



OFFICE OF THE GOVERNOR

Circular No. 576
Series of 2007

Subject : Amendments to Subsection X162.9 of the Manual of Regulations for Banks on the Publication/Posting of Balance Sheet

The Monetary Board in its Resolution No. 817 dated 19 July approved the amendments to Subsection X162.9 of the Manual of Regulations for Banks (MORB) and the prescribed form for the Published Balance Sheet (formerly Statement of Condition), as follows:

Section 1. Subsection X162.9 on publication/posting of balance sheet is hereby amended to read as follows:

“ § X162.9 Publication/Posting of balance sheet

a. UBs/KBs, TBs, RBs and Coop Banks with resources of P1 billion and above

- (1) Banks belonging to this category shall accomplish the prescribed form and publish their quarterly Balance Sheet (BS) as of the cut-off date indicated in the call letter issued by the Supervision and Examination Sector of the BSP.

The Consolidated Balance Sheet (CBS) of a bank and its subsidiaries and affiliates shall be published side by side with the BS of its head office and its branches/other offices.

- (2) The CBS of the bank and its subsidiaries and affiliates shall be prepared in accordance with the rules of consolidation provided under the Financial Reporting Package, in which case, only financial allied subsidiaries, except subsidiary insurance companies, shall be consolidated on a line-by-line basis, while non-financial allied subsidiaries including subsidiary insurance companies shall be accounted for using the equity method.
- (3) Such BS, and CBS where applicable, shall be published in a newspaper of general circulation in the city/province where the principal office, in the case of a domestic bank, or the principal branch/office, in the case of a foreign bank, is located, but if no newspaper is published in the same province, then in a newspaper published in Metro Manila or in the nearest city/province.

PANANALAPING MATATAG, BANSANG PANATAG

- (4) The names and position/designation of the members of the board of directors, president and executive vice presidents (senior vice presidents, if there are no executive vice presidents), shall be published and shown in the right side column of the published BS as of June of every year.

- (5) (a) Before publication, a soft copy of the BS shall be submitted to the Supervisory Data Center within (12) banking days from the date of the call letter.

Further, a hard copy of the control proof list for the said report shall likewise be submitted to the Supervisory Data Center within the said deadline.

- (b) Banks that are incapable of submitting the BS in electronic form shall submit the same in hard copy to the Supervisory Data Center within the said deadline.

- (c) The published BS with the publisher's certificate shall be submitted within twenty (20) banking days after the date of said call letter to the Supervisory Data Center.

b. TBs/RBs/Coop Banks with resources of less than P1 billion

- (1) A TB, RB and Coop Bank belonging to this category shall either publish its quarterly BS as of the cutoff date indicated in the call letter issued by the Supervision and Examination Sector of the BSP, in a newspaper of general circulation as in Item "a.(3)" above or post the same in the most conspicuous area of its premises, in the municipal building, municipal public market, barangay hall and barangay public market where the head office and all its branches are located. The posting shall be printed on 12"x18" white paper, preferably white buff paper (cartolina) and shall be made within twenty (20) banking days from the end of the reference quarter and for a period of thirty (30) successive calendar days.

- (2) (a) A TB, RB and Coop Bank that shall publish/post its quarterly BS shall submit a soft copy of the same to the Supervisory Data Center within twenty (20) banking days after the end of the reference quarter.

- (b) Banks that are incapable of submitting the BS in electronic form shall submit the same in hard copy to the Supervisory Data Center within the said deadline.

- (c) In either case, an affidavit executed by the president, or in his absence, the vice-president or manager, as the case may be,

shall likewise be submitted to the Supervisory Data Center within the said deadline.

c. Additional information required

Banks shall disclose the following information in the quarterly published/posted BS:

(1) Solo Balance Sheet (Head Office and Branches/Other Offices)

- (a) Non-Performing Loans (NPLs)
- (b) Ratio of NPLs to Total Loan Portfolio (TLP)
- (c) Classified Loans and Other Risk Assets
- (d) Specific Provision for Loan Losses
- (e) Return on Equity (ROE)
- (f) DOSRI Loans and Receivables
- (g) Ratio of DOSRI Loans and Receivables to TLP
- (h) Past Due DOSRI Loans and Receivables
- (i) Ratio of Past Due DOSRI Loans and Receivables to TLP
- (j) Percent Compliance with Magna Carta – 6% for Small Enterprise
- (k) Percent Compliance with Magna Carta – 2% for Medium Enterprise
- (l) Capital Adequacy Ratio (CAR) on Solo Basis under Cir No. 538 for UBs/KBs and TBs, RBs and QBs that are subsidiaries of UBs/KBs. For stand-alone TBs, RBs and Coop Banks, Circular No. 280, as amended, shall apply.

