



# ANNUAL REPORT

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1970



PHILIPPINE DEPOSIT INSURANCE CORPORATION  
MANILA


January 29, 1971

His Excellency  
The President of the Republic  
of the Philippines  
Malacañang, Manila

S i r :

Pursuant to the provision of Section 15 of Republic Act 3591, as amended, I have the honor to submit herewith the report for 1970 of the Philippine Deposit Insurance Corporation.

Very respectfully,

  
LUIS TIRSO RIVILLA  
Chairman of the Board

#0000104  
PDIC Resource Center



PHILIPPINE DEPOSIT INSURANCE CORPORATION  
MANILA


January 29, 1971

The Honorable  
President of the Senate  
Congress of the Philippines  
M a n i l a

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PHILIPPINE DEPOSIT INSURANCE CORPORATION  
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Chairman of the Board



**PHILIPPINE DEPOSIT INSURANCE CORPORATION**  
M A N I L A

**OFFICERS OF THE CORPORATION**

**Board of Directors**

**LUIS TIRSO RIVILLA**

Chairman

**GREGORIO S. LICAROS**

Governor, Central Bank of the Philippines

Director

**BASILIO ESTANISLAO**

Director

**Executive Officers**

**DANILO S. URSUA**

Assistant to the Chairman

Internal Affairs

**JESUS L. EVANGELISTA**

Assistant to the Chairman

External Affairs

**SANTOS G. ESTACIO**

Manager, Department of

Examination II

**ALBERTO R. ENRIQUEZ**

Corporate Secretary

**CARMELITA C. VIDAL**

Manager, Accounting Department

**JAIME C. LOPEZ**

Legal Counsel

**EDUARDO S. MARTINEZ**

Manager, Department of Personnel

and Administrative Services

**VIRGINIA A. DIMALANTA**

Chief Cashier

**FE B. BARIN**

Chairman, Claims Liquidation Committee

**DOMINADORA C. SUNGA**

Manager, Department of Examination I

**GRACE ROSALINAS**

Chief, Research Division

**JUAN P. GRANADOS**

Corporate Auditor

**GUILLERMO S. NIEVA**

Assistant Corporate Auditor

# ANNUAL REPORT 1970

## ( TAUNANG ULAT 1970 )

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# **PART I. MONETARY AND BANKING DEVELOPMENTS**

## MONETARY DEVELOPMENTS

The year 1970 proved to be a difficult one for the productive sectors of the economy as well as for the banking system. A balance of payments problem, an excessive money supply, a creeping inflation, and a foreign exchange crisis confronted the nation at the beginning of the year, prompting monetary authorities to undertake a broad program of stabilization designed to bail the country out of its economic difficulties.

The stabilization program included a floating exchange rate for the peso vis-a-vis the dollar and the imposition of 80 per cent retention on the dollar proceeds of selected export products to be surrendered to the Central Bank at par value (or at P3.90 to \$1.00) while the remaining 20 per cent at the floating rate. Restrictions on the purchase of dollars for unnecessary imports and travel were imposed, rediscounting ceilings of domestic commercial banks were revised, and the exemptions to the two per cent interest equalization charge were revoked. To encourage savings and lessen dependence of banks on the Central Bank, a new interest rate of 8 per cent on 540-day time deposits was also approved.

To dampen inflationary pressures, the monetary authorities early in 1970 raised the reserve requirement or peso backing against deposit liabilities of all banking institutions from 16 per cent to 20 per cent. This was followed during the latter part of the year by the imposition of a cash margin deposit of 30 per cent (later raised to 50 per cent) for the opening of import letters of credit and by the issuance of the so-called "certificates of indebtedness" as measures to check any further boost in money supply. At the same time, the Central Bank strengthened further its credit policies when it imposed additional qualifications before commercial banks could continue availing of the privilege of access to the credit facilities of the Bank. Similarly, the Central Bank instituted measures to improve the international reserve

position of the country. One of these was in the form of an authorization to commercial banks to accept foreign currency deposits that form part of the international reserve of the country. Another measure required commercial banks to set aside 10 per cent of the foreign exchange earnings from exports to build up an "Exchange Stabilization Fund."

The upward adjustment in the exchange rate increased the capital and operating requirements of industries which, together with credit restraint policies, resulted in a tight squeeze. Moreover, the floating exchange rate system as a result of the increased export earnings that it induced, put pressure on money supply which expanded by 5.1 per cent or P226.0 million to reach a new level of P4,664.0 million at the end of November 1970. The increased money supply, in turn, exhibited its effects on prices.

According to CB figures, the consumer price index (CPI) for Manila on the basis of the 1955 peso rose to 206.8 per cent at the end of November 1970 from 165.4 per cent in the same period in 1969, an increase of 25.0 per cent. Indexes of retail and imported items likewise assumed rising trends. Owing to the increase in the price level, the purchasing power of the peso based on 1955 prices dropped by P0.12, from P0.60 in November 1969 to P0.48 last November 1970.

The foreign exchange program of the government, however, corrected serious imbalances in the economy. The foreign exchange transactions of the country resulted in a net surplus of \$110.74 million in contrast to a net deficit of \$57.60 million a year ago. The international reserve thus recorded a relatively comfortable level of \$236.6 million, or an increase of 87.9 per cent (\$110.7 million) over the preceding year's level of \$125.9 million.

## BANKING DEVELOPMENTS

### **Bank Performance in 1970**

Despite the adverse economic environment in which the banking system had to operate in 1970, the country's banks achieved relatively good gains in their operations as of the end of November, 1970.

**1. Commercial Banks** — Total assets of the 39 banks amounted to P13,039 million, which was 13.0 per cent or P1,489 million more than the total assets as of the same month in 1969. Of the total assets, however, P4,246 million was attributable to the Philippine National Bank. Four private commercial banks, namely, the FNCB, the China Banking Corporation, the Equitable Banking Corporation, and the Bank of the Philippine Islands, in that order, garnered the top four positions in terms of assets. They accounted for 16.3 per cent (P2,188 million) of the total assets of the 39 commercial banks. The factors responsible for the increase in the assets of commercial banks were the rise in deposits and in the capitalization of existing banks.

Improved liquidity also enabled commercial banks to increase their lending operations. As of November, 1970, the total loan portfolio of the 39 banks stood at P8,887 million compared to P7,696 million in November of 1969. On the other hand, investments of the banks for the same period expanded by only 4.1 per cent, from the 1969 level of P1,510 million.

The deposit liabilities with the 39 banks reached P7,415 million, up by 7.1 per cent or P491 million from the November, 1969 level. Two government banks (PNB and PVB) accounted for 33.0 per cent or P2,439 million of total deposits.

The capital accounts of the banks expanded by 7.2 per cent, or an addition of P90 million from P1,251 million in November of the previous year. The injection of new capital to meet the CB requirement of P20 million capitalization by the end of December, 1970 was partly responsible for this increase.

**2. Savings and Mortgage Banks** — Assets of savings banks expanded from a level of P559 million in 1969 to P700 million at the close of November,

1970, a growth rate of 25.2 per cent. The top three banks in terms of assets were the Banco Filipino Savings & Mortgage Bank, Philippine Savings Bank, and Monte de Piedad Savings & Mortgage Bank, which accounted for 83 per cent of total assets.

Over 60 per cent (P421 million) of total assets were in the form of loans and discounts and only 19.3 per cent (P135 million) were in investments.

Total deposits in the eleven private savings banks maintained upward trends with an aggregate of P544 million as contrasted to the November, 1969 aggregate of P439. Of this total, P477 million was in savings deposits, P54 million in time deposits, and P13 million in interbank deposits.

Total capital accounts at the end of November, 1970 amounted to P74 million as compared to P65 million in November, 1969, a 13.8 per cent increase.

The number of deposit accounts in savings banks also reached 1,832,879 during the same period, an indication of the high rate of saving consciousness among the people.

**3. Development Banks** — The development banks (excluding the Cebu City Development Bank which did not report) had total assets amounting to P3,078 million, an amount larger by P297 million than the November, 1969 level of P2,781 million. About 95.0 per cent of these assets were due to the Development Bank of the Philippines which registered an asset of P2,921 million as of November, 1970. Because of the increase in assets of the development banks, total loans granted by them also went up to P2,430 million, an increase of P402 million or 19.8 per cent over those granted in November, 1969. The DBP alone granted a total of P2,304 million in loans. Investments in securities, on the other hand, decreased by P48 million to P294 million.

Total deposit liabilities, likewise, recorded a decrease of P2 million pesos from P315 million to

**P313** million. Similarly, network decreased by **P135** million or 19.8 per cent to a level of **P548** million at the end of November, 1970.

**4. Savings & Loan Associations** — The total assets of 28 stock associations reached **P54.5** million, up by **P17.7** million from 1969's **P36.8** million. The increased assets were attributed mainly to the substantial increase in loans and discounts, which showed a total gain of **P13.3** million or 49.2 per cent over the level attained during the preceding year.

Total deposits amounted to **P30.2** million in contrast to **P20.3** million attained on December 31, 1969, higher by **P9.9** million or 48.8 per cent.

The associations' impressive growth was also reflected in its capital accounts which went up by **P6.9** million in November of 1970.

#### **Banking Facilities**

Thirty-two (32) banking establishments were set up during the period January 1 to September 30, 1970, bringing the total number in operation to 786, broken down as follows: 625 commercial banks (39 head offices and 586 branches and agencies); 52 savings banks including the PPSB (12 head offices and 40 branches and agencies); 81 development banks including the Development Bank of the Philippines (30 head offices and 51 branches and agencies and extension offices); and 28 stock savings and loan associations.

The thirty-two (32) banking offices opened during the period included 3 sub-branches, 1 agency, 6 extension offices and 1 overseas branch of the PNB; 2 branches of the Philippine Veterans Bank; 10 branches, 2 extension offices and 1 overseas branch of private commercial banks; 1 extension office of a private development bank; and a new head office (Family Savings Bank) and 4 branches of other savings banks.

Two commercial banks opened branches abroad the PNB in Hawaii on September 1, 1970 and the Metropolitan Bank and Trust Company in Taipeh on September 30, 1970. The PNB overseas branch in Hawaii was established ostensibly to give Filipinos a means of channelling money back to their homeland,

while the Metropolitan Bank in Taipeh was designed to specialize in foreign exchange business and promote trade between the Philippines and Taiwan as well as other countries.

