



# PDIC Regulatory Issuances and Related Bulletins



# **PDIC Regulatory Issuances and Related Bulletins**

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**REGULATORY ISSUANCE NO. 1999-01**

**TO : Member Banks**

**SUBJECT : Revised Reportorial Requirements of the Philippine Deposit Insurance Corporation**

Pursuant to Sections 8 (Eighth), 9 (c), and 16 (f) of R.A. 3591, as amended, the Board of Directors of the Philippine Deposit Insurance Corporation (PDIC), in its Resolution No. 1999-07-053 dated July 22, 1999 approved a revision in the reportorial requirements from all member banks, including the increase in the number of reports to be submitted and in the frequency of submission thereof to the Corporation. The revised requirements are embodied in the attached Annex A.

In view of the revisions, as embodied in Annex A, PDIC has likewise established measures to ensure the compliance with these requirements through the imposition of fines and penalties to delinquent or erring banks, their directors and/or officers. All member banks shall therefore be guided accordingly.

**Definition of Terms**

1. "Regular PDIC reports" shall include statements of condition, income and expenses and such other reports and statements required of all member banks to be submitted regularly to PDIC in accordance with the prescribed form, frequency and deadlines set forth in a regulatory issuance.
2. "Special Reports" shall refer to reports, schedules and statements other than the "Regular PDIC reports". PDIC requires such special reports from banks on need basis to meet temporary information requirements that may arise from the performance of its regulatory and supervisory authorities.
3. "Defective reports" shall refer to reports containing mathematical inaccuracies, material omissions, account misclassifications, inconsistencies or discrepancies between the main reports and their supporting schedules/attachments, illegible reports, unsigned reports, and reports signed by unauthorized signatories.
4. "Incomplete" reports shall refer to reports without the required supporting schedules/attachments, including those with missing pages.
5. "Willful delay" means a deliberate and unjustified failure by a member bank to submit reports and information required by the Corporation despite due demands for submission thereof.
6. "Fortuitous event" shall refer to events or circumstances entirely beyond the control of the member bank, its directors and/or officers, such as fire, natural calamities and public disorder.



7. "Banking days" shall be understood to mean Monday to Friday but excluding legal holidays or such other days declared by the proper government authority as non-working days.

### **Fines and Penalties**

1. Submission by banks of the Regular PDIC reports to PDIC shall be sent by personal delivery or registered mail with return card. Should a bank fail to submit its Regular PDIC reports within the prescribed deadlines set forth in Annex A, PDIC shall impose a penalty of One Hundred (P100) Pesos per report per banking day and simultaneously send the delinquent bank a first letter reminder by registered mail with return card. The P100 per day penalty shall start to run the following banking day after the prescribed deadlines. It shall continue to be imposed until such time that compliance has been made or until the bank, its directors and/or officers have been declared in willful delay in the submission of reports unless the failure to submit a report is due to a fortuitous event.
2. Should a bank fail to submit its Regular PDIC reports after twenty-five (25) banking days from receipt of the first letter reminder, PDIC shall send a second (and final) reminder by registered mail with return card. Failure to comply within fifteen (15) banking days from the bank's receipt of the final reminder shall constitute "willful delay" in the submission of reports. The PDIC Board of Directors shall decide whether to subject the bank, or its directors and/or officers to a higher fine of up to P1,000 per report per banking day . The fine shall continue to accrue until the bank has complied with the reportorial requirements.
3. Banks submitting defective or incomplete Regular PDIC reports may be regarded as not having complied with the reportorial requirements and may be subject to the same fines, penalties and sanctions of delay in the submission of reports unless said defects are merely typographical in nature.
4. All prescribed report submission deadlines shall follow the "next banking day" convention which means that should a prescribed deadline fall on a holiday, the next banking day shall be the applicable deadline.
5. All payments of penalties and fines by the bank must be made in check payable to the PDIC and shall be sent by personal delivery or registered mail with return card addressed to the Treasury Department of PDIC.
6. The imposition of the above fines and penalties shall be without prejudice to the application of such other sanctions as the PDIC Board of Directors may deem appropriate consistent with the provisions of R.A. 3591.

To assure the integrity of information, the PDIC shall hold accountable the directors and/or officers of all member banks for the completeness and accuracy of reports being submitted. Consequently, all member banks are to be guided by the following:

1. Duly designated officers or their alternates shall sign reports to PDIC. Reports of branches/offices shall be signed by the respective managers/officers-in-charge. Banks shall formally advise PDIC in writing of any changes in the designated officers and alternates and furnish their specimen signatures.
2. For Commercial and Thrift banks, submission shall be made on-line via the BSP electronic mail system (Lotus cc:Mail facility) or off-line in diskette media. The accompanying proof list or hard copy reports duly signed shall be subject to the same requirements regarding authorized signatories.
3. For Rural Banks, submission in hard copy duly signed shall be retained and be subject to the same requirements regarding authorized signatories.
4. The revised RI is a transitory requirement prior to the full implementation of the BSP's GL/SL electronic reporting system after which a new RI shall be issued.

**Separability Clause**

If any provision, sentence, paragraph, clause or word of this Issuance or the application thereof to any person and/or banking institution is held invalid for whatever reason, the other provisions hereof shall not be affected thereby.

**Repealing Clause**

All Regulatory Issuances issued by the PDIC or parts thereof which are inconsistent with the provisions of this Issuance are hereby repealed or amended accordingly.

**Applicability**

This Issuance shall apply to reports due to be submitted starting the third quarter of 1999.

**(Sgd.) Ernest Leung**  
President

## ANNEX A

## REVISED PDIC REPORTORIAL REQUIREMENTS

Form No.	Report Title	Frequency	Submission Deadline	FRC	FAMC	FEC I	FEC II	Old Submission Deadline	BSP Requirement	Submission Procedure
<b>A. COMMERCIAL BANKS</b>										
DCB I/II Form 2A.1 (SES I/VI Form 2A.1)	Consolidated Statement of Condition and Supporting Schedules	Quarterly	Fifteen (15) banking days after the end of the reference quarter					On or before 20 banking days after end of reference quarter	Quarterly	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC and hard copy of the prooflist
Schedule 1	Schedule of Due from Other Banks									
Schedule 2	Schedule of Loan Portfolio and Other Accommodations									
Schedule 2A	Schedule of Outstanding Loans Extended to Selected Government Corporations and Their Subsidiaries									
Schedule 3	Schedule of Trading Account Securities - Investments and Investments in Bonds and Other Debt Instruments									
Schedule 4	Schedule of Equity Investments in Allied and Non-Allied Undertakings									
Schedule 4A	Schedule of Equity Investments and Outstanding Loans to Allied and Non-Allied Undertakings									
Schedule 5	Schedule of Deposit Liabilities									
Schedule 5A	Schedule of Domestic Time Certificates of Deposits									
Schedule 5B	Schedule of FCDU Time Certificate of Deposits									
Schedule 5C	Consolidated Report of Domestic Deposit Liabilities By Size of Account (Excluding Deposits in Foreign Offices/Branches)									
Schedule 6	Schedule of Deposits of Banks and Due to Banks									
Schedule 7	Schedule of Bills Payable									
Schedule 7A	Schedule of Bills Payable Other than to Bangko Sentral ng Pilipinas									
Schedule 8	Schedule of FCDU Other Assets and Other Liabilities From/To Non-Residents									
Schedule 9	Report on Foreign Currency Cover									
Schedule 10	Schedule of Selected FCDU Accounts									
Schedule 10A	Schedule of FCDU Bills Payable Other than Bangko Sentral ng Pilipinas									
Schedule 10B	Spot and Forward Exchange Transactions of FCDUs									
Schedule 11	Schedule of Domestic Standby Letters of Credit/Compliance with SEC 1347 of MOR									

Schedule 12	Schedule of Peso Deposits, Deposit Substitutes and Bills Payable to Selected Government Corporations and their Subsidiaries								
Schedule 13	Schedule of Government Funds Held/ Compliance w/Liquidity Floor Requirements								
Schedule 14	(Bank Proper) Report on Exposure to Real Estate Industry								
Schedule 14A	(Trust Dept.) Report on Exposure to Real Estate Industry								
Schedule 15	Schedule of Foreign Exchange Liabilities to Non-Residents								
Schedule 16	Report on Exposures to Auto Loans and Credit Card Receivables								
DCB I/II Form 3A (BSP 7-16-04)	Consolidated Statement of Income, Expenses and Surplus (Free)	Quarterly	Fifteen (15) banking days after the end of the reference quarter	Original and duplicate copy - SES I/VI				Quarterly	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC and hard copy of the prooflist
Schedule 1	Analysis of Undivided Profits and Surplus (Free) Accounts  Important Note : <u>Reporting Period</u> <u>Coverage</u> 1st Quarter                      Jan. 01 - March 31 2nd Quarter                      April 01 - June 30 3rd Quarter                      July 01 - Sept. 30 4th Quarter                      Jan. 01 - Dec. 31								
PDIC-BPMC-BDLKB	Breakdown of All Deposit Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester					Not later than 5 banking days subsequent to its submission to the bank's BOD	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC and hard copy
DCB I/II Form 5B (BSP 7-16-13)	Consolidated Report on Compliance with Aggregate Ceiling on Direct Credit Accommodations to Directors/Officers/ Stockholders and Related Interests (DOSRI)	Semestral	Fifteen (15) banking days after the end of the reference semester					Semestral	Hard Copy
DCB I/II Form 5C (BSP 7-16-13A)	Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms	Semestral	Fifteen (15) banking days after the end of the reference semester					Semestral	-do-
PDIC-BPMC-BIS-01	No. of Automated Teller Machines* On-site Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester					None	-do-
PDIC-BPMC-BIS-01	Number of Employees: (Head Office and Branches)* Officers Rank and file	Semestral	Fifteen (15) banking days after the end of the reference semester					None	-do-
PDIC-BPMC-BIS-01	List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur					Annually	-do-
PDIC-BPMC-BIS-02	List of Principal Officers (VP and above)	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur						-do-

DCB 1/II Form 4 (BSP 7-16-11) PDIC-BPMC-BIS-03	Consolidated List of Stockholders and their Stockholdings ( 2% and above )	Semestral	Fifteen (15) banking days after the end of the reference semester					Annually and every changes occur	-do-
PDIC-BPMC-SS Form	List of Authorized Signatories and their Specimen Signatures	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur						-do-
Unnumbered	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year*	Annually	Not later than <u>June 30</u> of each year					Annually	-do-
	Special Reports	Upon specific request	To be specified by PDIC upon request						-do-

\*New Report Required by PDIC



REVISED PDIC REPORTORIAL REQUIREMENTS										
New Form No.	Report Title	Frequency	Submission Deadline	FRC	FAMC	FEC I	FEC II	Old Submission Deadline	BSP Requirement	Submission Procedure
B. THRIFT BANKS										
TB Form 2 (SES - II Form 2)	Consolidated Statement of Condition and Supporting Schedules	Quarterly	Fifteen (15) banking days after the end of the reference quarter						Monthly	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC or in diskette media and hard copy of the profflist
Schedule 2A	Breakdown of Due From/To Other Banks and Deposits Liabilities - Banks									
Schedule 2B	Breakdown of Loan Portfolio and Other Accommodations									
Schedule 2C	Schedule of Trading Account Securities Investments and Investments in Bonds and Other Debt Instruments									
Schedule 2D	Schedule of Deposits Liabilities									
Schedule 2E	Schedule of Bills Payable									
Schedule 2E.1	Schedule of Bills Payable Other than Bangko Sentral									
Schedule 2F	Schedule of FCDU Other Assets and Other Liabilities From/To Non Residents									
Schedule 2G	Schedule of Government Funds Held/Compliance with Liquidity Floor Requirement									
Schedule 2H	Currency Classification of FCDU Funds									
Schedule 2I	Classification of Interbank FCDU Funds by Country									
Schedule 2J	FCDU Indebtedness Among Philippine Based Participating Banks									
Schedule 2K	FCDU Loans and Advances									
Schedule 2L	Foreign Exchange Swapped/Sold for Philippine Peso									
Schedule 2M	Report on Exposure to Real Estate Industry									
Schedule 2N	Report on Auto Loans and Credit Card Receivables									
TB Form 5	Consolidated Statement of Income, Expenses and Surplus (Free)	Quarterly	Fifteen (15) banking days after the end of the reference quarter						Quarterly	-do-
	Important Note: Reporting Period Coverage 1st Quarter Jan. 01 - March 31 2nd Quarter April 01 - June 30 3rd Quarter July 01 - Sept. 30 4th Quarter Jan. 01 - Dec. 31									
PDIC-BPMC-BDLTB	Breakdown of All Deposits Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester							E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC or in diskette media and hard copy
TB Form 8	Consolidated Report on Compliance with Adequate Ceiling on Direct Credit Accommodations to Directors/Officers/ Stockholders and Related Interests (DOSRI)	Semestral	Fifteen (15) banking days after the end of the reference semester					Semestral	Semestral	Hard copy
TB Form 9A	Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms	Semestral	Fifteen (15) banking days after the end of the reference semester							-do-
PDIC-BPMC-BIS-01	List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur							-do-
PDIC-BPMC-BIS-01	Number of Automated Teller Machines* - On-site - Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester							-do-
PDIC-BPMC-BIS-01	Number of Employees (Head Office and Branches)* Officers Rank and File	Semestral	Fifteen (15) banking days after the end of the reference semester						None	-do-
PDIC-BPMC-BIS-02	List of Principal Officers	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur							-do-
TB Form 7 PDIC-BPMC-BIS-03	List of Stockholders and their Stockholdings (2% and above)	Semestral	Fifteen (15) banking days after the end of the reference semester							-do-
PDIC-BPMC SS Form	List of Authorized Signatories and their Specimen Signatures for PDIC reports	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur						Annually or as changes occur	-do-
Unnumbered	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year* (In the absence of the Annual Report, the bank may submit the Auditor's Report and Audited Financial Statements including any tentative issuances by External Auditor.)	Annually	Not later than <b>June 30</b> of each year (If the bank opts to submit the Auditor's Report and audited financial statements, the submission deadline is not later than 90 days after start of audit.)						Annually	-do-
	Special Reports	Upon specific request	To be specified by PDIC upon request							-do-

\* New Report Required by PDIC

## REVISED PDIC REPORTORIAL REQUIREMENTS

Form No.	Report Title	Frequency	Submission Deadline	FRC	FAMC	FEC I	FEC II	Old Submission Deadline	Requirement	Submission Procedure
<b>C. RURAL BANKS</b>										
RB/COB Form 2 (BSP 7-19-04 A)	Consolidated Statement of Condition	Quarterly	Fifteen (15) banking days after the end of the reference quarter					20 banking days after end of reference quarter	Monthly	Hard copy
RB/COB Form 4 (CBP 7-19-05 A)	Consolidated Statement of Income and Expenses	Quarterly	Fifteen (15) banking days after the end of the reference quarter					- do -	Monthly/Quarterly	-do-
Schedule 1	Analysis of Undivided Profits and Surplus (Free) Accounts									-do-
	<u>Reporting Period</u> <u>Coverage</u> 1st Quarter      Jan. 01 - March 31 2nd Quarter      April 01 - June 30 3rd Quarter      July 01 - Sept. 30 4th Quarter      Jan. 01 - Dec. 31									
PDIC Form C-16	Consolidated Report of Deposit Liabilities by Size of Account	Quarterly	Fifteen (15) banking days after the end of the reference quarter							-do-
PDIC-BPMC-BDLRB	Breakdown of Deposit Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester							-do-
PDIC-BPMC-DOSRI	Consolidated Report on Compliance with Aggregate Ceiling on Direct Credit Accomodations to DOSRI	Semestral	Fifteen (15) banking days after the end of the reference semester						Semestral	-do-
	<b>Schedule of Restructured Loans</b>	Quarterly	Fifteen (15) banking days after the end of the reference quarter							
PDIC-BPMC-BIS-01	List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur							-do-
PDIC-BPMC-BIS-01	No. of Automated Teller Machines* On-site Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester						None	-do-
PDIC-BPMC-BIS-01	Number of Employees: (Head Office and Branches)* Officers Rank and File	Semestral	Fifteen (15) banking days after the end of the reference semester						None	-do-
PDIC-BPMC-BIS-02	List of Principal Officers	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur						Annually	-do-
PDIC-BPMC-BIS-03	List of Stockholders and their Stockholdings	Semestral	Fifteen (15) banking days after the end of the reference semester							-do-
PDIC-BPMC-SS Form	List of Authorized Signatories and their Specimen Signatures for PDIC Reports	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur							-do-
Unnumbered	Auditor's Report and Audited Financial Statements for the Previous Year (including any tentative issuances prepared by External Auditor)	Annually	Not later than 90 days after start of audit						Annually	-do-
	Special Reports	Upon specific request	To be specified by PDIC upon request							-do-

\*New Report Required by PDIC

**REGULATORY ISSUANCE NO. 2004-01**

**TO : Member Banks**

**SUBJECT : Posting of PDIC Bulletin No. 2004-04**

Pursuant to Sections 4 (g) and 21 (g) of R.A. 3591, otherwise known as the Charter of PDIC, as amended by R.A. 9302, which took effect on August 12, 2004, the Board of Directors of PDIC by virtue of Resolution No. 2004-08-071 dated August 11, 2004, approved the promulgation of the following:

**SECTION I. DUTY OF MEMBER BANKS**

Within thirty (30) days from effectivity of this Regulatory Issuance (RI), member banks shall post in a conspicuous place within the bank premises PDIC Bulletin No. 2004-04 on the Treatment of Joint Deposit Accounts for Purposes of Deposit Insurance and the Determination of Insured Deposits in Cases Where Depositors have Obligations with the Closed Bank.

**SECTION II. PENALTIES/SANCTIONS**

Non-compliance with, or violation of, this RI shall subject the bank, its directors, officers and employees to the penalties provided for under Section 21 (g) of R.A. 3591, as amended by R.A. 9302.

**SECTION III. SEPARABILITY CLAUSE**

If any provision of this RI or the application thereof to any person and/or banking institution is declared invalid for whatever reason, the other provisions hereof shall not be affected thereby.

**SECTION IV. EFFECTIVITY**

This RI shall take circulation.

**(Sgd.) Ricardo M. Tan**  
President and Chief Executive Officer



**REGULATORY ISSUANCE NO. 2005-02**

**TO :** Member Banks

**SUBJECT :** PDIC Rules on Fact-Finding Investigation of Fraud, Irregularities and Anomalies Committed in Banks

Pursuant to Section 9(b-1) of Republic Act No. 3591, as amended, the Board of Directors of PDIC, by virtue of Resolution No. 2005-05-060 dated May 25, 2005, approved the adoption and promulgation of the following rules to govern PDIC's exercise of its fact-finding investigation powers.

**RULE 1. GENERAL PROVISIONS**

**SECTION 1. Title.**

These Rules shall be known as the PDIC Rules on Fact-Finding Investigation of Fraud, Irregularities and Anomalies Committed in Banks.

**SECTION 2. Coverage.**

These Rules shall be applicable to all fact-finding investigations on fraud, irregularities and/or anomalies committed in banks that are conducted by PDIC based on: [a] complaints from depositors or other government agencies; and/or [b] final reports of examinations of banks conducted by the Bangko Sentral ng Pilipinas and/or PDIC.

**SECTION 3. Definition of Terms.**

The terms hereunder shall be construed as follows:

- a. "BSP" shall refer to Bangko Sentral ng Pilipinas.
- b. "Bank" or "banking institution" are synonymous and interchangeable and shall refer to an entity authorized by the Monetary Board to engage in the lending of funds obtained from the public through the receipt of deposits and whose deposits are insured with PDIC.
- c. "PDIC Board" shall refer to PDIC's Board of Directors.
- d. "Charter" shall refer to Republic Act No. 3591, as amended.
- e. "Complaint" shall be as defined in Section 3, Rule 3 of these Rules.
- f. "Depositor" shall refer to a natural or juridical person who has a deposit with a bank subject of a complaint.



- g. "Examiner" shall refer to a PDIC officer, employee or agent appointed by the PDIC Board to examine and evaluate the condition/overall soundness of a bank.
- h. "Final Report of Examination" shall be as defined in Section 2, Rule 3.
- i. "Fraud" shall refer to anything calculated to deceive, including acts, omissions and concealment involving a breach of legal or equitable duty, trust, or confidence justly reposed, resulting in damage to another, or by which an undue and unconscientious advantage is taken of another.
- j. "General Counsel" shall refer to the General Counsel of PDIC.
- k. "Government Agency", when used herein, shall refer to a regulatory agency or an agency expressly vested with jurisdiction to regulate, administer or adjudicate matters affecting substantial rights and interests of private persons.
- l. "Investigation" shall refer to fact-finding examination, study or inquiry for determining whether the allegations in a complaint or findings in a final report of examination may properly be the subject of an administrative, criminal or civil action.
- m. "Investigator" shall refer to a PDIC officer, employee or agent appointed by the PDIC Board to conduct a fact-finding investigation under these rules.
- n. "Irregularity" or "Anomaly" shall refer to acts or omissions which do not constitute fraud but which may: [a] constitute an unsound or unsafe banking practice as may be defined by the BSP and/or the PDIC Board; [b] be a violation of the Charter, PDIC rules, regulations or instructions, and/or any written condition imposed by PDIC in connection with a transaction or grant by PDIC; and/or [c] not conform to what is generally considered or accepted as proper or right practice in the banking industry, or deviate/s from a general or common course, rule, practice or method prescribed by law or regulation.
- o. "PDIC" shall refer to the Philippine Deposit Insurance Corporation.
- p. "President and Chief Executive Officer" shall refer to the President and Chief Executive Officer of PDIC.

#### **SECTION 4. Proceedings in Investigations.**

Being non-adversarial in nature, fact-finding investigation shall not adhere to technical rules of procedure.

## **SECTION 5. Confidential in Nature**

The entire fact-finding investigation proceedings under these Rules shall be confidential in nature; except, when there is a finding in the investigation that may properly be the subject of a criminal or civil action. Further, any disclosure regarding the fact-finding investigation or the results thereof shall be in accordance with the provisions of Republic Act No. 3591, as amended.

## **RULE 2. SCOPE AND JURISDICTION**

### **SECTION 1. Scope of the Investigation**

Fact-finding Investigations shall be limited to the particular acts or omissions subject of a complaint or a Final Report of Examination.

### **SECTION 2. Jurisdiction to Conduct Investigation of Fraud, Irregularities and Anomalies**

PDIC shall exercise jurisdiction over complaints filed by depositors or other government agencies and/or recommendations for the conduct of fact-finding investigation contained in Final Reports of Examination or any adverse finding stated therein involving fraud, irregularities and/or anomalies committed in bank/s that is/are:

- a. Likely to cause insolvency or substantial dissipation of assets or earnings of the bank;
- b. Likely to seriously weaken the condition of the bank;
- c. Likely to seriously prejudice the interests of the depositors and PDIC;
- d. Likely to expose the deposit insurance fund to risks or PDIC to the payment of deposit insurance; and/or
- e. In violation of the PDIC Charter, orders, rules, regulations or instructions and/or any written condition imposed by the Corporation in connection with a transaction or grant by the Corporation.

### **SECTION 3. Other Types of Fraud, Irregularities and Anomalies**

Complaints and Final Reports of Examination involving fraud, irregularities and/or anomalies other than those mentioned in Section 2 of this Rule shall be referred to the appropriate government agency or authority.

## **RULE 3. PRE-REQUISITES AND INITIATORY ACTS**

### **SECTION 1. Authorization by the PDIC Board**

In all cases, a fact-finding investigation shall be conducted only upon authorization by the PDIC Board acting on the recommendation contained in a Final Report of Examination or

based on any adverse finding stated therein, and/or a complaint from a depositor or government agency.

The Board shall likewise authorize the filing of criminal, civil, and/or administrative charges, if warranted. For this purpose, said authority is delegated to the President and Chief Executive Officer or the General Counsel in accordance with existing PDIC policies.

## **SECTION 2. Final Report of Examination.**

A Final Report of Examination shall refer to the document approved by the PDIC Board or the Monetary Board containing a written statement/narration of the findings and/or recommendations resulting from an examination of a bank.

A Final Report of Examination of examiners of PDIC and/or BSP shall contain the following:

- a. If possible, full name(s) and address(es) of the bank and/or its directors, officers, employees or agents or such description as would identify who appear to be responsible for the commission of fraud, irregularities and/or anomalies; and
- b. A narration of the relevant and material facts which shows the fraudulent, irregular or anomalous acts or omissions allegedly committed in a bank.
- c. In addition to the foregoing, copies of relevant documents, if available, should accompany the Final Report of Examination.

## **SECTION 3. Complaint.**

A complaint is a verified statement from a depositor alleging the commission or omission of certain acts which constitute fraud, irregularity or anomaly in a bank. The complaint shall follow the form attached hereto as Annex "A" and/or contain the following:

- a. Full name and address of the complainant;
- b. Full name and address of the bank and/or the names or sufficient description that will identify the directors, officers, employees and/or agents thereof who appear to be responsible for the commission of fraud, irregularities and/or anomalies;
- c. A narration of the relevant and material facts which shows the fraudulent, irregular or anomalous act or acts allegedly committed in a bank;
- d. A statement that the complainant has not commenced any action or filed any claim involving the same issues with BSP or any court, tribunal or quasi-judicial agency and, to the best of his/her knowledge, no such other action or claim is pending therein; or a full disclosure of the status of an action or claim involving the same issues filed with BSP or any court, tribunal or quasi-judicial agency;
- e. An undertaking that if the complainant should thereafter learn that a similar action or claim has been filed or is pending, he/she shall report that fact within five (5) days therefrom to PDIC;

- f. If the incident complained of involves the deposit account of the complainant with the subject bank, a statement authorizing PDIC to look into the deposit account of the complainant for purposes of the investigation; and
- g. Documents and/or affidavits, if any, supporting the allegations in the complaint. In the absence of any one of the aforementioned requirements other than paragraph [g], the complaint may be dismissed.

A report from a government agency of fraud/irregularity/anomaly allegedly committed in a bank that is furnished PDIC, accompanied by a written request for the conduct of an investigation, is considered a valid complaint under these Rules.

#### **SECTION 4. When and Where to File a Complaint**

Complaints shall be filed with the Investigation Department of PDIC within office hours.

#### **SECTION 5. Withdrawal of the Complaint**

The withdrawal of a complaint shall not result in its outright dismissal. Where there is sufficient basis or merit to the allegations in the complaint, or where there is documentary evidence that would tend to prove the act or acts complained of, the fact-finding investigation shall proceed accordingly.

#### **SECTION 6. Action on the Complaint**

A fact-finding investigation shall be commenced upon approval of the PDIC Board for the conduct thereof based on a complaint that is sufficient in form and substance.

A complaint dismissed for non-compliance with the provisions of Section 3 of this Rule shall be reflected in a periodic report to be submitted to the appropriate authority.

Further, in instances wherein a complaint raises issues that are already pending before a court, tribunal and/or another administrative agency, PDIC, after coordinating with the court, tribunal and/or administrative agency concerned, may still proceed with the investigation if no law or rule of procedure shall be violated thereby. This shall likewise be reflected in the periodic report mentioned in the immediately preceding paragraph.

### **RULE 4. CONDUCT OF INVESTIGATION**

#### **SECTION 1. Notice of Fact-Finding Investigation**

In instances where the fact-finding investigation shall be conducted within bank premises, the investigators shall serve a Notice of Fact-Finding Investigation on the highest ranking officer of the Head or Branch office of the bank subject of the fact-finding investigation, copy furnished the Office of the Bank President. Notice shall be served on the day the fact-finding investigation within bank premises shall be conducted.

Refusal to receive, accept or acknowledge the said notice shall not prevent the conduct of the fact-finding investigation within bank premises.

## **SECTION 2. Contents of Notice.**

The Notice of Investigation shall identify the investigators authorized by the PDIC Board to conduct the investigation and shall state with particularity the alleged violation committed by the bank and/or its directors, officers, employees or agents, as well as the specific area of investigation. The notice shall likewise contain an advisory that the entire proceedings of the investigation are confidential in nature and the conduct thereof shall not be disclosed except under the circumstances stated in Section 5, Rule 1 hereof.

## **SECTION 3. Authority of Investigator/s.**

The investigator/s, in the conduct of an investigation directed by the PDIC Board, has/have, among others, the power and authority to:

- a. Enter the premises of the bank subject thereof, during reasonable hours and in the presence of an officer and/or employee of the bank. In the absence of an officer and/or employee of the bank, the investigator is authorized to secure the presence of a person in authority or an agent of a person in authority to witness the entire proceedings;
- b. Administer oaths, examine, take and preserve testimony of any person in relation to the subject of the investigation;
- c. Inspect any pertinent document and/or record of the bank pursuant to the purpose of the investigation; and
- d. Secure certified true copies of any document necessary for the conduct of the investigation and/or the preparation of the investigation report.

Any act committed by the bank under investigation or by any of its directors, officers, employees or agents, that is intended to or shall prevent, impede or obstruct the exercise by the investigator/s of the foregoing powers or authority shall constitute a violation of the PDIC Charter.

## **RULE 5. INVESTIGATION REPORT**

### **SECTION 1. Investigation Report.**

The result of the investigation shall be in writing and signed by the investigator/s who conducted the same. It shall contain the following:

- a. Brief Statement of the Complaint;
- b. Narration of Facts;



- c. Statement of the Findings (including the acts or omissions constituting violation of pertinent banking, administrative and/or penal laws and the provision of law violated if such is the case);
- d. Basis for the Findings (including copies of documents);and
- e. Recommendation.

## **SECTION 2. Period for Submission of the Report**

The Investigation Report shall be submitted to the appropriate authority within thirty (30) calendar days from the termination of the investigation.

## **SECTION 3. Action on the Report**

The appropriate authority may approve, modify or disapprove the recommendation contained in the Investigation Report and/or direct the conduct of a re-investigation. The provisions of the immediately preceding Rule (Rule 4) shall be applicable to any re-investigation conducted by PDIC.

## **RULE 6. FILING OF CHARGES**

### **SECTION 1. Filing of Actions**

In the event that the Investigation Report, as approved by the appropriate authority, recommends the filing of criminal, civil and/or administrative charges, the Investigation Department shall prepare and file the appropriate complaint/s.

## **RULE 7. MISCELLANEOUS PROVISIONS**

### **SECTION 1. Repealing Clause.**

All other related rules and/or regulations that are inconsistent herewith are hereby repealed or amended accordingly.

### **SECTION 2. Separability Clause**

If any portion, provision or section of these Rules or the application thereof to any person or circumstance is held invalid by competent authority, the other portions, provisions or sections thereof or their application to other persons or circumstances shall not be affected thereby and remain valid.

### **SECTION 3. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation.

N.B.: This form shall serve only as a guide and may be in a language or dialect known to the complainant-affiant.

<p>Republic of the Philippines )</p> <p>_____ ) S.S.</p> <p style="text-align: center;"><b><u>AFFIDAVIT</u></b></p> <p>I, _____, single/married, _____ years old, presently residing at _____, under oath, do hereby depose and state that:</p> <p>1. I have a savings/time/current account deposit with _____ Bank, _____ Branch, with office address at _____. The said deposit is designated as Account No. _____ and has a balance of _____ (Php _____) as of _____, 20__.</p> <p>2. (State WHAT is the incident being complained of, WHEN and WHERE it happened.)</p> <p>3. (Describe HOW the incident transpired.)</p> <p>4. (If known, state the name or identity of the alleged perpetrator of the incident complained of and that person's position in the bank.)</p> <p>5. (If likewise known, state WHY the incident happened.)</p> <p>6. (If any, state the name or identity of the witnesses to the incident or the persons who may be able to attest thereto.)</p>	<p>Republika ng Pilipinas)</p> <p>_____ ) S.S.</p> <p style="text-align: center;"><b><u>SINUMPAANG SALAYSAY</u></b></p> <p>Ako, si _____, walang asawa/may asawa, _____ taong gulang, kasalukuyang naninirahan sa _____, pagkatapos makapanumpa ng naaayon sa batas, ay malayang nagsasaysay na:</p> <p>1. Ako ay may savings/time/current account deposit sa _____ Bank, _____ Branch na matatagpuan sa _____ (ADDRESS) _____. Ang nasabing deposito ay may Account No. _____ at may balanseng _____ ng _____ (Php _____) noong _____.</p> <p>2. (Isalaysay kung ANO ang insidenteng inirereklamo, KAILAN at SAAN ito naganap)</p> <p>3. (Isalaysay kung PAANO naganap ang insidente.)</p> <p>4. (Kung kilala, isalaysay kung SINO ang may kagagawan ng insidenteng inirereklamo at ano ang posisyon niya sa Bangko.)</p> <p>5. (Kung alam din, isalaysay kung BAKIT naganap ang insidente)</p> <p>6. (Kung mayroon, isalaysay kung sino-sino ang nakakita sa insidente o kasama nang maganap ang insidente o makapagpapatunay nito.)</p>
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<p>7. (If any, state the documents that may prove the incident and attach copies thereof to the affidavit.)</p> <p>8. I have not commenced any action or filed any claim involving the same issues before the BSP or any court, tribunal or quasi-judicial agency and, to the best of my knowledge, no such other action or claim is pending therein. (If there is a similar case or action, full disclosure of the status of the same should be done. The following details should be provided: the court/tribunal/government agency where the action/claim is filed; nature of action/claim; parties; date action/claim was filed; etc.)</p> <p>9. If I should thereafter learn that a similar action or claim has been filed or is pending before a court, tribunal or agency, I undertake to report that fact within five (5) days therefrom to PDIC.</p> <p>10. (Include only if the complaint involves a deposit in the bank) By reason of the fact that my deposit with Account No. _____ is involved in this complaint, I am expressly authorizing PDIC and/or any of its duly-authorized representatives to examine all the records of the said deposit account and secure copies thereof in accordance with the exception provided for under Republic Act No. 1405 (Law on Secrecy of Bank Deposits).</p> <p>11. I am executing this affidavit to attest to the truth of the foregoing and for whatever legal purpose it may serve.</p> <p>12. At the moment, affiant further sayeth naught.</p>	<p>7. (Kung mayroon, sabihin kung anu-anong mga dokumento ang magpapatunay sa mga nakasaad sa itaas at maglakip ng sipi o kopya nito sa salaysay.)</p> <p>8. Ako ay walang ibang isinampang reklamo sa anumang hukuman o tanggapan laban sa nabanggit na bankgo at mga tao hinggil sa pangyayaring nakasaad sa itaas, at sa aking pagkakaalam ay walang ibang kasong katulad ng reklamong ito ang nakasampa kung saan man. (Kung mayroong nakasampang kasong kahalintulad ng reklamong ito, dapat isaad ang mga detalye nito tulad ng hukuman o tanggapang pinagsampahan, kailan isinampa, sino ang mga partido, ano ang kasong isinampa, atbp.)</p> <p>9. Ipinangangako ko na kung malalaman ko na mayroong kaso o reklamong kahalintulad nito ang nakasampa sa anumang hukuman o tanggapan ay ipaalam ko ito sa PDIC sa loob ng limang (5) araw.</p> <p>10. (Ilagay kung ang reklamo ay nakabatay sa deposito sa bangko) Sa kadahilanang ang reklamong ito ay nakabatay sa nabanggit na deposito ko na may Account No. _____ sa naturang bangko, aking hayagang pinahihintulutan ang PDIC o sinumang kinatawan nito na suriin ang lahat ng rekord o talaan ng aking deposito at makakuha o makapagpakopya ng anumang dokumento o rekord/talaan hinggil dito ayon sa liban o "exception" na nakasaad sa Republic Act No. 1405 ("Law on Secrecy of Bank Deposits").</p> <p>11. Isinasagawa ko ang salaysay na ito upang patotohanan ang lahat ng nakasaad sa itaas at para sa anupamang kadahilanang naaayon sa batas.</p> <p>12. Sa ngayon, ay wala na akong nais pang sabihin.</p>
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<p>IN WITNESS WHEREOF, I have hereunto set my hand this ____ day of _____, 20____, in _____, Philippines.</p> <p>_____</p> <p>Affiant</p> <p>SUBSCRIBED AND SWORN to before me this ____ day of _____, 20____, in _____, Philippines, with the affiant exhibiting his/her Community Tax Cert. No. _____, issued on _____, at _____.</p> <p>Notary Public</p> <p>Doc. No. _____ Page No. _____ Book No. _____ Series of 20____.</p>	<p>BILANG KATUNAYAN NG LAHAT, ako ay lumalagda ngayong ika-____ ng _____, 20____, Pilipinas.</p> <p>_____</p> <p>Nagsasaysay</p> <p>SINUMPAAN AT NILAGDAAN sa harap ko ngayong ika-____ ng _____, 20____, sa _____, at ipinakita sa akin ng nagsasaysay ang kanyang Community Tax Cert. No. _____, na ipinagkaloob noong _____, _____.</p> <p>Notaryo Publiko</p> <p>Doc. No. _____ Page No. _____ Book No. _____ Series of 20____.</p>
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**REGULATORY ISSUANCE NO. 2006-01<sup>1</sup>**

**TO : Member Banks**

**SUBJECT : Record Keeping Of Bank Deposits**

**SECTION 1. Documents Required to be Submitted to PDIC.**

Each member bank shall submit to PDIC the following documents:

- a. Operations Manual on Record Keeping of Deposits. The operations manual on record keeping of deposits shall contain the procedures and guidelines covering the recording of depositor/deposit information as well as safekeeping of deposit related files/documents, as follows;
  - i. list of documents required to be submitted for opening a deposit account and procedures for accepting/updating of deposits and processing of documentary requirements
  - ii. description and process/document flowchart of deposit account management system
  - iii. description of the system for recording and updating depositor profiles

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<sup>1</sup> Amended by Regulatory Issuance No. 2012-01

Sec. RI 2012-01: Administrative Fines. – In the absence of any specific fine imposed by PDIC for any of the acts or omissions specified under Section 2, the following Administrative Fines shall be imposed on any bank and/or any of its director(s), officer(s), employee(s) or agent(s):

For offenses mentioned in section 2 (a), (b), (c), (d), (f), (g), (i) and (j), a fine as may be determined by the PDIC Board of Directors but in no case to exceed P300,000.00 for each banking day of violation;

For offenses mentioned in section 2 (e), a fine as may be determined by the PDIC Board of Directors but in no case to exceed 100% of the total amount split or fictitious loan created;

For offenses mentioned in section 2 (h), a fine as may be determined by the PDIC Board of Directors but in no case to exceed the fair market value of the asset disposed, transferred or concealed or the amount of liability concealed;

Provided, that, the Administrative Fine imposed on a bank or any of its director(s), officer(s), employee(s) or agent(s) shall in no case exceed three times the amount of the damages or costs caused by the fraudulent, irregular and/or anomalous transactions for each day that the violation subsists, taking into consideration the attendant circumstances, such as the nature and gravity of the violation or irregularity and size of the bank.

The damage or cost mentioned in the immediately preceding paragraph shall include financial benefit or gain to the bank or any of its director(s), officer(s), employee(s) or agent(s) as a result of the fraudulent, irregular, and/or anomalous transaction committed.

Should the director(s), officer(s), employee(s) or agent(s) of the bank derive any financial gain as a result of the fraudulent, irregular, and/or anomalous transaction, an additional fine equivalent to the amount of such financial benefit or gain shall be imposed.

- iv. procedures/formula on accrual and computation of interest for each deposit product
- v. policies on inactive/dormant deposit accounts
- vi. form of storage (i.e. hardcopy or softcopy) and storage site
- vii. description of back-up depositor/deposit account files, including maintenance policies procedures, whether on-site or off-site (specify location)
- viii. list of bank officer/s accountable for ensuring proper record keeping of deposits
- ix. all other policies/procedures and guidelines relating to recording of deposit transactions and safekeeping of related files/documents

In the event that the member bank does not have a separate operations manual on record keeping containing the information, procedures and guidelines referred to above, the bank may extract the information, procedures and guidelines from its Main Operations Manual and/or equivalent manual. If no manual or procedures/guidelines exists, the member bank shall immediately formulate and adopt the pertinent procedures and guidelines in this regard. In all cases, the bank president, and/or compliance officer, shall certify to bank's compliance with the said procedures and guidelines on record keeping of deposits.

- b. Features of Computerized Deposit Database. Banks with computerized record-keeping of deposit transactions shall be required to accomplish and submit Annex "A" (PDIC Form RK-1) covering relevant information on their computerized deposit database attested to by the bank's compliance officer or chief financial officer or comptroller.
- c. Schedule of Deposit Products. A notarized Schedule of Deposit Products (Annex "B" or PDIC Form RK-2) duly signed by the bank's compliance officer enumerating all types of deposit products offered to the public. Said Schedule shall include a description of each product, interest rate, maturity, date of launch and BSP approval of the product, if any, required minimum balance and other pertinent data concerning the product. Initial Schedule to be submitted shall cover outstanding deposit products as of the date of the RI's effectivity. For subsequent submissions, the Schedule shall include new deposit products launched and terminated during the reference semester.
- d. Bank Certification. A notarized certification in the form and substance as Annex "C" (PDIC Form RK-3) shall be duly signed by the bank's president or compliance officer, attesting that the member bank;
  - i. keeps and maintains a true and accurate record or statement of its daily deposit transactions and updated balances consistent with the standards required under existing regulations, such as but not limited to those enumerated in Annex "D" and any amendments thereto;
  - ii. has submitted to PDIC reportorial requirements under Sections 1a, 1b and 1c of this regulatory issuance and any amendments/updates thereto.

## **SECTION 2. Compliance Period and Frequency of Submission.**

The required operations manual on record keeping of deposits, features of computerized deposit database (Annex "A"), schedule of deposit products (Annex "B"), and the bank certification (Annex "C") shall be submitted within thirty (30) days from the date of effectivity of this Regulatory Issuance. Thereafter, the schedule of deposit products (Annex "B") and the required bank certification (Annex "C") shall be submitted on a semestral basis, i.e., January 31 and July 31 of each year.

Any updates/changes in the operations manual on record keeping of deposits and/or features of the computerized deposit database (Annex "A"), shall be submitted within 30 days from effectivity thereof.

## **SECTION 3. Willful Refusal or Failure to Submit the Required Documents and Willful Making of False Statement or Entry in the Required Documents.**

Should an insured bank fail or refuse to submit required documents after being reminded twice (2x) by the PDIC of its failure to comply with said requirement, such act shall constitute willful failure or refusal by the bank to submit required documents stipulated in this regulatory issuance.

Willful refusal or failure to submit the required documents shall constitute a violation of Section 9(d)(1) of RA 3591, as amended, and shall make the president of the bank or its compliance officer criminally liable in accordance with Section 21 (f) of RA 3591, as amended, and/or administratively liable pursuant to Section 21 (g) thereof, as implemented by Regulatory Issuance No. 2005-03. "Willful refusal" shall refer to the unjustified failure or avoidance or delay to perform an obligation imposed upon a bank or any of its director(s), officer(s), employee(s) or agents under any order, regulation or directive issued by the PDIC. (Section 1(f), RI 2005-03)

Any willful making of false statement or entry in the required documents shall also make the responsible officer/s or employee/s of the bank criminally liable in accordance with Section 21 (f) of RA 3591, as amended, and/or administratively liable pursuant to Section 21 (g) thereof, as implemented by Regulatory Issuance No. 2005-03. "False statement" shall refer to untrue, incorrect, inaccurate, erroneous and/or misleading information/statement as to facts alleged or amounts reported or stated in the reports and/or supporting schedules/attachments or forged, altered and/or tampered documents/papers. (Section 1(c) of RI 2005-03)

## **SECTION 4. Repealing Clause.**

All other related rules and/or regulations of the PDIC which are inconsistent herewith, are hereby repealed or amended accordingly.

**SECTION 5. Effectivity.**

This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation.

**(Sgd.) Michael A. Osmeña**  
Acting President



**PDIC Form RK-1**

**Deadline of Submission:** Within 30 days from date of effectivity of any subsequent update/change in existing systems/features of computerized deposit database.

**NAME OF BANK :** \_\_\_\_\_  
**FEATURES OF SYSTEMS USED FOR COMPUTERIZED DEPOSIT DATABASE**

As of \_\_\_\_\_

**INSTRUCTIONS :** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra sheet of paper if spaces provided are not sufficient. Accomplish this form for each deposit type if different database systems are used for each type.

**DEPOSIT TYPE to which database system is applied :** ☐ Demand/Current ☐ Savings ☐ Time ☐ Others : \_\_\_\_\_ ☐ All Types

**A. Software Development Tool Used**

A.1. Mode of Development ☐ In-House ☐ Outsourced

A.2. Tool/Software Used ☐ Visual Basic ☐ COBOL ☐ Powerbuilder ☐ Access ☐ Btrieve  
☐ Xbase ☐ Spreadsheet Software ☐ Others : \_\_\_\_\_

A.3 Vendor (IF OUTSOURCED)  
 Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone Nos. : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

**B. Database Management System Used for Deposit Database**

B.1. Mode of Development ☐ In-House ☐ Outsourced

B.2. Database Used ☐ SQL Server ☐ Oracle ☐ Access ☐ DB2 ☐ Others : \_\_\_\_\_

B.3 Vendor (IF OUTSOURCED)  
 Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone Nos. : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

**C. OPERATING SYSTEM where deposit database is running**

☐ Windows ☐ Linux ☐ Unix ☐ Novell ☐ MAC OS ☐ OS 2 ☐ Others: \_\_\_\_\_

**D. HARDWARE where deposit database is running**

☐ Stand-Alone PC ☐ PC Server ☐ AS 400 ☐ IBM Mainframe ☐ Others: \_\_\_\_\_

**E. NETWORKING Features ( For multi-unit banks or banks with branches only)**

Is the bank's deposit database system NETWORKed?

- ☐ YES (Provide in a separate sheet of paper, list of branches connected and not connected to network with respective location of SERVERS (including floor location), type of connection e.g., lease line, wireless, and respective processing modes, i.e., ONLINE or BATCH processing. For BATCH processing, please specify frequency of update).
- ☐ NO (Provide in a separate sheet of paper, list of branches with the respective location of SERVERS (including floor location) used for deposit database).

The undersigned hereby declares, under pain of perjury, that he is an official of the abovenamed bank, that he is duly authorized to issue this Schedule, and that the information above provided are true and complete.

Prepared by :

\_\_\_\_\_  
 Signature above printed name

\_\_\_\_\_  
 Designation

Attested by :

\_\_\_\_\_  
 Signature above printed name  
 Compliance Officer/Chief Financial Officer/Comptroller

**PDIC Form RK-2 (In lieu of this form, bank may opt to submit its Deposit Product Manual).**

BANK NAME

SCHEDULE OF DEPOSIT PRODUCTS

As of

**INSTRUCTIONS FOR FILLING UP:**

1. Please fill out the blank space provided; if the data is not applicable, please write n.a. Use extra sheet of paper if space provided is not sufficient;
2. In column 3, indicate "N" for NEW deposit products recently launched or "T" for DISCONTINUED/TERMINATED deposit products from date of previous submission. Information referring to deposit product's features starting from the 4th-8th columns need not be indicated if deposit product has been terminated.
3. Attach flyers/brochures of deposit products or their equivalent as approved by the appropriate authority in the bank.

Name of Deposit Product (1)	Product Reference Code/No. (if applicable) (2)	New (N) Discontinued/ Terminated (T) (3)	Date Launched/ Terminated (4)	Description (5)	Term (Length of Maturity) (6)	Interest Rates (Gross p.a.) (7)	Document (i.e. proof of deposit issued to depositors) (8)
<b>A. PESO DEPOSIT PRODUCTS</b>							
A.1. Current/Demand Deposit							
A.2. Savings Deposit							
A.3. Time Deposit							
A.4. Special Savings/Other Deposit							
<b>B. FOREIGN CURRENCY DEPOSIT PRODUCTS</b>							
B.1. Current/Demand Deposit							
B.2. Savings Deposit							
B.3. Time Deposit							
B.4. Special Savings/Other Deposit							

**Note:** Description should include relevant information such as amount of initial deposit, minimum maintaining balance, minimum balance to earn interest, life/non-life insurance coverage, rewards/points system, etc.

The undersigned hereby declares, under pain of perjury, that he is an official of the abovenamed bank, that he is duly authorized to issue this Schedule, and that the data above provided are updated and the only deposit products being offered.

Attested by:

SUBSCRIBED AND SWORN TO before me this day of , 2006, affiant exhibited to me his Community Tax Certificate No. , issued at , on , 2006.

Compliance Officer

Deadline of Submission :  
On or before January 31 and  
July 31 of each year

**CERTIFICATION ON RECORD KEEPING OF BANK DEPOSITS**

Pursuant to PDIC Regulatory Issuance No. 2006-01 on Record Keeping of Bank Deposits, this is to certify that as of \_\_\_\_\_, (name of bank) i) keeps and maintains a true and accurate record or statement of its daily deposit transactions and updated balances in compliance with existing regulations on record keeping of deposits; ii) has submitted to the PDIC its operations manual on record keeping of deposits, relevant features on its computerized deposit database (PDIC Form RK-1), and a notarized schedule of its deposit products (PDIC Form RK-2); and iii) has timely updated the PDIC with any corresponding supplements/amendments to the said operations manual and PDIC Form RK-1.

The undersigned hereby declares, under pain of perjury, that he is the President / Compliance officer of the above named bank, that he is duly authorized to issue this Certification, and that the data above provided are true and correct.

\_\_\_\_\_  
Signature above name in print of  
President/ Compliance Officer

\_\_\_\_\_  
Designation

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006, affiant exhibited to me his Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ 2006.

\_\_\_\_\_  
Notary Public until \_\_\_\_\_

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

**CERTAIN RELEVANT REGULATIONS ON RECORD KEEPING OF DEPOSITS**

1. Banks shall have a true and accurate account, record or statement of their daily transactions, particularly those referring to their deposit liabilities. (*Section X161 of BSP Manual of Regulations*)
2. Banks shall strictly adopt the Manual of Accounts prescribed by the BSP for recording daily transactions including reportorial and publication requirements. (*Subsection X161.1 of BSP Manual of Regulations*)
3. Banks shall establish and record the true identity of its clients based on official documents. They shall maintain a system for verifying the true identity of their clients and, in case of corporate clients, require a system for verifying their legal existence and organizational structure, as well as the authority and identity of all persons purporting to act on their behalf. Information/documents shall be obtained from customers that are corporate or juridical entities, including shell companies and corporations. (*Rules 9.1.a to 9.1.d of Rules and Regulations Implementing RA No. 9160*)
4. Peso and foreign currency non-checking numbered accounts shall be allowed. Provided, that the true identity of the customers of all peso and foreign currency non-checking numbered accounts are satisfactorily established based on official and other reliable documents and records. (*Rule 9.1.g of Rules and Regulations Implementing RA No. 9160*)
5. Proper accounting records should be adequate, up-to-date, contain sufficient details, and all tickets shall bear official approval by the person originating and by another person checking them. (*Subsection X163.1 of BSP Manual of Regulations*)
6. All records of all transactions of banks shall be maintained and safely stored for five (5) years from the date of the transactions. While all records of existing and new accounts and of new transactions shall be maintained and safely stored for five (5) years from October 17, 2001 or from the dates of the accounts of transactions, whichever is later. With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least five (5) years from the dates of closure. (*Rules 9.2.a to 9.2.c of Rules and Regulations Implementing RA No. 9160*)
7. Failure to maintain accurate and updated books and records considered as unsafe and unsound bank practice under BSP Circular No. 341 subject to sanctions under Section 37 of RA 7653 and Section 56 of RA 8791.

## REGULATORY ISSUANCE NO. 2009-01<sup>1</sup>

**TO :** All Member Banks

**SUBJECT :** Rules & Regulations on Advertisement of PDIC Membership and Deposit Insurance Coverage

Pursuant to Section 21(a) of Republic Act No. 3591 (otherwise known as the Charter of the Philippine Deposit Insurance Corporation), as amended by Republic Act No. 9576, the PDIC Board of Directors under Resolution No. 2009-05-071, dated 27 May 2009, approved the promulgation of the following rules and regulations on advertisement of membership and deposit insurance coverage.

### **Section 1. Statement of Policy**

The PDIC recognizes the significant role of banks in the effective and efficient promotion of depositor protection by informing the depositing public of the benefits and coverage of PDIC's deposit insurance. To this end, banks should advertise PDIC's deposit insurance protection in an appropriate and accurate manner, and only with reference to legitimate deposits held by bona fide depositors.

### **Section 2. The PDIC Official Signs, Display Requirements and Procurement**

#### **a. The PDIC Official Signs**

There are two official PDIC signs namely, the decal/sticker and the standee/desktop (Annex A). Both shall bear the PDIC emblem and the following statements:

- i. For PDIC Decal/Sticker: **"MEMBER: PDIC. MAXIMUM DEPOSIT INSURANCE FOR EACH DEPOSITOR P500,000"**
- ii. For PDIC standee/desktop: **"This Bank is a member of PDIC. MAXIMUM DEPOSIT INSURANCE FOR EACH DEPOSITOR P500,000"**

#### **b. Display Requirements**

- i. The PDIC decal/sticker shall be prominently and continuously posted at the entrance of authorized banking units.

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<sup>1</sup> This Regulatory Issuance repealed Regulatory Issuance No. 2002-01 (Amended Rules and Regulations on Advertisement of Membership with PDIC), Regulatory Issuance No. 2004-02 (Further Amendments to Regulatory Issuance No. 2002-01), and Regulatory Issuance No. 2004-03 (Further Amendments to Regulatory Issuance No. 2002-01)

- ii. The PDIC standee/desktop shall be prominently and continuously displayed at the teller's counter/s or window/s of banks' head office and authorized branches. Every two counters or windows may share one standee/desktop.
- iii. For Automated Teller Machines (ATMs), the PDIC official signs shall also be prominently and continuously posted/displayed at the ATM site or shown electronically or digitally at the ATM screen. The electronic/digital image of the PDIC Official Signs for display at ATM screens may be downloaded from the PDIC website at <http://www.pdic.gov.ph/files/pdicatmads.htm>.

c. Procurement

Member banks shall procure the PDIC official signs from the PDIC following procurement procedures posted at [www.pdic.gov.ph](http://www.pdic.gov.ph).

### Section 3. The Official PDIC Insurance Statement

a. The following are the official PDIC Insurance Statements:

i. **Long Title** which is

**"Member: PDIC. Maximum Deposit Insurance for Each Depositor P500,000"**

This shall be used by banks in their general advertisements and advertisements relating to deposit products (such as those evidenced by passbooks and certificates of time deposit) and services appearing in print ads, TV, film strips and websites of local banks or branches of foreign banks. General advertisements are hereby defined as those indicating the name of the bank, without showing or mentioning any particular bank product or services. This may also be indicated in evidences of deposits such as passbooks and certificates of time deposit.

ii. **Short Title** which is

**"Member: PDIC"**

This shall be used by banks solely for radio advertisements relating to deposit products and services. This may also be used/indicated in the following:

- a. Advertisements that are of the type or character or size making it impractical to include thereon the long PDIC insurance statement, such as but not limited to promotional items.
- b. Statements of Condition and Reports of Condition of a member bank, publication of which is required by law.
- c. Bank supplies such as stationery, envelopes, deposit slips, checks, drafts, signature cards.

- b. The PDIC official insurance statement appearing in printed, TV and filmstrips advertisements of a bank shall be of such size and print that is clearly legible.
- c. Printed advertisements shall include among others, advertisements shown in newspapers, magazines, journals, directories, banners, billboards, posters, brochures, leaflets and other printed marketing proposals.
- d. In the case of TV and filmstrips advertisements, the long title should be shown for at least 3 seconds.
- e. The name of the bank shall always be disclosed in all forms of advertisements where the official PDIC insurance statement or any similar statement is included/cited.

#### **Section 4. Prohibitions**

The official PDIC insurance statement shall be excluded in the following advertisements:

- a. Advertisements shown in printed form, broadcast and multi-media (websites, electronic displays/presentations) relating to:
  - i. Trust business or trust department products or services;
  - ii. Safekeeping box business or services;
  - iii. Real estate business or services;
  - iv. Armored car services;
  - v. Securities business;
  - vi. Travel department business;
  - vii. Loan services;
  - viii. Trade financing; and
  - ix. Credit card services, except when the acquisition of a credit card requires the maintenance of a deposit account.
- b. Advertisements promoting human values; and
- c. Advertisements pertaining to the recruitment of bank personnel, except when such advertisements are also included in another advertisement announcing the opening of a new bank branch or office.

## **Section 5. Sanctions & Penalties.**

- a. A bank found violating the advertisement requirements shall be charged a penalty of not more than P1,000.00 for each day the violation subsists.
- b. The use of PDIC official signs, insurance statements or any representation of PDIC insurance coverage in any advertisement by a bank or its agents that is inconsistent with or in contravention with the policy objective of this regulation and other related PDIC issuances is prohibited. PDIC reserves the right to order the withdrawal, recall or discontinuance of such insurance statements or advertisements, without prejudice to other sanctions imposed under Section 21 of RA 3591, as amended, and its implementing regulatory issuances.

PDIC Regulatory Issuance (RI) No. 2002-01, RI No. 2004-02, RI No. 2004-03 and all other related rules and/or regulations that are inconsistent herewith are hereby repealed or amended accordingly.

This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation.

For your guidance and strict compliance.

**(Sgd.) Jose C. Nograles**  
President

June 23, 2009



**DECAL/STICKER**



**DESKTOP/STANDEE**





**REGULATORY ISSUANCE NO. 2009-02**

**TO : All Member Banks**

**SUBJECT : Regulations on the Use or Issuance of Statements on Deposit Insurance Coverage**

Pursuant to its authority under Section 2(d)(1) of R.A. 3591, as amended, to prescribe and issue rules and regulations, the PDIC Board of Directors, by virtue of Resolution No. 2009-08-139 dated August 26, 2009, approved the following regulations on the use or issuance of statements on deposit insurance coverage:

**I. Statement of Policy**

The State, through the PDIC, safeguards the interests of the depositing public by providing insurance protection on all legitimate deposits held by bona fide depositors. Accordingly, deposit accounts maintained in the same right and capacity for the depositor's benefit, either in his own name or in the name of others who have no beneficial ownership over the accounts, shall be consolidated and treated as one deposit account for purposes of deposit insurance coverage.

