



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 967
Series of 2017

Subject: Reportorial Requirements for Trust Entities

The Monetary Board in its Resolution No. 1190 dated 13 July 2017 approved the issuance of the Financial Reporting Package (FRP) for Trust Corporation (TC), amendments to Appendices T-1 and T-3 (T Regulations) of the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), and revisions on selected sections and schedules of the Financial Reporting Package for Trust Institutions (FRPTI).

A. Trust Corporation

Section 1. The Manual of Accounts (MoA) for TCs shall be used in the preparation of the Financial Reporting Package reflecting the proprietary activities of TCs (Attachment 1). The submission of the FRP for TCs shall start for the reporting period ended 30 September 2017.

Similarly, the corresponding BSP reporting templates are hereby issued [Attachment 2 (1 to 19)] which shall be submitted by TCs in the modes and manner as prescribed under Appendix T-3 of the MORNBFI-T Regulations.

Section 2. Appendix T-1 List of Applicable Appendices under the MORNBFI- T Regulations is hereby amended by deleting reference to Appendix Q-3-c – Reporting Guidelines on Crimes/Losses and amending the title of Appendix Q-10 to Basic Guidelines in Setting Up Allowance for Credit Losses (Attachment 3).

Section 3. Appendix T-3 List of Reports Required from Trust Corporations under Section 4192T of the MORNBFI –T Regulations is hereby amended to align with recent regulatory issuances on reportorial requirements which are applicable to TCs (Attachment 4).

B. Trust Entity

Section 4. The FRPTI issued under Circular No. 609 dated 26 May 2008, as amended, which is applicable to all trust entities¹, shall be revised as follows:

a. Line Item Instruction

(1) Main Report and Schedules A1 and A2

Additional Information

¹ Trust entity (TE) shall refer to a: (1) bank or an NBF, through its specifically designated business unit to perform trust functions; or (2) trust corporation, authorized by the Bangko Sentral to engage in trust and other fiduciary business under Section 79 of R.A. No. 8791 (The General Banking Law of 2000) or to perform investment management services under Section 53 of R.A. No. 8791.

"X x x

(10) Breakdown of Trust and Agency Assets for the Quarter- Report the total carrying amount of trust and agency assets, net of securities held under custodianship, for the quarter.

(a) First Month of the Reporting Period- Report the total carrying amount of trust and agency assets outstanding, net of securities held under custodianship, as of the first month of the reporting period (e.g., Total trust and agency assets outstanding, net of securities held under custodianship, as of end January x x x).

(b) Second Month of the Reporting Period- Report the total carrying amount of trust and agency assets outstanding, net of securities held under custodianship, as of the second month of the reporting period (e.g., Total trust and agency assets outstanding, net of securities held under custodianship, as of end February x x x).

(c) Third Month of the Reporting Period- Report the total carrying amount of trust and agency assets outstanding, net of securities held under custodianship, as of the third month of the reporting period (e.g., Total trust and agency assets outstanding, net of securities held under custodianship, as of end March x x x); and

X x x"

(2) Schedule E – Other Fiduciary Accounts

"Report the number of accounts and total assets of other fiduciary account specified in the line item.

Further, the composition of assets under custodianship (Item No. 7 of Schedule E) shall be reported as follows:

- (i) With Agency Agreement- Report the total amount of assets under custodianship where the custodian also performs securities lending as agent.
- (ii) Without Agency Agreement – Report the total amount of assets under custodianship without securities lending agency agreement."

- b. The BSP Overnight Deposit and Term Deposit Accounts on the following schedules shall be blocked effective on 30 June 2017 reports:

- (i) Balance Sheet
- (ii) Schedule A1
- (iii) Schedule A2
- (iv) Schedule E2
- (v) Schedule E2a
- (vi) Schedule E2b

The FRPTi shall be revised to reflect the abovementioned changes in the presentation of assets net of securities custodianship under *Item 10 - Breakdown of Trust and Agency Assets for the Quarter* of the said report and Overnight Deposit and Term Deposit Accounts².

Section 5. This Circular shall take effect fifteen (15) days following its publication in the Official Gazette or in any newspaper of general circulation in the Philippines.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

27 July 2017

² Similar to Item #5 of Attachment 2

FINANCIAL REPORTING PACKAGE FOR TRUST CORPORATIONS (TC)

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THE FINANCIAL REPORTING PACKAGE

The Financial Reporting Package (FRP) for Trust Corporation (TCs) is a set of financial statements for prudential reporting purposes composed of the Balance Sheet and Supporting Schedules. The FRP is primarily designed to (1) align the BSP reportorial requirements with the provisions of the Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS); and (2) meet BSP statistical requirements.

Organization of the Instructions of the FRP

This instruction book is divided into the following sections:

- (1) The General Instructions, which describe the overall reporting requirements;
- (2) Structure of the FRP;
- (3) Manual of Accounts, which provides the definitions of the accounts in the FRP in the order presented in the Balance Sheet;
- (4) Line Item Instructions for the Balance Sheet and Supporting Schedules; and
- (5) Report Formats

In determining the required treatment of particular transactions or in determining the definitions of the various items, the General Instructions, the Structure of the FRP, Manual of Accounts and Line Item Instructions must be used jointly. A single section does not necessarily give the complete instructions for completing all items of the reports.

GENERAL INSTRUCTIONS

Who must Report on What Forms/Schedules

All TCs are required to prepare the FRP for their proprietary activities. The FRP shall be prepared on a solo basis. Solo basis shall refer to the combined financial statements of the head office and branches/other offices of the TC.

Frequency of Reporting

The solo FRP shall be submitted quarterly within 15 banking days after the end of the reference quarter.

However, Schedule 10: Schedule of Tax Assets and Liabilities is required to be submitted and/or accomplished only annually (i.e. end December of each year).

Amounts Reported

All amounts reported in the FRP must be in absolute figures including two decimal places, except for "Losses" columns/rows which shall be reported in negative figures, i.e., enclosed in parentheses.

STRUCTURE OF THE FRP

- (1) The FRP shall be comprised of (a) **peso denominated accounts**; and (b) **foreign currency denominated accounts (FCDA)**. Foreign currency denominated transactions shall be recorded at their foreign currency amounts and their local currency equivalent using the Philippine Dealing System (PDS) Peso/US Dollar closing rate and the New York US Dollar/ Third Currencies closing rate.
- (2) The FRP generally groups transactions into the different counterparties of the reporting TC. Counterparties are broadly classified as to residents and non-residents and further sub-classified into the different sectors and institutional units defined as follows:

- (a) **Residents** – This refers to individuals or institutional units that have a center of economic interest in the economic territory of the Philippines.

(a.1) **Government**

- (i.) **National Government** – This refers to the Philippine National Government and its agencies such as departments, bureaus, offices, and instrumentalities, but excluding local government units and government-owned and controlled corporations.
- (ii.) **Local Government Units (LGUs)** – This refers to the Philippine government units below the level of national government, such as city, provincial and municipal governments.
- (iii.) **Government Owned and Controlled Corporations (GOCCs)** – This refers to any agency organized as a stock or non-stock corporation vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the government directly or indirectly or through its instrumentalities either wholly, or where applicable as in the case of stock corporations to the extent of at least 51 percent of its capital stock: provided, that GOCCs may be further categorized by the Department of Budget, the Civil Service Commission and the Commission on Audit for the purpose of the exercise and discharge of their respective powers, functions and responsibilities with respect to such corporations.
 - **Social Security Institutions (SSIs)** – This refers to the social security agencies such as the Employees Compensation Commission (ECC), Government Service Insurance System (GSIS), Philippine Health Insurance Corporation (PhilHealth) and Social Security System (SSS).
 - **Other Financial Institutions** – This refers to GOCCs that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks such as the Home Guaranty Corporation (HGC), Trade and Investment Development Corporation (TIDCORP) and Small Business Corporation (SBC).
 - **Non-Financial Institutions** – This refers to GOCCs that may not be classified as a social security institution nor other financial institutions.

(a.2) **Bangko Sentral ng Pilipinas (BSP)**

(a.3) **Banks**

- (i.) **Universal/Commercial Banks (UBs/KBs)** – This refers to universal banks (UBs) and commercial banks (KBs) as defined under existing laws and regulations.
 - **Government Banks** – This refers to UBs/KBs owned or controlled by the national government such as the Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP) and the Al Amanah Islamic Investment Bank of the Philippines.

• **Non-Government Banks** – This refers to private UBs/KBs, which are neither owned nor controlled by the national government, including branches of foreign banks licensed as UBs/KBs operating in the Philippines.

(ii.) **Other Banks** – This refers to banks other than UBs/KBs i.e., thrift banks, rural and cooperative banks.

(a.4) Private Corporations

(i.) **Financial** – This refers to private corporations that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks. This shall include among others, insurance corporations, pension funds that are constituted as separate from the units that have created them, non-stock savings and loan associations (NSSLAs) and non-bank financial institutions with quasi-banking functions (NBQBs).