- (i) Total CAR
- (ii) Tier 1 CAR

(2) Consolidated Balance Sheet (Parent Bank and Financial Allied Subsidiaries excluding Subsidiary Insurance Companies)

- (a) List of Financial Allied Subsidiaries (excluding Subsidiary Insurance Companies)
- (b) List of Subsidiary Insurance Companies
- (c) CAR on Consolidated Basis

- (i) Total CAR
- (ii) Tier 1 CAR

For purposes of additional information, all amounts and ratios shall be as of the same call date. However, the basis for computing the ROE shall be the latest quarter immediately preceding the call date using the following formula:

$$\text{ROE (\%)} = \frac{\text{Net Income/(Loss) After Income Tax}}{\text{Average Total Capital Accounts}} \times 100$$

Where net income/(loss) after tax and average total capital accounts shall be:

<u>Quarter-end</u>	<u>Net Income (Loss) After Tax (NIAT)</u>	<u>Average Total Capital Accounts</u>
March	Quarter-end NIAT multiplied by 4.	Sum of end-month capital accounts (December - March) divided by 4.
June	Semester-end NIAT multiplied by 2.	Sum of end-month capital accounts (December - June) divided by 7.
September	Nine (9) months-end NIAT multiplied by 1.33333.	Sum of end-month capital accounts (December - September) divided by 10.
December	Year-end NIAT	Sum of end-month capital accounts (December - December) divided by 13.

d. Deferment of publication requirement.

The above-mentioned publication requirement may be deferred by the Monetary Board by at least five (5) affirmative votes upon application by the bank concerned during periods of national and/or local emergency or of imminent panic which directly threaten monetary and banking stability.

Section 2. The amended prescribed form for the published BS shall be used starting with the quarter-end September 2007 reports. Guidelines on the preparation and submission of the BS shall be covered by a separate issuance.

This Circular shall take effect fifteen (15) calendar days after its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD


AMANDO M. TETANGCO, JR.
Governor

8 August 2007

Attachment

Balance Sheet

(Head Office and Branches/Other Offices)

(1 of 4)

(Name of Bank)

As of _____

Account Title	Account Code	Amount
ASSETS		
Cash and Cash Items		
Due from Bangko Sentral ng Pilipinas (BSP)		
Due from Other Banks		
Financial Assets at Fair Value through Profit or Loss		
Available-for-Sale Financial Assets-Net		
Held-to-Maturity Financial Assets-Net		
Unquoted Debt Securities Classified as Loans-Net		
Investments in Non-Marketable Equity Security-Net		
Loans and Receivables - Net		
Loans to BSP		
Interbank Loans Receivable		
Loans and Receivables - Others		
Loans and Receivables Arising from Repo, CA/Participation with Recourse, and SLB Transactions		
General Loan Loss Provision		
Other Financial Assets		
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		
Bank Premises, Furniture, Fixture and Equipment-Net		
Real and Other Properties Acquired-Net		
Non-Current Assets Held for Sale		
Other Assets-Net		
Net Due from Head Office/Branches/Agencies, if any (Philippine branch of a foreign bank)		
TOTAL ASSETS		
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss		
Deposit Liabilities		
Due to Other Banks		
Bills Payable		
a) BSP (Rediscounting and Other Advances)		
b) Interbank Loans Payable		
c) Other Deposit Substitutes		
d) Others		
Bonds Payable-Net		
Unsecured Subordinated Debt-Net		
Redeemable Preferred Shares		
Special Time Deposit		
Due to BSP		
Other Financial Liabilities		
Other Liabilities		
Net Due to Head Office/Branches/Agencies (Philippine branch of a foreign bank)		
TOTAL LIABILITIES		
STOCKHOLDERS' EQUITY		
Capital Stock		
Other Capital Accounts		
Retained Earnings		
Assigned Capital		
TOTAL STOCKHOLDERS' EQUITY		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		

