

OTHER ACCOMPLISHMENTS 2020

RESPONDING TO THE COVID-19 PANDEMIC

PDIC's commitment to deliver excellent public service in its mandates of deposit insurance and liquidation of closed banks remained a priority in 2020, notwithstanding the operational challenges posed by the COVID-19 pandemic.

Measures to enable the delivery of services effectively and efficiently under the new normal with consideration to the relevant provisions of Republic Act Nos. 11469 (Bayanihan to Heal as One Act) and 11494 (Bayanihan to Recover as One Act) was ensured, while safeguarding the safety of both employees and clients. The implementation of the following initiatives supported the continued delivery of critical services of the Corporation:

Service Delivery

- **Adopted Special Claims Settlement Operations**

For the five (5) banks closed in 2020, a dedicated e-mail facility was established through which depositors may file their deposit insurance claims, in addition to the usual filing of claims by postal mail, courier service and personal filing by appointment at the PDIC's Public Assistance Center. An alternative payment mode was likewise adopted using the Land Bank of the Philippines' Cash-Over-the Counter (COTC) facility, in lieu of onsite deposit insurance payout operations at the closed bank premises.

- **Extended Deadline for Filing of Deposit Insurance Claims**

Extended by 60 days the statutory deadline for filing of deposit insurance claims (i.e., 2 years from bank takeover) for depositors of 23 closed banks taken over from 2018 to the first quarter of 2020 to ensure that affected depositors are not disenfranchised because of the community quarantine.

- **Adopted Pack and Leave Mode for Takeover Operations**

Pursuant to the Strategy for Takeover Operations of Closed Banks while the threat of COVID-19 is present, as recommended to and approved by the President on March 13, 2020, the 'pack and leave' was adopted as the default mode of takeover operations for banks that will be ordered closed by the Monetary Board upon resumption of work in PDIC and during the period when the threat of COVID-19 is present.

Under a pack and leave mode, the closed bank's primary records, such as deposit- and loan-related documents are gathered and transported to the PDIC premises. Payout preparations like generation of the Masterlist of Deposit Liabilities (MODL) and Masterlist of Offset Items (MOI), and other takeover activities, such as financial statements (FS) preparation and consolidation of inventory, are accomplished in PDIC premises.

- **Extended statutory deadline for filing of creditors' claims**

Extended the filing of creditors' claims against the assets of the two (2) banks closed during the first quarter of 2020. The 60-day period will start to run again when the community quarantine is lifted in the National Capital Region (NCR) and the provinces where the closed banks are located, whichever comes later.

- **Granted Payment Relief for Clients**

Granted clients with lease payments for corporate and closed bank properties falling due during the periods of ECQ/MECQ/GCQ a 30-day grace period which will commence on the date of the lifting of the GCQ in the NCR, or in areas where the leased properties are located, whichever comes later.

Implemented payment relief measure covering payments for loans and purchased properties falling due on September 15 to December 31, 2020 for corporate and closed bank accounts that are existing and on current status. Under the payment relief, borrowers and property buyers are given a one-time 60-day extension of payment terms to commence from the payment due date which automatically extends the payment schedules of accounts on current status without additional interest, penalties and other charges by two months.

- **Conducted Remote Bank Examination**

Conducted three offsite bank examination from October to December 2020 following the approval of the guidelines for the conduct of offsite bank examination on 14 September 2020. The bank examination report of one bank was approved

by the PDIC Board in December 2020. This is in lieu of an onsite examination due to work/travel restrictions arising from the COVID-19 pandemic. Examination procedures, interviews as well as the exit conference were done via MS Teams.

- **Maintained Communication with Stakeholders**

Encouraged clients to transact via e-mail, Facebook or phone call, whenever applicable, and to visit PDIC's Public Assistance Center on an appointment basis, when necessary, to ensure compliance with health protocols. PDIC continued to issue announcements/advisories and press releases, and make available its Public Assistance Hotline during office hours at (02) 8841-4141 or at Toll Free number 1-800-1-888-7342 or 1-800-1-888-PDIC (for clients outside Metro Manila), direct email address to pad@pdic.gov.ph, or private messaging facility at PDIC's official Facebook account, www.facebook.com/OfficialPDIC.

Employee Protection

Implemented a number of initiatives that are aligned with the guidelines issued by the National Government (NG) to avert the spread of the dreaded virus to ensure the health and safety of its employees.

An alternative work arrangement consistent with the guidelines of the Civil Service Commission was implemented wherein majority of the employees are working from home on an alternating arrangement while the skeleton workforce report onsite to ensure continued delivery of critical services to the clients.

