

First Semester 1998



A Status Report on the Philippine Financial System

Bangko Sentral ng Pilipinas
Manila, Philippines

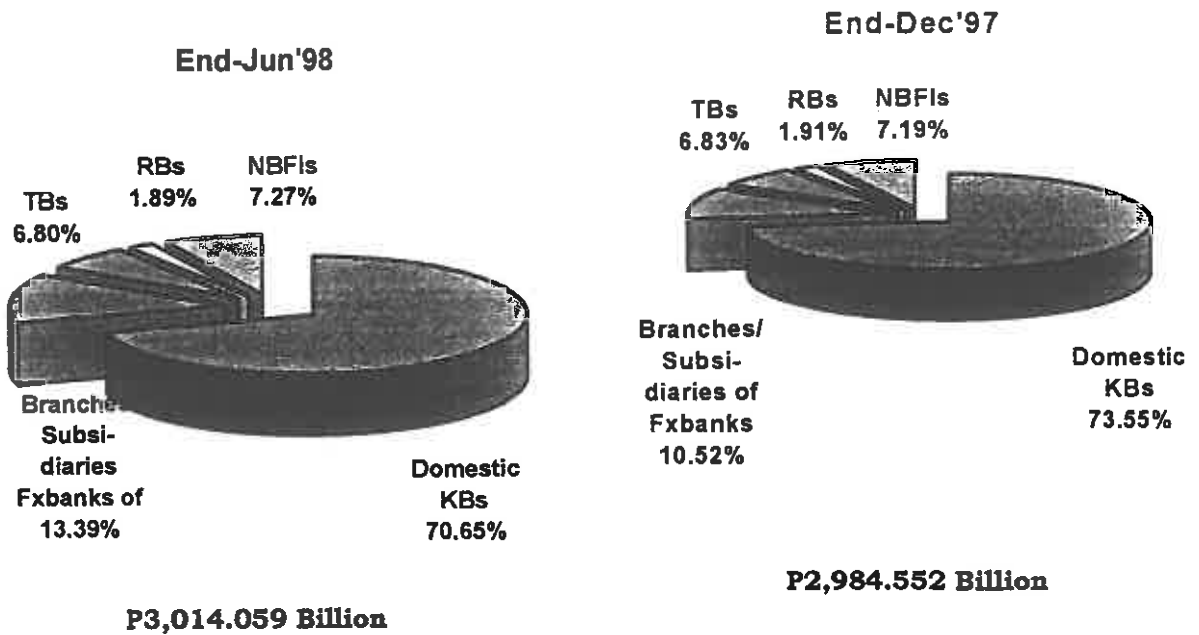


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Figure 2.- Comparative Contributions to Total Resources



The risk management systems employed by banks and non-banks evidently were well in place as no systemic breakdown occurred during the period. However, the first semester developments not only tested the efficiency and effectiveness of these systems but also brought to surface the strengths and some weaknesses in the Philippine financial system, as a whole.

The enhanced capability of the financial system to withstand shocks were attributed to its expanded capital base, higher provisioning for probable losses, sustained growth in assets, expanded operating network, continuous funds mobilization and contained borrowings. The system's stability, on the other hand, was threatened by the increase in non-performing loans, high interest and administrative costs and entry of new players despite the fragile market situation.

STRENGTHS

- ✓ **Expanded Capital Base.** By end-June 1998, 15.62% of the system's total resources (vs. 15.18% a semester ago) were supported by capital accounts as financial institutions remained committed in their respective capital build-up programs. Banks posted a 4.57% increase in capital while non-banks reported a 1.19% increment. This resulted to improvements in the compliance rate of banks with the increased minimum capitalization, i.e., to 76.01% from 64.70% in end-1997.



- ✓ **Higher Loan-Loss Provisioning.** Allowance for probable losses was raised anew (by 24.57%) to hedge the quality of loan portfolio against increase in non-performing loans. Convinced of the need to provide additional cushion against the risks attendant to the conduct of operations, banks positively responded to the setting up of a 2% general loan loss provisioning aside from the existing specific provisioning requirement for classified accounts. At end-June 1998, banks provisioning for probable losses amounted to P49.808 billion, representing 29.01% of the total past due accounts of the banking sector.

- ✓ **Sustained Asset Growth.** The system's resources grew by P29.507 billion (or 0.99%) despite the slack in the economy. This was largely on account of fresh capital from investors and new deposits generated during the period as financial institutions generally contained their borrowing activities. Commercial banks, as in the previous periods, had the largest share of the system's assets (84.04%), followed by non-bank financial institutions (7.27%), thrift banks (6.80%) and rural and cooperative banks (1.88%).

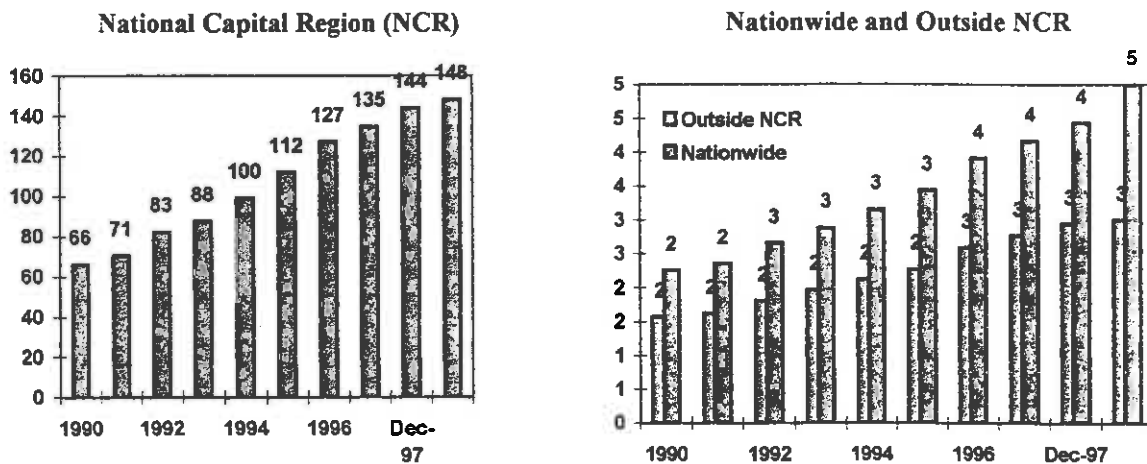
- ✓ **Wider Operating Network.** Expansion of the system's structure continued but at a slower pace than the previous semester. At end-June 1998, there were 717 new offices established (net of closures) which brought the number of financial institutions' offices to 17,866, consisting of 8,131 head offices and 9,735 branches/other offices. The banking sector's ATM network also expanded by 100 units to 2,944 machines (of which 2,452 were situated within banking premises or on-site).

By end-June 1998, there were 1,011 banking institutions with 6,472 branches (Schedule 1) or a total of 7,483 banking offices (vs. 7,181 a semester ago). Philippine bank offices abroad numbered 57.

These developments resulted to improved density ratio nationwide and in the National Capital Region. At the end of the semester, there were 5 banking offices in each city/municipality of the country and 148 banking offices per city/municipality in the National Capital Region. Density ratio outside the NCR remained the same as in the previous semester (Figure 3).

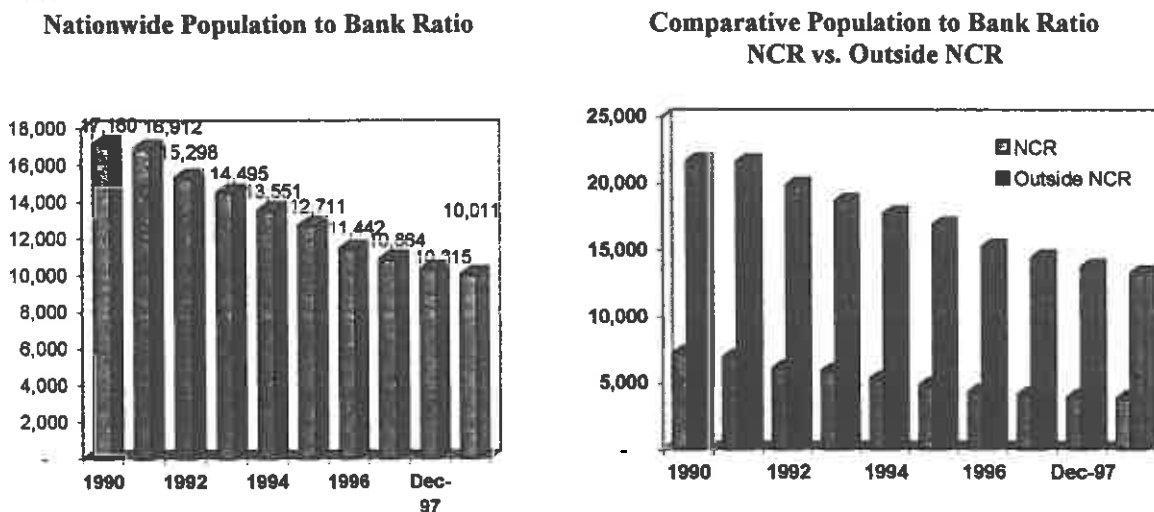


Figure 3. Bank Density Ratio (per City/Municipality)



In terms of population, each bank office can service at least 10,011 Filipinos vs. 10,315 in end-1997 and 10,864 persons as of end-June 1997 (Figure 4). The population-to-bank ratio was higher outside NCR as fewer new offices were established in other regions compared to NCR.

Figure 4. Population to Bank Ratio



Continuous Savings Mobilization. Deposit taking activities though slower than the past semesters generated a total of P34.421 billion new funds. This indicated the continued confidence of the public in the system.



Of the new deposits, 52.33% were foreign currency deposits as the increment in peso deposits lagged behind those of the foreign currency accounts. Peso deposits nonetheless accounted for the bulk (63.77%) of the P1,709.550 billion (Schedule 2) total deposit liabilities of the banks/non-bank thrift institutions (i.e., non-stock savings and loan associations and mutual building and loan associations).

Contained Borrowings. The increase in bills payables and other liabilities was pulled down by the partial settlement of bank obligations. This enabled banks to save on high interest bearing liabilities. Non-banks, on the other hand contracted new borrowings at a much lower rate than the previous semester. They managed to improve their leverage ratio 170.65% (vs. 171.74% in end-1997).

AREAS OF CONCERN

- ✓ **Asset Quality.** The system (while remaining relatively sound) showed sensitivity to the fluctuations in exchange and interest rates brought about by external events. This was readily measured in the expansion of non-performing loans due to the high incidence of defaulting borrowers. Banks reported a 80.98% hike in overdue accounts. Past due ratio thus rose to 9.69% of the total loan portfolio (vs. 5.37% a semester ago). To hedge quality of their loan portfolio against this development, banks granted new loans only to selected industries (mining and quarrying, utilities, construction, financial institutions and business services) and reduced all exposures to other industries, including loans to the real estate sector. They further raised provisions for probable losses. These moves impeded the servicing of credit needs in the other sectors of the economy.
- ✓ **Declining Operational Efficiency.** The system's susceptibility to external developments was likewise measured by the narrow profit margins of banks and non-banks with quasi-banking functions (NBQBs). Their P19.986 billion combined net income resulted to a net profit margin just equal to the previous semester's 11.02% margin. This level of earnings was higher by 1.22% compared to net income last semester but was 15.02% (or P3.533 billion) short of their income during the same period last year. Net profit margin then was posted at 18.77% of the P23.519 net income. The decline was traced particularly to the lower gains from trading and foreign exchange transactions for the period.



✓ **Entry of New Industry Participants.** Given the economic slack, the beneficial effects resulting from the continuous chartering activities started to diminish. Entry barriers were therefore raised to protect the system's integrity and acquired stability as well as to decelerate growth of competition within the system. Higher qualifications were imposed on would-be senior officials of banks while investors were required to present additional proof of financial capacity. Undeterred by the stricter chartering guidelines, incorporators pushed through with their plans of setting up banks and non-banks. New banks were mostly rural banks while the additional non-bank entities consisted mainly of pawnshops and lending investors.

PERFORMANCE BY INDUSTRY CATEGORY

THE BANKING SECTOR

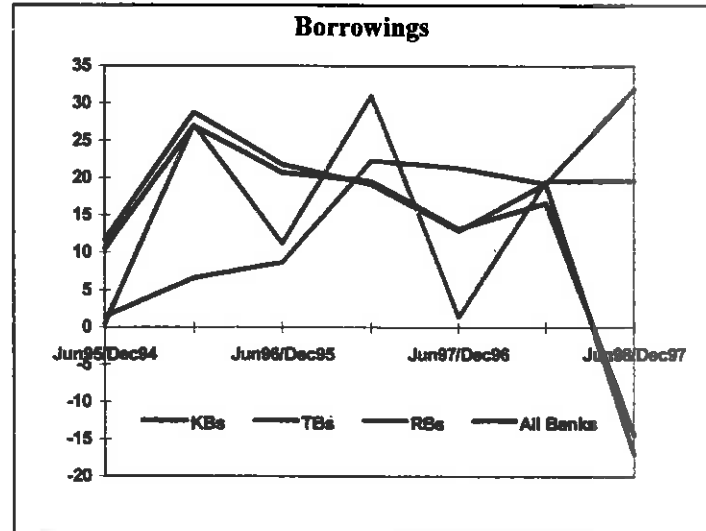
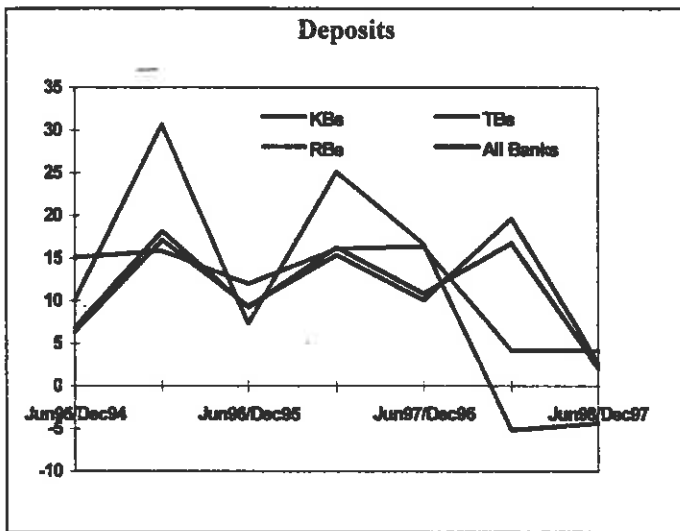
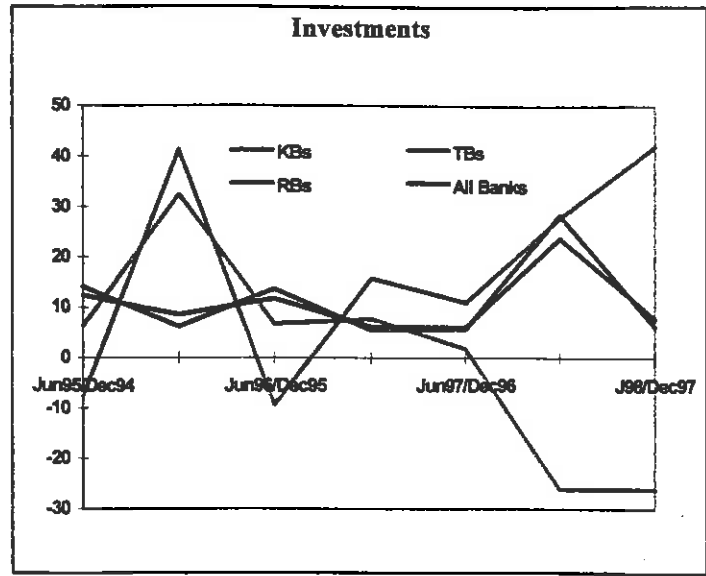
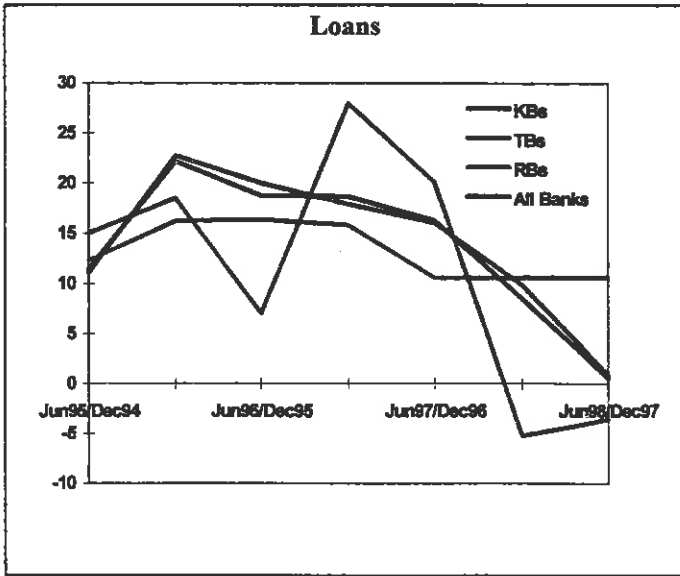
In the first half of 1998, the banking sector continued to hold out against the effects of the on-going regional crisis. The sector also withstood the closure of 16 banks as their P10.244 billion aggregate resources was merely 0.37% of the banking system's assets. The strength of the industry was attributed mainly to banks' positive responses to the prudential guidelines promulgated by the Bangko Sentral long before and right after the start of the crisis.

Faced with high interest rates and rising administrative costs, banks exercised restraint in their borrowings, confined extension of new credits to selected industries, sustained their diverse deposit-taking schemes and consistently adhered to their respective capital build-up programs. These moves earned for them moderate but positive growth in resources, deposits and capital and a constant profit margin.

Selected performance indicators this semester showed: banks' preference for investments over loans, slower deposit-taking activities and contained borrowings (Figure 5).