**II. Use or Issuance of Deposit Insurance Statements**

The making, use or issuance of bank advertisements, marketing proposals or strategies, and other similar statements or issuances, which directly or indirectly offer, promise, represent, or promote: (a) a separate and distinct PDIC deposit insurance cover for deposit accounts maintained in the same right and capacity of a depositor, either in his own name or in the name of others, who have no beneficial ownership over the account/s; or (b) deposit insurance coverage that is inconsistent with and otherwise violative of the laws, rules and regulations and/or policies on beneficial ownership and deposit splitting, are strictly prohibited.

The directors, officers, employees, or agents of banking institutions are hereby enjoined from making any such offer, promise, or representations in any of the bank's advertisements, marketing proposals or strategies, and other similar statements, issuances, programs, or schemes.

As used in this issuance, the concept of "beneficial ownership" exists when a deposit is maintained in the same right and capacity for a depositor's benefit, whether in his own name or in the name of others.

**III. Penalties**

Violation of this Regulatory Issuance shall subject the bank and its responsible directors, officers, employees, or agents to the criminal sanctions provided for under Section 21 (f) of the PDIC Charter, without prejudice to the imposition of administrative fines by the PDIC Board of Directors pursuant to Section 21 (g) of the PDIC Charter, and its implementing regulatory issuances.

The PDIC reserves the right to order the withdrawal, recall or discontinuance of any bank information campaign, advertisements, statements or issuances inconsistent with or in contravention of this Regulatory Issuance.

**IV. Separability Clause**

Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase of this Issuance be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of the Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.

**V. Repealing Clause**

All resolutions, rules, regulations or circulars of the PDIC or parts thereof, which are inconsistent with any provision of this Regulatory Issuance, are hereby deemed repealed or modified accordingly.

**VI. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation in the country.

For strict compliance.

(Sgd.) **Jose C. Nograles**  
President

September 19, 2009

## REGULATORY ISSUANCE NO. 2009-03<sup>1</sup>

**TO :** All Member Banks and the Depositing Public

**SUBJECT :** Determination of Beneficial Ownership of Legitimate Deposits

Pursuant to its authority to prescribe and issue rules and regulations under Section 2 (d) (1) of Republic Act No. 3591, as amended (PDIC Charter), the PDIC Board of Directors, by virtue of Resolution No. 2009-08-138, dated August 26, 2009 as amended by Resolution No. 2009-09-159, dated September 30, 2009, approved the promulgation of the following rules and regulations implementing Section 4 (g), in relation to Section 21 (f), of the PDIC Charter:

### **I. Statement of Policy**

The State, through the PDIC, safeguards the interests of the depositing public by providing insurance protection on all Legitimate Deposits held by bona fide depositors. All Legitimate Deposits in a bank over which a depositor has Beneficial Ownership shall be added together for deposit insurance purposes. (Section 4 (g), PDIC Charter)

### **II. Definition of Terms**

- a. Legitimate Deposits – refers to money or its equivalent received by a bank as deposits in the usual course of business and recorded in the books of the bank as such, and opened in accordance with established forms and requirements of the *Bangko Sentral ng Pilipinas* (BSP) and/or the PDIC. (Section 4 (g), PDIC Charter)
- b. *Bona Fide* Depositor – refers to a natural or juridical person, or entity who/which is the owner of a deposit as determined by PDIC under this Regulatory Issuance, and whose deposit is recorded in the books of the bank. (Section 4 (g), PDIC Charter)
- c. Beneficial Ownership – exists when a deposit is maintained in the same right and capacity for a depositor's benefit, whether in his own name or in the name of others. (Section 4 (g), PDIC Charter)
- d. Valid Consideration - that which gives cause to the transfer or break up of deposits, such as loan, payment for services or goods, or donation.

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<sup>1</sup> This Regulatory Issuance repealed Regulatory Issuance No. 2002-03 (Guidelines on Determination of Beneficial Ownership Including Transfer/Break-Up of Deposit).

- e. Deposit Account Records – pertains to account ledgers, signature cards, certificates of deposits, passbooks, corporate resolutions, orders of competent government body/agency, contracts or similar instruments, copies of which must be in the custody or possession of the bank upon takeover by the PDIC. (PDIC RI No. 2002-03)
- f. Qualified Relative - means a relative within the second degree of consanguinity or affinity. (PDIC RI No. 2002-03)

### **III. Determination of Beneficial Ownership of Legitimate Deposits**

- 1. In determining the depositor entitled to insured deposit payable by the PDIC, the registered owner/holder of a Legitimate Deposit in the books of the issuing bank shall be recognized as the depositor entitled to deposit insurance, except as otherwise provided by this Issuance.
- 2. Where the records of the bank show that one or several deposit accounts in the name of one or several other persons or entities are maintained in the same right and capacity for the benefit of a depositor, PDIC shall recognize said depositor as the beneficial owner of the account/s entitled to deposit insurance.
- 3. Where a deposit account/s with an outstanding balance of more than the maximum deposit insurance coverage is/are broken up and transferred to one or more account/s, PDIC shall recognize the transferor as the beneficial owner of the resulting deposit accounts entitled to deposit insurance, unless the transferee/s can prove that:
  - a. The break-up and transfer of Legitimate Deposit was made under all of the following conditions:
    - i. The break-up and transfer of Legitimate Deposit to the transferee is for a Valid Consideration;
    - ii. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the bank; and
    - iii. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, orders of the courts or of competent government body/agency, are in the custody or possession of the bank upon takeover by PDIC.

- b. He/she is a *Qualified Relative* of the transferor, in which case PDIC shall recognize the transferee as the beneficial owner of the resulting deposit accounts. Relationship shall be proven by relevant documents such as, but not limited to, birth certificates and marriage certificates.
- 4. For deposit accounts and deposit transfers made in favor of individuals or of entities, either singly or jointly with individuals, from an account in the name of a juridical entity, such as a corporation, partnership, or association, or an unincorporated entity, the PDIC shall recognize the Beneficial Ownership of the resulting deposit accounts in favor of the transferee/s if the transfer or break up is made with all of the following conditions present:
  - a. The deposit transfer is for a Valid Consideration;
  - b. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the bank; and
  - c. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, audited financial statements, orders of the courts or of competent government body/agency, are in the custody or possession of the bank upon takeover by PDIC.

#### **IV. Deposit Splitting**

- 1. In providing insurance protection on all Legitimate Deposits held by *bona fide* depositors, the payment of deposit insurance resulting from Deposit Splitting, as defined below, shall be subject to the restrictions and conditions imposed by law.
- 2. Splitting of deposits occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of a natural or juridical person/s is/are broken down and transferred into two or more accounts in the name/s of natural or juridical person/s or entity/entities who have no Beneficial Ownership on transferred deposits in their names within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the *Bangko Sentral ng Pilipinas* for the purpose of availing of the maximum deposit insurance coverage.
- 3. *Elements.* The elements of Deposit Splitting are as follows:
  - a. Existence of source account/s in a bank with a balance or aggregate balance of more than the MDIC;

- b. There is a break up and transfer of said account/s into two or more existing or new accounts in the name of another person/s or entity/entities;
  - c. The transferee/s have no Beneficial Ownership over the transferred funds; and
  - d. Transfer occurred within 120 days immediately preceding or during a bank-declared bank holiday, or immediately preceding bank closure.
- 4. The PDIC shall deem that there exists Deposit Splitting for the purpose of availing of the maximum deposit insurance coverage when all of these elements are present.
  - 5. The bank, its directors, officers, employees, or agents are prohibited from and shall not in any way participate or aid in, or otherwise abet Deposit Splitting activities as herein defined, nor shall they promote or encourage the commission of Deposit Splitting among the bank's depositors. The approval by a bank officer or employee of a transaction resulting to Deposit Splitting shall be prima facie evidence of participation in Deposit Splitting activities.

#### **V. Consolidation of Deposit Accounts**

Upon the determination by the PDIC of Beneficial Ownership or Deposit Splitting, the outstanding Legitimate Deposit/s in the closed bank, which is maintained for the benefit of the beneficial owner/transferor, although in the name of another person/s or entities, shall be subject to consolidation with the other Legitimate Deposits of the beneficial owner/transferor in said closed bank for deposit insurance purposes. (Section 4 (g), PDIC Charter)

#### **IV. Duties of the Bank**

- 1. The bank shall within thirty (30) days from date of effectivity of this Regulatory Issuance:
  - a. Inform all its depositors of these rules by posting a copy of this Regulatory Issuance at the bank premises in the form and substance as in Annex "A" hereof; and
  - b. Issue a bank circular setting forth the bank's internal guidelines to ensure its officers and employees' compliance with these rules and for proper dissemination to all depositors.
- 2. The bank shall likewise maintain a complete, accurate, and updated record of all deposit accounts and transactions in accordance with the requirements under PDIC Regulatory Issuance No. 2006-01 (Record-Keeping of Bank Deposits).



## **VII. Penalties**

Non-compliance with or violation of the provisions of this Regulatory Issuance on Deposit Splitting shall subject the bank and its responsible directors, officers, employees, or agents to the imposition of the penalty of prison mayor or a fine of not less than Fifty thousand pesos (P50,000.00) but not more than Two million pesos (P2,000,000.00) or both, at the discretion of the court, as provided for under Section 21 (f) of the PDIC Charter.

The foregoing is without prejudice to the imposition of administrative fines against the bank and its responsible directors, officers, employees, or agents by the PDIC Board of Directors, pursuant to Section 21 (g) of the PDIC Charter, as implemented by RI 2005-03, to wit:

1. For violations of the policy and regulations on Deposit Splitting, a fine as may be determined by the Board of Directors of PDIC but in no case to exceed 100% of the total amount split.
2. For violation of the other provisions of this Regulatory Issuance, a fine as may be determined by the Board of Directors of PDIC but in no case to exceed P300,000.00 for each banking day of violation.

## **VIII. Miscellaneous Provisions**

1. The PDIC reserves the right to order the withdrawal, recall or discontinuance of any bank information campaign or advertisements inconsistent with or in contravention of the policies, rules and regulations of this Regulatory Issuance.
2. The filing of a criminal or administrative case against a director or officer of the bank for any violation of the provisions of this Regulatory Issuance shall be a ground for the PDIC to recommend to the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) the disqualification of said person from becoming a director or officer of any other banking institution.
3. Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase of this Issuance be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of the Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.
4. This Regulatory Issuance repeals PDIC Regulatory Issuance No. 2002-03. In the same manner, all resolutions, rules, regulations or circulars of the PDIC or parts thereof, which are inconsistent with any provision of this Regulatory Issuance, are hereby deemed repealed or modified accordingly.

**IX. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

For strict compliance.

**(Sgd.) Jose C. Nograles**  
President

## ANNEX "A"

***Pursuant to its authority to prescribe and issue rules and regulations under Section 2 (d) (1) of Republic Act No. 3591, as amended (PDIC Charter), the PDIC Board of Directors, by virtue of Resolution No. 2009-08-138, dated August 26, 2009 as amended by Resolution No. 2009-09 159, dated September 30, 2009, approved the promulgation of the following rules and regulations implementing Section 4 (g), in relation to Section 21 (f), of the PDIC Charter.***

1. Deposits are insured by the Philippine Deposit Insurance Corporation (PDIC) up to a maximum amount of Five Hundred Thousand Pesos (P500,000.00) per depositor.
2. PDIC shall recognize the registered owner/holder of a Legitimate Deposit in the books of the bank as the deposit entitled to deposit insurance, except where the records of the bank show that the Legitimate Deposit is maintained in the same right and capacity for the benefit of another depositor, in which case PDIC shall recognize the latter as the beneficial owner of the account entitled to deposit insurance.
3. In cases (a) where a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit is/are broken up and transferred into one or more account/s; or (b) for deposit accounts and deposit transfers made in favor of individuals or of entities, either singly or jointly with individuals, from an account in the name of corporation, partnership, association, or unincorporated entity, the PDIC shall recognize the transferee/s as the beneficial owner/s of the account/s when:
  - i. The transfer was made with all of the following conditions present:
    - a. The break-up and transfer of deposit to the transferee is for a Valid Consideration;
    - b. The details or information for the transfer, which establish the validity of the transfer from the transferor to the transferee, are contained in any of the Deposit Account Records of the bank; and
    - c. Copies of documents, which show the details or information for the transfer, such as but not limited to contracts, agreements, board resolutions, audited financial statements, orders of the courts or of competent government body/agency, are in the custody or possession of the bank upon takeover by PDIC.
  - ii. The transferee/s is/are the Qualified Relative/s of the transferor. *Qualified Relatives* are transferees within the second degree of consanguinity or affinity of the transferor. Relationship shall be proven by relevant documents such as, but not limited to, birth certificates and marriage certificates.

4. Deposit Splitting occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of natural or juridical persons is/are broken down and transferred into two or more accounts in the name/s of natural or juridical persons or entities who have no Beneficial Ownership on transferred deposits in their names within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the *Bangko Sentral ng Pilipinas* for the purpose of availing of the maximum deposit insurance coverage.
5. Upon the determination by the PDIC of Beneficial Ownership or Deposit Splitting, the outstanding Legitimate Deposit/s in the closed bank maintained for the benefit of the beneficial owner/transferor, although in the name of another person/s or entity/entities, shall be subject to consolidation with the other Legitimate Deposits of the beneficial owner/transferor in said closed bank for deposit insurance purposes.

-----nothing follows-----

## **REGULATORY ISSUANCE NO. 2009-04**

**TO : All Member Banks and the General Public**

**SUBJECT : Use of PDIC Seal**

Pursuant to its authority to prescribe and issue rules and regulations under Section 2 (d) (1), the PDIC Board of Directors, by virtue of Resolution No. 2009-10-177, dated October 7, 2009, approved the promulgation of the following rules and regulations governing the proper use of the PDIC seal as provided for under Section 8 of Republic Act No. 3591, as amended.

### **I. Statement of Policy**

The State, through the PDIC, safeguards the interests of the depositing public by ensuring the safety and soundness of banking institutions. In the interest of protecting the country's banking system and the depositing public from illegal schemes and machinations, the PDIC shall promulgate regulations that safeguard the proper use of its corporate seal.

### **II. The PDIC Seal**

#### **a. The design of the PDIC Seal is as follows:**

The PDIC seal is a circular representation of the Philippine flag with a yellow gold key prominently displayed across the lower portion of the flag. The representation of the Philippine flag is circumscribed on a rendition of the sun and its eight rays with the blue color embedded as background. In the outer circle, 'PHILIPPINE DEPOSIT INSURANCE CORPORATION 1963' is inscribed in blue.

#### **b. An illustration of the PDIC Seal shown in its proper colors is attached as Annex "A" and made an integral part hereof.**

### **III. Prohibition on Unauthorized Use of the PDIC Seal**

The PDIC seal shall be exclusively used to represent the Philippine Deposit Insurance Corporation. The use or display, or the manufacture and reproduction for sale, use, or display of the PDIC seal, or any likeness or substantial part thereof, is prohibited except in the following cases:

#### **a. Use in accordance with PDIC Regulatory Issuance No. 2009-01 (Rules and Regulations on Advertisement of PDIC Membership and Deposit Insurance Coverage);**

- b. Printing in encyclopedias, dictionaries, books, journals, pamphlets, periodicals, or magazines incident to a description or history of the PDIC;
- c. Display in libraries, museums, or educational facilities incident to descriptions or exhibits relating to the PDIC;
- d. Photographic or electronic visual reproduction in pictures, moving pictures, telecasts, or otherwise of bona fide news content relating to the PDIC; and
- e. Such other uses for exceptional historical, educational, or newsworthy purposes as may be authorized in writing by the PDIC.

#### **IV. Penalties**

Any violation of the provisions of this Regulatory Issuance committed by bank and its directors, officers, employees, or agents shall subject the bank and its directors, officers, employees, or agents to the imposition of administrative fines by the PDIC Board of Directors, pursuant to Section 21 (g) of the PDIC Charter.

The foregoing is without prejudice to the institution of the appropriate civil and criminal actions against any person or entity that shall violate the provisions of this Regulatory Issuance.

#### **V. Separability Clause**

Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase of this Issuance be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of the Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.

#### **VI. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

For strict compliance.

**(Sgd.) Jose C. Nograles**  
President

October 23, 2009

ANNEX A







## **REGULATORY ISSUANCE NO. 2009-05**

**TO :** All Member Banks

**SUBJECT :** Rules & Regulations on Examination of Banks

Pursuant to Section 8 of Republic Act No. 3591, as amended by Republic Act No. 9576, the PDIC Board of Directors under Resolution No. 2009-10-179 dated 7 October 2009, promulgated the following rules and regulations on examination of banks.

### **Section 1. Statement of Policy**

PDIC is tasked to promote and safeguard the interests of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits, and in helping develop a sound and stable banking system at all times. To achieve this end, PDIC shall conduct examination of banks, in close coordination with the Bangko Sentral ng Pilipinas (BSP), to determine their overall financial condition and compliance with banking rules and regulations. To avoid overlapping of efforts, the examination shall maximize the efficient use of the relevant reports, information, and findings of the BSP, which it shall make available to PDIC.

### **Section 2. Types of Examination**

- a. *Regular Examination* – An examination conducted independently or jointly with the BSP. It requires the prior approval of the PDIC Board of Directors and the Monetary Board (MB). It may be conducted only after an interval of at least twelve (12) months from the closing date of the last Regular Examination.
- b. *Special Examination* – An examination conducted at any time in coordination with the BSP, by an affirmative vote of a majority of all the members of the PDIC Board of Directors, without need of prior MB approval, if there is a threatened or impending bank closure as determined by the PDIC Board of Directors.

### **Section 3. Scope of Examination**

The examination shall include, but need not be limited to, the following:

- a. Determination of the bank's solvency and liquidity position;
- b. Evaluation of asset quality as well as determination of sufficiency of valuation reserves on loans and other risk assets;
- c. Review of all aspects of bank operations;

- d. Assessment of risk management system, including the evaluation of the effectiveness of the bank management's oversight functions, policies, procedures, internal control and audit;
- e. Appraisal of overall management of the bank;
- f. Review of compliance with applicable banking laws, and rules and regulations, including PDIC issuances;
- g. Follow-through of specific exceptions/violations noted during a previous examination; and
- h. Any other activity relevant to the above.

#### **Section 4. Authority of Examiners**

The PDIC examiners shall have the authority to conduct Regular or Special Examination of banks, whether independently or jointly with the BSP, on behalf of the Corporation. They shall be authorized to:

- a. Make a thorough examination of all the affairs of the bank;
- b. Administer oaths, examine, take and preserve the testimony of any of the officers and agents of the bank;
- c. Compel the presentation and/or submission of books, documents or records necessary to ascertain the facts relative to the condition of the bank;
- d. Inquire into or examine deposit accounts and all information related thereto in case there is a finding of unsafe and unsound banking practice under a previous BSP examination or in the course of an ongoing examination conducted by the PDIC; and
- e. Make a full and detailed report of the condition of the bank to the PDIC Board.

#### **Section 5. Examination Findings**

The examiners shall give the bank a copy of the examination findings. The bank may respond to such findings during the exit conference and submit its written comments within ten (10) calendar days after the exit conference.

The examination findings, together with the comments of the bank, shall be submitted to the PDIC Board for appropriate action, and shall be further submitted to the BSP in case of a joint examination.

However, PDIC findings with respect to violation and/or compliance with PDIC issuances, rules and regulations shall be independently acted upon by the PDIC Board.

## **Section 6. Authority to Examine Deposit Accounts**

PDIC may inquire into or examine deposit accounts and all information and documents related thereto, in case there is a finding by the PDIC or the BSP of unsafe or unsound banking practice in accordance with BSP Circular 341, series of 2002, as amended by BSP Circular No. 640, series of 2009, or such other banking activities which the PDIC Board, through appropriate resolution or regulation, may determine to be unsafe or unsound banking practice.

## **Section 7. Penalties**

The penalty of *prision mayor* or a fine of not less than fifty thousand pesos (P50,000.00) but not more than two million pesos (P2,000,000.00) or both, at the discretion of the court, as provided for under Section 21 (f) of the PDIC Charter, shall be imposed upon any responsible director, officer, employee or agent of bank for:

- a. Any willful refusal to submit reports as required by law, rules and regulations;
- b. Any unjustified refusal to permit examination and/or audit of the affairs of the bank;
- c. Any willful making of a false statement or entry in any bank report or document submitted to the PDIC; and
- d. Any willful failure or refusal to comply with, or any violation of any provision of the PDIC Charter, and/or conducting business in an unsafe and unsound manner as may be determined by the PDIC Board.

The foregoing is without prejudice to the imposition of administrative fines against the bank and its responsible directors, officers, employees, or agents by the PDIC Board of Directors, pursuant to Section 21 (g) of the PDIC Charter, and its implementing regulatory issuance.

## **Section 8. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in any newspaper of general circulation in the country.

## **Section 9. Repealing Clause**

All other related rules and/or regulations of the PDIC, which are inconsistent herewith are hereby repealed or amended accordingly.

For your guidance and strict compliance.

**(Sgd.) Jose C. Nograles**  
President



## REGULATORY ISSUANCE NO. 2010-01<sup>1</sup>

**TO :** All Member Banks

**SUBJECT :** Revised Rules and Regulations on Assessment of Member Banks

Pursuant to Sections 2 and 6 of Republic Act (RA) No. 3591 as amended by RA 9576, the Board of Directors of the Philippine Deposit Insurance Corporation (PDIC), by virtue of Resolution No. 2010-11-150 dated November 10, 2010, approved the following **Revised Rules and Regulations on Assessment of Member Banks**.

### **Section 1. Policy Consideration**

To provide permanent and continuing insurance coverage on all insured deposits, and enable PDIC to perform its functions under the law, member banks shall pay semi-annual assessment to PDIC in accordance with these Revised Rules and Regulations on Assessment of Member Banks (“Revised Rules and Regulations on Assessments”).

### **Section 2. Coverage**

The Revised Rules and Regulations on Assessments shall govern PDIC’s assessment of member banks, pertaining to the following:

1. Determination of the assessment base and the amount of assessment;
2. Filing of certified statements of deposits and remittance of the assessment;
3. Actions against non-compliance with rules on filing of certified statement and/or payment of assessment by a member bank;
4. Conduct of onsite assessment audit; and
5. Rules on contested assessments and excess assessment payment.

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<sup>1</sup> This Regulatory Issuance repealed Regulatory Issuance No. 92-01 (Rules and Regulations Governing the Posting of Security Deposits by Banks), Regulatory Issuance No. 2002-04 (Amendments to Provisions in Part III (Assessments) of the PDIC Rules and Regulations, as Amended), 2005-01 (Procedure for Filing of Regular Certified Assessments and Payment of Assessment Fees) and Regulatory Issuance No. 2006-02 (Further Amendment to Part III (Assessments) of the PDIC Rules and Regulations, as Amended).

### **Section 3. Determination of the Assessment Base**

#### **Section 3.1 Assessment Base**

The assessment base shall be the total amount of liability of the bank for deposits as defined under Section 4(f) of the R.A. 3591, as amended (PDIC Charter), without any deduction for indebtedness of depositors.

The following assessment items shall form part of the assessment base:

- i. Deposits in the following peso and foreign currency accounts maintained in domestic branches:
  - a. Demand, "NOW", Savings, Time, Non-Negotiable Certificates of Time Deposits (CTDs), Negotiable CTDs and Special Savings Accounts;
  - b. Accrued Interest Payable on accounts in Section 3.1(i)(a)
  - c. Accounts other than those mentioned above, which fall under the definition of "deposit" under Section 4(f) of RA 3591, as amended.
- ii. Deposits in overseas branch/es of a bank incorporated under Philippine laws, which were duly approved by the PDIC Board of Directors for insurance coverage.

#### **Section 3.2 Semi-Annual Assessment Base**

- i. Except for new member banks, i.e. banks that are newly-opened or banks that reopened as a result of rehabilitation, the semi-annual assessment base of member banks, shall be as follows:
  - a. For the semi-annual assessment due on July 31: The average amount of the total assessment items of a bank, as defined in Section 3.1 hereof, as of the close of business on the two quarterly assessment base days, which are the preceding March 31 and June 30;
  - b. For the semi-annual assessment due on January 31: The average amount of the total assessment items of a bank, as defined in Section 3.1 hereof, as of the close of business on the two quarterly assessment base days, which are the preceding September 30 and December 31.
- ii. The semi-annual assessment base of a new member bank shall be the total assessment items of the bank as of the close of business either on June 30 or December 31, whichever date succeeds the date the bank opened or re-opened. Such shall include liabilities for deposits of another bank or banks, which the new member bank assumed, if any.

Provided, that, when any of said days is a non-business day or legal holiday, either national or local, the preceding business day shall be used as assessment base day.

### **Section 3.3 Conversion Rates for Foreign Currency Deposits**

For purposes of assessment, the amount of deposits maintained in foreign currencies shall be converted to Philippines pesos as follows:

- i. United States (US) dollar denominated deposits shall be converted to Philippine pesos using the Philippine Dealing System (PDS) closing rates as of assessment base day/s;
- ii. Foreign currency deposits in denomination other than the US dollar shall first be converted to its equivalent amount in US dollar using the New York US dollar/third currency closing rates as of assessment base day/s, before converting the US dollar equivalent to pesos using PDS closing rates as of assessment base day/s.

Provided, that in the event the prescribed conversion rate for foreign exchange transactions is amended through regulation by the *Bangko Sentral ng Pilipinas (BSP)*, the basis for converting foreign currency denominated deposits into pesos as of assessment base days shall be aligned with the conversion rates prescribed by the *BSP*.

## **Section 4. Determination of the Assessment**

### **4.1 Assessment Rate**

The assessment rate shall be one-fifth (1/5) of one per centum (1%) per annum.

### **4.2 Semi-Annual Assessment**

Member banks shall pay semi-annual assessment on their deposit liabilities equal to one-half (1/2) of the assessment rate or effectively the factor of 0.001 multiplied by the semi-annual assessment base as determined under Section 3.2. In no case, however, shall the assessment be less than Five Thousand Pesos (P5,000).

## **Section 5. Filing of Certified Statements and Remittance of Assessment**

### **5.1 Filing of Certified Statements**

A new member bank shall not be required to file any certified statement or pay any assessment for the semi-annual period in which it becomes a member bank. The new member bank shall instead file its First Certified Statement (FCS) or PDIC Form 202 (Annex A) with PDIC on or before January 31 or July 31 of the following semi-annual period after it becomes a member bank, consistent with Section 3.2 (ii) of this Revised Rules and Regulations on Assessments.

All other member banks shall file with PDIC the Regular Certified Statements (RCS) or PDIC Form 201 (Annex B) on or before January 31 and July 31 of each year, consistent with Section 3.2 (i) of this Revised Rules and Regulations on Assessments. Provided, that, when any of said days is a non-business day or legal holiday, either national or local, the certified statements shall be filed on the preceding business day.

The FCS/RCS shall show the deposit liabilities of the member bank as of the close of business on reference base day/s, the computation of the semi-annual assessment base and the amount of the semi-annual assessment due to PDIC. The FCS/RCS shall be:

- i. verified and signed under oath by the Bank President or any officer duly designated by the Board to sign financial reports;
- ii. filed in quadruplicate copies; and
- iii. accompanied by required supporting schedules (Annex C).

## **5.2 Payment of Semi-Annual Assessment**

Simultaneous with the filing of the FCS/RCS, a member bank shall pay its semi-annual assessment through any of the following modes:

- i. Direct settlement to PDIC;
- ii. Via registered mail;
- iii. LBP Online Collection facility;
- iv. Real Time Gross Settlement; or
- v. Any of PDIC's designated collecting agents

The semi-annual assessment shall be paid to PDIC in cash, or by a Metro Manila or any regional clearing check, manager's/cashier's check (except out of town checks), demand draft, or Philippine postal money order or in other forms as may be prescribed by PDIC in accordance with its agreement with its designated collecting agents.



## **Section 6. Actions Against Non-Compliance with Rules on Filing of Certified Statement and/or Payment of Assessment by a Member Bank**

### **6.1 First Demand and Imposition of Interest Charges**

A demand letter shall be sent either by registered mail or personal service to a member bank that fails to file the certified statement and/or pay its corresponding semi-annual assessment or deficiency within the prescribed deadline. The demand letter shall direct the defaulting member bank to comply with the filing of the certified statements and/or pay the assessment or deficiency, together with the interest thereon, within thirty (30) calendar days from receipt of first demand.

Interest charges shall be computed at the legal rate on loans as prescribed by law or appropriate authority reckoned from the date the assessment or deficiency became due and payable, until full payment of said assessment or deficiency.

### **6.2 Final Demand and Imposition of Penalty Charges**

Failure or refusal to comply with the first demand shall constitute willful failure or refusal to file the certified statement and/or pay the assessment or deficiency. A final demand letter shall be sent by registered mail or personal service directing the defaulting bank to file the certified statement and to pay the assessment or deficiency, including interest plus penalty charges, within thirty (30) calendar days from receipt of final demand.

Penalty charges shall be equivalent to twice the amount of interest payable reckoned from the date the assessment became due and payable as provided in RA 3591, as amended, and its implementing regulatory issuances.

### **6.3 Non-Compliance with Rules on Filing of Certified Statements**

Failure to file any FCS or RCS including required supporting schedules and/or any willful making of a false statement or entry in any certified statement shall subject the director, officer, employee or agent of the bank to the sanctions and penalties of Section 21(f) and (g) of RA 3591, as amended, and its implementing regulatory issuances. In addition, a member bank that fails to file any FCS or RCS may be compelled by PDIC to file such statement through the appropriate court, tribunal or agency. These are without prejudice to other actions that PDIC may take under RA 3591, as amended, and its implementing regulatory issuances, and other laws.

#### **6.4 Non-Compliance with Rules on Payment of Assessment Due**

In case of non-payment or failure to pay in full the semi-annual assessment in the manner and within the period prescribed under these Revised Rules and Regulations on Assessments, the member bank shall be considered in default. Provided, that, such default is not due to a dispute over the amount of the assessment and that no security deposit has been arranged, such member bank shall be prohibited from doing the following acts for as long as it remains in default:

- i. pay any dividend on its capital stock or interest on its capital notes or debentures (if such interest is required to be paid only out of net profits); or
- ii. distribute any of its capital assets.

Applicable sanctions under RA 3591, as amended, and its implementing regulatory issuances, shall be imposed against the directors and/or officers of the defaulting member bank who carry out any of the foregoing prohibited acts.

PDIC, in a suit brought in any court of competent jurisdiction, is entitled to recover from a member bank the amount of unpaid assessment due to PDIC, whether or not the bank shall have filed a certified statement or a suit shall have been brought by PDIC to compel the member bank to file any of the certified statements.

The accrued interest on the assessment shall earn interest equivalent to the legal rate on loans as prescribed by law or appropriate authority, from the date of PDIC's judicial demand for payment pursuant to Article 2212 of the Civil Code.

#### **6.5 Other Sanctions**

PDIC may, at its discretion, institute a case for collection against a defaulting bank that fails or refuses to comply with PDIC's final demand, without prejudice to the imposition of administrative sanctions on the bank officials responsible for non-filing of certified statement and/or non-payment of the assessment or deficiency as allowed under Section 21(g) of RA 3591, as amended, and its implementing regulations.

### **Section 7. Conduct of Onsite Assessment Audit**

PDIC may conduct an onsite assessment audit on member banks to ascertain:

- i. bank's overall compliance with assessment laws, rules and regulations; and
- ii. correctness and validity of assessment items declared in the FCS/RCS and assessment paid to PDIC.

Onsite assessment audit shall be conducted not more than once every semester. It may be conducted in conjunction with other initiatives such as regular compliance audit, onsite examination or special audit.

The assessment audit shall cover verification of information in the FCS/RCS filed vis-a-vis the bank's schedules/records such as General Ledgers, Daily Trial Balances and other schedules, which may be required by PDIC auditors for reference.

## **Section 8. Rules on Contested Assessment**

### **8.1 Contested Assessment**

If the default is due to a dispute between the member bank and PDIC over the amount of assessment, the prohibitions enumerated in Section 6.4 shall not apply if the member bank shall deposit with PDIC security satisfactory to PDIC such as, but not limited to, an escrow account established in accordance with Section 8.2 hereof, until the final determination of the issue.

A written notice shall be issued by PDIC allowing such member bank to undertake the actions cited in items (i) and (ii) of subsection 6.4 upon the member bank's posting of sufficient security and PDIC's acceptance thereof. The permission to undertake the actions in Section 6.4 may be revoked by PDIC if the member bank violates the terms of the security or is in default for the payment of other assessments.

### **8.2 Security Deposit for Contested Assessment Billings**

A member bank that disputes the assessment payable to PDIC shall establish an escrow account in the amount equivalent to the contested deficiency to be opened and maintained with the head office of any of the designated depository banks of PDIC. The escrowed amount shall be covered by an escrow agreement by and among the member bank, PDIC, and the designated depository bank of PDIC as escrow agent.

- i. Form of Security. The security deposits acceptable to PDIC shall refer to cash, securities issued by the Republic of the Philippines, or any other security deposit acceptable to PDIC.
- ii. Reporting and Updating of Escrow Deposit Balance. The escrow agent shall furnish PDIC with the semi-annual reports on the balances of the escrow account. Should the member bank receive an updated assessment of account from PDIC such that the amount is found to be less than the new assessment, the member bank must correspondingly increase the escrow deposits to cover the deficiency within thirty (30) days from receipt of notice from PDIC. The amount of escrow deposit net of all fees, charges and taxes should always be sufficient to cover PDIC's computation of assessment plus interest charges equivalent to the legal rate on loans as prescribed by law or appropriate authority.
- iii. Final disposition of the escrow assets. The security deposit/s, including interest earnings accruing thereon, shall be ceded to the party in whose favor the dispute is finally resolved.

## **Section 9. Rules on Excess Assessment Payment**

### **9.1 Assessment Overpayment**

PDIC shall return the amount paid in excess of the assessment due to it by either refunding to the member bank the excess, or by crediting the excess against succeeding assessment payment/s due from such member bank until the credit is exhausted.

### **9.2 Period to Recover Excess Assessment Paid to PDIC**

No action or proceeding shall be brought for the recovery of any amount paid to PDIC in excess of the amount due to it, unless such action or proceeding shall have been brought within five (5) years after the right accrued for which the claim is made, except where the member bank has made or filed with PDIC a false or fraudulent certified statement with intent to evade, in whole or in part, the payment of assessment. In which case, the claim shall not have been deemed to have accrued until the discovery by PDIC that the certified statement is false or fraudulent.

## **Section 10. Repealing Clause**

All previous PDIC Rules and Regulations on Assessments namely, RI Nos. 92-01, 2002-04, 2005-01 and 2006-02, shall be deemed repealed and superseded.

## **Section 11. Effectivity**

These Revised Rules and Regulations on Assessments shall take effect fifteen (15) days after publication in a newspaper of general circulation.

**(Sgd.) Jose C. Nograles**  
President

**FIRST CERTIFIED STATEMENT**

BASED ON DEPOSIT BALANCES AS OF \_\_\_\_\_ 20\_\_  
(BASE DAYS)

(Prepared in quadruplicate)

NAME OF BANK: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

## A. Total Assessment Base

Domestic Deposit Liabilities<sup>1</sup>

P

Foreign Currency Deposits<sup>1</sup>Accrued Interest Payable (AIP) on Deposits<sup>2</sup>Deposit items lodged under other liability accounts<sup>3</sup>

TOTAL

P -

## B. Semi-Annual Assessment Base

P -

C. Amount of Assessment (1/2 of 1/5 of 1% of Item B,  
but not less than P5,000.00)

P -

REMITTANCE ENCLOSED

P

The undersigned hereby declares, under penalties of perjury, that he is a duly authorized officer 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.

\_\_\_\_\_ 20\_\_  
(Date)

\_\_\_\_\_  
(Signature of President/Duly Authorized Bank Officer)

\_\_\_\_\_  
(Name in Print)

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

SUBSCRIBED AND SWORN TO before me this \_\_\_\_ day of \_\_\_\_\_ 20\_\_, affiant exhibited to me his Residence Certificate No. A-\_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ 20\_\_.

Doc. No. \_\_\_\_\_ Book No. \_\_\_\_\_  
Page No. \_\_\_\_\_ Series of 20\_\_

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

(DO NOT WRITE IN SPACE BELOW)

REVIEWED BY:

VERIFIED BY:

IMPORTANT: READ 'INSTRUCTIONS ON THE PREPARATION OF PDIC FORM NO. 202 BY  
NEWLY INSURED BANK' BEFORE ACCOMPLISHING THIS FORM.

## Notes:

1 Includes Demand, Savings, NOW, Time and NCTD Deposits

2 Includes AIP on Demand, Savings, NOW, Time and NCTD Deposits

3 Includes Due to Local Banks; Due to Foreign Banks; Due to the Treasurer of the Philippines; Other Credits-Unclaimed Balances; Other Credits-Dormant; Accounts Payable; Miscellaneous Liabilities; Overages; Sundry Credits; Due To/From Head Office/Branches; Others

**REGULAR CERTIFIED STATEMENT**

BASED ON DEPOSIT BALANCES AS OF

and

20\_\_

(BASE DAYS)

## IMPORTANT:

Read "Instructions on the Preparation of PDIC

Form No. 201" before accomplishing this form.

This Certified Statement with a remittance for

the amount due must be POSTMARKED ON

OR BEFORE 31 January and 31 July.

NAME OF BANK: \_\_\_\_\_

ADDRESS: \_\_\_\_\_

(P.00 Omitted)		
BASE DAYS		TOTAL of columns 1 & 2
A. Total Assessment Base		
Domestic Deposit Liabilities <sup>1</sup>		-
Foreign Currency Deposits <sup>1</sup>		-
Accrued Interest Payable (AIP) on Deposits <sup>2</sup>		-
Deposit items lodged under other liability accounts <sup>3</sup>		-
Total	P -	P -
B. Semi-annual Assessment Base (Item A divided by 2)		P -
C. Amount of Assessment (Item B multiplied by 1/2 of 1/5 of 1%, but not less than P5,000.00)		P -
D. Interest & Penalty for Late Remittance:		
1) Interest (Item C multiplied by 12% per annum X _____ days <sup>4</sup> )	P -	
2) Penalty (Item C multiplied by 24% per annum X _____ days <sup>4</sup> )	P -	
3) Total Interest & Penalty (Sum of Items D-1 & D-2)		P -
E. Total Assessment Due PDIC for above Base Days (Sum of Item C & D-3)		P -
F. Billings/(Overpayments)		
1) Payment of Assessment deficiency per PDIC letter dated _____ (Reference No. _____)	P	
2) Credit for Overpayment of Assessment per PDIC letter dated _____ (Reference No. _____)	P	
3) Other Approved Billings/(Overpayment)Specify: _____	P	
4) Total Billing/(Overpayment) (Sum of Items F-1 to F-3)		P -
G. Net Balance Due PDIC (Item E minus Item F-4)		P -
REMITTANCE ENCLOSED		P
H. Remaining Credit Due Bank		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.

Date Signed : \_\_\_\_\_

(Signature of President/Duly Authorized Bank Officer)

(Name in Print)

(Designation)

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_, affiant exhibited to me his Residence Certificate No. A-\_\_\_\_\_, issued at \_\_\_\_\_ on \_\_\_\_\_, 20\_\_.

Doc. No. \_\_\_\_\_ Book No. \_\_\_\_\_  
Page No. \_\_\_\_\_ Series of 20 \_\_\_\_\_

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

(For PDIC Use Only)

REVIEWED BY:

VERIFIED BY:

## Notes:

1 Includes Demand, Savings, NOW, Time and NCTD Deposits

2 Includes AIP on Demand, Savings, NOW, Time and NCTD Deposits

3 Includes Due to Local Banks; Due to Foreign Banks; Due to the Treasurer of the Philippines; Other Credits-Unclaimed Balances; Other Credits-Dormant; Accounts Payable; Miscellaneous Liabilities; Overages; Sundry Credits; Due To/From Head Office/Branches; Others

4 Number of days from prescribed due date to date of payment

(Name of Reporting Bank)

**CONSOLIDATED SCHEDULE OF DEPOSITS AND OTHER ASSESSABLE ACCOUNTS**

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

	Domestic Deposit Liabilities /1					Foreign Currency Deposit /2	Accrued Interest Payable /3					Others /4	TOTAL
	Demand	NOW	Savings	Time	NCTD		On Demand	On NOW	On Savings	On Time Deposit	On NCTD		
Head Office	P _____	P _____	P _____	P _____	P _____	P _____	P _____	_____	P _____	P _____	P _____	P _____	P -
Branches, Agencies & Ext. Offices:													
1. _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P _____	P -
2. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
3. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
4. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
5. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
6. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
7. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
8. _____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	_____	-
TOTAL	P -	P -	P -	P -	P -	P -	P -	P -	P -	F -	P -	P -	P -

**INSTRUCTIONS**

/1 Any difference/discrepancy between the amounts reported hereunder and in the respective accounts' balance per FRP Balance Sheet and/or General Ledger should be properly explained and a reconciliation schedule should be submitted for said purpose.

/2 Amounts reported hereunder should be duly supported by PDIC Assessment Record Form No. 201-A-1.1

/3 Amounts reported hereunder should be duly supported by PDIC Form No. 201-A-1.2 (Breakdown of Accrued Interest Expenses on Financial Liabilities)

/4 Deposit items which cannot be classified under any of the columns provided such as (a) Due to Local Banks, (b) Due to Foreign Banks (c) Due to the Treasurer of the Phil., Unresponded accommodation carried under the Due to/From Head Office/Branches Account, Accounts Payable/Sundry Credits/Miscellaneous Liabilities, etc., should be reported hereunder. This should be supported by a breakdown/summary of other deposit items reported under page 2 hereof.

Note: Gross amount of deposits should be reported as of the base day. If overdrafts (debit balances) were offset against the credit balances, the amount which was off-set must be added back in order to reflect the gross credits.

Certified Correct:

\_\_\_\_\_  
Signature of President/Duly Authorized Bank Officer over Printed Name\_\_\_\_\_  
Designation

Name of Bank : \_\_\_\_\_  
Breakdown of Deposit Liabilities lodged under the column "Others"  
Period Covered : \_\_\_\_\_

	Due to Local Banks	Due to Foreign Banks	Due to the Treas. of the Phils.	Other Credits Unclaimed Bal.	Other Credits Dormant	Accounts Payable	Sundry Credits	Miscellaneous Liabilities	Overages	Due To/From Head Office/Branches	Others	TOTAL
Head Office												-
Branches :												
1												-
2												-
3												-
4												-
5												-
6												-
7												-
8												-
9												-
10												-
11												-
12												-
13												-
14												-
15												-
16												-
17												-
18												-
19												-
20												-
21												-
22												-
23												-
24												-
25												-
26												-
27												-
28												-
29												-
30												-
31												-
32												-
33												-
34												-
35												-
TOTAL	-	-	-	-	-	-	-	-	-	-	-	-

Instructions:

- a] This report is to be accompanied by separate schedule/s (page 3 of PDIC Form No. 201-A-1) prepared by the Head Office and all branches/extension offices for each of the abovementioned accounts.  
b] Only assessable deposit items to be included in the computation of assessment should be reflected under each column of this page.  
c] The total amount reflected in the last column of this page should be forwarded to page 1 under the column "Others".

Certified Correct:

\_\_\_\_\_  
Signature of President/Duly Authorized Bank Officer over Printed Name

\_\_\_\_\_  
Designation



\_\_\_\_\_  
(Name of Reporting Bank-Branch Office)

**SCHEDULE OF**

\_\_\_\_\_  
(Type of Liability Account)

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

DATE	Nature of Transaction	AMOUNT
<b>A. ASSESSABLE DEPOSIT ITEMS</b>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	<b>Total (A)</b>	<b>P -</b>
<b>B. NON-ASSESSABLE ITEMS</b>		
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
_____	_____	_____
	<b>Total (B)</b>	<b>P -</b>
	<b>GRAND TOTAL (A + B)</b>	<b>P -</b>

CERTIFIED CORRECT:

\_\_\_\_\_  
Signature of President/Duly Authorized Bank Officer over Printed Name

(Designation)

Instructions:

- Separate schedules per base day should be prepared for the following accounts: a) Due to the Treasurer of the Philippines; b) Due to Local Banks; c) Other Credits-Dormant; d) Other Credits-Unclaimed Balances; e) Accounts Payable; f) Miscellaneous Liabilities; g) Sundry Credits; h) Overages; i) Due to/from Head Office/Branches; and j) Others
- The grand total amount reported in this schedule should tally with the pertinent account's balance reflected in the Breakdown of Other Liabilities (Schedule 28 of the FRP Balance Sheet)
- In the case of "Due To/From Head Office/ Branches Account or Inter-office Float Items, a reconciliation statement should be submitted
- All transactions classified as "Assessable Deposit Items" should be reflected in page 2 of this form.

\_\_\_\_\_  
Name of Reporting Bank  
Consolidated Schedule of FOREIGN CURRENCY DEPOSITS

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

	DEMAND	SAVINGS	TIME	NCTD	TOTAL
<b>A. US DOLLAR</b>					
HEAD OFFICE					
Circular 547 (1)					-
Circular 343 (2)					-
Other					-
BRANCHES, AGENCIES and EXTENSION OFFICES : (3)					
1. _____					-
2. _____					-
3. _____					-
4. _____					-
5. _____					-
6. _____					-
7. _____					-
8. _____					-
9. _____					-
10. _____					-
11. _____					-
12. _____					-
13. _____					-
14. _____					-
15. _____					-
<b>TOTAL (A)</b>	-	-	-	-	-



(Name of Reporting Bank)

**BREAKDOWN OF ACCRUED INTEREST EXPENSES ON FINANCIAL LIABILITIES**

As of \_\_\_\_\_ and \_\_\_\_\_

	(Base Day)			(Base Day)	
	Type of Foreign Currency	Original Foreign Currency Amount	Phil. Peso Amount	Original Foreign Currency Amount	Phil. Peso Amount
1. On Demand Deposits			-		-
1. Peso					
2. FCDU					
2. On NOW Accounts			-		-
1. Peso					
2. FCDU					
3. On Savings Deposits			-		-
1. Regular			-		-
a. Peso					
b. FCDU					
2. Special Savings, as follows:			-		-
4. On Time Deposits			-		-
1. Peso					
2. FCDU					
5. On NCTDs			-		-
1. Peso					
2. FCDU					
6. On Borrowings (Give name/s of creditors):			-		-
<b>TOTAL PER FRP BALANCE SHEET</b>			-		-

Certified Correct:

(Signature of President/Duly Authorized Bank Officer over Printed Name)

(Designation)

**REGULATORY ISSUANCE NO. 2011-01**

**TO : All Member Banks**

**SUBJECT : Unsafe and/or Unsound Banking Practices**

Pursuant to its authority to prescribe and issue rules and regulations under Section 2(d)(1) of Republic Act No. 3591 (the PDIC Charter), as amended, the PDIC Board of Directors, by virtue of Resolution No. 2010-12-159 dated 15 December 2010, hereby promulgates the following rules and regulations on unsafe and/or unsound banking practices in relation to Sections 4(f)(3), 7(a), 8(8), and 21(f)(10) of the PDIC Charter.

**I. Statement of Policy**

The State, through the PDIC, safeguard the interests of the depositing public by ensuring the safety and soundness of banking institutions. To protect the country's banking system and the depositing public, the PDIC shall regulate banking practices, acts, or omissions, which are likely to have adverse effects on the condition of banks, prejudice the interests of the depositing public or the Deposit Insurance Fund, or which are likely to result in violations of any law, rule, or regulation.

**II. Unsafe and/or Unsound Banking Practices**

The PDIC hereby adopts the general principles and guidelines in Bangko Sentral ng Pilipinas (BSP) Circular No. 341 (series of 2002), as amended by BSP Circular No. 640 (series of 2009), relating to the determination of activities that may be considered unsafe and/or unsound banking practices.

**III. Principles in the Determination of Unsafe and/or Unsound Deposit-Related Practices**

In addition to the banking practices the PDIC may deem unsafe and/or unsound under Section II hereof, the PDIC shall deem a deposit-related practice, activity, transaction, or omission committed or being committed by banks or its directors, officers and employees or agents to be an unsafe and/or unsound banking practice when it has resulted or may result in:

1. Unreasonable delay in the processing or determination of the validity of deposit claims in the event of bank closure; or
2. Material loss or damage or abnormal risk to the bank's depositors, creditors, shareholders, or to the PDIC; or
3. Material loss or damage or abnormal risk or danger to the safety, stability, liquidity, or solvency of the bank.

#### **IV. Unsafe and/or Unsound Deposit-Related Practices**

The following may be considered unsafe and/or unsound deposit-related practices:

1. Performance of any deposit-related practice, activity, or transaction without the requisite approvals or without adequate controls, as mandated by existing laws, rules, and regulations, which may result to unaccounted, undocumented and/or unrecorded deposits.
2. Failure to keep bank records (printed and/or electronic) within the bank premises especially deposit documents such as, but not limited to, signature cards, depositor information files, and deposit ledgers.

For purposes of this section, “premises” shall refer to places where a bank has a legal right to stay or occupy to conduct its operations and/or keep its records. It includes, but is not limited to, lands and buildings, warehouses, storerooms, online storage, and offsite or backup sites owned or leased by a bank. For those not owned by the bank, it must be covered by a contract showing the bank’s legal right to stay or occupy therein.

3. Granting high interest rates when the bank has: (i) negative unimpaired capital and (ii) either a liquid assets-to-deposits ratio of less than 10% or an operating loss.

A bank is deemed offering high interest rates on deposits if the interest rate is over 50% of the prevailing comparable market median rate for similar bank categories.

Liquid assets refer to the sum of Cash, Due from BSP/Banks and Financial Assets, net of allowance for credit losses.

4. Non-compliance with PDIC Regulatory Issuances.
5. Other deposit-related practices, activities, and transactions which the PDIC may identify through appropriate issuances.

Attached for guidance is a list of specific activities which the PDIC may consider to be unsafe and/or unsound banking practices (Annex A). The PDIC may hereafter consider other acts or omissions as unsafe and/or unsound pursuant to the general principles and guidelines in this Regulatory Issuance.

#### **V. Consequences of Unsafe and/or Unsound Practices**

The commission of unsafe and/or unsound practices as defined in this Regulatory Issuance may have these consequences:

1. Deposit accounts and all information related thereto may be inquired into or examined by PDIC upon the finding of unsafe and/or unsound banking practices, notwithstanding any provisions of law to the contrary. (Section 8, 8th par., PDIC Charter)
2. The PDIC Board of Directors may issue a cease and desist order, and require the bank or its directors or agents concerned to desist and/or correct the practices or violations. (Section 7, PDIC Charter)
3. Deposit insurance on deposit accounts or transactions constituting, and/or emanating from, unsafe and/or unsound banking practice/s as determined by the PDIC Board shall not be paid, after due notice and hearing, and publication of a directive to cease and desist from engaging in the cited unsafe and/or unsound practice/s. (Section 4 (f), PDIC Charter)

The foregoing shall be without prejudice to the criminal, civil, and administrative actions that may be instituted against, or fines imposed upon, the bank and its responsible directors, officers, employees, or agents, pursuant to the provisions of the PDIC Charter, PDIC Regulatory Issuances, and other pertinent laws.

#### **VI. Separability Clause**

Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase of this Issuance be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of the Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.

#### **VII. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

For strict compliance.

**(Sgd.) Jose C. Nograles**  
President

## **Annex A**

### **Deposit-Related Activities Which May Be Considered Unsafe and/or Unsound Banking Practices**

The activities enumerated herein are considered only as guidelines and are not conclusively presumed to be unsafe and/or unsound. Similarly, not all practices, which may be considered as unsafe and/or unsound, are mentioned in the list. In all cases, the PDIC shall give due consideration to the circumstances of each case vis-à-vis the general principles and guidelines set forth in the Regulatory Issuance.

1. Solicitation and acceptance of deposits outside bank premises, including branches, without BSP authority as required under “Servicing Deposits Outside Bank Premises” in the Manual of Regulations for Banks (MORB).
2. Solicitation and acceptance of deposits outside bank premises, including branches, as authorized by the BSP but without complying with the minimum safeguards set forth under “Servicing Deposits Outside Bank Premises” or “Electronic Banking Services and Operations” of the MORB.
3. Non-compliance with the minimum identification and documentation requirements for depositors for opening of deposit accounts as set forth under Rule 9.1.c and 9.1.d of the Revised Implementing Rules and Regulations of R.A. 9160, as amended by R.A. 9194.
4. Failure to keep bank records (printed and/or electronic) within the bank premises especially deposit documents such as, but not limited to, signature cards, depositor information files, and deposit ledger.
5. Recording deposits or withdrawals without legitimate supporting documents.
6. Offering and accepting high cost deposits despite the Cease and Desist Order issued by the Monetary Board.
7. Granting high interest rates when the bank has (i) negative unimpaired capital and (ii) either a liquid assets-to-deposits ratio of less than 10% or an operating loss.
8. Allowing depositors to deposit directly into the bank’s deposit account/s with other banks without implementing controls.
9. Allowing unauthorized bank personnel and non-bank personnel to handle deposit transactions.
10. Failure to reconcile inter-branch deposit transactions or deposit float items within 7 banking days.



11. Allowing depositors to deposit, withdraw, and/or transfer funds without proper documentation such as a duly accomplished deposit or withdrawal slip or debit/credit memo, or its equivalent.
12. Making, use or issuance of bank advertisements, marketing proposals or strategies, and other similar statements or issuances, which directly or indirectly offer, promise, represent, or promote: (a) a separate and distinct PDIC deposit insurance cover for deposit accounts maintained in the same right and capacity of a depositor, either in his own name or in the name of others who have no beneficial ownership over the account/s; or (b) deposit insurance coverage that is inconsistent with and otherwise violative of the laws, rules and regulations and/or policies on beneficial ownership and deposit splitting.
13. Failure to adopt a Board-approved Operations Manual (OM) on Deposit Record Keeping and/or submission of an inadequate OM that does not reflect deposit practices.
14. Allowing bank employees to process their own deposit transactions including those of their relatives up to fourth degree of consanguinity or affinity.



## REGULATORY ISSUANCE NO. 2011-02

**TO :** All Member Banks

**SUBJECT :** Rules and Regulations Governing Deposit Accounts or Transactions Excluded from the Coverage of Deposit Insurance

Pursuant to its authority to prescribe and issue rules and regulations under Section 2(d)(1) of Republic Act No. 3591, as amended (the "PDIC Charter"), the Board of Directors of the Philippine Deposit Insurance Corporation (PDIC), under Resolution No. 2010-12-160 dated December 15, 2010, approved the promulgation of the following implementing rules and regulations governing deposit accounts or transactions excluded from the coverage of deposit insurance under Sections 4(f) and (g) of the PDIC Charter.

### **Section 1. Statement of Policy**

PDIC is primarily tasked with promoting and safeguarding the interests of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits and in helping develop a sound and stable banking system at all times. To this end, only legitimate deposits of bona fide depositors shall be entitled to deposit insurance, unless otherwise excluded under Section 4(f) of the PDIC Charter and this Regulatory Issuance.

### **Section 2. Definition of Terms and Phrases**

- a. *Bona Fide Depositor* – refers to a natural or juridical person, or entity who/which is the owner of a deposit, as determined by PDIC under Regulatory Issuance No. 2009-03 (Determination of Beneficial Ownership of Legitimate Deposits), and whose deposit is recorded in the books of the bank.
- b. *Deposit* – refers to the unpaid balance of money or its equivalent received by a bank in the usual course of business and for which it has given or is obliged to give credit to a commercial, checking, savings, time or thrift account, or created/issued in accordance with Bangko Sentral rules and regulations and other applicable laws, together with such other obligations of a bank, which, consistent with banking usage and practices, the PDIC Board of Directors shall determine and prescribe by regulations to be deposit liabilities of the bank. It does not include deposit obligations of a bank which are payable at the office of the bank located outside of the Philippines; Provided, that, subject to the approval of the PDIC Board of Directors, any insured bank which is incorporated under the laws of the Philippines which maintains a branch outside the Philippines may elect to include for insurance its deposit obligations payable only at such branch.

Under the foregoing definition of Deposit, the following terms shall be understood to have the following meaning:

1. *Money* – refers to a measure of value and a medium of exchange, authorized and accepted by law. It shall include: 1) coins and currency declared by the Philippine government to be acceptable and officially recognized payment for all debts, both public and private; 2) Philippine notes and coins issued and circulating in accordance with R.A. No. 7653; and 3) other currencies authorized to be accepted by banks with foreign currency deposit units.
  2. *Equivalent (of money)* – refers to a representative of money as defined herein, such as, but not limited to, cleared personal checks, manager's or cashier's checks and money orders.
  3. *Received by a Bank* – refers to the inflow into or receipt by a bank of money or its equivalent as consideration for the deposit made by the depositor or his/her duly authorized representative, which is recorded in the books of the bank.
  4. *Usual Course of Business* – refers to the solicitation, acceptance, receipt, and/or recording of deposits in accordance with law, including rules and regulations governing deposit-taking practices or any amendments thereto, as issued or may be issued by the PDIC, Bangko Sentral ng Pilipinas (BSP) and/or the Anti Money Laundering Council (AMLC).
- c. *Directive to Cease and Desist (DCD)* – refers to a directive issued by PDIC under this Regulatory Issuance prohibiting, among others, a bank and/or its directors, officers, employees or agents from offering, marketing or promoting, or continuing to offer, market or promote deposit products or accounts, or transactions, which constitute and/or emanate from an Unsafe and/or Unsound Banking Practice, and representing to the public that the said deposit products or accounts, or transactions, are insured by PDIC.
- d. *Legitimate Deposit* – refers to money or its equivalent received by a bank as a deposit in the usual course of business and recorded in the books of the bank as such, and opened in accordance with established forms and requirements of the BSP and/or the PDIC.
- e. *Publication* – refers to the one-time printing in a newspaper of general circulation.
- f. *Unlawful Activity* – refers to any act or omission or series or combination thereof involving or having direct relation to the enumerations laid down in Section 3(i) of Republic Act No. 9160, otherwise known as the "Anti-Money Laundering Act of 2001, as amended."
- g. *Unsafe and/or Unsound Banking Practice* – refers to:
1. Any act or omission which constitutes conducting business in an unsafe and/or unsound manner pursuant to PDIC Board Resolution No. 2010-02-003, which adopted the guidelines and principles contained in BSP Circular

No. 341, series of 2002, as amended by BSP Circular No. 640, series of 2009, or

2. Such other acts or omissions which the PDIC Board, through regulation or resolution, may determine to constitute as conducting business in an unsafe and/or unsound manner.