During the same period, the Second Cebu City Development Bank and the Bank of Asia Nipa Q-Mart Branch changed their names to the Development Bank of the South and Bank of Asia, Quezon City Branch, respectively. Meanwhile, three commercial banks transferred the locations of their offices. These are the FEATI Bank and Trust Co. from Manhattan Building in Nueva Street to Digna Building in Dasmariñas Street, Manila (February 2, 1970); the Philippine Bank of Commerce from Plaza Sta. Cruz, Manila to Makati, Rizal (April 4, 1970); and the Traders Commercial Bank from Plaza Cervantes to the Chronicle Building in Aduana Street, Intramuros, Manila, (August 31, 1970). The Family Savings Bank, formerly located in the 2nd floor of the Filinvest Building, Taft Avenue, Manila, transferred its offices to corner C. P. Blanco and Echague Streets, Quiapo on September 19, 1970.

# SELECTED ECONOMIC INDICATORS

PRICES:	1970	1969	Percent Change
<b>Consumer Price Index for Manila, (1955 - 100), November</b>			
All items	206.8	165.4	25.0
Food	253.2	199.8	26.7
Clothing	213.4	159.3	34.0
House rent	151.2	139.0	8.7
Light-fuel-water	175.5	134.8	30.2
Miscellaneous	153.7	126.4	21.6
<b>Retail Price Index of Selected Commodities in Manila, (1955 - 100), November</b>			
All items	220.0	173.3	27.0
Food	254.4	200.8	26.7
Wearing apparel	206.9	156.5	32.2
Construction Materials	202.1	161.2	25.3
Fuel	149.7	118.7	26.1
Drugs & Medicine	133.3	126.3	5.5
School supplies	169.9	148.7	14.2
Beverages & tobacco	191.6	149.1	28.5
Household supplies & equipment	188.7	150.5	25.4
<b>Price Index of Imported Items Purchased by Consumers in Manila, (1955 - 100), November</b>			
All items	282.2	207.3	35.8
Food	311.8	225.4	38.3
Clothing	164.2	129.6	26.7
Miscellaneous	224.8	173.9	29.3
<b>MONEY SUPPLY, (Millions), November</b>			
All items	4464.0	4438.1	5.1
Public Sector	3457.1	3606.5	( 4.1)
Private sector	1993.6	1827.6	9.1
External Sector	( 786.7)	( 996.0)	( 21.0)
<b>FOREIGN EXCHANGE RECEIPTS &amp; DISBURSEMENTS (Million U.S. Dollar)</b>			
Receipts	1853.83	1638.70	13.12
Disbursements	1743.09	1706.30	2.16
Surplus (Deficit)	110.74	( 67.60)	
<b>INTERNATIONAL RESERVES (Million U.S. Dollars)</b>			
All items	236.60	125.90	87.93
International Reserves of Central Bank	—	120.66	—
Foreign Exchange holdings of Commercial Banks	—	5.24	—

Source:  
Department of Economic Research  
Central Bank

**COMPARATIVE DATA**  
1969 & 1970

	1969 November	1970 November	Change
	(In Millions)		
<b>A. Commercial Banks</b>			
Total Assets	P 11,550	P 13,039	13.0%
Loan Portfolio	7,696	8,887	15.5
Investments	1,510	1,572	4.1
Deposit Liabilities	6,924	7,415	7.1
Capital Accounts	1,251	1,341	7.2
<b>B. Savings &amp; Mortgage Banks</b>			
Total Assets	P 559	P 700	25.2%
Loans and Discounts	377	421	49.1
Investments	104	135	29.8
Deposits	439	544	31.0
Capital Accounts	65	74	13.8
<b>C. Development Banks*</b>			
Total Assets	P 2,781	P 3,078	10.7%
Loans and Advances	2,028	2,430	19.8
Investments	342	294	(14.0)
Deposit Liabilities	315	313	(0.63)
Capital Accounts	683	548	(19.8)
<b>D. Savings &amp; Loan Associations</b>			
Total Assets	P 36.8	P 54.5	48.1
Loans and Discounts	27.0	40.3	49.2
Investments	1.6	2.8	75.0
Deposits	20.3	30.2	48.8
Savings	16.5	23.0	39.4
Time	3.8	7.2	89.5
Capital Accounts	14.2	21.1	48.6

\*Excluding Cebu City Development Bank.

SOURCE: Statements of Condition submitted to PDIC and CBP.

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## PART II. OPERATIONS OF THE CORPORATION

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## ASSISTANCE TO BANKS

Sec. 12 (C) of the PDIC charter, as amended, provides that "when the Corporation has determined that an insured bank is in danger of closing, in order to prevent such closing, the Corporation, in the discretion of its Board of Directors is authorized to make loans to, or purchase the assets of, or make deposits in such insured bank, upon such terms and conditions as the Board of Directors may prescribe, when in the opinion of the Board of Directors the continued operation of such bank is essential to provide adequate banking service in the community."

By virtue of this provision, the Corporation has received requests for assistance from three savings & loan associations, a rural bank, one development bank and one specialized banking institution. As of year-end, the Corporation has so far approved a loan of P500,000 to a savings & loan association to assist its rehabilitation under new management and a time deposit of P100,000 with another savings & loan association to meet unusual withdrawal demands. Earlier during the year the Corporation had made available to a rural bank a time deposit of P200,000. However, the operations of the bank had normalized and demands for withdrawals had relaxed that the bank decided to return the financial assistance. The time deposit of P100,000 with the savings & loan association was also made to avert an imminent bank run.

### **Delegation of Emergency Powers to the Chairman**

Knowing fully well that emergencies like bank runs, if not checked immediately, might adversely affect the banking system, the Board granted the Chairman with blanket authority to cope with any form of emergency which in his judgment might threaten the stability of the banking business, subject only to ratification by the Board of whatever action was taken by the Chairman under the circumstances. The Board empowered the Chairman to grant or extend financial assistance in the form of standby deposit or emergency loan not excluding the amount of 10% of the total deposit liability of the bank concerned and under such terms and conditions

which in his opinion should sufficiently insulate the interest of PDIC.

### **Terms and Conditions**

The loan extended to a savings and loan association was made subject to terms and conditions, among which are the following:

- a. Mortgagor hypothecates and mortgages to PDIC all mortgageable assets and personal property (as specified) which are free from all liens and encumbrances. The mortgage shall also include all other assets which the mortgagor may acquire during the existence of the loan agreement.
- b. The release of the loan shall be made at the discretion of the PDIC.
- c. The mortgagor shall pay all the expenses in connection with the loan, including the premium for full insurance of the properties mortgaged.
- d. The mortgagor shall elect into its Board of Directors a member recommended by the PDIC and shall appoint as its comptroller a person nominated by the PDIC, who shall review and pass upon any and all transactions of the mortgagor including the granting of loans and investments.
- e. The mortgagor shall furnish the mortgagee with copies of the minutes of the meetings of its Board of Directors and of its stockholders within one (1) week after such meetings.
- f. The mortgagor shall establish a sinking fund from which the amortization or the principal obligation or loan shall be paid.

- g. The PDIC shall set up the amortization schedule
- h. The PDIC may stop any further loan release to the mortgagor on reasonable grounds, in which case the amortization schedule will be correspondingly adjusted
- i. The proceeds of the loan shall be used exclusively for the purpose of operating capital and, at any time while the mortgage exists, the mortgagor shall not without the prior written approval of the PDIC incur additional debt from any source, declare dividends, nor grant bonuses, enter into merger, consolidation or management agreement with any other person or persons, banks, firms or other entities.

The terms and conditions which PDIC may impose on other bank applicants may, however, vary in relation to the appraisal by PDIC of the particular circumstances and existing conditions of said bank.

#### IMPLEMENTATION OF R.A. 5517

In 1969 Congress passed R.A. 5517. This law set up a fund of ₱15 Million, or such amount as maybe necessary, taken from the profits of the Central Bank of the Philippines. Under this law, the PDIC was authorized to pay depositors of banks forbidden to do business by the Central Bank, up to ₱10,000 of each individual depositor's total deposits in each of such banks. Specifically, per information, furnished by the Central Bank, the closed banks are the Overseas Bank of Manila, the Island Savings Bank, the Fidelity Savings & Mortgage Bank, the Rural Bank of Lucena, Inc., Rural Bank of Tayug, Inc., Rural Bank of San Ildefonso, Inc., Rural Bank of Urdaneta, Inc., and the Surigao Development Bank.

As of December 31, 1970, the PDIC has paid 25,248 depositors of the eight (8) closed banks a total of ₱14,431,927.12. This total payment represents 84.6% of the total deposit liabilities of the

closed banks payable through the PDIC which amounted to ₱17,046,496.00.

As of year-end, the ₱15 Million released by the Central Bank to PDIC had a balance of ₱189,490.14. However, there are still seventy-eight (78) claims which have been filed and processed but are still unpaid. These claims amount to ₱299,309.34.

In the execution of the law, PDIC had to cope with problems like the matter of unrecorded deposits and disposition of claims filed after February 13, 1970, the date officially adopted as end of the pay off. In resolving these cases, PDIC was guided by the very objectives the law seeks to achieve: to provide immediate, ~~even~~ if only partial relief to the distressed depositors and to restore faith in the safety of bank deposits thereby encouraging the development of the saving habits among our people.

#### FIRST PAY OFF UNDER R.A. 3591

By order of the Monetary Board, Central Bank of the Philippines, in accordance with Sections 29, 30 and 31 of R. A. 265, the Rural Bank of Nabua was closed for liquidation. Accordingly, the PDIC Board of Directors authorized the payment of depositors of this bank on July 6, 1970.

The Rural Bank of Nabua (Camarines Sur) had 592 deposit accounts totaling ₱4,542.58 when it was ordered closed. However, eighty-seven (87) of these accounts are of depositors with outstanding loans and/or with acquired assets. In effect, the pay-off covers 505 deposit accounts amounting to ₱3,939.66.

Initially PDIC assigned one claim agent to handle the pay-off, considering the small number of accounts to be covered and the amount involved. PDIC later effected a transfer deposit account with another insured bank, the Rural Bank of Rinconada, and commissioned the latter to pay all duly recognized depositors of the Rural Bank of Nabua. As of December 31, 1970, PDIC had paid around ₱500 to some 75 depositors.

## EMPLOYEE—MANAGEMENT RELATIONS

Knowing the fact that the best assets the Corporation has are its people, the Board of Directors extended recognition to the PDIC Employees Association and approved the Collective Bargaining Agreement to take effect for a period of three (3) years.

Under the Collective Bargaining Agreement, the Corporation now extends to its employees living and clothing allowances, vacation and sick leaves and hospitalization, medical and dental benefits.