Figure 5. Comparative Growth Rates of Selected Accounts

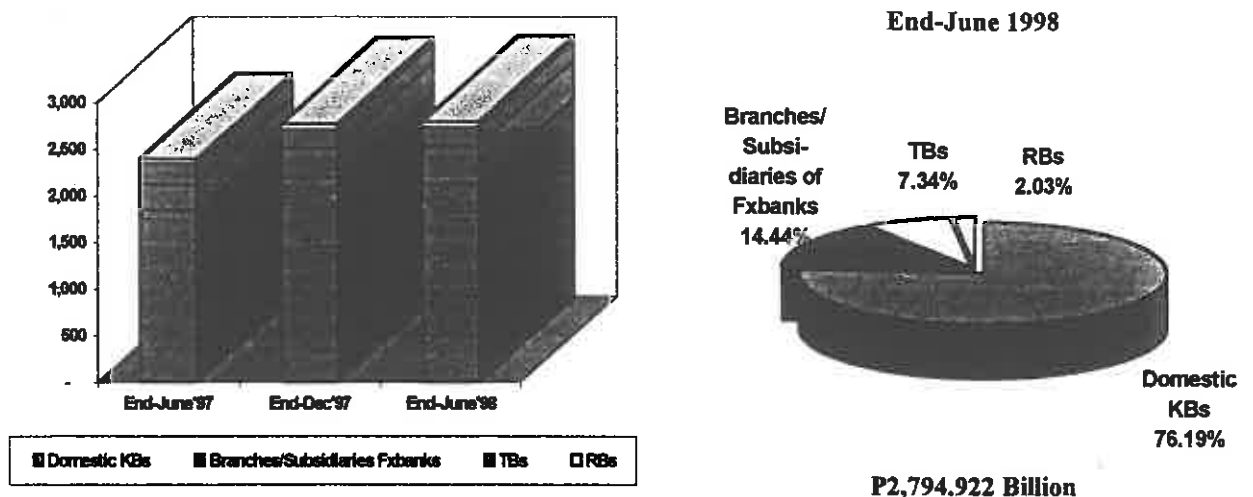




Domestic commercial banks maintained their dominance in the sector but posted lower contributions to the total assets (76.19% vs. 79.35%) of the industry as they opted to liquify some asset holdings for the partial settlement of outstanding obligations. Thrift banks' share was only 3 basis points less than its part a semester ago, a reversal of the previous semester's contraction. Rural banks continued to contribute the least share in terms of assets but remained the frontliners in the countryside.

The share of the branches/subsidiaries of foreign banks to the total resources of the banking system grew to 14.44% from 11.36% as of year-end 1997 and still remained below the statutory ceiling of 30%.

Figure 6. Total Resources of the Banking System Classified by Type of Bank



More than a third of these resources were held by the top five (5) commercial banks (Table 1) for the last three (3) consecutive semesters. Metrobank and Philippine National Bank retained the number 1 and 2 slots despite the reported decline in assets as disclosed in their published statements as of 23 June 1998.

Rank	Name of Bank	Resources (PBillion)	
		18 Dec. 1997	23 June 1998
1	Metropolitan Bank & Trust Company	247.087	242.047
2	Philippine National Bank	242.295	234.605
3	Bank of the Philippine Islands	166.163	171.139
4	Land Bank of the Philippines	156.179	168.506
5	Philippine Commercial International Bank	152.300	141.927
	Total	964.024	958.224



Physical Composition

The banking sector posted slower expansion rate in structure during the first semester of 1998 as compared to the previous semester. This ensued due to the slackened chartering and branching operations of banks and the high incidence of closures during the period.

New industry players numbered 23 (vs. 28 a semester ago). They included: 1 commercial bank (Panasia Bank, Inc.); 3 thrift banks, 19 rural and cooperative banks.

Other developments included: (i) the establishment of 180 new branches by existing banks (105 by commercial banks, 61 by thrift banks and 14 by rural and cooperative banks); (ii) the conversion into thrift banks of 2 rural banks and 1 lending investor; and the re-opening of a closed rural bank.

Closures reached a total of 17 banks (11 rural banks, 5 thrift banks and a commercial bank which declared a self-imposed bank holiday on 14 February 1998) as alternatives to rehabilitate these problem banks proved futile.

By end-June 1998, the number of operating banks stood at 1,011 banks with 6,472 branches and other offices (inclusive of the 57 offices of Philippine commercial banks abroad). Compared to the previous semester, the industry structure grew only by 302 offices (net of closures). This was 134 bank offices less than the 436 increment during the first semester of 1997 (Schedule 1).

In addition to these banking offices, the industry had an ATM network, consisting of 2,944 machines or a net increase of 100 units (vs. 299 units added in the last semester). Of these ATMS, 2,452 were within the bank premises or on-site.

The continuous but moderate branching operations of banks during the period further improved the regional profile of banks (Table 2), except in Eastern Visayas where several bank offices were closed.

In effect, the number of Filipinos which can be served by each bank office dropped to 10,011 from 10,317 as of end-1997. In contrast, the bank density ratio rose to 5 banking offices per city/municipality nationwide. Most of these offices were situated in the National Capital Region, Southern Tagalog and Central Luzon.



Table 2. Regional Profile: Banking Offices
As of 30 June 1998

	Total	Head Offices	Branches
National Capital Region	2,523	123	2,400
Region I - Ilocos	380	88	292
Region II - Cagayan	202	38	164
Region III - Central Luzon	796	128	668
Region IV - Southern Tagalog	1,268	208	1,060
Region V - Bicol	211	61	150
Region VI - Western Visayas	415	90	325
Region VII - Central Visayas	478	65	413
Region VIII - Eastern Visayas	126	30	96
Region IX - Western Mindanao	112	17	95
Region X - Northern Mindanao	209	40	169
Region XI - Southern Mindanao	385	49	336
Region XII - Central Mindanao	73	13	60
Cordillera Autonomous Region (CAR)	96	18	78
Autonomous Region for Muslim Mindanao (ARMM)	58	21	37
CARAGA	94	22	72
Nationwide	7,426	1,011	6,415
Asia-Pacific (<i>Asia + Australia</i>)	28		28
Europe	18		18
North America	9		9
Africa	2		2
Overseas	57		57
Overall Total	7,483	1,011	6,472

Levels of Operations

Banking operations gained minimal growth in assets as they relied mainly on existing resources and additional funds from shareholders during the period. Their activities remained focused in reducing operational costs and further enhancement of solvency position as indicated by the moderate extension of new credits and the higher growth rates of investments compared to all other asset accounts.

Combined resources of banks were valued at P2,794.922 billion (Schedule 2.a), exhibiting a 90 basis point expansion from end-1997 or a 16.76% annual growth from end-June 1997. Commercial banks (particularly universal banks) continued to account for the bulk (90.63%) of these assets (Table 3).



Table 3. Banks' Assets (P Billion)

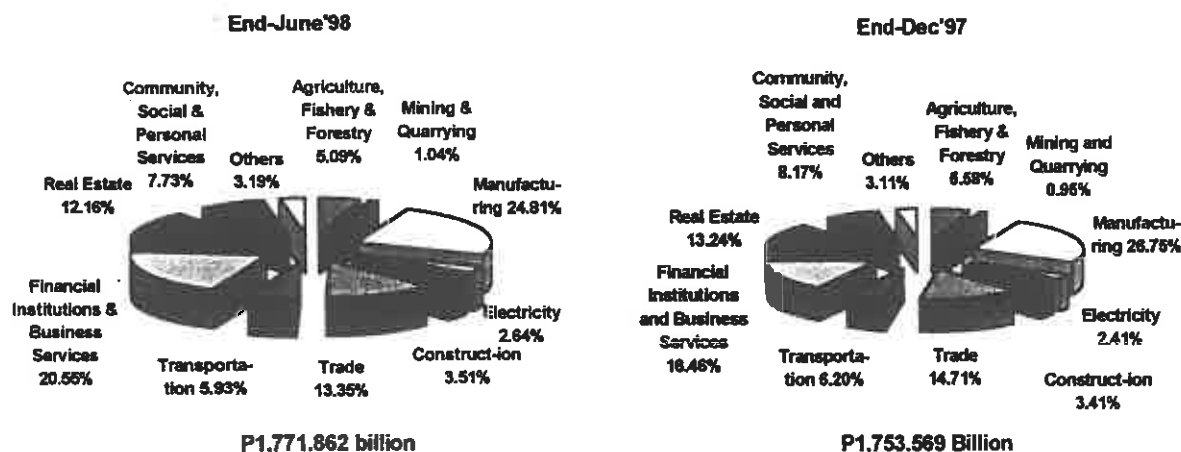
Type of Bank	End June '98	Share	End Dec '97	Share	Growth (%)
Commercial/Specialized Gov't Banks	2,532.912	90.63	2,509.133	90.58	0.95
Expanded Commercial Banks (EKBs)	2,053.151	73.46	2,062.509	74.46	19.46
Non-Expanded Commercial Banks (non-EKBs)	479.761	17.17	446.624	16.12	12.68
Thrift Banks (TBs)	205.173	7.34	203.966	7.36	0.59
Savings & Mortgage Banks (SMBs)	108.426	3.88	102.332	3.69	-12.92
Private Development Banks (PDBs)	76.621	2.74	80.405	2.90	0.65
Stock Savings & Loan Assns. (SSLAs)	20.126	0.72	21.229	0.77	4.35
Rural Banks (RBs)	56.837	2.03	56.837	2.05	-
All Banks	2,794.922	100.00	2,769.936	100.00	0.90

* Preliminary; rural banks data as of end-1997

These assets remained primarily held in loans even though most of the funds generated during the period were placed in investments. Share of loans (net of provisions for probable losses) slid to 61.61% from 61.87% in end-1997 while investments inched up to 15.78% from 14.78% a semester ago. Liquid assets and all other asset holdings declined but more or less maintained their proportion to the total resources.

Total loan portfolio (gross) was valued at P1,771.862 billion, registering only a 1.04% expansion over the last six months. Outstanding exposures across all industries were reduced except those in mining and quarrying, utilities, construction and financial institutions and business services. However, major industry beneficiaries of these loans remained as follows: manufacturing, financial institutions and business services and trade (Figure 7).

Figure 7. Concentration of Bank Credits





Loans to the real estate sector by commercial and thrift banks were reduced by 7.17% to P215.504 billion from P232.137 billion in end-1997. This represented only 12.44% (vs. 13.55%) of their combined exposures.

The slack in lending activities was accompanied by an 80.98% increment in non-performing loans. Past due accounts rose to P171.674 billion from P94.857 billion in end-1997, pushing up past due ratio to 9.69% from 5.41% in end-1997.

This expansion in non-performing loans was accompanied by a 24.57% increase in allowance for probable losses to hedge against the additional uncollectibles. By-end June 1998, provisions for probable losses stood at P49.808 billion, equivalent to 29.01% of total past due accounts.

Figure 8. Provisions for Probable Losses (In Billion Pesos)

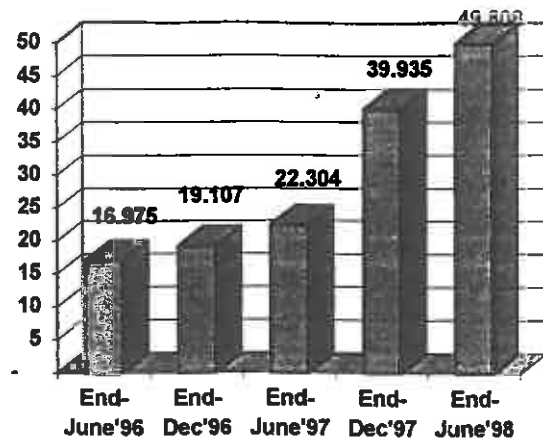
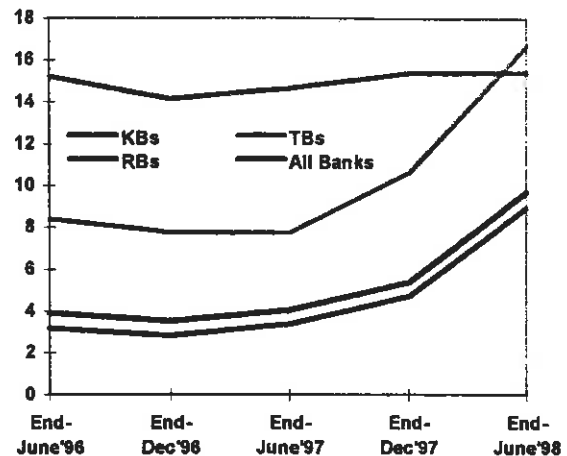


Figure 9. Comparative Past Due Ratio



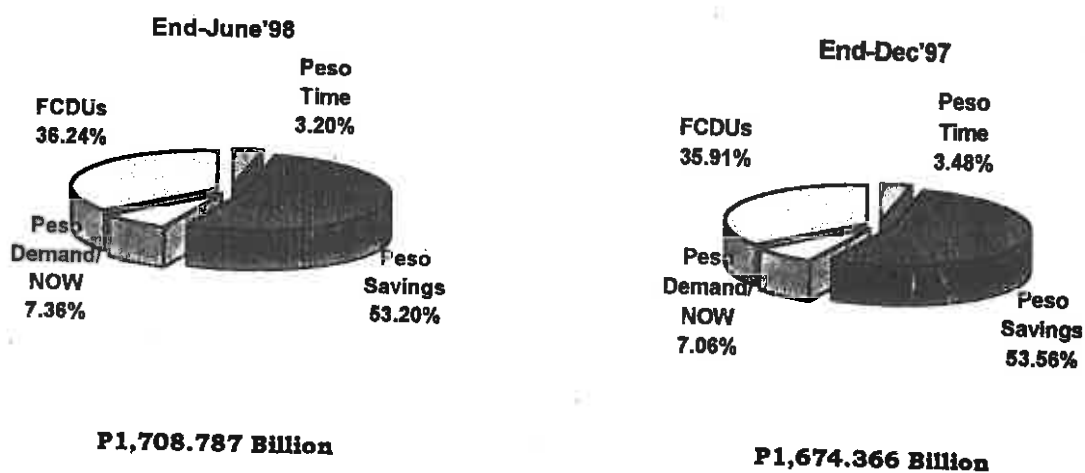
Classified by banking category (Figure 9), thrift banks had the highest past due ratio (16.71%), in contrast to the past semesters during which they normally ranked second only to rural banks. Commercial banks likewise experienced expansion in past due loans but maintained its past due ratio below 10% as in the previous periods.

These loans remained basically hinged on deposits despite the slower deposit growth rates during the period (2.06% vs. 16.78% a semester ago). New deposits amounted to P34.421 billion which was equivalent to only 14.30% of the P240.614 billion new deposits generated in the previous semester.



Foreign currency deposits rose twice faster than peso deposits, i.e. 3.0% vs. 1.53%. Their share to total deposits thus went up to 36.24% (Figure) from 35.91% in end-1997. Nonetheless, peso deposits continued to account for the bulk of the industry's total deposits (63.76% or P1,089.498 billion).

Figure 10. Composition of Deposit Liabilities



Borrowings were likewise contained during the period. Bills payables and other liabilities were maintained at almost parallel level (a little over than a third of a billion) after the P58.887 billion cut back in bank's borrowings.

The slow down in deposit taking and borrowing activities of banks tempered the rise in bank liabilities. As of the end of the first semester, total liabilities were only a P8.368 billion (or 0.35%) bigger than last semesters' level. At P2,414.926 billion, total liabilities financed 86.40% of total assets (vs. 86.88% in end-1997).

Capitalization

Banks capitalization reached P379.996 billion (Schedule 2.a), exhibiting a 4.57% increment from end-1997 level. It consisted of 40.50% (or P153.903 billion) capital stock; 2.12 % (or P8.049 billion) assigned capital and 8.24% (or P31.302 billion) "Net due to/From HO/Branches/Other Agency" account of the branches of foreign banks; 49.14% (or P186.742 billion) surplus, surplus reserves and undivided profits.



The growth rate posted for the period was lower than the previous semester as the continuous capital deepening of banks was not accompanied by higher net earnings for the period.

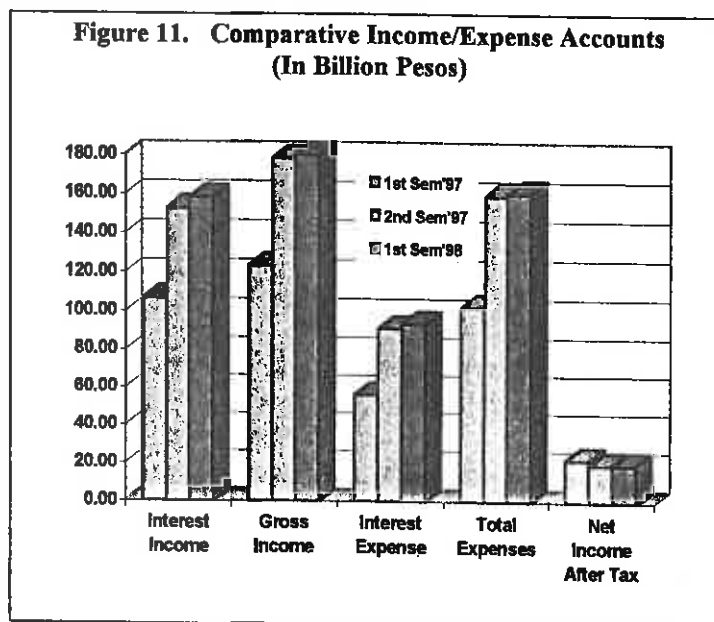
By end-June 1998, banks exhibited enhanced solvency position as indicated by the increase in the number of banks reporting excess capital over the prescribed level. At end-June 1998, 748 banks posted net worth in excess of the minimum capital prescribed under Circular No. 117 dated 24 December 1996 (Table 4).