(ii.) **Non-Financial** – This refers to private corporations whose principal activity is the production of goods or non-financial services for sale.

(b) **Non-Residents** – This refers to individuals or institutional units that have a center of economic interest outside the economic territory of the Philippines.

(b.1) **Central Government/Central Bank** – Central Government refers to the central government of a foreign country which is regarded as such by a recognized banking supervisory authority in that country. Central Bank refers to the national financial institution (or institutions) that exercises control over key aspects of the financial system and carries out such activities as issuing currency, managing international reserves, and providing credit to other depository corporations.

(b.2) **Public Sector Entities** – This refers to entities which are regarded as such by a recognized banking supervisory authority in the country in which they are incorporated.

(b.3) Banks

i. **Off-Shore Banking Units (OBUs)** – This refers to a branch, subsidiary or affiliate of a foreign banking corporation which is duly authorized by the BSP to transact offshore banking business in the Philippines.

ii. **Other Banks** – This refers to the non-resident banks other than OBUs.

(b.4) **Corporations** – This refers to non-resident corporations.

(c) **Multilateral Agencies** – This refers to the World Bank Group comprised of the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), Asian Development Bank (ADB), African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the European Investment Bank (EIB), the Nordic Investment Bank (NIB), the Caribbean Development Bank (CDB), the Council of Europe Development Bank (CEDB) and such others as may be recognized by the BSP.

(3) The supporting schedules in the FRP contain an **Additional Information** section which requires disclosure of information necessary for validating compliance with other BSP requirements and for statistical purposes. Among the information required to be disclosed are the following:

(a) Classification as to Original Term, which shall be reported only for solo reports

(a.1) Short Term (1 year or less)

(a.2) Medium Term (>1 year to 5 years)

(a.3) Long Term (> 5 years)

(b) Geographic Regions of Non-Resident Counterparties

(b.1) Advanced Economies – Australia; Austria; Belgium; Canada; Cyprus; Denmark; Finland; France; Germany; Greece; Hong Kong SAR; Iceland; Ireland; Israel; Italy; Japan; Korea; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Singapore; Slovenia; Spain; Sweden; Switzerland; Taiwan Province of China; United Kingdom and United States.

(b.2) Regions Excluding Advanced Economies

(i) Africa - Algeria; Morocco; Tunisia and Sub-Sahara

Of which; Sub-Sahara – South Africa; Djibouti; Ethiopia; Sudan; Burundi; Congo, Democratic Republic of; Kenya; Rwanda; Tanzania; Uganda; Angola; Botswana; Comoros; Lesotho; Madagascar; Malawi; Mauritius; Mozambique, Republic of; Namibia; Seychelles; Swaziland; Zambia; Zimbabwe; Cape Verde; Gambia, The; Ghana; Guinea; Mauritania; Nigeria; Sao Tome and Principe; Sierra Leone; Benin; Burkina Faso; Cameroon; Central African Republic; Chad; Congo, Republic of; Cote d'Ivoire; Equatorial Guinea; Gabon; Guinea-Bissau; Mali; Niger; Senegal; and Togo.

(ii) Central and Eastern Europe – Albania; Bulgaria; Croatia; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Macedonia; FYR; Malta; Poland; Romania; Slovak Republic and Turkey.

(iii) Commonwealth of Independent States – Armenia; Azerbaijan; Belarus; Georgia; Kazakhstan; Kyrgyz Republic; Moldova; Mongolia; Russia; Tajikistan; Turkmenistan; Ukraine and Uzbekistan.

(iv) Developing Asia – Bangladesh; Bhutan; Cambodia; China; Fiji; India; Indonesia; Kiribati; Lao PDR; Malaysia; Maldives; Myanmar; Nepal; Pakistan; Papua New Guinea; Samoa; Solomon Islands; Sri Lanka; Thailand; Tonga; Vanuatu and Vietnam.

(v) Middle East – Bahrain; Iran I.R.; Kuwait; Libya; Oman; Qatar; Saudi Arabia; United Arab Emirates; Yemen, Republic of; Egypt; Jordan; Lebanon and Syrian Arab Republic.

(vi) Western Hemisphere – Mexico; Argentina; Brazil; Bolivia; Chile; Colombia; Ecuador; Paraguay; Peru; Uruguay; Venezuela; Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; Panama; Antigua and Barbuda; Bahamas, The; Barbados; Belize; Dominica; Dominican Republic; Grenada; Guyana; Haiti; Jamaica; St. Kitts and

Nevis; St. Lucia; St. Vincent and the Grenadines; Suriname and
Trinidad and Tobago.

Definitions of the other items and instructions for filling-out the Additional Information
section of each supporting schedule are presented in the Line Item Instructions.

MANUAL OF ACCOUNTS

BALANCE SHEET ACCOUNTS

Asset Accounts

1. **Cash on Hand** – This refers to the total amount of cash in the form of notes and coins under the custody of the cashier/cash custodian or treasurer:
 - (a) **Local Currency** – This refers to the total amount of cash on hand denominated in Philippine currency.
 - (b) **Foreign Currency** – This refers to the total amount of cash on hand denominated in foreign currency. This shall be limited to foreign currencies acceptable to form part of the international reserves.
2. **Checks and Other Cash Items (COCI)** – This refers to the total amount of checks and other cash items received after the selected clearing cut-off time until the close of the regular office hours. This account may consist of the following:
 - Checks
 - Manager's/Cashier's/Treasurer's Checks and Demand Drafts
 - Philippine Postal Money Orders

All COCIs shall be presented for clearance/acceptance/settlement on the following banking day. Items excluded herein are the following:

 - Postdated Checks
 - COCIs received on collection basis
 - Out-of-town Checks not collectible through established clearing channels
 - Items returned from clearing
 - All other cash items not in process of collection
3. **Due from Bangko Sentral ng Pilipinas (BSP)** – This refers to the amount of receivable from BSP. Funds that may be set aside and used as compliance for regulatory requirements shall also be classified under this account.
4. **Deposit in Banks** – This refers to the balances of deposit accounts maintained with banks excluding loans and advances.
5. **Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)** – This refers to financial assets that upon initial recognition are designated by the TC as at fair value through profit or loss. After initial recognition, a TC shall measure DFVPL securities at their fair values without any deduction for transaction costs that it may incur on sale or other disposal. A gain or loss arising from a change in the fair value of DFVPL securities shall be recognized in profit or loss.

The use of the fair value option shall be in accordance with the criteria set forth in the amendments to PAS 39 subject to the following conditions:

- (1) TCs shall have in place appropriate risk management systems (including related risk management policies, procedures and controls) prior to initial application of the fair value option for a particular activity or purpose and on an ongoing basis;
 - (2) TCs shall apply the fair value option only to instruments for which fair values can be reliably estimated; and
 - (3) TCs shall provide BSP with supplemental information as may be necessary, to enable BSP to assess the impact of the TC's utilization of the fair value option.
6. **Available-for-Sale (AFS) Financial Assets** – This refers to securities that are designated as available-for-sale, which shall be measured upon initial recognition at their fair value plus transaction costs that are directly attributable to the acquisition of securities. After initial recognition, a TC shall measure AFS at their fair values, without any deduction for transaction costs it may incur on sale or other disposal. A gain or loss arising from a change in the fair value of an AFS security shall be recognized directly in equity under the account "Net Unrealized Gains/(Losses) on AFS Financial Assets" and reflected in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss.

However, interest calculated using the effective interest method is recognized in profit or loss. For the purpose of recognizing foreign exchange gains and losses on a monetary AFS security that is denominated in a foreign currency, it shall be treated as if it was carried at amortized cost in the foreign currency. Accordingly, for such an AFS security, exchange differences resulting from changes in amortized cost are recognized in profit or loss and other changes in carrying amount are recognized directly in equity.

Unamortized Discount/Premium – This refers to the unamortized discount/premium on AFS securities, which shall be debited/credited monthly based on the effective interest method with the corresponding credit/ debit to interest income.

Securities outstanding for more than ninety (90) calendar days from the date of issue shall be reclassified according to intention in accordance with PAS 39.

Accumulated Market Gains/(Losses) – This refers to cumulative gains/(losses) arising from change in the fair value of AFS Securities. The contra cumulative account is "Net Unrealized Gains/(Losses) on AFS Financial Assets", which is a separate component of stockholders' equity.

Allowance for Credit Losses – This refers to the amount of impairment loss that has been incurred on AFS Securities. The amount shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value.

A TC shall assess at each time it prepares its financial statements whether there is any objective evidence that an AFS security is impaired.

When a decline in the fair value of an AFS security has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity shall be removed from equity and recognized in profit or loss even though the security has not been derecognized.