In granting these privileges, which are comparable with those granted by other government financial institutions to their respective employees, the management has been guided by the fact that if employees are to put forth their best efforts in the discharge of their duties, they are to be properly motivated and compensated. Much is asked of the employees considering the fact that they are to carry out under the guidance of their department managers the functions of the Corporation as envisaged in R.A. 3591. As expressly provided in the enabling law, each bank examiner of PDIC shall have the power to make a thorough examination of all the affairs of banks and shall make a full and detailed report of the condition of banks examined to the Corporation. The law further provides that claim agents shall have the power to investigate and examine all claims for insured deposits and transferred deposits. As of September 30, 1970, PDIC insurance protection is extended to 39 commercial banks with 586 branches, agencies and extension offices; 12 savings and mortgage banks with 40 branches; 30 development banks with 51 branches; 28 savings and loan associations and over 470 rural banks.

# STATEMENT OF CONDITION

As of December 31, 1970

## ASSETS

### CURRENT ASSETS

Cash on Hand and in Bank	P 133,693.74	
Cash in Bank (Savings Account)	750,000.00	
Cash in Bank (Time Deposit)	1,100,000.00	
Cash on Hand (Working Cash Fund)	10,479.76	
Due from Central Bank	8,734.00	
Philippine Government Obligations	6,274,631.25	
Accounts Receivable	27,329.40	
Cash Advance	2,910.65	
Accrued Interest Receivable on Savings Account	18,000.00	
Accrued Interest Receivable on Phil. Government Obligations	92,099.51	
Accrued Interest Receivable on Time Deposit	64,230.75	
Inventory of Supplies & Materials	21,171.50	
Inventory of Decals & Standees	6,483.55	
Total Current Assets		P 8,509,764.11

### FIXED ASSETS

Furniture & Fixtures	P 155,039.66	
Less: Reserve for Depreciation	<u>9,580.55</u>	P 145,459.11
Equipment		
Less: Reserve for Depreciation	<u>15,039.11</u>	<u>89,707.41</u>
Total Fixed Assets		235,166.52

### OTHER ASSETS

Prepaid Telephone, Telegrams & Cable	P 500.00	
Sundry Debit	189.91	
Loans to Banks	300,000.00	
Subrogated Claims Paid	1,998.53	
Deposit on Telephone Instruments	900.00	
Cash Deposit with Transferee Bank	1,593.38	
Total Other Assets		<u>305,181.82</u>
TOTAL ASSETS		<u>P 9,050,112.45</u>

## LIABILITIES AND DEPOSIT INSURANCE FUND

### LIABILITIES

#### CURRENT LIABILITIES

Accounts Payable	P 161,005.01
Life Insurance Premiums Payable—GSIS	11,594.99
Retirement Premiums Payable—GSIS	15,324.46
Salary Loans Payable—GSIS	4,432.52
Policy Loans Payable—GSIS	120.00
Income Tax Withheld	2,223.35
Prepaid Assessment Income	<u>1,317.76</u>

Total Current Liabilities P 196,018.09

#### OTHER CREDITS

Reserve for Taxes	P 126,849.44
Reserve for Insurance Losses	<u>2,780,000.00</u>

Total Other Credits 2,906,849.44

Total Liabilities P3,102,867.53

### DEPOSIT INSURANCE FUND

Deposit Insurance Fund	P5,000,000.00
Earned Surplus	<u>947,244.92</u>

Total Deposit Insurance Fund P5,947,244.92

TOTAL LIABILITIES AND DEPOSIT  
INSURANCE FUND P9,050,112.45

JUAN P. GRANADOS  
Corporate Auditor

CARMELITA C. VIDAL  
Manager  
Accounting Department

LUIS TIRSO RIVILLA  
Chairman

STATEMENT OF INCOME AND EXPENSES  
FOR THE YEAR ENDED DECEMBER 31, 1970

P4,254,513.48

Assessment Income

Deduct: Operating Expenses	7650,490.51	
Salaries		
Provision for Temporary Employment	1,224.58	
Cost of Living Allowance	253,657.86	
Clothing Allowance	14,300.00	
Medical & Hospitalization	7,271.94	
Representation Allowance	25,860.15	
Transportation Allowance	26,002.15	
Retainers' Fee	12,279.50	
Directors' Fee	500.00	
Overtime Pay	11,117.92	
Life Insurance Premiums—GSIS	20,341.17	
Retirement Premiums—GSIS	42,965.87	
Supplies and Materials	13,258.05	
Provision for Depreciation—Equipment	9,036.48	
Provision for Depreciation—Furniture and Fixtures	8,271.54	
Telephone, Telegrams, & Cables	12,501.96	
Advertising and Promotion	15,957.41	
Discretionary Expenses	14,634.24	
Building Expenses	139,724.63	
Rental—Office Space	180,109.00	
Light and Water	12,131.76	
Travel—Local	18,721.74	
Repairs and Maintenance	1,142.14	
Newspapers, Books & Periodicals	12,380.98	
Printing and Binding	1,282.90	
Postage and Expressage	1,480.75	
Miscellaneous	2,200.44	
Christmas Bonus and Cash Gifts	301,226.33	1,810,072.00
Net Assessment Income Before Provision for taxes and Insurance Losses		2,444,441.48
Deduct:	2,780,000.00	
Provision for Insurance Losses	127,836.94	2,907,836.94
Provision for Taxes		
		(463,395.46)
New Assessment Income		
Add: Other Income	P 464,400.43	
Interest Earned on PGO	64,230.75	
Interest Earned on Time Deposit		
Interest Earned on Savings Deposit	44,570.32	
Miscellaneous Income	761.20	573,962.70
NET INCOME		P 110,567.24

CERTIFIED CORRECT:

(SGD.) CARMELITA C. VIDAL  
Manager.  
Accounting Department

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## PART III. CIRCULARS AND MEMORANDA

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## CIRCULARS

The circulars sent to member banks during the year were the following:

1. Circular dated December 17, 1970

All member banks are enjoined to maintain assessment records to facilitate verification of claimed deduction from assessable deposits. PDIC devised such forms for the guidance of all banks concerned.

2. Circulars dated December 7, 1970 and June 23, 1970.

All member banks are requested to accomplish the Certified Statement (PDIC Form No. 201) and to remit the corresponding assessment. Instructions for the preparation and filing were likewise sent with this circular.

3. Circular dated October 1, 1970

All member banks are required to submit a report on deposit liabilities balances as of the end of each quarter not later than the third week following the end of each quarter.

4. Circular dated July 21, 1970

Member banks are informed that certain deposit liabilities which are classified by certain banks as non-assessable under Sec 3.03 of the **Rules and Regulations** are assessable under Section 5 (a) of R.A. 3591, as amended.

5. Circular dated May 14, 1970

All rural banks and savings and loan associations are requested to submit a copy each of the monthly Statement of Condition and Earnings and Expenses and the monthly deposit report.

6. Circular dated February 11, 1970

All member banks are reminded of the mandatory requirements with regard to the official advertisement of membership.

7. Circular dated January 19, 1970

All member banks are reminded of the deadline for filing the First Certified Statement and to remit the assessment due on or before January 15, 1970.

8. Circular dated Jan. 28, 1970

All member banks (rural banks and savings and loan associations) are requested to submit copies of certain reports which are also being submitted to the Central Bank of the Philippines.

MEMORANDA

NOTE: Reproduction of all standard PDIC Form (Certified Statement and Assessment Record) and Instructions for Preparation of Certified Statements are grouped under Appendices A and B starting on page 19.

MEMO TO : All Member Banks  
SUBJECT : FIRST CERTIFIED STATEMENT

For the implementation of Republic Act No. 3591, as amended by Republic Act No. 6037, you are hereby furnished the forms of First Certified Statement which should be returned to our office duly accomplished together with your remittance on or before January 15, 1970.

To facilitate the preparation of the "First Certified Statement", you are hereby provided the "Instruction for Preparation — PDIC Form 202 — First Certified Statement," Republic Act 3591, as amended, and the Rules and Regulations for the implementation of R. A. 3591 for your ready references. Please take note that certain provisions of the Rules and Regulations are no longer applicable in view of the recent amendment of R. A. 3591. However, the provisions concerning the First Certified Statement and the assessment remain in effect.

For your guidance and compliance.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

December 2, 1969

MEMO TO : All Member Banks  
SUBJECT : FIRST CERTIFIED STATEMENT

Supplementing our Memorandum dated December 2, 1969 for the implementation of R. A. 3591, as amended, you are hereby reminded that the deadline for the filing of the First Certified Statement and the payment of the corresponding assessment was on January 15, 1970. Banks that have not yet filed their statements nor paid the corresponding assessment are given until January 22, 1970 to do so. No further extension will be granted.

Kindly take note that R. A. 3591 provides penalties for non-filing of certified statements as required.

This memorandum may be disregarded if the required statement has already been filed with us.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

MEMO TO : All Member Banks  
SUBJECT : REGULAR CERTIFIED STATEMENT

Please be informed that the assessment for the first semester of 1971 is due on or before January 15, 1971.

Kindly accomplish the attached Certified Statement (PDIC Form No. 201) and submit to our Office together with the remittance of the assessment due on your deposit insurance.

For your guidance and compliance.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

December 7, 1970

(A similar circular dated June 23, 1970 was earlier sent out to member banks)

MEMO TO : All Member Banks  
SUBJECT : ASSESSMENT RECORDS/FORMS

We have observed that there are banks which have not fully complied with the provisions of Section 5 of R.A. 3591, as amended, a portion of which is quoted hereunder:

"Section 5 — Each insured bank, as a condition to the right to make any deduction or exclusion in determining the assessment base, shall maintain such records as will readily permit verification of the correctness thereof."

In this connection, we have devised assessment forms, copies attached herewith, for your guidance in the preparation of your assessment records.

We enjoin all member banks to maintain assessment records in conformity with the afore-cited provision to facilitate verification of claimed deduction from assessable deposits.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

December 17, 1970

MEMO TO : All Member Banks  
 SUBJECT : QUARTERLY REPORT OF DEPOSIT  
 LIABILITIES

Supplementing our Memorandum to All Member Banks dated August 7, 1969, it is hereby requested that all member banks submit to the Philippine Deposit Insurance Corporation at least two copies of a report on deposit liabilities balances as at the end of each quarter with information as to number, size and type of deposits.