Type of Bank	No. of Operating Banks	With Excess Capital	Percentage of Compliance
Commercial Banks	54	46	85.18
Thrift Banks	117	82	70.09
Rural Banks	813*	620	76.26
Total	984	748	76.02%

* Limited to rural banks with examination reports

Results of Operations

Banking operations for the first semester of 1998 generated a total of P19.817 billion net income after tax (Schedule 5.a). This almost equaled the previous semester's net earnings but was P2.541 billion or 11.37% short of its level during the same period a year ago. Thus, net profit margin dropped to 11.03% from 11.15% during the previous semester and from 18.14% during the same period a year ago.



This decline in net earnings was attributed to the reduced other operating income and extraordinary credits, and to the higher provisions for income tax for the period.



Increments in interest income outpaced hike in interest expenses, resulting to 52 basis point improvement in interest margins (from 40.23% in end-1997 to 40.75%). Interest earned for the period reached P157.990 billion, higher by 3.62% compared to its level a semester ago or by 47.99% from its level during the same period in 1997. Interest income made up the bulk (87.90%) of the gross earnings for the semester.

Interest expenses for the period reached P93.912 billion, accounting for 58.56% of the total expenses incurred for the period and 52.25% of the semester's gross income.

Other operating income and other operating expenses were lower than their levels during the past two semesters, with the former exhibiting a higher decrement than expenses. The decline in other operating income were due mainly to the losses incurred in the foreign exchange market which negated the gains in trading activities of banks.

Contributions to the industry's earnings of each banking category declined compared to the past two (2) semesters. The combined net income of commercial and rural banks made up for the P224 million negative earnings of thrift banks.

COMMERCIAL BANKS (KBs)

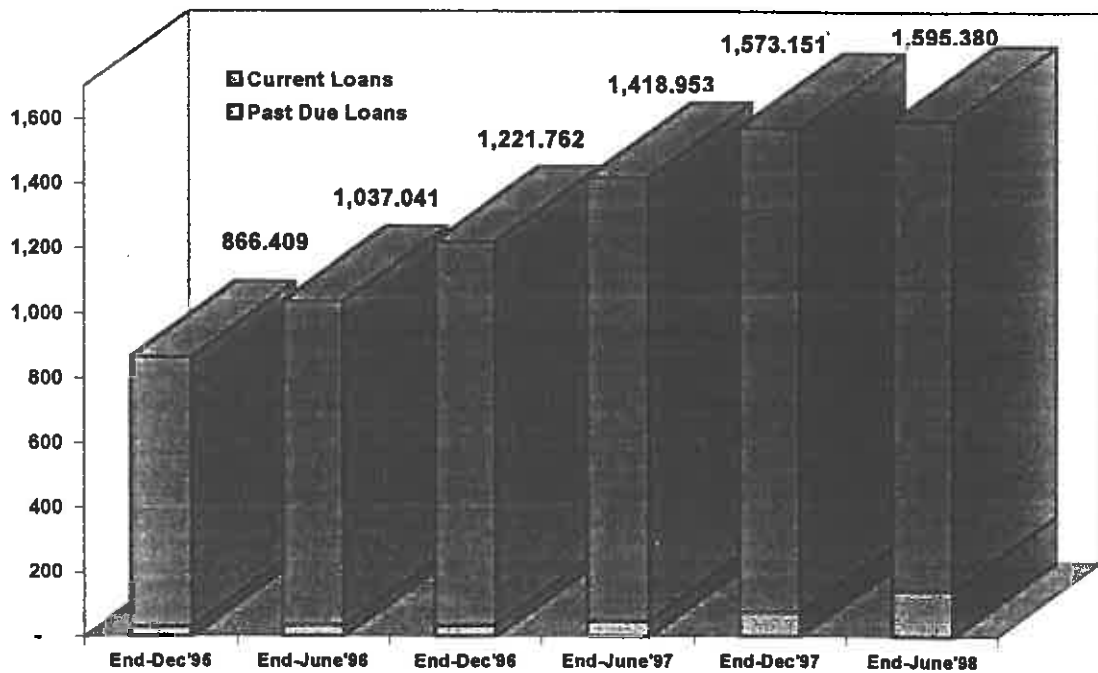
Commercial banks continued to exhibit resiliency amid the regional crisis. This was evidenced by the sustained growth in assets, deposits and capital.

During the first half of 1998, they protected their enhanced solvency position by: (i) adopting more prudent measures in the conduct of their lending and investment activities; and (ii) curtailing their borrowings for the period. Extension of new loans was limited to a few industries. This semester's expansion in credit was the lowest compared to the previous 5 semesters (Figure 12), indicating the cautious stance adopted by commercial banks in their lending operations. To hedge quality of loan portfolio against the rise in non-performing loans, increases in their provisions for probable losses were sustained.

By end-June 1998, their operations remained hinged on deposits and fresh funds from investors as net operating margins continued to diminish due to mounting cost of funds. Some assets were liquified for the partial settlements of obligations. New funds generated were mostly used to augment investments.



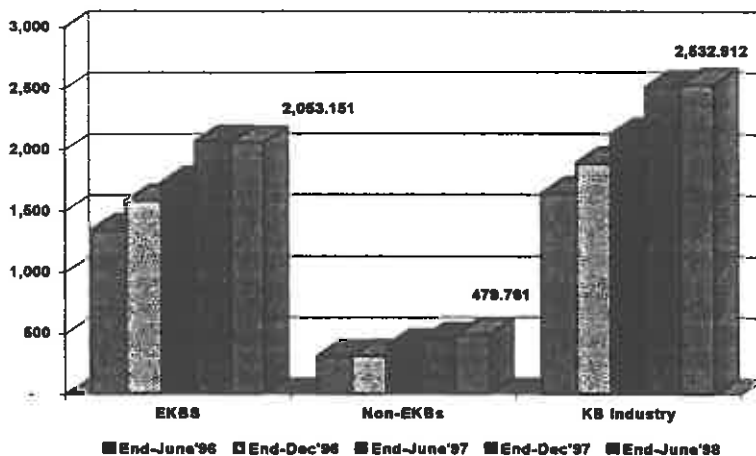
Figure 12. Outstanding Loans (Gross)
(Amounts in Billion Pesos)



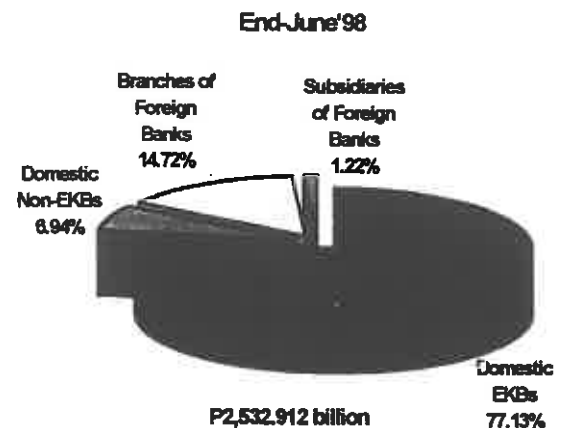
Asset growth during the period was led by non-expanded commercial banks (non-EKBS), particularly the subsidiaries and branches of foreign banks. Non-EKBs' share to total assets went up to 18.94% from 17.80%. Nonetheless, domestic EKBs remained the prime contributors in terms of assets as in the previous semesters (Figure 13).

Figure 13. Comparative Levels & Sharing of Resources

By Type



By Ownership





Published statements of condition as of 23 June 1998 showed that the industry leaders were the same group of banks as in the previous semester (Table 5). Combined assets of the top five (5) banks made up 37.83% (or P958.224 billion) of the total resources of the commercial banking system at end-June 1998.

**Table 5. Top Five (5) Commercial Banks
Selected Accounts
(In Billion Pesos)**

RESOURCES			LOANS		
Rank	Name of Bank	June '98	Rank	Name of Bank	June '98
1	Metrobank	242.047	1	Metrobank	171.456
2	PNB	234.605	2	PNB	148.651
3	BPI	171.139	3	LBP	106.376
4	LBP	168.506	4	BPI	91.818
5	FEBTC	141.927	5	FEBTC	79.980
DEPOSITS			CAPITAL ACCOUNTS		
Rank	Name of Bank	June '98	Rank	Name of Bank	June '98
1	PNB	170.368	1	Metrobank	39.896
2	Metrobank	169.341	2	BPI	26.699
3	BPI	129.150	3	PCIB	23.353
4	LBP	126.286	4	PNB	22.538
5	FEBTC	94.414	5	FEBTC	17.891

Physical Composition

Commercial banks operating as of end-June 1998 numbered 54 with 4,094 branches and other offices (Schedule 1), of which 57 are situated abroad. Of these banks, 22 have expanded commercial banking (EKB) authority, inclusive of 1 foreign bank branch and 3 specialized government banks. (The EKB licenses of the specialized government banks were based on their respective charters).

New offices established during the first semester of 1998 consisted of a new industry player: Pania Bank, Inc. (which started operations on 7 January 1998); and 105 new branches/extension offices (set up by existing commercial banks). Of the new branches opened, 65 were accounted for by EKBs, 36 by non-EKBs, 3 by a subsidiary of a foreign bank and 1 by a branch of a foreign bank. Closures were limited to 5 offices, inclusive of one Philippine bank office in Amsterdam. One (1) EKB branch was converted into a branch of its subsidiary (a thrift bank).

On 14 February 1998, Orient Commercial Bank with its network of 51 branches voluntarily declared a bank holiday after experiencing substantial withdrawals from depositors. After all efforts exerted to rehabilitate the bank failed, the Monetary Board (MB) finally decided on 14 October 1998 to place the bank under receivership.



Commercial banks expanded their client reach in 9 regions, i.e., Regions I, III, V, VI, VII, IX, XI, CARAGA and the National Capital Region. Majority of these offices remained in the National Capital Region (as shown in Table 6).

This branching network was further supported by 2,633 ATMs (2,167 on-site and 466 off-site), of which 106 were newly set up in the first half of 1998.

Levels of Operations

Combined assets of the 54 commercial banks operating as of end-June 1998 were valued at P2,532.912 billion (Schedule 2.b), higher by P23.779 billion (or 0.95%) from end-1997 levels. These consisted of P1,551.604 billion loans (61.26%), net of allowances for probable losses; P413.391 billion investments (16.32%); P318.526 billion liquid assets (12.58%); and P249.391 billion (9.85%) other assets.

Loans and investments increased while liquid assets and other assets declined due to the continued preference of commercial banks to investments. Investments rose by 6.15% while loans inched up only by 86 basis point. Cash and due from banks was reduced by 1.12% while other assets decreased by 3.78%.

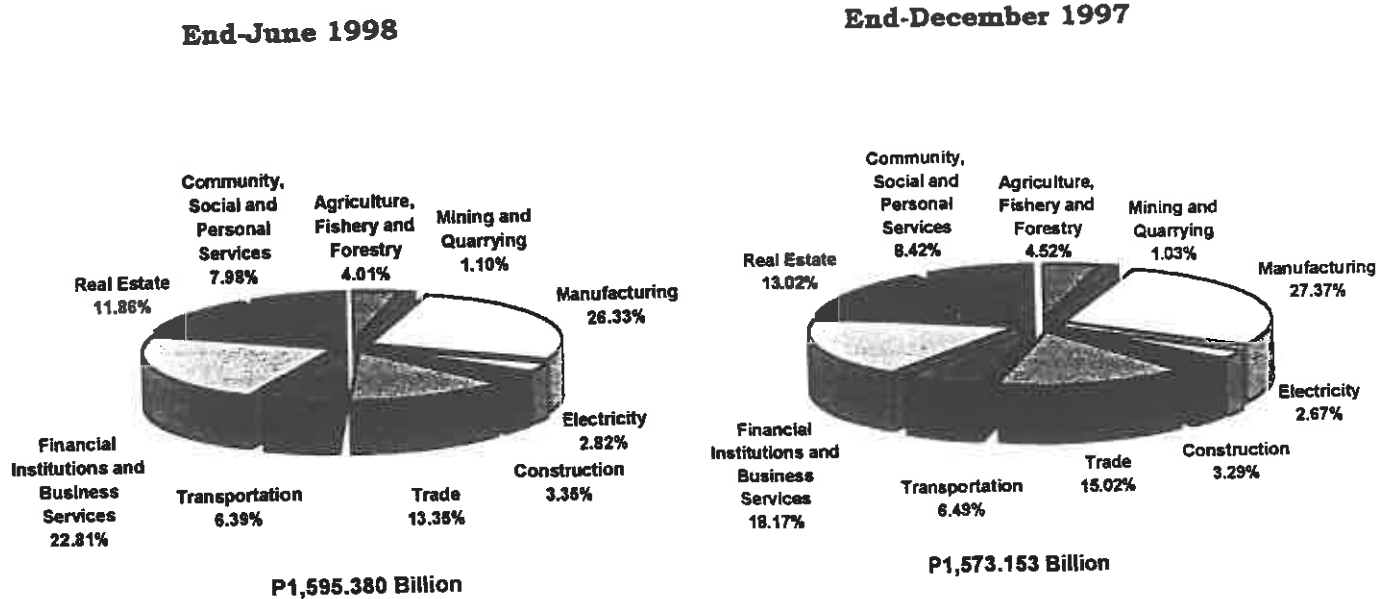
Expansion of loans were limited to four (4) industries only, namely: mining and quarrying, utilities, construction, and financial institutions and business services. Despite the reduction in loans to all the other industries, outstanding exposures remained concentrated in three (3) industries (Figure 14), namely: manufacturing (26.33%), financial institutions and business services (22.81%) and trade (13.35%). Real estate sector had a lower share (11.86% vs. 13.02% in end-1997) as exposures to this industry declined by 7.60% to P204.792 billion.

Total loan portfolio (gross) grew by P22.227 billion to P1,595.380 billion, exhibiting a 1.41% growth over the last six months. This minimal growth in loans was attributed to the more prudent measures adopted by banks in the conduct of their lending operations.

Of these loans, P142.732 billion or 8.95% were overdue accounts. As buffer to past due accounts, provisions for probable losses were raised by 25.87% to P43.776 billion, equivalent to 30.67% of the overdue accounts.



Figure 14. Concentration of Credits



Even with the continuous introduction of various deposit-taking schemes, slower deposit growth rates were posted for the period, i.e., 2.69% vs. 19.64% in the second half of 1997. Peso and foreign currency deposits increased at almost the same rates (2.59% and 2.84%, respectively). The former continued to account for the bulk of the industry's deposits despite the 5.45% reduction in peso time deposits. This made the industry's sources of funds more short-term oriented by end-June 1998. At end-June 1998, total deposits of P1,542.577 billion financed 60.90% (vs. 59.87% in end-1997) of the industry's resources while bills payables, other liabilities and capital accounts funded the remaining balance.

Available reserves for these deposits stood at P78.923 billion, equivalent to 102.83% of the net required reserves or an excess reserves of P2.428 billion.

Bills payables share to total liabilities and capital slid to 12.54% from 15.26% as commercial banks curtailed their borrowings during the period, i.e., by 16.99% to P317.747 billion. In contrast, other liabilities went up by 10.81% to P336.262 billion.



Trust operations for the period generated a 9.22% increase in assets, higher by 486 basis points compared to the 4.36% growth posted a semester ago. As in the previous semesters, these were primarily held in loans, investments in money market instruments and in stocks (Table 8). However, the share of these asset holdings to total trust resources declined due mainly to the acquisition of more foreign currency assets (Non-FCDU/EFCDU). These assets ballooned to P25.690 billion (vs. P0.394 billion in end-1997) as the 74.71% (or P25.296 billion) of the P33.860 million additional trust funds raised during the period were invested in them.

Accountabilities, on the other hand continued to be primarily made up of TOFA (55.01%) despite the hikes in CTF and IMA and other trust accountabilities during the period.

Table 8. Distribution of Trust Assets/Accountabilities
As of Semesters ended Indicated

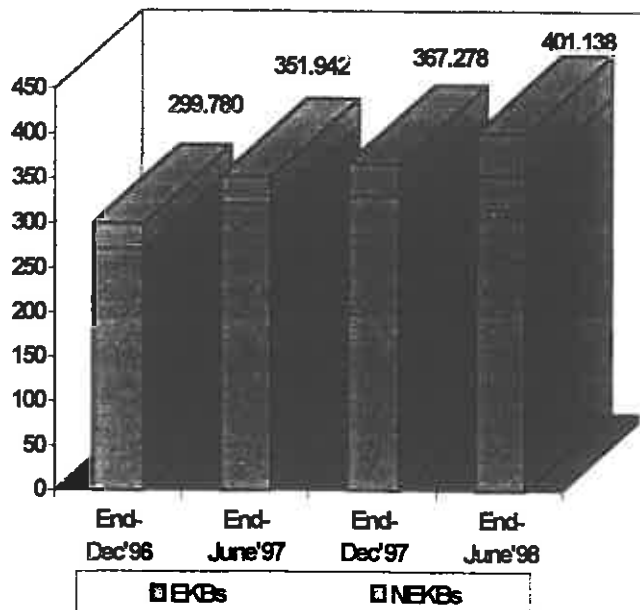
Investments	Share			Accountabilities	Share		
	End- June 1998	End- Dec. 1997	End- June 1997		End- June 1998	End- Dec. 1997	End- June 1997
Loans and Discounts	27.49	29.58	37.33	Trust & Other			
Investments in MM	22.96	27.10	21.50	Fiduciary Accounts	55.01	56.54	52.43
Stock Investments	13.94	13.98	15.60	Personal Trust	13.31	11.56	11.36
CTF Investments	3.24	2.46	3.65	Employee Benefits	6.43	7.86	8.66
Due from CB	2.14	1.39	1.62	Bond Issues	11.47	13.45	7.25
Real Estate Investments	1.81	1.92	1.62	Administratorship	4.37	5.12	5.23
Miscellaneous Assets	28.42	23.57	18.68	Pre-need Plans	4.19	4.22	4.09
				Escrow	7.50	1.94	1.90
				Others	7.74	12.39	13.94
				Common Trust Funds	22.00	21.15	23.02
				Inv't. Mgmt. Accounts	13.72	14.21	18.28
				Other Accountabilities	9.27	8.10	6.27
TOTAL	100.00	100.00	100.00	TOTAL	100.00	100.00	100.00

EKBs remained the lead contributors, accounting for 88.47% of the total trust assets (Figure 15). They posted higher growth rates i.e., 7.79% vs. the 2.47% reported increase in the second semester of 1997. This increment was, however, nearly thrice lower than the expansion rate of non-EKB's (21.54%).



