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NEWS/PRESS RELEASE

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FOR IMMEDIATE RELEASE

Former Chairman, officers of Philippine Farmers Bank face Estafa case

A case for Estafa through Falsification of Public and Commercial Documents was filed against the former Chairman and officers of the closed Philippine Farmers Bank, Inc. (PFBI) before the Regional Trial Court (RTC) of Cagayan de Oro City.

The Department of Justice (DOJ), in a Resolution, directed the filing of the criminal information against the closed bank officers in relation to the joint filing by the Philippine Deposit Insurance Corporation (PDIC) and the Bangko Sentral ng Pilipinas (BSP) involving ₱30.22 million of PFBI funds against the bank's former Chairman and officers.

According to the DOJ Resolution, evidence clearly showed that the bank paid a total of ₱10.22 million to, and set-off ₱20 million in receivables from, the general contracting company owned by the former Chairman of the closed bank. The total amount of ₱30.22 million was released/offset as payment to the said contracting company for constructions/renovations and deliveries of furniture, fixtures and equipment, even if no actual work was done nor deliveries made. The DOJ Resolution further stated that this scheme/ploy was masterminded by the former PFBI Chairman in conspiracy with the other respondents.

PFBI was ordered closed by the Monetary Board on September 17, 2009 by virtue of Monetary Board Resolution No. 1313. It was a 14-unit rural bank with Head Office located at Canoy Bldg., Borja/Velez Sts., Cagayan de Oro City, and 13 branches located in the provinces of Camarines Sur, Cebu, Davao, Iloilo, Leyte, Misamis Occidental, Negros Occidental, Nueva Ecija, Pampanga, Pangasinan, Quezon, and Zamboanga.

The PDIC remains relentless in its pursuit of justice against erring bank owners, officers, and unscrupulous parties who take advantage of the deposit insurance system for their gain. The Corporation's vigorous legal actions are

crucial for protecting the interests of depositors, safeguarding the Deposit Insurance Fund, and deterring bank officials and individuals from abusing the deposit insurance system.

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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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