The amount of the cumulative loss that is removed from equity and recognized in profit or loss shall be the difference between the acquisition cost (net of any principal

repayment and amortization) and current fair value, less any impairment loss on that security previously recognized in profit or loss.

If, in a subsequent period, the fair value of a debt instrument classified as AFS increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss shall be reversed, with the amount of the reversal recognized in profit or loss. The amount of impairment loss for the period shall be recognized in profit or loss.

7. Held-to-Maturity (HTM) Financial Assets – This refers to debt securities, quoted in an active market with fixed or determinable payments and fixed maturity that a TC has the positive intention and ability to hold to maturity other than:

- (a) those that meet the definition of Financial Assets Designated at Fair Value Through Profit or Loss; or
- (b) those that the financial institution designates as Available-for-Sale Securities (AFS).

A TC shall not classify any security as HTM if the TC has, during the current financial year or during the two preceding financial years, sold or reclassified more than an insignificant amount of HTM investments before maturity (more than insignificant in relation to the total amount of HTM investments) other than sales or reclassifications that:

- (a) are so close to maturity or the security's call date (i.e., less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the security's fair value;
- (b) occur after the TC has substantially collected all (i.e., at least 85 percent) of the security's original principal through scheduled payments or prepayments; or
- (c) are attributable to an isolated event that is beyond the TC's control, is nonrecurring and could not have been reasonably anticipated by the TC.

For this purpose, the phrase "more than an insignificant amount" refers to sales or reclassification of one percent (1%) or more of the outstanding balance of the HTM portfolio. Provided, however, That sales or reclassification of less than one percent (1%) shall be evaluated on case to case basis.

HTM securities shall be measured upon initial recognition at their fair value plus transaction costs that are directly attributable to the acquisition of the securities. After initial recognition, a TC shall measure HTM securities at their amortized cost using the effective interest method. A gain or loss arising from the change in the fair value of the HTM security shall be recognized in profit or loss when the security is derecognized or impaired, and through the amortization process.

Unamortized Discount/Premium – This refers to the unamortized discount/premium on HTM securities, which shall be debited/credited monthly based on the effective interest method with the corresponding credit/debit to interest income.

Allowance for Credit Losses – This refers to the cumulative amount of impairment loss that has been incurred on HTM securities. A TC shall assess at each time it prepares its financial statements whether there is any objective evidence that an HTM security is impaired. If there is an objective evidence that an impairment loss on HTM securities has been incurred, the amount of loss is measured as the difference between the security's carrying amount and the present value of estimated future cash flows (excluding future

credit losses that have not been incurred) discounted at the security's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of impairment loss for the period shall be recognized in profit or loss.

8. **Unquoted Debt Securities Classified as Loans** – This refers to debt securities, with fixed or determinable payments that are not quoted in an active market. Unquoted Debt Securities Classified as Loans shall be measured upon initial recognition at their fair value plus transaction costs that are directly attributable to the acquisition of the securities.

After initial recognition, a TC shall measure these securities at their amortized cost using the effective interest method.

A gain or loss arising from the change in the fair value of Unquoted Debt Securities Classified as Loans shall be recognized in profit or loss when the security is derecognized or impaired, and through the amortization process.

Unamortized Discount/Premium – This refers to the unamortized discount/premium on Unquoted Debt Securities Classified as Loans, which shall be debited/credited monthly based on the effective interest method with the corresponding credit/debit to interest income.

Allowance for Credit Losses – This refers to the amount of impairment loss that has been incurred on Unquoted Debt Securities Classified as Loans. A TC shall assess at each time it prepares its financial statements whether there is any objective evidence that an Unquoted Debt Security Classified as Loans is impaired.

If there is an objective evidence that an impairment loss on Unquoted Debt Security Classified as Loans has been incurred, the amount of loss is measured as the difference between the security's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the security's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of impairment loss shall be recognized in profit or loss.

9. **Loans and Receivables** – This refers to non-derivative financial assets with fixed or determinable payments that are not quoted in an active market, other than:

- those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the TC upon initial recognition designates as AFS; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as AFS.

Quoted loans and receivables shall be classified as debt securities.

Loans and receivables shall be measured upon initial recognition at fair value plus transactions costs that are directly attributable to the acquisition of the loans and receivables. After initial recognition, a TC shall measure Loans and Receivables at amortized cost using the effective interest method.

- (a) **Loans and Receivables – Banks/QBs** – This refers to loans and receivables granted to banks and non-bank financial institutions with quasi-banking authority. This shall not include loans and receivables arising from repurchase agreements and certificates of assignment/participation with recourse.

Allowance for Credit Losses – This refers to the cumulative amount set-up against current operations to provide for losses which may arise from the non-collection of loans and receivables from banks/QBs.

- (b) **Loans and Receivables - Others** – This refers to loans granted other than to BSP, banks and non-bank financial institutions with quasi-banking authority.

For each of the loan classifications, control accounts shall be maintained in accordance with the following:

- (i) status (current, past due but not yet non-performing; past due and already non-performing and items in litigation); and
- (ii) restructured loans and their status.

The sub-accounts of Loans and Receivables - Others shall be as follows:

(b.1) Loans to Government

(b.1a) **National Government** – This refers to the amortized cost of loans granted to the national government as defined under Structure of the FRP Item 2.a.

(b.1b) **LGUs** – This refers to the amortized cost of loans granted to local government units as defined under Structure of the FRP Item 2.a.

(b.1c) **GOCCs** – This refers to the amortized cost of loans granted to government owned or controlled corporations as defined under Structure of the FRP Item 2.a.

(i) **Social Security Institutions** – This refers to the amortized cost of loans granted to GOCC - social security institutions as defined under Structure of the FRP Item 2.a.

(ii) **Other Financial** – This refers to the amortized cost of loans granted to GOCC - other financial institutions as defined under Structure of the FRP Item 2.a.

(iii) **Non-Financial** – This refers to the amortized cost of loans granted to GOCC - non-financial institutions as defined under Structure of the FRP Item 2.a.

(b.2) **Loans to Private Corporations** – This refers to the amortized cost of loans granted to private corporations, which shall include partnerships, single proprietorships and cooperatives.

(b.2a) **Financial** – This refers to the amortized cost of loans granted to financial private corporations.

(b.2b) **Non-Financial** – This refers to the amortized cost of loans granted to non-financial private corporations.

(b.3) **Loans to Individuals** – This refers to the amortized cost of loans granted to individuals.

Loan Discount – This refers to the unamortized discount on Loans and Receivables- Others representing financial service fees that are an integral part of the effective interest of the account, which shall be debited monthly based on the effective interest method with the corresponding credit to interest income.

Other Deferred Credits – This refers to any increase in the face amount of loans and resulting from accrued interest and accumulated charges which have been capitalized or made part of the principal of restructured loans. This shall be amortized/credited to income using the effective interest method.

Allowance for Credit Losses – This refers to the cumulative amount set-up against current operations to provide for losses which may arise from the non-collection of loans and receivables.

10. **Loans and Receivables Arising from Repurchase Agreements and Certificates of Assignment/Participation with Recourse Transactions**– This refers to the amortized cost of loans arising from repurchase agreements and certificates of assignment/participation with recourse.

Allowance for Credit Losses – This refers to the cumulative amount set-up against current operations to provide for losses which may arise from the non-collection of loans and receivables arising from repurchase agreements and certificates of assignment participation with recourse.

General Loan Loss Provision (GLLP) – This refers to the amount of general provision for loan losses not linked to individually identified uncollectible accounts required to be set up under existing regulations.

The allowance for losses on loans and receivables - others should be the higher of the PFRS/PAS provisioning requirements or the BSP recommended valuation reserves (inclusive of general loan loss provision). In which case, compliance with the BSP recommended valuation reserves shall be evaluated on an aggregate basis.

11. **Accrued Interest Income from Financial Assets** – This refers to interest income on financial assets that are already earned but not yet collected/received.

Allowance for Credit Losses – This refers to the cumulative amount set up against current operations to provide for losses that may arise from non-collection of accrued interest income from financial assets.

12. **TC Premises, Furniture, Fixture and Equipment** – This refers to real and other properties used/to be used for TC operations which shall be accounted for using the cost model under PAS 16.

(a) **Land** – This refers to the acquisition cost of the land or lots used as existing or future sites of TC's offices, including residential and parking lots used by the TC's officers/employees and clients. Acquisition cost shall consist of the purchase price and all expenditures incurred incident to acquisition, such as cost of surveying, registration and issuance of title. This account shall also include the cost of filling and other expenditures which enhance the value of the land.

(b) **Building** – This refers to the cost of buildings owned and used or to be used by the TC for its business, including residential houses provided for its officers and employees. The buildings/residential houses shall be recorded at acquisition or construction/improvement costs, including architect's fees, building permits,

inspection fees, cost of vaults, elevators and other capitalizable expenditures incurred in making the premises ready for use.

