



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

CIRCULAR NO. 613

Series of 2008

Subject: Guidelines on the Computation of the Loans-to-Deposits Ratio and Proposed Amendments to the Branch Reportorial Requirements

The Monetary Board, in its Resolution No. 653 dated 29 May 2008, approved the following guidelines on: (a) the computation of the loans-to-deposits ratio of banks amending Section X393 and its Subsections X393.1 to X393.5 of the Manual of Regulations for Banks (MORB); and (b) the amendments to the branch reportorial requirements:

Section 1. Section X393 and its Subsections X393.1 to X393.5 of the MORB are hereby amended to read, as follows:

“Section X393 Loans-to-Deposits Ratio (LDR). The following policies and guidelines shall govern the LDR of head offices and branches.

“Subsection X393.1 Statement of Policy. It is the policy of the BSP to promote healthy competition within the banking system as well as provide enhanced banking statistics necessary for informed decision-making. It is in this view that amendments to existing regulations on the LDR and reportorial requirements are hereby issued.

“Subsection X393.2 Regional LDR. An individual bank's regional LDR is a measure of the extent of its lending activity vis-à-vis deposits generated in a region. On an aggregate basis, the regional LDR for the banking system is an indicator of the level of bank deposits which have been transformed into investments in a region. The latter may be used by banks as a benchmark in assessing their regional lending and deposit operations as against that of the industry and their peer group.

“Subsection X393.3 Computation of the Regional LDR. The individual bank's regional LDR shall be computed by dividing a bank's aggregate loans by its aggregate deposit liabilities on a per region basis as of the same reporting cut-off date. A bank shall be guided by the following in computing for its regional LDR:

- a. Loans shall be reported by a bank in the region where the loan proceeds were utilized or channeled to, i.e., location of the end-users.
- b. Deposits, on the other hand, shall be reported by a bank in the region wherein these were generated.

PANANALAPING MATATAG, BANSANG PANATAG

For purposes of this Section, loans shall refer to the amortized cost of a bank's total loan portfolio, excluding "Loans to BSP", "Interbank Loans Receivable" and loans granted by a bank's FCDU/EFCDU. Deposits, on the other hand, shall refer to a bank's total deposit liabilities, excluding FCDU/EFCDU deposits."

Subsections X393.4 and X393.5 are hereby deleted.

Section 2. Reportorial Requirements. The bank head office shall submit a Report of Selected Branch Accounts on a semestral basis (Annex A), which may likewise be accessed at the BSP website (www.bsp.gov.ph).

The report, which shall be considered a Category A-3 report, shall be submitted within 20 banking days after the end of the reference semester.

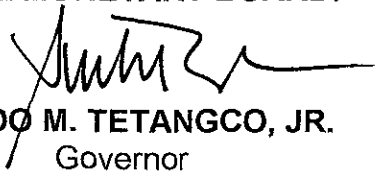
The reportorial requirement shall become effective starting with the 31 December 2008 semestral report. Details on the mode and manner of submission of the report shall be covered by a separate issuance.

The quarterly Statement of Condition (SOC) and Statement of Income and Expenses (SIE) together with their supporting schedules submitted on a per branch basis shall continue to be submitted in accordance with the mode and frequency of submission provided under existing regulations until the reporting period ending 31 December 2008. Thereafter, both the SOC and SIE shall no longer be submitted.

Section 3. Amendment of Inconsistent Provisions of MORB. Appendix 5 of the MORB on the Standard Pre-Qualification Requirements for the Grant of Banking Authorities is hereby amended to exclude compliance with the LDR as a pre-condition for the grant of special banking authorities.

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

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

18

June 2008

Category:

Category A-3

Deadline:

20 banking days after
end of reference
semester

Submission:

cc: Mail - SDC

FOR ALL BANKS

Name of Bank	Code
Address	

Semestral Report of Selected Branch Accounts

As of _____ Semester-End)

REPUBLIC OF THE PHILIPPINES)

_____) S.S.

I solemnly swear that all matters set forth in this report are true and correct, to the best of my knowledge and belief.

(Signature of Officer/Alternate)

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____ 20 __, affiant exhibiting to me his
Community Tax Certificate No. _____ issued at _____
on _____ 20 __.

Notary Public

Until December 31, 200 _____

PTR No. _____

Place _____

Doc. No. _____

Page No. _____

Book No. _____

Series of _____

Name of Bank	Bank Code
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Date _____

[illegible]

¹⁾ Account balances of sub-branches/other banking offices which report and are organizationally and administratively attached to a branch, shall be consolidated with those of their respective branch banking unit.