### **Section 3. Exclusions from Deposit Insurance Coverage**

PDIC shall not pay deposit insurance for the following accounts or transactions whether denominated, documented, recorded or booked as deposits by the bank:

- a. Investment products such as bonds and securities, trust accounts, and other similar instruments which do not fall under the definition of a Deposit.

The following features may be considered as grounds for determining that a product is an investment:

1. No debtor-creditor relationship exists between the bank and the client;
  2. Relationship between the bank and the client is either that of a trustee-trustor or an agent-principal;
  3. Principal amount is not protected;
  4. Amount deposited is not withdrawable on demand; and/or
  5. Other analogous features.
- b. Deposit accounts or transactions which are unfunded, or are fictitious or fraudulent.
    1. A deposit account or transaction shall be deemed unfunded when no Money or Equivalent (of money) is Received by a Bank for such account or transaction.
    2. A deposit account or transaction shall be deemed fictitious when it is simulated, feigned or is not a genuine deposit account or transaction, e.g. Money or Equivalent (of money) was made to appear to have been Received by a Bank, or the deposit account or the name of the depositor does not appear in the records of the bank.
    3. A deposit account or transaction shall be deemed fraudulent whenever the bank and/or depositor knowingly employ means calculated to deceive, including acts, omissions and concealment involving a breach of legal or equitable duty, trust, or confidence justly reposed, resulting in damage to another, or by which an undue and unconscientious advantage is taken of another, e.g. the named depositor denies ownership of the deposit.

- c. Deposit accounts or transactions constituting, and/or emanating from, Unsafe and/or Unsound Banking Practice/s, as determined by the PDIC, in consultation with the BSP, after due notice and hearing, and Publication of the DCD issued by the PDIC against such deposit accounts or transactions, in accordance with Section 4 of this Regulatory Issuance.
- d. Deposits that are determined to be the proceeds of an Unlawful Activity as defined under Republic Act No. 9160, as amended, subject to Section 6 of this Regulatory Issuance.

**Section 4. Determination of Deposit Accounts or Transactions Constituting and/or Emanating from an Unsafe and/or Unsound Banking Practice and Issuance of a Directive to Cease and Desist (DCD)**

The determination of deposit accounts or transactions which constitute and/or emanate from an Unsafe and/or Unsound Banking Practice/s and the issuance of a DCD thereof shall be governed by the following rules:

a. Unsafe and/or Unsound Banking Practice/s Based on Bank Examination Findings

If in the course of an examination of a bank and after giving the bank an opportunity to comment on PDIC's findings in accordance with Regulatory Issuance No. 2009-05 (Rules & Regulations on Examination of Banks), the PDIC determines, in consultation with the BSP, that deposit account/s or transaction/s constitute and/or emanate from Unsafe and/or Unsound Banking Practice/s, the PDIC Board of Directors may issue a DCD:

- 1. Enjoining the bank from (a) offering or continuing to offer to the public the subject deposit account/s or transaction/s or other account/s or transaction/s which substantially have the same nature, characteristics, or features as those covered by the DCD, and/or (b) representing that such deposit account/s or transaction/s are insured with PDIC; and
- 2. Advising the bank and the public of the withdrawal of deposit insurance coverage over these types or kinds of deposit account/s or transaction/s effective upon the Publication of the DCD until lifted or dissolved by PDIC.

b. Report or Complaint of Unsafe and/or Unsound Banking Practice/s

A report or complaint that a bank is offering a deposit product/s constituting and/or emanating from Unsafe and/or Unsound Banking Practice/s shall be resolved in accordance with procedures laid down in PDIC Regulatory Issuance No. 2005-03. If, in accordance with these procedures, the PDIC determines, in consultation with the BSP, that deposit account/s or transaction/s constitute and/or emanate from Unsafe and/or Unsound Banking Practice/s, the PDIC Board of Directors may issue a DCD:

- 1. Enjoining the bank from (a) offering or continuing to offer to the public the subject deposit account/s or transaction/s or other account/s or

transaction/s which substantially have the same nature, characteristics, or features as those covered by the DCD, and/or (b) representing that such deposit account/s or transaction/s are insured with PDIC; and

2. Advising the bank and the public of the withdrawal of deposit insurance coverage over these types or kinds of deposit account/s or transaction/s effective upon the Publication of the DCD until lifted or dissolved by PDIC.

c. Reconsideration of the Resolution of the PDIC Board

1. Within ten (10) days from receipt of the resolution of the PDIC Board in paragraphs (a) ["Unsafe and/or Unsound Banking Practice/s Based on Bank Examination Findings"] or (b) ["Report or Complaint of Unsafe and/or Unsound Banking Practice/s"] above, the bank or a depositor in the bank whose deposit/s have been excluded from deposit insurance coverage may file a request for reconsideration based on newly-discovered evidence which materially affects the questioned resolution. The request shall be addressed to the PDIC Board of Directors c/o the Office of the Corporate Secretary.
2. The request for reconsideration shall be verified, accompanied by affidavit/s and other document/s in support of the ground for reconsideration. Request for reconsideration by a bank shall be filed by a person authorized by the bank's Board of Directors in a resolution specifically for that purpose.
3. The resolution of the PDIC Board shall be deemed final after the lapse of the period provided in paragraph 1 above and no reconsideration is filed, or if the request for reconsideration is filed out of time.

d. Publication of a DCD and its Effect on Deposits

1. The DCD shall be effective upon Publication thereof until dissolved or discharged by the PDIC, and notwithstanding any request for reconsideration thereof.
2. The bank, through its President or Compliance Officer, shall be notified in writing of the resolution of the PDIC Board and furnished with a copy of the DCD.
3. The bank is required to inform via registered mail the depositors of the accounts covered by the subject DCD and that such accounts are excluded from the coverage of PDIC deposit insurance. Failure of the bank to comply with this obligation shall not affect the effectivity and enforceability of the DCD. The President and the members of the Board of Directors of the bank shall likewise be liable criminally and/or civilly under existing PDIC regulations.

4. Effective upon Publication of the DCD, the following shall not be covered by deposit insurance:
  - a. Deposit account/s or transaction/s opened on or after the Publication of the DCD, which substantially have the same characteristics, features or nature as those covered by the DCD, as determined by the PDIC.
  - b. Existing and outstanding deposit account/s or transaction/s of the bank prior to the Publication of the DCD which are covered by deposit insurance but were subsequently renewed, rolled over, converted or transformed to, the account/s covered by the DCD, or otherwise remains to be Unsafe and Unsound Banking Practice in contemplation of the DCD.

#### **Section 5. Dissolution of a DCD**

- a. Upon application by the affected bank, a DCD may be dissolved or lifted when the bank:
  1. Has actually ceased to offer the subject deposit account/s or other account/s or transaction/s which substantially have the same characteristics, features or nature as those covered by the DCD to the public and has fully complied with the corrective measures prescribed in the DCD, as verified by the PDIC through a compliance audit, and
  2. Undertakes to cease from further offering to the public the subject deposit account/s or transaction/s which substantially have the same characteristics, features or nature as those covered by the DCD.
- b. The depositors of the bank and the public shall likewise be informed of the dissolution or lifting of the DCD through Publication.
- c. Upon Publication of the dissolution or lifting of the DCD, the deposit insurance coverage for the subject deposit account/s or transaction/s shall be restored.

#### **Section 6. Deposits that are Proceeds of an Unlawful Activity**

Deposits that are determined to be the proceeds of an Unlawful Activity shall be governed by the following rules:

- a. Payment of deposit insurance shall be deferred on any deposit which is the subject matter of any freeze order, civil forfeiture proceedings, money laundering case, or any other case involving an Unlawful Activity, pending before the Department of Justice, Office of the Ombudsman, or the regular court.
- b. Deposit insurance payments shall only be made upon a final judgment effectively holding that the deposits do not constitute proceeds of an Unlawful Activity.



- c. Deposits determined with finality by the courts to be proceeds of an Unlawful Activity shall not be paid deposit insurance.

For purposes of this issuance, the phrase “*proceeds of an unlawful activity*” shall be understood to include deposits whose proceeds are related to an Unlawful Activity as defined under Republic Act No. 9160, otherwise known as the “Anti-Money Laundering Act of 2001, as amended.”

#### **Section 7. Assessments on Deposits Excluded from Deposit Insurance**

Prior to the Publication of the DCD, banks shall continue to pay assessments on all covered deposit accounts or transactions. Banks shall remove from the computation of the assessment base all deposit accounts or transactions excluded from the coverage of deposit insurance under the DCD upon the effectivity thereof.

#### **Section 8. Remedies**

- a. Denial of Deposit Insurance Claim

If a deposit insurance claim is denied under this Regulatory Issuance, the concerned depositor may file within sixty (60) days from receipt of the denial, a verified request for reconsideration based on discovery of new evidence that has not been submitted to PDIC when the claim was filed, together with affidavit/s and other document/s that would support the payment of the claim. The request shall be addressed to the Claims Group of the PDIC.

- b. Finality of PDIC Actions

As provided for in Section 4(f) of the PDIC Charter, the actions of the PDIC under this Regulatory Issuance shall be final and executory, and may not be restrained or set aside by the court, except on appropriate petition for certiorari under Rule 65 of the Rules of Court on the ground that the action was taken in excess of jurisdiction or with such grave abuse of discretion as to amount to a lack or excess of jurisdiction. The petition for certiorari may only be filed within thirty (30) days from notice of denial of a request for reconsideration.

#### **Section 9. Penalties**

The penalty of prison mayor or a fine of not less than fifty thousand pesos (P50,000.00) but not more than two million pesos (P2,000,000.00) or both, at the discretion of the court, as provided for under Section 21 (f) of the PDIC Charter, shall be imposed upon any responsible director, officer, employee or agent of a bank for any failure or refusal to comply with, or any violation of any provision of this Regulatory Issuance on deposit accounts or transactions excluded from the coverage of deposit insurance.

The foregoing is without prejudice to the imposition of administrative fines against a bank and its responsible directors, officers, employees, or agents by the PDIC Board of Directors, pursuant to Section 21 (g) of the PDIC Charter and its implementing regulatory issuance/s.

#### **Section 10. Repealing Clause**

All other related rules and/or regulations of the PDIC, which are inconsistent herewith are hereby repealed or amended accordingly.

#### **Section 11. Separability Clause**

Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase of this Issuance be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of this Regulatory Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.

#### **Section 12. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after its Publication.

For your guidance and strict compliance.

**(Sgd.) Jose C. Nograles**  
President

January 27, 2011

**REGULATORY ISSUANCE NO. 2011-03**

**TO :** All Banks and Depositors

**SUBJECT :** Rules Governing Requests for Reconsideration of Denied Deposit Insurance Claims

Pursuant to its authority under Section 8(10) of Republic Act No. 3591, as amended (PDIC Charter), and to further implement the applicable provisions on the settlement of insured deposits, the PDIC Board of Directors by virtue of Resolution No. 2011-03-043, dated March 30, 2011, approved the promulgation of the following rules and regulations for the filing of requests for reconsideration for denied claims for deposit insurance.

**Section 1. Statement of Policy**

PDIC is tasked to promote and safeguard the interests of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits, and in helping develop a sound and stable banking system at all times. To this end, the PDIC shall pay all legitimate deposits held by bona fide depositors and provide a mechanism by which depositors may seek reconsideration from the decision of the PDIC denying a deposit insurance claim.

**Section 2. Coverage**

This Regulatory Issuance shall apply to all deposit insurance claims denied by PDIC either wholly or partially.

The procedure laid down in this Regulatory Issuance shall likewise apply to Section 4(d)(4) of Regulatory Issuance 2011-02 entitled "Rules & Regulations Governing Deposit Accounts or Transactions Excluded from the Coverage of Deposit Insurance".

**Section 3. Request for Reconsideration of Denied Claims**

All requests for reconsideration shall be:

- a. filed within sixty (60) days from receipt of the notice of denial of the claim;
- b. addressed to the Sector Head of the Deposit Insurance Sector of the PDIC; and
- c. in the following form:
  - i. in writing and verified under oath (see prescribed form);

- ii. accompanied by the original or certified true copies of the documents that would support the deposit/s made in the bank such as, but not limited to, negotiated checks, copies of validated deposit slips for deposits made in the closed bank or those directly made to its depository bank, official receipts, deposit agreements, bank statement/statement of accounts, or other documents evidencing receipt of funds by the closed bank other than the evidence of deposits. The supporting documents must be new evidence that were in existence prior to the closure of a bank and which have not been submitted to the PDIC at the time of the filing of the claim/s for deposit insurance.

The request shall contain a statement authorizing the PDIC and its officers, employees or agents to examine, inspect or inquire into any or all of bank deposit records in any bank relative to the claim for deposit insurance in order to check the authenticity and veracity of documents submitted and allegations made in support of the request. It shall also contain an express waiver of the provisions of Republic Act No.1405, as amended, Republic Act No. 6426, as amended, Republic Act 8791, and other similar laws on the confidentiality of bank deposits.

#### **Section 4. Action on the request**

Upon receipt of the request for reconsideration, PDIC may, at its option:

- a. Dismiss the request on any of the following grounds:
  - i. For being filed out of time;
  - ii. For failure to comply with the prescribed form; or
  - iii. For failure to submit supporting documents
- b. Require submission of additional documents; or
- c. Call for clarificatory meeting.

#### **Section 5. Decision on the Request for Reconsideration**

The PDIC shall have one hundred twenty (120) days from the issuance of the notice submitting the request for reconsideration for resolution within which to issue its Decision.

#### **Section 6. Finality of Decision**

Request for reconsideration filed after the lapse of the sixty (60) day period shall no longer be entertained by the PDIC and the decision of the PDIC denying the deposit insurance claim/s shall be deemed final.

## **Section 7. Remedy in Case of Denial of Request for Reconsideration**

A depositor whose request for reconsideration is denied by the PDIC with finality shall have thirty (30) days from receipt of the notice denying the request for reconsideration within which to file a petition for certiorari with the court pursuant to Sec. 4(g) of the PDIC Charter.

## **Section 8. Duties of the Bank**

All Banks shall, within forty-five (45) days from date of effectivity of this Regulatory Issuance:

- a. Inform all its depositors of these rules by permanently and continuously posting a copy of this Regulatory Issuance in conspicuous places within bank premises;
- b. Submit a report of compliance signed and certified by the Banks' Compliance Officer. Non-compliance with, or violation of, this section shall subject the banks and its responsible directors, officers, or employees to the imposition of administrative fines in accordance with Section 21(f) of the PDIC Charter, as implemented by Regulatory Issuance No. 2005-03.

## **Section 9. Repealing Clause**

All issuances, rules and/or regulations of the PDIC which are inconsistent with this Regulatory Issuance are hereby repealed or amended accordingly.

## **Section 10. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation in the country.

For guidance.

**(Sgd.) Cristina Q. Orbeta**  
Officer-in-Charge

June 15, 2011

**The Sector Head**  
Deposit Insurance Sector  
Philippine Deposit Insurance Corporation  
SSS Bldg., 6782 Ayala Ave. corner Rufino St.  
Makati City 1226

**REQUEST FOR RECONSIDERATION**

**Republic of the Philippines )**  
\_\_\_\_\_ **)S. S.**

I, \_\_\_\_\_, Filipino, married/single, of legal age, with permanent residence at No. \_\_, \_\_\_\_\_, after having been duly sworn to in accordance with law, do hereby depose and state:

(1) On (insert date), I filed a claim for deposit insurance with the Philippine Deposit Insurance Corporation (PDIC) under Claim No. (insert number) for my deposit with the closed (name of closed bank) under CTD/Passbook No.\_\_\_\_;

(2) On \_\_\_\_\_, the PDIC denied my claim for deposit insurance on the subject account/s, as shown by the attached letter ( Annex "A");

(3) I am requesting for the reconsideration of the decision denying my claim for deposit insurance and, in support of my request, state the following:

*state and discuss the legal and factual basis for reconsideration and attach the original/certified true copies of documents in support of the request, including evidence of fund inflow to the bank, whenever applicable.*

(4) I am expressly waiving my rights under Republic Act No.1405, as amended, Republic Act No. 6426, as amended, Republic Act 8791, and other similar laws on the confidentiality of bank deposits. For this purpose, I authorize PDIC and its officers, employees or agents to examine, inspect or inquire into any or all of my bank deposit records in any bank relative to my claim for deposit insurance;

(5) I authorize PDIC and its officers, employees or agents to check and verify:  
(a) the genuineness and authenticity of the documents I have submitted; and (b) the truthfulness of my allegations in support of my request;

(6) The documents I am submitting existed prior to bank closure and have not been submitted to PDIC when I filed my claim;

(7) The allegations I made in this Affidavit are true and correct of my own personal knowledge and based on authentic records.

**(Depositor's signature over printed name)**

**SUBSCRIBED AND SWORN** to before me in the Municipality/City of \_\_\_\_\_, this \_\_\_\_ day of \_\_\_\_\_ by the affiants, who have satisfactorily proven their identities to me, that they are the same persons who personally signed the foregoing request for reconsideration before me and acknowledged that they executed the same.

**NOTARY PUBLIC**

Doc. No. \_\_\_\_  
Page No. \_\_\_\_  
Book No. \_\_\_\_  
Series of 2011.

## **REGULATORY ISSUANCE NO. 2011-04**

**TO :** All Banks and Depositors

**SUBJECT :** Rules on Net Out of Obligations to Determine Insured Deposit

Pursuant to its authority under Section 8(10th) of Republic Act No. 3591, as amended (PDIC Charter), and to further implement Section 4 (g) thereof on the determination of Insured Deposit, the PDIC Board of Directors by virtue of Resolution No. 2011-10-224 dated 25 October 2011, approved the promulgation of the following regulatory issuance that prescribes the Rules on Net-out of Obligations to Determine Insured Deposit.

### **Section 1. Objective**

This Regulatory Issuance defines, enumerates and identifies the obligations as of bank closure to be netted out from a deposit, for purposes of computing the deposit insurance due a depositor under Section 4(g) of the PDIC Charter in relation to PDIC Regulatory Issuances 2009-03<sup>1</sup> and 2011-02<sup>2</sup>.

### **Section 2. Definition of Terms**

Bank Closure refers to the date the bank ceased to operate pursuant to the order of closure by the Monetary Board of the Bangko Sentral ng Pilipinas.

Insured Deposit means the amount due to any bona fide depositor for legitimate deposits in an insured bank net of any obligation of said depositor to the insured bank as of the date of closure, which shall not exceed five hundred thousand pesos (Php500,000.00).

Loan obligation as used herein shall include, but is not limited to, the sum of loan principal, interest, penalties, advances, charges and expenses due or owing to the closed bank. The loan referred to herein of the depositor-debtor of the closed bank may be current or past due, secured or unsecured.

### **Section 3. Net out**

For purposes of computing insured deposit, all obligations of the depositor with the closed bank, as of bank closure, shall be net out from the depositor's total deposits with said bank. The net out is solely for the purpose of determining the net deposit covered by deposit insurance and does not constitute as payment for any of the obligations of the depositor under Section 4 hereof.

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<sup>1</sup> Determination of Beneficial Ownership of Legitimate Deposits

<sup>2</sup> Rules and Regulations Governing Deposit Accounts or Transactions Excluded from the Coverage of Deposit Insurance

After netting out, the balance of the deposit, if any, shall be subject to deposit insurance coverage, which in no case shall exceed five hundred thousand pesos (Php500,000.00).

The deposit insurance due a depositor shall be subject further to Regulatory Issuance No. 2009-03 (Rules on Determination of Beneficial Ownership of Legitimate Deposits) and other existing applicable laws, rules and regulations on the payment of insured deposits.

#### **Section 4. Obligations for Net Out**

The following shall be netted out from the depositor's total deposits with the closed bank:

- a. Loan obligations with the closed bank as principal debtor or as co-maker;
- b. Loan obligations with the closed bank where the depositor acts as surety and the obligation has become past due or demandable against the surety by virtue of the principal debtor's default prior to or at the time of the bank's closure;
- c. Loan obligations of the depositor's spouse with the closed bank where the loan obligation is contracted by the said spouse as the designated administrator-spouse of the Absolute Community of Property or Conjugal Partnership of Gains, or with the consent of other spouse;
- d. Money accountability of the depositor who is a director, officer, stockholder or employee of the closed bank;
- e. Other sums due or owing to the closed bank from the depositor.

#### **Section 5. Effect of Net Out**

- a. Any amount netted out from the deposit and/or such amount in excess of the maximum deposit insurance coverage (MDIC) shall be considered as uninsured deposit which shall be a claim against the assets of the closed bank.
- b. The uninsured deposit maybe applied as payment to or deducted from the obligations referred to in Section 4 hereof.

#### **Section 6. Inquiries**

Any question in connection with netting out may be addressed to:

The Department Manager  
Claims Processing Department  
Philippine Deposit Insurance Corporation  
SSS Building, 6782 Ayala Avenue corner V.A. Rufino Street  
Makati City 1226



## **Section 7. Bank's Duty to Inform Depositors**

All banks shall:

- a. Within forty-five (45) days from date of effectivity of this Regulatory Issuance, inform all its depositors of these rules by permanently and continuously posting of this Regulatory Issuance in conspicuous places within bank premises;
- b. Within thirty (30) days from compliance under Section 7 (a) hereof, submit a report of such compliance signed and certified by the Bank's Compliance Officer or its equivalent.

Thereafter, all member banks shall submit the required certification of compliance through its respective Compliance Officer on an annual basis (i.e. every January 31 of each year).

Non-compliance with, or violation of this Section, shall subject the bank and its responsible directors, officers, or employees to the imposition of administrative fines in accordance with Section 21 (f) of the PDIC Charter, as implemented by Regulatory Issuance No. 2005-03 (PDIC Administrative Offenses, Fines and Procedure).

## **Section 8. Separability Clause**

Sections of this Regulatory Issuance shall be deemed severable, and should any section, subsection, paragraph, sentence, or phrase hereof be declared by a court of competent jurisdiction to be invalid, unenforceable, or unconstitutional, such decision shall not affect the validity of the Issuance as a whole, or any part thereof, other than the part so declared to be invalid, unenforceable, or unconstitutional.

## **Section 9. Repealing Clause**

All issuances, rules and/or regulations of the PDIC which are inconsistent with this Regulatory Issuance are hereby repealed or amended accordingly.

## **Section 10. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in the Official Gazette or in any newspaper of general circulation.

**(Sgd.) Valentin A. Araneta**  
President

November 15, 2011



## REGULATORY ISSUANCE NO. 2012-01<sup>11</sup>

**TO :** Member Banks

**SUBJECT :** Revised Rules on Administrative Offenses, Fines, and Procedure in Administrative Investigations

Pursuant to Section 21 (g) of Republic Act No. 3591, as amended (the “PDIC Charter”), the Board of Directors of PDIC, by virtue of Resolution No. 2011-12-259 dated December 9, 2011, approved the promulgation of the revised PDIC Rules on Administrative Offenses, Fines and Procedure in Administrative Investigations.

### **PART I - Administrative Offenses, Fines, and Consequences**

**Section 1. Definition of Terms.** – For purposes of this Regulatory Issuance, the following terms shall mean:

- a. *Administrative Fine* – refers to the monetary penalty imposed against a bank and/or any of its directors, officers, employees or agents for committing any of the administrative offenses defined in this Regulatory Issuance.
- b. *Deposit Records* – include, but is not limited to, subsidiary ledgers of deposit liabilities, duplicate copies of time certificates of deposits, deposit agreements, signature cards, registers or logbooks used in connection with the issuance of new deposit accounts, individual files maintained by the bank for depositors, if any, computer systems and databases (including system documentation/manuals) pertaining to deposit operations, the deposit liabilities control ledgers which are part of the General Ledger of the bank, deposit/withdrawal slips, debit/credit memos, and other similar bank records relevant to deposit liabilities.
- c. *Directive to Cease and Desist (DCD)* – refers to a directive issued by PDIC prohibiting, among others, a bank and/or its directors, officers, employees or agents from offering, marketing or promoting, or continuing to offer, market or promote deposit accounts/products or transactions, which constitute and/or emanate from an Unsafe and/or Unsound Banking Practice, and representing to the public that the said deposit products or accounts, or transactions, are insured by PDIC.
- d. *False Information/Statement* – refers to untrue, incorrect, inaccurate, erroneous, or misleading information/statement alleged or stated in the documents, reports or supporting schedules/attachments, including those that are forged, altered or tampered.

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<sup>1</sup> This Regulatory Issuance repealed Regulatory Issuance No. 2005-03 (PDIC Administrative Offenses, Fines and Procedure) and amended Regulatory Issuance 2006-01 (Record Keeping of Bank Deposits).

- e. *Splitting of Deposits* – occurs whenever a deposit account/s with an outstanding balance of more than the statutory maximum amount of insured deposit maintained under the name of a natural or juridical person/s is/are broken down and transferred into two or more accounts in the name/s of natural or juridical person/s or entity/entities who have no beneficial ownership on transferred deposits in their names within one hundred twenty (120) days immediately preceding or during a bank-declared bank holiday, or immediately preceding a closure order issued by the Monetary Board of the Bangko Sentral ng Pilipinas (BSP) for the purpose of availing of the maximum deposit insurance coverage.
- f. *Unsafe and/or Unsound Banking Practices* – refers to the activities, transactions, or omissions as defined under PDIC Regulatory Issuance No. 2011-01 (Unsafe and/or Unsound Banking Practices).
- g. *"Willful Refusal"* - means the unjustified failure or avoidance or delay to perform an obligation imposed upon a bank and/or any of its director(s), officer(s), employee(s) or agents under any order, regulation or directive issued by PDIC.

**Section 2. Administrative Offenses.** – The following acts or omissions shall constitute an Administrative Offense:

- a. Any willful refusal to submit reports to PDIC as required by law, rules, and regulations;
- b. Any unjustified refusal to permit PDIC examination and audit of the deposit records or the affairs of the institution;
- c. Any willful making of a false statement or entry in any bank report or document required by PDIC;
- d. Submission of false material information in connection with or in relation to any financial assistance of PDIC extended to the bank;
- e. Splitting of deposits or creation of fictitious loans or deposit accounts;
- f. Refusal to allow PDIC, its officers, employees and/or agents to take over the affairs, assets, liabilities and administration of a closed bank placed under its receivership or obstructing such action of PDIC;
- g. Refusal to turn over to PDIC, or destroying or tampering, bank records;
- h. Fraudulent disposal, transfer or concealment of any asset, property or liability of the closed bank under receivership of PDIC;
- i. Violation of, or causing any person to violate the exemption from garnishment, levy, attachment or execution provided under the PDIC Charter, and Republic Act No. 7653, otherwise known as the New Central Bank Act;

- j. Any willful failure or refusal to comply with, or violation of any provision of the PDIC Charter, this Regulatory Issuance or any PDIC order, rule or regulation or commission of any other irregularities, and/or conducting business in an unsafe or unsound manner as may be determined by the Board of Directors of PDIC and/or the BSP.

**Section 3. Administrative Fines.** – In the absence of any specific fine imposed by PDIC for any of the acts or omissions specified under Section 2, the following Administrative Fines shall be imposed on any bank and/or any of its director(s), officer(s), employee(s) or agent(s):

- a. For offenses mentioned in section 2 (a), (b), (c), (d), (f), (g), (i) and (j), a fine as may be determined by the PDIC Board of Directors but in no case to exceed P300,000.00 for each banking day of violation;
- b. For offenses mentioned in section 2 (e), a fine as may be determined by the PDIC Board of Directors but in no case to exceed 100% of the total amount split or fictitious loan created;
- c. For offenses mentioned in section 2 (h), a fine as may be determined by the PDIC Board of Directors but in no case to exceed the fair market value of the asset disposed, transferred or concealed or the amount of liability concealed;

*Provided*, that, the Administrative Fine imposed on a bank or any of its director(s), officer(s), employee(s) or agent(s) shall in no case exceed three times the amount of the damages or costs caused by the fraudulent, irregular and/or anomalous transactions for each day that the violation subsists, taking into consideration the attendant circumstances, such as the nature and gravity of the violation or irregularity and size of the bank.

The damage or cost mentioned in the immediately preceding paragraph shall include financial benefit or gain to the bank or any of its director(s), officer(s), employee(s) or agent(s) as a result of the fraudulent, irregular, and/or anomalous transaction committed.

Should the director(s), officer(s), employee(s) or agent(s) of the bank derive any financial gain as a result of the fraudulent, irregular, and/or anomalous transaction, an additional fine equivalent to the amount of such financial benefit or gain shall be imposed.

**Section 4. Exclusion From Deposit Insurance as a Consequence of Deposit - Related Unsafe and/or Unsound Banking Practices.** – Deposit accounts or transactions or transactions that constitute and/or emanate from an Unsafe and/or Unsound Banking Practice under Section 2 (j) of this Regulatory Issuance shall be excluded from deposit insurance coverage pursuant to PDIC Regulatory Issuance No. 2011-02 (*Rules and Regulations Governing Deposit Accounts of Transactions Excluded from the Coverage of Deposit Insurance*).

## **PART II – General Principles in Administrative Investigations**

**Section 5. Applicability.** – These rules shall apply to administrative investigations conducted against any operating or closed bank and/or any of its director(s), officer(s), employee(s) or agent(s) charged with violation of any of the administrative offenses enumerated in Section 2 hereof.

**Section 6. Nature of Proceedings.** – Subject to the requirements of due process, the administrative investigation contemplated herein shall be conducted in a summary manner without strictly adhering to the technical rules of procedure and evidence applicable to judicial proceedings, which shall only be supplementary.

**Section 7. Confidentiality.** – The administrative investigation conducted under this Regulatory Issuance shall be confidential in nature except when disclosure thereof is required under any provision of law or this Regulatory Issuance.

### **PART III – Rules of Procedure in Administrative Investigations**

**Section 8. Report or Information.** –

- a. *Where referred.* All reports or information from depositors, departments of the PDIC, other government agencies, and the general public alleging a possible violation of Section 2 of this Regulatory Issuance shall be filed with the Office of the General Counsel (OGC) of the PDIC. The report or information must be in writing, stating the facts alleged to constitute the acts, transactions, or omissions complained of and the name of the bank and/or the name of the director, officer, employee or agent of the bank involved.
- b. *Preliminary Evaluation.* – Upon receipt of the report or information, the OGC may, on its own, conduct a preliminary evaluation or refer the same to the Investigation Department for the conduct of a preliminary evaluation. After such preliminary evaluation, the following acts may be taken:
  1. The institution of administrative charge/s against the bank concerned and/or its director(s), officer(s), employee(s) or agent(s), subject to the authorization of the proper approving authority;
  2. The conduct of a fact-finding investigation in accordance with the procedures under PDIC Regulatory Issuance No. 2005-02 (Rules on Fact-Finding Investigation of Fraud, Irregularities and Anomalies Committed in Banks);
  3. The referral of the report or information to the appropriate PDIC department or government agency;
  4. Advise the source of the report or information to submit additional documents to support the same within thirty (30) calendar days from receipt of notice, if the report or information, on its face, is insufficient in substance.

**Section 9. Administrative Charges.** – Administrative charge/s resulting from the actions taken under Section 8 of this Regulatory Issuance against a bank and/or its director(s), officer(s), employee(s), or agent(s) shall be filed with the OGC. The administrative charge shall be in writing, stating clearly and sufficiently the administrative offense/s complained of and the names of the person/s charged, their designation and respective addresses. It shall include relevant documentary and other evidence, if any.

The Monetary Board shall also be furnished with a copy of the Administrative charge filed with the OGC.

**Section 10. Rules of Procedure in Administrative Hearings.** – The following procedures shall apply to investigations involving administrative offenses committed by a bank and/or its director(s), officer(s), employee(s), or agent(s):

- a. Upon receipt of the administrative charge, the OGC shall immediately convene an Administrative Hearing Committee (AHC) to hear the charge.
- b. Within ten (10) calendar days after the AHC has been convened, the AHC shall cause the issuance of a notice to the bank and/or to any of its director(s), officer(s), employee(s), or agent(s) charged with an administrative offense ('respondents') requiring them to explain why they should not be held liable for the administrative offense and the corresponding penalty thereon.
  1. The notice shall include a copy of the administrative charge together with the supporting documents.
  2. When the charge involves the personal liability of a director, officer, employee or agent, a copy of the notice shall be furnished the Office of the President/Chief Executive Officer (CEO) of the bank.
- c. Within ten (10) calendar days from receipt of the notice, the respondent/s shall file a verified answer with the AHC and serve a copy thereof to the complaining witness, if any, attaching thereto the original or certified true copies of all documentary and other evidence in support of its case.
  1. Should any respondent fail to file a verified answer within the period allowed by the AHC, the latter shall issue an order declaring the respondent in default.
  2. The AHC may proceed to receive evidence and thereafter render a report on its findings of facts and conclusions of law, with the appropriate recommendation to the PDIC Board of Directors.
- d. Should an answer be filed, the AHC may, upon receipt of the respondent's verified answer, and after evaluation of the evidence submitted by the parties:
  1. Consider the matter ready for the preparation of a report, based on the evidence submitted by the parties; or

2. Set the case for hearing for reception of further evidence.
- e. The hearing referred to in paragraph (d)(2) may include:
1. Admission or stipulation of facts and due execution and authenticity of documents;
  2. Simplification of issues;
  3. Identification and marking of evidence;
  4. Cross-examination of affiant/s, if any; and
  5. Such other matters as may aid in the prompt and just resolution of the case.
- f. The AHC may require the parties to submit their respective position papers within ten (10) calendar days after the termination of the hearing. Any evidence not presented and identified during the hearing shall no longer be admitted in evidence.

**Section 11. Submission of Case for Preparation of Report.** – Within ten (10) calendar days from receipt of the verified answer or from the declaration of respondents in default, or immediately upon the termination of the hearing on the case, or after the lapse of the period within which to submit the position paper, the AHC shall issue an order informing the parties that the case is deemed submitted for preparation of the report.

**Section 12. AHC Report.** – The AHC shall render a report within thirty (30) calendar days from the submission of the case for preparation of the report and submit its report to the PDIC Board of Directors for proper action. If the charge involves deposit accounts or transactions constituting or emanating from an Unsafe and/or Unsound Banking Practice/s, the report of the AHC may include a recommendation for the issuance of a DCD against the bank.

**Section 13. Resolution of the PDIC Board of Directors.** – The PDIC Board of Directors may adopt, reverse, or modify the recommendations of the AHC; provided, that, if the charge involves deposit accounts or transactions constituting or emanating from an Unsafe and/or Unsound Banking Practice/s, the PDIC Board of Directors, in consultation with the BSP, may order the issuance of a DCD against the bank.

**Section 14. Notice of the Resolution of the Board.** – The PDIC Board of Directors, through the AHC, shall notify the bank and/or any of its director(s), officer(s), employee(s) or agent(s) charged with an administrative offense and the complaining witness, where applicable, of the Decision of the PDIC Board of Directors. The Monetary Board and/or the BSP Governor, as the case may be, shall likewise be furnished a copy of the Decision of the PDIC Board of Directors whenever required under the PDIC Charter.

**Section 15. Finality of Resolution.** – The resolution of the PDIC Board of Directors shall become final and executory after ten (10) calendar days from receipt thereof by the parties,



unless the aggrieved party files a motion for reconsideration in accordance with the succeeding sections. A request for reconsideration that is filed out of time shall not be entertained and will not stall the running of the period for the finality of the resolution.

**Section 16. Grounds for Reconsideration of the PDIC Board Resolution.** – The aggrieved party may file a request for reconsideration on any of the following grounds:

- a. Discovery of new evidence which materially affects the resolution; and
- b. Errors of fact or law or irregularities have been committed prejudicial to the interest of the aggrieved party.

**Section 17. Requisites for Request for Reconsideration.** – Only requests for reconsideration that comply with the following requirements shall be entertained:

- a. The request must be verified and addressed to the PDIC Board of Directors through the Office of the PDIC Corporate Secretary.
- b. The request shall be accompanied by affidavit/s and other document/s in support of the stated ground for reconsideration. A request for reconsideration by a bank shall be filed by a person authorized by the bank's Board of Directors in a resolution issued specifically for that purpose, or in the case of foreign bank branches, by a person appointed by the bank's country officer in an equivalent document.
- c. The resolution of the PDIC Board of Directors on the request for reconsideration shall be immediately executory upon its issuance.

**Section 18. Second Motion for Reconsideration.** – No second motion for reconsideration shall be entertained.

**Section 19. Enforcement of the Administrative Fine.** –

- a. In no case shall an appeal stay the immediate enforcement and satisfaction of the administrative fine unless otherwise restrained by the Court of Appeals or the Supreme Court in accordance with Section 22 of the PDIC Charter.
- b. The resolution of the PDIC Board of Directors shall be immediately executory unless the aggrieved party/parties posts a cash bond equivalent to the amount of the fine imposed, or a surety bond from a reputable bonding company acceptable to the PDIC, in double the amount of the fine imposed.
- c. The payment of any Administrative Fine must be made in manager's or cashier's check payable to the PDIC and shall be sent by personal delivery or registered mail with return card addressed to the Treasury Department of the PDIC.

**Section 20. Prohibited Motions/Pleadings.** – The following pleadings, motions, or petitions shall not be allowed in cases covered by this Regulatory Issuance:

- a. Motion to Dismiss except on jurisdictional grounds;
- b. Motion for Bill of Particulars;
- c. Motion for New Trial;
- d. Petition for Relief from Judgment;
- e. Interventions;
- f. Third Party Complaints; and
- g. Any dilatory motions or pleadings.

**Section 21. Separability Clause.** – In the event of invalidity of any of the provisions of this Regulatory Issuance, only the provision/s so invalidated shall have no force and effect.

**Section 22. Repealing Clause.** – This Regulatory Issuance repeals PDIC Regulatory Issuance No. 2005-03. In the same manner, all regulatory issuances, rules, and other PDIC issuances which are inconsistent with the provisions of this Regulatory Issuance are hereby repealed, amended, or modified accordingly.

**Section 23. Effectivity.** – This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation.

For your guidance and strict compliance.

**(Sgd.) Valentin A. Araneta**  
President

January 10, 2012

## REGULATORY ISSUANCE NO. 2015-01

**TO :** Member Banks  
**SUBJECT :** Computerized Records of Bank Deposits

Pursuant to Section 9(d)(1) of Republic Act No. 3591, as amended (the “PDIC Charter”), the Board of Directors of PDIC, by virtue of Resolution No. 2014-12-293 dated January 8, 2015, approved the promulgation of the following **Rules and Regulations Governing Computerized Records of Bank Deposits**.

### **Section 1. Policy Consideration**

To facilitate the efficient determination by PDIC of its exposure in insured deposits, and to enable prompt and accurate reimbursement of deposit insurance claims when necessary, member banks shall maintain computerized records of depositor/deposit information in accordance with these regulations.

**Section 2. Definition of Terms.** For the purpose of this regulation:

***Depositor information*** refers to the following:

- Depositor code
- Depositor type (individual, corporate, joint, held-in-trust for, or by)
- Depositor full name
- Depositor's middle name & birthdate (for individual depositors)
- Depositor's complete address
- Information on whether depositor is a borrower, co-maker, and/or guarantor of existing loan/s with the bank

***Deposit information*** refers to the following:

- Deposit account number
- Branch where deposit account was opened
- Deposit type (Savings, Time, Demand, others)
- Deposit sub-type (i.e. product name or code)
- Deposit currency code
- Available balance
- Interest rate on deposit
- Issuance and maturity dates (for term deposits)
- Withholding tax and other bank charges
- Information on whether account is restricted (i.e. frozen or with pending legal case)

***Facility*** refers to an application that is integrated with the bank’s computerized deposit database system to enable the electronic generation of a report in prescribed form.

**Deposit Account View (DAV)** refers to an electronically generated report that provides consolidated depositor/deposit information, for each and every deposit account.

### Section 3. Requirements for Member Banks

3.1 Each member bank shall have:

- a) a computerized database system where updated and accurate depositor/deposit information and deposit transactions for each and every deposit account are maintained and safely stored for five (5) years from date of transaction;
- b) a facility that can readily generate DAV with the depositor/deposit information in the form specified by PDIC (see Annex A and Annex A.1); and
- c) a backup and recovery arrangement for the depositor/deposit information and deposit transactions in accordance with the disaster recovery and business continuity plan guidelines and requirements of the Bangko Sentral ng Pilipinas.

3.2 Each member bank shall submit the following to PDIC:

Particular	Deadline of Submission
a) <b>Plan of Implementation</b> (see Annex B) for the requirements in Section 3.1	Within 30 days from date of effectivity of this RI
b) Report on <b>Features of Systems Used for Computerized Database</b> (see Annex C), prepared by the bank's IT Head or his designated officer, and duly attested to by the bank's Compliance Officer	Within 30 days from date of effectivity of this RI and from date of effectivity of any update or change thereafter

### Section 4. Penalties

Violation of this regulatory issuance shall subject the member bank and/or any of its responsible directors, officers, employees or agents to administrative fines in accordance with Section 21 (g) of the PDIC Charter as implemented by PDIC RI 2012-01 entitled "Revised Rules on Administrative Offenses, Fines, and Procedure in Administrative Investigations" and any subsequent amendments thereto, without prejudice to any civil or criminal liability of the concerned directors, officers, employees or agents of the bank.

### Section 5. Repealing Clause

Section 1.b of Regulatory Issuance 2006-01 on Record Keeping of Bank Deposits and other PDIC issuances which are inconsistent herewith are hereby repealed or amended accordingly.

### Section 6. Effectivity Date

This RI shall take effect fifteen (15) days after publication in any newspaper of general circulation.

**(Sgd.) CRISTINA Q. ORBETA**  
President

January 22, 2015

## DEPOSIT ACCOUNT VIEW

Common for CASA and TD  
 CASA only  
 TD only  
 Others

	1	2	3	4	5	6	7	8
	Depositor Information							
	Address (separated into cells)							
	Depositor Code	Depositor Type	Depositor Full Name	Birthdate	Province	City/Municipality/ Town	Baranggay/ Subdivision/ Village	Building/ Unit or House Number/ Street
	Depo_ID	Depo_Type	Depo_Name	Depo_BD	Add_Prov	Add_City	Add_Brgy	Add_St
DESCRIPTION	Unique identification code to match all accounts belonging to same depositor	"I" for Individual; "C" for Corporate; "J" for Joint; and "ITF/By" for Held-in-Trust-For or By account	Complete name of depositor	Date of birth, for individual account only; " " if not applicable	Full name of province, please do not abbreviate	Full name of city or municipality or town, please do not abbreviate	Full name of baranggay or subdivision or village, please do not abbreviate	Unit number, building and street name (for building address); House number and name of street (for house address). Partial abbreviation of name of street/building acceptable (eg. Jose P. Rizal Street may be stated as J.P. Rizal St.)
DATA TYPE	Alpha numeric	Character	Character	Date	Character	Character	Alpha numeric	Alpha numeric
MANDATORY	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FORMAT	Text	Text	Text	Date(yyyymmdd)	Yes	Text	Text	Text
VALID VALUES	Text	I, C, J, ITF/By	Text	Date	Text	Text	Text	Text
REMARKS	Prospectively, bank must ensure that only 1 code is assigned to a depositor. In case where multiple codes were previously assigned to a depositor, bank should link all of the codes to the unique depositor code, which could be either 1 of the previously-assigned codes or a new code		Last Name & Suffix(Jr., Sr, III), First Name, Middle Name (for persons); Name as it appears in bank records or proof of deposit (for entities)			Bank must ensure that a depositor's address match the adress/es, for all his/her deposit accounts		

## DEPOSIT ACCOUNT V

	Common for CASA and TD
	CASA only
	TD only
	Others

	9	10	11	12	13	14	15	16	17	18
	Depositor Information		Deposit Information							
			Deposit Account Number	Branch Name or Code			Interest on Deposit			
	Borrower?	Co-Maker or Guarantor?			Deposit Type	Deposit Sub-Type	Currency Code	Interest Rate	Date of Last Interest Payment/Posting	Last Interest Payment    Cut-off Date
DESCRIPTION	Borr?	Co. Borr?	Dep_Ac_No	Br_NaCo	Dep_Type	Dep_Type2	Dep_Cur	Int%	Int_post_date	Int_cutoff
	"Y" if depositor has existing loan/s with bank; "N" otherwise	"C" if depositor acts as co-maker of an existing loan; "G" if the depositor's deposit account serves as guarantee for an existing loan of another person or entity; "N" otherwise	Bank-issued identification number for the deposit account	Branch where the deposit account was opened	"SA" for Savings or Special Savings; "TD" for Time Deposit; "DD" for Demand Deposit; "NOW" for Negotiable Order of Withdrawal; "NCTD" for Negotiable Certificate of Time Deposit	Either the product name (eg. Regular Time, Premium Savings, Kiddie Savings) or product code	3-character code corresponding to the currency of the deposit (eg. USD, PHP, YEN)	Applicable interest rate on deposit	Date of bank's last payment/posting of interest on deposit	Date last interest payment became or will become due to depositor. For instance, if last interest payment was made on 03/02/2013, but said interest payment applies for the period 01/01/2013 to 03/31/2013, then the last interest payment cut-off date is 03/31/2013
DATA TYPE	Alpha numeric	Alpha numeric	Alpha numeric	Alpha numeric	Alpha numeric	Alpha numeric	Numeric	Numeric	Date	Date
MANDATORY	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
FORMAT	Text	Text	Text	Text	Text	Text	Text	99.99%	Date(yyyymmdd)	Date(yyyymmdd)
VALID VALUES	Y, N	C, G, N	Text	Text	SA,DD,TD, NOW,NCTD	Text	Text	Numbers	Date	Date
REMARKS				If abbreviated/ coded, legend for abbreviations/ codes should be available		Legend for abbreviations/ codes should be available	Use AMLC Currency Codes	Value should be zero(0) if not interest bearing		

## DEPOSIT ACCOUNT V

Common for CASA and TD  
CASA only  
TD only  
Others

	19	20	21	22	23	24	25	26	27
	Deposit Information								
				Date of Last Deduction of:					
	Issue Date	Maturity Date	Withholding Tax Rate	Withholding Tax on Interest Income	Dormancy Charge	Date of Last Deposit/Withdrawal Transaction	Available Balance	Restricted?	Account Status
		Mat_date	WTax%	Wtax_date	Dorm_ch_date	Last_trans_date	Avail_Bal	Restrict?	Ac_Stat
DESCRIPTION	Date granted for TD	Date of maturity, only in the case of termed deposit, such as time or special savings	Applicable withholding tax rate on interest income	Date of last deduction of withholding tax on interest income	Date of last deduction of dormancy charge from deposit account balance (Fill up if account status is dormant)	Date of latest deposit or withdrawal transaction of depositor	Deposit account balance per CASA/ bank records	"Y" if restricted (eg. freeze account, under investigation, with pending legal case); "N" otherwise	"A" for Active Accounts; "D" for Dormant; "ES" for Escheat (due to the Treasurer of the Philippines)
DATA TYPE	Date	Date	Numeric	Date	Date	Date	Numeric	Alpha numeric	Alpha
MANDATORY	Yes	Yes	Yes	Yes	Yes	Yes	Yes for balances > 0	Yes	Yes
FORMAT	Date(yyyymmdd)	Date(yyyymmdd)	99.99%	Date(yyyymmdd)	Date(yyyymmdd)	Date(yyyymmdd)	9,999,999,999.99	Text	Text
VALID VALUES	Date	Date	Numbers	Date	Date	Date	Numbers	Y, N	Text
REMARKS			Value should be zero(0) if account is exempted from tax						



## ANNEX A.1

## ANNEX A.1

[illegible]

**PLAN OF IMPLEMENTATION**

Deadline of Submission: Within 30 days from date of effectivity of RI

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**NAME OF BANK**

TASK	DATE STARTED	DATE COMPLETED	COMMENTS
I. Review of Existing System			
a.			
b.			
II. Design			
a.			
b.			
III. Development			
a.			
b.			
IV. Testing			
a.			
b.			
V. Build-up			
a.			
b.			
VI. Roll-out			
a.			
b.			

Prepared by:

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 Signature above printed name

---

 Designation

Attested by:

---

 Signature above printed name

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 Designation

**FEATURES OF SYTEMS USED FOR COMPUTERIZED DATABASE**

Deadline of Submission: Within 30 days from date of effectivity of RI and from date of effectivity of any updates/changes thereafter

\_\_\_\_\_  
**NAME OF BANK**  
 As of \_\_\_\_\_

**I. FEATURES OF SYSTEMS USED FOR COMPUTERIZED DEPOSIT DATABASE**

**INSTRUCTIONS:** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra sheet/s of paper if spaces provided are not sufficient. Accomplish this form for each deposit type if different database systems are used for each type.

**AREA to which computerization is applied :** ☐ Demand ☐ Savings ☐ Time ☐ Others : \_\_\_\_\_  
*(If the products are stored in different systems, please accomplish additional forms)*

A. Application System/Computerized System Name : \_\_\_\_\_

A.1. Tool/Software Used ☐ Visual Basic ☐ Cobol ☐ PowerBuilder ☐ Access ☐ Btrieve  
☐ Xbase ☐ Spread sheet Software ☐ Other: \_\_\_\_\_

A.2 Database Used ☐ SQL Server ☐ Oracle ☐ DBF ☐ DB2 ☐ Other : \_\_\_\_\_

A.3 Mode of Development ☐ In-House ☐ Outsourced

A.4 Vendor (IF OUTSOURCED)

Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone No's : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

A.5 Is the deposit system linked to the GL/Accounting System? ☐ Yes ☐ No

B. OPERATING SYSTEM where systems is running

☐ Windows ☐ Linux ☐ Unix ☐ Novell ☐ MAC OS ☐ OS 2 ☐ Others: \_\_\_\_\_

C. HARDWARE where system is running

☐ Stand-Alone PC ☐ PC Server ☐ AS 400 ☐ IBM Mainframe ☐ Others: \_\_\_\_\_

**FEATURES OF SYTEMS USED FOR COMPUTERIZED DATABASE**

Deadline of Submission: Within 30 days from date of effectivity of RI and from date of effectivity of any updates/changes thereafter

**II. FEATURES OF SYSTEMS USED FOR COMPUTERIZED GENERAL LEDGER/ACCOUNTING SYSTEM**

**INSTRUCTIONS:** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra Sheet/s of paper if spaces provided are not sufficient. Accomplish this form for each branch if there are different computerized systems being used.

A. Application System/Computerized System Name : \_\_\_\_\_

A.1. Tool/Software Used ☐ Visual Basic ☐ Cobol ☐ PowerBuilder ☐ Access ☐ Btrieve  
☐ Xbase ☐ Spread sheet Software ☐ Other: \_\_\_\_\_

A.2 Database Used ☐ SQL Server ☐ Oracle ☐ DBF ☐ DB2 ☐ Other : \_\_\_\_\_

A.3 Mode of Development ☐ In-House ☐ Outsourced

A.4 Vendor (IF OUTSOURCED)

Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone No's : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

A.5 Is the system linked to other systems? ☐ Yes ☐ No

Specify : \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

B. OPERATING SYSTEM where systems is running

☐ Windows ☐ Linux ☐ Unix ☐ Novell ☐ MAC OS ☐ OS 2 ☐ Others: \_\_\_\_\_

C. HARDWARE where system is running

☐ Stand-Alone PC ☐ PC Server ☐ AS 400 ☐ IBM Mainframe ☐ Others: \_\_\_\_\_

**FEATURES OF SYTEMS USED FOR COMPUTERIZED DATABASE**

Deadline of Submission: Within 30 days from date of effectivity of RI and from date of effectivity of any updates/changes thereafter

**III. FEATURES OF SYSTEMS USED FOR COMPUTERIZED LOANS SYSTEM**

**INSTRUCTIONS:** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra Sheet of paper if spaces provided are not sufficient. Accomplish this form for each branch if there are different computerized systems being used.

A. Application System/Computerized System Name : \_\_\_\_\_

A.1. Tool/Software Used ☐ Visual Basic ☐ Cobol ☐ PowerBuilder ☐ Access ☐ Btrieve  
☐ Xbase ☐ Spread sheet Software ☐ Other: \_\_\_\_\_

A.2 Database Used ☐ SQL Server ☐ Oracle ☐ DBF ☐ DB2 ☐ Other : \_\_\_\_\_

A.3 Mode of Development ☐ In-House ☐ Outsourced

A.4 Vendor (IF OUTSOURCED)

Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone No's : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

A.5 Is the loan system linked to the GL/Accounting System? ☐ Yes ☐ No

B. OPERATING SYSTEM where systems is running

☐ Windows ☐ Linux ☐ Unix ☐ Novell ☐ MAC OS ☐ OS 2 ☐ Others: \_\_\_\_\_

C. HARDWARE where system is running

☐ Stand-Alone PC ☐ PC Server ☐ AS 400 ☐ IBM Mainframe ☐ Others: \_\_\_\_\_

**FEATURES OF SYTEMS USED FOR COMPUTERIZED DATABASE**

Deadline of Submission: Within 30 days from date of effectivity of RI and from date of effectivity of any updates/changes thereafter

**IV. NETWORKING FEATURES OF SYSTEMS**

**INSTRUCTIONS:** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra Sheet/s of paper if spaces provided are not sufficient.

**A. NETWORKING Features ( For multi-unit banks or banks with branches only)**

Are the bank's computerized system Networked?

☐ YES

If yes, are the bank's computerized systems online at the Head Office

☐ YES

☐ NO

(Provide in a separate sheet of paper, list of branches connected and not connected to network with respective location of SERVERS (including floor location), type of connection e.g., lease line, wireless, and respective processing modes, i.e., ONLINE or BATCH processing. For BATCH processing, please specify frequency of update).

☐ NO (Provide in a separate sheet of paper, list of branches with the respective location of SERVERS (including floor location) used for deposit database).

**B. Does the bank have a Customer's Single View of its clients, wherein depositors and loan borrowers are assigned a single unique number?**

☐ YES

☐ NO

**C. Does the bank maintain ATMs?**

☐ YES, please provide a list of all branches with ATMs including offsite ATMs.

If yes, please specify the service provider (Megalink/Bancnet/Expressnet/others) \_\_\_\_\_

☐ NO

The undersigned hereby declares, under pain of perjury, that he is the Compliance Officer of the above named bank, that he is duly authorized to issue this Schedule (pages 1 to 4), and that the information herein provided are true and complete.

Prepared by:

\_\_\_\_\_  
Signature above printed name

\_\_\_\_\_  
Designation

Attested by:

\_\_\_\_\_  
Signature above printed name

\_\_\_\_\_  
Designation

## REGULATORY ISSUANCE NO. 2017-01

**TO : All Banks**  
**SUBJECT : Revised Rules and Regulations on Regular Assessment of Banks**

Pursuant to its authority under Sections 3 (b) and 9 (Tenth) of the PDIC Charter (Republic Act No. 3591, as amended), the Board of Directors of the Philippine Deposit Insurance Corporation issued Board Resolution No. 2017-03-057 dated April 3, 2017, approving the issuance of these **Revised Rules and Regulations on Regular Assessment of Banks** implementing Section 7 of the PDIC Charter.

### Section 1. Statement of Policy

PDIC is tasked to promote and safeguard the interests of the depositing public by way of providing insurance coverage on all insured bank deposits and in helping maintain a sound and stable banking system.

To enable PDIC to provide deposit insurance coverage and perform its mandates, all banks<sup>1</sup> shall pay assessment to PDIC in accordance with Section 7 of the PDIC Charter and these Revised Rules and Regulations on Regular Assessment of Banks ("Regulatory Issuance").

### Section 2. Coverage

This Regulatory Issuance shall govern payment of regular assessment to PDIC by banks incorporated under Philippine laws, including branches and agencies in the Philippines of foreign banks.

### Section 3. Assessment Base

- A. The Assessment base shall be the total deposit<sup>2</sup> liability of a bank without any deduction for indebtedness of depositors, and shall include the following items:
1. Peso and foreign currency deposits maintained in banks, as follows:
    - a. Demand, "NOW", Savings, Time, Non-Negotiable Certificates of Time Deposits (CTDs), Negotiable CTDs and Special Savings Accounts, including the Accrued Interest Payable on these accounts; and
    - b. Accounts other than those mentioned above which fall under the definition of deposit in the PDIC Charter.
  2. Deposits in overseas branch/es of a bank incorporated under Philippine laws which were duly approved by the PDIC Board of Directors for insurance coverage.

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<sup>1</sup> Section 5 (d), PDIC Charter

<sup>2</sup> Section 5 (g), PDIC Charter

- B. As used in this Regulatory Issuance, a new bank refers to a newly established bank or bank resulting from consolidation, with Certificate of Authority to Operate issued by the Bangko Sentral ng Pilipinas (BSP).
- C. The assessment base shall be computed as follows:
  - 1. For existing banks, the semi-annual assessment due on –
    - a. July 31 shall be the average amount of the total assessment items of a bank, as defined in Part A of this Section, as of the close of business on the two quarterly assessment base days, which are the preceding March 31 and June 30;
    - b. January 31 shall be the average amount of the total assessment items of a bank, as defined in Part A of this Section, as of the close of business on the two quarterly assessment base days, which are the preceding September 30 and December 31.
  - 2. For new banks, the semi-annual assessment base shall be the total assessment items of the bank as of the close of business either on the preceding June 30 or December 31, whichever is applicable. The semi-annual assessment base shall include liabilities for deposits of another bank or banks, which the new bank assumed, if any.
  - 3. When any of the base days falls on a non-business day or legal holiday, either national or local, the preceding business day shall be used as assessment base day.