- (c) **Furniture and Fixtures** – This refers to the cost of furniture, such as desks, tables and chairs, and fixtures to buildings, which do not form part of "TC Premises - Buildings" account, including expenditures incurred for major repairs and maintenance, which prolong the life of these assets beyond their original estimated useful life. This account also includes the cost of firearms owned and licensed in the name of the TC.
 - (d) **Information Technology (IT) Equipment** – This refers to the cost of IT equipment.
 - (e) **Other Office Equipment** – This refers to the cost of office equipment, other than IT equipment.
 - (f) **Transportation Equipment** – This refers to the cost of transportation equipment.
 - (g) **Leasehold Rights and Improvements** – This refers to the cost of building and/or improvements introduced on premises leased by the TC, including the cost of leasehold rights and other expenditures incurred in making the premises ready for use.
 - (h) **TC Premises, Furniture, Fixture and Equipment – Under Finance Lease** – This refers to the cost of TC premises, furniture, fixture and equipment leased by the TC under a finance lease agreement. This shall be accounted for in accordance with PAS 17. Under PAS 17, this shall be recorded at the lower of (a) fair value of the leased property or (b) present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognized as an asset. This shall comprise of the following sub-accounts:
 - (i) Land;
 - (ii) Buildings;
 - (iii) Furniture and Fixtures;
 - (iv) Information Technology Equipment;
 - (v) Other Office Equipment; and
 - (vi) Transportation Equipment
 - (i) **Revaluation Increment** – This refers to the revaluation increase in the carrying amount of TC premises, furniture, fixture and equipment as an incentive to mergers and consolidation approved by the Monetary Board. The increase in the carrying amount of the asset shall be credited directly to equity under the account "Revaluation Increment Reserves". This shall comprise of the following sub-accounts:
 - (i) Land
 - (ii) Buildings
 - (iii) Furniture and Fixtures
 - (iv) Information Technology Equipment
 - (v) Other Office Equipment
 - (vi) Transportation Equipment
 - (vii) TC Premises, Furniture, Fixture and Equipment – Under Finance Lease
- Land

- Buildings
- Furniture and Fixtures
- Information Technology Equipment
- Other Office Equipment
- Transportation Equipment

Accumulated Depreciation – This refers to the accumulated depreciation of TC premises, furniture and fixture owned or leased by the TC, which shall be set up monthly against current operations.

(j) **Building Under Construction** – This refers to the total cost of materials, labor and other capitalizable expenditures incurred in connection with the building(s) under construction. Upon completion of the building its cost shall be transferred/closed to "TC Premises, Furniture, Fixture and Equipment - Buildings" account.

Allowance for Losses – This refers to the cumulative amount of impairment loss incurred on TC premises, furniture, fixture and equipment, which shall be accounted for in accordance with PAS 36.

13. **Goodwill** – This refers to the future economic benefit arising from assets that are not capable of being individually identified and separately recognized. This shall be accounted for in accordance with PFRS 3.

Allowance for Losses – This refers to the cumulative amount of impairment loss incurred on goodwill, which shall be accounted for in accordance with PAS 36.

14. **Other Intangible Assets** – This refers to the identifiable non-monetary asset without physical substance.

Accumulated Amortization – This refers to the accumulated amortization of other intangible assets, which shall be set up monthly against current operations.

Allowance for Losses – This refers to the cumulative amount of impairment loss incurred on other intangible assets, which shall be accounted for in accordance with PAS 36.

15. **Deferred Tax Asset** – This refers to the amount of income taxes recoverable in future periods in respect of deductible temporary differences, carryforward of unused tax losses and carryforward of unused tax credits, which shall be accounted for in accordance with PAS 12.

16. Other Assets

(a) **Accounts Receivable** – This refers to the following:

(i) **Accounts Receivable Arising from Sale of Financial Assets under the Trade Date Accounting** – This refers to the receivable arising from financial assets sold under trade date accounting pending actual settlement/delivery of the underlying securities. This shall comprise of the following sub-accounts:

- **Accounts Receivable Arising from Sale of Readily Marketable Foreign Currency Denominated Debt Instruments** – This refers to the receivable arising from readily marketable debt securities sold under trade date accounting pending actual settlement/delivery of the underlying securities.

- **Accounts Receivable Arising from Sale of Financial Assets Other than Readily Marketable Debt Securities** – This refers to the receivable arising from financial assets sold other than readily marketable debt securities under trade date accounting pending actual settlement/delivery of the underlying securities.
- (ii) **Accounts Receivable – Others.** This refers to the following:
- Amounts due from customers and other parties under open-account arrangements including miscellaneous advances made, such as cable expenses, out-of-pocket collection charges, documentary stamps, commissions and insurance premiums.
 - Claims such as tax refund and insurance proceeds.
 - Staff salary advances payable in thirty (30) days or less (those payable in more than 30 days shall be considered as loans)
 - Advances for official travel of officers/employees
 - Temporary overdrafts all owed under existing rules and regulations.
- (b) **Dividends Receivable** – This refers to cash dividends earned but not yet received on shares of stocks owned by the TC that are held as DFVPL, AFS and INMES.
- (c) **Deficiency Judgment Receivable** – This refers to claims against borrower-debtor(s) arising from deficiency judgments rendered by the court.
- (d) **Employee Benefits** – This refers to the overfunding of defined benefit plan or in certain cases, the actuarial gains recognized.
- (e) **Sinking Fund** – This refers to the accumulated amount set aside for the redemption of issued and outstanding bonds/stocks/others. This shall comprise of the following sub-accounts:
- (i) Bond
 - (ii) Redeemable Preferred Shares
 - (iii) Others
- (f) **Prepaid Expenses** – This refers to expense prepayments expected to benefit the TC for a future period not exceeding one year (i.e., insurance premiums, and rent, etc.) paid in advance, which shall be amortized monthly.
- (g) **Sundry Debits** – This refers to items/transactions which at the time of recording cannot be classified immediately under any debit account. Entries to this account shall be cleared within one (1) month from the date of entry.
- (h) **Inter-office Float Items** – This refers to the debit balance difference of the Due from Head Office/Branches and Due to Head Office/Branches accounts resulting from the elimination of reciprocal accounts in the consolidation process, to wit:
- Due from Head Office/Branches* - The accounts "Due From Branches" and "Due to Branches" are Head Office general ledger control accounts. The counterpart of these accounts in the books of the branches consists of the general ledger control accounts "Due from Head Office" and "Due to Head Office". If the balance of the Head Office account with its branch is a debit, the account is carried as a "Due From", an asset account in the books of the Head Office. Conversely, if the balance of the Head Office account with its branch is a credit, the account is carried as a "Due To", a liability account in the books of the Head Office. The same rule applies to balances of the branches accounts ("Due From" or "Due To" Head Office) with the Head Office.

These accounts are essentially clearing accounts through which Head Office/Branch and inter-branch transactions are cleared. Inter-Head Office-branch transactions originating from the Head Office are debited or credited to the account of the branch concerned. The same applies to direct transactions of the branch with the Head Office. Inter-branch transactions, on the other hand, shall be cleared thru the Head Office. The latter responds to the advice of the branch where the transactions originated by debiting or crediting, as the case may be, the account of the branch/agency to which the transaction pertains.

Aforementioned Head Office and branches' accounts are reciprocal accounts which are eliminated upon consolidation. The transactions which pass through these accounts are:

- Investments of Head Office (HO) in its Branches
- Advances of HO to its Branches
- Check and cash remittances
- Transfers of loan and other asset accounts
- Responses to other debit/credit advices of Branches
- Other receipts/payments made for account of Branches
- Advances made by Branches for the account of HO or vice versa
- Remittances of Branches to HO, and
- Other inter-HO-Branch(es) transactions not specified above.

In the preparation of consolidated statements, the reciprocal accounts shall be eliminated and the resulting difference, if any, shall be reported under "Inter-Office Float Items (Debit Balance)" if a debit, or under "Inter-Office Float Items (Credit Balance)" if a credit. Individual subsidiary ledger accounts for each branch shall be maintained by the Head Office. Sub-control accounts shall be maintained for items which are unresponded and outstanding for sixty (60) calendar days or more.

Philippines – This account controls the clearing of items/transactions between the TC's Head Office and its local branches..

- (i) **Others** – This refers to other asset accounts such as, but not limited to the following:
- (i) **Returned Checks and Other Cash Items** – This refers to the total amount of checks and other cash items, returned to/by the TC or dishonored/found to be defective for certain reasons such as insufficiency of funds and alterations in the documents.
 - (ii) **Miscellaneous Checks and Other Cash Items** – This refers to the total amount of checks and other cash items other than those booked under "Checks and Other Cash Items", "Loans and Receivables – Others (Bills Purchased – Clean)" and "Returned Checks and Other Cash Items" accounts such as miscleared and missorted checks.
 - (iii) **Petty Cash Fund** – This refers to the fund maintained on an imprest system to defray minimal disbursements. All payments shall be evidenced/supported by duly accomplished and approved petty cash vouchers.
 - (iv) **Documentary Stamps** – This refers to the cost of documentary stamps, loose and/or loaded in the meter machine.