More than half of the non-EKB P46.250 billion assets (Schedule 4.b) continued to be held by the 4 branches of foreign banks (Deutsche Bank AG, Standard Chartered Bank, Hongkong Bank and Citibank, N.A.) with authority to perform trust operations. But the contributions of these foreign bank branches to the industry slid to 56.28% from 61.04% with the increased participation of domestic non-EKBs during the period. The trust assets of which were valued at P20.220 billion as of end-June 1998.

Figure 15. Trust Assets (In Billion Pesos)

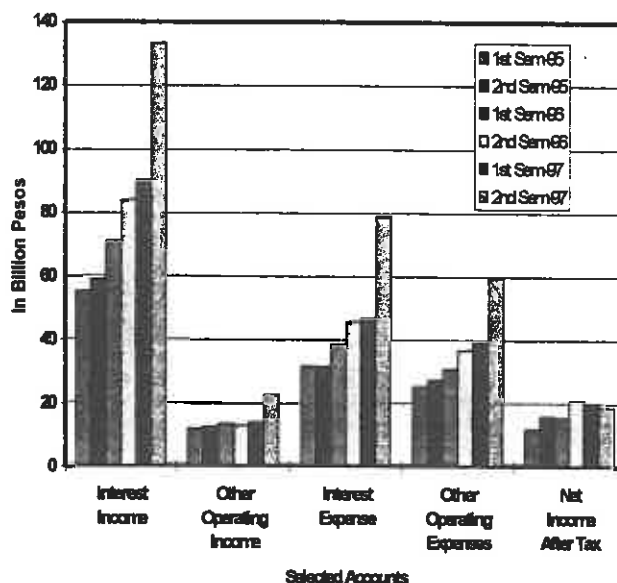


Results of Operations

Operations during the first semester of 1998 resulted to a net income after tax of P19.538 billion (Schedule 5.a) which was 4.74% (or P0.885 billion) higher than the net earnings a semester ago. This was only lower by 1.76% (or P0.350 billion) from its level in the first semester of 1997 (Figure 16).

Gross income amounted to P157.420 billion, consisting mainly of interest earnings as in the previous semesters (88.15% vs. 85.49% a semester ago and 86.84% in same period last year).

Figure 16. Earnings vs. Expenses For the Semesters Indicated





Of these earnings, 51.61% or P81.250 billion went to interest expenses while another 36.58% or P57.587 billion were spent on other operational costs.

Interest margin improved by 58 basis points from 40.87% a semester ago. Likewise, net operating margin went up by 54 basis point to 11.80%. But these were translated to minimal increments in net operating income as the hike in interest expenses outpaced expansion in interest earnings. Net operating income at P18.583 billion was 5.68% higher than last semester and 1.81% bigger than its level in the first half of 1997.

In turn, the improvements in net profit margin were held back by lower extraordinary credits and higher provisions for income tax for the period. Extraordinary credits at P3.709 billion, though higher by 77.29% from last semester, was still P355 billion or 8.74% less than its level during the same period a year ago. Provisions made for income tax amounted to P2.754 billion, equivalent to 1.75% of the gross income.

The bulk (81.84%) of the net income for the period came from EKBs as in the previous periods. This ensued despite the lower income posted by EKBs for this semester compared to the first and second semesters of 1997.

In contrast, non-EKBs reported a P3.549 billion net income which was 9.64% bigger than its level during the same period last year. However, they continued to have lower interest margins and efficiency ratios compared to EKBs (Table 9). Branches of foreign banks had the most improved profitability position, having the highest margins and returns on assets and equity during the period.

Table 9. Selected Performance Indicators
For the First Semester of 1998 and 1997

Selected Indicators	KIBs		EKBs		Non-EKBs*		EKBs**	
	1998	1997	1998	1997	1998	1997	1998	1997
Net Profit Margin	12.41	19.06	12.68	19.57	11.33	16.81	15.82	18.70
Efficiency Ratio	113.38	121.20	113.64	120.39	112.36	124.95	118.96	131.47
Interest Spread	41.45	48.13	42.22	46.90	38.06	53.54	32.95	55.30
Return on Assets	0.77	0.94	0.78	0.96	0.74	0.82	0.79	1.09
Return on Equity	5.81	6.86	6.08	7.22	4.85	5.46	35.60	7.80

* Inclusive of branches/subsidiaries of foreign banks
** Refers to branches of foreign banks only



THRIFT BANKS (TBs)

The industry remained affected by the on-going regional crisis but showed signs of regaining strength. It managed to maintain its contribution to the total financial system (6.81% vs. 6.83% in end-1997) despite the tightening of credit extensions, declining deposits and lower net operating income.

Thrift banks exercised more caution in the conduct of operations to ensure their viability amid the crisis. This was evident in their continuous capital deepening, higher provisions for probable losses and the trimming down of lending operations. They intensified their collection campaign and relied mainly on new capital contributions of shareholders and additional borrowings to compensate the decline in deposits.

New funds generated for the period were used to expand investments and other assets in contrast to the previous semester during which all asset accounts were on the downtrend. The slow down in their lending and deposit-taking activities was sustained but at a slower pace than a semester ago.

Based on published levels of assets, loans, deposits and capital, major players of the industry remained as those in the beginning of the year (Table 10).

**Table 10. Top Five Thrift Banks
(P Billion)
As of December 18, 1997**

ASSETS						
Rank	SMBs		PDBs		SSLAs	
	Name of Bank	Amount	Name of Bank	Amount	Name of Bank	Amount
1	BPI Family Bank	40.113	Planters Bank	14.996	Prime Bank	4.167
2	Phil. Savings Bank	18.401	Asiatrust Bank	8.749	Real Bank	2.007
3	Banco Filipino SMB	9.411	Mindanao DB	3.356	Homeowners SLB	1.829
4	BA Savings Bank	7.391	Premiere DB	2.170	Active Bank	1.658
5	Keppel Monte Bank	5.984	Ist Consolidated	2.090	Unified SLA	1.239

LOANS						
Rank	SMBs		PDBs		SSLAs	
	Name of Bank	Amount	Name of Bank	Amount	Name of Bank	Amount
1	BPI Family Bank	33.006	Planters Bank	11.088	Prime Bank	3.058
2	Phil. Savings Bank	14.853	Asiatrust Bank	6.523	Homeowners SLB	1.356
3	BA Savings Bank	5.810	Mindanao DB	2.218	Active Bank	1.062
4	KeppelMonte Bank	3.581	Ist Consolidated	1.649	Real Bank	1.055
5	Banco Filipino SMB	3.220	Luzon DB	1.064	Unified SLA	.740



DEPOSITS

SMBs		PDBs		SSLAs		
1	BPI Family Bank	32.752	Planters Bank	7.774	Homeowners SLB	1.463
2	PS Bank	11.708	Asiatrust Bank	5.347	Active Bank	1.383
3	BA Savings Bank	6.162	Mindanao DB	2.074	Unified SLA	1.154
4	Insular Life STC	2.668	Premiere DB	1.507	Real Bank	1.026
5	Banco Filipino SMB	2.029	Luzon DB	1.222	Farmers SLB	.628

CAPITAL

SMBs			PDBs		SSLAs	
Rank	Name of Bank	Amount	Name of Bank	Amount	Name of Bank	Amount
1	BPI Family Bank	4.081	Planters Bank	1.848	Real Bank	.387
2	Phil. Savings Bank	3.331	Asiatrust Bank	1.604	Prime Bank	.368
3	Banco Filipino SMB	2.821	1st Consolidated	.445	Homeowners SLB	.235
4	BA Savings Bank	.871	Premiere DB	.433	Hermosa SLB	.222
5	Insular Life STC	.663	Mindanao DB	.416	Merchants Bank	.182

Physical Composition

Thrift banks continued to curb chartering and branching activities as they focused their efforts in enhancing solvency and liquidity positions. This was indicated by the establishment of fewer new offices compared to the previous semester, i.e., 67 vs. 114 during the second semester of 1997 and vs. 122 during the same period a year ago.

New offices were limited to 61 new branches (put up by existing thrift banks) and 6 new industry players, namely:

<u>Name of New Entrant</u>	<u>Start of Operations</u>
1. Ever Development Bank	January 14, 1998
2. Centennial Savings Bank, Inc.	February 18, 1998
3. Far East Savings Bank, Inc.	March 16, 1998
4. Malasiqui Progressive SLB, Inc.	March 30, 1998
5. Northpoint Development Bank	May 26, 1998
6. Accord Savings Bank	June 26, 1998

Of these new entrants, three (3) were upgraded from other bank and non-bank categories. Ever DB and Northpoint DB were formerly RB of Urdaneta and RB of Subic, respectively, while Accord SB used to be Accord Loans, Inc. (a lending investor). Accord SB was the first thrift bank to establish a head office in the Cordillera Autonomous Region.

The openings of these banks made up for the closures of 4 thrift banks during the period: Aklan DB, Commonwealth SLB, Fortune SLA and Community SLA. These banks were closed after all efforts to rehabilitate them failed.



By end-June 1998, the number of operating thrift banks stood at 118 (33 SMBs, 40 PDBs and 45 SSLAs) with 1,322 branches (Schedule 1). For the period, branching activities were led by SMBs (38 new branches), followed by PDBs (21 branches). These negated the decline in the number of branches of SSLAs. The 5 new SSLAs branches were insufficient to cover the 10 branches of 3 closed SSLAs.

Thrift bank offices across all regions increased except in Southern Tagalog, Western Visayas, Eastern Visayas, Southern Mindanao, Central Mindanao, Autonomous Region for Muslim Mindanao (ARMM) and CARAGA (Table 11).

Table 11. Regional Profile - Thrift Bank Offices
As of 30 June 1998

	Total	Head Offices	Branches
National Capital Region	518	46	472
Region I - Ilocos	58	7	51
Region II - Cagayan	15	2	13
Region III - Central Luzon	184	21	163
Region IV - Southern Tagalog	336	21	315
Region V - Bicol	28	4	24
Region VI - Western Visayas	57	4	53
Region VII - Central Visayas	104	9	95
Region VIII - Eastern Visayas	7	-	7
Region IX - Western Mindanao	11	-	11
Region X - Northern Mindanao	40	2	38
Region XI - Southern Mindanao	59	1	58
Region XII - Central Mindanao	4	-	4
Cordillera Autonomous Region (CAR)	8	1	7
Autonomous Region for Muslim Mindanao (ARMM)	2	-	2
CARAGA	9	-	9
Nationwide	1440	118	1322

In addition to these branches, the industry had 311 ATMs (285 on-site and 26 off-site) set up by 15 thrift banks (6 SMBs, 8 PDBs and 1 SSLAs).

Levels of Operation

Combined resources of thrift banks as of end-June 1998 stood at P205.173 billion, up by P1.207 billion (or 59 basis points) from its end-1997 level (Schedule 2.a). This expansion was led by SMBs as both PDBs and SSLAs posted lower asset levels as compared to the previous semester (Table 12).



The minimal asset growth was attributed to the reduced lending and deposit taking activities during the period. Nonetheless, loans remained the major asset component (63.58%) while deposit liabilities continued to account for the bulk (76.17%) of total liabilities.

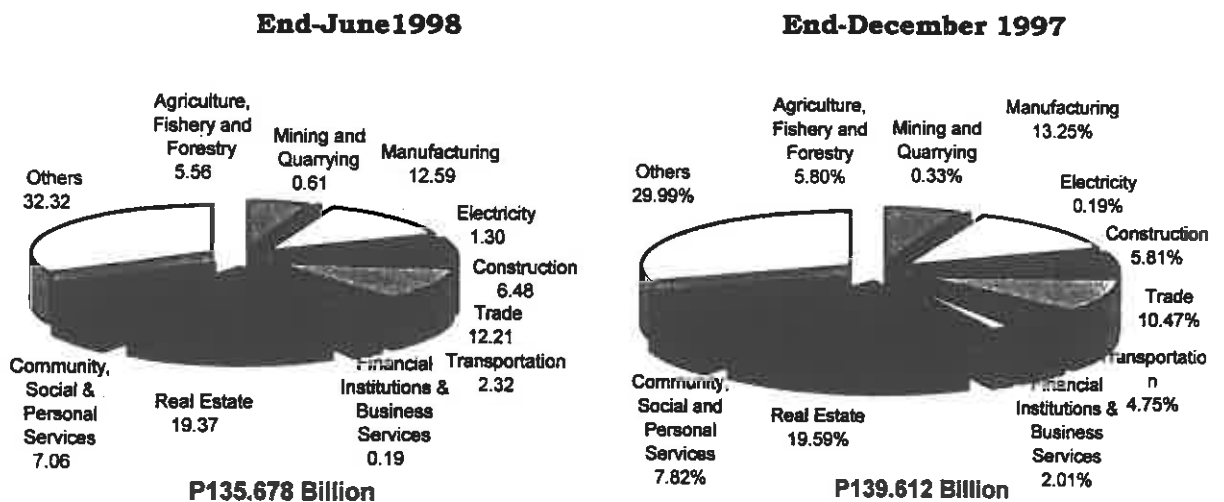
Table 12. Selected Accounts

	ASSETS			DEPOSITS			CAPITAL		
	Levels	Changes (%)		Levels	Changes (%)		Levels	Changes (%)	
	P Billion	198/1997	198/197	P Billion	198/197	198/197	P Billion	198/197	198/197
SMBs	108.426	5.96	(7.73)	72.084	7.74	(5.36)	20.444	4.65	21.02
PDBs	76.621	(4.71)	(4.08)	43.190	(18.94)	(18.56)	12.435	1.76	8.65
SSLAs	20.126	(5.20)	(1.08)	14.321	(6.67)	4.30	2.147	(7.06)	(21.10)
TBs	205.173	0.59	(5.77)	129.595	(4.38)	(9.33)	35.026	2.82	12.77

Investments and other assets went up, indicating not only a shift of preference among thrift banks but also a more cautious stance in the management of assets. Investments went up by 41.98% to P26.193 billion while other assets increased by 20.37% to P32.464 billion. Both liquid assets and loans decreased, i.e., by 30.99% and 3.56%, respectively.

Credit extensions across all industries were reduced except for the mining and quarrying industry, utilities and construction industries (Figure 17). Of the P135.678 billion gross loan portfolio, 19.37% were loans to the real estate sector (vs. 19.59% in end-1997).

Figure 17. Concentration of Credits
(In Percent)





Past due loans stood at P22,671 billion or 16.71% of total loans (vs. 10.63% in end-1997). Provisions for probable losses were raised by 20.18% to P5.234 billion to hedge quality of loan portfolio against the increase in non-performing loans. By end-June 1998, 23.09% of the overdue accounts were adequately covered.

Despite the slow down in deposit taking activities, deposits remained the main source of funds. These represented 76.17% of total liabilities and 63.16% of total assets. Deposit liabilities declined by 4.38% to P129.595 billion, mostly on account of the 5.49% decrement in peso deposits. Foreign currency deposits at P7.844 billion was higher by 16.85% from its end-1997 level and accounted for 6.05% of total deposits.

As deposits continued to decline, new borrowings were contracted. Bills payables went up by 31.94% to P25.442 billion while other liabilities were maintained at slightly above P15 billion as in the previous semester.

Capitalization

Total capital accounts as of end-June 1998 amounted to P35.026 billion (Schedule 2.a), exhibiting a 2.82% expansion from its end-1997 level or a 12.77% annual increment. This was due mainly to fresh funds brought in by investors.

New capital contributions for the period amounted to P2.673 billion, which raised capital stock by 11.55% to P25.824 billion. Share of permanent capital to total capital accounts improved to 73.73% from 67.96% in end-1997. Its share to total assets also rose to 12.59% from 11.35% the previous semester and from 8.75% a year ago.

Surplus and undivided profits settled at P9.202 billion. The 15.69% (or P1.712 billion) reduction during the period was traced mainly to the losses posted by SMBs and SSLAs.

By the end of the first semester, compliance of thrift banks with the prescribed minimum capital requirements was recorded at 69.49% (vs. 65.52% in end-1997). Of the 118 operating thrift banks, 82 had capitalization in excess of the minimum level prescribed under Circular No. 117 dated 24 December 1996.