#### **Section 4. Regular Assessment Rate**

- A. Subject to periodic review, the regular assessment rate shall be one-fifth (1/5) of one per centum (1%) per annum of the total deposit liability of a bank, which shall be payable semi-annually as specified in Section 6 hereof.

Accordingly, semi-annual assessment to be paid shall be equal to one-half (1/2) of the one-fifth (1/5) of one per centum per annum or the factor of 0.001 multiplied by the semi-annual assessment base as determined in Section 3 (C) hereof. In no case, however, shall the assessment to be paid be less than Five Thousand Pesos (P5,000.00).

- B. Conversion Rates for Foreign Currency Deposits

The amount of deposits maintained in foreign currencies shall be converted to Philippine pesos as follows:

- 1. United States (US) dollar denominated deposits based on Philippine Dealing System (PDS) closing rates as of assessment base day/s; and



2. Foreign currency deposits in a denomination other than the US dollar shall first be converted to its equivalent amount in US dollar using the New York US dollar/third currency closing rates as of assessment base day/s, before converting the US dollar equivalent to pesos using PDS closing rates as of assessment base day/s.

Provided, that in the event the prescribed conversion rate for foreign exchange transactions is amended through regulation by the BSP, the basis for converting foreign currency denominated deposits into pesos, as of assessment base days, shall be aligned with the conversion rates prescribed by the BSP.

## **Section 5. Filing of Certified Statements**

Existing banks must file with PDIC the Regular Certified Statement (RCS)<sup>3</sup> on or before January 31 and July 31 of each year, consistent with Section 3 (C) of this Regulatory Issuance.

New banks must file with PDIC their First Certified Statement (FCS)<sup>4</sup> on or before January 31 or July 31 of the following semi-annual period after the start of its operations as indicated in the corresponding Circular Letter issued by the BSP, whether or not the new bank was able to successfully solicit deposits before the FCS due date.

When any of said days is a non-business day or legal holiday, either national or local, the certified statements shall be filed on the preceding business day.

The FCS/RCS shall show the deposit liabilities of a bank as of the close of business on assessment base day/s, the computation of the semi-annual assessment base, and the amount of the semi-annual assessment due to PDIC. It shall be:

1. verified and signed under oath by the Bank President or any officer duly designated by the bank's Board to sign financial reports; and
2. accompanied by required supporting schedules.<sup>5</sup>

All banks must use the Certified Statement Forms available at the PDIC website ([www.pdic.gov.ph](http://www.pdic.gov.ph))

The FCS/RCS shall be accomplished and submitted as follows:

1. soft copy, by electronic mail, using the excel template prescribed by PDIC to: [insd@pdic.gov.ph](mailto:insd@pdic.gov.ph); and

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<sup>3</sup> PDIC Form 201, Annex A

<sup>4</sup> PDIC Form 202, Annex B

<sup>5</sup> PDIC Form 201-A-1, Annex C.1

PDIC Form 201-A-1.1, Annex C.2

PDIC Form 201-A-1.2, Annex C.3

PDIC Form 201-A-1.3, Annex C.4

2. two (2) duly signed and notarized printed copies, either by personal delivery or through mail, which shall be submitted to:

The Department Manager  
Insurance Department  
Philippine Deposit Insurance Corporation  
8F SSS Building, 6782 Ayala Avenue cor. V.A. Rufino St.  
Makati City 1226

## **Section 6. Payment of Regular Assessment**

The regular assessment shall be paid simultaneous with the filing of the FCS/RCS on January 31 or July 31 in accordance with Section 5 of this Regulatory Issuance. All payments shall be made through the Real Time Gross Settlement (RTGS) facility. Banks which have no RTGS facility may pay via Land Bank of the Philippines Online Collection facility.

New banks shall pay their first semi-annual assessment on the assessment due date (January 31 or July 31) immediately following the semester after the start of its operations consistent with paragraph 2 of Section 5 hereof.

## **Section 7. Default in Payment of Regular and Deficiency Assessment and its Consequences**

### **A. Default**

The bank shall be considered in default in case of non-payment or failure to pay in full the semi-annual assessment on or before January 31 or July 31, whichever is applicable.

### **B. Consequences of Default**

#### **1. Prohibition from Paying Dividends or Distributing Capital Assets**

A bank is prohibited from doing the following acts for as long as it remains in default:

- a. pay any dividend on its capital stock or interest on its capital notes or debentures (if such interest is required to be paid only out of net profits); or,
- b. distribute any of its capital assets.

#### **2. Liability for Interest and Penalty Charges**

- a. Non-Payment of Regular Assessment

Any assessment that remains unpaid after the assessment due date, without need of any demand, shall be imposed an interest computed at the legal rate for loans as prescribed by law or appropriate authority reckoned from the date the assessment became due and payable, until full payment of the said assessment.

If such assessment remains unpaid after thirty (30) days from the assessment due date, a penalty charge shall be additionally imposed on the unpaid assessment equivalent to twice the amount of interest payable reckoned from the date the assessment became due and payable as provided in the PDIC Charter.<sup>6</sup>

b. Deficiency in the Payment of Regular Assessment

For purposes of this Section, there is a deficiency assessment when the assessment paid by the bank is less than the assessment computed and determined by PDIC upon assessment audit.

A bank that fails to pay a deficiency assessment within fifteen (15) days from receipt of demand from PDIC shall be imposed an interest computed at the legal rate for loans as prescribed by law or appropriate authority reckoned from the date the deficiency became due and payable, until full payment of the said deficiency.

If such deficiency remains unpaid after thirty (30) days from receipt of demand from PDIC, a penalty charge shall be additionally imposed on the unpaid deficiency equivalent to twice the amount of interest payable reckoned from the date the deficiency became due and payable as provided in the PDIC Charter, until full payment thereof.

3. Administrative Fine<sup>7</sup>

The defaulting bank or any of its directors, officers or agents responsible for the non-payment of the assessment or deficiency may be imposed administrative fines in amounts as may be deemed appropriate, but in no case to exceed three times the amount of damages or costs caused by the transaction for each day that the bank is in default.

4. Criminal Liability<sup>8</sup>

Default in the payment of assessment or deficiency and the violation of Item B.1 of this Section is tantamount to willful failure or refusal to comply with, or violation of the PDIC Charter for which any director, officer, employee or agent of a bank may be held liable and be imposed a penalty of imprisonment of not less

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<sup>6</sup> Section 26 (e), PDIC Charter

<sup>7</sup> Section 26 (g), PDIC Charter

<sup>8</sup> Section 26 (f), PDIC Charter

than six (6) years but not more than twelve (12) years or a fine of not less than Fifty Thousand Pesos (P50,000.00) but not more than Ten Million Pesos (P10,000,000.00), or both, at the discretion of the court.

The above sanctions may be pursued and/or imposed simultaneously.

**C. Remedy Available to PDIC to Collect the Assessment**

PDIC may, at its discretion, institute a case for collection against a bank that fails or refuses to pay any assessment due, including interest and penalties thereon, after thirty (30) days from receipt of demand from PDIC.

This remedy is available whether or not the bank shall have filed a certified statement or a suit shall have been brought by PDIC to compel the bank to file any of the certified statements. Provided, however, that the collection case is filed within five (5) years after the right accrued.

In cases where the insured bank has made or filed a false or fraudulent certified statement with the intent to evade, in whole or in part, the payment of assessment, the five (5) year prescriptive period for filing of a collection case shall commence from date of discovery by PDIC that the certified statement is false or fraudulent.

**Section 8. Failure to File Certified Statements or Filing of False or Fraudulent Statements**

The following acts shall subject the directors, officers, employees or agents of the bank to the sanctions and penalties under Section 26(f) and (g) of the PDIC Charter:

1. failure to file any Certified Statement including the required supporting schedules;
2. willful making of false statement or entry in a certified statement; or
3. filing with the PDIC of a false or fraudulent FCS/RCS with intent to evade, in whole or in part, the payment of assessment.

In addition, a bank that fails to file an FCS/RCS may be compelled by PDIC to file such statement by mandatory injunction or other appropriate remedy in a suit brought for the purpose, and/or be imposed an administrative fine.

The above remedies and sanctions are without prejudice to other actions that PDIC may take under other applicable laws.

**Section 9. Onsite Assessment Audit**

PDIC may conduct an onsite assessment audit on banks to ascertain:

1. Overall compliance with PDIC Charter provisions on assessment and its implementing rules and regulations; and,

2. Correctness and validity of assessment items declared in the FCS/RCS and assessment paid to PDIC.

Onsite assessment audit shall be conducted not more than once every semester. It may be conducted in conjunction with a regular examination, special examination, or insurance risk evaluation under Section 6, paragraph 2 of the PDIC Charter.

The assessment audit shall cover verification of information in the FCS/RCS filed vis-a-vis the bank's schedules/records such as General Ledgers, Daily Trial Balances and other schedules.

## **Section 10. Rules on Contested Assessment**

### **A. Contested Assessment**

In case of dispute between a bank and PDIC over the amount of assessment, the bank may request for exemption from the prohibitions enumerated in Section 7 (B.1) of this Regulatory Issuance and post a security in accordance with Item B of this Section which security shall remain in force until the final determination of the issue by a court of competent jurisdiction.

If the security is found by PDIC to be sufficient and acceptable, it shall issue a written notice allowing such bank to undertake the actions cited in items (a) and (b) of Section 7 (B.1) hereof. The permission to undertake said actions may be revoked by PDIC if the bank violates the terms of the security or is in default in the payment of other assessments.

### **B. Security Deposit for Contested Assessment**

The security deposit may be in cash, securities issued by the Republic of the Philippines, or any other security acceptable to PDIC, in an amount equivalent to the contested assessment which shall be placed in an escrow account in favor of PDIC.

The escrow account shall be opened and maintained with the head office of any of the designated depository banks of PDIC. For this purpose, an escrow agreement shall be executed by and among the bank, PDIC, and the designated depository bank of PDIC as escrow agent.

The escrow agent shall furnish PDIC with the semi-annual reports on the balances of the escrow account. Should the bank receive an updated assessment of account from PDIC such that the amount is found to be less than the new assessment, the bank must correspondingly increase the escrow deposit to cover the deficiency within thirty (30) days from receipt of notice from PDIC. The amount of escrow deposit, net of all fees, charges and taxes should always be sufficient to cover PDIC's computation of assessment plus interest charges equivalent to the legal rate for loans as prescribed by law or appropriate authority.

The escrow deposit/s, including interest earnings accruing thereon, shall be ceded to the party in whose favor the dispute is finally resolved.

## **Section 11. Overpayment of Assessment**

### **A. Claim for Overpayment**

A bank may file with PDIC a request to credit any amount paid in excess of the assessment due against its succeeding assessment.

PDIC shall verify the claim and approve the same, if found correct. PDIC shall deny the claim if it finds the same incorrect and shall notify the bank accordingly.

If the amount claimed by the bank is different from the amount of overpayment verified by PDIC, the amount as verified by PDIC shall prevail and shall accordingly be credited to the requesting bank's succeeding assessment.

In case the overpayment is discovered by PDIC, it shall notify the bank accordingly.

### **B. Prescription of Claim for Overpayment**

No action or proceeding shall be brought for the recovery of any amount paid to PDIC in excess of the amount due to it, unless such action or proceeding shall have been brought within five (5) years from date of payment of regular assessment in accordance with Section 6 hereof.

## **Section 12. Repealing Clause**

PDIC Regulatory Issuance 2010-01 on the Revised Rules and Regulations on Assessment of Member Banks is hereby repealed.

## **Section 13. Effectivity**

This Regulatory Issuance shall take effect fifteen (15) days after publication in a newspaper of general circulation.

**ROBERTO B. TAN**  
President

April 20, 2017

Publication: Manila Bulletin, May 12, 2017  
Date of Effectivity: May 27, 2017

REGULAR CERTIFIED STATEMENT

BASED ON DEPOSIT BALANCES AS OF

NAME OF BANK: ADDRESS:

	BASEDAYS		TOTAL of columns 1 & 2	
	Base Day 1	Base Day 2		
A. Total Assessment Base				
Domestic Deposit Liabilities <sup>1</sup>	P -	P -	P -	
Foreign Currency Deposit <sup>1</sup>	-	-	-	
Accrued Interest Payable (AIP) on Deposits <sup>2</sup>	-	-	-	
Deposit items lodged under other liability account <sup>3</sup>	-	-	-	
Total	P -	P -	P -	
B. Semi-Annual Assessment Base (Item A divided by 2)			P -	
C. Total Amount of Assessment (1/2 of 1/5 of 1% of Item B, but not less than P5,000.00)			P -	
D. Interest & Penalty for Late Remittance:				
1) Interest (Item C multiplied by 6% per annum X - days <sup>4</sup> )		P -		
2) Penalty (Item C multiplied by 12% per annum X - days <sup>4</sup> )		P -		
3) Total Interest & Penalty (Sum of Items D-1 & D-2)			P -	
E. Total Assessment Due PDIC for above Base Days (Sum of Item C & D-3)			P -	
F. Billings/(Overpayments)				
1) Payment of Assessment deficiency per PDIC letter dated (Reference No. )		P		
2) Credit for Overpayment of Assessment per PDIC letter dated (Reference No. )		P -		
3) Other Approved Billings/(Overpayment) Specify:		P -		
4) Total Billing/(Overpayment) (Sum of Items F-1 to F-3)			P -	
G. Net Balance Due PDIC (Item E add/(minus) Item F-4)			P -	
REMITTANCE ENCLOSED			P -	
H. Remaining Credit Due Bank			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 and all its supporting schedules is true, correct and complete and is made in accordance with the Philippine Deposit Insurance Corporation Act and regulations issued thereunder.

Date Signed :

(Signature of President/Duly Authorized Bank Officer)

(Name in Print)

(Designation)

Notes:  
1 Includes the following:  
1 Demand, Savings, NOW, Time and NCTD Deposits  
2 AIP on Demand, Savings, NOW, Time and NCTD Deposits  
3 Due to Other Banks; Due to the Treasurer of the Philippines; Due to/from Head Office/Branches; Other Credits-Unclaimed Balances; Other Credits-Dormant; Accounts Payable; Miscellaneous Liabilities; Overages; Sundry Credits; Inter Office Float Items; and Others  
4 Number of days from prescribed due date to date of payment

SUBSCRIBED AND SWORN to before me this day of 20, at  
affiant exhibiting to me his/her

Doc. No. Book No.  
Page No. Series of 20

(Notary Public Until )

(For PDIC Use Only)  
REVIEWED BY:

VERIFIED BY:

# FIRST CERTIFIED STATEMENT

BASED ON DEPOSIT BALANCES AS OF \_\_\_\_\_

NAME OF BANK:

ADDRESS:

A.	Total Assessment Base			
	Domestic Deposit Liabilities <sup>1</sup>	P	-	
	Foreign Currency Deposits <sup>1</sup>		-	
	Accrued Interest Payable (AIP) on Deposits <sup>2</sup>		-	
	Deposit items lodged under other liability Account <sup>3</sup>		-	
	TOTAL			P _____ -
B.	Semi-Annual Assessment Base			P _____ -
C.	Amount of Assessment (1/2 of 1/5 of 1% of item B, but not less than P5,000.00)			P _____ -
	REMITTANCE ENCLOSED			P _____

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

Date Signed: \_\_\_\_\_

\_\_\_\_\_  
(Signature of President/Duly Authorized Bank Officer)

\_\_\_\_\_  
(Name in Print)

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

Notes:

1 Demand, Savings, NOW, Time and NCTD Deposits

2 AIP on Demand, Savings, NOW, Time and NCTD Deposits

3 Due to Other Banks; Due to the Treasurer of the Philippines; Due to/from Head Office/Branches; Other Credits-Unclaimed Balances; Other Credits-Dormant; Accounts Payable; Miscellaneous Liabilities; Overages; Sundry Credits; Inter-Office Float Items; and Others

SUBSCRIBED AND SWORN to before me this \_\_\_\_\_ day of \_\_\_\_\_ 20\_\_\_\_, at \_\_\_\_\_  
\_\_\_\_\_ affiant exhibiting to me his/her \_\_\_\_\_.

Doc. No. \_\_\_\_\_ Book No. \_\_\_\_\_

Page No. \_\_\_\_\_ Series of 20\_\_\_\_

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

(DO NOT WRITE IN SPACE BELOW)

REVIEWED BY:

VERIFIED BY:



(Name of Reporting Bank)

**CONSOLIDATED SCHEDULE OF DEPOSITS AND OTHER ASSESSABLE ACCOUNTS**

Based on Balances Covering Base Days

	Base Day 1	Base Day 2	TOTAL
<b>DEPOSIT LIABILITIES</b>			
DOMESTIC			
Demand Deposits	P -	P -	P -
Savings Deposits	-	-	-
Negotiable Order of Withdrawal (NOW)	-	-	-
Time Deposits	-	-	-
LTNCD	-	-	-
Subtotal	P -	P -	P -
FOREIGN CURRENCY			
Demand Deposits	P -	P -	P -
Savings Deposits	-	-	-
Negotiable Order of Withdrawal (NOW)	-	-	-
Time Deposits	-	-	-
LTNCD	-	-	-
Subtotal	P -	P -	P -
TOTAL	P -	P -	P -
<b>ACCRUED INTEREST PAYABLE</b>			
DOMESTIC			
Demand Deposits	P -	P -	P -
Savings Deposits	-	-	-
Negotiable Order of Withdrawal (NOW)	-	-	-
Time Deposits	-	-	-
LTNCD	-	-	-
Subtotal	P -	P -	P -
FOREIGN CURRENCY			
Demand Deposits	P -	P -	P -
Savings Deposits	-	-	-
Negotiable Order of Withdrawal (NOW)	-	-	-
Time Deposits	-	-	-
LTNCD	-	-	-
Subtotal	P -	P -	P -
TOTAL	P -	P -	P -
<b>OTHER ASSESSABLE ITEMS IN OTHER LIABILITY ACCOUNTS</b>			
Due to the Treasurer of the Philippines	P -	P -	P -
Due to Other Banks	-	-	-
Due to/from Head Office/Branches	-	-	-
Accounts Payable	-	-	-
Unclaimed Balances	-	-	-
Sundry Credits	-	-	-
Overages	-	-	-
Inter Office Float Items	-	-	-
Other Credits-Dormant	-	-	-
Other Liabilities - Others	-	-	-
TOTAL	P -	P -	P -
<b>GRAND TOTAL</b>	<b>P -</b>	<b>P -</b>	<b>P -</b>

\_\_\_\_\_  
 Signature of President/Duly Authorized Bank Officer  
 over Printed Name

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

Name of Reporting Bank  
Consolidated Schedule of FOREIGN CURRENCY DEPOSITS

As of Base Day 1

Type of Foreign Currency	Conversion Rate Used FX Currency to US \$	DEMAND		SAVINGS		NOW		TIME		LTNCD		TOTAL		
		Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Peso Equivalent
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JPY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GBP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HKD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CHF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SGD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BHD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IDR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CNY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ARS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DKK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MYR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MXN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NZD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PKR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ZAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SDP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TWD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VEB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KWD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL in US Dollar			-		-		-		-		-		-	-
Peso Equivalent			-		-		-		-		-		-	-

CERTIFIED CORRECT:

Signature of President/Duly Authorized Bank Officer over Printed Name  
(Designation)

Name of Reporting Bank

Consolidated Schedule of FOREIGN CURRENCY DEPOSITS

As of Base Day 2

Type of Foreign Currency	Conversion Rate Used FX Currency to US \$	DEMAND		SAVINGS		NOW		TIME		LTNCD		TOTAL		
		Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Balance of Foreign Currency	U.S. Dollar Equivalent	Peso Equivalent
USD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
JPY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GBP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
HKD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CHF	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CAD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SGD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AUD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BHD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BND	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IDR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
THB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
AED	-	-	-	-	-	-	-	-	-	-	-	-	-	-
CNY	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KRW	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EUR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ARS	-	-	-	-	-	-	-	-	-	-	-	-	-	-
BRL	-	-	-	-	-	-	-	-	-	-	-	-	-	-
DKK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
INR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MYR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
MXN	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NZD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
NOK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
PKR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
ZAR	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SEK	-	-	-	-	-	-	-	-	-	-	-	-	-	-
SDP	-	-	-	-	-	-	-	-	-	-	-	-	-	-
TWD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
VEB	-	-	-	-	-	-	-	-	-	-	-	-	-	-
KWD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRD	-	-	-	-	-	-	-	-	-	-	-	-	-	-
GRAND TOTAL in US Dollar			-		-		-		-		-		-	-
Peso Equivalent			-		-		-		-		-		-	-

CERTIFIED CORRECT:

Signature of President/Duly Authorized Bank Officer over Printed Name

(Designation)

(Name of Reporting Bank)

BREAKDOWN OF ACCRUED INTEREST EXPENSES ON FINANCIAL LIABILITIES

As of \_\_\_\_\_ and \_\_\_\_\_

	Type of Foreign Currency	Base Day 1 (Base Day)		Base Day 2 (Base Day)	
		Original Foreign Currency Amount	Phil. Peso Amount	Original Foreign Currency Amount	Phil. Peso Amount
1. On Demand Deposits					-
	PHP				
	USD		-		-
	JPY		-		-
	GBP		-		-
	HKD		-		-
	CHF		-		-
	CAD		-		-
	SGD		-		-
	AUD		-		-
	BHD		-		-
	SAR		-		-
	BND		-		-
	IDR		-		-
	THB		-		-
	AED		-		-
	CNY		-		-
	KRW		-		-
	EUR		-		-
	ARS		-		-
	BRL		-		-
	DKK		-		-
	INR		-		-
	MYR		-		-
	MXN		-		-
	NZD		-		-
	NOK		-		-
	PKR		-		-
	ZAR		-		-
	SEK		-		-
	SYP		-		-
	TWD		-		-
	VEB		-		-
	KWD		-		-
	GRD		-		-
2. On Savings Deposits					
	PHP		-		-
	USD		-		-
	JPY		-		-
	GBP		-		-
	HKD		-		-
	CHF		-		-
	CAD		-		-
	SGD		-		-
	AUD		-		-
	BHD		-		-
	SAR		-		-
	BND		-		-
	IDR		-		-
	THB		-		-
	AED		-		-
	CNY		-		-
	KRW		-		-
	EUR		-		-
	ARS		-		-
	BRL		-		-
	DKK		-		-
	INR		-		-
	MYR		-		-
	MXN		-		-
	NZD		-		-
	NOK		-		-
	PKR		-		-
	ZAR		-		-
	SEK		-		-
	SYP		-		-
	TWD		-		-
	VEB		-		-
	KWD		-		-
	GRD		-		-
3. On NOW Accounts					
	PHP		-		-
	USD		-		-
	JPY		-		-
	GBP		-		-
	HKD		-		-
	CHF		-		-
	CAD		-		-
	SGD		-		-
	AUD		-		-
	BHD		-		-
	SAR		-		-
	BND		-		-
	IDR		-		-
	THB		-		-
	AED		-		-
	CNY		-		-
	KRW		-		-
	EUR		-		-
	ARS		-		-

4. On Time Deposits

BRL	-	-
DKK	-	-
INR	-	-
MYR	-	-
MXN	-	-
NZD	-	-
NOK	-	-
PKR	-	-
ZAR	-	-
SEK	-	-
SYP	-	-
TWD	-	-
VEB	-	-
KWD	-	-
GRD	-	-

PHP	-	-
USD	-	-
JPY	-	-
GBP	-	-
HKD	-	-
CHF	-	-
CAD	-	-
SGD	-	-
AUD	-	-
BHD	-	-
SAR	-	-
BND	-	-
IDR	-	-
THB	-	-
AED	-	-
CNY	-	-
KRW	-	-
EUR	-	-
ARS	-	-
BRL	-	-
DKK	-	-
INR	-	-
MYR	-	-
MXN	-	-
NZD	-	-
NOK	-	-
PKR	-	-
ZAR	-	-
SEK	-	-
SYP	-	-
TWD	-	-
VEB	-	-
KWD	-	-
GRD	-	-

5. On LTNCD

PHP	-	-
USD	-	-
JPY	-	-
GBP	-	-
HKD	-	-
CHF	-	-
CAD	-	-
SGD	-	-
AUD	-	-
BHD	-	-
SAR	-	-
BND	-	-
IDR	-	-
THB	-	-
AED	-	-
CNY	-	-
KRW	-	-
EUR	-	-
ARS	-	-
BRL	-	-
DKK	-	-
INR	-	-
MYR	-	-
MXN	-	-
NZD	-	-
NOK	-	-
PKR	-	-
ZAR	-	-
SEK	-	-
SYP	-	-
TWD	-	-
VEB	-	-
KWD	-	-
GRD	-	-

6. On Others

TOTAL PER FRP BALANCE SHEET

CERTIFIED CORRECT:

Signature of President/Duly Authorized Bank Officer  
over Printed Name

(Designation)

(PDIC Assessment Form No. 201-A-1.3)

(Name of Reporting Bank-Branch Office)

**CONSOLIDATED SCHEDULE OF OTHER LIABILITY ACCOUNTS**

As of Base Day 1

LIABILITY ACCOUNT	ASSESSABLE	NON-ASSESSABLE	TOTAL
Due to the Treasurer of the Philippines	P -	P -	P -
Due to Other Banks	-	-	-
Due to/from Head Office/Branches	-	-	-
Accounts Payable	-	-	-
Unclaimed Balances	-	-	-
Sundry Credits	-	-	-
Overages	-	-	-
Inter Office Float Items	-	-	-
Other Credits-Dormant	-	-	-
Other Liabilities-Others	-	-	-
GRAND TOTAL	P -	P -	P -

CERTIFIED CORRECT:

\_\_\_\_\_  
Signature of President/Duly Authorized Bank Officer  
over Printed Name

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

(PDIC Assessment Form No. 201-A-1.3)

(Name of Reporting Bank-Branch Office)

**CONSOLIDATED SCHEDULE OF OTHER LIABILITY ACCOUNTS**  
As of Base Day 2

LIABILITY ACCOUNT	ASSESSABLE	NON-ASSESSABLE	TOTAL
Due to the Treasurer of the Philippines	P-	P-	P-
Due to Other Banks	-	-	-
Due to/from Head Office/Branches	-	-	-
Accounts Payable	-	-	-
Unclaimed Balances	-	-	-
Sundry Credits	-	-	-
Overages	-	-	-
Inter Office Float Items	-	-	-
Other Credits-Dormant	-	-	-
Other Liabilities-Others	-	-	-
GRAND TOTAL	P-	P-	P-

CERTIFIED CORRECT:

\_\_\_\_\_  
Signature of President/Duly Authorized Bank  
Officer over Printed Name

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

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**BULLETIN NO. 2001-08**

**TO : Member Banks**

**SUBJECT : PDIC Reportorial Requirements**

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This Bulletin is issued to align PDIC's Reportorial Requirements under RI 1999-01, implemented pursuant to Section 9 (c) of the PDIC Charter (RA 3591, as amended), with the amendments in the required reports for submission to the Bangko Sentral ng Pilipinas (BSP). The alignment will simplify report preparation of banks as there will now be similar reports to be submitted to PDIC and the BSP. This Bulletin also clarifies other pertinent provisions of RI 1999-01. Member banks shall thus, be guided accordingly.

**Submission of the General Ledger (GL) and Subsidiary Ledger (SL) Files:**

1. Consistent with the revised reportorial requirements of the BSP, the following reports shall be submitted to the PDIC. These reports shall replace certain "Regular PDIC Reports" per RI 1999-01:
  - a. The **General Ledger (GL)** Template which shall replace the Main Schedule of the Consolidated Statement of Condition (CSOC) and the Consolidated Statement of Income and Expenses (CSIE)
  - b. The **Subsidiary Ledger (SL)** Template Files which shall replace the Schedules supporting the former CSOC and CSIE. The seven (7) SL Files are as follows: a) Loan Ledger System, Interbank Loans & Accounts Receivable; b) Deposit Liabilities and Due to Local Banks Ledger; c) Investment and Equity Investment System; d) Due from Other Banks / Head Office, Branches and Agencies; e) Bills Payable; f) Various Liabilities, and g) Contingent Accounts.
2. The foregoing reports shall be quarterly submitted to PDIC in the same format/structure required by the BSP and shall form part of the "Regular PDIC Reports".
3. Implementation of the regular submission of the GL and SL Template Files shall be in accordance with the timetable prescribed by the BSP.
4. Pending implementation of the GL submission, it is understood that member banks shall continue to submit the CSOC and CSIE following the format/structure, frequency and manner of submission currently prescribed by the BSP. Please be guided that all Schedules supporting the CSOC and CSIE shall continue to be submitted to PDIC on a quarterly basis until submission of all Subsidiary Ledger (SL) Template Files has been fully implemented by BSP.

**Submission of additional reports prescribed by the BSP**

1. Consistent with the BSP requirement, the following are additional reports that shall be submitted to PDIC:

- a. The **Computation of the Risk-Based Capital Adequacy Ratio Covering Credit Risk** for **quarterly** submission
  - b. For RURAL BANKS, the **Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms** for **semestral** submission
2. The foregoing reports shall be submitted to PDIC in same format/structure prescribed by the BSP and shall form part of the "Regular PDIC Reports".

**Prescribed manner and/or mode of submission**

1. Subject reports shall be submitted to PDIC in the same manner and/or mode prescribed by the BSP. Please be further guided that electronic mail submission shall be through BSP's electronic mail (e-mail) system (Lotus cc:Mail) copy furnished to PDIC. Reports may also be directly transmitted to [bpmc@pdic.gov.ph](mailto:bpmc@pdic.gov.ph) through regular e-mail at the bank's discretion.
2. Upon submission of the GL report, member banks shall fax to PDIC the notarized Control Prooflist on the contents of the forwarded GL report. Said prooflist shall be faxed to (632) 812-4116 or 813-3815. Consistent with BSP's prescribed format, a copy of the Control Prooflist is hereby attached for reference.

**Other matters**

1. The other Regular PDIC Reports required under RI 1999-01 shall continue to be submitted in the presently prescribed manner. For reference, attached Annex A is the updated list of Regular PDIC Reports.
2. On the **Bank Information Sheet-03 (BIS-03)** which provides the **Consolidated List of Major Stockholders and their Corresponding Stockholdings**, please be reminded that, as required under existing regulations, it is necessary to disclose the names of each stockholder of the bank and their corresponding stockholdings (with aggregate holdings of 2% and above) lodged under the **Philippine Clearing Depository (PCD) Nominee** for a transparent and accurate breakdown of the banks' ownership structure.
3. Please be further guided that provisions under RI 1999-01 which are not covered by this Bulletin shall continue to be enforced.
4. For inquiries and/or clarifications regarding this Bulletin, the following officers of the PDIC Bank Performance Monitoring Center may be contacted at (632) 812-0961, 818-0073, 813-3561 or 810-4901 to 10 locals 241 to 243 or through e-mail:

Mr. Vicente T. De Villa III, Manager and Dept. Head [vtdevilla@pdic.gov.ph](mailto:vtdevilla@pdic.gov.ph)  
 Ms. Janet B. Aguila, Assistant Dept. Manager [jbaguila@pdic.gov.ph](mailto:jbaguila@pdic.gov.ph)  
 Ms. Lourdes H. Ilarde, Corporate Executive Officer [lhilarde@pdic.gov.ph](mailto:lhilarde@pdic.gov.ph)



New PDIC Reportorial Requirements (as of June 2001)

[Commercial Banks](#)

[Thrift Banks](#)

[Rural Banks](#)

**(Sgd.) NORBERTO C. NAZARENO**

President and Chief Executive Officer

NEW PDIC REPORTORIAL REQUIREMENTS (as of June 2001)				
Form No.	Report Title	Frequency	Submission Deadline	Submission Procedure
<b>A. COMMERCIAL BANKS</b>				
Unnumbered	General Ledger (GL) using the GL Template of the CSOC & <u>CSIE (Implemented in accordance with the timetable prescribed by BSP)</u>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	Electronic mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC and hard copy of prooflist
Unnumbered	Subsidiary Ledger (SL) Template Files as follows:  1) Loan Ledger, Interbank Loans and Accounts Receivable 2) Deposit Liabilities and Due to Local Banks 3) Investment and Equity Investment 4) Due from Other Banks/Head Office/Branches and Agencies 5) Bills Payable 6) Various Liabilities & Accounts Receivable 7) Contingent Accounts  <u><b>NOTE: Required submission of the respective SL Files shall be implemented in accordance with timetable prescribed by BSP for each SL File. Pending implementation of ALL SL Files, member banks shall continue to submit ALL of the supporting schedules of the former CSOC and CSIE</b></u>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC
Unnumbered	Computation of the Risk-Based Capital Adequacy Ratio Covering Credit Risks *	Quarterly	Solo - Fifteen (15) banking days after the end of the reference quarter  Consolidated - Thirty (30) banking days after end of the reference quarter	Hard copy or any mode of transmission as prescribed by BSP
DCB 1/II Form 5B	Consolidated Report on Compliance with Aggregate Ceiling on Direct Credit Accommodations to Directors/Officers/Stockholders and Related Interests (DOSRI)	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-

DCB 1/II Form 5C	Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BDLKB	Breakdown of All Deposit Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester	E-mail transmission via BSP electronic mail system (Lotus cc: Mail) copy furnish PDIC
PDIC-BPMC-BIS-01	1) No. of Automated Teller Machines On-site Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester	Hard copy
	2) Number of Employees: (Head Office and Branches) Officers Rank and file	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
	3) List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BIS-02	List of Principal Officers (VP and above)	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BIS-03	Consolidated List of Stockholders and their Stockholdings ( 2% and above )  <b><u>NOTE: The names of each stockholder of the bank and their corresponding stockholdings (with aggregate holdings of 2% and above) lodged under the Philippine Clearing Depository (PCD) Nominee is required to be disclosed for a transparent and accurate breakdown of the bank's ownership structure</u></b>	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC SS Form	List of Authorized Signatories and their Specimen Signatures	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
Unnumbered	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year	Annually	Not later than June 30 of each year	-do-
	Special Reports	Upon specific	To be specified by	-do-

		request	PDIC upon request	
*New Report Required by PDIC				

## NEW PDIC REPORTORIAL REQUIREMENTS (As of June 30, 2001)

New Form No.	Report Title	Frequency	Submission Deadline	Submission Procedure
<b>B. THRIFT BANKS</b>				
Unnumbered	General Ledger (GL) using the GL Template in lieu of the CSOC & CSIE  <b><u>NOTE: Required submission of GL shall be implemented in accordance with the timetable prescribed by BSP. Pending implementation of GL submission, member banks shall continue to submit their CSOC and CSIE under the format / structure prescribed by the BSP</u></b>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	Electronic mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC or Regular e-mail at bank's discretion. Hard copy of prooflist also required
Unnumbered	Subsidiary Ledger (SL) Template Files as follows: 1) Loan Ledger, Interbank Loans and Accounts Receivable 2) Deposit Liabilities and Due to Local Banks 3) Investment and Equity Investment 4) Due from Other Banks/Head Office/Branches and Agencies 5) Bills Payable 6) Various Liabilities & Accounts Receivable 7) Contingent Accounts  <b><u>NOTE: Required submission of the respective SL Files shall be implemented in accordance with timetable prescribed by BSP for each SL File. Pending implementation of ALL SL Files, member banks shall continue to submit ALL of the supporting schedules of the former CSOC and CSIE.</u></b>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC
Unnumbered	Computation of the Risk-Based Capital Adequacy Ratio Covering Credit Risks *	Quarterly	Solo - Fifteen (15) banking days after the end of the reference quarter Consolidated - Thirty (30) banking days after end of the reference quarter	Hard copy or any mode of transmission as prescribed by BSP
TB Form 2	Consolidated Report on Compliance with Aggregate	Semestral	Fifteen (15) banking days	-do-

	Ceiling on Direct Credit Accommodations to Directors/Officers/Stockholders and Related Interests (DOSRI)		after the end of the reference semester	
BSP Form. S04-TB GL/SL System 2000	Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BDLTB	Breakdown of All Deposit Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester	E-mail transmission via BSP electronic mail system (Lotus cc:Mail) copy furnish PDIC or through any soft copy medium
PDIC-BPMC-BIS-01	1) Number of Automated Teller Machines - On-site - Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester	Hard copy
	2) Number of Employees:(Head Office and Branches) Officers Rank and File	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
	3) List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur	-do-
PDIC-BPMC-BIS-02	List of Principal Officers	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur	-do-
PDIC-BPMC-BIS-03	Consolidated List of Stockholders and their Stockholdings (2% and above)  <b><u>NOTE: The names of each stockholder of the bank and their corresponding stockholdings (with aggregate holdings of 2% and above) lodged under the Philippine Clearing Depository (PCD) Nominee is required to be disclosed for a transparent and accurate breakdown of the bank's ownership structure</u></b>	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC SS Form	List of Authorized Signatories and their Specimen Signatures for PDIC reports	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur	-do-

Unnumbered	Annual Report of Management to Stockholders Covering Results of Operations for the Past Year* (In the absence of the Annual Report, the thrift bank may submit the Auditor's Report and Audited Financial Statements including any tentative issuances by External Auditor.)	Annually	Not later than June 30 of each year (If the bank opts to submit the Auditor's Report and audited financial statements, the submission deadline is not later than 90 days after start of audit.)	-do-
	Special Reports	Upon specific request	To be specified by PDIC upon request	-do-
* New Report Required by PDIC				

## NEW PDIC REPORTORIAL REQUIREMENTS(As of June 30, 2001)

Form No.	Report Title	Frequency	Submission Deadline	Submission Procedure
<b>C. RURAL BANKS</b>				
Unnumbered	General Ledger (GL) using the GL Template in lieu of the CSOC & CSIE  <b><u>NOTE: Required submission of GL shall be implemented in accordance with the timetable prescribed by BSP. Pending implementation of GL submission, member banks shall continue to submit their CSOC and CSIE under the format / structure prescribed by the BSP</u></b>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	Hard copy or Diskette or through electronic medium. Hard copy of prooflist also required for soft copy submission of GL
Unnumbered	Subsidiary Ledger (SL) Template Files as follows:  1) Loan Ledger, Interbank Loans and Accounts Receivable 2) Deposit Liabilities and Due to Local Banks 3) Investment and Equity Investment 4) Due from Other Banks/Head Office/Branches and Agencies 5) Bills Payable 6) Various Liabilities & Accounts Receivable 7) Contingent Accounts  <b><u>NOTE: Required submission of the respective SL Files shall be implemented in accordance with timetable prescribed by BSP for each SL File. Pending implementation of ALL SL Files, member banks shall continue to submit ALL of the supporting schedules of the former CSOC and CSIE</u></b>	Quarterly	Fifteen (15) banking days after the end of the reference quarter	Diskette or through electronic medium or hard copy
Unnumbered	Computation of the Risk-Based Capital Adequacy Ratio Covering Credit Risks *	Quarterly	Solo - Fifteen (15) banking days after the end of the reference quarter Consolidated - Thirty (30) banking days after end of the reference quarter	Hard copy or any mode of transmission as prescribed by BSP



RB/COP Form No. 4B	Consolidated Report on Compliance with Aggregate Ceiling on Direct Credit Accommodations to Directors/Officers/Stockholders and Related Interests (DOSRI)	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
RB/COB Form 12	Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms*	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BDLRB	Breakdown of Deposit Liabilities by Type (Excluding banks without branches, extension offices, savings agencies, moneyshops)	Semestral	Fifteen (15) banking days after the end of the reference semester of the reference quarter	Hard copy or same mode applied for the submission of GL or main reports
PDIC-BPMC-BIS-01	1) No. of Automated Teller Machines On-site Off-site	Semestral	Fifteen (15) banking days after the end of the reference semester	Hard copy
	2) Number of Employees: (Head Office and Branches) Officers Rank and File	Semestral	Fifteen (15) banking days after the end of the reference semester	-do-
	3) List of Members of the Board of Directors	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester and as changes occur	-do-
PDIC-BPMC-BIS-02	List of Principal Officers	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC-BIS-03	Consolidated List of Stockholders and their Stockholdings (2% and above)	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-
PDIC-BPMC SS Form	List of Authorized Signatories and their Specimen Signatures for PDIC Reports	Semestral and as changes occur	Fifteen (15) banking days after the end of the reference semester	-do-

Unnumbered	Auditor's Report and Audited Financial Statements for the Previous Year (including any tentative issuances prepared by External Auditor)	Annually	Not later than 90 days after start of audit	-do-
	Special Reports	Upon specific request	To be specified by PDIC upon request	-do-
* New Report Required by PDIC				

**BULLETIN NO. 2004-04**

**TO : Member Banks**

**SUBJECT : Treatment of Joint Deposit Accounts for Purposes of Deposit Insurance and the Determination of Insured Deposits in Cases Where Depositors have Obligations with the Closed Bank**

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Pursuant to the provisions of Republic Act No. 9302 amending the Charter of the Philippine Deposit Insurance Corporation (RA 3591, as amended), which took effect on 12 August 2004, please be properly guided by the following interpretations with respect to the treatment of joint deposit accounts for deposit insurance purposes and the determination of insured deposits in cases where the depositors have obligations with the closed bank:

1. A joint account regardless of whether the conjunction "and", "or" or "and/or" is used, shall be insured separately from an individually-owned deposit account.
2. If the account is held jointly by two or more natural persons, or by two or more juridical persons or entities, the maximum insured deposit shall be divided into as many equal shares as there are individuals, juridical persons or entities, unless a different sharing is stipulated in the document of deposit.

Document of deposit referred to in the preceding paragraph pertains to joint account agreements, account ledgers, certificate of time deposits, passbooks or other evidence of deposits, specimen signature cards, corporate resolutions, contracts or similar instruments, copies of which must be in the custody or possession of the bank upon takeover by PDIC.

3. If the account is held by a juridical person or entity jointly with one or more natural persons, the maximum insured deposit shall be presumed to belong entirely to the juridical person or entity.
4. The aggregate of the interests or total share of each co-owner over several joint accounts, whether owned by the same or different combinations of individuals, juridical persons or entities, shall likewise be subject to the maximum insured deposit of P250,000.00.
5. The amount of insurance due to any depositor for deposits in an insured bank shall be net of any matured or unmatured obligation of the depositor to the insured bank as of date of closure. In case of joint deposit accounts where only one of the co-depositors has an obligation to the closed bank, the following shall apply:
  - a. Where the deposit is a joint "and/or" or "or" account which is covered by a hold-out agreement, the obligation secured by the hold-out agreement shall be deducted from the balance of the joint account, regardless of the fact that only one of the co-depositors in the joint account is indebted to the closed bank.

- b. When the deposit is a joint "and" account which is covered by a hold-out agreement, the obligation secured by the hold-out agreement shall be deducted only from the share in the joint account of the depositor who is indebted to the closed bank, unless his co-depositor is himself a co-signatory to the hold-out agreement.
- c. Where the deposit is either a joint "and", "or" or "and/or" account which is not covered by a hold-out agreement, the obligation of the depositor who is indebted to the closed bank shall be deducted only from his share in the balance of the joint deposit account.

For your guidance.

**(Sgd.) RICARDO M. TAN**  
President and CEO

**BULLETIN NO. 2004-05**

**TO : Member Banks**

**SUBJECT : Republic Act No. 9302 Amending Sections 1, 4(g), 6(a), and 6(h) of Republic Act No. 3591, as amended, (otherwise known as the "PDIC Charter")**

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In implementation of the provisions of Republic Act No. 9302 amending the Charter of the Philippine Deposit Insurance Corporation (RA 3591, as amended), effective 12 August 2004, please be guided by the following:

1. Increase in the Maximum Deposit Insurance Coverage [Section 4(g) of RA 3591, amended]

The maximum deposit insurance cover is increased to P250,000.00 per depositor<sup>4</sup>.

2. Increase in the Minimum Semi-Annual Assessment Fee [Section 6(a), *ibid*]

The semi-annual assessment due for each insured bank shall be the product of the assessment base multiplied by  $\frac{1}{2}$  of  $\frac{1}{5}$  of one percent (1%) but in no case shall it be less than P5,000.00.

3. Continuing Insurance Cover [Section 1 in relation to Section 6(h), *ibid*]

It is PDIC's basic policy to promote and safeguard the interests of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits and, as such, it shall not terminate the insured status of a bank, which continues to operate or receive deposits, for non-payment of assessment fees.

For your guidance.

**(Sgd.) RICARDO M. TAN**  
President and CEO

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<sup>4</sup> Further increased to P500,000. Please see Bulletin No. 2009-27, p55.



**BULLETIN NO. 2006-11**

**TO : All Member Banks**

**SUBJECT : Adoption of BSP's New Financial Report Package and Other PDIC Reportorial Requirements**

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This Bulletin is issued to clarify PDIC's reportorial requirements under RI No. 1999-01, dated 27 July 1999 and Bulletin No. 2001-08 dated 02 July 2001 in the light of the issuance of Memoranda to All Banks (MAB) dated 07 March 2006 and 07 July 2006 covering the Implementing Guidelines on the submission of the New Financial Reporting Package (FRP) to the Bangko Sentral ng Pilipinas (BSP), as follows:

**Submission of the New Financial Reporting Package (FRP):**

1. During the pilot runs of the New FRP for the quarterly reporting period 31 December 2005 to 30 September 2006, only the Solo Reports shall be submitted to PDIC following the same format and submission deadlines prescribed by BSP under the MAB.
2. A certified true copy of the Control Prooflist, submitted to BSP-SDC pursuant to Item No. 3 of the MAB, shall be faxed to (632) 812 – 4116 or 813 – 3815.
3. Pending live implementation of the FRP submission for both Solo and Consolidated Reports, member banks shall continue to submit to PDIC-IRADD on a quarterly basis the softcopy and hardcopy reports of CSOC and CSIE in General Ledger (GL) format together with the supporting schedules. Softcopy reports should be in dbf file using the prescribed database structure of BSP.

**Other PDIC Reportorial Requirements**

All other reports required by PDIC under RI No. 1999-01 and Bulletin No. 2001-08 (except for Subsidiary Ledger Files<sup>1</sup>) shall continue to be submitted in the same format and deadline prescribed therein. These reports are as follows:

1. Computation of the Risk-based Capital Adequacy Ratio Covering Credit Risk – Solo Report
2. Breakdown of Deposit Liabilities By Type
3. Bank Information Sheet

*– Report format was revised to include the new column Current Residential Address for Board of Directors/Stockholders/Principal Officers.*

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<sup>1</sup> Submission was discontinued per BSP Memorandum to All Banks dated June 8, 2005 – Suspension of the SL Reporting System

4. Annual Report of Management to Stockholders Covering Results of Operations for the Past Years or Auditor's Report and Audited Financial Statements for the Previous Year (including tentative issuances prepared by External Auditor)
5. Consolidated Report on Compliance with Aggregate Ceiling on Direct Credit Accommodations to Directors/Officers/Stockholders and Related Interests
6. Report on Stockholdings of Bank's Directors/Officers/Their Spouses/Relatives in Borrowing Firms
7. Special Reports

### **Mode of Reports Submission**

Electronic mail submission of reports may either be through BSP's electronic mail system (Lotus Notes) addressed to PDIC or sent directly to Insurance and Risk Assessment Data Department (IRADD) email account, [bpmc@pdic.gov.ph](mailto:bpmc@pdic.gov.ph). Reports in CDs or diskettes, as well as the Control Prooflist, may be submitted through messengerial or postal services to:

The Assistant Department Manager<sup>2</sup>  
Insurance and Risk Assessment Data Department  
PDIC Building  
2228 Chino Roces Ave., Makati City 1231

For inquiries and/or clarifications regarding this Bulletin, you may contact the following officer and staff members of the PDIC Insurance and Risk Assessment Data Department at (632) 841-4207, 841-4297 or 841-4209:

Ma. Lenita I. Floriza	Assistant Department Manager <sup>3</sup>
Thelma A. Casia	Supervising IRAS <sup>4</sup>
Mary Ann D. Diloy	Supervising IRAS <sup>5</sup>

For strict compliance.

**(Sgd.) MICHAEL A. OSMENA**  
Acting President

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<sup>2</sup> The Department Manager  
Bank Statistics Department  
Philippine Deposit Insurance Corporation  
7/F SSS Building  
6782 Ayala Avenue, Makati City

<sup>3</sup> Christopher G. Suguitan Department Manager III

<sup>4</sup> Thelma C. Farofaldane Supervising Accounts Management Specialist

<sup>5</sup> Mary Ann D. Dilroy Supervising Accounts Management Specialist



**BULLETIN NO. 2006-13**

**TO : Member Banks**

**SUBJECT : PDIC Regulatory Issuance (RI) No. 2006-01**

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This is to advise all PDIC member banks that PDIC Regulatory Issuance (RI) No. 2006-01 on Record Keeping of Bank Deposits ([Attachment "1"](#))<sup>6</sup>, pursuant to Section 9(d)(1) of Republic Act No. 3591, as amended, was published in The Philippine Star on 15 August 2006, and took effect on 30 August 2006, 15 days after said publication.

Pursuant thereto, all member banks are enjoined to submit to the PDIC on or before 29 September 2006, the documents specified in the RI with cut-off date as of 31 August 2006, to wit:

- a. Operations Manual on Record Keeping of Bank Deposits (Guide template attached for banks which do not have in place an operations manual for deposit record keeping ([Attachment "2"](#)))
- b. Features of Computerized Deposit Database;
- c. Schedule of Deposit Products;
- d. Bank Certification on compliance with existing standards on record keeping of bank deposits and provisions of the RI

All documents shall be submitted in hardcopies while member banks are also encouraged to submit the softcopies of items (a), (b) and (c), if available. The required documents shall be sent to the address below either by registered mail (should be received by PDIC on or before the deadline) or by personal delivery:

The Department Manager  
Procurement and Records Department  
Philippine Deposit Insurance Corporation  
Ground Floor, PDIC Bldg. 2228 Chino Roces  
Avenue  
1231 Makati City

Please be advised that any willful refusal or failure to submit the required documents, as well as the willful making of a false statement or entry in the required documents, shall constitute a violation of RA 3591, as amended, and shall make the member bank and/or its responsible director/s, officer/s, employee/s or agent/s criminally liable in accordance with Section 21 (f) of RA 3591, as amended, and administratively liable pursuant to Section 21 (g) thereof, as implemented by Regulatory Issuance No. 2005-03.

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<sup>6</sup> Please see RI No. 2006-01, page 71

For strict compliance.

**(Sgd.) MICHAEL A. OSMENA**  
Acting President

**PDIC Form RK-1**

**Deadline of Submission:** Within 30 days from date of effectivity of any subsequent update/change in existing systems/features of computerized deposit database.

**NAME OF BANK :** \_\_\_\_\_  
**FEATURES OF SYSTEMS USED FOR COMPUTERIZED DEPOSIT DATABASE**

As of \_\_\_\_\_

**INSTRUCTIONS :** Please fill the blank spaces provided or check appropriate box; write N.A. if information required is not applicable; Use extra sheet of paper if spaces provided are not sufficient. Accomplish this form for each deposit type if different database systems are used for each type.

**DEPOSIT TYPE to which database system is applied :** ☐ Demand/Current ☐ Savings ☐ Time ☐ Others : \_\_\_\_\_ ☐ All Types

**A. Software Development Tool Used**

A.1. Mode of Development ☐ In-House ☐ Outsourced

A.2. Tool/Software Used ☐ Visual Basic ☐ COBOL ☐ Powerbuilder ☐ Access ☐ Btrieve  
☐ Xbase ☐ Spreadsheet Software ☐ Others : \_\_\_\_\_

A.3 Vendor (IF OUTSOURCED)  
 Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone Nos. : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

**B. Database Management System Used for Deposit Database**

B.1. Mode of Development ☐ In-House ☐ Outsourced

B.2. Database Used ☐ SQL Server ☐ Oracle ☐ Access ☐ DB2 ☐ Others : \_\_\_\_\_

B.3 Vendor (IF OUTSOURCED)  
 Contact Person : \_\_\_\_\_  
 Company Name : \_\_\_\_\_  
 Postal Address : \_\_\_\_\_  
 Telephone Nos. : \_\_\_\_\_ E-mail Address : \_\_\_\_\_

**C. OPERATING SYSTEM where deposit database is running**

☐ Windows ☐ Linux ☐ Unix ☐ Novell ☐ MAC OS ☐ OS 2 ☐ Others: \_\_\_\_\_

**D. HARDWARE where deposit database is running**

☐ Stand-Alone PC ☐ PC Server ☐ AS 400 ☐ IBM Mainframe ☐ Others: \_\_\_\_\_

**E. NETWORKING Features ( For multi-unit banks or banks with branches only)**

Is the bank's deposit database system NETWORKed?

- ☐ YES (Provide in a separate sheet of paper, list of branches connected and not connected to network with respective location of SERVERS (including floor location), type of connection e.g., lease line, wireless, and respective processing modes, i.e., ONLINE or BATCH processing. For BATCH processing, please specify frequency of update).
- ☐ NO (Provide in a separate sheet of paper, list of branches with the respective location of SERVERS (including floor location) used for deposit database).

The undersigned hereby declares, under pain of perjury, that he is an official of the abovenamed bank, that he is duly authorized to issue this Schedule, and that the information above provided are true and complete.

Prepared by :

\_\_\_\_\_  
 Signature above printed name

\_\_\_\_\_  
 Designation

Attested by :

\_\_\_\_\_  
 Signature above printed name  
 Compliance Officer/Chief Financial Officer/Comptroller

**PDIC Form RK-2 (In lieu of this form, bank may opt to submit its Deposit Product Manual)**

**Deadline of Submission :**  
On or before January 31 and  
July 31 of each year

**BANK NAME**  
**SCHEDULE OF DEPOSIT PRODUCTS**  
As of \_\_\_\_\_

**INSTRUCTIONS FOR FILLING UP:**

1. Please fill out the blank space provided; if the data is not applicable, please write n.a. Use extra sheet of paper if space provided is not sufficient;
2. In column 3, indicate "N" for NEW deposit products recently launched or "T" for DISCONTINUED/TERMINATED deposit products from date of previous submission. Information referring to deposit product's features starting from the 4th-8th columns need not be indicated if deposit product has been terminated.
3. Attach flyers/brochures of deposit products or their equivalent as approved by the appropriate authority in the bank.

Name of Deposit Product (1)	Product Reference Code/No. (if applicable) (2)	New (N) Discontinued/ Terminated (T) (3)	Date Launched/ Terminated (4)	Description (5)	Term (Length of Maturity) (6)	Interest Rates (Gross p.a.) (7)	Document (i.e. proof of deposit issued to depositors) (8)
<b>A. PESO DEPOSIT PRODUCTS</b>							
A.1. Current/Demand Deposit							
....							
A.2. Savings Deposit							
....							
A.3. Time Deposit							
....							
A.4. Special Savings/Other Deposit							
....							
<b>B. FOREIGN CURRENCY DEPOSIT PRODUCTS</b>							
B.1. Current/Demand Deposit							
....							
B.2. Savings Deposit							
....							
B.3. Time Deposit							
....							
B.4. Special Savings/Other Deposit							
....							

**Note:** Description should include relevant information such as amount of initial deposit, minimum maintaining balance, minimum balance to earn interest, life/non-life insurance coverage, rewards/points system, etc.

The undersigned hereby declares, under pain of perjury, that he is an official of the abovenamed bank, that he is duly authorized to issue this Schedule, and that the data above provided are updated and the only deposit products being offered.

Attested by:

\_\_\_\_\_  
Compliance Officer

SUBSCRIBED AND SWORN TO before me this \_\_\_\_ day of \_\_\_\_\_, 2006 affiant exhibited to me his Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ 2006.

Notary Public until \_\_\_\_\_

Doc. No. \_\_\_\_\_ Book No. \_\_\_\_\_

Page No. \_\_\_\_\_ Series of \_\_\_\_\_

**PDIC Form RK-3**

Deadline of Submission :  
On or before January 31 and  
July 31 of each year

**CERTIFICATION ON RECORD KEEPING OF BANK DEPOSITS**

Pursuant to PDIC Regulatory Issuance No. 2006-01 on Record Keeping of Bank Deposits, this is to certify that as of \_\_\_\_\_, (name of bank) i) keeps and maintains a true and accurate record or statement of its daily deposit transactions and updated balances in compliance with existing regulations on record keeping of deposits; ii) has submitted to the PDIC its operations manual on record keeping of deposits, relevant features on its computerized deposit database (PDIC Form RK-1), and a notarized schedule of its deposit products (PDIC Form RK-2); and iii) has timely updated the PDIC with any corresponding supplements/amendments to the said operations manual and PDIC Form RK-1.

The undersigned hereby declares, under pain of perjury, that he is the President / Compliance officer of the above named bank, that he is duly authorized to issue this Certification, and that the data above provided are true and correct.

\_\_\_\_\_  
Signature above name in print of  
President/ Compliance Officer

\_\_\_\_\_  
Designation

SUBSCRIBED AND SWORN TO before me this \_\_\_\_\_ day of \_\_\_\_\_, 2006, affiant exhibited to me his Community Tax Certificate No. \_\_\_\_\_ issued at \_\_\_\_\_ on \_\_\_\_\_ 2006.

