

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**  
**GOVERNMENT SUBSIDIES\***

As of December 31, 2014

<b>National Government Share on Paid Insured Deposits in Excess of P250,000 up to P500,000 <sup>a/</sup></b>	P	2,792,340,000.00
<b>Tax Obligations Charged in 2014 against the Tax Expenditure Fund <sup>b/</sup></b>		
a. Final Withholding Tax (FWT) on Investments	P	780,289,210.87
b. Income Tax		1,999,999,999.01
c. Value Added Tax		986,627,626.62
		3,766,916,836.50
<b>TOTAL</b>	P	<b>6,559,256,836.50</b>

\*PDIC does not treat the above as subsidies, as explained below:

a/ The National Government's share on paid insured deposits in excess of P250,000.00 are reimbursements for advances made by PDIC as explicitly stated in Section 4 of R.A. No. 9576. The government assumed the cost of increase in Maximum Deposit Insurance Coverage (MDIC) for the first three years from the effectivity of the amendments to the PDIC Charter (R.A. 3591) after the MDIC was increased from P250,000.00 to P500,000.00 as a result of the global financial crisis in 2008.

b/ This pertains to the tax obligations of PDIC which were charged to the Tax Expenditure Fund (TEF) pursuant to Section 17(c) of the PDIC Charter for the period of five (5) years from the effectivity of the amended Charter. The same was allowed for the purpose of improving the fiscal monitoring aspects of government operations and are not intended to support PDIC's operations. PDIC is more than capable of funding its operations from its own cash flow. The charging of tax obligations to the TEF only emphasizes PDIC's tax-exempt status consistent with the express "policy of the State that the Deposit Insurance Fund (DIF) of the Corporation shall be preserved and maintained at all times". Clearly, the charging of PDIC's tax obligations to the TEF is not a tax subsidy.