- Provision of IT resources to WFH personnel and issued IT guidelines
- Provision of shuttle services for PDIC employees
- Issued Guidelines on the Resumption and Conduct of Work Post-ECQ
- Provided health care kits and conducted testing for COVID-19
- Continuing conduct of online training for PDIC employees via MS Teams

PROMOTING GOOD GOVERNANCE

- **Complied with New Requirements of Anti-Red Tape Act (ARTA)**

The Corporation's Citizen's Charter was revised to cover additional services related to closed banks under receivership and liquidation which do not necessarily fall under the definition of "government service" (i.e., "grant of privilege, right, reward, clearance, authorization or clearance") as provided by Republic Act No. 11032. Instead, PDIC classifies these as Closed Bank Transactions (Private Transactions represented by PDIC), following clarificatory discussions with representatives of ARTA. The Corporation also submitted ARTA Compliance Report and Certificate of Compliance to comply with the

requirements of ARTA Memorandum Circular Nos. 2020-03 and 2020-04. Some examples as provided in the PDIC Citizen's Charter are Cash Settlement of Claims of Closed Banks' Creditors Based on Court-approved Asset Distribution Plan (ADP) from Receipt of Complete Requirements and Issuance of Certificate of Full Payment (COFP) reckoned from receipt of request and complete documents (for secured loans of closed banks rediscounted with other Financial Institutions).

- **Remitted Dividends to the National Government**

The Corporation remitted P17.98 billion in dividends to the NG in fulfillment of its obligations and in response to the need of NG to augment its funds for programs to combat the consequences of the COVID-19 pandemic.

- **UCPB Rehabilitation: Capital Notes Converted to Special Preferred Shares**

The conversion of Capital Notes issued by UCPB to PDIC reaffirmed the government's commitment to support the bank. The certificates of stock on the voting special preferred shares were delivered by UCPB on 9 July 2020. Activities relative to the sale of the Special Preferred Shares to LBP is ongoing, and updates are regularly reported to the Secretary of Finance. The support given to UCPB is in line with "the policy of strengthening the capital bases and rationalizing the structures of all government-owned and controlled banks with the objective of improving their level of service and value for their stakeholders."

- **Awarded PRIME-HRM Bronze Award**

The PDIC was a Bronze Awardee of the Program to Institutionalize Meritocracy and Excellence in Human Resource Management (PRIME-HRM) Award System. This is an acknowledgment being given by the Civil Service Commission (CSC) to a government agency in recognition of its excellence in practices and competencies in four human resource management (HRM) areas: Recruitment, Selection and Placement (RSP); Performance Management (PM); Learning and Development (L&D); and Rewards and recognition (R&R) to foster good governance in government.

- **Awarded Silver Anvil Award**

The 2018 Annual Report of the PDIC was awarded a Silver Anvil during the Public Relations Society of the Philippines' (PRSP) 55th Anvil Awards (Gabi ng Parangal) held on February 28, 2020 at the Manila Hotel. Entitled "A New Horizon", the Annual Report was recognized for showcasing various measures to strengthen the organization, promote good governance and employee empowerment.

CONTINUING COLLABORATION WITH INTERNATIONAL PARTNERS

- **Shared Experiences in Responding to COVID-19 Pandemic**

PDIC President/CEO RBTan acted as resource speaker in the IADI International Forum on managing the impact to stakeholders of COVID-19 last July 10, 2020. He shared PDIC's experience in managing claims settlement and providing relief to borrowers. The presentation underscored the importance of health and safety provision and support for PDIC clients and personnel, the need for resilience in adapting and coping with the crisis, the continuous adjustment in processes to deliver services without compromising controls, and use of social media and other communication platforms that are strategic to reach target areas/groups.

- PDIC participated in surveys conducted by the International Association of Deposit Insurers (IADI) and deposit insurance agency (DIA) such as the following:

- Impact of COVID-19 on IADI Members
- Deposit Insurance Coverage and Scope
- APRC Survey on 2020 Research Plans
- 2020 IADI Annual Survey
- Responses of DIAs to Address COVID-19 (Canada Deposit Insurance Corporation)

PRE-COVID-19 PANDEMIC

- **Held PDIC Caravan (Abot-Lingkod Program)**

Prior to the pandemic, the Abot-Lingkod Program – a helpdesk facility to make PDIC's core services more accessible to its stakeholders in Region IV-A (CALABARZON) was held at the Calamba City Hall on 19 to 20 February 2020. Clients with queries and concerns about deposit insurance, loans with closed banks, and properties for sale were assisted by PDIC personnel.

In addition to the stationary Caravan at the Calamba City Hall, financial literacy lectures were conducted to students of selected academic institutions in Calamba City as part of the Be a Wise Saver (BAWS) campaign.

Meetings with local real estate developers and brokers in the region to promote available properties for negotiated sale or public bidding were also held during the 2-day Caravan.