

o Disclosure Requirements

- From end-December 1997 and monthly thereafter, banks are required to disclose detailed information on their restructured loans (RLs) (*Memorandum to All Authorized Agent Banks dated 22 January 1998*):
 - a) RLs – outstanding as of Month/Date/Year
 - b) RLs – without uncollected capitalized interest
 - c) RLs – with uncollected capitalized interest
 - d) RLs – past due portion
- Since December 1998, all publicly listed banks are required to disclose the following additional information in the quarterly Published Statement of Condition (*Circular No. 157 dated 19 March 1998*):
 - a) Amount of non-performing loans and ratio to total loan portfolio
 - b) Amount of classified loans and other risk assets
 - c) General loan loss reserves
 - d) Specific loan loss reserves
- To further enhance transparency and promote the effectiveness of the market in instilling discipline on banks, the disclosure requirement was expanded to include the following information in quarterly Consolidated Statement of Condition of all UBs, KBs and TBs with at least P1 billion resources and in the quarterly published Statement of Condition of NBQBs (whether listed or not listed in the PSE) effective December 1999 (*Circular No. 208 dated 17 August 1999*):
 - a) Non-performing loans and ratio to total loan portfolio
 - b) Classified loans and other risk assets
 - c) General loan loss reserves
 - d) Specific loan loss reserves
 - e) Return on equity (ROE)
 - f) DOSRI loans/advances and ratio to total loan portfolio
 - g) Past due DOSRI loans and advances and ratio to total loan portfolio
- The same additional information is required of TBs with less than ₱1 billion resources, and RBs/CBs, to be disclosed in the quarterly Statement of Condition required to be either published or posted in their respective premises and municipalities/barangays, as prescribed under existing regulations, effective December 1999 (*Circular No. 208 dated 17 August 1999*).

- For banks and NBQBs adopting calendar year as of 31 December 1999 and as of the following month-ends thereafter (for banks and NBQBs adopting fiscal year), the following additional information are required for disclosure:

In the notes to the audited financial statements (Circular No. 212 dated 20 October 1999):

- a) Basic quantitative indicators of financial performance
- b) Capital-to-risk assets ratio under Section 22 of R. A. No. 337, as amended (*This has been amended under Circular No. 280 dated 21 March 2001*);
- c) Concentration of credit as to industry/economic sector where concentration is said to exist when total loan exposures to a particular industry/economic sector exceeds 30 percent of total loan portfolio
- d) Breakdown of total loans as to secured and unsecured and breakdown of secured loans as to type of security
- e) Total outstanding loans to bank's/NBQB's directors, officers, stockholders and related interests (DOSRI), percent of DOSRI loans to total loan portfolio, percent of unsecured DOSRI loans to total DOSRI loans, percent of past due DOSRI loans to total DOSRI loans, and percent of non-performing DOSRI loans to total DOSRI loans
- f) Nature and amount of contingencies and commitments arising from off-balance sheet items
- g) Provisions and allowances for losses and how these are determined
- h) Aggregate amount of secured liabilities and assets pledged as security
- i) Accounting policies which shall include, but shall not be limited to, general accounting principles, changes in accounting policies/practices, principles of consolidation, policies and methods for determining when assets are impaired, recognizing income on impaired assets and losses on non-performing credits, income recognition, valuation policies, and accounting policies on securitizations, foreign currency translations, loan fees, premiums and discounts, repurchase agreements, premises/fixed assets, income taxes, derivatives, etc.

In the annual reports of UBs, KBs, TBs with at least P1 billion resources and NBQBs (Circular No. 212 dated 20 October 1999):

- a) Financial performance
- b) Financial position and changes therein

- c) Overall risk management philosophy, risk management system and structure
 - d) Qualitative and quantitative information on risk exposures (credit risk, market risk, liquidity risk, operational, legal and other risks)
 - e) Basic business, management and corporate governance information such as the bank's organization structure, incentive structure including its remuneration policies, nature and extent of transactions with affiliates and related parties
- Banks and NBQBs are required to post a copy of their latest annual report in a conspicuous place in its head office, all its branches and other offices.
 - These annual reports should be submitted to the appropriate Supervising and Examining Department of the BSP 180 calendar days after the close of the calendar year or the fiscal year adopted by the bank/NBQB.
 - Guidelines were prescribed in arriving at a uniform method of calculating additional financial information required to be disclosed in the quarterly Consolidated Statement of Condition of Banks and its Financial Subsidiaries (*Circular Letter dated 26 April 2000*).
 - To require all TBs to publish their respective Consolidated Statement of Condition and their subsidiaries and affiliates side-by-side with their respective Statement of Condition (head office, branches and other offices, domestic or foreign) as of 19 June 2003 in accordance with the revised forms. (*Circular-Letter dated 20 June 2003*)
 - To require all forex corporations/corporations engaged in foreign exchange trading activities that are not subsidiaries/affiliates of banks/quasi-banks and/or non-bank financial intermediaries to submit their monthly report of purchases/sales and daily position of foreign exchange to the supervising and examination department concerned. Non-compliance, false reporting or misrepresentation of which shall be subject to the penal provision under Section 36 of R.A. No. 7653. (*Circular Letter dated 15 July 2003*)