Off-balance Sheet Transactions

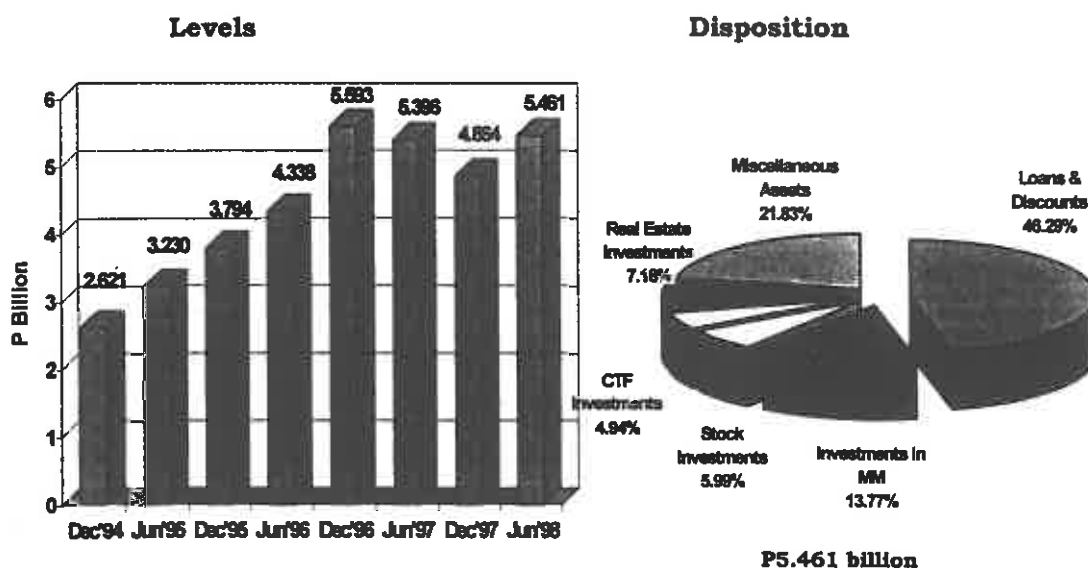
Contingent accounts of thrift banks grew by 2.06% to P7.293 billion from end-1997 level (Schedule 3). This was equivalent to 3.55% of the on-balance sheet accounts as of end-June 1998.

The growth in the contingent accounts was primarily due to the expanded Trust Department Accounts and Items Held for Safekeeping/Custodianship. The share of these accounts to total off-balance sheet accounts both rose to 74.88 (from 68.07 a semester ago) and to 1.23% (from 0.07%), respectively.

Trust operations for the last six months gained a 12.27% added value in terms of resources. This was a complete turnaround from the previous year during which trust assets were reduced by 3.52% and 9.86% in the first and second semesters, consecutively. By end-June 1998, these assets were valued at P5.461 billion (more or less parallel to its year ago level - Figure).

Additional funds were placed mostly in money market instruments and in liquid assets. The bulk of trust assets, however, remained in loans (Figure 18).

Figure 18. Trust Assets





PDBs accounted for the bulk of these assets as in the previous semester. This is partly due to the entry of Mindanao DB among the thrift banks authorized to conduct trust operations. However, SMBs increased its share to 18.64% from 14.95% six months ago.

Results of Operations

In the first half of 1998, thrift banks managed to maintain interest margin at almost the same rate as in the previous semester (Figure 19). However, operations for the period resulted to negative gains (P0.224 billion, Schedule 5.a) due to the lower net operating income and extraordinary credits posted for the period. Net operating income declined by 67.64% to P0.210 billion from last semester's level and was only 10.86% of the net earnings during the same period a year ago (Figure 20).

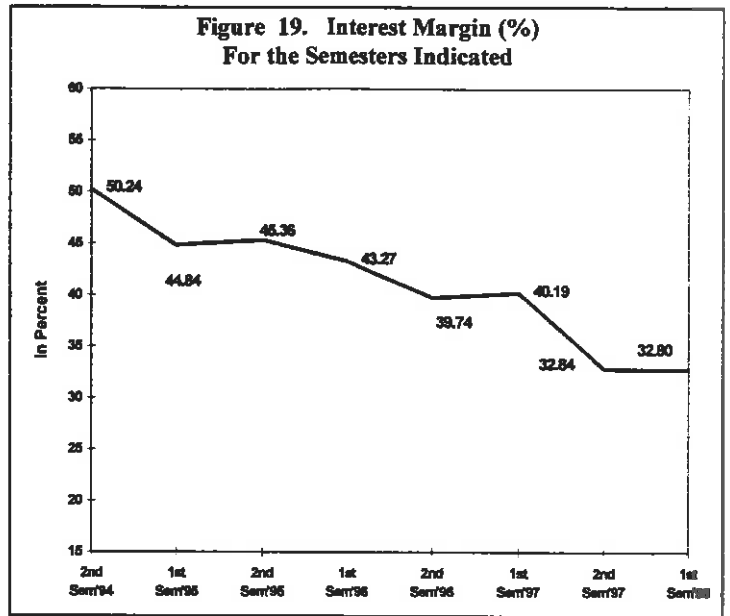
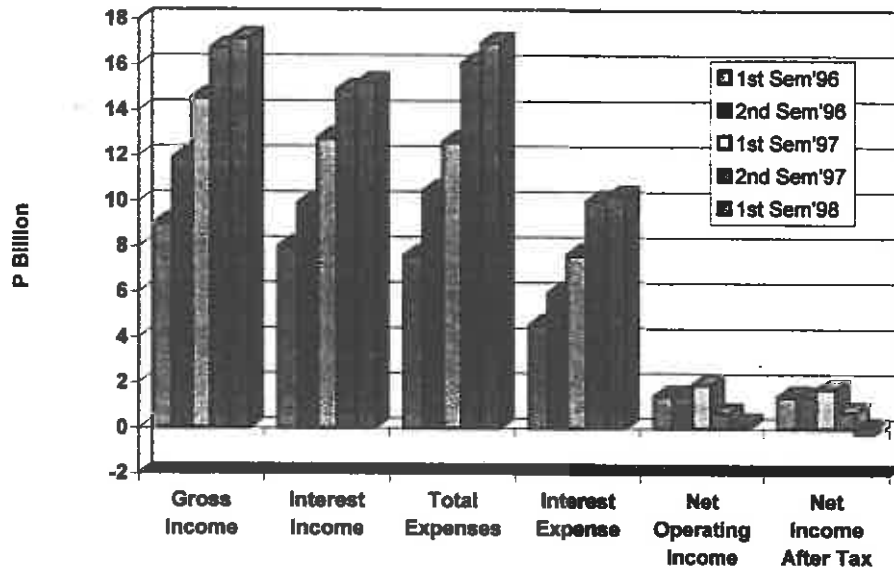


Figure 20. Comparative Income and Expense Accounts For the Semesters Indicated





Higher interests on loans, service charges/fees, trading gains and other operating income were insufficient to cover the increases in interest expenses and other operating costs.

Gross operating income at P17.190 billion was bigger by 18.07% than the P14.559 billion gross earnings in the first semester of 1997. However, operating expenses for the period were much bigger. At P16.980 billion, it was 34.50 higher than those incurred during the same period last year.

RURAL AND COOPERATIVE BANKS

Rural and cooperative banks further widened their lending activities and sustained growth in assets during the second semester of 1997. With minimal new deposits generated during the period, they borrowed more and continued their capital deepening to provide sufficient funds to service the increased demand for credits in the countryside. They contained increases in operating expenses and turned to other sources of income to hedge their profitability position against rising cost of funds.

Regions I, III and IV had the bulk of the industry's resources (57.84%), loans (57.55%), deposits (61.90%) and capital (52.26%). In terms of earnings, only Regions III and IV maintained above hundred million net income. Comparative data showed a general uptrend in selected accounts (Table 13) across all regions.

Table 13. Regional Growth Rates of Selected Accounts
End December 1997 vs. End June 1997

Regions	Assets	Loans	Liabilities	Deposits	Capital
National Capital Region	10.89	18.02	10.67	9.78	11.91
Region I - Ilocos	6.29	8.04	6.98	2.91	2.39
Region II - Cagayan	14.96	12.96	16.67	7.79	5.76
Region III - Central Luzon	10.82	10.81	9.99	7.36	16.38
Region IV - Southern Tagalog	3.69	11.45	3.15	1.08	7.31
Region V - Bicol	4.67	8.18	2.95	2.52	15.38
Region VI - Western Visayas	0.98	1.70	0.89	(3.66)	1.63
Region VII - Central Visayas	3.98	7.56	2.15	1.72	12.52
Region VIII - Eastern Visayas	5.79	4.90	7.99	7.56	(2.68)
Region IX - Western Mindanao	9.51	8.00	6.82	12.18	19.75
Region X - Northern Mindanao	18.46	28.15	18.96	73.23	17.25
Region XI - Southern Mindanao	9.00	5.05	9.02	4.28	8.91
Region XII - Central Mindanao	5.42	14.36	4.89	3.44	7.94
Cordillera Autonomous Region (CAR)	12.74	14.63	13.77	14.36	9.26
Autonomous Region for Muslim Mindanao (ARMM)	27.12	13.46	29.67	190	18.52
CARAGA	14.73	13.96	15.22	17.63	12.61
Philippines	7.16	10.58	6.70	4.13	9.78
Average per Region	10.60	11.22	6.70	30.02	11.96



In terms of resources, the rural and cooperative banks in the Autonomous Region of Muslim Mindanao (ARMM) posted the highest increment (27.12%), followed by those in Region 10 (18.46%). The latter likewise had the highest growth in loans (28.15%). Notable also was the almost 2 fold increase of deposits in ARMM, in contrast to the negative growth of deposits in Region 6. Rural and cooperative banks raised their capital accounts at an average of 11.96% with only Region VIII incurring a decline due to closure of two (2) RBs.

Physical Structure

In the first half of 1998, rural and cooperative banks further increased their presence in the countryside by the establishment of 19 new banks; the re-opening of a closed bank {RB of Katipunan, now Filipino Savers Bank, Inc. (A Rural Bank)}, and the setting up of 14 additional branches.

The newly opened rural and cooperative banks were:

<u>Name of Rural and Cooperative Bank</u>	<u>Start of Operations</u>
1. Progressive Rural Bank, Inc. (Malvar, Batangas)	01.08.98
2. San Bartolome Rural Bank, Inc. (Magalang, Pampanga)	01.12.98
3. Emerald Rural Bank, Inc. (San Jose del Monte, Bulacan)	01.16.98
4. United People's Rural Bank, Inc. (Candelaria, Quezon)	01.16.98
5. Synergy Rural Bank, Inc. (Lipa City)	01.21.98
6. United Consumers' RB, Inc. (Aurora, Isabela)	01.26.98
7. Occidental Mindoro Coop. Bank (San Jose, Occ. Mindoro)	01.28.99
8. People's RB (Gen. Santos City), Inc.	02.06.98
9. First Coconut RB, Inc. (Batangas City)	02.10.98
10. RB of Datu Paglas, Inc. (Maguindanao)	02.18.98
11. Women's RB, Inc. (Rosario, Batangas)	02.27.98
12. Cagsawa RB, Inc. (Daraga, Albay)	03.02.98
13. Plaza RB, Inc. (Carcar, Cebu)	03.11.98
14. Finman RB, Inc. (Pasig City)	03.19.98
15. Surigaonon Rural Banking Corp.(Surigao City)	03.21.98
16. Excel RB, Inc. (Lipa City)	04.15.98
17. Farmers-Traders RB (Guimbal, Iloilo), Inc.	05.04.98
18. Mt. Makiling RB, Inc.	05.28.98
19. Cebuana Lhuillier RB, Inc.	06.02.98

The opening of Occidental Mindoro Cooperative Bank brought the total number of cooperative banks to 49.



These new banks more than made up for the conversion of 2 rural banks (New Urdaneta RB, Inc. and Rural Bank of Subic) into thrift banks and the closure of 11 rural banks during the period. Closures were effected after all alternative measures to rehabilitate the insolvent banks were exhausted.

By end-June 1998, there were 839 operating rural and cooperative banks with 1,056 branches (Schedule 1). Density ratio across all regions improved except in Region 8, (Table 14) as rural and cooperative banks continued to avail of the liberalized branching requirements.

Table 14. Regional Profile - Rural and Cooperative Bank Offices
As of 30 June 1998

	Total	Head Offices	Branches
National Capital Region	57	24	33
Region I - Ilocos	183	81	102
Region II - Cagayan	115	36	79
Region III - Central Luzon	296	107	189
Region IV - Southern Tagalog	506	187	319
Region V - Bicol	87	57	30
Region VI - Western Visayas	132	86	46
Region VII - Central Visayas	119	56	63
Region VIII - Eastern Visayas	50	30	20
Region IX - Western Mindanao	23	16	7
Region X - Northern Mindanao	69	38	31
Region XI - Southern Mindanao	125	48	77
Region XII - Central Mindanao	30	13	17
Cordillera Autonomous Region (CAR)	35	17	18
Autonomous Region for Muslim Mindanao (ARMM)	21	21	-
CARAGA	47	22	25
Nationwide	1895	839	1056

Levels of Operation

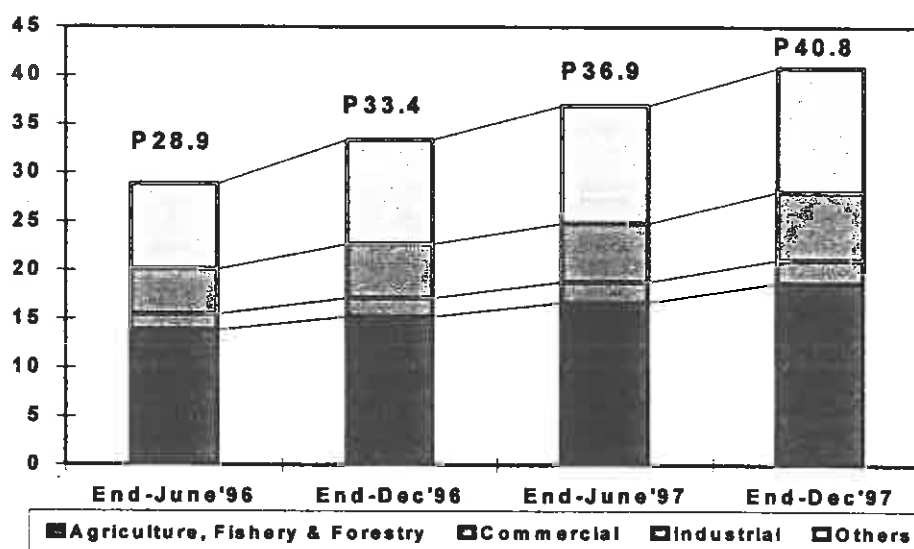
Total assets as of end-1997 stood at P56.837 billion consisting of 70.39% loans, 16.63% liquid assets, 10.55% other assets and 2.43% investments (Schedule 2.a). Of these resources, only 0.41% or P0.235 billion were accounted for by the 11 banks closed in the first half of 1998.



Share to total resources of investments and liquid assets both declined as rural and cooperative banks opted to lend-out new funds generated during the period thereby maintaining more than 10% expansion in loan portfolio as in the previous semesters. This development raised loans to deposits ratio to 109.26% vs. 102.89% in end-June 1997.

By end-1997, gross loan portfolio were valued at P40.804 billion. In terms of beneficiary industry, agriculture, forestry and fishery remained the biggest recipient of these loans. It had the bulk (50.98%) of the P3.909 billion new loans granted during the period, followed by the trade industry. For the last three (3) semesters, concentration of rural banks' credits were more or less maintained as follows: 46% at agriculture, forestry and fishery; 17% at wholesale and retail trade; and 6% to manufacturing or industrial sector. The remaining 31% remained unclassified.

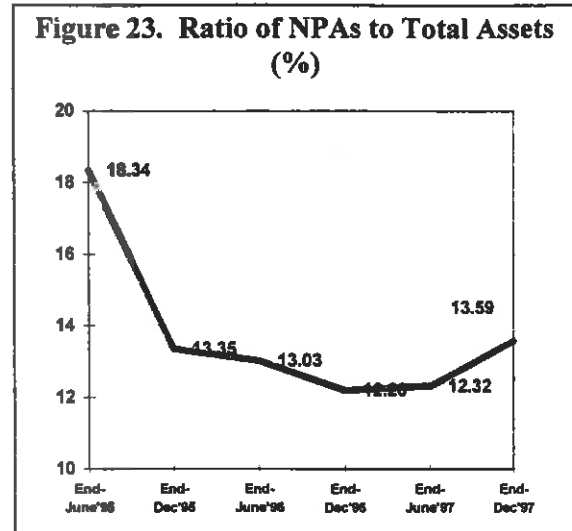
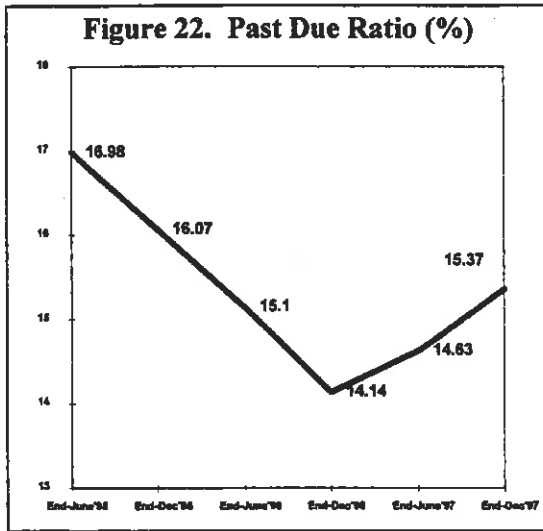
Figure 21. Outstanding Loans Classified by Beneficiary Industry (Amounts in Billion Pesos)



Except for some P6.271 billion accounts, these loans were generally current. The 16.15% increase in overdue accounts during the second semester of 1997 pushed past due ratio to 15.37% from 14.63% in end-June 1997 (Figure 22). Regional data showed that only 5 of the 15 regions (Regions I, V, VI, XI and the Cordillera Autonomous Region), posted improvements in past due ratio.