- (v) **Postage Stamps** – This refers to the cost of postage stamps loose and/or loaded in the postage meter machine.
- (vi) **Stationery and Supplies on Hand** – This refers to the cost of unissued stationery, printed forms and supplies.
- (vii) **Deposits with Closed Banks/Banks in Liquidation** – This refers to demand, savings and/or time deposits maintained with a bank and/or private securities/commercial papers purchased from financial institutions (banks and non-banks), which have been closed or placed under liquidation.
- (viii) **Other Investments** – This refers to the cost of investments made for public relations purposes and/or to qualify as member/subscriber of clubs/other non-profit organizations.
- (ix) **Miscellaneous Assets** – This refers to items/transactions, which cannot be appropriately classified under any of the foregoing asset accounts.

Allowance for Losses – This refers to the amount of impairment loss incurred on other assets, which shall be accounted for in accordance with PASs 39 and 36.

Liability Accounts

1. **Financial Liabilities Designated at Fair Value through Profit or Loss (DFVPL)** – This refers to financial liabilities that upon initial recognition are designated by the TC at fair value through profit or loss.
2. **Bonds Payable** – This refers to the amortized cost of obligations arising from the issuance of bonds.

Unamortized Bond Discount/Premium – This refers to the unamortized discount/premium on bonds payable which shall be credited/debited monthly based on the effective interest method with the corresponding debit/credit to interest expense.
3. **Redeemable Preferred Shares** – This refers to preferred shares issued which provides for redemption on a specific date, i.e., mandatorily redeemable preferred shares. This shall be measured at amortized cost using the effective interest method.
4. **Financial Liabilities Associated with Transferred Assets** – This refers to the consideration received arising from the transfer of assets that does not result in derecognition because the TC (transferor) has retained substantially all the risks and rewards of ownership of the transferred asset.
5. **Accrued Interest Expense on Financial Liabilities** – This refers to the interest incurred/due but not yet paid on financial liabilities.
6. **Finance Lease Payment Payable** – This refers to the future lease payments payable under finance leases that shall be accounted for in accordance with PAS 17.
7. **Due to the Treasurer of the Philippines** – This refers to all credits representing money, security or other evidence of indebtedness, including interest thereon, held by the TC in favor of persons known to be dead or who have not made further credits (additions) or withdrawals during the preceding ten (10) years or more, which have been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances

Act (Act No. 3936, as amended). These credits, including interest thereon, shall remain in this account up to the time the proceeds thereof have been remitted under court order to the Treasurer of the Philippines or other parties.

8. Due to Bangko Sentral ng Pilipinas (BSP)

(a) **Supervision Fee** – This refers to the estimated liability for the TC's share in the cost of maintaining the appropriate supervision and examination department of the BSP, which shall be set up monthly against current operations.

(b) **Others** – This refers to the items/transactions which cannot be appropriately classified in the foregoing "Due to BSP" account.

9. Income Tax Payable – This refers to the estimated liability for income tax which shall be set-up monthly against current operations.

10. Other Taxes and Licenses Payable – This refers to the estimated liability for taxes and licenses, other than income tax, which shall be set-up against current operations.

11. Accrued Other Expenses – This refers to the estimated liability for other unpaid expenses, which shall be set-up monthly against current operations.

12. Unearned Income

(a) **Advanced Rentals on TC Premises and Equipment** – This refers to the unearned portion of rentals received in advance on TC premises and/or equipment which shall be amortized monthly to income for the earned portion.

(b) **Others** – This refers to other unearned income, which cannot be classified in the foregoing account. This account shall also include deferred gain arising from the difference between the fair value and nominal amount of financial assistance with nil or low interest rates. The deferred gain shall be amortized over the term of the financial assistance on a systematic and rational basis using the effective interest method.

13. Deferred Tax Liabilities – This refers to the amount of income taxes payable in future periods in respect of taxable temporary differences.

14. Provisions

(a) **Pensions and Other Post Retirement Benefits Obligations** – This refers to the TC's liability with respect to pension and other post-employment benefits given to its employees.

(b) **Others** – This refers to provisions for credit losses on off-balance sheet exposures established in accordance with the generally accepted accounting standards.

15. Other Liabilities

(a) **Withholding Tax Payable** – This refers to the taxes deducted/withheld by the TC from the (a) salaries/wages of its officers and employees and those hired on a contractual basis; (b) money market transactions; and (c) others, for remittance to the Bureau of Internal Revenue, in accordance with existing rules and regulations.

(b) **SSS, Philhealth, Employer's Compensation Premiums and Pag-IBIG Contributions Payable** – This refers to the amount due to the Social Security

System, Philippine Health Insurance Corporation, Employees' Compensation Commission and Pag-IBIG Funds, for employees' premiums/contributions and payment of loans, such as salary and housing loans.

- (c) **Unclaimed Balances** – This refers to other credits held by the TC in favor of persons known to be dead or unheard from during the preceding ten (10) years or more which have not been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances Act (Act No. 3936, as amended).

(d) **Accounts Payable**

- (i) **Accounts Payable Arising from Purchase of Financial Assets under the Trade Date Accounting** – This refers to the payable arising from the purchase of financial asset under trade date accounting pending actual settlement/receipt of the underlying securities.

- (ii) **Accounts Payable – Others.** This refers to the following:

- Deposits in connection with the purchase/redemption of property acquired;
- Indebtedness for purchases of office supplies, printed forms, furniture, fixtures and equipment.
- Other obligations of the TC not falling under the foregoing items.

- (e) **Dividends Payable** – This refers to the amount of unpaid cash dividends declared by the Board of Directors to stockholders of record.

- (f) **Deposit for Stock Subscription** – This refers to funds received as deposits for stock subscription but do not meet the conditions for recognition as equity provided in Sec. 4137Q of the MORNBF – Q Regulations.

- (g) **Sundry Credits** – This refers to the items/transactions which cannot be classified immediately under any credit account. Entries to this account shall be cleared within one (1) month from date of entry.

- (h) **Inter-Office Float Items** – This refers to the credit balance difference between the Due to Head Office/ Branches and Due from Head Office/Branches accounts resulting from the elimination of reciprocal accounts in the consolidation process.

Due to Head Office/Branches (Refer to Manual of Accounts- Assets Accounts Item 22(h)

Philippines – This account controls the clearing of items/transactions between the TC's Head Office and its local branches. This is the reciprocal account of "*Due from Branches in the Philippines*".

- (i) **Miscellaneous Liabilities** – This refers to the items/transactions which cannot be appropriately classified under any of the foregoing liability accounts.

Equity Accounts

1. Paid-In Capital Stock

- (a) **Common Stock** – This refers to the total amount of fully paid common stock, including stock dividends, for which the corresponding certificates have been issued.

(b) **Perpetual and Non-Cumulative Preferred Stock** – This refers to the total amount of fully paid perpetual and non-cumulative preferred stock including stock dividends, for which the corresponding certificates have been issued.

(c) **Perpetual and Cumulative Preferred Stock** – This refers to the total amount of fully paid perpetual and cumulative preferred stock including stock dividends, for which the corresponding certificates have been issued.

2. Additional Paid-In Capital

(a) **Common Stock** – This refers to the premium on the sale of common stock.

(b) **Perpetual and Non-Cumulative Preferred Stock** – This refers to the premium on the sale of perpetual and non-cumulative preferred stock.

(c) **Perpetual and Cumulative Preferred Stock** – This refers to the premium on the sale of perpetual and cumulative preferred common stock.

3. **Deposit for Stock Subscription** – This refers to funds received as deposits for stock subscription that meets the conditions for recognition as equity provided in Sec. 4137Q of the MORNBF – Q Regulations.

4. Retained Earnings

(a) Retained Earnings Reserve

(i) **Trust Business** – This refers to the accumulated amount required from TCs to carry to retained earnings 10 percent of its net profits accruing from trust business since the last preceding dividend declaration until the retained earnings shall amount to 20 percent of its authorized capital stock.

(ii) **Others** – This refers to the accumulated amount set aside for purpose other than that stated in the "Retained Earnings Reserve" – Trust Business account.

(b) **Retained Earnings Free** – This refers to the unappropriated or free portion of the accumulated profits of the TC.

5. **Stock Dividends Distributable** – This refers to the amount of stock dividends declared by the Board of Directors, the corresponding certificates for which have not yet been issued.

6. **Undivided Profits** – This refers to the clearing account for all income and expenses, the balance of which shall be transferred to "Retained Earnings – Free" account at the end of the accounting period after taking up all other charges and/or credits that may be appropriately cleared thru this account.