For your guidance we have devised the following schedules:

Type of Insured Deposit	No. of Depositors	Deposit	No. of Depositors	Balances
		Up to P10,000.00		Over P10,000.00
		Amount		Amount
a. Demand				
b. Time				
c. Savings				
d. Government Deposits*				
e. Deposit of Banks*				
f. Trust Funds				
TOTAL				

Please submit the above report to this office not later than the third week following the end of each quarter, beginning with the quarter ended September 30, 1970.

(SGD.) LUIS TIRSO RIVILLA  
 Chairman

October 1 1970

\*If not included in a, b, c, above

MEMO TO : All Member Banks

Please be advised that the following deposit liabilities of banks are assessable under Section 5(a) of R. A. 3591, as amended, and under Sections 3.02 and 3.03, Part III of the implementing Rules and Regulations:

1) Deposit accounts maintained by the Social Security System (SSS) representing amounts collected by banks as collecting agents of the SSS

2) Amounts representing proceeds of DBP Progress Bonds credited to the deposit accounts of the DBP.

3) Government deposits representing the proceeds of treasury bill (Treasury Tax and Loan Account).

They should not, therefore, be classified as non-assessable items under Section 3.03 (e) of our Rules and Regulations.

For your guidance and compliance,

(SGD.) BASILIO ESTANISLAO  
 Officer-in-Charge

July 21, 1970

MEMO TO : All Member Banks  
 (Rural Banks and Savings & Loan Association)

SUBJECT : SUBMISSION OF REPORTS  
 (Revised May 14, 1970)

Effective June 1, 1970, please submit to the Philippine Deposit Insurance Corporation (PDIC) a legible copy each of the following reports being submitted to the Department of Rural Banks and Department of Savings and Loan Associations of the Central Bank of the Philippines

- 1 Monthly Statement of Condition and Earnings and Expenses

2 Monthly Deposit Report (For Rural Banks Only)

This memorandum supersedes the "Memo to All Banks" dated January 28, 1970 which is hereby repealed.

For compliance.

(SGD) LUIS TIRSO RIVILLA  
Chairman

May 14, 1970

MEMO TO : All Member Banks  
SUBJECT : ADVERTISEMENT OF MEMBERSHIP

Supplementary to our memorandum to All Member Banks dated September 2 and November 26, 1969, we would like to remind you of the pertinent provisions of our Rules and Regulations implementing Republic Act No. 3591, as amended, which read as follows:

**"Part VI. Advertisement of Membership**  
**Section 6.02 — Mandatory requirements with**  
**regard to the official advertising state-**  
**ment and/or emblem and manner of use -**

a) Insured banks to include official advertising statements and/or emblem in all its advertisements. — Each insured bank shall not later than thirty days after the first day of operation as an insured bank, include the official advertising statement and/or emblem as hereinafter prescribed, in all of its advertisements: x x x "

We have observed that there are banks which have not fully complied with the above provision to this date. In this connection, may we call your attention to Section 16 (a) of Republic Act No. 3591, as amended, which states the violation of the above quoted provision of the law shall subject a member bank to a penalty of not more than P100.00 for each day that the violation continues.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

February 11, 1970

MEMO TO : All Member Banks  
(Rural Banks and Savings & Loan Associations)

SUBJECT : SUBMISSION OF REPORTS

Supplementing our Memorandum to All Member Banks dated August 7, 1969, it is hereby requested that all member Rural Banks and Savings and Loan Associations, submit to the Philippine Deposit Insurance Corporation (PDIC) at least two legible copies of the following reports being submitted to the Department of Rural Banks and Department of Savings & Loan Associations of the Central Bank of the Philippines:

1. Weekly Report on Required and Available Reserves Against Deposit Liabilities.
2. Monthly Statement of Condition and Earnings and Expenses
3. Monthly Deposit Report (For Rural Banks Only)
4. Copies of Resolutions of the Board of Directors

The PDIC is adopting, in the meantime, the DRB and DSLA report forms for your convenience and facility in their preparation. It is understood that the pertinent reports will be submitted to the PDIC on the dates that they are required to be submitted to the DRB and DSLA.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

January 28, 1970

OTHER MEMORANDA

MEMO TO : All Banks

SUBJECT : CHANGE OF ADDRESS

Please be informed that effective October 1, 1970, our new address will be:

Philippine Deposit Insurance Corporation  
3rd & 4th Floors, G & A Building  
2303 Pasong Tamo Extension  
Makati, Rizal

Enclosed herewith is a sketch of our new location for your guidance. Henceforth, all transactions and mails should be coursed thereat.

(SGD.) LUIS TIRSO RIVILLA  
Chairman

August 19, 1970

MEMO TO : All Banks

SUBJECT : POST OFFICE BOX NO 1378

Please be informed that the Corporation has now obtained from the Makati Commercial Center, P.O. Box No. 1378. Effective January, 1971, we are cancelling our P.O. Box No. 3059, Manila.

Please be guided accordingly.

(SGD.) EDUARDO S. MARTINEZ  
Manager, DPAS

October 12, 1970

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## PART IV. STATISTICS ON BANKS

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**PHILIPPINE BANKING SYSTEM**  
(Excluding Rural Banks)

**STATEMENT OF CONDITION**  
**NOVEMBER 30, 1970**  
(In Millions)

**A S S E T S**

Cash	P 267.6
Cash and other cash items	254.0
Due from Central Bank of the Philippines	691.0
Due from other banks	618.5
Loan Portfolio	11,778.1
Investments in Bonds and other securities	2,006.0
Due from Head Office, branches and agencies	25.6
Bank Premises, furniture and equipment (NBV)	375.1
Other property owned or acquired	235.7
Other assets	617.1
<b>TOTAL ASSETS</b>	<u><u><b>P16,868.7</b></u></u>

**LIABILITIES AND CAPITAL ACCOUNTS**  
**LIABILITIES**

Deposits	P 8,302.7
Due to Home Office, branches and agencies	151.0
Cashier's manager's and certified checks	135.6
Outstanding acceptances executed by or for the account of these banks	233.8
Bills Payable	3,692.3
Marginal deposits on letters of credit	718.9
Other liabilities	1,465.8
Unearned income and other deferred credits	181.6
<b>TOTAL LIABILITIES</b>	<u><u><b>P 14,881.7</b></u></u>

**CAPITAL ACCOUNTS**

Capital Stock	P 1,335.6
Assigned capital	1.5
Surplus	484.4
Surplus Reserves	74.1
Undivided profits	91.4
<b>TOTAL CAPITAL ACCOUNTS</b>	<u><u><b>P 1,987.0</b></u></u>
<b>TOTAL LIABILITIES AND CAPITAL ACCOUNTS</b>	<u><u><b>P16,868.7</b></u></u>

RURAL BANKS  
Consolidated Statement of Financial Condition  
June 30, 1970

(In Thousands)

ITEMS	AMOUNT
<b>RESOURCES</b>	
Cash & Due From Banks	P 57,189
Loan Investments —	
Agricultural Loans	425,159
Commercial Loans	21,376
Industrial Loans	9,619
ACA Guaranteed Commodity Loans -- FACOMAS	150
Other Loans	2,647
Loans in Litigation	10,458
Less: Res. for Bad & Doubtful Accounts	(7,618)
Investment in Bonds	9,288
Other Investments	275
Bank Premises, Furniture & Equipment	15,826
Other Assets	<u>20,129</u>
<b>TOTAL RESOURCES</b>	<b>P564,998</b>
<b>LIABILITIES &amp; NET WORTH</b>	
Deposit Liabilities	
Demand Deposits	3,657
Savings Deposits	179,341
Time Deposits	12,088
Special Time Deposits	21,030
Overdraft Line — FEBT Co	46
Due to Banks	1,072
Due to Province of Rizal	278
Due to RCA	892
Bills Payable	106,849
Loans Payable — CB — IBRD	15,734
Loans Payable — DBP	44
Accounts Payable	2,035
Cashiers' Checks	122
Unearned Interest & Discount	17,714
Dividends Payable	1,051
Income Tax Payable	3
Other Liabilities	<u>381</u>
<b>Total Liabilities</b>	<b>P365,496</b>
<b>NET WORTH</b>	
Capital Stock -- Authorized	P293,317
Capital Stock -- Common-Paid In	82,997
Capital Stock -- Preferred Paid In	60,171
Res. for Retirement of Preferred Shares	29,582
Contingencies	2,007
Surplus	12,413
Premium Capital Stock	1
Paid-In-Increase	25
Undivided Profits	4,125
Net Income -- June 30, 1970	<u>8,181</u>
<b>Total Net Worth</b>	<b>P199,502</b>
<b>TOTAL LIABILITIES &amp; NET WORTH</b>	<b>P564,998</b>

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**  
**RANKING OF COMMERCIAL BANKS**  
As To Selected Accounts  
November 30, 1970  
(PH MILLIONS)