\_\_\_\_\_  
Notary Public until \_\_\_\_\_

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

**CERTAIN RELEVANT REGULATIONS ON RECORD KEEPING OF DEPOSITS**

1. Banks shall have a true and accurate account, record or statement of their daily transactions, particularly those referring to their deposit liabilities. (*Section X161 of BSP Manual of Regulations*)
2. Banks shall strictly adopt the Manual of Accounts prescribed by the BSP for recording daily transactions including reportorial and publication requirements. (*Subsection X161.1 of BSP Manual of Regulations*)
3. Banks shall establish and record the true identity of its clients based on official documents. They shall maintain a system for verifying the true identity of their clients and, in case of corporate clients, require a system for verifying their legal existence and organizational structure, as well as the authority and identity of all persons purporting to act on their behalf. Information/documents shall be obtained from customers that are corporate or juridical entities, including shell companies and corporations. (*Rules 9.1.a to 9.1.d of Rules and Regulations Implementing RA No. 9160*)
4. Peso and foreign currency non-checking numbered accounts shall be allowed. Provided, that the true identity of the customers of all peso and foreign currency non-checking numbered accounts are satisfactorily established based on official and other reliable documents and records. (*Rule 9.1.g of Rules and Regulations Implementing RA No. 9160*)
5. Proper accounting records should be adequate, up-to-date, contain sufficient details, and all tickets shall bear official approval by the person originating and by another person checking them. (*Subsection X163.1 of BSP Manual of Regulations*)
6. All records of all transactions of banks shall be maintained and safely stored for five (5) years from the date of the transactions. While all records of existing and new accounts and of new transactions shall be maintained and safely stored for five (5) years from October 17, 2001 or from the dates of the accounts of transactions, whichever is later. With respect to closed accounts, the records on customer identification, account files and business correspondence, shall be preserved and safely stored for at least five (5) years from the dates of closure. (*Rules 9.2.a to 9.2.c of Rules and Regulations Implementing RA No. 9160*)
7. Failure to maintain accurate and updated books and records considered as unsafe and unsound bank practice under BSP Circular No. 341 subject to sanctions under Section 37 of RA 7653 and Section 56 of RA 8791.

## GUIDE TEMPLATE FOR OPERATIONS MANUAL ON RECORDKEEPING OF DEPOSITS

**IMPORTANT NOTE/INSTRUCTION:** This template is a guide for PDIC member banks that do not have an operations manual on record keeping of deposits or those intending to modify their manuals to comply with Section 1(a) of PDIC Regulatory Issuance No. 2006-01. The template covers the policies and procedures adopted by the banks to comply with existing rules and regulations on deposit transactions and recordkeeping pursuant to the General Banking Law, the Anti-Money Laundering Act, the New Central Bank Act, and other BSP regulations.

### I. New Account Opening

1. *Documentary Requirements* – enumerate all documents required for new account opening for each type of depositor and each type of deposit account and attach a blank form for each. The format may take the following form for ease of presentation. For proof of identification (ID), please indicate which are considered primary or secondary proofs.

DEPOSITOR TYPE	Documents Required per Account Type			
	Current / Demand	Savings	Time Deposit	Others (Specify)
a. Individual accounts				
b. Single Proprietorship				
c. Partnership				
d. Corporate account – domestic corporation				
e. Corporate account – foreign corporation				
f. Treasury-in-trust (corporation, usually temporary)				
g. Fiduciary account				
h. Foundations				
i. Clubs, Association, Society, etc.				

2. *Policies and Procedures for New Account Opening* – describe the process flow for each of the following procedures specifying the position/designation of bank personnel responsible for these processes (Note : If processes differ for each account type, describe process for each) ;

- (a) Describe the procedure for accomplishing the forms, indicating the procedures to be observed in accomplishing the forms, e.g. who should accomplish the forms and where.
- (b) Establishing the beneficial ownership of deposits including in the event of fund transfers/break-up of deposits. Note that guidelines in this regard are specified under PDIC Regulatory Issuance (RI) No. 2002-03 (Deposit Insurance Guidelines on Determination of Beneficial Ownership of Deposits including Transfers/Break Up of Deposits).
- (c) Screening of depositors per account type, in order to establish track record, business connection, involvement in any illegal transactions
- (d) Verification of authenticity of supporting documents submitted to include measures to be undertaken in the event of discrepancies found therein
- (e) Posting of new accounts transactions to include account numbering/other coding system per type of deposit account
- (f) Release of original documents to depositors after approval. Attach samples of passbooks, joint account agreements and other forms issued to depositors as proof of deposit account
- (g) Post-Opening Review/Control

- II. **Policies, Posting Procedures, and Control Measures for Deposit Transactions** – enumerate for all types of deposit, all policies, posting procedures and control measures applied by the bank to ensure accuracy, validity, proper recording and monitoring of the deposit transactions indicated in the template below as applicable. The enumeration may take the form of the template for ease of presentation. Indicate the position/designation of the responsible bank personnel involved in the implementation of these policies, procedures and controls.

TRANSACTIONS	CURRENT/DEMAND	SAVINGS	TIME	OTHERS <sup>1/</sup>
<b>a. Deposit</b>				
· Cash Deposit				
· Check Deposit				
· "No-Book" Cash Deposit				
· "No-Book" Check Deposit				
· Inward returned checks				
· Handling of lost deposit documents/evidences				
<b>b. Withdrawal</b>				
· Deposit withdrawal				
· Encashment and other debit transactions				

-	Returned checks and other cash items (RCOCI)				
-	MICR checkbooks <sup>11</sup>				
o	requisition /orders				
o	safekeeping				
o	deliveries				
o	releasing to customers				
o	destruction				
-	Stop Payment Orders (SPO)				
o	reasons for acceptance of SPO				
o	validity period				
o	service charges				
o	negotiation of payment				
o	release/cancellation				
-	Fund Transfers				
<b>c. Interest</b>					
-	Formula for computing interests and withholding tax				
-	Payment of interest (including advance interest payments)				
-	Cut-off dates for accrual/updating				
<b>d. Balances</b>					
-	End of day balancing of daily transactions				
-	Periodic review of regular deposit transactions				
-	Frequency and manner of issuance of bank statements to depositors				
-	Certification of balances (attach a pro-forma or sample certification)				
<b>e. Other transactions relating to:</b>					
-	Inter-Branch Transactions (between On-line and Stand-Alone Branches)				
o	oversight or technical error				
o	transactions that do not meet the requirement per policy				
-	ATM Transactions				
-	Local Remittances				
o	Inward				
o	Outward				
-	Foreign Remittances				
o	Inward				
o	Outward				
o	FX rate used/holding period				
-	Escheat Accounts (Due to Treasurer Of the Philippines)				
-	Deposits temporarily lodged to "accounts payable" and "other liabilities accounts" (please specify policy on reversal period)				

<sup>11</sup> Other accounts that may be identified by the bank that were not included above such as deposit transactions arising from deposit arrangements with private institutions or government agencies e.g., payroll accounts, pensions.

### III. Updating of Depositor Records

1. Describe the policies and procedures relating to the updating of depositor records such as, but not limited to;
    - (a) change in name/account name;
    - (b) change in address
    - (c) updating of client specimen signature cards
    - (d) Amendments and changes in account type e.g., from single (individual) account to joint "and" or "and/or" account and vice versa.
    - (e) frequency of updating depositor records for accounts without changes in name, address, account type, etc.
  2. Describe policies and procedures on garnished, freeze, hold or accounts under litigation.
- IV. Filing/Storage and Monitoring** – describe the system of filing/storage, safekeeping, and monitoring of deposit records including location, duration or holding period, and form, as well as the designation/position of responsible bank personnel/bank officer. Include internal control measures such as custody of the "passwords" if such apply. Indicate as well, the method of maintenance of records and policy on disposal of hardcopies.
- a. Filled up and approved forms (e.g. signature cards, etc.)
  - b. Documents submitted by clients (e.g. certified true copies of account opening documentary requirements, affidavits, etc.)
  - c. Accountable forms –unused passbooks, checkbooks, etc. by title/type of document
  - d. Deposit transaction files (e.g. transaction journal, trial balance, withdrawals, cashier's checks, latest and filled up subsidiary ledgers, if the latter is stored separately, etc.)
  - e. Split deposit accounts
  - f. Inactive/dormant accounts
  - g. Maintenance and safekeeping of passwords of files and systems as applicable
  - h. Accounts closed
  - i. Memorandum Of Agreements relating to all deposit transactions as applicable
- V. Back-up File Storage** – enumerate the policies and procedures for keeping and maintaining the back-up files cited under IV of this guideline. Indicate



the form (hardcopy and/or softcopy), location, retention period, as well as the designation/position of responsible bank personnel/bank officer and those who have custody of the "passwords" if such apply in the back-up file storage of deposit records.

VI. **Bank Employee Deposit Accounts** – enumerate policies and procedures in relation to bank employees' deposit accounts

VII. **Others** – enumerate all other deposit related policies not covered under Sections 1-7 of this template.

Note : Please send your queries/clarifications on this guideline, if any, to;

The Department Manager  
Insurance & Risk Assessment Data Department  
Philippine Deposit Insurance Corporation  
2<sup>nd</sup> Flr., PDIC Bldg.  
2228 Chino Roces Ave.,  
1231 Makati City

or through e-mail at [info@pdic.gov.ph](mailto:info@pdic.gov.ph)



**BULLETIN NO. 2009-27**

**TO : All Member Banks**

**SUBJECT : Increase in PDIC Maximum Deposit Insurance Coverage & Procurement of New Decals/Stickers and Standees/Desktop**

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Effective 01 June 2009, the PDIC maximum deposit insurance coverage shall be increased from P250,000 to P500,000 for each depositor pursuant to Republic Act No. 9576, amending Republic Act No. 3591, otherwise known as the Charter of the Philippine Deposit Insurance Corporation.

Accordingly, by 01 July 2009, all banks are required to post and display the new PDIC decals/stickers and standees/desktops bearing the P500,000 maximum deposit insurance coverage for each depositor, in accordance with Sections 2 and 3 of PDIC Regulatory Issuance 2002-01 and Section 1 of PDIC Regulatory Issuance 2004-3<sup>7</sup>. New decals and standees shall be purchased from the PDIC following the procurement procedures attached herewith as Annex A.

For your guidance and strict compliance.

**(Sgd.) JOSE C. NOGRALES**  
President

May 27, 2009

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<sup>7</sup> Repealed by RI 2009-01

**PROCEDURES IN THE PROCUREMENT OF PDIC DECALS & STANDEES**

1. PDIC signages shall be made available to member banks at the following prices per piece:  
  
Decal/Sticker - P 25.00  
Standee/Desktop Sign - P 140.00
2. All orders of decals/stickers and/or standee/desktop sign shall be made by accomplishing the Order Form attached as Annex B hereof. The Order Form may also be downloaded and printed from [www.pdic.gov.ph](http://www.pdic.gov.ph). Banks should ensure that all entries in the Order Form, i.e., type of signage, quantity, mode of payment and mode of delivery are properly filled out.
3. For orders made through mail/telefax/online, PDIC shall send a billing statement to cover cost of decals/standees plus packaging cost and courier/mailling charges.
4. Banks may make payments via any of the following:
  - a. Cash;
  - b. Manager's/Cashier's Check payable to PDIC;
  - c. Postal Money Order in favor of PDIC; and
  - d. Deposit to PDIC's LBP Account No. 1782-1000-56
5. Orders shall be served after payment has been received.

*For more information, please contact:*

*The Manager  
Procurement, Property Management & Records Department<sup>8</sup>  
Philippine Deposit Insurance Corporation  
6th Floor, SSS Building  
Ayala Avenue corner Rufino Street  
Makati City 1226*

*Telephone Nos.: (02) 841-49-15 or (02) 841-49-18<sup>9</sup>  
Telefax No. : (02) 841-49-31 Attn: The Manager, PPMRD*

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<sup>8</sup> Procurement and Property Department

<sup>9</sup> Telephone numbers (02)841-4916 or (02)841-49-18



# PHILIPPINE DEPOSIT INSURANCE CORPORATION

## ORDER REQUEST FORM FOR DECALS & STANDEES

REQUESTING BANK/BRANCH: \_\_\_\_\_

### I. Signages Ordered

No. of Pieces

- |   |       |
|---|-------|
| <input type="checkbox"/> Decals / Stickers  | _____ |
| <input type="checkbox"/> Standees / Desktop | _____ |

### II. Form of Payment

- ☐ Cash
- ☐ Manager's /Cashier's Check
- ☐ Postal Money Order
- ☐ Deposit to PDIC-LBP Acct. No. 1782-1000-56

### III. Preferred Mode of Delivery

- ☐ Pick-up at PDIC Office
- ☐ Mail
- ☐ Courier

Note: For orders made through mail/fax/online, packaging and mailing/ courier costs shall be included in the billing statement.




\_\_\_\_\_  
Authorized Bank Representative  
Signature Over Printed Name and Designation

### IMPORTANT REMINDERS BEFORE DOWNLOADING

- a) The PDIC official sign/s downloaded from this website shall not be changed or altered in any manner, including, but not limited to color, size and shape.
- b) Only the PDIC official sign appearing on this website are to be used for the ATM screens, aside from the PDIC decals and standees.
- c) Should a bank's ATM screen require a PDIC official sign different from the sizes presented herein, a soft copy of the appropriate size may be requested from the PDIC Insurance Department at [insurance@pdic.gov.ph](mailto:insurance@pdic.gov.ph), or call the Head of the Insurance Department at Tel. No. 841-4215 to 4217.

### PROCEDURES IN DOWNLOADING THE PDIC OFFICIAL SIGN/S

Step 1. Choose an image from the following displayed emblem that will best fit your ATM screen.

7" x 5"	8 1/2" x 6 1/2"	10" x 7 1/2"
		

Step 2. Download the image by positioning the cursor anywhere within the image you selected, right click, choose the "Save Picture As" options from the pulldown menu and select a folder for which the image file should be saved.

[Create a link to the PDIC Website using PDIC Official Emblem](#)

[Create a link to the PDIC Website using Short Title "Member PDIC"](#)

### Create a link to the PDIC Website using PDIC Official Emblem in just 3 steps

Step 1. Choose an image from the following displayed emblem that will best fit your Corporate Homepage.



Step 2. Download the image by positioning the cursor anywhere within the image you selected, right click, choose the **"Save Picture As"** options from the pulldown menu and select a folder for which the image file should be saved.

Step 3. Copy the HTML tags below and paste it in the web page where the PDIC logo will appear.

```
<a href = "http://www.pdic.gov.ph"></a>
```

**Note:** **Filename.gif** is the image you have selected and downloaded. If no path is specified, the image should be located in the same directory as the web page to be revised.

### Create a link to the PDIC Website using PDIC Short Title "Member PDIC" using 2 steps

Step 1. Copy the HTML tags below and paste it in the web page where the PDIC Short Title will appear.

```
<a href = "http://www.pdic.gov.ph">Member PDIC</a>
```





**BULLETIN NO. 2009-35**

**TO :** All PDIC Member Banks

**SUBJECT :** Procedures for Obtaining PDIC Consent on Mergers and Consolidations

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The PDIC, under R.A. No. 3591 as amended, is mandated to establish, administer and regulate a deposit insurance system primarily aimed at providing protection to depositors to promote and maintain confidence and stability in the banking system.

Under Section 21 (c) of R.A. 3591, as amended, no insured bank shall: (a) merge or consolidate with any bank or institution; or (b) assume liability or pay any deposits made in, or similar liabilities of any bank or institution; or (c) transfer assets to any bank or institution in consideration of the assumption of liabilities for any portion of the deposits made in such insured bank, without the prior written consent of PDIC.

To better achieve its regulatory mandate and enhance PDIC's complementary role in promoting and maintaining the stability of the Philippine banking system, PDIC, on August 12, 2009, entered into a Memorandum of Agreement with the Bangko Sentral ng Pilipinas (BSP) to adopt a working arrangement between PDIC and BSP to standardize documentary requirements, and to share information relevant to the evaluation of the viability of banks/non-banks to be merged or consolidated. PDIC and BSP also agreed on the time frame to complete the evaluation, harmonize the parameters for determining the viability of the proposed merger/consolidation, and align post-monitoring requirements.

In accordance with the Memorandum of Agreement, banks applying to merge or consolidate with another bank or institution shall submit a joint letter, duly signed by both presidents of the merging/consolidating entities, addressed to the PDIC President requesting for PDIC's written consent to the proposed merger/consolidation. Submission of the letter shall be made simultaneous with the filing of their counterpart application to BSP for merger/consolidation pursuant to BSP Memorandum No. M-2009-028. The letter-application for merger/consolidation addressed to the PDIC President shall include a separate and complete set of the documentary requirements enumerated in BSP Memorandum No. M-2009-028, for PDIC's separate evaluation.

All merging/consolidating entities shall comply with all PDIC Regulatory Issuances, as well as with major banking laws and regulations. The merging/consolidating banks should ensure the safety of the depositing public. To this end, they shall inform all of their depositors of the merger/consolidation, and assure their depositors of the same degree of security of deposits they enjoyed before the merger/consolidation.

The approval by PDIC of the proposed merger/consolidation shall be valid for a period of six (6) months reckoned from the date the applicants shall have fully obtained both PDIC and BSP's approvals.

For the guidance and compliance of all concerned.

**(Sgd.) JOSE C. NOGRALES**  
President

01 September 2009

**BULLETIN NO. 2009-38**

**TO : All Member Banks**

**SUBJECT : Effectivity and Dissemination of Regulatory Issuance No. 2009-03  
(Regulatory Issuance on the Determination of Beneficial  
Ownership of Legitimate Deposits)**

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With its due publication on October 10, 2009, the PDIC Regulatory Issuance (RI) No. 2009-03 (Regulatory Issuance on the Determination of Beneficial Ownership of Legitimate Deposits) shall be effective on October 25, 2009. A copy of this RI is attached for your reference.

Accordingly, pursuant to Section VI (a) (1) of Regulatory Issuance No. 2009-03, all banks are required to inform all its depositors of this issuance by posting a copy of the new RI in the form and substance as in Annex 'A' thereof in their bank premises. All banks must accomplish this posting requirement by November 24, 2009.

For your guidance and strict compliance.

**(Sgd.) JOSE C. NOGRALES**  
President

October 14, 2009



**BULLETIN NO. 2010-01**

**TO : All Member Banks  
Non-Bank Financial Institutions**

**SUBJECT : PDIC Investor-Investee Helpdesk**

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PDIC hereby issues the attached Implementing Guidelines of the PDIC Investor-Investee Helpdesk. The establishment of the Helpdesk is in line with PDIC's mandate of promoting a sound and stable banking system by encouraging mergers and consolidation of banks.

The Helpdesk is a facility whereby investor banks and non-bank financial institutions looking for banks to acquire, merge or consolidate with, or invest in, may be introduced to banks seeking interested acquirers/investors. To enroll in the facility, interested applicants should submit to PDIC the duly accomplished registration forms (Investor and Investee Registration Forms attached as [Annexes 1 and 2](#)) and required supporting documents indicated in Section 4 of the [Guidelines](#).

For inquiries, please contact PDIC's Bank Statistics Department (formerly Insurance & Risk Assessment Data Department). You may also send your application to the following address:

The Department Manager  
Bank Statistics Department  
7th Floor, PDIC Ayala Extension Office  
SSS Bldg., 6782 Ayala Avenue corner  
V. A. Rufino St. (formerly Herrera St.)  
1226 Makati City  
Telephone no.: (02) 841-42-05<sup>10</sup>  
E-mail address: [bpmc@pdic.gov.ph](mailto:bpmc@pdic.gov.ph)

We look forward to your active support and participation in this facility.

**(Sgd.) JOSE C. NOGRALES**  
President

Date: 6 January 2010

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<sup>10</sup> Telephone number is now 8414376



## PHILIPPINE DEPOSIT INSURANCE CORPORATION INVESTOR - INVESTEE HELPDISK

Application Date: \_\_\_\_\_

Application No: (to be filled by PDIC) \_\_\_\_\_

### INVESTOR REGISTRATION FORM

**GENERAL INSTRUCTIONS:**

PLEASE ACCOMPLISH COMPLETELY AND LEGIBLY. DO NOT LEAVE ANY ITEM BLANK (WRITE "N.A." OR "NONE" AS THE CASE MAY BE). THIS FORM SHALL BE NOTARIZED / CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE BANK OR NON-BANK FINANCIAL INSTITUTION. ONLY PROPERLY FILLED UP APPLICATION FORMS SHALL BE PROCESSED.

**A. COMPANY PROFILE**

<b>COMPANY NAME:</b> _____		<b>DATE ESTABLISHED:</b> _____	
<b>COMPLETE BUSINESS ADDRESS</b>		<b>SEC REGISTRATION NO.</b>	
<b>AUTHORIZED REPRESENTATIVE:</b> <b>NAME:</b> _____ <b>POSITION:</b> _____		<b>CONTACT NO.:</b> <b>LANDLINE:</b> _____ <b>CELLPHONE:</b> _____	<b>FAX NUMBER:</b> _____ <b>E-MAIL ADDRESS:</b> _____ <b>WEBSITE ADDRESS:</b> _____

**B. ATTRIBUTES OF PREFERRED INVESTEE (Please check your preference)****B.1. Bank Type**

- ☐ Commercial  
☐ Thrift  
☐ Rural  
☐ Any Bank Type

**B.3. No. of Banking Units**

- ☐ Single Unit  
☐ With Branches or Multi-Unit Banks  
☐ Either Single or Multi-Unit Banks

**B.2. Location of Head Office**

- ☐ Province: \_\_\_\_\_  
☐ Anywhere in the Philippines

**B.4. Asset Size**

- ☐ Specific Asset Size Range \_\_\_\_\_ (e.g. P100M to P200M)  
☐ Any asset size

**C. TERMS OF REGISTRATION**

We hereby accept and acknowledge that:

- As investor, we are solely responsible for conducting due diligence on the investee-bank that may be referred to us under this Helpdesk.
- Any PDIC referral under this Helpdesk does not constitute an endorsement of Investee-bank/s. PDIC shall not therefore be held responsible for any consequence, whatsoever, that may arise in dealings with investee-bank.
- Any merger, consolidation, or acquisition arising from negotiations between Investor and Investee shall be subject to and shall comply with PDIC, BSP and other regulatory bodies' consent / approvals as required under existing rules.
- Any information that an Investor has come to know by reason of the Helpdesk shall be treated with utmost confidentiality.
- Inclusion in the Registry of Investors shall be in force for a period of six (6) months from date of registration, extendible only upon written request. Investor may be de-listed anytime for any of the following reasons: i) Upon written request by the Investor; ii) Upon submission of merger/consolidation/acquisition proposals to BSP/PDIC; iii) Upon verification of the investor's termination of business operations or revocation of license to operate by its regulator, or expiry of its corporate term; iv) If the bank is found in violation of any PDIC Regulatory Issuance and/or if the bank/non-bank is placed under BSP Prompt Corrective Action (PCA); v) Violation of confidentiality agreements.
- In the event of a match, our contact details and audited financial statements shall be referred to the investee bank.
- Acceptance in the Helpdesk does not prevent PDIC from undertaking any action affecting an Investor that it deems fit in fulfilling its responsibilities placed upon it by law.
- PDIC reserves the right to change the terms of this registration at any time.

I, \_\_\_\_\_, corporate secretary of the above mentioned company declare under the penalty of perjury, that all matters set forth in this application form which consists of one (1) page have been made in good faith and with full consent of the company's board of directors and majority shareholders, duly verified by me and to the best of my knowledge and belief, are true and correct. The Board also hereby acknowledge and accept the above terms and conditions.

Done this \_\_\_\_ day of \_\_\_\_\_, 2009 in \_\_\_\_\_.

\_\_\_\_\_  
Signature of Corporate Secretary

**SUBSCRIBED AND SWORN TO BEFORE ME IN \_\_\_\_\_ (CITY/PROVINCE), PHILIPPINES ON \_\_\_\_\_, AFFIANT PERSONALLY APPEARED BEFORE ME AND EXHIBITED TO ME HIS/HER COMMUNITY TAX CERTIFICATE NO. \_\_\_\_\_ ISSUED AT \_\_\_\_\_.**

DOC. NO: _____ PAGE NO. _____ BOOK NO. _____ SERIES OF _____	<b>NOTARY PUBLIC FOR _____ CITY/PROVINCE</b> Notarial Commission No. _____ Commission expires on December 31, _____ Roll of Attorney Number _____ PTR No. _____ IBP No. _____ Office Address: _____
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**FOR PDIC USE ONLY:****Checklist of Required/Submitted Documents:**

- |   |   |
|---|---|
| <input type="checkbox"/> Letter of Intent<br><input type="checkbox"/> Properly accomplished registration form<br><input type="checkbox"/> Others: _____ | <input type="checkbox"/> Latest audited financial statement<br><input type="checkbox"/> Board Resolution/Certification of Board Secretary |
|---|---|



# PHILIPPINE DEPOSIT INSURANCE CORPORATION INVESTOR - INVESTEE HELPDESK

Application Date: \_\_\_\_\_

Application No: (to be filled up by PDIC) \_\_\_\_\_

## INVESTEE BANK REGISTRATION FORM

### GENERAL INSTRUCTIONS:

PLEASE ACCOMPLISH COMPLETELY AND LEGIBLY. DO NOT LEAVE ANY ITEM BLANK (WRITE "N.A." OR "NONE" AS THE CASE MAY BE). THIS FORM SHALL BE NOTARIZED / CERTIFIED AND SWORN TO BY THE CORPORATE SECRETARY OF THE BANK. ONLY PROPERLY FILLED UP APPLICATION FORMS SHALL BE PROCESSED.

### A. PROFILE

BANK NAME: \_\_\_\_\_

HEAD OFFICE ADDRESS \_\_\_\_\_

NO. OF BRANCHES (Incl. Head Office): \_\_\_\_\_

AUTHORIZED REPRESENTATIVE:  
NAME: \_\_\_\_\_CONTACT Nos.  
LANDLINE: \_\_\_\_\_

FAX NUMBER: \_\_\_\_\_

E-MAIL ADDRESS: \_\_\_\_\_

POSITION: \_\_\_\_\_

CELLPHONE: \_\_\_\_\_

WEBSITE ADDRESS: \_\_\_\_\_

### B. CONSENT TO REFER CONTACT DETAILS & OTHER SUBMITTED DOCUMENTS (Please Check Preference)

☐

The bank gives consent to PDIC to provide its contact details & audited financial statements to matched investor.

☐

The bank does not give the PDIC its consent to provide its contact details and audited financial statements to matched investor. Instead, it is understood that contact details of matched investor shall be referred by the PDIC to the bank.

### C. TERMS OF REGISTRATION

We hereby accept and acknowledge that:

1. As investee-bank, we are solely responsible for conducting due diligence on the matched investor/s that may be referred to us under this Helpdesk.
2. Any PDIC referral under this Helpdesk does not constitute an endorsement of matched investor/s. PDIC shall not therefore be held responsible for any consequence, whatsoever, that may arise in dealings with investor/s.
3. Any merger, consolidation, or acquisition arising from negotiations between Investor and Investee-bank shall be subject to and shall comply with PDIC, BSP and other regulatory bodies' consent / approvals as required under existing rules.
4. Any information that an Investee-bank has come to know by reason of the Help Desk shall be treated with utmost confidentiality.
5. Inclusion in the Registry of Investee-banks shall be in force for a period of six (6) months from date of registration, extendible only upon written request. Investee-bank may be de-listed anytime for any of the following reasons: i) Upon written request by the Investee-bank; ii) Upon submission of merger/consolidation/acquisition proposals to BSP/PDIC; iii) Upon verification of the Investee-bank's termination of business operations or revocation of license to operate by its regulator, or expiry of its corporate term; iv) If the investee-bank is found in violation of any PDIC Regulatory Issuance: v) Violation of confidentiality agreements.
6. Acceptance in the Helpdesk does not prevent PDIC from undertaking any action affecting the Investee-bank that it deems fit in fulfilling its responsibilities placed upon it by law.
7. PDIC reserves the right to change the terms of this registration at any time.

I, \_\_\_\_\_, corporate secretary of the above mentioned bank declare under the penalty of perjury, that all matters set forth in this application form which consists of one (1) page have been made in good faith and with full consent of the company's board of directors and majority shareholders, duly verified by me and to the best of my knowledge and belief, are true and correct. The Board also hereby acknowledge and accept the above terms and conditions.

Done this \_\_\_\_ day of \_\_\_\_\_, 2009 in \_\_\_\_\_.

\_\_\_\_\_  
Signature of Corporate Secretary

SUBSCRIBED AND SWORN TO BEFORE ME IN \_\_\_\_\_ (CITY/PROVINCE), PHILIPPINES ON

\_\_\_\_\_, AFFIANT PERSONALLY APPEARED BEFORE ME AND EXHIBITED TO ME HIS/HER COMMUNITY TAX CERTIFICATE NO. \_\_\_\_\_ ISSUED AT \_\_\_\_\_ ON \_\_\_\_\_, 200\_\_.

DOC. NO: \_\_\_\_\_  
PAGE NO. \_\_\_\_\_  
BOOK NO. \_\_\_\_\_  
SERIES OF \_\_\_\_\_

NOTARY PUBLIC FOR \_\_\_\_\_ CITY/PROVINCE  
Notarial Commission No. \_\_\_\_\_  
Commission expires on December 31, \_\_\_\_\_  
Roll of Attorney Number \_\_\_\_\_  
PTR No. \_\_\_\_\_  
IBP No. \_\_\_\_\_  
Office Address: \_\_\_\_\_

### FOR PDIC USE ONLY:

#### Checklist of Required/Submitted Documents:

- |  |  |
|--|--|
| <input type="checkbox"/> Letter of Intent                        | <input type="checkbox"/> Latest audited financial statement                |
| <input type="checkbox"/> Properly accomplished registration form | <input type="checkbox"/> Board Resolution/Certification of Board Secretary |
| <input type="checkbox"/> Others: _____                           |  |

## **PDIC INVESTOR-INVESTEE HELPDESK IMPLEMENTING GUIDELINES**

Pursuant to the PDIC Board of Directors Resolution No. 2009-08-152 dated 26 August 2009, the following guidelines in administering the PDIC Investor-Investee Helpdesk are hereby issued.

### **Section 1. Objective**

Establishment of the PDIC Investor-Investee Helpdesk (the “Helpdesk”) is in line with PDIC’s mandate of developing a sound and stable banking system, by promoting consolidation within the industry. The following guidelines in the administration of the Helpdesk, a facility whereby investors looking for banks to acquire, merge or consolidate with, or invest in may be introduced to banks seeking interested acquirers/investors, are hereby adopted.

### **Section 2. Definition of Terms**

For purposes of these guidelines, the following definitions shall apply:

- 2.1 Investor – shall refer to an operating member bank or a non-bank financial institution with the intention of buying or entering into a business combination with investees.
- 2.2 Investee – shall refer to an operating member bank looking for potential acquirers/investors.
- 2.3 Helpdesk – shall refer to the PDIC Investor-Investee facility designed to identify possible investor-investee fit/s through an automated matching process.
- 2.4 Active List - shall refer to current list of eligible investors and investees.
- 2.5 Match – a fit among investor’s preferences and investee’s attributes based on pre-defined criteria (bank type, asset size, number of branches and location of head office).

### **Section 3. Coverage/Eligible Applicants**

- 3.1 Only operating member banks that have not violated or have not been cited in violation of any PDIC Regulatory Issuance may apply as investee.
- 3.2 Only the following operating member banks and non-bank financial institutions may apply as investors:
  - a. Banks that have not violated or have not been cited in violation of any PDIC Regulatory Issuance; and/or



- b. Banks and non-banks that are not under BSP Prompt Corrective Action (PCA).

3.3 Banks shall not be allowed to concurrently apply as investee and investor.

#### **Section 4. Application Requirements**

- a. **Investors** enrolling in the facility shall submit the following to the PDIC:
  - a. Written request for PDIC's assistance in identifying prospective investee, stating purpose thereof;
  - b. Latest audited financial statements;
  - c. Duly accomplished application/registration form containing relevant background information, i.e., company profile, contact references and attributes of preferred investees (Annex 1); and
  - d. Board resolution and/or certification of the board secretary declaring investor's intent to locate prospective investees and designating a representative authorized to transact with the Helpdesk.
- b. **Investees** enrolling in facility shall submit the following to the PDIC:
  - a. Written request for PDIC's assistance in identifying prospective investor, stating purpose thereof;
  - b. Latest audited financial statements;
  - c. Duly accomplished application form containing relevant background information, i.e., company profile and contact references (Annex 2); and
  - d. Board resolution and/or certification of the board secretary declaring bank's intent to locate prospective investors and designating a representative authorized to transact with the Helpdesk.

#### **Section 5. Processing of Application**

- 5.1 Application requirements shall be submitted to and processed by the PDIC Bank Statistics Department.
- 5.2 Only complete and duly accomplished application requirements submitted by eligible applicants shall be processed.
- 5.3 The matching process of investors and investees shall be automated and based entirely on the information/reports provided by investors/investees to PDIC.

5.4 PDIC shall formally notify investors and investees in the event of the following:

- a. Acceptance in the Helpdesk's active list
- b. Ineligibility from acceptance in the Helpdesk
- c. A match is found among parties enrolled in the Helpdesk
- d. Delisting from the active list.

## **Section 6. Consent to Refer Contact Details and Other Information**

6.1 In the event of a match, the investor consents to the provision by PDIC to refer its contact details and audited financial statements to the investee. The investee shall have the option to have its contact details and other information withheld by PDIC from the investor.

## **Section 7. Terms of Registration**

7.1 Investors and investees registering in the facility shall acknowledge and accept the following terms of registration:

- a. It is the responsibility of each party to conduct due diligence on counterparts to which it is referred.
- b. PDIC's referral of matched parties does not constitute an endorsement of either the investor or investee. As such, the PDIC shall not be held responsible for any consequence, whatsoever, that may arise in dealings between matched investor and investee.
- c. Should matched parties eventually agree to pursue merger, consolidation, or acquisition plans, PDIC, BSP and other regulatory bodies' consent/approvals shall be secured, as required under existing rules.
- d. Each party is bound to keep confidential information it has come to know by reason of the Helpdesk.
- e. Active status in the Helpdesk database shall be in force for a period of six (6) months commencing from the date registration is approved, which may be extended upon written request to PDIC. An investor/investee, however, may be de-listed in the database at any time for any of the following reasons:
  - i. Upon written request by the investor/investee
  - ii. Upon submission of merger/consolidation/acquisition proposals to BSP/PDIC
  - iii. Upon verification of the entity's termination of business operations or revocation of license to operate by its regulator, or expiry of its corporate term
  - iv. If the bank is found in violation of any PDIC Regulatory Issuance

- v. If the bank/non-bank investor is placed under BSP Prompt Corrective Action (violation PCA)
- vi. For of confidentiality agreements
- f. Acceptance in the Helpdesk does not prevent PDIC from undertaking any action affecting an investor/investee that deems fit in fulfilling its responsibilities placed upon it by law.
- g. PDIC reserves the right to change the terms of this registration at any time.

#### **Section 8. Sanction Against Violation of Confidentiality**

A party violating or found to have violated this provision, or any of the terms and conditions of the program, shall be permanently disqualified from participating in the Helpdesk. PDIC reserves the right to exercise, at its option, any remedy available to discipline an offending party.

#### **Section 9. Fees**

All services provided by the Helpdesk shall be free of charge.

#### **Section 10. Effectivity Date**

These **Guidelines** shall take effect upon approval of the PDIC Board Directors.

**JOSE C. NOGRALES**  
President

Date: 4 November 2009



**BULLETIN NO. 2010-06**

**TO :** All Member Banks

**SUBJECT :** Revised Schedule of Deposit Liabilities by Size of Account

This Bulletin is issued to inform all member banks that the Schedule of Deposit Liabilities by Size of Account<sup>11</sup> required for submission to PDIC under Regulatory Issuance (RI) 1999-01, as amended, is hereby revised to break down the "P15,000 & below" deposit size range into the following:

Deposit Size
P5,000 & below
P5,000.01 to P10,000
P10,000.01 to P15,000

The revised pro-forma template prescribed for said report is attached herein as [Attachment 1](#).

All banks are hereby required to submit the Schedule of Deposit Liabilities by Size of Account following the revised prescribed format starting report cut-off period ending March 2010. The manner and frequency of submission of the same shall be retained as currently prescribed while the sanctions and penalties under RI 1999-01, as amended, shall apply for failure to submit the report in the prescribed revised form.

Should you have inquiries regarding this Bulletin, please contact PDIC's Bank Statistics Department at telephone nos. (02) 841-42-05 to 06<sup>12</sup>. You may also send your inquiries via e-mail at [bpmc@pdic.gov.ph](mailto:bpmc@pdic.gov.ph) or mail to the following address:

The Manager  
Bank Statistics Department  
7<sup>th</sup> Floor, PDIC Ayala Extension Office  
SSS Bldg., 6782 Ayala Avenue corner  
V.A. Rufino St. (formerly Herrera St.)  
1226 Makati City

For your guidance and strict compliance.

**(Sgd.) JOSE C. NOGRALES**

President

Date: 31 March 2010

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<sup>11</sup> The same is also required for submission to the Bangko Sentral ng Pilipinas under Financial Reporting Package (FRP), Schedule 22a.

<sup>12</sup> Telephone numbers are from 8414373 up to 76

## Schedule 22a

**Deadline:** Fifteen (15) banking days after the end of reference quarter.

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 Name of Bank

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 Bank Code

---

 Complete Address

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 As of

## Deposit Liabilities by Size of Account

Deposit Size	Demand Deposit					Savings Deposit					NOW					Time Deposit					LTNCDs					Total					Grand Total	
	Peso Accounts		FCDU/EFCDU			Peso Accounts		FCDU/EFCDU			Peso Accounts		FCDU/EFCDU			Peso Accounts		FCDU/EFCDU			Peso Accounts		FCDU/EFCDU			Peso Accounts		FCDU/EFCDU				
	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount	No. of Accts	In US \$	Peso Equiv.	No. of Accts	Amount
P 5,000 & below																																
P 5,000.01 - P10,000																																
P10,000.01 - P15,000																																
P15,000.01 - P40,000																																
P40,000.01 - P60,000																																
P60,000.01 - P80,000																																
P80,000.01 - P100,000																																
P100,000.01 - P150,000																																
P150,000.01 - P200,000																																
P200,000.01 - P250,000																																
P250,000.01 - P300,000																																
P300,000.01 - P400,000																																
P400,000.01 - P500,000																																
P500,000.01 - P750,000																																
P750,000.01 - P1,000,000																																
P1,000,000.01 - P1,500,000																																
P1,500,000.01 - P2,000,000																																
Over P2,000,000																																
TOTAL																																
Additional Information :																																
No. of Depositors <sup>1/</sup>																																

<sup>1/</sup> A depositor (and/or, in trust for) who has several types of accounts (i.e., current, savings, time, etc. should be counted as one)

**BULLETIN NO. 2010-14**

**TO : All Member Banks**

**SUBJECT : Philippine Deposit Insurance Corporation (PDIC) Checks Issued as Payment of Deposit Insurance**

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All member banks are reminded to strictly comply with **Section X801.7** of the Bangko Sentral ng Pilipinas (BSP) *Manual of Regulations for Banks* regarding the acceptance of second-endorsed checks, relative to checks issued by PDIC as payment of deposit insurance, to wit:

*“Banks shall adopt stricter policy guidelines in the acceptance of second-endorsed checks to ensure that they are not being used as instruments for money laundering or other illegal activities.*

*For this purpose, banks shall limit the acceptance of second-endorsed checks from properly identified clients and only after establishing that the nature of the business of said clients justifies, or at least, makes practical the deposit of second-endorsed checks. In case of isolated transactions involving deposits of second-endorsed business, the identity of the first endorser should be established and the record of the identification shall also be kept for five (5) years. It is also understood that banks shall at all times follow the Know-Your-Customer (KYC) rules whenever they handle or transact second-endorsed checks.”*

Any loss or liability arising from failure to adopt reasonable measures and stricter policies regarding the acceptance of second-endorsed PDIC checks for encashment or deposit shall be borne solely by the member bank concerned.

For questions/concerns on checks issued by PDIC, kindly coordinate with:

The Vice President  
Treasury Group  
Philippine Deposit Insurance Corp.  
8th Floor, SSS Building  
Ayala Ave. cor. V. Rufino Street  
Makati City  
Tel. No. 8414856

**(Sgd.) JOSE C. NOGRALES**  
President

June 29, 2010





**BULLETIN NO. 2010-18**

**TO : All Member Banks**

**SUBJECT : Creditable Withholding Tax - BIR Revenue Regulations No. 006-2010 and Filing of Regular Certified Statement (RCS) of Deposit Liabilities with the PDIC**

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Please be advised on the following:

Pursuant to Bureau of Internal Revenue (BIR) Revenue Regulations No. 006-2010 dated 29 June 2010<sup>1</sup>, promulgated to implement the tax provisions of Section 17(c) of the PDIC Charter (RA 3591), as amended, member banks mandated to withhold Creditable Withholding Tax (CWT) on assessments paid to PDIC shall withhold and remit to the BIR the two percent (2%) CWT on assessments due on or before 30 July 2010 and semestral thereafter, up to 31 January 2014.

Banks withholding the CWT on assessments shall submit to PDIC **on or before 30 July 2010**, the RCS and required schedules, and the certified photocopies of the following documents:

1. Certificate of Creditable Tax Withheld at Source (BIR Form No. 2307)
2. Monthly Alphalist of Payees (MAP) showing PDIC as one of the taxpayers subjected to CWT
3. BIR notice of inclusion of the bank in the Top 20,000 Private Corporations

The RCS, which must be prepared in quadruplicate and signed under oath by an authorized officer of the bank, and the documents listed above, shall be submitted or mailed to the following address:

**The Treasury Department  
Philippine Deposit Insurance Corporation  
8<sup>th</sup> Floor, SSS Makati Building  
Ayala Avenue corner V. A. Rufino Street  
Makati City 1226**

Penalties shall be imposed on banks that fail to file the RCS on the abovementioned deadline, in addition to the remedies and sanctions under RA 3591, as amended.

For strict compliance.

**(Sgd.) JOSE C. NOGRALES**  
President

23 July 2010

<sup>1</sup> Subject regulations were published in the Manila Bulletin on 14 July 2010 and shall take effect on 29 July 2010

**BULLETIN NO. 2010-19**

**TO : All Member Banks**

**SUBJECT : Remittance of Assessment Due PDIC as Required under PDIC  
Regulatory Issuances (RI) Nos. 2005-01<sup>1</sup> and 2002-04<sup>2</sup>, as amended  
by RI No. 2006-02<sup>3</sup>**

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Please be guided on the following:

The filing of Regular/First Certified Statement and remittance of corresponding assessment due PDIC, for the semester ending 30 June 2010 shall be **on or before 30 July 2010**. The semi-annual assessment due shall be computed as the average balance of deposits as of base days 31 March and 30 June 2010, multiplied by  $\frac{1}{2}$  of 1/5 of 1%, but in no case shall the semi-annual assessment be less than P5,000.00.

Member banks may opt to remit payment of assessments to PDIC through any of the following manner:

1. Over-the counter at PDIC

The assessment can be paid either in cash, Metro Manila or any regional clearing check, manager's/cashier's check, demand draft, or Philippine Postal Money Order (PPMO). Out-of-town checks shall not be accepted as payment. Checks shall be made payable to the Philippine Deposit Insurance Corporation (PDIC).

Metro Manila-based banks paying directly to PDIC are enjoined to remit payments to the Treasury Department of the PDIC on or before 11:00 A.M. of 30 July 2010.

Over-the counter remittance shall be made at:

**The Treasury Department  
Philippine Deposit Insurance Corporation  
8<sup>th</sup> Floor, SSS Makati Building  
Ayala Avenue corner V. A. Rufino Street  
Makati City 1226**

2. Via Mail

The assessment remittance may be mailed to the following address:

**The Treasury Department  
Philippine Deposit Insurance Corporation  
8<sup>th</sup> Floor, SSS Makati Building  
Ayala Avenue corner V. A. Rufino Street  
Makati City 1226**

3. Payments through Real Time Gross Settlement (RTGS)

Banks availing of this facility are enjoined to remit their payments on or before 12:00 noon of 30 July 2010. Please refer to the attached procedures on remittances via RTGS (Annex A).

4. Payments through LBP

The following LBP Branches shall accept assessment remittances either in the form of cash, manager's/cashier's checks, local checks, on-us checks or through fund transfer to PDIC Clearing Account No. 1782-2220-97 via the online collection system. Demand drafts and out-of-town checks shall not be accepted as payment under this facility.

a. For banks with head offices located within Metro Manila:

LBP- Pasong Tamo Branch  
G/F, King's Court Building II  
#2129 Pasong Tamo cor. Dela Rosa Sts.  
Makati City

b. For banks located outside of Metro Manila area:

All LBP Servicing branches and offices

Please refer to the attached procedures on the assessment remittance through LBP (Annex B).

Interest and penalties shall be imposed on banks that fail to remit the assessment on the abovementioned deadline, in addition to the remedies and sanctions under RA 3591, as amended.

For strict compliance.

**(Sgd.) JOSE C. NOGRALES**  
President

23 July 2010

Downloadable Attachments:

[Annex A - Procedures on Assessment Remittances via Realtime Gross Settlement \(RTGS\)](#)

[Annex B - Procedures on Assessment Remittances thru Land Bank of the Philippines \(LBP\)](#)

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<sup>1</sup> Procedure for Filing of Regular Certified Statement and Payment of Assessment

<sup>2</sup> Amendments to Provisions in Part III (Assessments) of the PDIC Rules and Regulations, as amended

<sup>3</sup> Further Amendments to Part III (Assessments) of the PDIC Rules and Regulations, as amended

**PROCEDURES ON ASSESSMENT REMITTANCES VIA  
REALTIME GROSS SETTLEMENT (RTGS)**

1. Assessments payment via RTGS shall be made to the Land Bank of the Philippines (LBP), for credit to the **Philippine Deposit Insurance Corporation (PDIC) Account No. 1782-1000-56** with **LBP Pasong Tamo Branch**.
2. The remitting bank shall clearly indicate the following information in the corresponding S.W.I.F.T. instructions:
  - (a) Name of Bank
  - (b) Assessment Period (e.g., March and June 2010)
  - (c) Amount of Assessment Paid
  - (d) SWIFT message, showing the purpose of remittance, as follows:
    - (i) For payments of semestral assessment dues:  
"PAYMENT OF ASSESSMENT DUE TO PDIC"
    - (ii) For payments of assessment deficiencies:  
"PAYMENT OF ASSESSMENT DEFICIENCIES TO PDIC"
3. After payment via RTGS is made, the remitting bank shall immediately send the SWIFT instructions through any of the following:
  - (a) Treasury Department (TD) with fax no. (02)841-4879; or
  - (b) Treasury Group (TG) with fax no. (02)841-4858
4. The remitting bank shall immediately submit the Regular Certified Statement together with required supporting schedules (in case of payment of assessment due) or a copy of billing letter (in the case of other remittances) and a photocopy of the SWIFT instructions to the following address:

**The Department Manager**  
Insurance Department  
Philippine Deposit Insurance Corporation  
8th Floor, SSS Makati Building  
Ayala Avenue cor. Rufino St.  
1226 Makati City
5. The Insurance Department shall acknowledge receipt of documents (if any) and send to the remitting bank, the PDIC Official receipt corresponding to payment made.

**PROCEDURES ON ASSESSMENT REMITTANCES THRU  
LAND BANK OF THE PHILIPPINES (LBP)**

1. All assessment payments whether in cash or checks or thru fund transfer shall be accepted during regular banking hours. Check payments shall be made payable to the Philippine Deposit Insurance Corporation.
2. Assessment remittances shall be accompanied by the following:
  - (a) Four (4) copies of duly accomplished and notarized Regular/First Certified Statement (RCS/FCS) or Billing letter issued by PDIC
  - (b) Three (3) copies of the Paying Bank Receipt (PBR)
3. Member banks remitting assessment due through LBP-Pasong Tamo shall, in addition, accomplish the LBP deposit slip in triplicate and indicate in the slip, the PDIC Account No. 1782-1000-56.
4. Other LBP Servicing branches shall only accept assessment remittances coming from member banks with head offices outside Metro Manila.
5. Reproduction of the PBR measuring 5" x 8.5" (see sample attached), shall be the responsibility of the remitting bank.
6. Each remitting bank is provided with a unique reference number, which should always be indicated in the PBR when paying through LBP.
7. The following information shall also be indicated in the PBR:
  - (a) Clearing Account No. 1782-2220-97
  - (b) Nature of remittance, whether Assessment Due, Assessment Deficiency or Interest/Penalty, or others (specify).
  - (c) Corresponding assessment base days for payments of Assessment Dues, or date of PDIC billing letters for payments of Assessment Deficiency or Interest/Penalty
  - (d) Form of payment whether cash, check or fund transfer. In the case of remittance thru fund transfers, the Authority to Debit Account form accomplished in triplicate shall be attached to the PBR.
8. For remittances of current assessment due, the RCS together with the deposit slip/PBR and the computed assessment payment due/authority to debit shall be presented to the LBP teller.

9. For remittances of the assessment deficiency or interest/penalty, the billing letter from PDIC together with the deposit slip/PBR and the required assessment payment due/authority to debit shall be presented to the LBP teller.
10. The LBP teller shall receive the cash/check remittance, RCS or PDIC Billing letter, authority to debit/deposit slip and PBR. He/she shall check whether cash/check remitted tallies with the amount indicated in the RCS or billing letter.
11. If there is any discrepancy in the amount, the same shall be returned to the bank representative for correction.
12. If everything is found in order, LBP teller shall accept the cash/check remittance and machine validate the PBR/deposit slip/authority to debit.
13. The LBP teller shall stamp "PAID" on all copies of RCS or billing letter and distribute the PBR/deposit slip/ authority to debit as follows:

Original Copy - For LBP

Duplicate/Triplicate Copy - For Remitting Bank

14. After payment through LBP is made, the remitting bank shall immediately submit the duly validated RCS together with required schedules (in the case of payment of assessment due) or a copy of the billing letter (in the case of other remittances) and the duplicate copy of the PBR/deposit slip/authority to debit, to the following address:

**The Department Manager**

Insurance Department

Philippine Deposit Insurance Corporation

8th Floor, SSS Makati Building

Ayala Avenue cor. Rufino St.

1226 Makati City

15. The Insurance Department shall acknowledge receipt of documents and send to the remitting bank, the PDIC Official Receipt corresponding to payment made.



**BULLETIN NO. 2010-31**

**TO : The General Public**

**SUBJECT : Claims for Deposit Insurance**

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Claims for deposit insurance with the Philippine Deposit Insurance Corporation go through the following stages:

**STAGE 1 Examination of Deposit Accounts**

Deposit accounts are examined and validated against records of a closed bank upon takeover.

**STAGE 2 – Filing of Claims**

Filing of claims for deposit insurance by the depositor following the steps laid down in the Notice to the Depositors published by the PDIC.

**STAGE 3 – Evaluation of Claims**

Filed claims are evaluated by the PDIC in accordance with established guidelines.

**STAGE 4 – Decision on the Claims**

Claims are resolved by the PDIC in accordance with established guidelines.

**STAGE 5 – Reconsideration of Denied Claims**

- a. Depositor/s with claims wholly or partially denied may request for a reconsideration within 60 days from receipt of the notice of denial of their claim/s.
- b. The request must be in writing. It must be accompanied by a duly notarized affidavit together with documents that would support the deposit/s made in the bank. The supporting documents must be new evidence that have not been submitted at the time the claims were filed.
- c. Request for reconsideration filed after the abovementioned 60-day period shall no longer be entertained by the PDIC and the decision of the PDIC denying such claim/s shall be deemed final and executory.

**(Sgd.) JOSE C. NOGRALES**  
President



**BULLETIN NO. 2011-15**

**TO : Member Banks**

**SUBJECT : Celebration of June 16-22 as Depositor Protection and Awareness Week**

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Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16-22 of every year as the Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this week-long celebration, all member-banks are encouraged to display a streamer outside their main offices for the duration of the DPAW and to include an electronic version of the streamer in ATM machines downloadable from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer which measures 4 ft x 8 ft shall appear as follows:



**(Sgd.) CRISTINA Q. ORBETA**  
Officer-in-Charge

May 18, 2011



**BULLETIN NO. 2011-18**

**TO : Member Banks**

**SUBJECT : President of the PDIC**

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The Philippine Deposit Insurance Corporation (PDIC) is pleased to inform member banks that President Benigno S. Aquino III has appointed MR. VALENTIN A. ARANETA as President of the PDIC effective June 16, 2011.

Mr. Araneta has built a solid track record in banking, having worked for various banks both domestic and foreign in a career spanning more than three decades. Immediately prior to joining PDIC, he was an Independent Director in a commercial bank. He has also previously served as president and chief operating officer of another commercial bank.

For information.

**(Sgd.) IMELDA S. SINGZON**

Executive Vice President

Examination and Resolution Sector

July 5, 2011



**BULLETIN NO. 2012-06**

**TO :** All Stand-Alone Thrift Banks, Rural Banks and Cooperative Banks

**SUBJECT :** Electronic Submission of the Revised Risk-Based Capital Adequacy Ratio (RBCAR) Reports – Solo Basis

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All stand-alone thrift banks, rural banks and cooperative banks are advised that the Risk-Based Capital Adequacy Ratio (RBCAR) report required to be submitted to the Philippine Deposit Insurance Corporation (PDIC) under Regulatory Issuance No. 1999-01, as amended, shall be in a revised format/template in accordance with the Monetary Board approved<sup>1</sup> Revised Risk-Based Capital Adequacy Framework.<sup>2</sup>

**Electronic Submission of the Revised Risk-Based Capital Adequacy Ratio (RBCAR) Report**

1. Starting with the reporting period ending March 2012, and every regular reporting period thereafter, all stand-alone thrift banks, rural and cooperative banks shall electronically submit the required Revised RBCAR Report, together with the required Control Prooflist (CP), to the PDIC. The reporting format/template shall be in accordance with the Revised RBCAR format/template prescribed by the BSP for all stand-alone thrift banks, rural banks and cooperative banks, under BSP Memorandum No. M-2011-054 dated 06 October 2011.
2. The form and manner of electronic submission of the Revised RBCAR Report and CP to PDIC shall be as follows:<sup>3</sup>
  - i. Covered banks shall use the BSP prescribed Data Entry Template (DET) for the electronic submission of the Revised RBCAR Report to the PDIC. The DET may be downloaded from the BSP website under <http://www.bsp.gov.ph/frp/templates>.
  - ii. The prescribed file structures, which shall serve as the bank's guide in creating their respective data base (DBASE) files in CSV (Comma Separated Values) format for the Revised RBCAR Report, shall be the same as those provided and detailed in **Annex A** of BSP Memorandum No. M-2011-054.
  - iii. The electronic copy of the Revised RBCAR Report shall be submitted to PDIC using the prescribed DET referred to in (i.) or in the prescribed DBASE file structure in CSV format referred to (ii.).
  - iv. The CP of the Revised RBCAR Report (Please see **Annex B** of BSP Memorandum No. M-2011-054) shall be duly notarized and signed by the authorized official of the reporting bank. The scanned CP shall be in portable document format (pdf) and electronically transmitted to the PDIC using the prescribed filename Prooflist-CAR.pdf. Should scanning be unavailable, the notarized CP can be transmitted via facsimile to the Department Manager, Bank Statistics Department at (632) 813-3815 within the prescribed deadline.

3. The electronic copy of the Revised RBCAR Report, together with the CP in pdf, shall be electronically submitted to PDIC at [bpmc@pdic.gov.ph](mailto:bpmc@pdic.gov.ph), or copy furnished the PDIC (when transmitting thru BSP's electronic mail system), every quarter and within fifteen (15) banking days after the end of the reference quarter.
4. Covered banks which are unable to electronically transmit the RBCAR Report and the corresponding CP to the PDIC can submit said report/s to the address indicated below in compact disc (CD) or other electronic storage device within the prescribed deadline.

The Department Manager  
Bank Statistics Department  
7<sup>th</sup> Floor, PDIC Ayala Ext. Office,  
SSS Bldg.  
6782 Ayala Avenue cor. V.A.  
Rufino St.  
1226 Makati City

5. Effective immediately, the submission of RBCAR Report and the corresponding CP to the PDIC in the format required under BSP Circular No. 280 dated 29 March 2001 is discontinued. Henceforth, hardcopy submission shall no longer be required.
6. The sanctions and penalties for failure to submit PDIC reportorial requirements under PDIC R.I. No. 1999-01, as amended, shall apply.

Should you have inquiries regarding this Bulletin, please contact PDIC's Bank Statistics Department at telephone nos. (02) 841-4370, 4373 to 76. You may also send your inquiries via e-mail or mail to the above-stated address.

For your guidance and strict compliance.