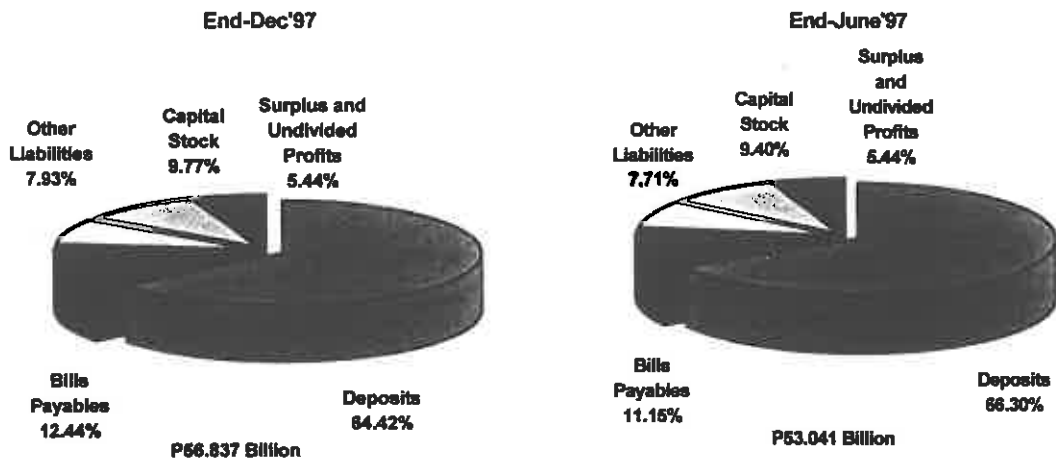


For these past due accounts, P0.798 billion or 12.73% were set aside as allowances for probable losses. Even if these past due loans were combined with the P1.454 billion other assets owned/acquired in settlement of loans, non-performing assets (NPAs) of the industry were contained at 13.59%, i.e., almost proportionate to end-1995 ratio (Figure 23).



Total liabilities went up by 6.70% to P48.193 billion mainly due to the 19.58% hike in bills payables. Deposit liabilities increased at a slower rate of 4.13% (vs. 16.10% during the same period a year ago) but continued to be the industry's primary source of funds (Figure 24). At P36.615 billion, these deposits made up 75.98% of total liabilities and financed 64.42% of total assets.

Figure 24. Sources of Funds
(As of end of Periods Indicated)





Capitalization

The industry's capital base widened by 9.78% to P8.644 billion (Schedule 2.a) as rural and cooperative banks in general adhered to their respective capital build-up programs and continued to re-invest earnings from operations. By end-1997, rural and cooperative banks had a total of P5.554 billion permanent capital which accounted for 9.77% of total assets (vs. 9.40% in end-June 1997).

Of the 813 rural and cooperative banks with examination reports as of end-June 1998, 620 or 76.26% have complied with the BSP prescribed minimum capitalization.

Results of Operations

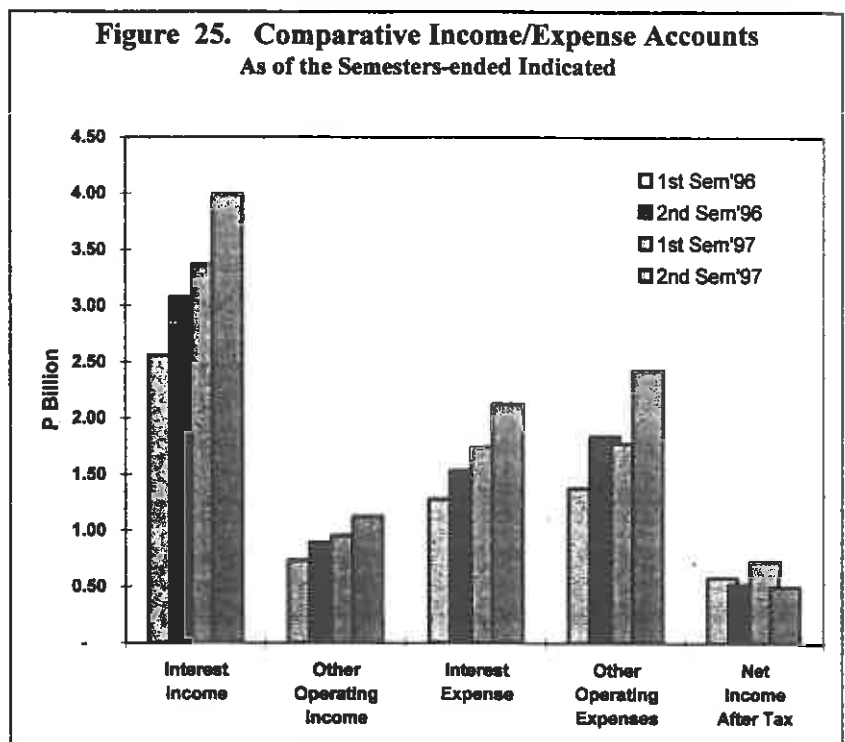
Operations of rural and cooperative banks generated more than half a billion net earnings as in the same period a year ago (Figure 25). This resulted to a 10.80% increase in annual net income to P1.231 billion from P1.111 billion in 1996 (Schedule 5.a).

Interest income remained the primary source of income. It stood at P3.994 billion (bigger by 29.80% from the interest earned

during the second semester in 1996), making up 77.96% of the total gross earnings for the semester. Interest expenses at P2.130 billion accounted for 41.58% of the total operating income or 46.75% of the total expenses incurred for the period. Thus, interest margin slid to 46.67% from 48.05% in end-June 1997. In 1996, the industry had at least a 50% interest margin.

The increments in other operating expenses were mostly related to the hike on employees compensation and partly to higher provisionings for non-performing loans and bad debts written-off. Other operating expenses reached P2.426 billion, accounting for 47.36% of total gross income.

Figure 25. Comparative Income/Expense Accounts
As of the Semesters-ended Indicated

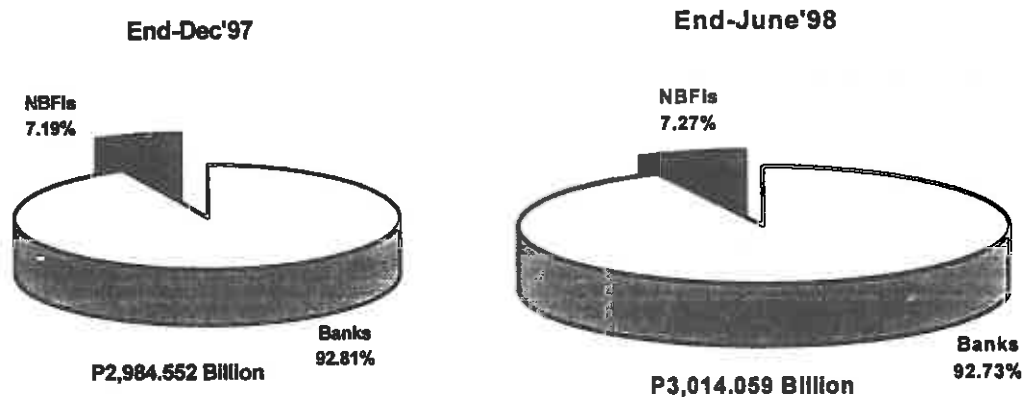




NON-BANK FINANCIAL INSTITUTIONS (NBFIs)

NBFIs managed to increase their contributions to the Philippine financial system's total resources by a more efficient use of existing resources (Figure 26). They continued to cater to other segments not serviced by banks as evidenced by the sustained growth in loan accounts. Their main activities remained largely financed by borrowings and partly by new funds, both from investors and earnings from operations of non-banks with quasi-banking functions (NBQBs).

Figure 26. Comparative Market Share: NBFIs vs. Banks
As of Semesters-ended Indicated



Physical Composition

At end-June 1998, NBFIs numbered 7,120 with 3,263 branches/other offices (Schedule 1). There was a net increment of 173 entities and 242 branches.

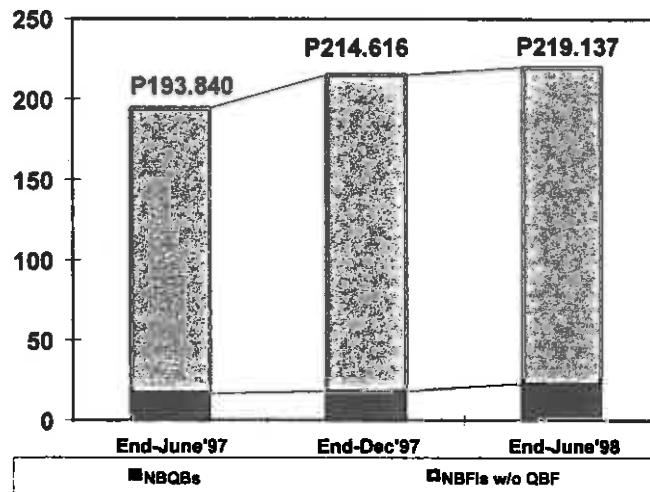
New industry players were mostly lending investors. These new entities (together with the new branches put up by existing NBFIs) more than made up for the closures of 132 non-banks. Closures included, among others: a lending investor (Accord Loans, Inc.) which was converted into a thrift bank; an investment house with QBF (Citytrust Investment Phils., Inc.) which was merged with a financing company with QBF.



Levels of Operations

NBFIs' resources as of end-June 1998 reached P219.137 billion (Schedule 2), accounting for 7.27% of the total assets of the financial system. This was higher by 2.11% from its end-1997 level (Figure 27).

Figure 27. Comparative Levels of Resources (P Billion)
As of Semesters-ended Indicated



These assets were held mainly in loan accounts (60.27% or P132.083 billion) which increased by 2.77% during the period. Investments made up the second biggest component (22.93%) and amounted to P50.241 billion. Other assets posted the highest increment (5.15%) and made up 12.18% of total assets. In contrast, liquid assets decreased by 6.23% to P10.132 billion.

Liabilities amounted to P128.415 billion, registering a 2.76% hike from the end-December 1997 level. These funded 58.60% of total assets. The remaining balance of 41.40% were financed by capital accounts.

Capitalization

At-end June 1998, networth stood at P90.722 billion (Schedule 2), registering a 1.19% hike over a six-month period or a 21.47% increase from its year ago level. Fresh capital funds were generated mainly by NBQBs.



Levels of Operations

Combined resources of the 12 NBQBs grew by 25.25% to P22.425 billion as of end-June 1998. This was mainly due to the combined assets brought in by the merging financing company and credit card company as the other entities generally reported negative gains in assets for the period.

All asset accounts increased, except for liquid assets. Loans expanded by 71.58% and made up 38.01% of total assets. Investments rose at a slower rate of 3.46% but accounted for the bulk (44.14%) of total assets. Other assets went up by 70% to P3.175 billion.

The expansion in total loan portfolio was accompanied by a four-fold increment in overdue accounts. At end-June 1998, P1.201 billion or 12.40% of the industry's P9.686 billion total loan portfolio (gross) were past due. This decline in the quality of assets correspondingly hiked by 43.72% the provisions for probable losses. Of the reported non-performing loans, 96.75% were covered by the P1.162 billion allowance for probable losses.

Asset growth for the period was primarily funded by additions to borrowings and partly by fresh funds from investors. This was a reversal of the funding scheme employed the previous semester when NBQBs had to cut back their borrowings and re-value their assets to hedge their liquidity and solvency position against rising operational costs.

By end-June 1998, 51.32% of the total assets were backed up by liabilities and 48.68% by capital accounts.

Capitalization

Total capital accounts amounted to P10.916 billion, of which 34.98% were permanent capital. Capital stock went up by 28.86% to P3.818 billion, accounting for 17.02% of total assets (vs. 16.55% of total assets in end-December 1997). This more than covered for the 3.14% decrement in capital stock during the previous semester. Surplus and undivided profits likewise increased (by 3.14%) due to earnings plowed back to operations.

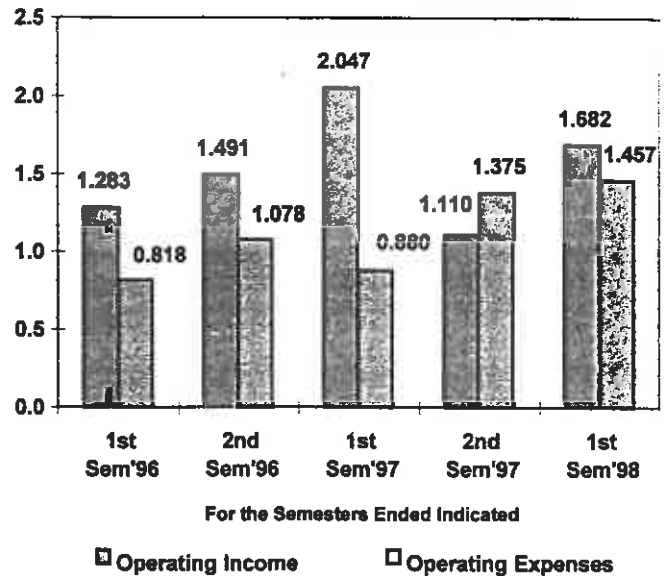
Results of Operations

NBQBs' operations generated P0.169 billion net earnings during the first half of 1998 (Schedule 5). This accounted for 10.05% of the P1.682 billion gross income (Figure 29) which primarily consisted of interest income (39.83%). Trading gains and income from non-traditional sources made up 25.62% and 25.51%, respectively.



Interest earned was just enough to cover the operating expenses for the period. At P0.670 billion, it was 39.29% higher than the interest income during the same period a year ago. Despite this increment, interest income fell short by P0.117 billion compared with interest expenses of P0.787 billion, which doubled from P0.392 billion in the first half of 1997. Operating expenses likewise increased by 37.29% when compared to the expenses incurred a year ago.

Figure 29. Operating Income vs. Expenses



NON-BANKS WITHOUT QUASI-BANKING FUNCTIONS (NB w/o QBF)

As of end-June 1998, combined resources of NB w/o QBF stood at P196.712 billion. Loans, amounting to P123.559 billion, remained the biggest asset component (62.81% of total assets), followed by investments (P40.343 billion or 20.51%). Liquid assets were kept at a minimum i.e., below 5% of total assets. Liabilities of P116.906 billion financed 59.43% of these assets while capital accounts backed up the remaining balance. Of the P79.806 billion capital accounts, 76.06% represent permanent capital.

In terms of assets, government NBFIs were the largest contributors, followed by investment houses (Table 15). In terms of capitalization, non-stocks SLAs and investment houses had the biggest share.

Type of NB w/o QBF	Resources		Capital	
Investment Houses	37.547	19.09	17.966	22.51
Financing Companies	33.726	17.14	7.345	9.20
Investment Companies	13.899	7.07	12.992	16.28
Securities Dealers/Brokers	11.102	5.64	4.525	5.67
Venture Capital Corp.	0.102	0.05	0.099	0.13
Gov't NBFIs	63.388	32.22	9.119	11.43
Non-Stock SLAs	21.420	10.89	19.009	23.82
Mutual SLAs	0.165	0.08	0.137	0.17
Lending Investors	5.085	2.59	1.838	2.30
Pawnshops	10.278	5.22	6.776	8.49
Total	196.712	100.00	79.806	100.00
% share to Total NBFIs		89.77%		87.97%
% share to Total Fin'L System		6.53%		16.95%



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Schedule 1
PHYSICAL COMPOSITION
Philippine Financial System
As of Semesters Ended Indicated

TYPE OF FINANCIAL INSTITUTIONS	JUNE 1998			DEC. 1997			JUNE 1997		
	TOTAL	HEAD OFFICE	OTHER OFFICES	TOTAL	HEAD OFFICE	OTHER OFFICES	TOTAL	HEAD OFFICE	OTHER OFFICES
ALL BANKS/NON-BANK FINANCIAL INSTITUTIONS	17,866	8,131	9,735	17,149	7,949	9,200	16,284	7,676	8,608
I. BANKS	7,483	1,011	6,472	7,181	1,002	6,179	6,745	987	5,758
A. Commercial Banks ^{1/}	4,148	54	4,094	4,078	54	4,024	3,809	52	3,757
Expanded Commercial Banks	3,513	22	3,491	3,432	21	3,411	3,260	21	3,239
Domestic Banks	3,512	21	3,491	3,431	20	3,411	3,259	20	3,239
Branches of Foreign Banks	1	1		1	1		1	1	
Non-Expanded Commercial Banks	635	32	603	646	33	613	549	31	518
Domestic Banks	525	15	510	541	16	525	509	15	494
Subsidiaries of Foreign Banks	86	4	82	82	4	78	17	3	14
Branches of Foreign Banks	24	13	11	23	13	10	23	13	10
B. Thrift Banks	1,440	118	1,322	1,388	116	1,272	1,341	113	1,228
Savings & Mortgage Banks (SMBs)	561	33	528	523	30	493	472	24	448
Private Development Banks (PDBs)	544	40	504	523	39	484	534	40	494
Stock Savings & Loan Associations (SSLAs)	335	45	290	342	47	295	335	49	286
C. Rural and Cooperative Banks	1,895	839	1,056	1,715	832	883	1,595	822	773
II. NON-BANK FINANCIAL INSTITUTIONS	10,383	7,120	3,263	9,968	6,947	3,021	9,539	6,689	2,850
A. With Quasi-Banking Functions	45	12	33	45	12	33	45	12	33
Investment Houses	30	7	23	32	8	24	32	8	24
Financing Companies	15	5	10	13	4	9	13	4	9
B. Without Quasi-Banking Functions	10,338	7,108	3,230	9,923	6,935	2,988	9,494	6,677	2,817
Investment Houses	48	45	3	44	43	1	42	41	1
Financing Companies	187	142	45	194	147	47	193	146	47
Investment Companies	64	64		64	64		64	64	
Securities Dealers/Brokers	130	130		130	130		132	132	
Lending Investors	2,594	2,406	188	2,366	2,195	171	2,283	2,113	170
Pawnshops	7,176	4,209	2,967	6,986	4,244	2,742	6,642	4,070	2,572
Venture Capital Corporations	10	10		10	10		10	10	
Gov't. NBFIs	5	5		5	5		5	5	
NSSLAs ^{2/}	117	90	27	117	90	27	116	89	27
MELAs ^{3/}	7	7		7	7		7	7	