	Loan Portfolio		Investments		Deposit Liabilities		Capital Accounts		Total Assets	
	Amnt.	Bank	Amnt.	Bank	Amount	Bank	Amount	Bank	Amnt.	Bank
1. Associated Banking Corporation	P 62	34	P 5	25	P 41	32	P 20	19	P 87	33
2. Bank of America	203	12	24	16	150	14	—	—	250	11
3. Bank of Asia	77	30	25	15	42	31	21	18	124	27
4. Bank of Phil. Islands	333	6	75	4	369	2	76	3	491	5
5. Chartered Bank	72	31	13	20	62	24	—	—	100	29
6. China Banking Corporation	369	4	72	5	333	4	90	2	541	3
7. Citizens Bank & Trust Company	103	25	5	25	51	30	22	17	144	23
8. Commercial Bank & Trust Company	235	9	43	8	192	11	36	11	346	9
9. Consolidated Bank & Trust Company	233	10	96	2	274	7	37	10	423	6
10. Continental Bank	72	32	4	26	53	29	23	16	96	31
11. Equitable Banking Corporation	341	5	75	4	359	3	58	5	505	4
12. Far East Bank & Trust Company	161	14	20	17	136	17	30	12	221	18
13. Forni Bank & Trust Company	50	36	1	28	30	34	16	22	70	34
14. Filipinas Bank & Trust Company	47	37	4	26	31	33	20	19	68	35
15. First Insular Bank of Cebu	91	28	17	19	101	21	15	23	133	26
16. First National City Bank	510	2	47	7	329	5	—	—	651	2
17. First United Bank	84	29	9	23	67	24	19	20	115	28
18. General Bank & Trust Company	96	27	16	20	57	28	16	22	133	26
19. Hongkong & Shanghai Banking Corporation	132	21	11	21	59	26	1	25	161	22
20. Manila Banking Corporation	183	13	29	12	137	16	28	12	249	12
21. Manufacturers Bank & Trust Company	100	26	5	25	62	25	16	22	141	24
22. Merchants Banking Corporation	68	33	4	26	58	27	19	20	94	32
23. Metropolitan Bank & Trust Company	110	23	35	10	107	20	21	18	183	20
24. Pacific Banking Corporation	261	8	31	11	231	9	39	9	361	8
25. Peoples Bank & Trust Company	141	19	29	12	161	13	25	15	219	19
26. Philippine Banking Corporation	158	15	27	13	107	20	25	15	226	17
27. Philippine Bank of Commerce	159	16	26	14	163	12	28	12	245	13
28. Philippine Bank of Communication	224	11	18	18	198	10	36	10	305	10
29. Philippine Commercial & Industrial Bank	387	3	17	19	244	8	65	4	505	4
30. Philippine National Bank	2,778	1	579	1	2,293	1	280	1	4,246	1
31. Philippine National Cooperative Bank	17	30	—	—	14	36	3	24	26	37
32. Philippine Trust Company	109	24	13	20	81	22	27	13	134	25
33. Philippine Veterans Bank	111	22	82	3	146	15	47	6	227	16
34. Progressive Commercial Bank	38	38	1	28	20	35	16	21	54	36
35. Prudential Bank & Trust Company	273	7	42	9	307	6	44	7	416	7
36. Republic Bank	155	17	8	24	128	19	42	8	243	15
37. Rizal Commercial Banking Corporation	138	20	10	22	71	23	26	14	164	21
38. Security Bank & Trust Company	153	18	52	16	131	18	34	11	244	14
39. Traders Commercial Bank	54	35	2	27	20	35	20	19	98	30
<b>TOTAL</b>	<b>P8,887</b>		<b>P1,572</b>		<b>P7,415</b>		<b>P1,341</b>		<b>P13,039</b>	

NOTE: All Figures are rounded to the nearest million.

PHILIPPINE DEPOSIT INSURANCE CORPORATION  
RANKING OF SAVINGS & MORTGAGE BANKS & DEVELOPMENT BANKS  
As To Selected Accounts  
November 30, 1970  
(IN MILLIONS)

SAVINGS & MORTGAGE BANKS	Total Assets		Loan Portfolio		Investments		Deposit Liabilities		Capital Accounts	
	Amnt.	Rank	Amnt.	Rank	Amnt.	Rank	Amount	Rank	Amount	Rank
1. Acme Savings Banks	P 4	8	P 2	9	P		P 1	9	P 3	6
2. Banco Filipino Savings & Mortgage Bank	314	1	222	1	55	2	264	1	20	1
3. Bank of Calape	1	10	1	10						
4. Family Savings Bank	8	7	2	9	3	5	2	8	5	5
5. Home Savings Bank	26	5	12	5	6	4	13	4	6	4
6. Monte de Piedad Savings & Mortgage Bank	87	3	69	2	12	3	74	3	11	3
7. Phil. Savings Bank	180	2	55	3	57	1	158	2	17	2
8. Provident Savings Bank	58	4	42	4	1	6	15	5	3	6
9. San Antonio Savings Bank	3	9	3	8			1	9	3	6
10. Savings Bank of Manila	11	6	8	6	1	6	8	6	3	6
11. Union Savings & Mortgage Bank	8	7	5	7			3	7	3	6

RANKING OF DEVELOPMENT BANKS

1. Agro-Industrial DB	P 11	4	P 3	3	P *		P 7	3	P 3	4
2. Bacolod City DB	5	11	4	7	*		2	7	3	4
3. Batangas Capital DB	1	15	1	10			*		2	5
4. Batangas DB	3	13	2	9			1	3	1	6
5. Bulacan DB	6	10	4	7			3	6	1	6
6. Cabanatuan DB	2	14	2	9			*		2	5
7. Cavite DB	14	2	11	2	*		7	3	3	4
8. Cebu City DB**	2	14	2	9	*		1	8	2	5
9. Danao City DB	2	14	2	9			1	8	1	6
10. Davao City DB	4	12	4	7	*		2		2	5
11. DB of Ilocos Sur	1	15	*				*		1	6
12. DB of the Philippines	2,921	1	2,304	1	290		246	1	488	1
13. DB of the South Second Cebu	2	14	2	9	*		1	8	1	6
14. Iloilo City DB	4	12	3	8	*		1	8	2	5
15. Laguna DB	7	9	6	6	*		2	7	3	4
16. La Union DB	3	13	2	9	*		1	8	1	6
17. Lipa City DB	7	9	6	6			1	8	5	2
18. Pangasinan DB	1	15	1	10			*		1	6
19. Pasay City DB	8	8	7	5	*		3	6	4	3
20. Quezon City DB	9	6	7	5			3	6	4	3
21. Quezon DB	8	8	7	5			3	6	3	4
22. San Pablo City DB	2	14	2	9			1	8	1	6
23. Second Bulacan DB	13	3	11	2	*		8	2	2	5
24. Second Laguna DB	8	7	7	5	1		6	4	1	6
25. Second Pampanga DB	5	11	4	7	*		3	6	2	5
26. Second Quezon City DB	5	11	4	7	*		2	7	2	5
27. Second Rizal DB	10	5	8	4	*		3	6	5	2
28. Tarlac DB	2	14	1	10			*	8	1	6
29. Third Rizal DB	8	8	6	6			5	5	2	5
30. Zambales DB	4	12	2	9	*		1	8	2	5

NOTE: All figures are rounded to the nearest million.

\* Below P500 thousand

\*\* June, 1970

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**  
**RANKING OF SAVINGS & LOAN ASSOCIATIONS**

September 30, 1970

(IN THOUSAND)

	Assets	Rank	Loans & Dis- counts	Rank	Invest- ments	Rank	Invest- ments	Rank	Deposit Liabi- lities	Rank	Non- Deposit Liabi- lities	Rank	No. of Deposit Account	Rank
1. Life SLA	₱ 5,355	1	4,370	1	120	7	4,343	1	925	5	87	9	11,521	4
2. Cebu SLA	4,857	2	3,972	2	131	5	2,882	2	1,426	2	550	1	18,588	1
3. First Pampanga SLA	3,930	3	3,556	3	125	6	2,842	3	713	15	374	2	14,512	3
4. Nation SLA	3,328	4	1,355	12	473	2	2,380	4	902	6	45	19	2,860	11
5. First Savings & LA	2,770	5	2,414	4	72	9	1,802	5	901	7	67	12	—	—
6. Tarlac SLA	2,431	6	2,199	5	62	10	1,352	9	771	10	307	3	6,491	5
7. Pioneer SLA	2,357	7	1,829	7	59	11	1,246	10	858	8	254	4	—	—
8. Marikina SLA	2,273	8	1,677	8	—	—	1,595	7	614	18	64	13	14,931	2
9. Daily SLA	2,188	9	1,940	6	23	18	605	19	1,519	1	64	13	1,115	21
10. Mercantile & SLA	2,173	10	1,676	9	180	4	1,696	6	452	27	26	24	—	—
11. Capital SLA	2,134	11	1,424	11	46	14	1,203	11	721	14	210	5	3,795	9
12. Davao SLA	2,122	12	846	20	56	12	1,455	8	—	20	76	10	—	—
13. Lipa Public SLA	1,802	13	1,509	10	—	—	753	15	947	4	122	7	2,358	15
14. First Cavite SLA	1,795	14	1,248	13	201	3	1,039	12	684	16	72	11	2,682	12
15. Homeowners SLA	1,777	15	616	22	628	1	727	16	997	3	53	16	2,426	13
16. Perpetual SLA	1,578	16	1,141	15	50	13	763	14	761	11	54	15	—	—
17. Central SLA	1,529	17	1,184	14	—	—	702	17	739	12	87	8	3,734	10
18. Unity SLA	1,429	18	985	19	32	16	851	13	514	24	64	13	2,418	14
19. Guagua SLA	1,319	19	1,079	16	34	15	684	18	607	19	27	23	1,812	18
20. Barangay SLA	1,279	20	535	26	24	17	474	20	681	17	124	6	—	—
21. First Malabon SLA	1,209	21	1,038	17	17	19	326	22	829	9	54	22	1,533	20
22. Balintawak SLA	1,150	22	985	18	5	23	389	21	729	13	31	25	2,144	17
23. Nueva Ecija SLA	843	23	607	24	14	20	323	23	509	24	12	20	5,669	7
24. Orient SLA	834	24	612	23	91	8	206	26	588	21	41	20	2,146	16
25. Bicol SLA	833	25	582	25	12	21	220	25	576	22	37	21	5,677	6
26. Beneficial SLA	828	26	756	21	11	22	222	24	545	23	61	14	—	—
27. First Iligan SLA	684	27	221	27	—	—	172	27	464	26	48	18	1,679	19
28. Masagana SLA	551	28	173	28	—	—	60	28	442	28	49	17	4,091	8
<b>TOTAL</b>	<b>₱55,358</b>		<b>₱40,530</b>		<b>₱2,466</b>		<b>₱31,312</b>		<b>₱20,986</b>		<b>₱3,060</b>		<b>112,182</b>	

\* Aug. 31, 1970  
 \*\* July 31, 1970

# NUMBER OF BANKING INSTITUTIONS

As of December 31, 1969

Type of Bank	Head Offices	Branches	Sub-Branches	Agencies	Extension Offices	Others	Over seas Branches	TOTAL
<b>I. Commercial Banks</b>								
A. Government								
1. PNB	1	65	9	38	5	2	8	128
2. PNCB	1	7	--	--	1	--	--	9
3. PVB	1	16	--	--	--	--	--	17
B. Private								
1. Domestic	32	352	--	4	47	--	1	436
2. Foreign	4	3	1	1	--	--	--	9
Total Commercial Banks --	39	443	10	43	53	2	9	559
<b>II. Savings &amp; Mortgage Banks</b>								
A. Government (PPSB)	1	--	--	--	--	--	--	1
B. Private	10	19	--	--	15	2	--	46
Total Savings & Mortgage Banks	11	19	--	--	15	2	--	47
<b>III. Development Banks</b>								
A. Government (DBP)	1	26	--	--	--	--	--	27
B. Private	29	4	--	4	16	--	--	53
Total Development Banks	30	30	--	4	16	--	--	80
<b>IV. Savings &amp; Loan Ass'ns.</b>	28	--	--	--	--	--	--	28
<b>GRAND TOTAL</b>	<u>108</u>	<u>492</u>	<u>10</u>	<u>47</u>	<u>84</u>	<u>4</u>	<u>9</u>	<u>754</u>

Note: Excluding:

- 1) Banking offices which are no longer in normal operation (TOBM & its four branches, 1 extension office & TOBM-Tokyo; Fidelity SB; Island SB & its 2 extension offices).
- 2) Offices vacated by transfers of site but which may still be winding up their affairs/allowed to operate pending resolution of application to establish new banking offices thereat.
- 3) Local representative offices of foreign banks.