**(Sgd.) VALENTIN A. ARANETA**  
President

Date: March 16, 2012

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<sup>1</sup> Approved per MB Resolution No. 660 dated 13 May 2010

<sup>2</sup> Pursuant to BSP Circular No. 688 dated 26 May 2010

<sup>3</sup> Memorandum No. M-2011-054 dated 06 October 2011



**BULLETIN NO. 2012-09**

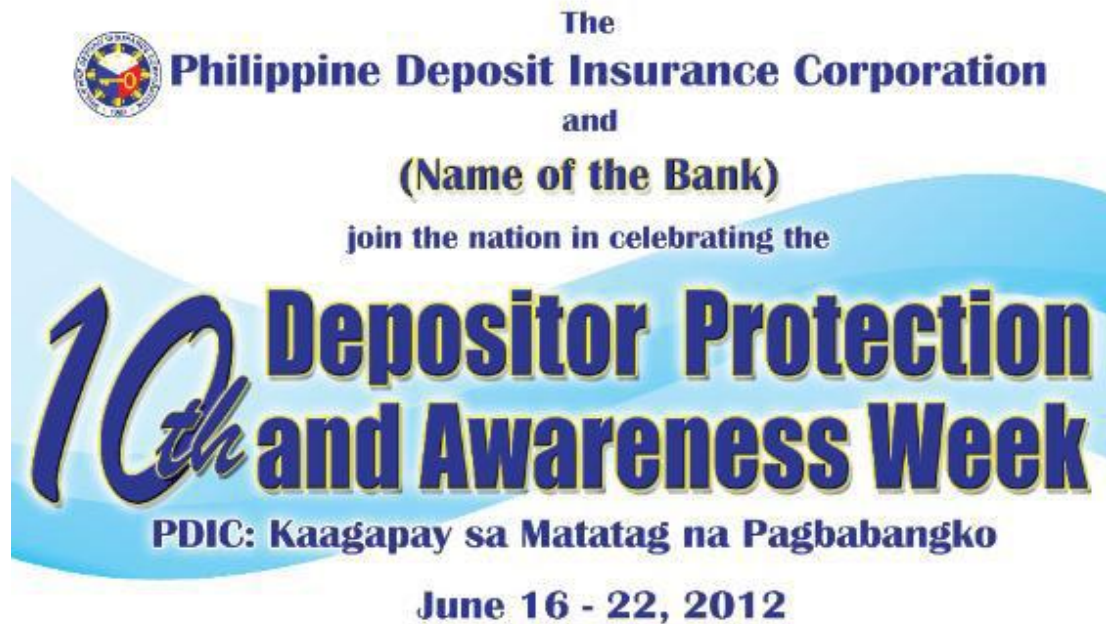
**TO : Member Banks**

**SUBJECT : Celebration of June 16-22 as Depositor Protection and Awareness Week**

Presidential [Proclamation No. 358](#) signed on April 4, 2003 declared June 16-22 of every year as the Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this week-long celebration, all member-banks are encouraged to display a streamer outside their main offices for the duration of the DPAW and to include an electronic version of the streamer in ATM machines downloadable from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer which measures 4 ft x 8 ft shall appear as follows:



**(Sgd.) VALENTIN A. ARANETA**  
President

Download Logo:

DPAW Logo

PDIC Logo



The  
**Philippine Deposit Insurance Corporation**  
and

join the nation in celebrating the

**10<sup>th</sup> Depositor Protection  
and Awareness Week**

**PDIC: Kaagapay sa Matatag na Pagbabangko**

**June 16 - 22, 2012**





**BULLETIN NO. 2012-21**

**TO : All PDIC Member Banks**

**SUBJECT : Strengthening Program for Rural Banks Plus**

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The Philippine Deposit Insurance Corporation (PDIC) and Bangko Sentral ng Pilipinas (BSP) amended the Strengthening Program for Rural Banks (SPRB) – Module 1 framework. The program as amended is termed as Strengthening Program for Rural Banks Plus or **“SPRB Plus.”**

The SPRB Plus is now extended to: (i) rural banks (RBs) and thrift banks (TBS) as Eligible Banks (EBs), and: (ii) rural, thrift, universal and commercial banks, non-bank corporations and group of companies as Eligible Strategic Third Party Investors (STPIs).

The SPRB Plus aims to strengthen RBs and TBs serving the countryside and low income sector, through the grant of financial assistance (FA) by the PDIC and branching and other incentives by the BSP to banks which will qualify under the program.

Eligible STPIs merging, consolidating or acquiring EBs, pursuant to the SPRB Plus Implementing Guidelines (“Guidelines”) may be considered under the program.

To apply under the SPRB Plus, the Eligible STPI and the EB should submit a joint letter, separately addressed to PDIC and BSP accompanied by the following:

1. Duly accomplished application form (SPRB Plus Form No. 1);
2. Request for FA from PDIC in accordance with the attached Guidelines);
3. Request for incentives from the BSP in accordance with the Guidelines on the Grant of Additional Incentives under the SPRB Plus, attached as Annex “A”; and
4. Documentary requirements as listed in Annex “B”.

In relation to the SPRB Plus, we reiterate PDIC’s **Investor-Investee Helpdesk**, a facility for investors (banks or non-bank financial institutions) looking for banks to acquire, merge or consolidate with, or invest in (Please see **PDIC Bulletin No. 2010-01 dated 6 January 2010**). Through the Investor-Investee Helpdesk, investors may be introduced to banks looking for acquirers/investors. Interested investors or investees may apply and avail this service in accordance with the attached Helpdesk Guidelines.

Applications under the SPRB Plus and/or Investor-Investee Helpdesk may be sent to:

The SPRB Lane (for SPRP Plus), or  
The Department Manager – Bank Statistics Department (for  
Helpdesk)  
Philippine Deposit Insurance Corporation  
7th Floor, PDIC Ayala Extension Office  
SSS Bldg., 6782 Ayala Ave., corner V.A. Rufino St.  
1226 Makati City

For further inquiries, please contact the SPRB Lane at 813-3673 and/or Investor-Investee Helpdesk at 841-4370 or visit our website at [www.pdic.gov.ph](http://www.pdic.gov.ph).

We look forward to your active support and participation in these programs.

**(Sgd.) VALENTIN A. ARANETA**  
President

14 August 2012

Attachments:

SPRB Plus Implementing Guidelines, including Annexes A, A1 & B  
Strengthening Program for Rural Bank (SPRB) Plus Application Form 1  
PDIC Investor-Investee Helpdesk Implementing Guidelines  
Investee Bank Registration Form  
Investor Registration Form

## **STRENGTHENING PROGRAM FOR RURAL BANKS PLUS IMPLEMENTING GUIDELINES**

Pursuant to Philippine Deposit Insurance Corporation (PDIC) Board Resolution No. 2012-04 103 dated 25 April 2012 and Bangko Sentral ng Pilipinas (BSP) Monetary Board (MB) Resolution No. 759 dated 10 May 2012, approving the Strengthening Program for Rural Banks Plus (SPRB Plus), this implementing guidelines (the “Guidelines”) for availment of the SPRB Plus Financial Assistance (FA) and regulatory reliefs/incentives is hereby issued.

### **Section 1.0 Objectives**

The SPRB Plus is intended to encourage mergers, consolidations and acquisition of rural banks (RBs) and of thrift banks (TBs) which generally serve the same niche markets as the RBs, that is serving the countryside and low income sector via grant of FA by PDIC and regulatory reliefs/incentives by BSP to the extent allowed under their respective charters and enabling laws.

The SPRB Plus is in recognition of the importance of RBs and TBs in providing financial services to the community particularly in their specialized niche markets, and in maintaining financial stability in the economy, in accordance with Sec. 17 (d) of RA 3591, as amended (the PDIC Charter).

### **Section 2.0 Definition of Terms**

For purposes of this Guidelines, the following acronyms, words and/or phrases shall mean as follows:

- 2.1 **“Acquisition of Control”** shall refer to the acquisition by an Eligible Strategic Third Party Investor (STPI) of control of an Eligible Bank through the acquisition or purchase of at least 67% of the outstanding capital shares of the Eligible Bank.
- 2.2 **“CAMELS”** shall mean “Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk” rating given by the BSP;
- 2.3 **“Consolidation”** (subject to the provisions of existing applicable relevant laws) shall involve the combination of at least one Eligible Bank with an Eligible STPI, resulting in the dissolution of the proponent banks and the creation of a new entity;
- 2.4 **“DL”** shall mean “Direct Loan” component of the SPRB Plus FA;
- 2.5 **“Effective Interest Rate of Government Securities”** shall mean the annual coupon amount of government securities purchased, net of tax, divided by the amount of DL;
- 2.6 **“Eligible Bank”** shall mean any rural bank (RB) or thrift bank (TB), having all the eligibility/ies provided under Section 4.1;

- 2.7 **“Eligible Strategic Third Party Investor”** or **“Eligible STPI”** shall mean any bank or non-bank corporation, having all the eligibilities as may be applicable under Section 4.2;
- 2.8 **“FA”** shall mean the **“Financial Assistance”** to be extended by PDIC under the SPRB Plus limited to STPI’s under Section 6 hereof;
- 2.9 **“FXTN”** (a type of government securities), shall mean **“Fixed Rate Treasury Note”**;
- 2.10 **“Government Securities”** or **“GS”** shall mean the National Government securities registered in the Registry of Scripless Securities (RoSS) of the Bureau of Treasury and which are acceptable to PDIC, in the form of direct obligations of, or obligations the principal and interest of which are guaranteed by the Philippine Government, to be pledged to PDIC under the Financial Assistance Agreement to be executed by the Eligible Bank, Eligible STPI and PDIC, including the proceeds, additions, substitutions and replacements of said National Government securities;
- 2.11 **“Merger”** (subject to the provisions of existing applicable and relevant laws) shall involve the combination of at least one Eligible Bank with an Eligible STPI, one of which shall be the surviving entity;
- 2.12 **“MOA”** shall mean the **“Memorandum of Agreement on the Strengthening Program for Rural Banks”** between PDIC and BSP dated 3 August 2010;
- 2.13 **“Net Interest Spread (NIS) Rate”** shall be equivalent to 3%;
- 2.14 **“Net Interest Spread (NIS) Amount”** shall be equivalent 3% of DL;
- 2.15 **“Premium Rate of GS”** shall mean the total premium, if any, divided by the term of the DL, divided by the amount of the DL;
- 2.16 **“PN”** shall mean **“Promissory Note”**;
- 2.17 **“PS”** shall mean the **“Preferred Shares”** component of the SPRB Plus FA;
- 2.18 **“Purchase of Assets and Assumption of Liabilities”** or **“P&A”** shall refer to the acquisition of an Eligible Bank by an Eligible STPI through the purchase of all recorded assets and assumption of all recorded liabilities of the Eligible Bank resulting in the surrender of the Eligible Bank of its banking license and thereafter existing only as a shell company for the purpose of winding up its remaining assets and operations.
- 2.19 **“RBCAR”** shall mean **“Risk Based Capital Adequacy Ratio”**;
- 2.20 **“SPRB Lane”** shall mean the designated receiving/processing center located at the offices of PDIC and BSP, where SPRB Plus applications shall be filed;
- 2.21 **“Supplemental Agreement”** shall refer to the agreement between PDIC and BSP dated 2 August 2012 enhancing and/or expanding the coverage of the MOA establishing the



SPRB, to include TBs as Eligible Banks and, TBs, universal banks, commercial banks and non-bank corporations as eligible STPIs;

2.22 **“Surviving Bank”** shall refer to the resulting entity after the merger or consolidation, or the eligible Bank in case of acquisition of control or the eligible STPI in case of P&A;

2.23 **“Taxes”** shall include all applicable taxes such as, but not limited to, value added tax (VAT), expanded withholding tax (EWT) and documentary stamp tax (DST).

### **Section 3.0 Program Availability Period**

The SPRB Plus shall be available until 31 December 2013, unless mutually extended anew by PDIC and BSP. For the purpose of qualifying for grant of incentives under the SPRB Plus, within the defined duration, agreements pertinent to the merger, consolidation, P&A or acquisition of control of Eligible Bank by an Eligible STPI should have been executed and timely submitted for evaluation by PDIC and BSP no later than 31 December 2013.

### **Section 4.0 Eligibility**

Eligible STPIs which seek to merge, consolidate, acquire through P&A mode, or acquire not less than 67% of the total outstanding capital of an Eligible Bank shall qualify under the SPRB Plus.

4.1 Eligible Banks shall refer to RBs or TBs with RBCAR of less than 10%.

4.2 Basic criteria for Eligible STPIs:

#### **Universal and Commercial Banks (UKBs), TBs and RBs**

- a) BSP CAMELS rating of at least “3”;
- b) Not under BSP’s Prompt Corrective Action (PCA); and
- c) No findings of unsafe and unsound banking practices by the BSP or PDIC.

#### **Non-Bank Corporations**

- a) Financially strong corporations of good reputation.

4.3 The eligible STPI may be a single entity or group of entities.

### **Section 5.0 Procedures for Application**

5.1 The Eligible STPI and the Eligible Bank shall submit to the SPRB Lane a joint letter, separately addressed to PDIC and BSP indicating their intention to merge or consolidate, or enter into a P&A or acquisition of control under the SPRB Plus.

5.2 The letter shall indicate and shall be accompanied by the following:

- a) duly accomplished application form (SPRB Plus Form No. 1);
- b) request for FA from PDIC in accordance with this Guidelines;
- c) request for regulatory relief/incentives from BSP in accordance with the Guidelines on the Grant of Regulatory Relief/Incentives by BSP under the SPRB Plus, attached herewith as Annex "A"; and
- d) documentary requirements as listed in Annex "B."

The letter and all requirements to be submitted to the SPRB Lane shall be in duplicate copies.

5.3 All applications shall be evaluated only upon receipt of the complete set of requirements as provided for under Sections 5.1 and 5.2.

5.4 Applications for the SPRB Plus must be filed on or before 31 December 2013, as provided under Section 3.0.

5.5 PDIC shall have the right to conduct due diligence, including but not limited to validation of the RBCAR of Eligible Bank and/or Eligible STPI.

#### **Section 6.0 The Financial Assistance (FA)**

The FA shall be extended only to STPIs which are TBs and RBs. Non-bank corporations which are not subsidiaries of UKBs nor part of any banking group may also be extended FA when circumstances strongly warrant as allowed under Section 17.d of R.A. No. 3591, as amended.

6.1 FA will have two (2) components:

- a) Equity Component in the form of Preferred Shares (PS); and
- b) Direct Loan (DL).

6.2 The total cost of providing the above combination of FA (PS and DL) shall be subject to the limitations provided under Sec. 17 (d) of the PDIC Charter.

6.3 Features and Terms of Preferred Shares Subject to the restrictions and/or limitations under existing applicable and relevant laws, rules, regulations, issuances and circulars, the following shall be the features/terms of PS:

- a) Amount – up to 50% of the required additional capital to bring the eligible bank's RBCAR to 10% as determined by the BSP;
- b) Dividend rate – equivalent to prevailing 5-year FXTN rate, on gross basis, on the date of PDIC's subscription to the PS, payable annually to PDIC. Such rate shall be based on PDST-R2 set the previous business day;

- c) Non-voting, cumulative, convertible to common shares;
- d) Redeemable starting at the end of the 5th year but not later than the 10th year from issuance of PS;
- e) Put option on the shares exercisable by PDIC.

#### 6.4 Terms of the DL

- a) Purpose – the proceeds of the DL shall be used solely to purchase Government Securities (GS);
- b) Principal – equivalent to such amount that will allow the annual NIS, over the tenor of the DL to accumulate to a sum equivalent to the PS, using the following formula:  
  
*Principal = (PS/Tenor of DL)/NIS rate)*
- c) Interest rate per annum – Effective Interest Rate of the GS purchased less NIS rate of 3%, less premium rate of GS, if any;
- d) Tenor – 10 years, but shall become due and demandable upon redemption of PS or exercise of put option
- e) Collateral/Security – Pledge to PDIC of the GS to be purchased using proceeds of DL, and such other collateral/security or arrangements as PDIC may require.

### **Section 7.0 Terms and Conditions of the FA**

7.1 The relationship between the parties to the SPRB Plus shall be principally governed by an FA Agreement to be executed by the Eligible Bank, the Eligible STPI and PDIC, in accordance with this Guidelines.

7.2 The terms and conditions of the SPRB Plus FA shall include, but shall not be limited to, the following:

- a) Quasi-reorganization and/or Capital restructuring;
- b) Compliance with the FA agreement terms and conditions as follows:
  - Financial Covenants
    - compliance with payment terms and conditions
    - achievement of business plan/performance targets
  - Non-financial covenants
    - submission of required reports
    - improvement of surviving bank's operations and governance
    - conduct by PDIC of periodic on-site inspection and review

- PDIC's appointment of consultants and/or nomination of representative in the surviving bank's board of directors, as may be necessary.

- c) Compliance with PDIC and BSP regulatory issuances, and other banking rules and regulations.

#### **Section 8.0 Monitoring Activities**

8.1 PDIC shall monitor the performance of the surviving or consolidated bank and its compliance with all the conditions of the FA Agreement.

8.2 The surviving or consolidated bank shall comply with the following regular reporting requirements:

- a) quarterly statement of conditions, and income and expenses;
- b) annual audit report by an independent external auditor.

8.3 PDIC, pursuant to this Guidelines and the FA Agreement, shall be authorized to conduct a special review of operations of the Eligible Bank, Eligible STPI, or surviving or consolidated bank anytime, as it may deem necessary, to check compliance with financial targets, business plan and relevant terms of the FA.

#### **Section 9.0 Non-Compliance with the Terms and Conditions**

9.1 Non-compliance with any of the terms and conditions of the FA Agreement shall give PDIC the option to exercise its rights and to pre-terminate the loan.

#### **Section 10.0 Amendments**

At any time and from time to time, PDIC may execute a supplement or amendment hereto for the purpose of adding provisions, changing or modifying provisions of this Guidelines as may be necessary to achieve the program's objectives.

#### **Section 11.0 Effectivity**

This Guidelines shall take effect immediately.

**GUIDELINES ON THE GRANT OF ADDITIONAL INCENTIVES BY THE BSP UNDER THE  
STRENGTHENING PROGRAM FOR RURAL BANKS (SPRB) PLUS**

In addition to the incentives/regulatory relief granted by the BSP under the SPRB Module 1 (Annex A-1), eligible strategic third party investors (STPIs) can avail of additional branching<sup>13</sup> and other incentives as follows:

**For Eligible STPI Universal and Commercial Banks (UKBs) and Thrift Banks (TBs)**

1. Special branch licensing fees<sup>14</sup> shall be waived by the BSP equivalent to the amount of the capital contribution of the STPIs to bring the eligible banks' risk-based capital adequacy ratio (RBCAR) to 10 percent. Under Circular No. 728 dated 23 June 2011, a bank applying for a branch license in restricted areas shall be charged a licensing fee of P20 million for UKBs and P15 million for TBs. Hence, if an STPI's capital contribution in a TB is P50 million, said STPI bank is qualified to establish 3 branches ( $P50 \text{ million} / P15 \text{ million} = 3.33$  branches) in restricted areas for free.

In case the capital contribution of an STPI in the acquired bank is less than the amount of branch licensing fees under Circular No. 728, that is, P20 million for UKBs and P15 million for TBs, the STPI can still avail of one branch license in restricted area for free.

**For Eligible STPI Rural Banks**

1. In the case of RBs which are not eligible to establish branches in Metro Manila, they can establish branches outside Metro Manila equivalent to the number of branches of the acquired bank/s. Branch processing fee applicable to RBs of P25,000 shall be waived and the following theoretical capital requirement under Circular No. 738 shall not be imposed:

Location of Branch	Date of Implementation	Theoretical Capital (In P Mil)
Metro Manila	Up to 30 June 2012	5.0
Cebu and Davao	From 18 Jan. 2006	5.0
1st to 3rd Class Cities	Up to 30 June 2012	2.5
4th to 6th Class Cities	Up to 30 June 2012	1.5
1st to 3rd Class Municipalities	From 18 Jan. 2006	1.0
4th Class Municipalities	Up to 30 June 2012	0.5
5th to 6th Class Municipalities	From 18 Jan. 2006	0.5

Note: Please refer to Cir. No. 728 for applicable theoretical capital requirement after 30 June 2012

2. For STPI RBs which will acquire single/one unit RBs, they are still entitled to establish 1 branch outside Metro Manila.

<sup>13</sup> Branching incentives for non-bank STPIs will depend on the type of banks they will acquire

<sup>14</sup> This is different from the branch processing fees under Section 6 of Circular No. 728. Branch processing fees will still be charged from the STPI UKBs and TBs.

3. For STPI-RBs which have availed under Module I of the SPRB, the above proposed branching incentives for RBs under SPRB Plus may be granted subject to the same conditions.

**For All Eligible STPIs**

1. As additional premium, STPI UKBs and TBs shall be granted one additional branching license in restricted areas while STPI RBs shall be granted one additional branching license in areas outside Metro Manila for every 3 distressed banks resolved under the Program.

**BSP GUIDELINES ON THE GRANT OF REGULATORY RELIEF  
UNDER THE STRENGTHENING PROGRAM FOR RURAL BANKS  
(SPRB) – MODULE 1**

In pursuance of the policy to promote mergers and consolidations as a means to develop bigger and stronger rural banks (RBs), and to further strengthen the rural banking system, constituent RBs may, subject to prior BSP approval, avail themselves of any or all of the following merger or consolidation incentives under the SPRB:

1. Conversion of the existing head offices, branches and/or extension offices of the merging or consolidating RBs into head office, branches or extension offices of the merged/consolidated RB;
2. Relocation/opening of existing/approved but unopened branches, extension offices and/or other banking offices of the merged/consolidated RB within two (2) years from date of merger or consolidation subject to applicable requirements on relocation of branches, extension offices and/or other banking offices;
3. Condonation of liquidated damages on past due rediscounting/emergency loans and/or monetary penalties for violation of BSP issuances on rediscounting/emergency loans of the eligible RBs as of the end of the month immediately preceding the date of request for loan restructuring;
4. Restructuring of past due rediscounting/emergency loans of the eligible RBs with the BSP, subject to compliance with the following guidelines:

a) Amount to be Restructured

The amount to be restructured shall consist of the following:

- *Principal* μ outstanding balance of the principal obligation as of the end of the month immediately preceding the date of request for loan restructuring
- *Accrued Interest* μ accrued interest on the outstanding principal obligation as of the end of the month immediately preceding the date of request for loan restructuring.

b) Interest Rate

Only the restructured principal obligation shall be charged interest at the rate equal to the prevailing 364-day Treasury Bill rate of the last auction immediately preceding the date of request for loan restructuring. No interest shall be charged on the restructured accrued interest.

c) Term of Repayment

The amount to be restructured shall be paid by the merged/consolidated RB in the monthly amortizations over a period not exceeding ten (10) years.

d) Collateralization

A surety agreement shall be executed by the stockholders owning at least sixty seven percent (67%) of the shares of stock of the merged/consolidated RB.

e) Default Clause

- i. *Event of Default* – failure to pay two (2) amortizations shall constitute an event of default and shall render the entire obligation due and demandable.
- ii. *Consequence of default* – the amount of liquidated damages on past due rediscounting/emergency loans waived shall be restored and the payments already made shall be re-applied, first to liquidated damages, and the balance, if any, to interest, then to the principal loan. Monetary penalties for violation of BSP issuances on rediscounting, if any, shall also be restored and payment thereof in full shall be demanded against the defaulting merged/consolidated RB.
- iii. *Legal Action* – the BSP may institute appropriate legal action without further need for demand or notice to the defaulting merged/consolidated RB.

f) Documentary Requirement

The merged/consolidated RB shall execute a Letter of Understanding with the BSP covering the terms and conditions of the approved restructured loan/s together with the authority for the BSP to debit the surviving/consolidated RB's demand deposit account with the BSP for the amortizations due.



5. Preferred Shares for Staggered Redemption

The shares for staggered redemption shall be the LBP preferred shares of stock of the eligible RBs, representing the rediscounting arrearages with BSP converted into LBP equity. Repayment arrangement should be made by the merged or consolidated RB directly with the LBP.

a) Dividend Rate

The dividend rate shall be four percent (4%)

b) Redemption Term

The staggered redemption shall be effected by the merged/consolidated RB in monthly installments over a period not exceeding ten (10) years.

c) Waiver of Dividends

Dividends due on the LBP preferred shares of stock of the eligible RBs as of date of merger or consolidation shall be waived.

d) Documentary Requirement

Upon approval, the merged/consolidated RB shall execute a written agreement with the LBP for the staggered redemption of the LBP preferred shares of stock of the eligible RBs, copy furnished the BSP.

6. Rediscount ceiling of at least one hundred fifty percent (150%) of the adjusted capital accounts of the merged/consolidated RB for a period of one (1) year reckoned from the date of merger or consolidation, subject to compliance with the existing eligibility requirements of the BSP as provided under Subsec. X268.3 of the Manual of Regulations for Banks, as amended by Circular No. 648 dated 02 March 2009.
7. Waiver of monetary penalties imposed on the eligible RBs for violation of existing laws and BSP rules and regulations, except penalties accruing to the other parties, e.g. Micro, Small and Medium Enterprises Development (MSMED) Council Fund as provided under Section 19 of R.A. No. 6977 (Magna Carta for Micro, Small and Medium Enterprises), as amended, and Agricultural Guarantee Fund Pool (AGFP) and Philippine Crop Insurance Corporation (PCIC) as provided under Section 10 of R.A. No. 10000 (The Agri-Agra Reform Credit Act of 2009), as of date of merger/consolidation.

**STRENGTHENING PROGRAM FOR RURAL BANKS PLUS  
Documentary Requirements**

**Additional Requirements for Potential Eligible Strategic Third Party Investor (STPI)**

1. Full name and detailed description of the potential STPI, including details on licenses obtained from the Bangko Sentral ng Pilipinas (BSP) or any regulatory agency, products and services offered and current distribution network
2. Corporate History/Overview (including principal shareholders and their respective shareholdings)
3. Brief background and experience of directors and senior management
4. Audited Financial Statements (FS) for the last 3 fiscal years
5. Notarized Certification from the potential STPI, that:
  - a. For universal, commercial, thrift and rural banks as Eligible STPI
    - (i) It is not under BSP's prompt corrective action (PCA);
    - (ii) There is no finding of unsafe and unsound banking practices by the PDIC or BSP.
  - b. For non-bank corporation:
    - (i) It has strong financial condition of good reputation.

**A. For merger or consolidation:**

1. Plan of Merger or Consolidation duly approved by at least two-thirds (2/3) of the outstanding capital stock of each of the Eligible STPI and Eligible Bank (constituent institution) present and constituting a quorum;
2. Notarized Secretary's Certificate on the Resolution of the Board of Directors of the respective constituent institutions approving the Plan of Merger or Consolidation;
3. Notarized Secretary's Certificate attesting approval of at least two thirds (2/3) two-thirds (2/3) of the outstanding capital stock of each constituent institution approving the Plan of Merger or Consolidation duly certified by the Secretaries and attested by the respective Chairpersons;
4. Proof of Posting/Publication of the Announcement of Merger or Consolidation in a newspaper of general circulation;
5. Notarized Secretary's Certificate attesting to the following facts: a) That creditors and investors are informed by mail of the merger or consolidation; and b) That no objection/opposition has been filed, or if any, the same has been resolved;

6. Additional requirements
    - a. For merger
      - i. Articles of Merger duly attested to by the Incumbent Directors of the Surviving Entity
      - ii. Certificate of Merger/Registration of the Surviving Entity
    - b. For consolidation
      - i. Articles of Consolidation duly attested to by the Incumbent Directors of the Consolidated Entity
- B. For Purchase of Assets and Assumption of Liabilities
1. Sale and Purchase Agreement;
  2. Stockholder's Resolution approving the sale of all assets and assumption of all liabilities (P&A) of the Eligible Bank by an Eligible STPI duly certified by the Secretaries and attested by the President/Chairperson of the Eligible Bank. The P&A must be approved by at least two thirds (2/3) of the outstanding capital stock of each constituent institution present and constituting a quorum;
  3. Proof of Notice to Creditors of the Eligible Bank;
  4. Joint Certification from Eligible Bank and Eligible STPI signed by their respective authorized signatories that all requirements under the Bulk Sales Law and all laws relevant have been complied with;
- C. For Acquisition of Control through Purchase of Shares of the Eligible Bank subject to the applicable laws and rules
1. Stock Purchase Agreement duly signed by the authorized signatory of the Eligible STPI and Eligible Bank and certified to by their respective board secretary
  2. Notarized Secretary's Certificate on the Board Resolution of the Eligible STPI approving the acquisition of control/purchase of majority shares of the Eligible Bank
- D. Financial Statements:
- ❖ Latest financial statements as of month immediately preceding the date of application and latest 3-year audited financial statements of the constituent institutions; and
  - ❖ 5-year financial projections with valid assumptions of the surviving institution's balance sheet and income statement.
- E. List of regulatory relief/incentives the constituent institutions will avail from BSP;
- F. Letter to BSP requesting restructuring of past due rediscounting/emergency loan;

- G. List of shareholders with their share capital/shareholdings of each of the constituent institutions duly certified by the respective Board Secretaries and attested to by the respective Board Chairpersons before and after the transaction;
- H. List of directors and officers of each of the constituent institutions;
- I. List of proposed officers and directors of the surviving/consolidated bank and the summary of their qualifications;
- J. Organizational chart of the surviving/consolidated bank including the number of offices and locations thereof;
- K. Inter-company transactions relative to the submitted Financial Statements;
- L. Computation of Risk Based Capital Adequacy Ratio on the submitted financial statements;
- M. Schedule of unbooked valuation reserves based on latest BSP-ROE, if any;
- N. Viable Operational Plan with the following components:
  - Marketing Strategies
  - Proposed Target Market
  - Proposed Loan Portfolio Diversification
  - Deposit Generation
  - Proposed Improvements in Accounting System
  - Operations Control
  - Computerization Plan
  - Communication System
- O. The appraiser's report of reappraisal of bank premises, if any, done by an independent and licensed appraiser;
- P. Proposed increase of Capital Stock of surviving/consolidated bank;
- Q. Proposed Amendments in the Articles of Incorporation of surviving/consolidated bank;
- R. Director's Certificate (surviving/consolidated bank) on the proposed amendment of the Articles of Incorporation increasing the authorized capital stock;
- S. Any evaluation other reasonable requirement deemed material in the proper of the transaction as may subsequently be requested by the PDIC or BSP.

# **STRENGTHENING PROGRAM FOR RURAL BANKS PLUS** **APPLICATION FORM\***

Type of Transaction <input type="checkbox"/> Merger/Consolidation <input type="checkbox"/> P & A ** <input type="checkbox"/> Acquisition of Shares																					
Proposed Name of the Surviving Bank (if applicable) _____																					
<i>(Portion to be accomplished by the Eligible Strategic Third Party Investor - STPI)</i>																					
Name of Eligible STPI _____																					
Address _____																					
Type of STPI: <input type="checkbox"/> KB <input type="checkbox"/> Thrift Bank <input type="checkbox"/> Rural Bank <input type="checkbox"/> Non-Bank																					
No. of Banking Units _____	No. of ATM(s), if any _____																				
Total Assets _____																					
Name of President _____																					
Name of Major Stockholder(s) _____	% of Ownership _____																				
CAMELS Rating (latest BSP ROE) _____	As of _____																				
Risk Based Capital Adequacy Ratio (latest period) _____	As of _____																				
Board Resolution No./Transaction Approval Date _____																					
Stockholder's Resolution No./Transaction Approval Date _____																					
Outstanding Loan/Obligation: <input type="checkbox"/> BSP <input type="checkbox"/> DIC																					
If Yes, please indicate details:																					
<input type="checkbox"/> Preferred Shares <input type="checkbox"/> Emergency Loan <input type="checkbox"/> Rediscounting Loan <input type="checkbox"/> Others (pls. specify)	<table border="1" style="width:100%; border-collapse: collapse;"> <thead> <tr> <th>Amount</th> <th>Tenor</th> <th>Rate</th> <th>Remarks</th> </tr> </thead> <tbody> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> <tr><td> </td><td> </td><td> </td><td> </td></tr> </tbody> </table>	Amount	Tenor	Rate	Remarks																
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Name of Eligible Bank _____																					
Address _____																					
No. of Banking Units _____	No. of ATM(s), if any _____																				
Total Assets _____																					
Name of President _____																					
Name of Major Stockholder(s) _____	% of Ownership _____																				
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Amount	Tenor	Rate	Remarks																		
<i>Use additional sheet if necessary</i>																					
By: _____	By: _____																				
Authorized Signatory - Eligible STPI	Authorized Signatory - Eligible Bank																				
Date Applied _____																					

\*Pursuant to Section 5.2(a) of the SPRB Plus Implementing Guidelines

\*\* Purchase of assets and assumption of liabilities



**BULLETIN NO. 2013-07**

**TO :** Member Banks  
**SUBJECT :** Celebration of June 16-22 as Depositor Protection and Week Awareness Week

---

Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16-22 of every year as the Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this week-long celebration, all member-banks are encouraged to display a streamer outside their main offices for the duration of the DPAW and to include an electronic version of the streamer in ATM machines downloadable from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer which measures 4 ft x 8 ft shall appear as follows:



**(Sgd.) VALENTIN A. ARANETA**  
President





**BULLETIN NO. 2014-03**

**TO : All Member Banks**  
**SUBJECT : Strengthening Program for Cooperative Banks Plus**

---

The Philippine Deposit Insurance Corporation (PDIC), the Bangko Sentral ng Pilipinas (BSP) and the Land Bank of the Philippines (LBP) approved the extension, with amendments, of the Strengthening Program for Cooperative Banks. The program, as amended, is termed as Strengthening Program for Cooperative Banks Plus or **“SPCB Plus”**.

The SPCB Plus includes in the program’s definition of Eligible Strategic Third Party Investors (STPIs), not only cooperative banks (CBs), but also (i) rural banks and thrift banks, whether majority owned or not by cooperatives, primary cooperatives and/or federation of cooperatives; and (ii) commercial banks.

The SPCB Plus aims to encourage mergers, consolidations and acquisitions of cooperative banks to strengthen the cooperative banking sector, via the grant of financial assistance (FA) from PDIC and LBP, and regulatory relief/s, branching and other incentives from the BSP.

To apply under the SPCB Plus, the Eligible STPI and the CB, pursuant to the SPCB Plus Implementing Guidelines (“the Guidelines”), shall submit to the SPCB Lane (see address below) a joint letter, addressed to PDIC, BSP and LBP, indicating their intention to merge or consolidate, or enter into a purchase of assets and assumption of liabilities (P&A) or acquire control of the CB under the ambit of the program. The letter shall be accompanied by the following:

1. duly accomplished application form ([SPCB Plus Form No. 1](#));
2. separate requests for FA from PDIC and LBP in accordance with the attached Guidelines;
3. request for regulatory relief/s, branching and other incentives from BSP in accordance with the Guidelines on the Grant of Regulatory Relief by BSP under the SPCB Plus, attached as Annex “A”; and
4. documentary requirements as listed in Annex “B”.

Application to avail of the SPCB Plus may be sent to:

The SPCB Lane  
Philippine Deposit Insurance Corporation  
7th Floor, PDIC Ayala Extension Office  
SSS Bldg., 6782 Ayala Ave., corner V.A. Rufino St.  
1226 Makati City

For further inquiries, please contact PDIC at 813-3673.

We look forward to your continued support and participation in this program.

**(Sgd.) VALENTIN A. ARANETA**  
President

**BULLETIN NO. 2014-07**

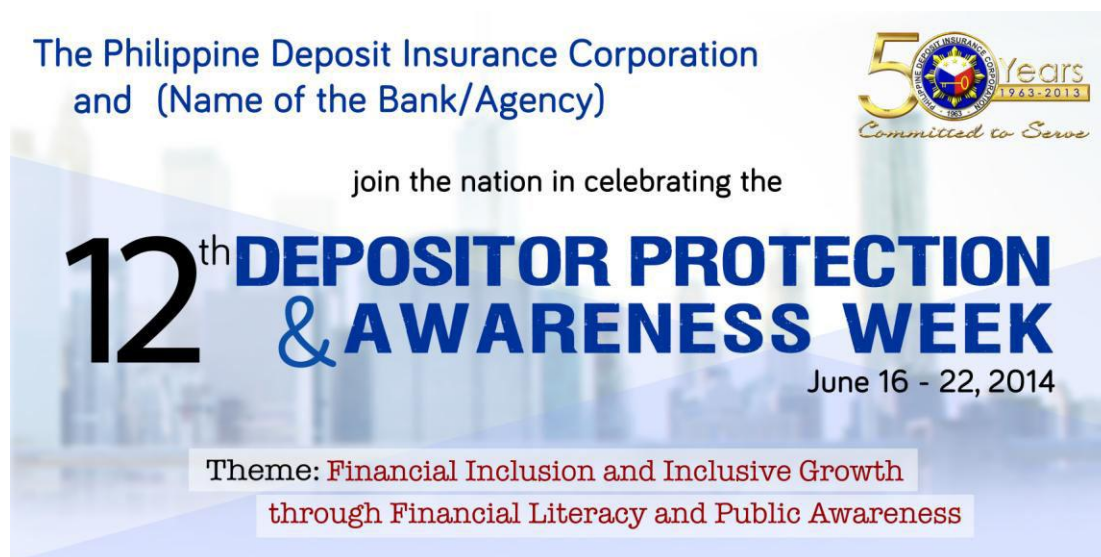
**TO : Member Banks**  
**SUBJECT : Celebration of the 12th Depositor Protection and Awareness Week on June 16 – 22**

---

Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16-22 of every year as the Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this week-long celebration, all member-banks are encouraged to display a streamer outside their main offices for the duration of the DPAW and to include an electronic version of the streamer in their ATM machines. The electronic version of the DPAW streamer is downloadable from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer measures 4 ft x 8 ft and is designed as follows:



**(Sgd.) VALENTIN A. ARANETA**  
President

April 16, 2014



**BULLETIN NO. 2014-09**

**TO : All Member Banks**  
**SUBJECT : Gross Assessment Due Per BIR Revenue Regulations No. 006-2010**

---

Please be advised that:

BIR Revenue Regulations No. 006-2010 dated 29 June 2010 of the Bureau of Internal Revenue (BIR), which was promulgated to implement Section 17(c) of Republic Act No. 3591, as amended (the "PDIC Charter"), provides that the Bureau of Treasury (BTr), "other government corporations and institutions and private entities, including banks that have financial deals with PDIC shall no longer be required to withhold the withholding tax on the income/receivables of the PDIC xxx."

Hence, pursuant to the foregoing provision, member banks shall remit to PDIC the **gross or full** amount of assessment due on or before 31 July 2014 and semestral thereafter.

Failure to pay in full the assessment due within the prescribed period will result to imposition of penalties and sanctions as allowed under the PDIC Charter and PDIC regulatory issuances.

For strict compliance.

**(Sgd.) VALENTIN A. ARANETA**  
President

09 May 2014  
Date



**BULLETIN NO. 2014-13**

**TO : Member-Banks**  
**SUBJECT : Officer-in-Charge of the Philippine Deposit Insurance Corporation (PDIC)**

---

The Philippine Deposit Insurance Corporation (PDIC) is pleased to inform member-banks that MR. VALENTIN A. ARANETA, President of the PDIC, has been appointed Member of the Monetary Board effective July 30, 2014.

In view of this, **Executive Vice President CRISTINA Q. ORBETA** has been designated by the PDIC Board of Directors as Officer-in-Charge of the Corporation effective July 30, 2014.

For information.

**(Sgd.) BASILIO O. VISAYA, JR.**  
Corporate Secretary

August 4, 2014  
Date





**BULLETIN NO. 2014-19**

**TO :** All Member Banks  
**SUBJECT :** PDIC "No Gift Policy"

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Please be guided accordingly.

**(Sgd.) Cristina Q. Orbeta**  
President



**BULLETIN NO. 2014-20**

**TO : Member Banks**  
**SUBJECT : President of the PDIC**

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The Philippine Deposit Insurance Corporation (PDIC) is pleased to inform member banks that its Board of Directors has elected **MS. CRISTINA QUE ORBETA** as President of the PDIC effective November 12, 2014.

Ms. Orbeta was previously designated as Officer-in-Charge of the PDIC effective July 30, 2014. She has served as Executive Vice President of key areas of operations at the PDIC, namely examination and resolution of banks, and receivership and liquidation of closed banks. Prior to joining PDIC in 2005, Ms. Orbeta served in the government sector, including the Bangko Sentral ng Pilipinas (BSP), for almost three decades and held key positions in private banks.

Thank you.

**(Sgd.) BASILIO O. VISAYA, JR.**  
Corporate Secretary

December 1, 2014  
Date



**BULLETIN NO. 2015-01**

**TO : Member Banks**  
**SUBJECT : Regulatory Issuance no. 2015-01**

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The Regulatory Issuance (RI) No. 2015-01 on Computerized Records of Bank Deposits (attached) promulgated pursuant to Section 9(d)(1) of Republic Act 3591, as amended (the PDIC Charter), was published in the Manila Bulletin on 12 February 2015 and will take effect on 27 February 2015.

All member banks are enjoined to comply with the RI and to submit to PDIC on or before 30 March 2015 the documents specified in Section 3.2 of the RI, as follows:

1. Plan of Implementation for the requirements under Section 3.1 of the RI
2. Features of Systems Used for Computerized Database with cut-off date 28 February 2015.

The above documents must be submitted in hardcopy either by registered mail or personal delivery to:

The Manager  
Insurance Department  
Philippine Deposit Insurance Corporation  
8/F SSS Building, 6782 Ayala Avenue cor V.A. Rufino St.  
226 Makati City

For inquiries and assistance, please contact the RI Help Desk at telephone numbers (02) 841-4206 and 841-4210.

In accordance with Section 4 of subject RI, non-compliance by member banks and/or any of its responsible directors, officers, employees or agents shall be subject to administrative fines pursuant to Section 21 (g) of the PDIC Charter, without prejudice to any civil or criminal liability of the concerned directors, officers, employees or agents of the bank.

For strict compliance.

**CRISTINA Q. ORBETA**  
President

23 February 2015



**BULLETIN NO. 2015-05**

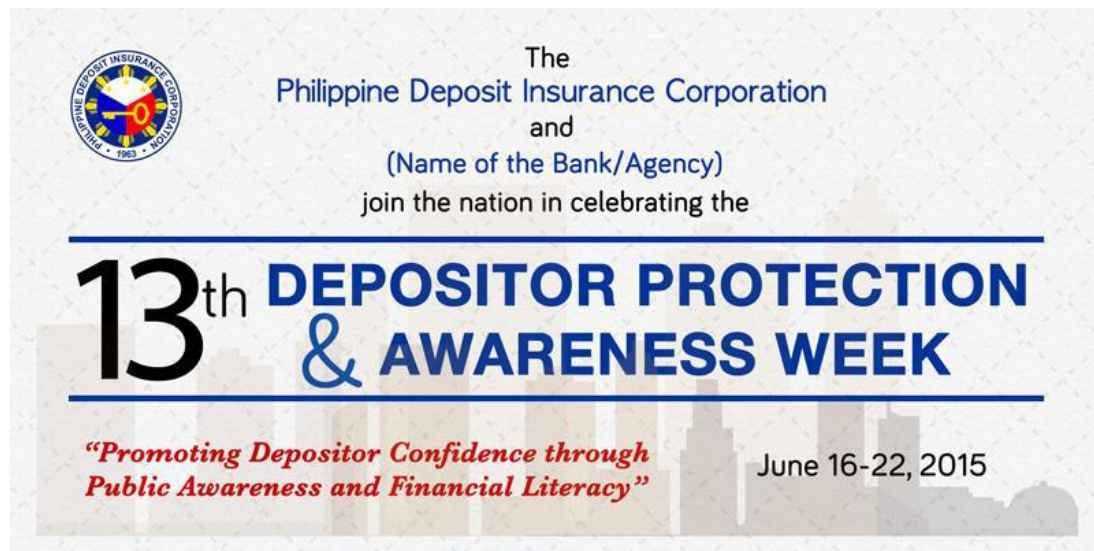
**TO :** Member Banks  
**SUBJECT :** Celebration of the 13th Depositor Protection and Awareness Week  
on June 16 – 22

---

Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16-22 of every year as the Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this week-long celebration, all member-banks are encouraged to display a streamer outside their main offices for the duration of the DPAW and to include an electronic version of the streamer in their ATM machines. The electronic version of the DPAW streamer is downloadable from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer measures 4 ft. x 8 ft. and is designed as follows:



**CRISTINA QUE ORBETA**  
President

April 17, 2015  
Date





**BULLETIN NO. 2015-08**

**TO : Member Banks**  
**SUBJECT : Strengthening Program for Rural Banks Plus, As Amended**

---

The Philippine Deposit Insurance Corporation (PDIC) and the Bangko Sentral ng Pilipinas (BSP) amended certain terms of the Strengthening Program for Rural Banks (SPRB) recognizing the importance of the rural banking system in the delivery of financial services to the countryside.

The SPRB Plus, as amended, aims to strengthen rural banks and thrift banks serving the countryside and low income sector, through the grant of financial assistance (FA) by the PDIC, and the grant of regulatory reliefs and other incentives by the BSP, to the extent allowed under their existing laws.

The amendments to the SPRB Plus framework are as follows:

- a. Extension of the SPRB Plus until 31 December 2015;
- b. Increase in Program Fund by P10Bn (i.e., from P5Bn to P15Bn);
- c. Reduction of the required ownership by the Strategic Third Party Investor (STPI) in an eligible bank from 67% to 60%;
- d. Inclusion of newly established corporations as eligible STPIs;
- e. Availability of the PDIC FA either in the form of (i) Direct Loan (DL) only or (ii) combination of Preferred Shares (PS) and DL [from the previous terms of under option (ii) only]; and
- f. For Eligible Banks located in areas affected by typhoon Yolanda, increase in the amount of the PS component of the SPRB Plus FA to 100% of the required additional capital to bring the Eligible Bank's RBCAR to 10%.

Under the program's amended implementing guidelines (the "Guidelines"), Eligible STPIs merging, consolidating or acquiring Eligible Banks may avail of the program's benefits and/or incentives by submitting a letter of interest to both the PDIC and the BSP accompanied by the following:

1. Duly accomplished application form (SPRB Plus Form No. 1);
2. Request for FA from PDIC in accordance with the attached Guidelines;
3. Request for incentives from the BSP in accordance with the Guidelines on the Grant of Additional Incentives under the SPRB Plus, as amended, attached as Annex "A"; and
4. Documentary requirements as listed in Annex "B".

Applications may be sent to the following no later than 31 December 2015:

PDIC	BSP
The SPRB Lane Resolution Group Philippine Deposit Insurance Corporation 7th Floor, SSS Bldg., 6782 Ayala Ave. Corner V.A. Rufino St. 1226 Makati City	

For further inquiries, please contact the SPRB Lane at 813-3605 or visit our website at [www.pdic.gov.ph](http://www.pdic.gov.ph).

**CRISTINA Q. ORBETA**  
President

08 May 2015

**Attachments:**

SPRB Plus Application Form 1

SPRB Plus Implementing Guidelines, including its Annexes

Annex A

Annex A-1

Annex B

# STRENGTHENING PROGRAM FOR RURAL BANKS PLUS

## APPLICATION FORM\*

Type of Transaction    ☐ Merger/Consolidation                      ☐ P & A \*\*                      ☐ Acquisition of Control

Proposed Name of the Surviving Bank (if applicable) \_\_\_\_\_

*(Portion to be accomplished by the Eligible Strategic Third Party Investor - STPI)*

Name of Eligible STPI \_\_\_\_\_  
 Address \_\_\_\_\_  
 Type of STPI:    ☐ KB    ☐ Thrift Bank    ☐ Rural Bank    ☐ Non-Bank  
 No. of Banking Units \_\_\_\_\_ No. of ATM(s), if any \_\_\_\_\_  
 Total Assets \_\_\_\_\_  
 Name of President \_\_\_\_\_  
 Name of Major Stockholder(s) \_\_\_\_\_ % of Ownership \_\_\_\_\_  
 CAMELS Rating (latest BSP ROE) \_\_\_\_\_ As of \_\_\_\_\_  
 Risk Based Capital Adequacy Ratio (latest period) \_\_\_\_\_ As of \_\_\_\_\_  
 Board Resolution No./Transaction Approval Date \_\_\_\_\_  
 Stockholder's Resolution No./Transaction Approval Date \_\_\_\_\_  
 Outstanding Loan/Obligation:    ☐ BSP    ☐ PDIC

If Yes, please indicate details:

	Amount	Tenor	Rate	Remarks
<input type="checkbox"/> Preferred Shares				
<input type="checkbox"/> Emergency Loan				
<input type="checkbox"/> Rediscounting Loan				
<input type="checkbox"/> Others (pls. specify)				

Use additional sheet if necessary

*(Portion to be accomplished by the Eligible Bank)*

Name of Eligible Bank \_\_\_\_\_  
 Address \_\_\_\_\_  
 No. of Banking Units \_\_\_\_\_ No. of ATM(s), if any \_\_\_\_\_  
 Total Assets \_\_\_\_\_  
 Name of President \_\_\_\_\_  
 Name of Major Stockholder(s) \_\_\_\_\_ % of Ownership \_\_\_\_\_  
 CAMELS Rating (latest BSP ROE) \_\_\_\_\_ As of \_\_\_\_\_  
 Risk Based Capital Adequacy Ratio (latest period) \_\_\_\_\_ As of \_\_\_\_\_  
 Board Resolution No./Transaction Approval Date \_\_\_\_\_  
 Stockholder's Resolution No./Transaction Approval Date \_\_\_\_\_  
 Outstanding Loan/Obligation:    ☐ BSP    ☐ PDIC

If Yes, please indicate details:

	Amount	Tenor	Rate	Remarks
<input type="checkbox"/> Preferred Shares				
<input type="checkbox"/> Emergency Loan				
<input type="checkbox"/> Rediscounting Loan				
<input type="checkbox"/> Others (pls. specify)				

Use additional sheet if necessary

By: \_\_\_\_\_ By: \_\_\_\_\_

Authorized Signatory - Eligible STPI

Authorized Signatory - Eligible Bank

Date Applied \_\_\_\_\_

\*Pursuant to Section 5.2(c) of the SPRB Plus Implementing Guidelines

\*\* Purchase of assets and assumption of liabilities

## **THE IMPLEMENTING GUIDELINES FOR THE STRENGTHENING PROGRAM FOR RURAL BANKS PLUS, AS AMENDED**

Pursuant to Philippine Deposit Insurance Corporation (PDIC) Board Resolution No. 2014-11-236 dated 5 November 2014 and Bangko Sentral ng Pilipinas (BSP) Monetary Board (MB) Resolution No. 2053 dated 18 December 2014, approving the amendments to the Strengthening Program for Rural Banks Plus (SPRB Plus), these implementing guidelines (the "Guidelines") for availment of the Financial Assistance (FA) and regulatory reliefs/incentives under the SPRB Plus, as amended, is hereby jointly re-issued by PDIC and BSP.

### **Section 1.0 Objectives**

The SPRB Plus, as amended, is intended to encourage mergers, consolidations and acquisition of rural banks (RBs), and of thrift banks (TBs) which generally serve the same niche markets as the RBs, that are serving the countryside and low income sector; via grant of FA by PDIC and regulatory reliefs/incentives by BSP to the extent allowed under their respective charters and enabling laws.

The SPRB Plus, as amended, is in recognition of the importance of RBs and TBs in providing financial services to the community, particularly in their specialized niche markets, and in maintaining financial stability in the economy, in accordance with Sec. 17 (d) of RA 3591, as amended (the PDIC Charter).

### **Section 2.0 Definition of Terms**

For purposes of these Guidelines, the following acronyms, words and/or phrases as used herein or in the documents relating hereto shall mean as follows:

- 2.1 **"Acquisition of Control"** shall refer to the acquisition by an Eligible Strategic Third Party Investor (STPI) of control of an Eligible Bank through the acquisition or purchase of at least 60% of the outstanding capital shares of the Eligible Bank;
- 2.2 **"Amortization Fund"** shall mean the amount set aside for the amortization of the premium on the Government Securities purchased from the proceeds of the Direct Loan component of the financial assistance granted by PDIC to the Surviving Bank;
- 2.3 **"CAMELS"** shall mean "Capital Adequacy, Asset Quality, Management, Earnings, Liquidity, and Sensitivity to Market Risk" rating given by the BSP;
- 2.4 **"Consolidation"** (subject to the provisions of existing applicable and relevant laws) shall involve the combination of at least one Eligible Bank with an Eligible STPI, resulting in the dissolution of the proponent banks and the creation of a new entity;
- 2.5 **"Discount on GS"** is the excess of the face value over the purchase price of the GS;
- 2.6 **"DL"** shall mean "Direct Loan" component of the FA under the SPRB Plus, as amended;



- 2.7 **"Effective Interest Rate of Government Securities"** shall mean the annual coupon amount of government securities purchased, net of tax, divided by the amount of DL;
- 2.8 **"Eligible Bank"** shall mean any rural bank (RB) or thrift bank (TB), having all the eligibility/ies provided under Section 4.1;
- 2.9 **"Eligible Strategic Third Party Investor"** or **"Eligible STPI"** shall mean a bank or non-bank corporation, either singly or in group, single entity or group of entities, having all the eligibilities as may be applicable under Sections 4.2 and 4.3;
- 2.10 **"FA"** shall mean the **"Financial Assistance"** to be extended by PDIC under the SPRB Plus, as amended, limited to STPI's under Section 6 hereof;
- 2.11 **"FXTN"** (a type of government securities), shall mean "Fixed Rate Treasury Note";
- 2.12 **"Government Securities"** or **"GS"** shall mean the National Government securities registered in the Registry of Scripless Securities (RoSS) of the Bureau of Treasury and which are acceptable to PDIC, in the form of direct obligations of, or obligations the principal and interest of which are guaranteed by the Philippine Government, to be pledged to PDIC under the Financial Assistance Agreement to be executed by the Eligible Bank, Eligible STPI and PDIC, including the proceeds, additions, substitutions and replacements of said National Government securities;
- 2.13 **"Merger"** (subject to the provisions of existing applicable and relevant laws) shall involve the combination of at least one Eligible Bank with an Eligible STPI, one of which shall be the surviving entity;
- 2.14 **"MOA"** shall mean the "Memorandum of Agreement on the Strengthening Program for Rural Banks" and the Supplemental Agreement between PDIC and BSP dated 3 August 2010 and 2 August 2012, respectively;
- 2.15 **"Net Interest Spread or NIS"** shall mean either the interest earnings of the GS purchased from the proceeds of the DL less withholding tax, interest due to PDIC and amortization due to the Amortization Fund, if any, or the amount equivalent to the NIS rate multiplied by the amount of DL;
- 2.16 **"Net Interest Spread (NIS) Rate"** shall be equivalent to such rate that will either provide the surviving bank with: (i) annual NIS that will accumulate over the tenor of the DL to such amount equal to the Preferred Shares (PS) under Section 6.3a hereof, or (ii) annual NIS that will accumulate over the tenor of the DL to such amount equal to 100% and 50% of the capital deficiency to bring the Eligible Bank's Risk Based Capital Adequacy Ratio (RBCAR) to 10% for Eligible Banks affected by typhoon "Yolanda" and other Eligible Banks, respectively, for FA referred to under Section 6.1a;
- 2.17 **"PN"** shall mean "Promissory Note";
- 2.18 **"Premium on GS"** is the excess of the purchase price over the face value of the GS;

- 2.19 **"PS"** shall mean the "Preferred Shares" component of the FA under the SPRB Plus, as amended;
- 2.20 **"Purchase of Assets and Assumption of Liabilities" or "P&A"** shall refer to the acquisition of an Eligible Bank by an Eligible STPI through the purchase of all recorded assets and assumption of all recorded liabilities of the Eligible Bank resulting in the surrender of the Eligible Bank of its banking license and thereafter existing only as a shell company for the purpose of winding up its remaining assets and operations.
- 2.21 **"RBCAR"** shall mean "Risk Based Capital Adequacy Ratio";
- 2.22 **"SPRB Lane"** shall mean the designated receiving/processing center located at the offices of PDIC and BSP, where applications for SPRB Plus, as amended, shall be filed;
- 2.23 **"Surviving Bank"** shall refer to the resulting entity after the merger or consolidation, or the Eligible Bank in case of acquisition of control or the Eligible STPI in the case of P&A;
- 2.24 **"Taxes"** shall include all applicable taxes such as, but not limited to, value added tax (VAT), expanded withholding tax (EWT) and documentary stamp tax (DST);

### **Section 3.0 Program Availability Period**

The SPRB Plus, as amended, shall be available until 31 December 2015. Agreements pertinent to the merger, consolidation, P&A or acquisition of control of Eligible Bank by an Eligible STPI should have been executed and all the requirements submitted for evaluation by PDIC and BSP no later than 31 December 2015.

### **Section 4.0 Eligibility**

The requirements to qualify under the SPRB Plus, as amended are as follows:

- 4.1 The Eligible Bank, which is either a rural bank (RB) or a thrift bank (TB), must have an RBCAR of less than 10%.
- 4.2 The Eligible STPI can be a Universal, Commercial, thrift or rural bank subject to the following qualifications-
- a) It has BSP CAMELS rating of at least "3";
  - b) It is not under BSP's Prompt Corrective Action (PCA); and
  - c) It has no BSP or PDIC findings of unsafe and unsound banking practices.

Universal and commercial banks qualified as Eligible STPIs are not entitled to financial assistance under Section 6 hereof but may avail of the regulatory reliefs and incentives under the program.



- 4.3 A non-bank corporation may also be an Eligible STPI, subject to the following qualifications-
- a) The corporation and/or its stockholders and management are financially strong; and
  - b) The corporation and/or its stockholders and management have a good business reputation.

#### **Section 5.0 Procedures for Application**

- 5.1 The Eligible STPI and the Eligible Bank shall submit to the SPRB Lane a joint letter, separately addressed to PDIC and BSP indicating their intention to merge or consolidate, or enter into a P&A or acquisition of control under the SPRB Plus, as amended.
- 5.2 The letter shall indicate and shall be accompanied by the following:
- a) amount of FA requested from PDIC in accordance with these Guidelines;
  - b) regulatory relief/incentives requested from BSP in accordance with the Guidelines on the Grant of Regulatory Relief/Incentives by BSP under the SPRB Plus, as amended, attached herewith as Annex "A"; and
  - c) duly accomplished application form (SPRB Plus Form No. 1);
  - d) Documentary requirements as listed in Annex "B."
- The letter and all requirements to be submitted to the SPRB Lane shall be in duplicate copies.
- 5.3 All applications shall only be deemed submitted if accompanied by the complete set of requirements as provided for under Sections 5.1 and 5.2.
- 5.4 Applications for the SPRB Plus, as amended, must be filed and all requirements submitted to on or before 31 December 2015, as provided under Section 3.0.
- 5.5 PDIC shall have the right to conduct due diligence on the Eligible Bank and/or Eligible STPI.

#### **Section 6.0 The Financial Assistance (FA)**

The FA shall be extended only to Eligible STPIs which are TBs and RBs that are: (i) not subsidiaries of UKBs or, (ii) part of existing banking groups.

When circumstances strongly warrant such assistance, as may be allowed under Section 17 (d) of R.A. No. 3591, as amended, FA may also be extended to non-bank corporations which qualified as Eligible STPI provided they are not subsidiaries of UKBs or part of any existing banking group.

