amortized cost. The analysis is based on face value, consistent with available data from current systems.

The presentation reflects the ongoing efforts of the Corporation to align with PFRS 7 disclosure requirements. Additional enhancements are in progress to expand the scope of future disclosures to other financial assets with contractual maturities.

Remaining Tenor	≤ 1 year	> 1-3 years	> 3-5 years	> 5-7 years
As of December 2024				
Amount	18,045,465,853	36,820,265,757	93,655,034,994	34,639,287,279
Average Yield	5.573%	4.838%	5.979%	5.626%
% Total	7.187%	14.665%	37.303%	13.797%
As of December 2023				
Amount	41,001,725,424	56,660,618,245	73,815,401,693	45,574,788,261
Average Yield	4.522%	3.809%	5.097%	6.038%
% Total	12.753%	18.048%	23.097%	15.513%
<hr/>				
Remaining Tenor	> 7-10 years	> 10 years	Total	
As of December 2024				
Amount	50,697,038,100	17,213,186,218	251,070,278,201	
Average Yield	5.884%	5.083%	5.658%	
% Total	20.192%	6.856%	100%	
Average Tenor				5.10 years
As of December 2023				
Amount	68,543,155,484	26,504,812,625	312,100,501,732	
Average Yield	5.604%	5.933%	5.107%	
% Total	22.059%	8.530%	100%	
Average Tenor				5.09 years

The Corporation is authorized to borrow from the BSP and from designated depository or fiscal agent of the Philippine Government for insurance and financial assistance purposes.

The PDIC Board has likewise approved in 2020 a contingency funding plan to ensure funding support in the event of a financial crisis.

Senior management is actively involved in the Asset Liability Committee headed by the President and CEO with most of the Executive Committee as members.

The table below summarizes the maturity profile of the Corporation's financial liabilities as at December 31, 2024 and 2023.

	≤ 1 year	>1-3 years	> 3 -5 years	> 5-7 years
As at December 31, 2024				
Accounts Payable and Due to Officers and Employees	199,835,416	0	0	0
Estimated Liability on Deposit Insurance	13,904,394,941	0	0	0
Notes Payable	1,532,395,918	0	11,429,379,464	0
	15,636,626,275		11,429,379,464	0
As at December 31, 2023				
Accounts Payable and Due to Officers and Employees	199,305,816	0	0	0
Estimated Liability on Deposit Insurance	6,216,552,662	0	0	0
Notes Payable		0	12,592,532,904	280,621,638
	6,415,858,479		12,592,532,904	280,621,638
	>7 to 10 years	>10 years	Total	
As at December 31, 2024				
Accounts Payable and Due to Officers and Employees	0	0	199,835,416	
Estimated Liability on Deposit Insurance	0	0	13,904,394,941	
Notes Payable	0	3,410,789,155	16,372,564,537	
	0	3,410,789,155	30,476,794,894	
As at December 31, 2023				
Accounts Payable and Due to Officers and Employees	0	0	199,305,816	
Estimated Liability on Deposit Insurance	0	0	6,216,552,662	
Notes Payable	24,048,651	3,302,313,752	16,199,516,945	
	24,048,651	3,302,313,752	22,615,375,423	

Capital Management

As a measure of capital adequacy, a target ratio level of the DIF to EID for the year 2024 is to be maintained at an average of 6.5 per cent as approved by the PDIC Board of Directors in June 2023 and adopted in the 2024 Performance Scorecard commitment approved by the GCG. As of December 31, 2024, DIF/EID ratio stood at a 12-month average of 7.83 per cent.

Moving forward, a new DIF Targeting Methodology has been adopted and uses a forward-looking, risk analysis-based credit portfolio approach to estimate deposit insurance losses, considering both broad economic conditions and bank-specific risks. It calculates both expected and unexpected losses using statistical methods and simulations, ensuring the Deposit Insurance Fund remains robust and adaptable to market changes.

31. RESTATEMENT OF 2023 RETAINED EARNINGS BEGINNING BALANCE

The presentation/restatement of the beginning balance of 2023 Retained Earnings in the amount of P1,694,600 pertains to Productivity Incentive Allowance for 2021.