Source: DSE, C.B.

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## **PART V. APPENDICES**

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- A. Certified Statements and Assessment  
Record Forms
- B. Instructions for Preparation of  
Certified Statements

**FIRST CERTIFIED STATEMENT**Based on Deposits for \_\_\_\_\_, 19 \_\_\_\_  
(Base Day)NAME OF BANK — \_\_\_\_\_  
ADDRESS — \_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_ (P 00 Omitted)

A Total Deposit Liabilities \_\_\_\_\_ P

B Deductions \_\_\_\_\_ P

(1) Reciprocal Bank Balances \_\_\_\_\_ P

(2) Cash Items (Check Method Used) (AA) — ☐ \_\_\_\_\_

(BB) — ☐ \_\_\_\_\_

A Held for Clearing \_\_\_\_\_ P

B Forwarded for Collection \_\_\_\_\_ P

C Uncollected but in Process of Collection \_\_\_\_\_ P

(3) Trust Funds Redeposited in Other Insured Banks \_\_\_\_\_ P

(4) Non-assessable Items Included in Item A described below \_\_\_\_\_ P

\_\_\_\_\_ P

(5) Total Deductions (Sum of Items 1 to 4 inclusive) \_\_\_\_\_ P

C Assessment Base (Item A minus Item B-5) \_\_\_\_\_ P

D Amount of Assessment \_\_\_\_\_ P

(1/2 of 1/18 of 1% of Item C)

REMITTANCE ENCLOSED HEREWITH \_\_\_\_\_ P

The undersigned hereby declares under penalties of perjury, that he is a duly authorized official of the above bank, that he has examined this statement and that to the best of his knowledge and belief such statement including attachments, if any, is true, correct and complete and is made in accordance with the Philippine Deposit Insurance Corporation Act and the Regulations issued thereunder.

\_\_\_\_\_ 19 \_\_\_\_

Signature \_\_\_\_\_

Name in Print \_\_\_\_\_

(Designation) \_\_\_\_\_

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 19 \_\_\_\_

Affiant exhibited to me his/her Residence Certificate No. A \_\_\_\_\_ issued at \_\_\_\_\_

on \_\_\_\_\_, 19 \_\_\_\_

NOTARY PUBLIC

My Commission expires Dec 31, 19 \_\_\_\_

Doc No \_\_\_\_\_

Page No \_\_\_\_\_

Book No \_\_\_\_\_

Series of 18 \_\_\_\_\_

(Do Not Write in Space Below)

Signature Checked By	Reviewed By	Verified By	Initials	Should be
_____	_____	_____	_____	P
_____	_____	_____	_____	P
_____	_____	_____	_____	P
_____	_____	_____	_____	P
_____	_____	_____	_____	P
_____	_____	_____	_____	P
_____	_____	_____	_____	P

IMPORTANT — Read "Instructions on the Preparation of PDIC Form No. 202 by Newly Insured Bank" before accomplishing this form.

# **REGULAR CERTIFIED STATEMENT**

BASED ON DEPOSIT BALANCES AS OF

and  
(BASE DAYS)

**Important**

Read Instructions on the Preparation of PDIC Form No. 201 before completing this form

NAME OF BANK

ADDRESS

		(Per Depositor)		
		BASE DAYS		TOTAL of columns 1 & 2
		(1)	(2)	(3)
A	Total Deposit Liabilities			
1	Current Savings & Time	P	P	
2	Trust Funds			
3	Total (Sum of Items 1 & 2)			P
B	Deductions			
1	Reciprocal Bank Balances			
2	Cash Items (Check Method Used)			
	(a) Held for Clearing			
	(b) Forwarded for Collection			
	(c) Uncollected but in Process of Collection			
3	Trust Funds Re-deposited in other Insured Banks			
4	Non-assessable Items Included in Item A described below			
5	Total Deductions (Sum of Items 1 to 4 inclusive)			P
	Net Deposit Liabilities (Sum of A minus B)			P
D	Assessment Base (Item C divided by two)			P
E	Amount of Assessment (2% of D)			P
F	Deduction			
1	Pro Rata Share of Credit based on Assessment which became due in Calendar Year		P	
2	Other Approved Credit Due Bank		P	
3	Total Deduction for Credits			P
G	Net Balance Due PDIC (Item E minus Item F)			P
REMITTANCE ENCLOSED HEREWITH				
H	Remaining Credit Due Bank (Excess of Item F3 over Item E)			P

The undersigned hereby declares, under penalties of perjury, that he is a duly authorized official of the above bank, that he has examined this statement and that to the best of his knowledge and belief, such statement (including attachments if any) is true, correct and complete and is made in accordance with the Philippine Deposit Insurance Corporation Act and regulations issued thereunder.

19

(Authorized Signature)

(Name in Print)

(Designation)

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_, affiant exhibited to me his Residence Certificate No. A-\_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_, 19\_\_\_\_.

Doc No \_\_\_\_\_ Book No \_\_\_\_\_  
Page No \_\_\_\_\_ Series of 19\_\_\_\_

(Notary Public Until \_\_\_\_\_)

(Do not write in space below)

REVIEWED BY

VERIFIED BY

COMMENTS

Name of Reporting Bank  
**SCHEDULE OF DEPOSIT LIABILITIES**  
 As of Base Day \_\_\_\_\_

Head Office Branches, Agencies & Extension Offices	<u>DEMAND</u>	<u>SAVINGS</u>	<u>TIME</u>	<u>OTHERS</u>	<u>TOTAL</u>
1. _____	P _____	P _____	P _____	P _____	P _____
2. _____	_____	_____	_____	_____	_____
3. _____	_____	_____	_____	_____	_____
4. _____	_____	_____	_____	_____	_____
5. _____	_____	_____	_____	_____	_____
6. _____	_____	_____	_____	_____	_____
7. _____	_____	_____	_____	_____	_____
8. _____	_____	_____	_____	_____	_____
9. _____	_____	_____	_____	_____	_____
10. _____	_____	_____	_____	_____	_____
<b>TOTAL</b>	P _____	P _____	P _____	P _____	P _____
<b>ADD: T.O.D.</b>	_____	_____	_____	_____	_____
Float Deposits	_____	_____	_____	_____	_____
<b>TOTAL</b>	P _____	P _____	P _____	P _____	P _____

Prepared by: \_\_\_\_\_

Approved by: \_\_\_\_\_

\_\_\_\_\_  
 Name & Designation

\_\_\_\_\_  
 Name & Designation

**INSTRUCTIONS:**

- (1) This is to be prepared by the Head Office
- (2) In column OTHERS — schedules should be attached showing the breakdown of the reported figures. Ex. — Deposit of banks, Government Deposits, Dormant Accounts, etc., if not included in Demand, Savings and Time Deposits.
- (3) Add Temporary Overdrafts (T.O.D.) if the Total Deposit Liabilities is net of T.O.D.
- (4) Deposits in foreign currencies should be converted into pesos on the basis of the legal parity rate as of the base day.

Name of Reporting Bank  
 SCHEDULE OF TRUST FUNDS  
 As of Base Day \_\_\_\_\_

DEMAND	SAVINGS	TIME	TOTAL
--------	---------	------	-------

TRUST FUNDS.

(a) Deposited in your bank	P _____	P _____	P _____	P _____
(b) Deposited in other insured bank/s	_____	_____	_____	_____
(c) Held in your Trust Dept. in the form of cash and other cash items. (Uninvested portion)				_____
TOTAL				P _____

Prepared by:

Approved by:

\_\_\_\_\_  
 Name & Designation

\_\_\_\_\_  
 Name & Designation

INSTRUCTIONS.

- (1) Attach Statement of Condition and/or Trial Balance of the Trust Department.
- (2) Item (a) above need not be shown as Trust Funds in the Certified Statement if it is already reported as a deposit liability in PDIC Assessment Record Form No. 1
- (3) The sum of items (b) and (c) above should be shown in the Certified Statement as Trust Funds.
- (4) Item (b) may be claimed as deduction in the Certified Statement provided that the funds redeposited conform with Section 3.03 (d) of our Rules and Regulations.

Name of Reporting Bank  
**CONSOLIDATED SCHEDULE OF CLAIMS FOR  
 RECIPROCAL BANK BALANCE DEDUCTION**

As of Base Day \_\_\_\_\_ 19 \_\_\_\_

Names of Banks With Reciprocal Bank Balances	N e t Due From	N e t Due To	Reciprocal Bank Balances
_____	P _____	P _____	P _____
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
_____			
TOTAL	P _____	P _____	P _____

Prepared by:

Approved by:

\_\_\_\_\_  
 Name & Designation

\_\_\_\_\_  
 Name & Designation

- INSTRUCTIONS.
- (1) This form is to be accomplished by the Head Office with reference to PDIC Assessment Record Form No. 3-A, prepared by the different offices of the bank.
  - (2) Accounts with non-insured banks are to be excluded.

Name of Reporting Bank  
Head Office/Branches/Agencies/Extension Offices  
**SCHEDULE OF DUE FROM AND DUE TO ACCOUNTS**

As of Base Days \_\_\_\_\_

Names of Banks	Due From	Deduct/ Add *	N e t Due From	Due To	Deduct/ Add*	N e t Due To
_____	P _____	P _____	P _____	P _____	P _____	P _____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
<b>TOTALS</b>	P _____	P _____	P _____	P _____	P _____	P _____

Prepared by:

Approved by:

\_\_\_\_\_  
Name & Designation

\_\_\_\_\_  
Name & Designation

- INSTRUCTIONS:**
- (1) This must be prepared separately by the Head Office and all branches, agencies, and/or extension offices.
  - (2) The **Total** of DUE FROM and the **Total** of DUE TO must tally with the amounts shown under such accounts in the Statement of Condition.
  - (3) Figures under "Deduct/Add" columns must be properly supported.

\* Deposits of Trust Funds, deposits not subject to immediate withdrawal (Items in process of collection) must be deducted in the computation of the Net Due From and Net Due To balances.

