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NEWS/PRESS RELEASE

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FOR IMMEDIATE RELEASE

CA upholds Banco Filipino liquidation

The Court of Appeals (CA) has upheld the liquidation of the closed Banco Filipino Savings and Mortgage Bank (Banco Filipino) by Statutory Receiver, state deposit insurer Philippine Deposit Insurance Corporation (PDIC).

In its Resolution dated 14 October 2021, the Court of Appeals' Special Former Special Ninth Division denied the motion for reconsideration filed by the bank's majority stockholder, Metropolis Development Corporation (MDC) for lack of merit and for the inability of MDC to raise new issues that can persuade the CA to modify or reverse its Resolution. The decision was in relation to the court's previous order that upheld Monetary Board (MB) Resolution No. 1635 dated 27 October 2011 placing Banco Filipino under the PDIC's liquidation.

The CA in an earlier Resolution dated 7 September 2020 dismissed the petition of MDC citing that the expiration of Banco Filipino's corporate life on 25 June 2014 rendered moot the majority stockholder's petition for certiorari. MDC had claimed in its denied motion that it can continue existing for up to three years after dissolution to wind up its affairs and that the MB Resolution placing the bank under liquidation within just seven months from its closure diminished their rights as stockholders over the bank's assets. The CA, however, did not give credence to MDC's argument and instead, bolstered the propriety of the issuance of the MB Resolution.

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The Philippine Deposit Insurance Corporation (PDIC) was established on June 22, 1963, by Republic Act 3591 to provide depositor protection and help maintain stability in the financial system by providing deposit insurance. Effective June 1, 2009, the maximum deposit insurance coverage is ₱500,000 per depositor. All deposit accounts by a depositor in a closed bank maintained in the same right and capacity shall be added together. A joint account shall be insured separately from any individually-owned deposit account.

PDIC news/press releases and other information are available at the website,
www.pdic.gov.ph.

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