Balance Sheet

(2 of 4)

(Head Office and Branches/Other Offices)

(Name of Bank)

As of _____

Account Title	Account Code	Amount
CONTINGENT ACCOUNTS		
Guarantees Issued		
Financial Standby Letters of Credit		
Performance Standby Letters of Credit		
Commercial Letters of Credit		
Trade Related Guarantees		
Commitments		
Spot Foreign Exchange Contracts		
Securities Held Under Custodianship by Bank Proper		
Trust Department Accounts		
a) Trust and Other Fiduciary Accounts		
b) Agency Accounts		
c) Advisory/Consultancy		
Derivatives		
Others		
TOTAL CONTINGENT ACCOUNTS		
ADDITIONAL INFORMATION		
Non-Performing Loans (NPLs)		
Ratio of NPLs to Total Loan Portfolio (TLP)		
Classified Loans and Other Risk Assets		
Specific Provision for Loan Losses		
Return on Equity (ROE)		
DOSRI Loans and Receivables		
Past Due DOSRI Loans and Receivables		
Ratio of Past Due DOSRI Loans and Receivables to TLP		
Percent Compliance with Magna Carta		
a. 6% for Small Enterprises		
b. 2% for Medium Enterprises		
Capital Adequacy Ratio (CAR) on Solo Basis, under Cir. No. 538 or Cir. No. 280, as applicable		
a. Total CAR		
b. Tier 1 CAR		

Republic of the Philippines)
) s.s.

I/We, _____ and _____ of the above-mentioned bank do solemnly swear that all matters set forth in the above balance sheet are true and correct to the best of my/our knowledge and belief.

Comptroller

President

SUBSCRIBED AND SWORN to before me this _____ day of _____ at _____, affiant exhibiting to me his/her/their Community Tax Certificate No. _____, issued at _____ on _____ and Community Tax Certificate No. _____, issued at _____ on _____.

NOTARY PUBLIC

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Consolidated Balance Sheet

(Parent Bank and Financial Allied Subsidiaries Excluding Subsidiary Insurance Companies)

(3 of 4)

As of _____

Account Title	Account Code	Amount
ASSETS		
Cash and Cash Items		
Due from Bangko Sentral ng Pilipinas (BSP)		
Due from Other Banks		
Financial Assets at Fair Value through Profit or Loss		
Available-for-Sale Financial Assets-Net		
Held-to-Maturity Financial Assets-Net		
Unquoted Debt Securities Classified as Loans-Net		
Investments in Non-Marketable Equity Security-Net		
Loans and Receivables - Net		
Loans to BSP		
Interbank Loans Receivable		
Loans and Receivables - Others		
Loans and Receivables Arising from Repo, CA/Participation with Recourse, and SLB Transactions		
General Loan Loss Provision		
Other Financial Assets		
Equity Investment in Subsidiaries, Associates and Joint Ventures-Net		
Bank Premises, Furniture, Fixture and Equipment-Net		
Real and Other Properties Acquired-Net		
Non-Current Assets Held for Sale		
Other Assets-Net		
Net Due from Head Office/Branches/Agencies, if any (Philippine branch of a foreign bank)		
TOTAL ASSETS		
LIABILITIES		
Financial Liabilities at Fair Value through Profit or Loss		
Deposit Liabilities		
Due to Other Banks		
Bills Payable		
a) BSP (Rediscounting and Other Advances)		
b) Interbank Loans Payable		
c) Other Deposit Substitutes		
d) Others		
Bonds Payable-Net		
Unsecured Subordinated Debt-Net		
Redeemable Preferred Shares		
Special Time Deposit		
Due to BSP		
Other Financial Liabilities		
Other Liabilities		
Due to Head Office/Branches/Agencies (Philippine branch of a foreign bank)		
TOTAL LIABILITIES		
STOCKHOLDERS' EQUITY		
Capital Stock		
Other Capital Accounts		
Retained Earnings		
Assigned Capital		
Minority Interest in Subsidiaries		
TOTAL STOCKHOLDERS' EQUITY		
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY		

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