²³ Net of allowance for credit losses³ Net of accumulated depreciation and/or allowance for losses

Selected Balance Sheet and Income Statement Accounts

Name of Bank _____ Bank Code _____

Date _____

Location of Branches ¹⁾	Bank Code	Balance Sheet Accounts				Income Statement Accounts							
		Liabilities			Total Equity	Net Interest Income			Non-Interest Income	Non-Interest Expense	Losses/ Recoveries on FA	Net Profit or Loss	
		Deposit Liabilities	Due to Head Office/ Branches/ Agencies	Total Liabilities		Interest Income	Interest Expense	Provision for Losses on Accrued Interest Income on FA					
NCR													
Sub-total													
Iloilo													
Sub-total													
Visayas													
Sub-total													
Mindanao													
Sub-total													
Total - Domestic													
Foreign Branch Office													
Sub-total - Foreign													
total													

¹⁾ Account balances of sub-branches/other banking offices which report and are organizationally and administratively attached to a branch, shall be consolidated with those of their respective branch banking unit.

Aging of Loans and Receivables - Others

Name of Bank Bank Code

Date

Location of Branches ¹⁾	Bank Code	Loans and Receivables - Others, Gross					Allowance for Credit Losses	Loans and Receivables - Others, net	Breakdown of Loans as to Borrower Type and Security				
		Current	Past Due But Not Yet Non- Performing	Past Due and Already Non- Performing	Items in Litigation	Total			DOSRI		Non-DOSRI		
									Secured	Unsecured	Secured	Unsecured	
TICR													
Sub-total													
Luzon													
Sub-total													
Visayas													
Sub-total													
Mindanao													
Sub-total													
Total - Domestic													
Foreign Branch Office													
Sub-total: Foreign													
Total													

¹⁾ Account balances of sub-branches/other banking offices which report and are organizationally and administratively attached to a branch, shall be consolidated with those of their respective branch banking unit.

Name of Bank	Bank Code
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Address

Data

[illegible]

¹⁵ Account balances of sub-branches/other banking offices which report and are organizationally and administratively attached to a branch, shall be consolidated with those of their respective branch banking unit.

Bank Loans-to-Deposits Ratio

Name of Bank _____ Bank Code _____

Date _____

Island Grouping Regions	Luzon					Visayas				Mindanao					Total		
	NCR	CAR	I	II	III	IV-A	IV-B	V	VI	VII	VIII	IX	X	XI		XII	ARMM
A. Loan Portfolio, Gross																	
A.1 Allowance for Credit Losses																	
B. Loan Portfolio, Net																	
C. Deposit Liabilities																	
C.1 Demand Deposits																	
C.2 Savings Deposits																	
C.3 Time Deposits																	
C.4 NOW Accounts																	
C.5 LTNCDS																	
D. Total Deposit Liabilities																	
E. Loans to Deposits Ratio																	
E.1 LDR, at gross loans (A/D.1)																	
E.2 LDR, at net loans (B/D.1)																	

Instructions:

1. Loan Portfolio shall refer to loans which have been extended to end-users located in the reported region. It shall exclude "Loans to BSP", "Interbank Loans Receivable" and loans granted by a bank's FCDU/EFCDU.
2. Deposit Liabilities shall refer to deposits generated in the reported region. It shall exclude FCDU/EFCDU deposits.
3. Total Loan Portfolio should be equal to total "Loans and Receivables-Others" in the solo balance sheet of the regular banking unit of the FRP.
4. Total Deposit Liabilities should be equal to total "Deposit Liabilities" in the solo balance sheet of the regular banking unit of the FRP.
5. Regional groupings shall follow the guidelines of the Philippine Standard Geographic Code.

Reconciling Items Outstanding for More than Six (6) Months on the Due From/Due To Head Office, Branches and Agencies Account

Name of Bank _____ Bank Code _____
 Date _____

Location of Branches ¹¹	Bank Code	Account Title	Amount	Reason/Explanation
NCR				
Sub-total				
Luzon				
Sub-total				
Visayas				
Sub-total				
Mindanao				
Sub-total				
Total - Domestic				
Foreign Branch Office				
Sub-total - Foreign				
Total				

¹¹ Account balances of sub-branches/other banking offices which report and are organizationally and administratively attached to a branch, shall be consolidated with those of their respective branch banking unit.