Outstanding drafts still in the possession of the reporting bank but already credited to the DUE FROM account must be added back to the book balance to show the actual balance due from the other insured banks.

Name of Reporting Bank  
CASH ITEMS HELD FOR CLEARING

As of Base Days \_\_\_\_\_ and \_\_\_\_\_

Source of Information: COCI

\_\_\_\_\_ 19 (Base Day) \_\_\_\_\_ 19 (Base Day)

Head Office

P \_\_\_\_\_ P \_\_\_\_\_

Branches

\_\_\_\_\_

Total Cash Items Held  
for Clearing

P \_\_\_\_\_ P \_\_\_\_\_

(AA) Method – Twice the  
Amount

P \_\_\_\_\_ P \_\_\_\_\_

Prepared by:

Approved by:

\_\_\_\_\_  
Name & Designation

\_\_\_\_\_  
Name & Designation

Note The total cash items held for clearing should tally with the total of Column (2) in PDIC Assessment Record Form No. 7.

PDIC Assessment Record Form No. 5

Name of Reporting Bank  
CASH ITEMS FORWARDED FOR COLLECTION

As of Base Days and

19 (Base Day) 19 (Base Day)

Sources of information:

(a) Checks & Other Cash Items P P

(b) Bills Purchased

(c) Others (Specify):

Total Cash Items Forwarded for Collection P P

(aa) Method — Twice the Amount P P

Prepared by:

Approved by:

Name & Designation

Name & Designation

- INSTRUCTIONS:
- (1) This form is to be accomplished by the Head Office.
  - (2) Totals of item (a) should tally with column (3) of PDIC Assessment Record Form No. 7.
  - (3) Totals of Item (b) should tally with column (1) of PDIC Assessment Record Form No. 8.
  - (4) All the amounts claimed under **OTHERS** should be duly supported by schedules in order to be eligible as a deduction from Total Deposit Liabilities.

Name of Reporting Bank  
ITEMS IN PROCESS OF COLLECTION

As of Base Days \_\_\_\_\_ and \_\_\_\_\_

\_\_\_\_\_ 19 \_\_\_\_ (Base Day)    \_\_\_\_\_ 19 \_\_\_\_ (Base Day)

Sources of Information:

(a) Checks and Other Cash Items                      ₱ \_\_\_\_\_                      ₱ \_\_\_\_\_

(b) Bills Purchased    \_\_\_\_\_    \_\_\_\_\_

(c) Others (Specify):


Total Items in Process of Collection                      ₱ \_\_\_\_\_                      ₱ \_\_\_\_\_

Prepared by:

Approved by:

\_\_\_\_\_  
Name & Designation

\_\_\_\_\_  
Name & Designation

INSTRUCTIONS

- (1) This form is to be accomplished by the Head Office.
- (2) Totals of Item (a) should tally with column (4) of PDIC Assessment Record Form No. 7.
- (3) Totals of Item (b) should tally with column (2) of PDIC Assessment Record Form No. 8.
- (4) All the amounts claimed under **OTHERS** should be duly supported by schedules in order to be eligible as a deduction from Total Deposit Liabilities.

This form is applicable under the (bb) method only.

Name of Reporting Bank  
**CONSOLIDATED SCHEDULE OF CHECKS AND OTHER CASH ITEMS**

As of Base Day \_\_\_\_\_

	Total (1)	Held for Clearing (2)	Forwarded for Collection (3)	Items in Process of Collection (4)	Non-assessable Items (5)	Non-allowable Deductions (6)
HEAD OFFICE:						
(a) Checks of other banks (Local Clearing)	P _____	P _____	P _____	P _____	P _____	P _____
(b) Checks of other banks (Out-of-Town Clearings)	_____	_____	_____	_____	_____	_____
(c) Treasury Warrants & Postal Money Order (P.I.)	_____	_____	_____	_____	_____	_____
(d) Foreign Items (Deposited)	_____	_____	_____	_____	_____	_____
(e) Foreign Items (Other Sources)	_____	_____	_____	_____	_____	_____
(f) Dishonored "On Us" checks	_____	_____	_____	_____	_____	_____
(g) Returned checks of other banks	_____	_____	_____	_____	_____	_____
(h) Others (Specify):	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
BRANCHES:	_____	_____	_____	_____	_____	_____
TOTAL	P _____	P _____	P _____	P _____	P _____	P _____

Prepared by:

Approved by:

\_\_\_\_\_  
Name & Designation\_\_\_\_\_  
Name & Designation**INSTRUCTIONS:**

This form is to be accomplished by the Head Office. Total COCI should tally with the amount shown in the Consolidated Statement of Condition. Branches figures should be duly supported by schedules of COCI itemized in the same manner as above.

- (1) Item (a) should be extended to column (2) if received on the base day or to column (4) if received prior to the base day.
- (2) Items (b), (c), & (d) should be extended to column (3) if received on the base day or to column (4) if received prior to the base day.
- (3) Items (e) and (f) should be extended to column (6).
- (4) Item (g) should be extended to column (5) if the items were previously credited to a deposit account but were not yet charged against the corresponding deposit account as of the base day; otherwise, this item should be extended to column (6).
- (5) Item (h) should be extended to appropriate columns in accordance with the pertinent provisions of the Rules and Regulations.

Name of Reporting Bank  
CONSOLIDATED SCHEDULE OF BILLS PURCHASED

As of Base Day      ..      ..      ..

	Total	Forwarded For Collection/1	Items in Process of Collection /2	Non-allowable Deductions /3
HEAD OFFICE:				
(a) Out-of-Town checks for collection	P .....	P .....	P .....	P .....
(b) Treasury Warrants & Postal Money Orders (P.L.)	.....	.....	.....	.....
(c) Foreign items (Deposited)	.....	.....	.....	.....
(d) Foreign items (Other Sources)	.....	.....	.....	.....
(e) Others (Specify):	.....	.....	.....	.....
45	.....	.....	.....	.....
5	.....	.....	.....	.....
BRANCHES	.....	.....	.....	.....
TOTAL	P .....	P .....	P .....	P .....

Prepared by:

Approved by:

.....  
Name & Designation

.....  
Name & Designation

INSTRUCTIONS: This form is to be accomplished by the Head Office. Total Bills Purchased should tally with the amount shown in the Consolidated Statement of Condition. Branches figures should be duly supported by Schedules of Bills Purchased itemized in the same manner as above.

- (1) Only items received by the bank on the base day held or forwarded for collection on the same day are classified under this caption.
- (2) Items received by the bank prior to the base day which remained uncollected for a period **not** in excess of fifteen (15) days from the time they were received for collection up to the base day
- (3) Items received by the bank prior to the base day which remained uncollected for a period in excess of fifteen (15) days from the time they were received for collection up to the base day. **All Foreign Items not credited to deposit liabilities** are not allowable deductions under our Rules and Regulations.

Name of Reporting Bank  
NON-ASSESSABLE ITEMS  
(Consolidated)

As of Base Days \_\_\_\_\_ and \_\_\_\_\_

\_\_\_\_\_ 19 \_\_\_\_ (Base Day) \_\_\_\_\_ 19 \_\_\_\_ (Base Day)

<u>Particulars</u>	<u>A m o u n t</u>	<u>A m o u n t</u>
1. Interbranch items.	P _____	P _____
2. Returned checks.	_____	_____
3. Others, provided they conform with the provisions of PDIC Rules and Regulations and were included in the reported deposits.	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
TOTAL	P _____	P _____

Prepared by:

Approved by:

\_\_\_\_\_  
Name & Designation

\_\_\_\_\_  
Name & Designation

- INSTRUCTIONS:
- (1) This is to be accomplished by the Head Office and **Schedules should be attached to support the reported figures.**
  - (2) Interbranch items should include only those items pertaining to deposits.
  - (3) Returned checks — Refer to Column 5 of Assessment Record Form No. 7.

**PHILIPPINE DEPOSIT INSURANCE CORPORATION**  
**Manila**

**INSTRUCTIONS FOR PREPARATION & FILING**  
**PDIC Form 201 – Regular Certified Statement**

**201-1 Time of Filing**

The regular certified statements are to be filed on or before January 15 and July 15 of every year, that is, semi-annually.

**General Instructions:** Accomplishment of the Certified Statement and Computation of deposit liabilities and assessments

**201-2 Assessment Base and Base Days**

The Certified Statement due on or before January 15 shall have as its base days, September 30 and December 31 of the preceding year, while for the Statement due on or before July 15, the base days shall be March 31 and June 30 of the current year.

When any of said base days is a non-business day or a holiday, the preceding business day shall be used.

The assessment base shall be the average total deposit as of the two base days mentioned above less the average deductions for the same two base days.

**201A Total Deposit Liabilities**

The gross amount of deposit liabilities should be reported. **Total Deposits include** (a) commercial, checking, savings, and time or thrift account or one which is evidenced by a **certificate of deposit**; (b) **Trust funds** held by the reporting bank whether retained or deposited in any department of such bank or deposited in another bank; and (c) deposits maintained in foreign currencies which shall be converted to their equivalent amount in pesos on the basis of the prevailing rate as of the base day(s).

If overdrafts reduce the control figures which are used, they must be added back to reflect the gross total figures.

**201-3 Required number of copies and distribution thereof**

The Certified Statement shall be accomplished in at least four (4) copies, the original, duplicate and triplicate of which shall be forwarded to the PDIC. The quadruplicate shall be retained by the reporting bank.

**201B Deductions** — Allowable deductions shall consist of the following:

- (1) **Reciprocal Bank Balances** — A reciprocal bank balance exists when the reporting bank has a deposit balance due to another insured bank and such reporting bank also has a deposit balance due from that same insured bank disregarding, for this purpose, balances representing deposits of trust funds.

**201-4 Time of Payment of Assessment and Period Covered**

The Statement shall be accompanied by the remittance of the amount of assessment due (Pay as you file). The assessment due shall pertain to the following six-month period ending June 30 or December 31 as the case may be.

For assessment purposes, deduct from the total deposit liabilities only the amount due from another insured bank **not in excess of the balance due to such insured bank**, which is subject to imme-

date withdrawal. Items in process of collection must be excluded from the computation of both "due to" and "due from" balances as shown in the books of the reporting bank.