7. Other Comprehensive Income

(a) **Net Unrealized Gains/(Losses) on AFS Financial Assets** – This refers to the contra account of "Accumulated Market Gains/(Losses) - AFS Securities". The account is credited for gains and debited for losses from change in the fair value of the AFS Securities.

(b) **Gains/(Losses) on Fair Value Adjustments of Hedging Instruments**

- (i) **Cash Flow Hedge** – This refers to the gains/(losses) from change in fair value of hedging instruments in a cash flow hedge.
 - (c) **Cumulative Foreign Currency Translation** – This refers to exchange component of the gains or losses on foreign currency denominated non-monetary items, where such gains or losses are recognized directly in equity.
 - (d) **Others** – This refers to Other Comprehensive Income that cannot be appropriately classified under items (a), (b) and (c) above.
8. **Appraisal Increment Reserve** – This is the reciprocal account of "TC Premises – Revaluation Increment" account.
 9. **Treasury Stock** – This refers to the stocks that have been issued as fully paid and have been reacquired by the TC and not retired.

CONTINGENT ACCOUNTS

1. **Trust Accounts** – This refers to the total accountabilities of the TC from its trust operations.
 - (a) **Securities Held Under Custodianship** – This refers to all securities held under custodianship agreement.
 - (a.1) **PERA Securities Held Under Custodianship** – This refers to securities held under PERA Custody agreement.
 - (b) **PERA Assets Administered**– This refers to all assets held as PERA Administrator under the PERA Act of 2008.
2. **Deficiency Claims Receivable** – This refers to the amount of probable claims against borrowers/debtors arising from the foreclosure of mortgaged properties.
3. **Items Held as Collateral** – This refers to the total nominal amount (P1.00 per item) of the items held as collateral for loans and other credits granted such as certificates of deposit, passbooks, certificates of title and stock certificates. A register shall be maintained for this account.
4. **Late Payment Received** – This refers to the non-cash payments received after the selected clearing cut-off time which shall be validated/reversed the following business day or shall be lodged in their appropriate asset/liability accounts.
5. **Derivatives** – This refers to the notional amount of derivatives contracts of the TC.
6. **Other Contingent Accounts** – This refers to the items which cannot be appropriately classified under any of the foregoing contingent accounts.

LINE ITEM INSTRUCTIONS

Schedule 1 – Deposit in Banks

Report in the appropriate column the total balances of the different types of deposit accounts maintained by the reporting TC with banks.

Additional Information

Classified as to Original Term – (Refer to Structure of the FRP Item 3.a) Report the balances of demand, savings and NOW deposits maintained with banks in the earliest time bucket - *Short Term (one year or less)*.

Schedule 2 – Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)

Report the *fair value* of securities designated at fair value through profit or loss classified as to the issuer of the securities.

Securities issued by the National Government shall be further classified as follows:

- (a) **Treasury Bonds** – This refers to government securities which mature beyond one year. These are sold at its face value on origination. The yield is represented by coupons, expressed as a percentage of the face value on a per annum basis, payable semi-annually.
- (b) **Treasury Bills** – This refers to government securities which mature in less than a year. There are three tenors of Treasury Bills: (1) 91-day (2) 182-day (3) 361-day bills. The number of days is based on the universal practice around the world to ensure that the bills mature on a business day.
- (c) **Others (i.e. Retail Treasury Bonds)** – This refers to securities issued by the National Government which do not fall under items (a) and (b).

Additional Information

Report the *fair value* of the securities referred to in the following items:

- (1) **Data on Utilization of Debt Securities**
- (2) **Debt Securities Issued by LGUs to the extent guaranteed by the LGUGC** – This refers to debt securities issued by LGUs to the extent guaranteed by the Local Government Unit Guarantee Corporation (LGUGC).
- (3) **Debt Securities Issued by GOCCs to the extent guaranteed by the National Government** – This refers to debt securities issued by GOCCs to the extent guaranteed by the National Government.
- (4) **Dollar Linked Peso Notes (DLPNs)** – This refers to debt securities, which are direct and unconditional obligations of the National Government and are issued by the Bureau of Treasury (BTr). Payments of interest and principal on these notes are linked to the movement of the Philippine Peso and US Dollar exchange rate and computed based on the foreign exchange factor.

- (5) **Quoted Loans and Receivables** – This refers to loans and receivables that are quoted in an active market. For prudential reporting purposes, a loan that becomes tradable or has been traded in an active market shall be reclassified as a debt security instrument.
- (6) **Redeemable Preferred Shares** – This refers to redeemable preferred shares that are accounted for as debt securities in the books of both the issuer and the investor.
- (7) **A. Readily Marketable** – This refers to readily marketable debt securities.
B. Not Readily Marketable – This refers to readily marketable debt securities not considered as readily marketable.
- (8) **Hedged Items** – This refers to debt securities that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged.
- (9) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)

Schedule 3 – Available for Sale (AFS) Financial Assets

AFS securities shall be classified according to the issuer of securities. Securities issued by the National Government shall be further classified as to Treasury Bonds, Treasury Bills and Others as defined under the line item instructions in Schedule 3.

Amortized Cost – Report in this column the amortized cost or cost of the AFS securities.

Accumulated Gains/(Losses) from MTM – Report in this column the change in the fair value of the AFS securities.

Allowance for Credit Losses – Report in this column the Allowance for Credit Losses booked due to impairment of AFS securities.

Net Carrying Amount – Report in this column the net carrying amount of AFS, which shall correspond to the fair value of securities less any allowance for credit losses.

Additional Information

Report in the appropriate column the amortized cost or cost, change in fair value, allowance for credit losses and net carrying amount of the AFS securities corresponding to the following line items:

Item Nos. 1 to 9 of the additional information section on securities are defined under the line item instructions in Schedule 3.

Schedule 4 – Held-to-Maturity (HTM) Financial Assets

HTM debt securities shall be classified according to the issuer of securities. Securities issued by the National Government shall be further classified as to Treasury Bonds, Treasury Bills and Others as defined under the line item instructions in Schedule 3.

Amortized Cost – Report in this column the amortized cost of HTM securities.

Fair Value Adjustment (for hedged items only) – Report in this column the fair value changes (gains/losses) of HTM securities that are designated as hedged items.

Allowance for Credit Losses – Report in this column the Allowance for Credit Losses booked due to impairment of HTM securities.

Net Carrying Amount – Report in this column the net carrying amount of HTM securities, which shall correspond to the amortized cost of securities (plus/minus fair value gains/losses on hedged HTM securities) less any allowance for credit losses.

Additional Information

Report in the appropriate column the amortized cost, fair value adjustment (for hedged items), allowance for credit losses and net carrying amount of the HTM securities corresponding to the following line items:

Item Nos. 1 to 9 of the additional information section are defined under the line item instructions in Schedule 3.

Schedule 5 – Unquoted Debt Securities Classified as Loans

Unquoted Debt Securities Classified as Loans shall be classified according to the issuer of securities. Securities issued by the National Government shall be further classified as to Treasury Bonds, Treasury Bills and Others as defined under the line item instructions in Schedule 3.

Amortized Cost – Report in this column the amortized cost of Unquoted Debt Securities Classified as Loans.

Fair Value Adjustment (for hedged items only) – Report in this column the fair value changes (gains/losses) of Unquoted Debt Securities Classified as Loans that are designated as hedged items.

Allowance for Credit Losses – Report in this column the Allowance for Credit Losses booked due to impairment of Unquoted Debt Securities Classified as Loans.

Net Carrying Amount – Report in this column the net carrying amount of Unquoted Debt Securities Classified as Loans, which shall correspond to the amortized cost of securities (plus/minus fair value gains/losses on hedged Unquoted Debt Securities Classified as Loans) less any allowance for credit losses.

Additional Information

Report in the appropriate column the amortized cost, fair value adjustment (for hedged items), allowance for credit losses and net carrying amount of the Unquoted Debt Securities Classified as Loans corresponding to the following line items:

Item Nos. 1 to 9 of the additional information section are defined under the line item instructions in Schedule 3.

Schedule 6 – Loans and Receivables – Others (Net Carrying Amount)

Report the net carrying amount of loans (cost less loan discount less other deferred credits less specific allowance for credit losses) including restructured loans shall be further classified according to the reporting TC's counterparties, i.e., government, private corporations or individuals.

- (1) **Classified as to Original Term** – Report the amortized cost of loans and receivables – others classified as to original term in accordance with the structure of the FRP under item 3.a.
- (2) **Geographic Regions of Non-Resident Counterparties** – Report the amortized cost of loans and receivables – others classified as to geographic regions in accordance with the structure of the FRP under item 3.b.
- (3) **Classified as to Status** - Report the *amortized cost* of Loans and Receivables-Others including restructured loans classified according to the status of the account as follows:
 - (a) Current
 - (b) Past Due But Not Yet Non-Performing
 - (c) Past Due and Already Non-Performing
 - (d) Items in Litigation

Non-Performing Loans shall refer to gross non-performing loans as defined under Subsection 4309Q.1 of the MORNBFI- Q Regulations.