^{1/} Inclusive of specialized government banks : Development Bank of the Philippines, Land Bank of the Philippines, Al-Amanah Islamic Investment Bank of the Philippines

^{2/} Refers to Non-Stock Savings and Loan Associations

^{3/} Refers to Mutual Building and Loan Associations

^{4/} Adjusted

Source : Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



Schedule 2
COMPARATIVE STATEMENT OF CONDITION
Philippine Financial System
As of Semesters-Ended Indicated
(Amounts in Billion Pesos)

Selected Accounts 1/	ALL BANKS/NBFIs		BANKS		NON-BANK FINANCIAL INSTITUTIONS (NBFIs)	
	End-June '98 2/	End-Dec '97	End-June '98 2/	End-Dec '97	End-June '98 2/	End-Dec '97 3/
ASSETS	3,014,059	2,984,552	2,794,922	2,769,936	219,137	214,616
Cash and Due from Banks	354,180	365,668	344,048	354,863	10,132	10,805
Loan Portfolio (net)	1,854,137	1,842,161	1,722,054	1,713,634	132,083	128,527
Investments	491,207	459,184	440,966	409,274	50,241	49,910
Other Assets	314,535	317,539	287,854	292,165	26,681	25,374
LIABILITIES AND CAPITAL	3,014,059	2,984,552	2,794,922	2,769,936	219,137	214,616
Liabilities	2,543,341	2,531,523	2,414,926	2,406,558	128,415	124,965
Deposit Liabilities	1,709,550	1,675,129	1,708,787	1,674,366	0,763	0,763
Peso Liabilities	1,090,261	1,073,851	1,089,498	1,073,088	0,763	0,763
Demand and NOW Savings	125,798	118,139	125,798	118,139	0,687	0,687
Time	909,713	897,444	909,026	896,757	0,076	0,076
Foreign Currency	54,750	58,268	54,674	58,192	0,076	0,076
Bills Payable	619,289	601,278	619,289	601,278	45,823	44,310
Other Liabilities	396,084	453,458	350,261	409,148	81,829	79,892
Capital Accounts	470,718	453,029	379,996	363,378	90,722	89,651
Capital Stock	218,423	213,855	153,903	150,190	64,520	63,665
Assigned Capital	8,049	8,049	8,049	8,049	7,277	7,277
Net Due to H.O.	31,302	31,102	31,302	31,102	27,443	27,443
Surplus, Surplus Reserves & Undivided Profits	212,944	200,023	186,742	174,037	163,592	25,986

1/ Adjusted to net off the account "Due From Head Office" with "Due to Head Office" of branches of foreign banks

2/ Preliminary, data for rural banks as of end-December 1997, and for non-banks without QBF as of latest reports available

3/ Adjusted based on latest reports



Schedule 2.b

COMPARATIVE STATEMENT OF CONDITION

Philippine Commercial Banking System

As of Semesters-Ended Indicated

(Amounts in Billion Pesos)

Selected Accounts 1/	TOTAL COMMERCIAL BANKS 2/		EXPANDED COMMERCIAL BANKS 3/		NON-EXPANDED COMMERCIAL BANKS 4/	
	End-June '98	End-Dec-97	End-June '98	End-Dec-97	End-June '98	End-Dec-97
ASSETS	2,532,912	2,509,133	2,053,151	2,062,509	479,761	446,624
Cash and Due from Banks	318,526	322,122	254,847	271,304	63,679	50,818
Loan Portfolio (net)	1,551,604	1,538,371	1,260,127	1,249,787	291,477	288,584
Investments	413,391	389,444	327,815	322,055	85,576	67,389
Other Assets	249,391	259,196	210,362	219,363	39,029	39,833
LIABILITIES AND CAPITAL	2,532,912	2,509,133	2,053,151	2,062,509	479,761	446,624
Liabilities	2,196,586	2,188,464	1,790,017	1,813,004	406,569	375,460
Deposit Liabilities	1,542,577	1,502,221	1,291,427	1,264,202	251,150	238,019
Peso Liabilities	931,132	907,656	797,187	786,918	133,945	120,738
Demand and NOW	121,060	112,466	100,779	97,108	20,281	15,358
Savings	781,040	764,483	676,242	668,251	104,798	96,232
Time	29,032	30,707	20,166	21,559	8,866	9,148
Foreign Currency	611,445	594,565	494,240	477,284	117,205	117,281
Bills Payable	317,747	382,793	265,601	333,957	52,146	48,836
Other Liabilities	336,262	303,450	232,989	214,845	103,273	88,605
Capital Accounts	336,326	320,669	263,134	249,505	73,192	71,164
Capital Stock	122,525	121,485	93,795	93,338	28,730	28,147
Assigned Capital	8,049	8,049	0,894	0,894	7,155	7,155
Net Due to H.O.	31,302	31,102	2,682	2,682	28,620	28,420
Surplus, Surplus Reserves & Undivided Profits	174,450	160,033	165,763	152,591	8,687	7,442

1/ Adjusted to net off the account "Due From Head Office" with "Due to Head Office" of branches of foreign banks

2/ Inclusive of specialized government banks

3/ Inclusive of a branch of a foreign bank and 3 specialized government banks

4/ Inclusive of branches/subsidiaries of foreign banks

5/ Adjusted



Schedule 3
CONTINGENT ACCOUNTS
COMMERCIAL BANKS/THRIFT BANKS
 As of Semesters-Ended Indicated
 (Amounts in Billion Pesos)

Selected Accounts	T O T A L		COMMERCIAL BANKS 1/		THRIFT BANKS	
	End-June '98	End-Dec '97	End-June '98	End-Dec '97	End-June '98	End-Dec '97
Unused Commercial LCs	112.044	136.376	111.387	135.510	0.657	0.866
Export LCs - Confirmed	7.017	3.631	7.017	3.631		
Inward Bills for Collection	29.916	39.395	29.913	39.384	0.003	0.011
Outward Bills for Collection	7.427	8.626	7.413	8.471	0.014	0.155
Spot Exchange Bought	25.666	12.765	25.666	12.765		
Spot Exchange Sold	25.719	13.846	25.719	13.846		
Future Exchange Bought	317.632	288.121	317.632	288.121		
Future Exchange Sold	281.421	237.853	281.419	237.849	0.002	0.004
Items Held for Safekeeping/Custodianship	12.127	8.484	12.037	8.479	0.090	0.005
Trust Department Accounts	406.599	372.142	401.138	367.278	5.461	4.864
Underwriting Accounts - Unsold						
Late Deposits/Payments Received	4.202	5.149	4.202	5.149		
Traveller's Checks Unsold	5.978	6.244	5.978	6.244		
Other Contingent Accounts	141.956	149.912	140.890	148.671	1.066	1.241
TOTAL CONTINGENT ACCOUNTS	1,377,704	1,282,544	1,370,411	1,275,398	7,293	7,146

1/ Inclusive of specialized government banks



Schedule 3-a
CONTINGENT ACCOUNTS
 Philippine Commercial Banking System
 As of Semester-ended Indicated
 (Amounts in Billion Pesos)

Selected Accounts	TOTAL COMMERCIAL BANKS 1/		EXPANDED COMMERCIAL BANKS 2/		NON-EXPANDED COMMERCIAL BANKS 3/	
	End-June'98	End-Dec'97	End-June'98	End-Dec'97	End-June'98	End-Dec'97
Unused Commercial LCs	111.387	135.510	114.760	99.720	17.706	18.306
Domestic LCs O/S (Sight and Usance)	1.913	2.039	2.225	1.778	0.253	0.447
Import LCs O/S (Sight and Usance)	56.228	76.552	73.338	64.521	8.101	8.529
Deferred LCs	0.473	0.670	0.466	0.411	0.017	0.259
Revolving LCs	0.023	0.307	0.199	0.189	0.011	0.010
Standby LCs - Foreign	38.443	42.466	27.263	24.482	4.990	5.405
Standby LCs - Domestic	14.307	13.476	11.289	8.339	4.334	3.860
Export LCs - Confirmed	7.017	3.631	2.837	2.415	0.070	0.422
Inward Bills for Collection	29.913	39.384	21.264	17.512	5.376	3.752
Domestic	0.095	0.173	0.028	0.027	0.003	0.001
Foreign - Regular	29.818	39.211	21.236	17.485	5.373	3.751
Outward Bills for Collection	7.413	8.471	5.585	4.557	1.287	1.935
Domestic	1.287	1.254	1.197	0.881	0.136	0.240
Foreign - Regular	5.544	6.411	3.976	3.328	1.102	1.630
CB Circular 343/547	0.582	0.806	0.412	0.348	0.049	0.065
Spot Exchange Bought	25.666	12.765	32.181	5.804	12.722	10.464
Spot Exchange Sold	25.719	13.846	23.467	7.364	12.175	10.386
Future Exchange Bought	317.632	288.121	321.404	155.153	188.075	166.341
Regular	274.741	235.981	273.701	117.835	175.910	143.795
CB Circular 343/547	42.891	52.140	47.703	37.318	12.165	12.546
Future Exchange Sold	281.419	237.849	231.024	80.251	184.714	152.287
Regular	237.153	184.819	182.075	41.137	172.550	139.795
CB Circular 343/547	44.266	53.030	48.949	39.114	12.164	12.492
Items Held for Safekeeping/Custodianship	12.037	8.479	0.781	0.766	0.008	0.014
Trust Department Accounts	401.138	367.278	335.181	304.669	46.250	38.052
Underwriting Accounts - Unsold						
Late Deposits/Payments Received	4.202	5.149	3.199	2.978	0.237	0.481
Traveller's Checks Unsold	5.978	6.244	2.237	1.201	4.089	4.607
Other Contingent Accounts	140.890	148.671	98.336	67.778	37.398	37.071
TOTAL CONTINGENT ACCOUNTS	1,370.411	1,275.898	1,192.268	780.188	510.107	435.607

1/ Inclusive of specialized government banks

2/ Inclusive of a branch of a foreign bank and 3 specialized government banks

3/ Inclusive of branches/subsidiaries of foreign banks



Schedule 4
TRUST AND FUND MANAGEMENT OPERATIONS
 Philippine Banks/Investment Houses
 As of September 30, 2000
 (Amounts in Billion Pesos)

	ALL BANKS/INVESTMENT HOUSES		BANKS 1/		INVESTMENT HOUSES	
	End-June'98	End-Dec'97	End-June'98	End-Dec'97	End-June'98	End-June'97
ASSETS	420,748	388,318	374,457	372,142	14,189	17,119
Cash and Due from Banks	42,337	38,139	38,150	37,391	0,413	0,995
Loans and Discounts	121,241	120,722	143,739	110,903	8,435	16,245
Investments in Money Market	95,624	102,844	78,942	100,059	2,779	2,259
Investments in Stocks	58,024	53,535	58,140	51,661	1,792	1,290
Investments in CTFs	13,313	9,562	13,515	9,422	0,035	0,285
Investments in Real Estate	7,948	7,670	6,219	7,409	0,284	0,256
Real Properties Administered	0,008	0,091	0,016	0,017	0,000	0,074
Real Properties Acquired						
in Settlement of Loans	0,373	0,219	0,131	0,219		0,131
Foreign Currency Notes &						
Cash on Hand-FCDU/EFCDU	0,407	0,423	0,146	0,423	0,407	0,146
Foreign Currency Assets -						
Non-FCDU/EFCDU	25,695	0,408	0,847	0,408	25,695	0,847
Due from Bangko Sentral	8,597	5,123	5,792	5,123	8,597	5,792
Miscellaneous Assets	47,201	49,562	28,820	49,107	46,770	28,642
TOTAL ACCOUNTABILITIES	420,748	388,318	374,457	372,142	14,189	17,119
Trust & Other Fiduciary Accounts	225,225	212,643	190,678	209,676	2,498	3,456
Administration	17,841	19,065	18,528	19,017	0,050	0,095
Bond Issue Under Deed of						
Trust or Mortgage	46,157	49,716	25,868	49,716	46,157	25,846
Custodianship & Safekeeping	5,367	4,127	4,753	4,101	5,365	4,753
Depository/Reorganization	4,730	0,127	0,127	0,127	4,730	0,127
Emp. Benefit Plans Under Trust	26,945	29,982	31,570	29,478	26,392	31,049
Escrow	30,186	7,236	6,838	7,225	30,162	6,797
Personal Trust	54,345	43,589	41,474	42,798	54,056	40,609
Executorship	0,467	0,008	0,003	0,008	0,020	0,003
Guardianship	0,447	0,415	0,416	0,415	0,447	0,416
Life Insurance Trust	0,332	0,015	0,335	0,015	0,332	0,335
Pre-Need Plans	17,145	16,066	14,833	15,581	16,894	14,454
Others	21,283	42,394	45,933	41,322	20,393	44,400
Common Trust Funds	91,904	82,348	86,958	77,744	88,380	81,152
Investment Management Accts.	66,092	63,240	74,515	54,821	58,177	66,751
FCDU/EFCDU Trust Accountabilities	27,762	23,990	19,191	23,990	27,762	19,191
Unearned Income	0,102	0,615	0,112	0,610	0,095	0,101
Other Accountabilities	9,683	5,482	3,003	5,301	9,456	2,921

1/ Inclusive of specialized government banks



TRUST AND FUND MANAGEMENT OPERATIONS

Philippine Banking System
All of Shareholders-owned Indicated
(Amounts in Billion Pesos)

	ALL BANKS		COMMERCIAL BANKS (1)		THRIFT BANKS	
	End-June '97	End-Dec '97	End-June '97	End-Dec '97	End-June '97	End-Dec '97
ASSETS	406,699	372,142	357,338	401,138	5,461	4,864
Cash and Due from Banks	41,924	37,391	37,155	40,849	1,075	0,818
Loans and Discounts	112,806	110,903	133,494	110,278	2,528	2,279
Investments in Money Market	92,845	100,059	76,683	92,083	0,752	0,512
Investments in Stocks	56,232	51,661	55,239	55,905	0,327	0,332
Investments in CTFs	13,278	9,422	13,230	13,008	0,270	0,383
Investments in Real Estate	7,664	7,409	5,963	7,272	0,392	0,350
Real Properties Administered	0,008	0,017	0,016	0,008		
Real Properties Acquired in Settlement of Loans	0,373	0,219	0,131	0,362	0,011	0,010
Foreign Currency Notes & Foreign Currency Assets - Cash on Hand-FCDU/FCDDU	0,407	0,423	0,146	0,397	0,010	0,009
Foreign Currency Assets - Non-FCDU/FCDDU	25,695	0,408	0,847	25,690	0,005	0,014
Due from Bangko Sentral	8,597	5,123	5,792	8,573	0,024	0,032
Miscellaneous Assets	46,770	49,107	28,642	46,703	0,067	0,125
TOTAL ACCOUNTABILITIES	406,699	372,142	357,338	401,138	5,461	4,864
Trust & Other Fiduciary Accounts	222,729	209,676	187,222	220,658	2,071	1,999
Administration	17,791	19,017	18,433	17,529	0,262	0,222
Bond Issue Under Deed of Trust or Mortgage	46,157	49,716	25,846	46,018	0,139	0,325
Custodianship & Safekeeping	5,355	4,101	4,753	5,350	0,005	0,005
Depository/Reorganization	4,730	0,127	0,127	4,730		
Emp. Benefit Plans Under Trust	26,392	29,478	31,049	25,800	0,592	0,626
Escrow	30,162	7,225	6,797	30,083	0,079	0,101
Personal Trust	54,056	42,798	40,609	53,390	0,666	0,325
Executorship	0,020	0,008	0,003	0,020		
Guardianship	0,447	0,415	0,416	0,447		
Life Insurance Trust	0,332	0,015	0,335	0,332		
Pre-Need Plans	16,894	15,581	14,454	16,793	0,101	0,082
Others	20,393	41,322	44,400	20,166	0,227	0,313
Common Trust Funds	88,380	77,744	81,152	88,231	0,149	0,078
Investment Management Accts.	58,177	54,821	66,751	55,054	3,123	2,647
FCDU/FCDDU Trust Accountabilities	27,762	23,990	19,191	27,762		
Unearned Income	0,095	0,610	0,101	0,095		
Other Accountabilities	9,456	5,301	2,921	9,338	0,118	0,140

1/ Inclusive of specialized government banks



Schedule A
COMPARATIVE STATEMENT OF INCOME AND EXPENSES

Philippine Banks

For the periods indicated

(Amounts in Billion Pesos)

Selected Accounts	ALL BANKS		Commercial Banks 3/		Thrift Banks		Rural Banks	
	End-June '98 / End-Dec '97	End-June '97	End-June '98	End-June '97	End-June '98	End-Dec '97	End-June '97	End-June '97
NET INCOME	19,817	22,358	19,538	19,886	(0,224)	0,709	1,742	0,503
Operating Income	86,121	66,834	76,170	57,347	6,959	6,730	6,912	2,993
Net Interest Income	64,378	50,370	57,520	43,614	4,994	4,900	5,138	1,864
Interest Income	157,990	106,760	138,770	90,608	15,226	14,919	12,785	3,367
Less: Interest Expense	93,612	56,390	81,250	46,994	10,232	10,019	7,647	1,749
Other Operating Income	21,743	18,464	18,650	13,733	1,964	1,830	1,774	1,129
Bank Commissions	2,289	2,112	2,248	2,047	0,023	(0,006)	0,050	0,018
Service Charges/Fees	7,113	6,086	5,560	4,570	0,864	0,913	0,876	0,689
Fees/Commissions-Others	0,560	0,375	0,557	0,375	0,003	0,005	0,075	0,014
Trading Gain/(Loss)	0,403	2,925	0,328	2,850	0,075	0,077	0,075	0,002
Foreign Exchange Profit/(Loss)	6,134	0,495	6,027	0,486	0,093	0,306	0,007	0,002
Gold Trading Gain/(Loss)	0,009	0,009	0,009	0,009	0,019	0,021	0,023	0,300
Income - Trust Department	1,126	1,126	1,107	1,103	0,887	0,514	0,743	0,408
Others	4,118	3,345	2,823	2,302	0,887	0,514	0,743	0,408
Operating Expenses	68,761	45,852	57,587	39,094	6,748	6,072	4,978	2,426
Bad Debt Expenses	1,253	0,169	1,233	0,164	0,505	0,657	0,399	0,020
Provisions	13,453	5,445	12,931	5,019	6,243	5,415	4,579	2,389
Other Operating Expenses	52,055	40,238	43,423	33,911	2,095	2,089	1,799	1,163
Compensation/Fringe Benefits	17,731	15,151	14,473	12,476	0,636	0,578	0,453	0,173
Depreciation/Amortization	3,941	3,412	3,132	2,819	3,512	2,748	2,327	0,140
Others	30,383	21,675	25,818	18,616	0,108	0,110	0,173	0,002
Extraordinary Credits/(Charges)	3,815	4,239	3,709	4,064	0,542	0,059	0,365	0,062
Provision for Income Tax	3,358	1,144	2,754	1,023	(0,11)	0,35	0,80	0,88
Return on Assets (%)	0.71	0.72	0.77	0.94	(0.64)	2.08	5.61	5.82
Return on Equity (%)	5.22	5.47	5.81	6.86				9.25