**Cash Items** — Cash items include any instrument (checks and other cash items) providing for the payment of money which the reporting bank in the regular course of business has received and in exchange therefor has given credit to a deposit account, or has paid in the regular course of business by giving cash therefor or credit as a payment on a debt due to the bank, or has received as a collection for public utility service except those received in payment of or arising from the sale of the bank's assets provided that the payor or drawee of the instrument is not the reporting bank, or a branch or office thereof and that the instrument is in the process of collection and is payable on presentation. An item shall not be considered in the process of collection if such item has been outstanding for a period in excess of fifteen (15) days from the time it was sent to the drawee bank for payment.

Cash items that may be considered as allowable deductions are, however, subject to the following definitions and limitations:

- a) **Held for Clearing** — Those items received in the usual course of business on the base day before the closing of books on that day and held at the time of said closing for clearing or direct presentment on the next business day in conformity with the normal practice of the reporting bank;
- b) **Cash Item Forwarded for Collection** — This term represents items received on the base day and either sent for collection on the same day or held at the close of business on that day to be sent for collection on the next business day.

- c) **Uncollected Cash Item in Process of Collection** — Represents cash items paid or credited on days preceding the base day but remaining uncollected as of the close of business on the base day for a period not in excess of fifteen (15) days. This cash item is eligible for deduction only under the (BB) method.

#### **AA and BB Methods Explained:**

Under the AA Method, the bank can deduct twice the total of the Cash Items under "Held for Clearing" plus "Cash Items Forwarded for Collection" (Item (a) + Item (b) above = Total x 2)

Under the BB Method, the bank can deduct the total of all the items "Held for Clearing" plus "Forwarded for Collection" in their actual amounts only.

Under the BB Method, the bank can deduct the total of all items "Held for Clearing" plus "Forwarded for Collection" plus "Uncollected Cash Items in Process of Collection" in their actual amounts only.

The method used in the computation of Cash Items must be indicated in the Regular Certified Statement.

- (3) **Trust Funds Redeposited in Other Insured Banks** — All Trust Funds included by the reporting bank in the total deposit liabilities and deposited in other insured banks are deductible provided that:

- (a) The account is maintained in the depository insured bank by the reporting bank as fiduciary and the account is properly noted as such to show that the funds therein are trust funds;
- (b) The funds in such account are used exclusively for their trust purposes the reporting bank; and

- (c) Records are kept which clearly show that the trust funds have been deposited and maintained in the manner above-stated.

- (4) **Non-Assessable Items** — Deduct items or accounts which are not assessable but which have been included in the total deposit liabilities. However, these items must be fully disclosed and explained. Examples:

(1) Any item drawn against a deposit account in the reporting bank which has been credited to a deposit account or paid by the reporting bank but which has not been reflected on the books of the bank on the base day as a charge against deposit liabilities. This refers to the so-called "our" or "on us" checks (Unposted debits) which have been previously paid or credited to deposit account by the reporting bank.

(2) Inter-branch items provided that they have not been reflected as a deduction in reported deposit liabilities, in which case the deduction can be made only in the actual amount.

## 201C Net Deposit Liabilities

Total Deposit Liabilities (as of two base days) less total deductions (as of two base days) equals **Net Deposit Liabilities** for two base days.

## 201D Assessment Base

Net Deposit Liabilities divided by two (2) equals the average net deposit or the **assessment base**.

## 201E Amount of Assessment

The amount of assessment is computed by multiplying the assessment base by the assessment rate for the semi-annual period, i.e., 1/2 of 1/18 of 1% or **Assessment Base x .0002777778 (Multiplier)**.

## 201F Deductions

Deductions from the assessment due per Certified Statement for the following items:

- (1) Pro-rata share of the net assessment income credited to the account of the member bank in accordance with Section 5 (d) of R.A. 3591, as amended. For purposes of implementing this provision, the PDIC shall furnish the member bank the amount of such credit annually, if there is any.
- (2) Others approved Credit Due Bank — This item includes overpayments of member banks which are credited to their account to be applied to subsequent assessment period(s).

## 201G Net Balance Due PDIC

Amount of Assessment Due (Item E) less deductions for credits due the bank (Item F). Remittance for the assessment due on the Certified Statement should accompany the statement.

## 201H Remaining Credit Due Bank

If the deductions (Item F) exceed the amount of assessment (Item E), the Balance is carried forward to next assessment periods until absorbed by subsequent assessment dues.

**Maintenance of Assessment Records** — Attention is invited to the provisions of Section 6 (a) of R. A. 3591, as amended, which require each insured bank, as a condition to the right to make any deduction or exclusion in determining its assessment base, (underscoring supplied) to maintain such records as will readily permit verification of the correctness thereof. The records necessary to support the figures indicated in the Certified Statements should be retained and kept by the insured bank for a period of at least five (5) years counted from the date of filing of the statement.

PHILIPPINE DEPOSIT INSURANCE CORPORATION  
Manila

INSTRUCTIONS FOR PREPARATION  
PDIC Form 202 — First Certified Statement

**2.01 Time of Filing**

For those banks organized and operating on or before December 1969, the First Certified Statement must be submitted on or before January 15, 1970. For a bank organized thereafter, the date of filing is either on or before January 15 or July 15 immediately following the expiration of the first semi-annual period in which it becomes an insured bank. Therefore, no Statement shall be filed for the semi-annual period in which it becomes an insured bank. **Illustration:** If a bank gets insured on February 1 (a date which is part of the first semi-annual period — January 1 to June 30), it must file its Statement on or before July 15.

**2.02 Assessment Base and Base Days** — The Statement shall reflect deposits of only one base day. The base day shall be either December 31, 1969, or June 30 as the case may be. If the base day falls on a non-business day or a holiday, the preceding business day shall be used.

**2.03. Required number of copies and distribution thereof** — At least four (4) legible copies of the form shall be accomplished, the original, duplicate and triplicate copies of which shall be forwarded to the PDIC and the quadruplicate copy shall be retained in the bank's files.

**2.05. Time of Payment of Assessment and Period Covered** — The Statement shall be accompanied by the remittance of the amount of assessment due. The assessment due shall pertain to the following six-month period ending June 30 or December 31, as the case may be.

**General Instruction: Accomplishment of the forms and computation of deposit liabilities and assessment**

**2.02A. Total Deposit Liabilities (Item A)** — Defined in Sec. 1.01(e) and Sec. 3.05 of the Rules and Regulations. The gross amount of deposit liabilities should be reported. Therefore, if overdrafts reduce the control figures which are used, they must be added back to reflect the gross total figures. Deposits maintained in foreign currencies shall form part of the total deposit liabilities. For assessment purpose, such deposits shall be converted to their equivalent amount in pesos on the basis of the prevailing legal parity rate as of the base day(s) involved.

**2.02B. Deductions** — Allowable deductions shall consist of the following:

- (a) **Reciprocal Bank Balances (Item B(1))** — Defined in Sec. 1.01 (o) of the Rules and Regulations. For assessment purposes, deduct from the total deposit liabilities only the amount due from another insured bank not in excess of the balance due to such insured bank, which is subject to immediate withdrawal. This means that items in process of collection must be excluded from the computation of both the "due to" and "due from" balances as shown in the books of the reporting bank. For instance, any outstanding unpaid draft credited to the "due from" account shall be added back to the book balance to show the actual collected balance due from the other insured bank, in computing this deduction. **Illustration:** Assume that the reporting bank is Bank A and shows in its books a balance due to Bank B (another insured bank) of ₱50,000.00. It also shows in its books a balance due from Bank B in the amount of ₱25,000.00. Bank A (the reporting Bank) must include in its deposit liabilities opposite "Item A" the

amount of P50,000.00 due to Bank B (another insured Bank) and if both balances are subject to immediate withdrawal, a deduction of P25,000 (amount due from Bank B) shall be claimed opposite Item B(1). However, assume that included in the P50,000 was a credit of P15,000.00 representing the items drawn on the insured banks which remained uncollected at the close of business on the base day. In computing its eligible deduction for reciprocal bank balances, this P15,000.00 must be subtracted from the P50,000.00 to arrive at a net balance subject to immediate withdrawal of P35,000.00. Assume also that Bank A draws a draft on Bank B in the amount of P5,000.00 which has been credited to the "due from" account, leaving it a balance of P25,000.00. The P5,000.00 unpaid draft shall be added to this P25,000.00 balance, thus increasing it to the actual balance subject to immediate withdrawal of P30,000.00, the eligible deduction for reciprocal bank balances that will appear opposite Item B(1).

(b) **Cash (Item B(2))** — Cash items that may be deducted are those representing items — (a) "Held for Clearing", (b) "Forwarded for Collection", and (c) "Uncollected but in process of Collection". These terms are all defined in Sec. 1.01 (k), (l), and (m), respectively, of the Rules and Regulations. Refer also to Sec. 1.01(j) and 3.03(c.) No two reporting banks shall deduct the same cash items under the (aa) method for computing deductible cash items unless one of the banks normally and in the regular course of business is a collecting and check clearing agent of the other. Cash Items may be deducted under either of the two (2) alternative methods (aa) or (bb) described in Sec. 3.04 of the Rules and Regulations

(c) **Trust Funds Deposited in other insured Banks (Item b(3))** — All trust funds included by the reporting bank in the total deposit liabilities and deposited in other insured

banks are deductible, provided they satisfy all the requirements of Sec. 3.03(d) of the Rules and Regulations.

(d) **Nonassessable Items Included in Item A (Item B(4))** — Deduct nonassessable items or accounts included in the total deposit liabilities reported opposite Item A of the forms. However, such should be fully explained. Examples: (1) Any item drawn against a deposit account or paid by the reporting bank but which has not been reflected on the books of the bank on the base day as a charge against deposit liabilities. This refers to the so-called "own" or "on Us" checks which have been paid or credited to deposit accounts by the reporting bank. (2) Inter-branch items **provided that they have not** yet been reflected as a deduction in reported deposit liabilities, in which case the deduction can be made only in the actual amount.

(e) **Total Deduction (Item B(5))** — The amount shall reflect total deductions (Item B(1) — B (4).

**2.02C. Assessment Base** — This is the net deposit liabilities on the base day as shown opposite Item C which is only one base day for this First Certified Statement.

**2.02D. Amount of Assessment** — The amount of Assessment is computed by multiplying the assessment base by the assessment rate for the semi-annual period (1/2 of 1/18 of 1%).

**Maintenance of Assessment Records** — Attention is invited to Section 6(a) of R.A. 3591, which as amended requires each insured bank, as a condition to the right to make any deduction or exclusion in determining its assessment base, to maintain such records as will readily permit verification of the correctness thereof. The records necessary to support the figures indicated in the Certified Statements should be retained and kept by the insured bank for a period of at least five (5) years counted from the date of filing of the statement.