Total Loans – Report in this column the sum of Item Nos. 1 to 4.

Allowance for Credit Losses – Report in this column the allowance for credit losses on loan accounts, which should not be lower than the BSP minimum recommended valuation reserves.

Net Carrying Amount – Report in this column the net carrying amount of Loans and Receivables – Others, which shall correspond to the amortized cost of Loans and Receivables – Others less the specific allowance for credit losses.

- (4) Report the amortized cost of loan accounts corresponding to the following line items:
 - (a) **DOSRI** – This refers to the amortized cost (i.e. gross of allowance for credit losses) of loans granted to Directors, Officers, Stockholders and Related Interest.
 - (1) **Secured** – This refers to the loans granted to DOSRI that are secured by real estate mortgage (REM) and other collateral.
 - (2) **Unsecured** – This refers to clean loans granted to DOSRI. This shall include DOSRI loans or portions thereof that are inadequately covered by collateral values.
 - (3) **Loans Granted under the TC's Fringe Benefit Program** – This refers to loans granted to TC employees and officers under its fringe benefit program in accordance with existing regulations.
 - (b) **Non-DOSRI Loans** – This refers to the loans granted to non-DOSRI accounts.
 - (1) **Secured** – This refers to the loans granted to non-DOSRI accounts that are secured by real estate mortgage (REM) and other collateral.
 - (2) **Unsecured** – This refers to clean loans granted to non-DOSRI accounts. This shall include non-DOSRI loans or portions thereof that are inadequately covered by collateral values.

- (c) **Exposure to Real Estate Industry**
- (d) **Gross Non-Performing Loans** – This refers to gross non-performing loans as defined under Subsection 4309Q.1 of the MORNBF1 and represents the total loans and receivables - others reported by the TC as "Past Due and Already Non-Performing" and "Items in Litigation".
- (e) **Allowance for Credit Losses** – This refers to the specific loan loss provision of Loans and Receivables – Others, broken down as to the status of the related loan account.

Schedule 7 – Accrued Interest Income/Expense from Financial Assets/Liabilities

Report the amount of accrued interest income/expense on each type of financial asset/liability. The financial assets/liabilities in this schedule are generally classified as to resident or non-resident counterparties of the reporting TC.

Allowance for Credit Losses – Report in this column the allowance for credit losses on accrued interest income.

Accrued Interest Income from Financial Assets - Net – This refers to total Accrued Interest Income from Financial Assets less allowance for credit losses.

Schedule 8 – TC Premises, Furniture, Fixture and Equipment

Cost – Report the cost of the indicated components of TC premises, furniture, fixture and equipment in this column.

Accumulated Depreciation – Report the accumulated depreciation of the indicated components of TC premises, furniture, fixture and equipment in this column.

Allowance for Losses – Report the allowance for losses of the indicated components of TC premises, furniture, fixture and equipment in this column.

Net Carrying Amount – Report the net carrying amount of the indicated components of TC premises, furniture, fixture and equipment in this column, which shall correspond to the cost of the TC premises, furniture, fixture and equipment less accumulated depreciation less allowance for losses.

Schedule 9 – Schedule of Tax Assets and Liabilities (For Annual Submission)

Report the required information on current/deferred taxes and the other disclosure and reconciliation items of the schedule.

Table A – Report the current and deferred tax assets and liabilities as defined in PAS 12 Income Taxes

Table B

Item 1 – Recognized Deferred Tax Assets and Liabilities

In respect of each type of temporary difference, unused tax losses and unused tax credits, report the:

- (i) Amount of the deferred tax assets and liabilities recognized in the balance sheet for each period presented; and

(ii) Amount of the deferred tax income or expense recognized in the income statement, if this is not apparent from the changes in the amounts recognized in the balance sheet.

Item II – Deferred Tax Assets Unrecognized

Report the amount of deductible temporary differences, unused tax losses, and unused tax credits for which no deferred tax asset is recognized in the balance sheet.

Item III – Income Tax Expense (Income), Current and Deferred

Report the components of tax expense (income) in accordance with PAS 12.

Item IV – Other Tax Disclosures

Report the amount of other tax disclosures required.

Item V – Reconciliation of Statutory Tax to Effective Tax

Report the required information necessary to reconcile statutory tax to effective tax.

Schedule 10 – Other Assets

Report the amount of other assets as defined under the Manual of Accounts.

Others – This refers to the total amount of other assets that are not indicated in the schedule. Specify the type of account under this category that comprise at least 25 percent of total other assets. Items that do not comprise at least 25 percent of total other assets shall be aggregated and presented as a single line item.

Additional Information

Report the outstanding balance of the following accounts in the appropriate column:

1. **Accounts Receivable Arising from Sale of Financial Assets under the Trade Date Accounting**
 - a. Accounts Receivable from Sale of Readily Marketable Debt Instruments
 - b. Accounts Receivable from Sale of Financial Assets Other Than Readily Marketable Debt Instruments

Schedule 11 – Bonds Payable and Redeemable Preferred Shares

Bonds Payable – Report in this column the amortized cost of bonds payable.

Redeemable Preferred Shares – Report in this column the amortized cost of redeemable preferred shares.

Additional Information

- (1) **Taxable** - Report the *amortized cost* of taxable bonds payable.
- (2) **Personal Equity and Retirement Account** – Report the amortized cost of nontaxable bonds payable that are eligible PERA Investment Products covered by the PERA Act of 2008.

Schedule 12 – Other Liabilities

Report the amount of other liabilities as defined under the Manual of Accounts.

Others – This refers to the total amount of other liabilities that are not listed in the schedule.

Specify the types of account under this category that comprise at least 25 percent of total other liabilities. Items that do not comprise at least 25 percent of the total other liabilities shall be aggregated and presented as a single item.

Additional Information

Report the outstanding balance of Accounts Payable Arising from Regular Way Purchase of Financial Assets under Trade Date Accounting.

Schedule 13 – Investment in Debt Instruments Issued by LGUs and Loans Granted to LGUs

Specify Name of Issuing/Borrowing LGUs – Report in this column the specific LGU issuing the debt instruments purchased by the reporting TCs or the recipient of the loans granted by the reporting TC.

Investment in Debt Securities Issued by LGUs – Report in the appropriate column the carrying amount of debt instruments purchased by the reporting TC, categorized based on the classification of the investment.

Loans and Receivables-Others Granted to LGUs – Report in this column the carrying amount of loans and receivables-others granted to LGUs.

Report Title	Attachment
Expanded Report on Real Estate Exposures	1
Consolidated List of Stockholders and Their Stockholdings	2
Simplified Financial Reporting Package (FRP)	3
Balance Sheet	
Schedules:	
1. Deposit in Banks	
2. Financial Assets Designated at Fair Value through Profit or Loss	
3. Available-for-Sale Financial Assets	
4. Held-to-Maturity (HTM) Financial Assets	
5. Unquoted Debt Securities Classified as Loans	
6. Loans and Receivables-Others	
7. Accrued Interest Income/Expense from Financial Assets and Liabilities	
8. Trust Corporation Premises, Furniture and Equipment	
9. Schedule of Tax Assets and Liabilities	
10. Other Assets	
11. Bonds Payable and Redeemable Preferred Shares	
12. Other Liabilities	
13. Investment in Debt Instruments Issued by LGUs and Loans Granted to LGUs.	
Notarized Control Prooflist	3-A
Credit and Equity Exposures to Individuals/Companies/Groups Aggregating P1 million & above	4
Notarized Control Prooflist	4-A
Financial Reporting Package for Trust Institutions	5
Balance Sheet	
Schedules:	
• A1 to A2 Main Report	
• B to B2 Details of Investments in Debt and Equity Securities	
• C to C2 Details of Loans and Receivables	
• D to D2 Wealth/Asset/Fund Management-UITF	
• E-Fiduciary Accounts	
• E1 to E1B ~ Other Fiduciary Services-UITF	
• E2 to E2b- Report by the Personal Equity and Retirement Account (PERA) Administrator	
Income Statement	
Notarized Control Prooflist	5-A
Credit Accommodations to Directors, Officers, Stockholders and Their Related Interests	6
Biographical Data of Directors/Officers with ID picture	7
- if submitted in CD form-Notarized first page of each of the directors'/officers Biographical Data saved in CD and control proof list	
-if sent by electronic mail-Notarized first page of Biographical Data or Notarized list of names of Directors/Officers whose Biographical	