- 6.1 The FA may be extended in the following forms:
- a) Assistance exclusively in the form of a Direct Loan (DL) to be used solely to purchase GS; or
  - b) Assistance consisting of two (2) components:
    - (i) equity subscription by PDIC to PS of the Surviving Bank; and
    - (ii) Direct Loan (DL) to be used solely to purchase GS;

6.2 The total cost of providing the above FA (either a combination of PS and DL or DL only) shall be subject to the limitations provided under Sec. 17 (d) of the PDIC Charter.

### 6.3 Features and Terms of Preferred Shares

Subject to the restrictions and/or limitations under existing applicable and relevant laws, rules, regulations, issuances and circulars, the following shall be the features/terms of PS:

#### a) Amount of PS Subscription

- (i) For Eligible Banks located in areas affected by typhoon "Yolanda".  
– up to 100% of the required additional capital to bring the Eligible Bank's RBCAR to 10% as determined by the BSP.

For purposes of this Program, **"banks affected by typhoon "Yolanda"** shall refer to the banks located in areas devastated by typhoon "Yolanda" based on the official list of the National Disaster Risk Reduction Management Council and/or the official list of Provinces, Cities and Municipalities with declaration of State of Calamity; or

- (ii) For Other Eligible Banks – Up to 50% of the required additional capital to bring the Eligible Bank's RBCAR to 10% as determined by the BSP;

#### b) Dividend Rate

The PS shall be entitled to dividends annually, at a rate equivalent to the prevailing 5-year FXTN, on gross basis, from the date of PDIC's subscription to the Preferred Shares based on the PDST-R2 rate set on the previous Business Day;

#### c) Non-voting, cumulative, convertible to common shares;

#### d) Redeemable starting at the end of the 5<sup>th</sup> year but not later than the 10<sup>th</sup> year from issuance of PS;

#### e) Put option on the shares exercisable by PDIC.

### 6.4 Terms of the DL under 6.1 (a)

- a) Principal – equivalent to such amount that will provide an accumulated NIS over the tenor of the DL to such amount equal to 100% and 50% of the capital deficiency to bring the Eligible Bank's RBCAR to 10% for Eligible Banks affected by typhoon "Yolanda" and other Eligible Banks, respectively;

- b) Interest rate per annum – equivalent to such rate that will provide the Surviving Bank with an annual NIS that will accumulate over the tenor of the DL to such amount equal to 100% and 50% of the capital deficiency to bring the Eligible Bank's RBCAR to 10% for Eligible Banks affected by typhoon "Yolanda" and other Eligible Banks, respectively, less amount of discounts earned if any, on the GS purchased using the proceeds of the DL and pledged to PDIC;



- c) Tenor – maximum of 10 years;
- d) Collateral/Security – The collateral shall exclusively be composed of the following items:
  - i. The GS to be purchased using the proceeds of the DL; and
  - ii. Amortization Fund, if any.

6.5 Terms of the DL under 6.1 (b)

- a) Principal – equivalent to such amount that will provide an accumulated net interest spread (NIS) over the tenor of the DL equal to the PS;
- b) Interest rate per annum – equivalent to such rate that will provide the Surviving Bank with an annual NIS that will accumulate over the tenor of the DL to such amount equal to the PS, less amount of discounts earned if any, on the GS purchased from the proceeds of the DL and pledged to PDIC;
- c) Tenor – maximum of 10 years;
- d) Collateral/Security – The collateral shall exclusively be composed of the following items:
  - (i) The GS to be purchased using the proceeds of the DL; and
  - (ii) Amortization Fund, if any.

**Section 7.0 Terms and Conditions of the FA**

- 7.1 The relationship between the parties to the SPRB Plus, as amended, shall be principally governed by an FA Agreement to be executed by the Surviving Bank and PDIC or, Eligible Bank, Eligible STPI and PDIC in the case of P & A, which relationship between/among the parties and the FA Agreement must be in accordance with these Guidelines.
- 7.2 The terms and conditions of the FA under the SPRB Plus, as amended, shall include, but shall not be limited to, the following:
  - a) Quasi-reorganization and/or Capital restructuring;
  - b) Compliance with the FA agreement terms and conditions as follows:
    - (i) Financial Covenants
      - (1) compliance with payment terms and conditions
      - (2) achievement of business plan/performance targets
    - (ii) Non-financial covenants
      - (1) submission of required reports
      - (2) improvement of Surviving Bank's operations and governance
      - (3) conduct by PDIC of periodic on-site inspection and review
      - (4) PDIC's appointment of consultants and/or nomination of representative in the Surviving Bank's board of directors, as may be necessary.

- c) Compliance with PDIC and BSP regulatory issuances, and other banking rules and regulations.

### 7.3 Retroactive application of SPRB Plus, as amended

Eligible Banks with applications approved but not yet implemented or in process under the existing SPRB Plus are automatically qualified under the SPRB Plus, as amended.

## **Section 8.0 Monitoring Activities**

- 8.1 PDIC shall monitor the performance of the Surviving Bank and its compliance with all the conditions of the FA Agreement.
- 8.2 The surviving or consolidated bank shall regularly submit the following:
  - a) quarterly statement of conditions, and income and expenses;
  - b) annual audit report by an independent external auditor.
- 8.3 PDIC, pursuant to these Guidelines and the FA Agreement, shall be authorized to conduct a special review of operations of the Surviving Bank anytime, as it may deem necessary, to check compliance with financial targets, business plan and relevant terms of the FA.

## **Section 9.0 Non-Compliance with the Terms and Conditions**

- 9.1 Non-compliance with any of the terms and conditions of the FA Agreement shall give PDIC the option to exercise its rights and remedies provided thereunder which shall include the right to pre-terminate the FA.

## **Section 10.0 Amendments**

At any time and from time to time, PDIC and BSP may execute a supplement or amendment hereto for the purpose of adding provisions, changing or modifying provisions of these Guidelines as may be necessary to achieve the program's objectives.

## **Section 11.0 Effectivity**

These Guidelines shall take effect immediately.

  
**CRISTINA Q. ORBETA**  
President – PDIC

  
**NESTOR A. ESPENILLA, JR.**  
Deputy Governor – BSP

## **GUIDELINES ON THE GRANT OF ADDITIONAL INCENTIVES BY THE BSP UNDER THE STRENGTHENING PROGRAM FOR RURAL BANKS (SPRB) PLUS**

In addition to the incentives/regulatory relief granted by the BSP under the SPRB Module 1 (Annex A-1), eligible strategic third party investors (STPIs) can avail of additional branching<sup>1</sup> and other incentives as follows:

### **For Eligible STPI Universal and Commercial Banks (UKBs) and Thrift Banks (TBs)**

1. Special branch licensing fees<sup>2</sup> shall be waived by the BSP equivalent to the amount of the capital contribution of the STPIs to bring the eligible banks' risk-based capital adequacy ratio (RBCAR) to 10 percent. Under Circular No. 728 dated 23 June 2011, a bank applying for a branch license in restricted areas shall be charged a licensing fee of P20 million for UKBs and P15 million for TBs. Hence, if an STPI's capital contribution in a TB is P50 million, said STPI bank is qualified to establish 3 branches (P50 million/P15 million=3.33 branches) in restricted areas for free.

In case the capital contribution of an STPI in the acquired bank is less than the amount of branch licensing fees under Circular No. 728, that is, P20 million for UKBs and P15 million for TBs, the STPI can still avail of one branch license in restricted area for free.

### **For Eligible STPI Rural Banks**

1. In the case of RBs which are not eligible to establish branches in Metro Manila, they can establish branches outside Metro Manila equivalent to the number of branches of the acquired bank/s. Branch processing fee applicable to RBs of P25,000 shall be waived and the following theoretical capital requirement under Circular No. 738 shall not be imposed:

Location of Branch	Date of Implementation	Theoretical Capital (In P Mil)
Metro Manila	Up to 30 June 2012	5.0
Cebu and Davao	From 18 Jan. 2006	5.0
1 <sup>st</sup> to 3 <sup>rd</sup> Class Cities	Up to 30 June 2012	2.5
4 <sup>th</sup> to 6 <sup>th</sup> Class Cities	Up to 30 June 2012	1.5
1 <sup>st</sup> to 3 <sup>rd</sup> Class Municipalities	From 18 Jan. 2006	1.0
4 <sup>th</sup> Class Municipalities	Up to 30 June 2012	0.5
5 <sup>th</sup> to 6 <sup>th</sup> Class Municipalities	From 18 Jan. 2006	0.5

Note: Please refer to Cir. No. 728 for applicable theoretical capital requirement after 30 June 2012

2. For STPI RBs which will acquire single/one unit RBs, they are still entitled to establish 1 branch outside Metro Manila.

<sup>1</sup> Branching incentives for non-bank STPIs will depend on the type of banks they will acquire

<sup>2</sup> This is different from the branch processing fees under Section 6 of Circular No. 728. Branch processing fees will still be charged from the STPI UKBs and TBs.

3. For STPI-RBs which have availed under Module I of the SPRB, the above proposed branching incentives for RBs under SPRB Plus may be granted subject to the same conditions.

**For All Eligible STPIs**

1. As additional premium, STPI UKBs and TBs shall be granted one additional branching license in restricted areas while STPI RBs shall be granted one additional branching license in areas outside Metro Manila for every 3 distressed banks resolved under the Program.

**BSP GUIDELINES ON THE GRANT OF REGULATORY RELIEF  
UNDER THE STRENGTHENING PROGRAM FOR RURAL BANKS  
(SPRB) – MODULE 1**

In pursuance of the policy to promote mergers and consolidations as a means to develop bigger and stronger rural banks (RBs), and to further strengthen the rural banking system, constituent RBs may, subject to prior BSP approval, avail themselves of any or all of the following merger or consolidation incentives under the SPRB:

1. Conversion of the existing head offices, branches and/or extension offices of the merging or consolidating RBs into head office, branches or extension offices of the merged/consolidated RB;
2. Relocation/opening of existing/approved but unopened branches, extension offices and/or other banking offices of the merged/consolidated RB within two (2) years from date of merger or consolidation subject to applicable requirements on relocation of branches, extension offices and/or other banking offices;
3. Condonation of liquidated damages on past due rediscounting/emergency loans and/or monetary penalties for violation of BSP issuances on rediscounting/emergency loans of the eligible RBs as of the end of the month immediately preceding the date of request for loan restructuring;
4. Restructuring of past due rediscounting/emergency loans of the eligible RBs with the BSP, subject to compliance with the following guidelines:

a) Amount to be Restructured

The amount to be restructured shall consist of the following:

- *Principal* . outstanding balance of the principal obligation as of the end of the month immediately preceding the date of request for loan restructuring
- *Accrued Interest* . accrued interest on the outstanding principal obligation as of the end of the month immediately preceding the date of request for loan restructuring.

b) Interest Rate

Only the restructured principal obligation shall be charged interest at the rate equal to the prevailing 364-day Treasury Bill rate of the last auction immediately preceding the date of request for loan restructuring. No interest shall be charged on the restructured accrued interest.

c) Term of Repayment

The amount to be restructured shall be paid by the merged/consolidated RB in the monthly amortizations over a period not exceeding ten (10) years.

d) Collateralization

A surety agreement shall be executed by the stockholders owning at least sixty seven percent (67%) of the shares of stock of the merged/consolidated RB.

e) Default Clause

- i. *Event of Default* . failure to pay two (2) amortizations shall constitute an event of default and shall render the entire obligation due and demandable.
- ii. *Consequence of default* . the amount of liquidated damages on past due rediscounting/emergency loans waived shall be restored and the payments already made shall be re-applied, first to liquidated damages, and the balance, if any, to interest, then to the principal loan. Monetary penalties for violation of BSP issuances on rediscounting, if any, shall also be restored and payment thereof in full shall be demanded against the defaulting merged/consolidated RB.
- iii. *Legal Action* . the BSP may institute appropriate legal action without further need for demand or notice to the defaulting merged/consolidated RB.

f) Documentary Requirement

The merged/consolidated RB shall execute a Letter of Understanding with the BSP covering the terms and conditions of the approved restructured loan/s together with the authority for the BSP to debit the surviving/consolidated RB's demand deposit account with the BSP for the amortizations due.

5. Preferred Shares for Staggered Redemption

The shares for staggered redemption shall be the LBP preferred shares of stock of the eligible RBs, representing the rediscounting arrearages with BSP converted into LBP equity. Repayment arrangement should be made by the merged or consolidated RB directly with the LBP.

a) Dividend Rate

The dividend rate shall be four percent (4%)

b) Redemption Term

The staggered redemption shall be effected by the merged/consolidated RB in monthly installments over a period not exceeding ten (10) years.

c) Waiver of Dividends

Dividends due on the LBP preferred shares of stock of the eligible RBs as of date of merger or consolidation shall be waived.

d) Documentary Requirement

Upon approval, the merged/consolidated RB shall execute a written agreement with the LBP for the staggered redemption of the LBP preferred shares of stock of the eligible RBs, copy furnished the BSP.

6. Rediscount ceiling of at least one hundred fifty percent (150%) of the adjusted capital accounts of the merged/consolidated RB for a period of one (1) year reckoned from the date of merger or consolidation, subject to compliance with the existing eligibility requirements of the BSP as provided under Subsec. X268.3 of the Manual of Regulations for Banks, as amended by Circular No. 648 dated 02 March 2009.
7. Waiver of monetary penalties imposed on the eligible RBs for violation of existing laws and BSP rules and regulations, except penalties accruing to the other parties, e.g. Micro, Small and Medium Enterprises Development (MSMED) Council Fund as provided under Section 19 of R.A. No. 6977 (Magna Carta for Micro, Small and Medium Enterprises), as amended, and Agricultural Guarantee Fund Pool (AGFP) and Philippine Crop Insurance Corporation (PCIC) as provided under Section 10 of R.A. No. 10000 (The Agri-Agra Reform Credit Act of 2009), as of date of merger/consolidation.

## STRENGTHENING PROGRAM FOR RURAL BANKS PLUS

### Documentary Requirements

#### Additional Requirements for Potential Eligible Strategic Third Party Investor (STPI)

1. Full name and detailed description of the potential STPI, including details on licenses obtained from the Bangko Sentral ng Pilipinas (BSP) or any regulatory agency, products and services offered and current distribution network
2. Corporate History/Overview (including principal shareholders and their respective shareholdings)
3. Brief background and experience of directors and senior management
4. Audited Financial Statements (FS) for the last 3 fiscal years
5. Notarized Certification from the potential STPI, that:
  - a. For universal, commercial, thrift and rural banks as Eligible STPI
    - (i) It is not under BSP's prompt corrective action (PCA);
    - (ii) There is no finding of unsafe and unsound banking practices by the PDIC or BSP.
  - b. For non-bank corporation:
    - (i) It has strong financial condition of good reputation.

#### A. For merger or consolidation:

1. Plan of Merger or Consolidation duly approved by at least two-thirds (2/3) of the outstanding capital stock of each of the Eligible STPI and Eligible Bank (constituent institution) present and constituting a quorum;
2. Notarized Secretary's Certificate on the Resolution of the Board of Directors of the respective constituent institutions approving the Plan of Merger or Consolidation;
3. Notarized Secretary's Certificate attesting approval of at least two thirds (2/3) two-thirds (2/3) of the outstanding capital stock of each constituent institution approving the Plan of Merger or Consolidation duly certified by the Secretaries and attested by the respective Chairpersons;
4. Proof of Posting/Publication of the Announcement of Merger or Consolidation in a newspaper of general circulation;
5. Notarized Secretary's Certificate attesting to the following facts: a) That creditors and investors are informed by mail of the merger or consolidation; and b) That no objection/opposition has been filed, or if any, the same has been resolved;



6. Additional requirements
  - a. For merger
    - i. Articles of Merger duly attested to by the Incumbent Directors of the Surviving Entity
    - ii. Certificate of Merger/Registration of the Surviving Entity
  - b. For consolidation
    - i. Articles of Consolidation duly attested to by the Incumbent Directors of the Consolidated Entity
    - ii. New Certificate of Consolidated Entity
- B. For Purchase of Assets and Assumption of Liabilities
  1. Sale and Purchase Agreement;
  2. Stockholder's Resolution approving the sale of all assets and assumption of all liabilities (P&A) of the Eligible Bank by an Eligible STPI duly certified by the Secretaries and attested by the President/Chairperson of the Eligible Bank. The P&A must be approved by at least two thirds (2/3) of the outstanding capital stock of each constituent institution present and constituting a quorum;
  3. Proof of Notice to Creditors of the Eligible Bank;
  4. Joint Certification from Eligible Bank and Eligible STPI signed by their respective authorized signatories that all requirements under the Bulk Sales Law and all laws relevant have been complied with;
- C. For Acquisition of Control through Purchase of Shares of the Eligible Bank subject to the applicable laws and rules
  1. Stock Purchase Agreement duly signed by the authorized signatory of the Eligible STPI and Eligible Bank and certified to by their respective board secretary
  2. Notarized Secretary's Certificate on the Board Resolution of the Eligible STPI approving the acquisition of control/purchase of majority shares of the Eligible Bank
- D. Financial Statements:
  - ❖ Latest financial statements as of month immediately preceding the date of application and latest 3-year audited financial statements of the constituent institutions; and
  - ❖ 5-year financial projections with valid assumptions of the surviving institution's balance sheet and income statement.
- E. List of regulatory relief/incentives the constituent institutions will avail from BSP;
- F. Letter to BSP requesting restructuring of past due rediscounting/emergency loan;
- G. List of shareholders with their share capital/shareholdings of each of the constituent institutions duly certified by the respective Board Secretaries and attested to by the respective Board Chairpersons before and after the transaction;

- H. List of directors and officers of each of the constituent institutions;
- I. List of proposed officers and directors of the surviving/consolidated bank and the summary of their qualifications;
- J. Organizational chart of the surviving/consolidated bank including the number of offices and locations thereof;
- K. Inter-company transactions relative to the submitted Financial Statements;
- L. Computation of Risk Based Capital Adequacy Ratio on the submitted financial statements;
- M. Schedule of unbooked valuation reserves based on latest BSP-ROE, if any;
- N. Viable Operational Plan with the following components:
  - Marketing Strategies
  - Proposed Target Market
  - Proposed Loan Portfolio Diversification
  - Deposit Generation
  - Proposed Improvements in Accounting System
  - Operations Control
  - Computerization Plan
  - Communication System
- O. The appraiser's report of reappraisal of bank premises, if any, done by an independent and licensed appraiser;
- P. Proposed increase of Capital Stock of surviving/consolidated bank;
- Q. Proposed Amendments in the Articles of Incorporation of surviving/consolidated bank;
- R. Director's Certificate (surviving/consolidated bank) on the proposed amendment of the Articles of Incorporation increasing the authorized capital stock;
- S. Any other reasonable requirement deemed material in the proper evaluation of the transaction as may subsequently be requested by the PDIC or BSP.

**BULLETIN NO. 2016-03**

**TO : All PDIC Member Rural Banks**  
**SUBJECT : Consolidation Program for Rural Banks (CPRB)**

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To promote consolidations and mergers among rural banks, the Philippine Deposit Insurance Corporation (PDIC), the Bangko Sentral ng Pilipinas (BSP), the Land Bank of the Philippines (LBP) and the Countryside Financial Institutions Enhancement Program (CFIEP) have launched the Consolidation Program for Rural Banks (CPRB).

Under the CPRB, the proponent banks may avail of the program support and regulatory incentives.

The CPRB will be available for two (2) years until 25 August 2017.

Any group of at least five (5) rural banks with head offices or majority of the branches located in the same region or area, may qualify under the CPRB, subject to meeting the program's other requirements.

For guidance and procedures on the availment of incentives under the CPRB, please refer to the attached CPRB Implementing Guidelines.

For further inquiries, please contact the Office of the Vice President-Resolution Group at 841-4261 or visit our website at [www.pdic.gov.ph](http://www.pdic.gov.ph).

**CRISTINA Q. ORBETA**  
President

February 11, 2016

**Attachments:**

CPRB Implementing Guidelines including its Annexes

Annex A

Annex B

CPRB Application Form

## **CONSOLIDATION PROGRAM FOR RURAL BANKS IMPLEMENTING GUIDELINES**

Following approval by the PDIC, BSP, LBP and CFIEP of their respective participations in the Consolidation Program for Rural Banks, these implementing program guidelines ("**Guidelines**") are hereby issued.<sup>1</sup>

### **Section 1.0 Rationale of the Program**

The CPRB was established in recognition of the need to further strengthen and enhance the viability of rural banks given their importance in providing essential financial services to the community, particularly in their specialized or niche markets, and in promoting financial inclusion and financial stability in the economy.

The Program seeks to encourage consolidations and mergers among rural banks to bring about a less fragmented banking system by enabling rural banks to: (i) improve their financial strength; (ii) enhance their viability; (iii) strengthen management and governance; (iv) generate synergies and economies of scale through common infrastructure, systems and resources; and (v) expand their market reach.

### **Section 2.0 Definition of Terms**

For purposes of these Guidelines, the following acronyms, words and phrases shall mean as follows:

- 2.1 "Agencies" collectively refer to the PDIC, the BSP and the LBP as authors and advocates of the Program.
- 2.2 "CFIEP" refers to the Countryside Financial Institution Enhancement Program which shall provide funding support to the Program, consistent with its objectives of improving the long term viability of countryside financial institutions.
- 2.3 "Consolidation", involves the combination of at least five (5) rural banks (RBs), resulting in their dissolution and the creation of a new entity, subject to the provisions of existing applicable and relevant laws.
- 2.4 "Day" (or days) refers to business day or day other than a Saturday, Sunday or day on which commercial banks in Metro Manila are generally closed for business.

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<sup>1</sup> Philippine Deposit Insurance Corporation (PDIC) Board Resolution No. 2015-05-063 dated 20 May 2015; Bangko Sentral ng Pilipinas (BSP) Monetary Board (MB) Resolution No. 995 dated 18 June 2015; Land Bank of the Philippines (LBP) Codified Approving Signing Authorities, as amended, per Secretary's Certificate dated 29 June 2015; and approval dated 28 July 2015 of the Countryside Financial Institutions Enhancement Program (CFIEP) Task Force of funding support for the Program.

- 2.5 "Financial Adviser" refers to the adviser engaged by the Proponent Banks from among the top five financial advisers based on the CFIEP Guidelines on the Funding Support for the Program, which shall provide financial, legal and property appraisal services to the Proponent Banks as set forth under Section 8.7 and the Terms of Reference for the Financial Adviser approved by the CFIEP.
- 2.6 "Financial Adviser's Final Report" includes but not limited to the report on: (i) the methodology (ii) the valuation and appraisal reports of assets, (iii) legal audit report on pending cases; (iv) the due diligence findings including report on the over-all financial condition of the Proponent Banks; (v) the proposed ownership and capital structure and proposed consolidation or merger plan of the Surviving Bank; (vi) the organizational structure and integration plan, business plan including financial projections for the Surviving Bank; and (vii) all reports and documents required to be delivered by the Financial Adviser under the Guidelines, Terms of Reference in the Engagement of the Financial Adviser and the Engagement Contract.
- 2.7 "Merger" involves the combination of at least five (5) rural banks, one of which shall be the surviving entity, subject to the provisions of existing applicable and relevant laws.
- 2.8 "MOA" refers to the "Memorandum of Agreement on the Consolidation Program for Rural Banks among the Proponent Banks" which shall contain the Proponent Banks' agreements as indicated in Section 7(f).
- 2.9 "MOU" refers to the Memorandum of Undertaking in favor of the Agencies duly executed jointly by the Proponent Banks which shall contain the commitments, representations, warranties and other obligations of the proponent Banks as indicated in Section 7(g).
- 2.10 "Program" refers to the Consolidation Program for Rural Banks or CPRB.
- 2.11 "Proponent Banks" refers to the participating rural banks which qualify under the Program pursuant to Section 5.
- 2.12 "RBCAR" means the "Risk Based Capital Adequacy Ratio".
- 2.13 "SEC" refers to the Securities and Exchange Commission which approves the registration of the Surviving Bank as a consolidated or merged bank.
- 2.14 "Surviving Bank" refers to the resulting entity after consolidation or merger of the Proponent Banks.

### **Section 3.0 Interpretation**

The headings in these Guidelines are inserted for convenience of reference only and shall not limit or affect the interpretation of its provisions. References to sections and annexes are to be construed as references to the Sections and Annexes to these Guidelines.

#### **Section 4.0 Program Availability Period**

The Program shall be available from **25 August 2015** to **25 August 2017**. To avail of the Program, letters of intent/application duly supported by certification of board and shareholders' approvals of the Proponent Banks and all other required documents enumerated in Section 7 must have been duly submitted to and received by the PDIC **on or before 25 August 2017**.

#### **Section 5.0 Eligibility of Proponent Banks to the Program**

Any group of at least five Proponent Banks, the head offices or majority of the branches of which, shall preferably be located in the same region or area, and whose consolidation or merger would result to a Surviving Bank with-

- a. RBCAR of at least 12%; and
- b. A combined unimpaired capital of at least P100Mn.

Rural banks whose head office is located in a nearby region may be included, provided that the Program objectives shall be met.

#### **Section 6.0 Program Support**

The Proponent Banks may avail of the following program support:

6.1 Funding assistance for:

- a. Financial advisory services in accordance with Sections 8.6 and 13.2;
- b. Business process improvement services in accordance with Section 13.3; and
- c. Capacity building support services in accordance with Section 12.3.

6.2 Regulatory Incentives under BSP Circular No. 237, as amended by Circular Nos. 771 dated October 11, 2012 and 494 dated September 20, 2005 and other existing laws and rules subject to the Proponent Banks' compliance of the requirements therein and approval of the concerned agencies.

#### **Section 7.0 Procedures for Application**

To avail of the Program's incentives, the Proponent Banks shall submit three (3) sets of the following documents to the PDIC through the Office of the Vice President-Resolution Group:

- a) Letter addressed to the PDIC and the BSP indicating their intention to consolidate or merge under the Program;
- b) Duly accomplished CPRB application form;

- c) Resolution of the Board of Directors of the respective Proponent Banks approving the consolidation or merger with other Proponent Banks under the Program. The resolution shall be certified under oath by the respective corporate secretaries of the Proponent Banks;
- d) Resolution of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock/contribution of each Proponent Bank approving the consolidation or merger with other Proponent Banks under the Program. The resolution shall be certified under oath by the respective corporate secretaries of the Proponent Banks;
- e) Secretary's Certificate of Adoption of Board Resolutions of each of the Proponent Banks containing the following:
  - i. Approval by the Board of the request for avilment of funding assistance under Section 6.1;
  - ii. Approval by the Board of the MOA among Proponent Banks containing the terms under Section 7(f), the MOU in favor of the Agencies containing the terms under Section 7(g), Confidentiality Agreement, and other documents as may be required under the Program; and
  - iii. Designation of the Proponent Bank's authorized signatories to execute and deliver the foregoing documents in relation to the Program and attesting to their specimen signatures.
- f) Duly executed joint MOA among Proponent Banks containing, among others, the following:
  - i. The agreement to consolidate or merge under the Program, and to comply with the Program's requirements.
  - ii. The commitment to: (a) allow the duly designated Financial Adviser to conduct due diligence on the Proponent Banks; and (b) voluntarily disclose and allow access to all records, documents and information pertinent to their respective banks' financial condition and other information as may be required by the Financial Adviser.
  - iii. The agreement to accept the results of the Financial Adviser's due diligence review including the consolidation/merger structure.
  - iv. The infusion of additional fresh capital, as may be needed, to bring the resulting RBCAR and combined adjusted capital of the Proponent Banks to the required capital level pursuant to Sections 5 and 9.
  - v. The agreement to adopt the human resource and systems integration plan for the Surviving Bank as proposed by the Financial Adviser.
  - vi. The nomination of directors in the Surviving Bank who possess the qualifications and none of the disqualifications under BSP regulations, who adhere to sound governance principles and who will work to ensure the viability of the Surviving Bank to attain the objectives of the Program.

- vii. The installation in the Surviving Bank of a professional management team that complies with BSP regulations.
  - viii. The institution and adoption of capacity building measures.
  - ix. The submission of valuation and appraisal reports, due diligence findings (including report on the over-all financial condition of the Proponent Banks) of the Financial Adviser and such other information as may be required by PDIC and BSP.
  - x. The submission of the business plan, including strategies, financial projections and proposed organizational structure for the Surviving Bank.
  - xi. The agreement on cost sharing of expenses under the Program including dealing with withdrawal (voluntary or involuntary) by any of the Proponent Banks.
  - xii. The agreement to fully reimburse CFIEP's share in the expenses covering the engagement of a Financial Adviser and/or business process improvement services in case the consolidation or merger of the Proponent Banks does not materialize.
  - xiii. Designation of a duly authorized representative and his alternate for purposes of communication and coordination with the Agencies.
- g) Duly executed joint MOU of the Proponent Banks' commitment to the Agencies to abide by the following:
- i. The terms and conditions of the Program as outlined in the Guidelines, and their obligations under the MOA among the Proponent Banks referred to in Section 7(f).
  - ii. Their warranties and representations to the Agencies.
  - iii. Grant authority to PDIC to request for quotations from the pool of financial advisers accredited under the Program.
  - iv. In case the consolidation or merger of the Proponent Banks does not materialize, fully reimburse CFIEP's share as specified under Sections 13.2 and 13.3 in accordance with their agreement on cost sharing and, to shoulder equally any deficiency in the reimbursement of CFIEP's share, in the event of failure of any of the Proponent Banks to pay its corresponding share.
  - v. Grant authority to BSP to deduct from their respective accounts with BSP, any amount due to the CFIEP, in case they fail to remit their corresponding share to reimburse CFIEP share under Sections 13.2 and 13.3 in accordance with Sections 14.1 and 14.2.
  - vi. Engage a business process consultant for the Surviving Bank in accordance with Section 12.2, with the approval of the Proponent Banks' respective board of directors.



- h) Duly executed Confidentiality Agreement of each of the Proponent Banks; and
- i) Copy of the Proponent Banks' respective latest audited and interim Financial Statements.

PDIC shall only receive complete sets of the foregoing documents from the Proponent Banks. PDIC shall immediately furnish BSP and LBP copies of the complete documents which PDIC received from the Proponent Banks.

#### **Section 8.0 Engagement of the Financial Adviser (FA)**

- 8.1 Upon receipt of the complete set of requirements as provided under Section 7, PDIC shall request the top five financial advisers to submit proposals for engagement of their services, based on the Terms of Reference attached hereto as **Annex "A"**. The quotations shall be addressed directly to the Proponent Banks' duly designated authorized representative, copy furnished PDIC.
- 8.2 Within ten (10) days from receipt of all the quotations from the top five financial advisers, the Proponent Banks shall:
  - a. Collectively decide and select the Financial Adviser with the most reasonable quote and which is most responsive to the Terms of Reference; and
  - b. Notify PDIC of their choice for Financial Adviser.
- 8.3 Within two (2) days from receipt of notice of choice, PDIC shall communicate to CFIEP the Proponent Banks' choice of Financial Adviser.
- 8.4 Within five (5) days from receipt of the choice of the Financial Adviser, CFIEP, through its Technical Committee (TC), shall issue to the Proponent Banks' authorized representative the notice to proceed with the engagement of the Financial Adviser.
- 8.5 Within five (5) days from the receipt of the notice to proceed, the Proponent Banks shall enter into a Contract of Engagement of Financial Advisory Services containing the terms and conditions under the Terms of Reference, copy furnished PDIC.
- 8.6 Within five (5) days from the execution of the Contract of Engagement of Financial Advisory Services, the Proponent Banks' authorized representative shall release to the Financial Adviser the initial payment for its services equivalent to 20% of the Financial Advisers' fee as indicated in the said Contract of Engagement. The balance equivalent to 80% of the Financial Adviser's fee shall be for the account of CFIEP.

The Contract of Engagement of Financial Advisory Services shall become effective upon the Financial Adviser's receipt of the 20% initial payment from the Proponent Banks pursuant to the terms of the Financial Adviser's engagement, and such other terms and conditions as may be agreed between the Proponent Banks and the Financial Adviser.

- 8.7 Upon receipt of the 20% initial payment, the Financial Adviser shall immediately commence and render financial advisory services, including financial, legal and appraisal services and/or activities, which shall include but not limited to the following:
- a. Engage legal counsel who shall perform a legal audit of pending cases of each of the Proponent Banks, provide legal advisory services and prepare and handle all documentation requirements for consolidation or merger as the case may be, such as the Shareholders' Agreement, Plan of Consolidation or Merger, Articles of Consolidation or Merger, Articles of Incorporation and By-Laws of the Surviving Bank and other documents as may be required by the regulatory agencies.
  - b. Engage appraisers to do a valuation of the real estate and other properties of the Proponent Banks.
  - c. Conduct due diligence on the Proponent Banks.
  - d. Determine the financial condition of the Proponent Bank using standard parameters.
  - e. Prepare valuation study on each Proponent Bank.
  - f. Recommend ownership and capital structure of the Surviving Bank based on the results of the valuation study.
  - g. Assist the Proponent Banks in the preparation of the business plan/strategy, organizational structure and human resource strategy for the Surviving Bank.
  - h. Assist in coordinating with the SEC, the Agencies and the Bureau of Internal Revenue, if necessary.
  - i. Undertake other functions/activities required to complete and implement the transaction contemplated under the Program.
- 8.8 Within fifteen (15) days from the conclusion of their due diligence review, the Financial Adviser shall submit the report containing the result of valuation and the Surviving Bank's ownership structure for approval of the Proponent Banks' respective board of directors and shareholders, copy furnished PDIC and BSP.

## **Section 9. 0 Infusion of Additional Capital**

- 9.1 In case the resulting RBCAR and the unimpaired capital of the Surviving Bank based on the Financial Adviser's report are below 12% and P100Mn, respectively, the Proponent Banks shall infuse additional fresh capital to meet the Program's minimum capital requirements in accordance with their commitment under the MOA and MOU.
- 9.2 The Proponent Banks shall cause the infusion of the fresh capital required under the Program through any or a combination of the following: (i) the existing shareholders of the Proponent Banks; and/or (ii) a third party investor.

## **Section 10.0 Optional Equity Investment Facility from LBP**

- 10.1 In the event that the resulting RBCAR of the Surviving Bank falls short of the 12% requirement but is at least 10%, the Surviving Bank may avail of LBP's Equity Investment Facility to bring the RBCAR to 12%.
- 10.2 The Surviving Bank's eligibility under this facility shall be subject to LBP's specific terms and guidelines attached hereto as **Annex "B"** and made an integral part of the Guidelines.

## **Section 11.0 Approval of the Consolidation or Merger**

- 11.1 The Proponent Banks shall secure the approval of their respective board of directors and shareholders on the final plan of consolidation or merger.
- 11.2 Within sixty (60) days from receipt of the Financial Adviser's Final Report, the Proponent Banks shall secure the regulatory consents and/or approval of the PDIC, the BSP and the SEC as provided under existing laws for all banks on consolidations or mergers.
- 11.3 Upon BSP issuance of the Certificate of Authority to operate as the Surviving Bank, the Proponent Banks shall secure from the SEC the Certificate of Registration of the Surviving Bank.

## **Section 12.0 Integration and Other Activities of the Surviving Bank**

- 12.1 Within thirty (30) days from the issuance by the CFIEP TC of the certificate of completion of the Financial Adviser's Final Report, the Proponent Banks, with the assistance of the Financial Adviser, consultant and the Agencies, shall conduct:
  - a. Integration and business process improvement;
  - b. Capacity building activities; and
  - c. Such other activities necessary to ensure the success and viability of the Surviving Bank.
- 12.2 The funding support for the business process improvement services may be availed by the Proponent Banks, subject to the same terms and conditions for the availment of the financial advisory services and the procedure in the engagement of the Financial Adviser as provided in the Guidelines. Provided, however, that the sharing of expenses shall be subject to Section 13.3.

The business process improvement shall include:

- a. Integration process (data and records integration, consolidation of backroom activities, financial reporting);
- b. Development and updating of manuals; and
- c. Guidance on automation/new system requirement as a result of the integration.

- 12.3 The Agencies and CFIEP shall provide capacity building support services such as training on credit evaluation and administration, audit and internal control, personnel management, accounting/record keeping, treasury, information technology, and governance at no cost to the Surviving Bank.

### **Section 13.0 Program's Funding and Expenses**

- 13.1 CFIEP shall participate in the Program by providing the funding requirements in accordance with these Guidelines.

- 13.2 The total cost of the financial advisory services inclusive of applicable taxes shall be shared by the CFIEP and the Proponent Banks in accordance with the following proportion:

CFIEP	80%
Proponent Banks	20%

- 13.3 The total cost for the business process improvement services on the Surviving Bank inclusive of applicable taxes shall be shared by CFIEP and the Proponent Banks (or Surviving Bank) in accordance with the following proportion:

CFIEP	80% on the 1 <sup>st</sup> year; 50% on the 2 <sup>nd</sup> year
Proponent Banks/ Surviving Bank	20% on the 1 <sup>st</sup> year; 50% on the 2 <sup>nd</sup> year

For this purpose, the 1<sup>st</sup> year shall commence on the date of issuance by the CFIEP TC of the certificate of completion of the Financial Adviser's Final Report.

- 13.4 The Agencies shall not be liable for any amount due to the Financial Adviser in excess of CFIEP's share under Sections 13.2 and 13.3. Any additional payment for the financial advisory and business process improvement service providers shall be for the account of the Proponent Banks.
- 13.5 All other fees and expenses related to the consolidation or merger of the Proponent Banks under the Program shall be shouldered by the Proponent Banks.
- 13.6 For CFIEP's corresponding share in the fees under Sections 13.2 and 13.3, the same shall be remitted to the Financial Adviser and the business process improvement service providers only after the Proponent Banks shall have fully paid their corresponding share thereto.

### **Section 14. 0 Reimbursement to CFIEP**

- 14.1 The Proponent Banks shall be under obligation to reimburse CFIEP's share under Sections 13.2 and 13.3 in accordance with their agreement on cost sharing within three (3) days from receipt of the demand for reimbursement in case the consolidation or merger does not materialize.

- 14.2 In case a Proponent Bank refuses or fails to remit any payment due to CFIEP under Section 14.1, the BSP, after due notice from the CFIEP to the Proponent Bank concerned, shall proceed to debit the Proponent Bank's demand deposit therewith, corresponding to the amount due for payment as contained in the CFIEP's demand for reimbursement/payment from the Proponent Bank concerned pursuant to the authority granted to BSP under the MOU executed by the Proponent Banks. The full amount debited shall be credited to the demand deposit account of the CFIEP with the BSP.
- 14.3 Any deficiency due to the failure by any of the Proponent Banks to pay CFIEP in full of its corresponding share shall be divided equally among the remaining Proponent Banks. The payments/collection of such deficiency shall observe the same procedures set forth under the preceding section. The Proponent Banks shall exercise their rights under their agreement if any, or under the law, to exact reimbursement from any non-paying Proponent Bank accordingly.

### **Section 15.0 Amendments**

The Agencies may execute a supplement or amendment hereto for the purpose of adding provisions, changing or modifying provisions of these Guidelines as may be necessary to achieve the Program's objectives.

### **Section 16.0 Effectivity**

These Guidelines shall take effect immediately.

## **TERMS OF REFERENCE**

### **For the Financial Adviser for Participating Banks under the Consolidation Program for Rural Banks (CPRB)**

#### **I. OBJECTIVE**

The Financial Adviser (FA) shall be engaged primarily as an independent third party consultant to provide financial, legal and technical advisory services, including business process improvement, necessary to consummate and ensure the success of the consolidation or merger of the participating banks (the "Proponent Banks") under the CPRB Program in a systematic manner.

#### **II. ROLE OF FINANCIAL ADVISER**

The FA shall act as consultant to the Proponent Banks and shall be chosen from among the top auditing firms. The FA shall ensure the availability of experts to perform all the activities covered by the engagement and shall ensure that all its agents and representatives shall employ with confidentiality the rules under Section V hereof.

#### **III. SCOPE OF WORK, DELIVERABLES AND ENGAGEMENT PERIOD**

The scope of work, deliverables and engagement period of the FA are laid down in Phase I and Phase II hereof.

##### **PHASE I: MERGER OR CONSOLIDATION**

###### **A. Due Diligence, Valuation Study and Capital Structuring**

❖ The FA shall perform the following activities:

1. Conduct of due diligence review to determine the financial condition of each of the Proponent Banks using standard parameters.

The due diligence review shall take off from the Proponent Bank's latest audited financial statements (Balance Sheet, Income Statement and Cash Flow) and supporting schedules and related documents, and the latest interim end of month financial statements.

The FA shall ensure that the financial statements were prepared in accordance with Philippine Financial Reporting Standards (PFRS) and Bangko Sentral ng Pilipinas (BSP) Rules and Regulations for Banks, and reflect the latest financial condition of the Proponent Banks which shall be as of end of month immediately preceding the date of application under the CPRB. In the event where the books of the Proponent Banks need to be adjusted to comply with PFRS and BSP rules and regulations, the FA shall restate the financial statements accordingly.

2. Appraisal of properties

The FA's in-house and/or contracted appraiser(s) shall conduct an appraisal of all real properties and fixed assets declared to be owned by the Proponent Banks in their latest financial statements.

In case the FA chooses to engage an external appraiser(s), such entity should be registered with SEC and of known probity and independence and shall be considered as an agent of the FA.

3. Legal audit of pending cases and determination of contingent assets and obligations, if any.
4. Valuation study based on net asset value (NAV) approach

The results of the valuation study shall be used as basis to establish the ownership structure and share distribution of the Surviving Entity.

5. Presentation of the results of the due diligence review findings and valuation study to the Board of Directors and Shareholders of the Proponent Banks for approval, and concurrence to the recommended ownership and capital structure. In this regard, the FA shall prepare the Shareholders' Agreement among the Proponent Banks for approval.

#### ❖ Deliverables

Within fifteen (15) days from the conclusion of the due diligence, the FA shall submit the following reports (collectively the "FA Final Report") for approval of the Proponent Banks' respective Board of Directors and Shareholders, copy furnished PDIC and BSP:

1. Due diligence findings and recommendation Report
2. Valuation Study including a description of methodology, basis of valuation of assets and liabilities and recommendation
3. Legal audit findings Report
4. Appraisal Reports
5. Proposed ownership and capital structure including recommendation on the optimum approach to effect the merger or consolidation and Shareholders' Agreement.
6. Other relevant reports and/or documents as may be required by the PDIC/BSP/LBP and CFIEP.

#### ❖ Engagement Period

The due diligence, valuation study and capital structuring shall not exceed six (6) months from the effective date of the Contract of Engagement of Financial Advisory Services.

#### B. Regulatory Approvals of the Merger or Consolidation

The FA shall assist the Proponent Banks in securing the regulatory consents and/or approval of the PDIC, BSP and SEC as provided under existing laws for all banks on mergers or consolidations such as but not limited to assistance in the preparation of the requisite documents related to (a) approval of PDIC and BSP, (b) registration of the Surviving Bank with the SEC (such as Plan of Merger or Consolidation including business plan and organizational structure, Articles of Merger or Consolidation and By-Laws, audited financial statements, long-form audit report, etc.), and (c) securing Certificate of Authority to operate the Surviving Bank from the BSP.

#### ❖ Engagement Period

The submission of complete documentary requirements to the BSP and PDIC for the purpose of securing approval of the Merger or Consolidation of the Proponent Banks shall not exceed 60 calendar days from the date the FA Final Report was duly approved by the Proponent Banks' respective board of directors and shareholders.

#### C. Other Advisory Services

The FA shall also undertake to:

1. Provide advice and allow consultations on other matters and/or possible issues related to the merger or consolidation and other documentary requirements to be submitted by the Proponent Banks under the Program;
2. Attend meetings/negotiations and make presentations in connection to its duties and responsibilities under the engagement;
3. Liaise with the BSP, PDIC, SEC, Bureau of Internal Revenue (BIR) and other regulatory agencies/entities; and
4. Provide other financial and legal services as may be necessary to ensure the success of the merger or consolidation under the Program.

#### **PHASE II: INTEGRATION AND BUSINESS PROCESS IMPROVEMENT**

The FA shall assist the Proponent Banks (or the Surviving Bank) in the business integration process and improvement, specifically:

1. Review of existing operations, and propose an integration process (data and records integration, consolidation of backroom activities, asset management, loan management, financial reporting) that will ensure efficiency of Surviving Bank's operation;
2. Recommend appropriate organizational structure, human resource strategy, and governance structure for the Surviving Bank;
3. Development and/or updating of manuals; and
4. Guidance on automation or new system requirement as a result of the integration.

#### ❖ Deliverables

The FA shall submit a proposal to the Surviving Bank on the following:

1. Integration process (data and records integration, consolidation of backroom activities, financial reporting);
2. Proposed organizational structure, human resource strategy, and governance structure for the Surviving Bank
3. Updated manuals; and
4. Automation/new system requirement as a result of the integration.



#### ❖ Engagement Period

Integration and Business Process Improvement covering business integration, automation and updating of manual of operations shall not exceed one (1) year from the date of the issuance by the CFIEP Technical Committee of the certificate of completion of the FA Final Report. The engagement period may be extended for another year should the Surviving Bank require the assistance of the FA in the implementation of the business improvement process.

#### IV. REMUNERATION

The fees for the services of the FA shall be inclusive of applicable taxes and shall be shared by the Proponent Banks and the CFIEP as follows:

##### PHASE I: MERGER OR CONSOLIDATION

Initial payment	20%	to be funded and paid by the Proponent Banks within five (5) days from the execution of the Contract of Engagement of Financial Advisory Services
Balance	80%	to be funded and paid by CFIEP for the account of Proponent Banks based on agreed milestones or progress billing subject to the guidelines of the CFIEP subsidy on CPRB

##### PHASE II: INTEGRATION AND BUSINESS PROCESS IMPROVEMENT SERVICES

###### On the first year:

Initial payment	20%	to be funded and paid by the Proponent Banks within five (5) days from the date of issuance by the CFIEP Technical Committee (TC) of the certificate of completion of the FA's Final Report.
Balance	80%	to be funded and paid by CFIEP for the account of Proponent Banks based on agreed milestones or progress billing subject to the guidelines of the CFIEP subsidy on CPRB.

###### On the second year:

The Proponent Banks or Surviving Bank and CFIEP will share the total cost equally at 50%-50%, based on agreed milestones or progress billing.

The CFIEP's corresponding share in the fees hereof shall be remitted to the FA for the account of the Proponent Banks only after the Proponent Banks shall have fully paid their corresponding share thereto.

PDIC, BSP and LBP shall not be liable for any amount due to the FA in excess of CFIEP's share. Any additional payment for the financial advisory and business process improvement service providers shall be for the account of the Proponent Banks.

## **V. CONFIDENTIALITY**

The FA shall ensure that their officers, employees, and agents shall at all times keep confidential all Confidential Information, including all aspects of the Engagement Agreement and this Terms of Reference, the transactions and reports used verified and required to be disclosed by the FA.

"Confidential information" shall mean confidential and/or proprietary information and materials relating to the Proponent Banks, provided that Confidential Information shall not include: (a) information that is or becomes publicly available other than by a breach of these terms on Confidentiality by the Financial Adviser; and (b) information that is known to the Financial Adviser prior to the date of engagement.

The FA shall execute and sign Confidentiality Agreement upon engagement, which shall remain effective even in the event of termination thereof.

## **VI. TERMINATION**

The Engagement Contract and/or the transactions contemplated therein may be terminated:

- (i) Upon the mutual consent of Parties;
- (ii) By the Proponent Banks if the FA fail to perform its duties and responsibilities or committed any material breach of the Contract and the Confidentiality Agreement or;
- (iii) By the FA, if the Proponent Banks fail to remit the initial payment required under item IV, hereof.

The termination may be exercised only by a notice given in writing and signed by the FA or the authorized representatives of the Proponent Banks.

## **Guidelines on the LBP Equity Investment Facility Under the Consolidation Program for Rural Banks (CPRB)**

### **A. Rationale**

Upon consolidation or merger of Proponent Banks, and in case the resulting Risk-Based Capital Adequacy Ratio (RBCAR) and the unimpaired capital of the Surviving Bank based on the Financial Adviser's report are below 12% and P100Million, respectively, the Surviving Bank shall infuse additional fresh capital to meet the Program's capital and RBCAR requirements, through any or a combination of the following: (i) the existing shareholders of the Proponent Bank; and/or (ii) a third party investor.

In the event that upon capital infusion by the existing shareholders or third party investors, the resulting RBCAR of the Surviving Bank is at least 10% but below 12%, the Surviving Bank may avail of LBP's equity investment facility under the Program.

### **B. Objectives**

LBP equity infusion shall be undertaken to meet the following objectives:

1. Increase the RBCAR from at least 10% to 12%;
2. Strengthen the capital base of the Surviving Bank;
3. Help sustain long-term viability of the Rural Banking sector.

### **C. Equity Investment Facility**

#### **1. Eligibility Criteria**

- a. Surviving Bank (consolidated or merged bank) under the Program;
- b. No adverse findings on the principal (Directors/Key Officers);
- c. RBCAR of at least 10% but less than 12%;
- d. Minimum capitalization required by the Program;
- e. Adequate Reserves for the four (4) week period preceding the application (based on the submitted interim financial statements); and
- f. Net past due ratio of not more than 15%

2. Maximum amount : Up to 100% of the total capital requirement in bringing the RBCAR from at least 10% to 12%; or up to 30% of the total issued and paid-up capital stock, whichever is lower.

3. Features : a. Maturity of ten (10) years from the date of release, notwithstanding any change in the structure of ownership of the surviving bank;

- b. LBP's entitlement to be represented in the CFI Board;
- c. Preferred shares;
- d. Cumulative dividends;
- e. To be fully redeemed at maturity at par or book value, whichever is higher plus unpaid dividends, *if any*
- f. Non-voting but shall be entitled to vote on corporate acts specified under Section 6 of the Corporation Code
- g. Dividend Rate of 10-year R2 plus 2.5%, or a floor rate of 6.5%, *whichever is higher*, fixed at the time of availment;
- h. Booking of the equity by the CFI shall be recognized under Tier 2 Capital

#### 4. Other Terms and Conditions:

Issuance of the preferred shares under the Program shall require compliance with the following in accordance with BSP Circular No. 781, series of 2013 and other requirements:

- a. It must be issued and paid-in;
- b. It must be subordinated to depositors and general creditors of the Bank;
- c. It is neither secured nor covered by a guarantee of the Issuer or related entity or other arrangement that legally or economically enhances the seniority of the claim vis-à-vis depositors and general creditors of the Bank;
- d. With regard to maturity:
  - 1) It must have a minimum original maturity of at least five (5) years;
  - 2) Its recognition in regulatory capital in the remaining five (5) years before maturity will be amortized on a straight line basis as shown in the table below; and

Remaining Maturity	Discount Factor
5 years and above	0%
4 years to <5 years	20%
3 years to <4 years	40%
2 years to <3 years	60%
1 year to <2 years	80%
<1 year	100%

- 3) There are no step-ups or other incentives to redeem
- e. It may be callable at the initiative of the Issuer only after a minimum of five (5) years:
- 1) To exercise a call option the Bank must receive prior supervisory approval; and
  - 2) The Bank will not do anything which creates an expectation that the call will be exercised; and
  - 3) The Bank will not exercise a call unless:
    - i. The Bank replaces the called instrument with capital of the same or better quality and the replacement of this capital is done at conditions which are sustainable for the income capacity of the Bank; or
    - ii. The Bank demonstrates that its capital position is well above the minimum capital requirements after the call option is exercised.
- f. The investor must have no rights to accelerate the repayment of future scheduled payments (coupon or principal), except in bankruptcy and liquidation;
- g. The instrument cannot have a credit sensitive dividend feature, that is a dividend/coupon that is reset periodically based in whole or in part on the Bank's credit standing;
- h. Neither the Bank nor a related party over which the Bank exercises control or significant influence can have purchased the instrument, nor can the Bank directly or indirectly have funded the purchase of the instrument;
- i. It must be underwritten by a third party not related to the issuer bank nor acting in reciprocity for and in behalf of the issuer bank.
- j. The instrument shall be converted into common equity upon the occurrence of a trigger event subject to the provisions as may be defined by BSP. The trigger event occurs when the Bank is considered non-viable as determined by the BSP. Non-viability is defined as a deviation from a certain level of Common Equity Tier 1 (CET1) Ratio, inability of the Bank to continue business (CLOSURE) or any other event as determined by the BSP, whichever comes earlier.

The issuance of any new shares as a result of the trigger event must occur prior to any public sector injection of capital so that the capital provided by the public sector is not diluted.

The requirements on loss absorbency features of Tier 2 capital at point of non-viability as provided in Annex F of BSP Circular No. 781 dated 15 January 2013 shall likewise be observed.

Following the provisions of item 10 of Annex F of BSP Circular 781, the formula for the conversion of the total outstanding notes into common shares when the trigger event shall have occurred and the Issuer is declared by BSP to have reached the point of non-viability, shall be as follows:

No. of Common Shares	=	$\frac{\text{Amount of Investment}}{50\% \times \text{Adjusted Book Value per Share}}$
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where the amount of investment pertains to the preferred shares issued while the **adjusted book value per share** refers to the book value at the time the capital instrument is issued, and determined using the formula:

$$\frac{\text{Total Stockholder's Equity} - \text{Preferred Equity}}{\text{Total Outstanding Shares}}$$

The adjusted book value per share shall be the figure that will be obtained from the Financial Adviser's report or from the latest financial statements using the above formula.

The number of common shares obtained using the above formula shall be the **minimum** number of common shares to be received by LANDBANK.

Other terms/requirement on loss absorbency features include the following:

1. The issuer must make the necessary adjustments to its Articles of Incorporation to accommodate the conversion of the capital instrument into common shares for loss absorbency at the point of non-viability
- k. The write-down will have the following effects:
1. Reduce the claim of the instrument in liquidation;
  2. Reduce the amount re-paid when a call is exercised; and
  3. Partially or fully reduce coupon/dividend payments on the instrument.
- l. The Issuer must submit a written external legal opinion that it has met the requirements on the issuance of the preferred shares, including the subordination and loss absorption features.
- m. It must clearly state on its face that it is not a deposit and is not insured by the Philippine Deposit Insurance Corporation ("PDIC").
- n. The existing LBP equity investments and loans in the participating banks, *if any*, should be recognized by the Surviving Bank;
- o. Issuer must meet all of the following Eligibility Criteria prior to the release of the equity investment proceeds:

Parameters	Benchmark
1. Should be Surviving Bank (merged or consolidated) under the Program	Complied
2. No adverse findings on the principal (Directors/Key Officers)	Complied
3. Risk-Based Capital Adequacy Ratio (RBCAR)	At least 10% but less than 12%

4. Minimum capitalization required by the Program	At least P100 Million unimpaired capital
5. Adequate Reserves for the four (4) week period preceding the application (based on the submitted interim financial statements)	Complied
6. Past Due Ratio (net)	Not more than 15%

- p. The duly approved equity investment proposal can be availed of one (1) year from the date of approval;
- q. In compliance with the BSP Circular No. 826, series of 2014,
- 1) The Issuer shall provide the appropriate Risk Disclosure Statement for the issuance of additional Tier 2 capital instruments. The said disclosure statement shall explain the loss absorbency features of additional Tier 2 capital instruments as well as the resulting processes that will be effected when triggers for loss absorbency are breached;
  - 2) the LBP, through its Investment Banking Group, shall issue certification stating that:
    - i. it has been provided a Risk Disclosure Statement which among others, explains the concept of loss absorbency for additional Tier 2 capital instruments as well as the resulting processes should the triggers are breached;
    - ii. it has read and understood the terms and conditions of the issuance;
    - iii. it is aware of the risks associated with the capital instruments, and
    - iv. said risks include permanent write-down or conversion of the debt instrument into common equity at a specific discount.

## 5. Documentary Requirements

### a. Pre-processing Requirements

- 1) Written endorsement from LBP Servicing Lending Center (SLC) on CFI application for LBP equity investment
- 2) Original copy of CFI application letter signed by its duly authorized signatory
- 3) Original copy of BOD Resolution approving the CFI's authorized representative/signatory to CFI application for LBP equity investment with his/her picture and specimen signatures, and the CFI application for LBP equity investment
- 4) Copy of the merger or consolidation plan;
- 5) Certified true copy of Legal Reserves Schedule for 4 weeks immediately preceding the submitted latest quarter-ended FS of the current year
- 6) Financial Statements (FS) - Balance Sheet & Income Statement
  - a) Certified true copy of audited and BIR-filed FS for the past year/s, *if applicable*, stamped received by BIR
  - b) Certified true copy of latest quarter-ended FS of the current year, stamped received by BSP

- c) Certified true copy of Computation of Adjusted Risk-Based Capital Adequacy Ratio (RBCAR) comprising Part I: CAR Report and Part II: Qualifying Capital, stamped received by BSP:

- i. For the past year, *if applicable*; and
- ii. Latest quarter-ended FS of the current year

*Note: The required FS cover only the latest audited BIR-filed FS, latest quarter-ended FS of the current year, and RBCAR as of latest quarter-ended FS of the current year*

7) Business Plan

8) 5-yr. Financial Projection consisting of the following:

- a) Capital Structure
- b) Balance Sheet
- c) Income Statement
- d) Cash Flow Statement

9) Other documents:

- a) Certified true copy of CFI authority to operate granted by BSP
- b) Certified true copy of existing registration and articles of incorporation and by-laws
- c) List of major stockholders and their stockholdings with their bio-data
- d) List of Directors and key officers with their bio-data
- e) Latest BI/CI results on CFI (not more than 6 months from latest quarter-ended FS)
- f) Copy of latest approved CFP on Rediscounting facility granted to CFI, *if applicable*
- g) Copy of the Financial Adviser's Report

b. Pre-release Requirements

Original copies of the following:

- 1) CFI letter request for the release of proceeds of LBP equity investment
- 2) BOD Resolution designating CFI authorized signatory for the execution of MOA, Escrow Agreement and other pre-release documents with his/her picture and specimen signatures
- 3) Duly signed and notarized MOA on equity investment
- 4) Duly signed and notarized Escrow Agreement
- 5) Duly approved Investment Facilities Proposal (IFP) for LBP equity investment
- 6) ILC/BOD Resolutions approving the LBP equity investment
- 7) Certificate of stock issued in favor of LBP
- 8) Written commitment of CFI to effect the conversion at the point of non-viability



- 9) Waiver of the respective stockholders of their pre-emptive rights on the common shares to be issued to LBP at the point of non-viability".
- 10) SEC-approved amended Articles of Incorporation and by-laws indicating the features of equity investment, and to accommodate the conversion of equity investment to common shares at the point of non-viability in accordance with the Loss Absorption Features under the Terms and Conditions of the Issuance.

# CONSOLIDATION PROGRAM FOR RURAL BANKS

## APPLICATION FORM\*

Type of Transaction <input type="checkbox"/> Consolidation <input type="checkbox"/> Merger		Date: _____			
Proposed Name of the Surviving Bank _____					
Bank Name		Address (Town/City, Province)			
1.	_____	_____			
2.	_____	_____			
3.	_____	_____			
4.	_____	_____			
5.	_____	_____			
6.	_____	_____			
7.	_____	_____			
Resolutions Approving the Consolidation or Merger					
Bank Name	Board Resolution No.	Approval Date	Stockholders' Resolution No.	Approval Date	
1.	_____	_____	_____	_____	
2.	_____	_____	_____	_____	
3.	_____	_____	_____	_____	
4.	_____	_____	_____	_____	
5.	_____	_____	_____	_____	
6.	_____	_____	_____	_____	
7.	_____	_____	_____	_____	
Latest Submitted Financial Reporting Package (P'000)					
As of _____					
Bank Name	Total Assets	Unimpaired Capital	RBCAR	Latest BSP CAMELS Rating	Date
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
Combined Unimpaired Capital:		_____			
Resulting RBCAR:		_____			
By:	Bank name		Authorized Signatory		Signature / Date
1.	_____	_____		_____	
2.	_____	_____		_____	
3.	_____	_____		_____	
4.	_____	_____		_____	
5.	_____	_____		_____	
6.	_____	_____		_____	
7.	_____	_____		_____	

\*Pursuant to Section 7.0 (b) of the CPRB Implementing Guidelines

**BULLETIN NO. 2016-06**

**TO : All Member Banks**  
**SUBJECT : Distribution of PDIC Brochure on Understanding Deposit Insurance**

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Pursuant to Section 1 of Republic Act No. 3591 (PDIC Charter) and to further promote and safeguard the interest of the depositing public, all member banks are enjoined to make available "Understanding Deposit Insurance" brochures on their customer counters and within bank premises.

The brochure, "*Understanding Deposit Insurance*", provides basic information on deposit insurance, its benefits and extent of protection available to all depositors of banks operating in the Philippines. An electronic copy of the brochure can be accessed at the PDIC website, <http://www.pdic.gov.ph>.

The brochures are available for all banks with allocation per branch and may be picked up at the Institutional Relations Department (IRD), 10th Floor, SSS Building 6782 Ayala Avenue cor. V.A. Rufino Street, Makati City starting March 16, 2016. For pick-up arrangements or further information and request for additional copies, please call the IRD at telephone number (02) 841-4643.

**CRISTINA QUE ORBETA**  
President

March 4, 2016  
Date

Fe Santos's insured deposit for all her single and joint accounts in the same bank:

Account Name	Deposit (in Php)	Fe's Share in the Insured Deposit (in Php)
All single accounts of Fe Santos in Q1	1,000,000	500,000
All joint accounts of Fe Santos in Q2	2,500,000	500,000
Total	3,500,000	1,000,000

Deposit Insurance eCalculator

To help depositors estimate their insured deposits, visit the Deposit Insurance eCalculator at <http://www.pdic.gov.ph/ecalculator>.



For purposes of computing the insured deposits, all obligations or loans of the depositor with the closed bank, as of bank closure, shall be deducted from the depositor's total deposits with the said bank. (PDIC Regulatory Issuance No. 2011-04)

**Disclaimer:**  
This is not meant to supplant or supersede the actual provisions of the PDIC Charter and other applicable laws. The latter will prevail in case of conflict.

What are NOT covered by PDIC deposit insurance?

- The following, whether denominated, documented, recorded or booked as deposit by the bank, are excluded from PDIC deposit insurance (Section 4 (f) of the PDIC Charter):
- Investment products such as bonds and securities, trust accounts and other similar instruments
  - Deposit accounts or transactions that:
    - Are unfunded, fictitious or fraudulent
    - Constitute and/or emanate from unsafe and unsound banking practice/s as determined by the PDIC, in consultation with the BSP, after due notice and hearing and publication of PDIC's cease & desist order against such deposit accounts/transactions
    - Are determined to be proceeds of an unlawful activity as defined in the Anti-Money Laundering Act (Republic Act 9160, as amended)

- Under PDIC Regulatory Issuance No. 2011-01, the following are examples of banking practices that may be considered unsafe and/or unsound:
- Solicitation and acceptance of deposits outside bank premises, including branches, without BSP authority
  - Non-compliance with minimum identification and documentation requirements from depositors in the opening of deposit accounts (Anti-Money Laundering Law)
  - Allowing depositors to deposit, withdraw, and/or transfer funds without proper documentation such as duly accomplished deposit or withdrawal forms
  - Granting high interest rates, when bank has:
    - (i) negative unimpaired capital, and (ii) either a liquid assets-to-deposits ratio of less than 10% or an operating loss



About PDIC

The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963 by Republic Act 3591. Under the amended PDIC Charter, the Corporation is mandated to provide depositor protection and promote financial stability by providing permanent and continuing deposit insurance up to the maximum deposit insurance coverage of Php500,000.00 per depositor per bank

Public Policy Objectives

**Depositor Protection**  
To promote and safeguard the interest of the depositing public by way of providing permanent and continuing insurance coverage on all insured deposits

**Financial Stability**  
To strengthen the mandatory deposit insurance coverage system to generate, preserve, maintain faith and confidence in the country's banking system, and protect it from illegal schemes and machinations

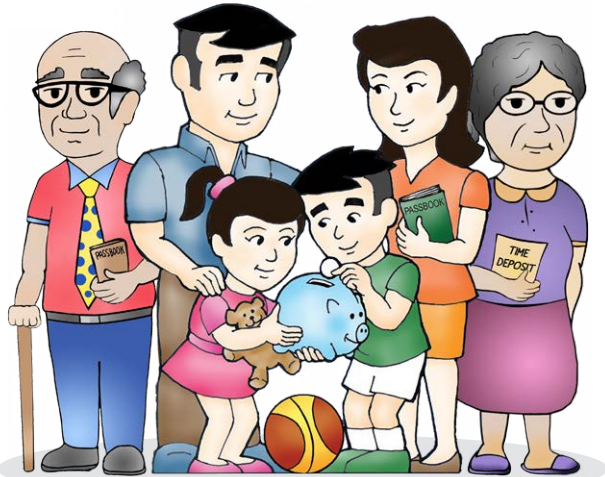
For more information, please contact:

Public Assistance Department  
Philippine Deposit Insurance Corporation  
6/F SSS Bldg., 6782 Ayala Ave. cor. V.A. Rufino St., 1226 Makati City  
Tel. No. (632) 841-4630 and 841-4631 (for depositors within Metro Manila)  
E-mail: [pad@pdic.gov.ph](mailto:pad@pdic.gov.ph)  
Toll Free: 1-800-1-888-7342 or 1-800-1-888-PDIC (for depositors outside Metro Manila)  
Website: [www.pdic.gov.ph](http://www.pdic.gov.ph)



Understanding Deposit Insurance

Basic information on the scope of deposit insurance and the application of the maximum deposit insurance coverage



## Maximum Deposit Insurance Coverage (MDIC)

PDIC pays deposit insurance on all valid deposits up to the Maximum Deposit Insurance Coverage (MDIC) of Php500,000 per depositor of a closed bank. For purposes of computing deposit insurance, accounts maintained in the same right and capacity for a depositor’s benefit, whether in his own name or in the name of others, are added together and in no case shall exceed the MDIC.

Deposits are considered valid if, upon determination by PDIC, these deposits are recorded in the bank’s records, and are evidenced by inflow of cash.

## What are covered by PDIC deposit insurance?

PDIC insures valid deposits in domestic offices of its member banks, as follows:

- By Deposit Type:
- Savings
  - Special Savings
  - Demand/Checking
  - Negotiable Order of Withdrawal (NOW)
  - Time Deposits
- By Deposit Account:
- Single Account
  - Joint Account
  - Account “By”, “In Trust For” (ITF) or “For the Account of” (FAO) another person
- By Currency:
- Philippine peso
  - Foreign currencies considered as part of BSP’s international reserves

## PDIC Member-Banks

Consist of institutions authorized by the Bangko Sentral ng Pilipinas (BSP) to perform banking functions in the Philippines:

- Banks incorporated under Philippine laws, such as commercial banks, savings banks, mortgage banks, development banks, rural banks and cooperative banks and stock savings and loan associations
- Domestic branches of foreign banks

## Single Accounts

Single Accounts are individually-owned accounts or accounts held under one name, either as *natural person* or *juridical entity*.

- *Natural person* refers to any individual person. Single proprietors are considered natural persons.
- *Juridical entity* refers to a corporation, partnership or cooperative, including registered association.

## Joint Accounts

Joint Accounts are accounts held under more than one name.

- A joint account regardless of whether the conjunction “*and*”, “*or*” or “*and/or*” is used shall be insured separately from single accounts.
- Unless a different sharing is stipulated in the deposit documents, the insured amount up to the Maximum Deposit Insurance Coverage of Php500,000 shall be divided equally between or among co-owners of a joint account.

- The total share of a co-owner in several joint accounts may exceed Php500,000 but will only be insured up to the Maximum Deposit Insurance Coverage of Php500,000.
- Joint accounts held in the names of a juridical entity and a natural person shall be presumed to belong solely to the juridical entity.

## “BY”, “ITF” or “FAO” Accounts

- In a “By” account, **Ana by Ben**, Ana is the depositor.
- In an “In Trust For” (ITF) account, **Ana In Trust For Ben**, Ben is the depositor.
- In a “For the Account of” (FAO) account, **Ana For the Account of Ben**, Ben is the depositor.
- In an account with combined Joint and FAO/ITF, **Ana and/or David In Trust For Ben**, Ben is the depositor.



If a depositor is the sole beneficial owner of a single, “For the Account of”, “By”, and “In Trust For” accounts, the consolidated balances of these accounts shall be insured up to Php500,000.

The depositor’s total shares in all his/her joint accounts shall be separately insured up to Php500,000.

A depositor with single accounts and joint accounts may have insured deposits of up to Php1,000,000.

## Illustrative examples:

Fe Santos’s insured deposit if she has the following four deposit accounts in the same bank:

Account Name	Deposit (in Php)	Insured Deposit of Fe Santos (in Php)
Fe Santos	100,000	100,000
Ben Santos <i>For the Account of</i> Fe Santos	100,000	100,000
Charlie Santos <i>In Trust For</i> Fe Santos	100,000	100,000
Fe’s Store (Sole Proprietor)	700,000	200,000
Total	1,000,000	500,000 <sup>1</sup>

1/ Mrs. Fe Santos is entitled to a maximum deposit insurance coverage of Php500,000 – after determination that she is the sole beneficial owner of the four accounts.

Fe Santos’s insured deposit if she has the following three joint accounts in the same bank:

Account Name	Deposit (in Php)	Fe’s Share in the Insured Deposit (in Php)
Fe Santos <i>or</i> Ben Santos	500,000	250,000
Fe Santos <i>and</i> Charlie Santos	1,000,000	250,000
Fe Santos <i>and/or</i> Divina Santos	1,000,000	0 <sup>2</sup>
Total	2,500,000	500,000

2/ Mrs. Fe Santos does not have any insured deposit share since she has reached the maximum insurance coverage totaling Php500,000 in the two joint accounts she has with Ben and Charlie Santos.

**BULLETIN NO. 2016-11**

**TO :** Member Banks  
**SUBJECT :** Observance of the 14<sup>th</sup> Depositor Protection and Awareness Week on June 16-22

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Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16-22 of every year as Depositor Protection and Awareness Week (DPAW). The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

In support of this weeklong celebration, all member-banks are encouraged to display a streamer outside their offices for the duration of the DPAW and to include an electronic version of the streamer in their ATM machines. The designs of this year's DPAW observance for streamer and ATM versions may be downloaded from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The streamer is designed as follows:



For further inquiries, please coordinate with PDIC's Corporate Communications Department at 841-4636 to 38.

(Sgd.) CRISTINA QUE ORBETA  
President

May 13, 2016





**BULLETIN NO. 2016-14**

**TO : Member-Banks**  
**SUBJECT : Republic Act No. 10846 – The new PDIC Charter**

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On May 23, 2016, Republic Act No. 10846, AN ACT ENHANCING THE RESOLUTION AND LIQUIDATION FRAMEWORK FOR BANKS, AMENDING FOR THE PURPOSE REPUBLIC ACT NO. 3591, AS AMENDED, AND OTHER RELATED LAWS, was signed into law by President Benigno Aquino III. The law takes effect on Saturday, June 11, 2016.

R.A. No. 10846 granted PDIC enhanced authorities to enable it to more effectively perform its mandates of protecting the depositing public and promoting financial stability. The new Charter aims to minimize disruption in the financial system, further enhance depositor protection, and promote financial inclusion by allowing continued access to banking services.

The PDIC will issue Regulatory Issuances to implement relevant provisions of R.A. 10846. Member-banks' comments, suggestions and feedback shall be solicited before these Regulatory Issuances are finalized.

The complete and downloadable text of R.A. No. 10846 is available at the PDIC website, <http://www.pdic.gov.ph/index.php?nid1=10&nid2=7>.

For your information and appropriate action.

**(Sgd.) CRISTINA QUE ORBETA**  
President

June 6, 2016  
Date





**BULLETIN NO. 2016-16**

**TO : All Member Banks**  
**SUBJECT : Remittance of Assessment Due to PDIC as Required Under**  
**Regulatory Issuance (RI) No. 2010-01 and Bulletin No. 2010-19**

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In the interest of operational efficiency, starting with payments of semi-annual assessment due on July 31, 2016, all banks are encouraged to pay their regular assessment thru the Real Time Gross Settlement (RTGS) facility.

Banks which have no access to RTGS may pay through any of the following modes:

1. Cash or checks through:
  - a. Over-the-Counter direct settlement to PDIC;
  - b. Registered mail;
  - c. LBP Online Collection Facility;
  - d. Any of PDIC's designated collecting agents
2. Philippine Postal Money Order

**CRISTINA Q. ORBETA**  
President

July 8, 2016  
Date



**BULLETIN NO. 2016-28**

**TO : All Member Banks**  
**SUBJECT : Advisory Against Deposit Insurance Claim Scam**

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The Philippine Deposit Insurance Corporation (PDIC) issued a Notice to Depositors and the General Public to beware of deposit insurance claim scams involving certain individuals who represent themselves either as officers of the PDIC and related government agencies, or as persons who can facilitate payment of deposit insurance claims and recovery of uninsured deposits.

All member-banks are enjoined to include in their public advisories or display in their office premises a copy of PDIC's advisory against deposit insurance claim scam, and to report to PDIC any information on individuals or entities who offer their services and demand for fees to facilitate any transaction with the PDIC.

For inquiries and assistance, please contact the PDIC Public Assistance Department at telephone numbers (02) 841-4630 to 31.

For strict compliance.

**(Sgd.) CRISTINA QUE ORBETA**  
President

December 27, 2016  
Date

Attachment:  
Advisory Against Deposit Insurance Claim Scam



PHILIPPINE DEPOSIT INSURANCE CORPORATION

# ADVISORY AGAINST DEPOSIT INSURANCE CLAIM SCAM

Depositors and the general public are warned of a SCAM involving payment of deposit insurance claims. Certain individuals are representing themselves either as officers of the Philippine Deposit Insurance Corporation (PDIC) and related government agencies, or as persons who can facilitate payment of deposit insurance claims. In exchange for monetary consideration, these individuals falsely represent that claims for payment of deposit insurance could be prioritized, or that depositors could be paid an amount in excess of the P500,000.00 maximum deposit insurance coverage.

Depositors of closed banks are strongly advised to deal directly with authorized PDIC personnel deployed in the premises of closed banks or designated payout venues at the time of closure, or at the PDIC Head Office. PDIC authorized personnel are identified by their PDIC IDs.

Processing and payment of deposit insurance claims for valid deposit accounts are free of charge and strictly follow standard operating procedures. PDIC officers, personnel and agents are prohibited from soliciting any form of compensation particularly facilitation fee in the performance of their duties.

The public is encouraged to report directly to PDIC any information on individuals or entities who call or approach them to offer their services to facilitate any transaction with the PDIC and they shall be dealt with accordingly. For any information relating to this SCAM, please call or report to the:

**Office of the PDIC President**

Attention: Atty. Jaromme Z. K. C. Castillo

Telephone Number: (02) 841-4802

Email address: [jccastillo@pdic.gov.ph](mailto:jccastillo@pdic.gov.ph)

**Public Assistance Department**

PDIC Hotlines: (02) 841-4630 / (02) 841-4631 (for callers within Metro Manila)

Toll Free Hotlines: 1-800-1-888-7342 or 1-800-1-888-PDIC (for callers outside Metro Manila)

Email address: [pad@pdic.gov.ph](mailto:pad@pdic.gov.ph)

Private message at Facebook: [www.facebook.com/OfficialPDIC](https://www.facebook.com/OfficialPDIC)

November 22, 2016

**BULLETIN NO. 2017-02**

**TO : Member Banks**  
**SUBJECT : President of the PDIC**

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The Philippine Deposit Insurance Corporation (PDIC) is pleased to inform member banks that President Rodrigo Roa Duterte has appointed **MR. ROBERTO B. TAN** as President of the PDIC effective February 3, 2017.

Mr. Tan served as National Treasurer of the Bureau of the Treasury for two terms from 2008 to 2012 and from 2015 to 2017, prior to joining PDIC. He brings with him four decades of experience in finance and economics, having held several key positions here and abroad including being Executive Director of the World Bank and Affiliates (2012 to 2015), Alternate Member in the Monetary Board of the Bangko Sentral ng Pilipinas (2008 to 2012 and 2015 to June 2016), and as Undersecretary of the International Finance Group under the Department of Finance (2005 to 2008). He also served as Alternate Member of the Board of several government agencies including Land Bank of the Philippines, Philippine Export-Import Credit Agency, Philippine Health Insurance Corporation, Home Development Mutual Fund (Pag-ibig Fund), Home Guaranty Corporation, and the Foundation for the Philippine Environment, among others.

For information.

**(Sgd.) ATTY. PAMELA ANGELI S. TY**  
Corporate Secretary

February 10, 2017  
Date



**BULLETIN NO. 2017-05**

**TO : Member Banks**  
**SUBJECT : PDIC Service Quality Feedback Survey for Assessment of Member Banks**

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All member banks are enjoined to participate in the Service Quality Feedback Survey for Assessment of Member Banks to be conducted starting April 2017 as part of PDIC's continuing business process improvement.

The survey is aimed at obtaining feedback from member banks as they deal with PDIC in complying with the regulatory requirement on deposit insurance assessment. The results of the survey will help PDIC improve the quality of service involving assessment of member banks.

The survey forms will be sent to the last registered e-mail address of the member banks as reported in the Financial Reporting Package submitted to PDIC. Upon accomplishment of the survey form, it will be sent back to PDIC through this e-mail address [ird@pdic.gov.ph](mailto:ird@pdic.gov.ph) within the deadline indicated in the e-mail.

For your appropriate action.

(Signed) **ROBERTO B. TAN**  
President

March 30, 2017  
Date





**BULLETIN NO. 2017-06**

**TO : All PDIC Member Rural Banks**  
**SUBJECT : Revised Implementing Guidelines on Consolidation Program for Rural Banks (CPRB)**

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Consistent with the objectives to encourage mergers and consolidations of rural banks, the CPRB Implementing Guidelines was amended to allow groups composed of less than five proponent banks to avail of the Program's incentives, subject to the following conditions:

1. The Surviving Bank should meet the existing requirements of Risk Based Capital Adequacy Ratio of at least 12% and a combined unimpaired capital of at least P100Mn; and
2. The Countryside Financial Institutions Enhancement Program Technical Committee favorably endorses their application.

Please refer to the attached revised CPRB Implementing Guidelines for eligibility requirements and for guidance on the availment of incentives under the CPRB.

For further inquiries, please contact the Office of the Vice President- Resolution Group at 841-4261 or visit our website at [www.pdic.gov.ph](http://www.pdic.gov.ph).

**ROBERTO B. TAN**  
President



**BULLETIN NO. 2017-09**

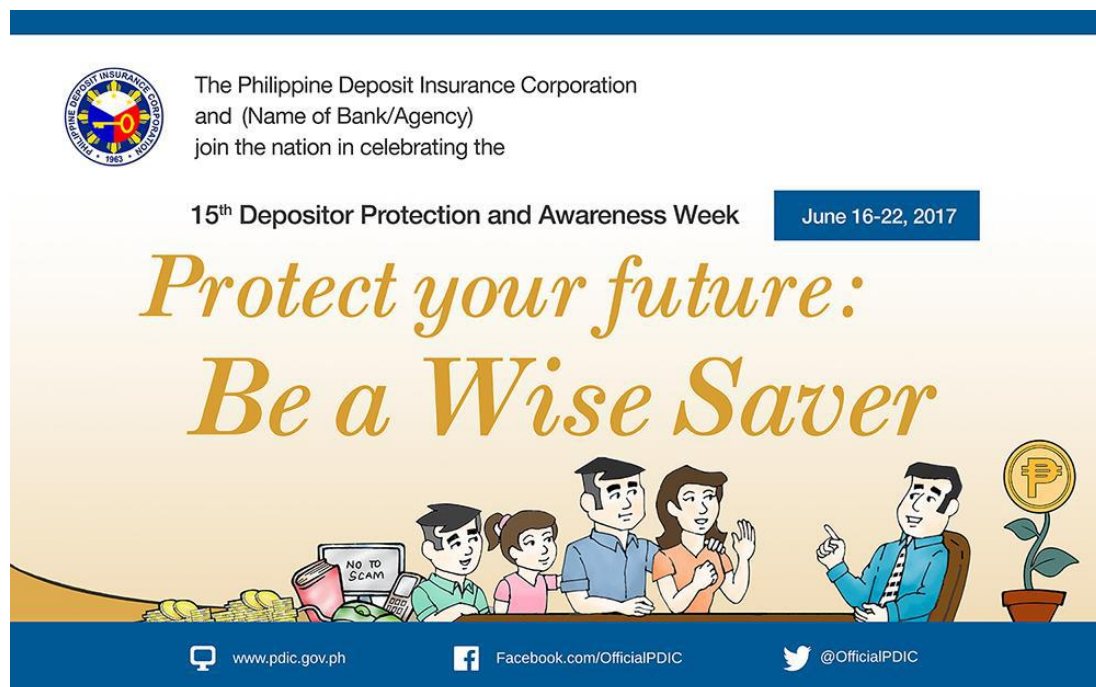
**TO : Member-Banks**  
**SUBJECT : Observance of the 15<sup>th</sup> Depositor Protection and Awareness Week on June 16-22, 2017**

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Presidential Proclamation No. 358 signed on April 4, 2003 declared June 16–22 of every year as **Depositor Protection and Awareness Week (DPAW)**. The issuance aims to further strengthen depositor confidence in the country's banking system to complement the government's thrust of sustaining economic growth.

Thus, all member-banks are encouraged to support this weeklong observance by displaying a streamer outside their offices and an electronic banner in their ATMs for the duration of the DPAW. The image file and specifications for the DPAW 2017 streamer and ATM banner may be downloaded from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph).

The DPAW streamer design is as follows:



For further inquiries, please coordinate with PDIC's Corporate Communications Department at 841-4636 to 38.

**(Sgd.) ROBERTO B. TAN**  
President

May 19, 2017



**BULLETIN NO. 2017-10**

**TO : Member-Banks**  
**SUBJECT : Regulatory Issuance 2017-01; Revised Rules and Regulations on Regular Assessment of Banks**

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The Regulatory Issuance (RI) 2017-01 on the Revised Rules and Regulations on Regular Assessment of Banks took effect on May 27, 2017. A copy can be downloaded from the PDIC website [www.pdic.gov.ph](http://www.pdic.gov.ph).

The following are some of the salient provisions of this RI:

1. Filing of Certified Statement - a soft or electronic copy of the First Certified Statement (FCS) or the Regular Certified Statement (RCS), using a prescribed excel template, must now be emailed to [insd@pdic.gov.ph](mailto:insd@pdic.gov.ph). This is in addition to the requirement to send PDIC two (2) duly signed and notarized printed copies of the FCS or RCS, either by personal delivery or thru mail.
2. Payment of Regular Assessment - all payments shall be made through Real Time Gross Settlement Facility (RTGS) facility. The procedure is outlined in Annex A.  
  
Banks which have no RTGS facility may pay via Land Bank of the Philippines (LBP) Online Collection facility. The procedure is outlined in Annex B.
3. Foreign Currency Deposits - banks with deposits in foreign currency shall follow the conversion procedure in Annex C.

Please be reminded that any violation of RI 2017-01 shall subject the member bank and/or any of its responsible directors, officers, employees or agents to administrative fines and criminal liability in accordance with Section 26 (f) and (g) of the PDIC Charter.

**ROBERTO B. TAN**  
President

27 June 2017

Downloadable Attachments:

Annex A - Payment of Assessment thru Real Time Gross Settlement (RTGS)

Annex B - Payment of Assessment thru Online Collection Facility of the Land Bank of the Philippines (LBP)

Annex B.1 - Paying Bank Receipt

Annex C - Procedure in the Conversion of Foreign Currency Deposits to Philippine Peso

<sup>1</sup>The excel template prescribed by PDIC can be downloaded from the PDIC website, [www.pdic.gov.ph](http://www.pdic.gov.ph) Go to Member Banks' Corner, click Certified Statement, then click Certified Statement Worksheet

## ANNEX A

### PAYMENT OF ASSESSMENT THRU REAL TIME GROSS SETTLEMENT (RTGS)

1. Assessment payment via RTGS shall be made to the Land Bank of the Philippines (LBP), for credit to the Philippine Deposit Insurance Corporation (PDIC) Account No. 1782-1000-56 with LBP Pasong Tamo Branch.
2. Indicate clearly the following information in the SWIFT instructions:
  - (a) Name of Bank
  - (b) Assessment Period (e.g. March and June 2017)
  - (c) Amount of Assessment Paid
  - (d) SWIFT message, showing the purpose of remittance, as follows:
    - (i) For payment of semi-annual assessment: **"PAYMENT OF ASSESSMENT DUE TO PDIC"**
    - (ii) For payment of assessment deficiencies: **"PAYMENT OF ASSESSMENT DEFICIENCIES TO PDIC"**
3. Immediately after payment via RTGS, email the SWIFT instructions to the PDIC Treasury Department at [treasury@pdic.gov.ph](mailto:treasury@pdic.gov.ph) to facilitate the prompt issuance of Official Receipt.
4. Send two (2) copies of the duly signed and notarized First or Regular Certified Statement with supporting schedules (for payment of assessment due) or a copy of PDIC audit/billing letter (for payment of assessment deficiency) to:

The Manager  
Insurance Department  
Philippine Deposit Insurance Corporation  
8th Floor, SSS Makati Building  
Ayala Avenue cor. Rufino St.  
1226 Makati City
5. PDIC will send your bank's Official Receipt thru registered mail, courier or personal delivery. For pick-up from the PDIC, kindly call the following numbers: (02) 841-4210 and (02) 841-4211.

**PAYMENT OF ASSESSMENT THRU ONLINE COLLECTION FACILITY  
OF THE LAND BANK OF THE PHILIPPINES (LBP)**

1. Fill-up the Paying Bank Receipt (PBR) form (see Annex B.1) indicating, among others, the name of the bank, the Paying Bank's Reference number, the amount of assessment, and PDIC Clearing Account No. 1782-2220-97. The PBR can be downloaded from the PDIC website [www.pdic.gov.ph](http://www.pdic.gov.ph).<sup>1</sup>

The Paying Bank's Reference number is unique for each bank and is provided by the PDIC Insurance Department. Failure to indicate the correct details in the PBR will delay the issuance of the receipt.

2. Ensure that the amount in the PBR tallies with the amount in the First Certified Statement (FCS) or Regular Certified Statement (RCS).
3. Go to any LBP branch and present the following to the LBP teller along with your assessment remittance:
  - 3.1 For payment of assessment due: duly accomplished PBR and FCS or RCS with schedules;
  - 3.2 For payment of assessment deficiency: duly accomplished PBR and copy of audit letter/billing letter from PDIC.
4. After the LBP teller has accepted the bank's payment, ensure that the PBR is validated, or stamped "PAID" and initialed by the LBP teller.
5. Send a copy of the PBR (validated or stamped "PAID" and initialed by the LBP teller) to PDIC Insurance Department, simultaneous with the payment of assessment.
6. Make sure that you have the correct address of the PDIC Insurance Department as follows:


The Manager, Insurance Department  
Philippine Deposit Insurance Corporation  
8th Floor, SSS Makati Building  
6782 Ayala Avenue cor. Rufino St.  
1226 Makati City
7. For inquiries, call (02) 841-4210 and 841-4211.

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<sup>1</sup> Prior to accomplishing the PBR, make sure that the First Certified Statement (FCS) which is the form used by a new bank, or the Regular Certified Statement (RCS) which is the form used by an existing bank, and its supporting schedules, are duly accomplished.



Sample Form

 <b>PHILIPPINE DEPOSIT INSURANCE CORPORATION</b> <b>PAYING BANK RECEIPT</b>	Date Paid		Clearing Account No. <b>1782-2220-97</b>
			Paying Bank Reference No.
<b>IMPORTANT:</b>		This receipt must cover assessment related items only. <input type="checkbox"/> ASD <input type="checkbox"/> ADEF <input type="checkbox"/> INT/PNY <input type="checkbox"/> OTH	
COLLECTING BANK <b>Land Bank of the Philippines</b>		BRANCH	Signature over Printed Name of Remitting Entity Representative
REMITTANCE RECEIVED FROM (Name of Bank):			
Total Amount Remitted in Pesos (In Words)		Payment Received by: (Teller's Name)	
<b>NATURE OF REMITTANCE</b>		<b>Amount (₱)</b>	<b>TELLER'S VALIDATION</b>
1. <b>Assessment Due</b> (ASD) <small>Amount appearing herein should tally with the RCS</small>			
2. <b>Assessment Deficiency</b> (ADEF)			
3. <b>Interest/Penalty</b> (INT/PNY)			
4. <b>Others:</b> (specify) (OTH)			
Note: This serves as Confirmation Receipt if machine validated			
<b>FORM OF REMITTANCE</b>			<b>AMOUNT ₱</b>
<b>CASH</b>			
<b>CHECK</b>	Name of Bank/Branch	Check Number	
<b>FUND TRANSFER</b>	Name of Bank/Branch	Account Number	
Note: Reproduction of this form shall be the responsibility of the remitting bank. This form is downloadable from the PDIC website.			Original – LBP's Copy Duplicate – Remitting Entity (to be submitted to PDIC) Triplicate – Remitting Entity's Copy

**PROCEDURE IN THE CONVERSION OF FOREIGN CURRENCY DEPOSITS TO  
PHILIPPINE PESO**

**A. Conversion of US Dollar Denominated Deposits to Philippine Peso**

1. Access the Bangko Sentral ng Pilipinas (BSP) Reference Exchange Rate Bulletin at the BSP website [www.bsp.gov.ph](http://www.bsp.gov.ph).
2. Use the Philippine Dealing System (PDS) closing rate as of assessment base day which is located at the bottom page of the BSP Reference Exchange Rate Bulletin.
3. Compute for the peso equivalent using the said PDS closing rate.

**B. Conversion of Third Currency Deposits to Philippine Peso**

1. Access the BSP Reference Exchange Rate Bulletin at the BSP website [www.bsp.gov.ph](http://www.bsp.gov.ph).
2. Convert the third currency to US Dollar using the New York/US dollar third currency closing rates, as of assessment base days, indicated in the BSP Reference Exchange Rate Bulletin.
3. Compute for the US Dollar equivalent of the third currency.
4. Then, compute for the peso equivalent using the PDS closing rate as indicated above.



**BULLETIN NO. 2017-13**

**TO : All Member Banks**  
**SUBJECT : PDIC 2016 Annual Report**

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Please be informed that the **2016 Annual Report** of the Philippine Deposit Insurance Corporation (PDIC) has been posted on the PDIC website and is now accessible via the URL, [http://www.pdic.gov.ph/files/Final\\_PDIC\\_Annual\\_Report\\_2016.pdf](http://www.pdic.gov.ph/files/Final_PDIC_Annual_Report_2016.pdf).

The Annual Report highlights PDIC's accomplishments in fulfilling its mandates of deposit insurance, insurance risk mitigation, and liquidation of closed banks.

For information.

**ROBERTO B. TAN**  
President

October 3, 2017  
Date



**BULLETIN NO. 2017-14**

**TO : All PDIC Member-Rural Banks**  
**SUBJECT : Re-launch of the Consolidation Program for Rural Banks (CPRB)**

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Consistent with the objectives to bring about more resilient rural banks and a less fragmented banking system by encouraging rural banks to merge or consolidate, the Philippine Deposit Insurance Corporation (PDIC), the Bangko Sentral ng Pilipinas (BSP), and the Land Bank of the Philippines (LBP) have approved the relaunch of the Consolidation Program for Rural Banks (CPRB).

The CPRB will be available for two (2) years from 26 October 2017 to 26 October 2019.

Under the CPRB, merging or consolidating banks may avail of support for financial advisory and business process improvement services, capacity building, and other program support.

Please refer to the attached CPRB Implementing Guidelines for guidance on the availment of incentives under the CPRB.

For further inquiries, please contact the Office of the Vice President – Resolution Group at 841-4261 or at email address [cprb@pdic.gov.ph](mailto:cprb@pdic.gov.ph), or visit our website at [www.pdic.gov.ph](http://www.pdic.gov.ph).

**(Sgd.) ROBERTO B. TAN**  
President

November 8, 2017

Attachments:  
CPRB Implementing Guidelines  
CPRB Application Form

## **CONSOLIDATION PROGRAM FOR RURAL BANKS IMPLEMENTING GUIDELINES**

### **Section 1 - Rationale**

The Consolidation Program for Rural Banks (CPRB) was established in recognition of the need to further strengthen and enhance the viability of rural banks given their importance in providing essential financial services to the community, particularly in their specialized or niche markets, and in promoting financial inclusion and financial stability.

The CPRB aims to bring about more resilient rural banks and a less fragmented banking system by encouraging rural banks to merge or consolidate in order to: (i) improve financial strength, enhance viability and generate better return to shareholders; (ii) strengthen management and governance; (iii) generate synergies and economies of scale through common infrastructure, systems and resources; and (iv) expand their market reach.

### **Section 2 - Definition of Terms**

For purposes of this Guidelines, the following acronyms, words and phrases shall mean as follows:

- 2.1 "Agencies" refers, collectively, to BSP, PDIC and LBP as authors and advocates of the CPRB.
- 2.2 "CAR" refers to "Capital Adequacy Ratio".
- 2.3 "CFIEP" refers to the Countryside Financial Institutions Enhancement Program which shall provide funding support to the CPRB, consistent with its objectives of improving the long term viability of countryside financial institutions.
- 2.4 "CFIEP TC" refers to the CFIEP Technical Committee which is composed of representatives from BSP, PDIC and LBP and is mainly tasked to monitor the implementation of CFIEP projects, including the CPRB.
- 2.5 "Consolidation" refers to the combination of at least five rural banks (RBs) resulting in their dissolution and the creation of a new entity, subject to the provisions of existing applicable and relevant laws and Section 5.
- 2.6 "Day" refers to business day or day other than a Saturday, Sunday or day on which commercial banks in Metro Manila are generally closed for business.

- 2.7 "Financial Adviser" refers to the adviser engaged by the Proponent Banks from among the top audit firms<sup>1</sup> and investment houses<sup>2</sup> with capability to undertake financial advisory services to the Proponent Banks as set forth under Section 8.7.
- 2.8 "Financial Adviser's Final Report" refers to the written report submitted by the Financial Adviser which includes but is not limited to the: (i) methodology of valuation; (ii) due diligence findings including report on the overall financial condition of the Proponent Banks; (iii) valuation of Proponent Banks which takes into consideration appraisal of assets and legal audit report on pending cases; (iv) proposed ownership and capital structure and proposed consolidation or merger plan of the Resulting Bank; and (v) all reports and documents required to be delivered by the Financial Adviser under this Guidelines and the engagement contract with the Financial Adviser.
- 2.9 "Merger" refers to the combination of at least five RBs, one of which shall be the Resulting Bank, subject to the provisions of existing applicable and relevant laws and Section 5.
- 2.10 "MOA" refers to the "Memorandum of Agreement on the Consolidation Program for Rural Banks among the Proponent Banks" which shall contain the Proponent Banks' agreements as indicated in Section 7(f).
- 2.11 "MOU" refers to the Memorandum of Undertaking in favor of the Agencies duly and jointly executed by and among the Proponent Banks which shall contain the commitments, representations, warranties and other obligations of the Proponent Banks as indicated in Section 7(g).
- 2.12 "Proponent Banks" refers to the participating RBs which qualify under the CPRB pursuant to Section 5.
- 2.13 "SEC" refers to the Securities and Exchange Commission which approves the registration of the Resulting Bank as a consolidated or merged bank.
- 2.14 "Resulting Bank" refers to the consolidated bank or surviving bank after consolidation or merger, respectively, of the Proponent Banks.

### **Section 3 - Interpretation**

The headings in this Guidelines are inserted for convenience of reference only and shall not limit or affect the interpretation of its provisions. References to sections and annexes are to be construed as references to the Sections and Annexes to this Guidelines.

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<sup>1</sup> As listed in the Business World Top 1,000 Corporations

<sup>2</sup> Members of the Investment House Association of the Philippines, provided they are not subsidiaries or affiliates of, or do not belong to the same business group as, any local or foreign bank.



#### **Section 4 - CPRB Availability Period**

The CPRB shall be available for two (2) years from approval by all governing boards of BSP, PDIC, and LBP. To avail of the CPRB, letters of intent/application duly supported by certification of board and shareholders' approvals of the Proponent Banks and all other required documents enumerated in Section 7 must have been duly submitted to and received by the PDIC on or before the expiration of the two-year availability period.

#### **Section 5 - Eligibility of Proponent Banks to the CPRB**

Proponent Banks should be at least five RBs, the head offices or majority of the branches of which shall preferably be located in the same region or area.

The Resulting Bank should meet all of the following:

- a. CAR of at least 12%; and
- b. Combined unimpaired capital of at least ₱100Mn.

If the Proponent Banks are less than five but based on the submitted documents, the Resulting Bank will have CAR of at least 12% and a combined unimpaired capital of at least ₱100Mn, the application may be accepted.

#### **Section 6 - CPRB Support**

The Proponent Banks may avail of the following:

- 6.1 Funding support, subject to subsidy limits set by the CFIEP TC, for:
  - a. Financial advisory services in accordance with Sections 8.6 and 13.2;
  - b. Business process improvement services in accordance with Section 13.2;
- 6.2 Capacity building support services in accordance with Section 12.3;
- 6.3 Possible equity participation by the LBP as provided under Section 10;
- 6.4 Regulatory Incentives under Subsection X108.3 of the Manual of Regulations for Banks and other existing laws and rules subject to the Proponent Banks' compliance with the requirements therein and approval of the concerned agencies; and
- 6.5 Other CPRB support as may be provided by BSP, PDIC, LBP, and CFIEP.

## **Section 7 - Procedures for Application**

To avail of the CPRB's incentives, the Proponent Banks shall submit to PDIC, through the Office of the Vice President-Resolution Group, three sets of the following documents:

- a) Letter addressed to the PDIC and the BSP indicating their intention to consolidate or merge under the CPRB;
- b) Duly accomplished CPRB application form;
- c) Resolution of the Board of Directors of the respective Proponent Banks approving the consolidation or merger with other Proponent Banks under the CPRB. The resolution shall be certified under oath by the respective corporate secretaries of the Proponent Banks;
- d) Resolution of the stockholders representing at least two-thirds (2/3) of the outstanding capital stock of each Proponent Bank approving the consolidation or merger with other Proponent Banks under the CPRB. The resolution shall be certified under oath by the respective corporate secretaries of the Proponent Banks;
- e) Secretary's Certificate of Adoption of Board Resolutions of each of the Proponent Banks containing the following:
  - i. Approval by the Board of the request for availment of funding support under Section 6.1;
  - ii. Approval by the Board of the MOA among Proponent Banks containing the terms under Section 7(f), the MOU in favor of the Agencies containing the terms under Section 7(g), Confidentiality Agreement, and other documents as may be required under the CPRB; and
  - iii. Designation of the Proponent Bank's authorized signatories to execute and deliver the foregoing documents in relation to the CPRB and attesting to their specimen signatures.
- f) Duly executed joint MOA among Proponent Banks containing, among others, the following:
  - i. Agreement to consolidate or merge under the CPRB, and to comply with the CPRB's requirements.
  - ii. Commitment to: (a) allow the duly designated Financial Adviser to conduct due diligence on the Proponent Banks; and (b) voluntarily disclose and allow access to all records, documents and information pertinent to their respective banks' financial condition and other information as may be required by the Financial Adviser.

- iii. Agreement to accept the results of the Financial Adviser's due diligence review including the consolidation/merger structure.
  - iv. Infusion of additional fresh capital, as may be needed, to bring the resulting CAR and combined adjusted capital of the Proponent Banks to the required capital level pursuant to Sections 5 and 9.
  - v. Agreement to adopt the human resource and systems integration plan for the Resulting Bank as proposed by the Financial Adviser.
  - vi. Nomination of directors in the Resulting Bank who possess the qualifications and none of the disqualifications under BSP regulations, who adhere to sound governance principles and who will work to ensure the viability of the Resulting Bank to attain the objectives of the CPRB.
  - vii. Installation in the Resulting Bank of a professional management team composed of individuals who meet BSP's fit and proper rule.
  - viii. Institution and adoption of capacity building measures.
  - ix. Submission of valuation and appraisal reports, due diligence findings (including report on the overall financial condition of the Proponent Banks) of the Financial Adviser and such other information as may be required by PDIC and BSP.
  - x. Submission of the business plan, including strategies, financial projections and proposed organizational structure for the Resulting Bank.
  - xi. Agreement on cost sharing of expenses under the CPRB including dealing with withdrawal (voluntary or involuntary) by any of the Proponent Banks.
  - xii. Agreement to fully reimburse CFIEP for the funding support it extended, in case the consolidation or merger of the Proponent Banks does not materialize.
  - xiii. Designation of a duly authorized representative and his alternate for purposes of communication and coordination with the Agencies.
- g) Duly executed joint MOU of the Proponent Banks' commitments to the Agencies as follows:
- i. Abide by the terms and conditions of the CPRB as outlined in the Guidelines, and their obligations under the MOA among the Proponent Banks referred to in Section 7(f).
  - ii. Abide by their warranties and representations to the Agencies.
  - iii. Grant authority to PDIC to request for proposals from the pool of financial advisers accredited under the CPRB.

- iv. In case the consolidation or merger of the Proponent Banks does not materialize, fully reimburse CFIEP's share as specified under Section 13.2 in accordance with their agreement on cost sharing, and to shoulder equally any deficiency in the reimbursement of CFIEP's share, in the event of failure of any of the Proponent Banks to pay its corresponding share.
  - v. Grant authority to BSP to deduct from their respective accounts with BSP, any amount due to the CFIEP, in case they fail to remit their corresponding share to reimburse CFIEP share under Section 13.2 in accordance with Sections 14.1 and 14.2.
  - vi. Engage a business process consultant for the Resulting Bank in accordance with Section 12.2, with the approval of the Proponent Banks' respective board of directors.
- h) Duly executed Confidentiality Agreement of each of the Proponent Banks; and
  - i) Copy of the Proponent Banks' respective latest audited and interim Financial Statements.

PDIC shall only receive complete sets of the foregoing documents from the Proponent Banks. PDIC shall furnish BSP and LBP copies of the complete documents which PDIC received from the Proponent Banks.

### **Section 8 - Engagement of the Financial Adviser**

- 8.1 Upon receipt of the complete set of requirements as provided under Section 7, PDIC shall request the top audit firms and investment houses with capability to undertake financial advisory services under Section 8.7 to submit proposals for engagement of their services. The proposals shall be addressed directly to the Proponent Banks' duly designated authorized representative, copy furnished PDIC.
- 8.2 Within ten (10) days from receipt of all the proposals from the financial advisers, the Proponent Banks shall:
  - a. Collectively decide and select the Financial Adviser with the most reasonable and responsive proposal; and
  - b. Notify PDIC in writing of their choice of Financial Adviser.
- 8.3 Within two (2) days from receipt of notice of choice of Financial Adviser, PDIC shall communicate to CFIEP the Proponent Banks' choice of Financial Adviser.
- 8.4 Within five (5) days from receipt of the choice of the Financial Adviser, the CFIEP TC shall issue to the Proponent Banks' authorized representative the notice to proceed with the engagement of the Financial Adviser.

8.5 Within five (5) days from the receipt of the notice to proceed, the Proponent Banks shall enter into an engagement contract with the Financial Adviser, copy furnished PDIC.

8.6 Within five (5) days from the execution of the engagement contract with the Financial Adviser, the Proponent Banks' authorized representative shall release to the Financial Adviser the initial payment for its services equivalent to 20% of the Financial Advisers' fee as indicated in the said engagement contract. The balance equivalent to 80% of the Financial Adviser's fee, subject to the subsidy limits set by the CFIEP TC under Section 13.2, shall be for the account of CFIEP. Any excess from the subsidy limits set by the CFIEP TC under Section 13.2 shall be for the account of the Proponent Banks.

The engagement contract with the Financial Adviser shall become effective upon the Financial Adviser's receipt of the 20% initial payment from the Proponent Banks pursuant to the terms of the Financial Adviser's engagement, and such other terms and conditions as may be agreed between the Proponent Banks and the Financial Adviser.

8.7 Upon receipt of the 20% initial payment, the Financial Adviser shall immediately commence and render financial advisory services, which include but are not limited to the following:

a. Conduct due diligence review to determine the financial condition of each Proponent Bank using standard parameters.

The due diligence review shall take off from the Proponent Bank's latest audited financial statements (Balance Sheet, Income Statement and Cash Flow) and supporting schedules and related documents, as well as the latest interim end-of-month financial statements.

The Financial Adviser shall ensure that the financial statements were prepared in accordance with Philippine Financial Reporting Standards (PFRS) and BSP rules and regulations for banks, and reflect the latest financial condition of the Proponent Banks which shall be as of the end of the month immediately preceding the date of application under the CPRB. In case it becomes necessary to adjust the books of the Proponent Banks in order to comply with PFRS and BSP rules and regulations, the Financial Adviser shall restate the financial statements accordingly.

b. Prepare valuation study on each Proponent Bank based on net asset value (NAV) approach, taking into consideration the appraised value of the fixed assets and the estimated contingent assets and liabilities based on the audit of significant legal cases.

i. Where updated appraisal of the Proponent Banks' real properties and fixed assets is necessary, the Financial Adviser shall set the parameters for the internal appraisal and/or for the engagement by the Proponent Banks of (an) independent appraiser(s).

- ii. The Financial Adviser shall also set the parameters for the legal audit by existing retained/in-house lawyers and/or for the engagement by the Proponent Banks of (a) law firm(s) which shall conduct the legal audit.
  - c. Recommend ownership and capital structure of the Resulting Bank based on the results of the valuation study.
  - d. Assist the Proponent Banks in the preparation of the business plan/strategy, financial projections, organizational structure and human resource strategy for the Resulting Bank.
  - e. Assist in coordinating with the SEC, the Agencies and the Bureau of Internal Revenue, if necessary.
  - f. Undertake other functions/activities required to complete and implement the transaction contemplated under the CPRB.
- 8.8 Within fifteen (15) days from the conclusion of their due diligence review, the Financial Adviser shall submit the Financial Adviser's Final Report containing the result of valuation and the Resulting Bank's ownership structure for approval of the Proponent Banks' respective boards of directors and shareholders, copy furnished PDIC and BSP.

The due diligence, valuation study and capital structuring shall not exceed six (6) months from the effective date of the engagement contract with the Financial Adviser.

#### **Section 9 - Infusion of Additional Capital**

- 9.1 In case the resulting CAR and the unimpaired capital of the Resulting Bank based on the Financial Adviser's Final Report are below 12% and ₱100Mn, respectively, the Proponent Banks shall infuse additional fresh capital to meet the CPRB's minimum capital requirements in accordance with their commitment under the MOA and MOU.
- 9.2 The Proponent Banks shall cause the infusion of the fresh capital required under the CPRB through any or a combination of the following: (i) the existing shareholders of the Proponent Banks; and/or (ii) a third party investor.

#### **Section 10 - Possible Equity Investment Facility from LBP**

- 10.1 In the event that the resulting CAR of the Resulting Bank falls short of the 12% requirement but is at least 10%, the Resulting Bank may avail of LBP's Equity Investment Facility to bring the CAR to 12%.
- 10.2 The Resulting Bank's eligibility under this facility shall be subject to the Guidelines on the LBP Equity Investment Facility for CPRB.

## **Section 11 - Approval of the Consolidation or Merger**

- 11.1 The Proponent Banks shall secure the approval of their respective boards of directors and shareholders on the final plan of consolidation or merger.
- 11.2 Within forty-five (45) days from receipt of the Financial Adviser's Final Report, the Proponent Banks shall secure the regulatory consents and/or approval of PDIC, BSP and SEC as provided under existing laws for all banks on consolidations or mergers.
- 11.3 Upon BSP's issuance of the Certificate of Authority to operate as the Resulting Bank, the Proponent Banks shall secure from the SEC the Certificate of Registration of the Resulting Bank.

## **Section 12 - Integration and Other Activities of the Resulting Bank**

- 12.1 Within twenty-five (25) days from the issuance by the CFIEP TC of the certificate of completion of the Financial Adviser's Final Report, the Proponent Banks shall conduct:
  - a. Integration and business process improvement;
  - b. Capacity building activities; and
  - c. Such other activities necessary to ensure the success and viability of the Resulting Bank.
- 12.2 Should the Proponent Banks decide to avail of the funding support for the business process improvement services, it shall notify PDIC of such decision and the choice of consultant, in which case, procedures for the engagement of the Financial Adviser under Section 8 shall be observed as may be appropriate. Provided, however, that the sharing of expenses shall be subject to Section 13.2.

The business process improvement shall include:

- a. Integration process (data and records integration, consolidation of backroom activities, financial reporting);
  - b. Development and updating of manuals; and
  - c. Guidance on automation/new system requirement as a result of the integration.
- 12.3 The Agencies and CFIEP shall provide capacity building support services such as trainings on credit evaluation and administration, audit and internal control, personnel management, accounting/record keeping, treasury, information technology, and governance at no cost to the Resulting Bank.

### **Section 13 - CPRB's Funding and Expenses**

- 13.1 CFIEP shall participate in the CPRB by providing the funding requirements in accordance with this Guidelines.
- 13.2 Subject to the subsidy limits set by the CFIEP TC, the cost of the financial advisory and business process improvement services inclusive of applicable taxes shall be shared by the CFIEP and the Proponent Banks (or Resulting Bank) in accordance with the following proportion:
- |                                |     |
|--------------------------------|-----|
| CFIEP                          | 80% |
| Proponent Banks/Resulting Bank | 20% |
- 13.3 The Agencies shall not be liable for any amount due to the Financial Adviser in excess of CFIEP's share under Section 13.2. Any additional payment for the financial advisory and business process improvement service providers shall be for the account of the Proponent Banks (or Resulting Bank).
- 13.4 All other fees and expenses related to the consolidation or merger of the Proponent Banks under the CPRB shall be shouldered by the Proponent Banks (or Resulting Bank).
- 13.5 For CFIEP's corresponding share in the fees under Section 13.2, the same shall be remitted to the Financial Adviser and the business process consultant only after the Proponent Banks shall have paid their proportionate share.

### **Section 14 - Reimbursement to CFIEP**

- 14.1 The Proponent Banks shall be under obligation to reimburse CFIEP's share under Section 13.2 in accordance with their agreement on cost sharing within three (3) days from receipt of the demand for reimbursement in case the consolidation or merger does not materialize.
- 14.2 In case a Proponent Bank refuses or fails to remit any payment due to CFIEP under Section 14.1, BSP, after due notice from the CFIEP to the Proponent Bank concerned, shall proceed to debit the Proponent Bank's demand deposit account therewith, corresponding to the amount due for payment as contained in the CFIEP's demand for reimbursement/payment from the Proponent Bank concerned pursuant to the authority granted to BSP under the MOU executed by the Proponent Banks. The full amount debited shall be credited to the demand deposit account of the CFIEP with BSP.
- 14.3 Any deficiency due to the failure by any of the Proponent Banks to pay CFIEP in full of its corresponding share shall be divided equally among the remaining Proponent Banks. The procedures set forth under the preceding section shall be observed in the payments/collection of such deficiency. The Proponent Banks shall exercise their rights under their agreement if any, or under the law, to exact reimbursement from any non-paying Proponent Bank accordingly.



**Section 15 - Amendments**

The Agencies may execute a supplement or amendment hereto for the purpose of adding, changing or modifying provisions of this Guidelines as may be necessary to achieve the CPRB's objectives.

**Section 16 - Repealing Clause**

Previous issuances/ guidelines inconsistent herewith are deemed superseded.

**Section 17 - Effectivity**

This Guidelines shall take effect immediately.

# CONSOLIDATION PROGRAM FOR RURAL BANKS

## APPLICATION FORM\*

Type of Transaction <input type="checkbox"/> Consolidation <input type="checkbox"/> Merger		Date: _____			
Proposed Name of the Surviving Bank _____					
Bank Name		Address (Town/City, Province)			
1.	_____	_____			
2.	_____	_____			
3.	_____	_____			
4.	_____	_____			
5.	_____	_____			
6.	_____	_____			
7.	_____	_____			
Resolutions Approving the Consolidation or Merger					
Bank Name	Board Resolution No.	Approval Date	Stockholders' Resolution No.	Approval Date	
1.	_____	_____	_____	_____	
2.	_____	_____	_____	_____	
3.	_____	_____	_____	_____	
4.	_____	_____	_____	_____	
5.	_____	_____	_____	_____	
6.	_____	_____	_____	_____	
7.	_____	_____	_____	_____	
Latest Submitted Financial Reporting Package (P'000)					
Bank Name	Total Assets	Unimpaired Capital	RBCAR	Latest BSP CAMELS	
				Rating	Date
1.	_____	_____	_____	_____	_____
2.	_____	_____	_____	_____	_____
3.	_____	_____	_____	_____	_____
4.	_____	_____	_____	_____	_____
5.	_____	_____	_____	_____	_____
6.	_____	_____	_____	_____	_____
7.	_____	_____	_____	_____	_____
Combined Unimpaired Capital:		_____			
Resulting RBCAR:		_____			
By:	Bank name	Authorized Signatory	Signature / Date		
1.	_____	_____	_____		
2.	_____	_____	_____		
3.	_____	_____	_____		
4.	_____	_____	_____		
5.	_____	_____	_____		
6.	_____	_____	_____		
7.	_____	_____	_____		

\*Pursuant to Section 7.0 (b) of the CPRB Implementing Guidelines



**BULLETIN NO. 2018-01**

**TO : ALL BANKS**  
**SUBJECT : Repeal of PDIC Regulatory Issuance No. 2011-04 on Rules on Net Out of Obligations to Determine Insured Deposit and Related Issuances**

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Pursuant to Republic Act 10846 further amending Republic Act 3591, which became effective on 11 June 2016, the obligations of a depositor are no longer netted out from his/her total deposits in the closed bank for purposes of computing insured deposit. By reason thereof, PDIC Regulatory Issuance No. 2011-04 on Rules on Net Out of Obligations to Determine Insured Deposits, and all related issuances and bulletins, have been rendered of no force and effect, and of no further application.

Thus, effective immediately, all banks are directed to discontinue the posting of RI 2011-04 within their respective bank premises. Accordingly, submission of the report on posting compliance of the subject RI, as certified by the bank's Compliance Officer, shall no longer be required by PDIC.

For information and compliance.

**(Sgd.) ROBERTO B. TAN**  
President

February 2, 2018  
Date



**BULLETIN NO. 2018-06**

**TO : All Banks**  
**SUBJECT : Compliance with PDIC Regulatory Issuance No. 2015-01**  
**(Computerized Records of Bank Deposits)**

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The Philippine Deposit Insurance Corporation (PDIC), pursuant to Section 10 (d-1)\* of Republic Act No. 3591 as amended, promulgated Regulatory Issuance (RI) No. 2015-01 on Computerized Records of Bank deposits which took effect on 27 February 2015.

Towards ensuring compliance with RI No. 2015-01, all banks are hereby reminded of their representations and commitments under their respective plans to have the following facilities in place:

1. computerized database system where updated and accurate depositor/deposit information and deposit transactions for each and every deposit account are maintained and safely stored for five (5) years from date of transaction;
2. a facility that can readily generate the Deposit Account View with the depositor and deposit information in the form specified in Annexes A and A.1 of RI No. 2015-01; and
3. a backup and recovery system for the depositor and deposit information, and deposit transactions in accordance with the disaster recovery and business continuity plan guidelines and requirements of the Bangko Sentral ng Pilipinas.

For further inquiries, please contact the Insurance Department at telephone numbers 841-4211 and 841-4206.

**ROBERTO B. TAN**  
President & CEO

July 4, 2018  
Date

\* "Each insured bank shall keep and maintain a true and accurate record or statement of its daily deposit transactions consistent with the standards set by the Bangko Sentral ng Pilipinas and the Corporation."



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# PHILIPPINE DEPOSIT INSURANCE CORPORATION