Report Title	Attachment
Data were submitted thru electronic mail to be faxed to SDC	
Notarized List of Members of the Board of Directors and Officers	8
Duly accomplished and notarized authorization form for querying the BSP watchlist files	9
Report on Intra-Group Transaction	10
Balance Sheet for Publication	11
Control Prooflist duly signed by the authorized officer of the institution	11-A
Report on Crimes/Losses	12
Corporate Secretary's Certification under oath on list of stockholders and/or groups of stockholders	13
Past Due Receivables, Loans and/or Commercial Papers/Private Securities	14
Notice of Write-offs of Loans, Other Credit Accommodations, Advances and Other Assets (i) Sworn statement signed by the President or officer of equivalent rank stating that the write-off did not include DOSRI (ii) Board resolution approving write-off	15
Report on FX Swaps with Customers' where 1 st leg is a Purchase of FX Against Pesos (For TCs with derivative license)	16
Report on Cancellations, Roll-overs and Non-delivery of FX Forwards Purchase-Sales Contracts and Forward Leg of Swap Contracts (for TC with derivatives license)	17
Report on NDF transactions with non-resident	18
Control Prooflist	18-A
IT Risk Profile Report	19

**List of Appendices of MORB/Q Regulations Applicable
To Trust Corporations**

Appendix T-1

Regulations	Reference in the T Regulations
x x x	xxx
Q Regulations	
Q-4 Guidelines on Prescribed Reports Signatories and Signatory Authorization	4192T Reports/Manner of Filing
x x x	x x x
Q-10 Basic Guidelines In Setting Up Allowance for Credit Losses	4302T Loan portfolio and Other Risk Assets Review System (as amended by Circular No. 855 dated 29 October 2014)
x x x	x x x

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
A-1		4192T/4192Q.3	Scanned copy of Published Balance Sheet with Publisher's Certificate	Quarterly	5 th business day from publication date	To be submitted to the SDC via electronic mail (sdctc-pbs@bsp.gov.ph) or CD if unable to submit electronically
xxx	xxx	xxx	xxx	xxx	xxx	xxx
A-1	Unnumbered	4611Q.5	Report on Trading Gain/(Loss) on Financial Derivatives	Monthly	15 th business day from end of reference month	-do-
A-1	Unnumbered	Memorandum No.M-2012-046	Expanded Report on Real Estate Exposures	Quarterly	30 th business day from end of the reference quarter	To be submitted to the SDC via electronic mail (sdctc-ree@bsp.gov.ph) or CD if unable to submit electronically
A-1	Unnumbered		Financial Reporting Package (FRP)	Quarterly	15 th business day after end of the reference quarter	To be submitted to the SDC via electronic mail (sdctc-frp@bsp.gov.ph) or CD if unable to submit electronically
			Balance Sheet			
			Schedules:			
			1-Deposit in Banks			
			2-Financial Assets Designated at Fair Value through Profit or Loss			
			3-Available-for-Sale Financial Assets			

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
			4-Held-to-Maturity (HTM) Financial Assets			
			5-Unquoted Debt Securities Classified as Loans			
			6-Loans and Receivables-Others			
			7-Accrued Interest Income/Expense from Financial Assets and Liabilities			
			8-Trust Corporation Premises, Furniture and Equipment			
			9-Schedule of Tax Assets and Liabilities			
			10-Other Assets			
			11-Bonds Payable and Redeemable Preferred Shares			
			12-Other Liabilities			
			13-Investment in Debt Instruments Issued by LGUs and Loans Granted to LGUs.			
			Notarized Control Prooflist			
xx x	xx x	xx x	xx x	xx x	xx x	xx x
A-2	Unnumbered (no prescribed form)	4141Q.9	Certification under oath of directors that they have received copies of the general responsibility and specific duties and responsibilities of the board of directors and that they fully understand and accept the same	Upon election as first-time director with a TC or banking group	20 th business day from date of election	-do-
A-2		4152T.5	Certification on the Fitness and Propriety of marketing personnel	Annual	On or before 30 January of the following year	-do-

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
			and the existence of policy on the handling of TCs' marketing personnel.			
A-2	BSP-7-26-24	4192Q	Credit and Equity Exposures to Individuals/Companies/Groups Aggregating P1 million & above	Quarterly	15 th business day from end of reference quarter	To be submitted to the SDC via electronic mail. (sdctc-credex@bsp.gov.ph) or CD if unable to submit electronically
			Notarized Control Prooflist	Quarterly	15 th business day from end of reference quarter	To be submitted to the SDC via electronic mail (sdctc-credex@bsp.gov.ph) or CD if unable to submit electronically
xx x	xx x	xx x	xx x	xx x	xx x	xx x
A-2	Unnumbered	4191T	Financial Reporting Package for Trust Institutions	Quarterly	20 th business day after end of reference quarter	To be submitted to the SDC via electronic mail (sdctc-frpti@bsp.gov.ph) or CD if unable to submit electronically
xx x	xx x	xx x	xx x	xx x	xx x	xx x
B	Indicate the form no. (for QB – SES II Form 15 (NP08-TB))	4144Q	Biographical Data of Directors/Officers with ID picture - if submitted in CD form- Scanned notarized first page of each of the directors'/officers Biographical Data saved in CD and control proof list -if sent by electronic mail-Scanned	Upon every election/re-election or appointment/promotion or if change in name or change in residential address occurs, or if requesting approval for interlocks.	20 th business day from the date of election of the directors/meeting of the board of directors in which the officers are appointed/promoted 20 th business day from the date the change of name or	To be submitted to the SDC via electronic mail (sdctc-biodata@bsp.gov.ph) or CD if unable to submit electronically

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
			notarized first page of Biographical Data or Notarized list of names of Directors/Officers whose Biographical Data were submitted thru electronic mail to SDC		residential address occurred	
B	Unnumbered	4144Q	Notarized List of Members of the Board of Directors and Officers	Annually	20 th business day from the annual election of the board of directors	Hard copy to appropriate department of the SES
B		4144Q	Duly accomplished and notarized authorization form for querying the BSP watchlist files	Upon election or appointment/promotion as first time director/officer within a TC or banking group	20 th business day from date of election of the directors/meeting of the board of directors in which the officers are appointed/promoted	-do-
xxx	xxx	xxx	xxx	xxx	xxx	xxx
B		4192Q	Certification under oath of independent directors that he/she is an independent director as defined under Subsec. 4141Q.2 and that all the information thereby supplied are true and correct	Upon election	20 th business day from the date of election	Hard copy to appropriate department of the SES
B		4192Q/ 4141Q.9	Certification under oath of directors/officers that he/she has all the qualifications and none of the disqualifications	Upon every election/re-election or appointment/promotion	20 th business day from date of election of the directors/meeting of the board of directors in which the officers are appointed/promoted	Hard copy to appropriate department of the SES

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
xxx		xxx	xxx	xxx	xxx	xxx
B	BSP 7-26-26	4192Q.3	Balance Sheet for Publication	Quarterly	20 th business day from receipt of call	To be submitted to SDC via electronic mail (sdctc-pbs@bsp.gov.ph) or CD if unable to submit electronically
			Control Prooflist duly signed by the authorized officer of the institution			
B		4192Q	Annual Report of Management to Stockholders Covering Results of Operations for the Previous Year	Annually	180 th calendar days after the close of the calendar/fiscal year elected by the TC.	Appropriate department of the SES
B	Unnumbered	X192.4 of the MOR8	Report on Crimes/Losses for Head Office/Branches	As crime or incident occurs	Not later than ten (10) calendar days from knowledge of crime/incident and complete report not later than twenty (20) calendar days from termination of investigation	To be submitted to the SDC via electronic mail (sdctc-rci@bsp.gov.ph) or CD if unable to submit electronically
B	Unnumbered	4192Q	Board Resolution on trust corporation's signatories of report submitted to BSP	As authorized	3 rd day from date of resolution	Appropriate department of the SES
B	BSP 7-26-13	4306Q	Past Due Receivables, Loans and/or Commercial Papers/Private Securities	Quarterly	15 th calendar day after end of reference quarter	-do-
xxx	xxx	xxx	xxx	xxx	xxx	xxx
		M-019 dated 05.05.08	Report on NDF transactions with non-resident	Weekly	2 nd business day after end of reference week	To be submitted to the SDC via electronic mail (sdcnndf@bsp.gov.ph) or

(Revised)

LIST OF REPORTS REQUIRED FROM TRUST CORPORATIONS

Appendix T-3 (Amended)

Category	Form No.	MOR Ref./T-Regulations	Report Title	Frequency	Submission Deadline	Submission Procedure
						CD if unable to submit electronically
xxx	xxx	xxx	xxx	xxx	xxx	xxx
	Unnumbered	4177Q.8	IT Risk Profile Report	Annually	25 calendar days after end of reference year	To be submitted to the SDC via electronic mail (sdctc-itprofile@bsp.gov.ph) or CD if unable to submit electronically