1/ Preliminary, includes data for rural banks for the second semester of 1997

2/ Adjusted

3/ Inclusive of specialized government banks

Source: Supervisory Reports and Studies Office, Bangko Sentral ng Pilipinas



COMPARATIVE STATEMENT OF INCOME AND EXPENSES
Philippine Commercial Banking System
 (Amounts in Billion Pesos)

	TOTAL COMMERCIAL BANKS		EXPANDED COMMERCIAL BANKS 1/		NON-EXPANDED COMMERCIAL BANKS 2/		
	End-June '98	End-Dec '97	End-Dec '97	End-June '97	End-June '98	End-Dec '97	End-June '97
NET INCOME	<u>19,538</u>	<u>18,653</u>	<u>15,989</u>	<u>16,725</u>	<u>3,549</u>	<u>1,928</u>	<u>3,237</u>
Operating Income	<u>76,170</u>	<u>77,256</u>	<u>60,726</u>	<u>62,507</u>	<u>15,444</u>	<u>14,749</u>	<u>11,444</u>
Net Interest Income	<u>57,520</u>	<u>54,581</u>	<u>47,757</u>	<u>47,885</u>	<u>9,763</u>	<u>6,690</u>	<u>9,000</u>
Interest Income	138,770	133,554	113,117	110,505	25,653	23,049	16,808
Less: Interest Expense	81,250	78,973	65,360	62,620	15,890	16,353	7,808
Other Operating Income	<u>18,650</u>	<u>22,675</u>	<u>12,969</u>	<u>14,622</u>	<u>5,681</u>	<u>8,053</u>	<u>2,444</u>
Bank Commissions	2,248	2,507	1,481	1,826	0,767	0,681	0,650
Service Charges/Fees	5,560	5,380	3,871	3,895	1,689	1,485	1,435
Fees/Commissions-Others	0,557	0,671	0,493	0,533	0,064	0,138	0,035
Trading Gain/(Loss)	0,328	(0,244)	0,222	(0,034)	0,106	(0,210)	0,567
Foreign Exchange Profit/(Loss)	6,027	10,150	3,482	4,578	2,545	5,572	(0,645)
Gold Trading Gain/(Loss)		0,009		0,009			
Income - Trust Department	1,107	1,132	0,912	0,862	0,195	0,270	0,100
Others	2,823	3,070	2,508	2,953	0,315	0,117	0,302
Operating Expenses	<u>57,587</u>	<u>59,872</u>	<u>45,591</u>	<u>47,896</u>	<u>11,996</u>	<u>11,976</u>	<u>7,600</u>
Bad Debt Expenses	1,233	1,286	0,419	0,050	0,814	1,236	0,156
Provisions	12,931	16,705	11,090	14,101	1,841	2,604	0,634
Other Operating Expenses	<u>43,423</u>	<u>41,681</u>	<u>34,082</u>	<u>33,545</u>	<u>9,341</u>	<u>8,136</u>	<u>6,810</u>
Compensation/Fringe Benefits	14,473	13,783	11,590	11,262	2,883	2,521	2,248
Depreciation/Amortization	3,132	3,008	2,373	2,416	0,759	0,592	0,644
Others	25,818	24,890	20,119	19,867	5,699	5,023	3,918
Extraordinary Credits/(Charges)	3,709	2,092	2,661	2,062	1,048	0,010	0,358
Provision for Income Tax	2,754	1,023	1,807	0,168	0,947	0,855	0,965
Return on Assets (%)	0.77	0.74	0.78	0.81	0.74	0.43	0.82
Return on Equity (%)	5.81	5.82	6.08	6.70	4.85	2.71	5.46

1/ Inclusive of a branch of a foreign bank and 3 specialized government banks

2/ Inclusive of branches/subsidiaries of foreign banks





156 3/19/98 To increase the minimum capital of banks as follows:
(In million pesos)

Bank	New	Existing		
		12/24/98	12/31/99	12/31/2000
EKBs	5,400	4,500	4,950	5,400
NEKBs	2,800	2,000	2,400	2,800
TBs				
- Metro-Manila (MM)	400	250	325	400
- Outside MM	64	40	52	64
RBs				
- GMA	closed	20	26	32
- Cities of Cebu/Davao	closed	10	13	16
- 1st to 3rd class cities/ 1st class municipalities	8	5	6.5	8
- 4th to 6th class cities/ 2nd to 4th class municipalities	4.8	3	3.9	4.8
- 5th to 6th class municipalities	3.2	2	2.6	3.2

157 3/19/98 To require all banks listed in the Philippine Stock Exchange (PSE) to disclose the following in the quarterly Published Statement of Condition:

- 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

158 3/20/98 To reduce the reserve requirements against deposits and deposit-substitutes as follows:

	Demand		Savings		Time		NOW		NCTDs		DS	
	From	To	From	To	From	To	From	To	From	To	From	To
	(In Percent)											
EKBs/KBs	13	10	13	10	13	10	13	10	13	10	13	10
TBs	13	10	11	8	11	8	13	10	11	8	13	10
RBs	13	10					13	10				
NBFIs											13	10



To raise the liquidity reserves against peso deposits and deposit substitutes as follows:

	Demand		Savings		Time		DS	
	From	To	From	To	From	To	From	To
	(In Percent)							
EKBs/KBs	4	7	4	7	4	7	4	7
TBs	3	6	3	6	3	6	3	6
RBs	0	3						
NBQBs							4	7

- 159 3/24/98 To reduce the transition period to provide full set-up of the 2% general loan loss provisioning from three years to two years or from October 1, 2000 to October 1, 1999

- 160 3/25/98 To re-issue the requirement for banks to post in the premises of their head offices and branches, the following information regarding interest on loans:
 - a) type of loan
 - b) simple annual rate of interest
 - c) manner of interest payment, i.e., whether collected in advance or otherwise; and
 - d) other fees and charges imposed by the bank in connection with the loan

- 161 3/30/98 Rules and regulations to govern investments in all debt securities and marketable equity securities

- 162 4/7/98 To reduce the sale limit of foreign exchange from US\$25 thousand to US\$10 thousand without need of appropriate documentation

- 163 4/8/98 Check clearing rules for thrift banks authorized to accept demand deposits

- 164 4/13/98 To provide for 5% allowance for "Loans Specially Mentioned" regardless of collateral and 25% allowance for secured loans classified as "Substandard"

- 165 5/14/98 Authorized banks to act as collecting agents of the Philippine Health Insurance Corporation (PhilHealth)



166 5/28/98 To reduce the reserve requirement against deposits and deposit substitutes as follows:

	Demand		Savings		Time		NOW		NCTDs		DS	
	From	To	From	To	From	To	From	To	From	To	From	To
	(In Percent)											
EKBs/KBs	10	8	10	8	10	8	10	8	10	8	10	8
TBs	10	8	8	6	8	6	10	8	8	6	10	8
RBs	10	8	5	3	5	3	10	8				
NBFIs											10	8

167 5/29/98 To exclude further loans guaranteed by the Small Business Guarantee and Finance Corporation, Philippine Export Guarantee, Guarantee Fund for Small and Medium Enterprises and other government guarantee corporations, provided that these loans are not past due, from gross loan portfolio for purposes of the 2% general provision for loan losses

B. Memorandum to All Banks and Other Financial Intermediaries

<u>Date</u>	<u>Particulars</u>
1/22/98	To require banks and quasi-banks to submit a report to the BSP, on a monthly basis, outstanding balances of their restructured loans
2/16/98	To require all thrift, cooperative, rural banks and non-banks to make all check and demand draft payments for CB:IBRD, LC/STD, legal reserve, supervisory fees, fines or penalties, redemption of preferred shares and cash dividends for government held preferred shares, and collections or repayments of notes used as collateral for loans payable either to the Cash Department, BSP, Manila or directly to BSP Regional Cash Units
3/20/98	To reduce the required reserves (to seven from ten percentage point) and to raise the liquidity reserves (to eight from five percentage point) against TOFA-Others and peso-denominated common trust funds and such other managed peso funds which partake the nature of collective investment of peso-denominated common trust funds
5/28/98	To reduce the required reserves (to five from seven percentage point) and to maintain the liquidity reserves at eight percentage point) against TOFA-Others and peso-denominated common trust funds and such other managed peso funds which partake the nature of collective investment of peso-denominated common trust funds



- 6/22/98 To pay a four percent (4%) interest per annum based on the average daily balance on deposits maintained by banks and NBFIs engaged in trust and other fiduciary business with the BSP up to forty percent (40%) of the required reserves against TOFA-Others and peso-denominated common trust funds
- 6/22/98 To require banks to include in the Consolidated Statement of Condition (CSOC) report, starting July 1998 the following accounts as follows:
- Commercial Banks
 - Restructured Loans (current portion)
 - General and Specific Loss Reserves
 - Thrift Banks
 - General and Specific Loss Reserves
 - Rural Banks
 - Restructured Loans
 - General and Specific Loss Reserves

C. Circular-Letters

<u>Date</u>	<u>Particulars</u>
2/20/98	To include among eligible liquid assets for foreign exchange liabilities in the FCDU cover, short-term FCDU loans to exporters in the form of export packing credits, whether rediscounted or not under BSP's Export Dollar Facility, up to the extent guaranteed by Philguarantee, GFSME or SBGFC
3/13/98	Sanctions to be imposed on banks found in violation of the net overbought or net oversold FX position limits prescribed under CB Circular No. 1327
6/18/98	To require banks to submit to the Bangko Sentral ng Pilipinas effective July 31, 1998 and every month thereafter, a status report of its Year 2000 Program as well as those of its subsidiaries and affiliates engaged in allied undertakings

DIRECTORY OF HEAD OFFICES OF FINANCIAL INSTITUTIONS

As of June 30, 1998

A. Commercial Banks (KBs)

A.1 Expanded Commercial Banks (EKBs)

Domestic Banks

1.	Al-Amanah Islamic Inv't. Bank of the Phils.	-	La Purisima St., Zamboanga City
2.	Allied Banking Corporation	-	6754 Ayala Ave. cor. Legaspi, Makati City
3.	AsianBank Corp.	-	Asian Plaza, Puyat Ave., Salcedo Village, Makati City
4.	Banco de Oro Universal Bank	-	12 ADB Ave., Ortigas Center, Mandaluyong City
5.	Bank of the Philippine Islands	-	BPI Bldg., Ayala Ave. & Paseo de Roxas, Makati City
6.	China Banking Corp.	-	cor. Viller & Paseo de Roxas Sts., Makati City
7.	Development Bank of the Philippines	-	DBP Bldg., Makati Ave., cor. Gil J. Puyat Ave., Makati City
8.	Equitable Banking Corp.	-	EBC Bldg., 262-268 Juan Luna St., Binondo, Manila
9.	Far East Bank & Trust Co.	-	Far East Bank Ctr., Gil J. Puyat Ave., Makati City
10.	Land Bank of the Phils.	-	317-319 Gil J. Puyat Ave., Makati City
11.	Metropolitan Bank & Trust Co.	-	Metrobank Plaza, Gil J. Puyat Ave., Makati City
12.	Phil. Bank of Communications	-	214 Juan Luna St., Binondo, Manila
13.	Phil. Commercial International Bank	-	Makati Ave. & H.V. Dela Costa, Makati City
14.	Phil. National Bank	-	PNB Complex, Financial Center, Roxas Blvd., Pasay City
15.	Prudential Bank	-	Prubank Bldg., Ayala Ave., Makati City
16.	Rizal Commercial Banking Corp.	-	333 Sen. Gil J. Puyat Ave., Makati City
17.	Security Bank Corp.	-	6778 Ayala Ave., Makati City
18.	Solidbank Corp.	-	777 Paseo de Roxas St., Makati City
19.	Union Bank of the Phils.	-	SSS Makati Bldg., Ayala Ave., Makati City
20.	United Coconut Planters Bank	-	UCPB Bldg., Makati Ave., Makati City
21.	Urban Bank, Inc.	-	Urban Bank Square, Urban Ave., Makati City

Branch of a Foreign Bank

1.	ING Bank N.V.	-	15/18 Flrs., Pacific Star Bldg., Makati City
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A.2 Non-Expanded Commercial Banks (NEKBs)

Domestic Banks

1.	Asia United Bank Corp.	-	G/F Parc Royale Bldg., Dona Julia Vargas, Ortigas Center, Pasig City
2.	Bank of Commerce	-	Combank Bldg., 6764 Ayala Ave., Makati City
3.	Bank of Southeast Asia, Inc.	-	ASB Center, Benevides St., Legaspi Village, Makati City

Source: Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



NEKBs-Domestic Banks -(cont'n.)

4.	East West Banking Corp.	-	Oppen Bldg., 349 Sen. Gil J. Puyat Ave. Ext., Makati City
5.	Export & Industry Bank	-	30 Paseo de Roxas St., Makati City
6.	Global Business Bank	-	G/F Skyland Plaza, Puyat Ave. cor. Tindalo St., Makati City
7.	International Exchange Bank	-	G/F Dharmala Center, 142 Amorsolo St., Makati City
8.	Panasia Banking, Inc.	-	200 AIC Center, Escolta, Manila
9.	Philippine Banking Corp.	-	Philbanking Bldg., 6797 Ayala Ave., Makati City
10.	Philippine Trust Co.	-	PPL Bldg., U.N. Ave., San Marcelino St., Ermita, Manila
11.	Philippine Veterans Bank	-	101 cor. dela Rosa & Herrera Sts., Makati City
12.	Pilipinas Bank	-	111 P. de Roxas, Legaspi Village, Makati City
13.	TA Bank of the Philippines	-	G & 4th Flrs., Octagon Bldg., San Miguel Ave. Ortigas Center, Pasig City
14.	Traders Royal Bank	-	TRB Tower, Roxas Blvd., Pasay City
15.	Westmont Bank	-	411 Q. Paredes St., Binondo, Manila

Subsidiaries of Foreign Banks

1.	Banco Santander Phils., Inc.	-	27/F Tower One, Ayala Triangle, Ayala Ave., cor. Paseo de Roxas, Makati City
2.	Chinatrust (Phils.) Commercial Bank Corp.	-	3/F Tower One, Ayala Triangle, Ayala Ave., cor. Paseo de Roxas, Makati City
3.	Dao Heng Bank, Inc.	-	11/F Pearl Bank Bldg., 146 Valero St., Salcedo Village, Makati City
4.	Maybank Phil., Inc.	-	Legaspi Towers, Roxas Blvd., Pasay City
5.	<i>The Development Bank of Singapore</i>	-	<i>32/F Citibank Tower, Valero St., cor. Villar St., Makati City</i> <i>merged as a result of merger of BSEA & DBS on 9/1/98</i>

Branches of Foreign Banks

1.	ANZ Banking Group, Ltd.	-	G & 3/Frs. Tower One, Ayala Triangle, Ayala Ave., cor. Paseo de Roxas, Makati City
2.	Bangkok Bank Public Co., Ltd.	-	26/F FEBTC Bldg., Sen. Gil J. Puyat Ave., Makati City
3.	Bank of America, NT & SA	-	BA Lepanto Bldg., Paseo de Roxas, Makati City
4.	Citibank, N.A.	-	8741 Paseo de Roxas St., Makati City
5.	Deutsche Bank AG	-	BPI Bldg., Paseo de Roxas, Makati City
6.	Hongkong and Shanghai Banking Corp.	-	HSBC Bldg., Ayala Ave., Makati City
7.	Korea Exchange Bank	-	33/F Citibank Tower, Valero St. cor. Villar St., Makati City
8.	Standard Chartered Bank	-	6756 Bancmer Bldg., Ayala Ave., Makati City
9.	The Bank of Tokyo-Mitsubishi, Ltd.	-	5/F 6750 Ayala Ave. Bldg., Ayala Ave., Makati City
10.	The Chase Manhattan Bank	-	4/F Corinthian Plaza, Paseo de Roxas, Makati City
11.	The Development Bank of Singapore	-	32/F Citibank Tower, Valero St. cor. Villar St., Makati City <i>merged of BSEA-9/1/98</i>
12.	The Fuji Bank, Ltd.	-	26/F Citibank Tower, Valero St. cor. Villar St., Makati City
13.	The International Commercial Bank of China	-	G & 3rd Flrs., Pacific Star Bldg., Sen. Gil J. Puyat St. cor. Makati Ave., Makati City



B. Thrift Banks (TBs)

B.1 Savings and Mortgage Banks (SMBs)

1.	Accord SB, Inc.	-	ASBI Bldg., Abanao Ext., Baguio City
2.	Anchor SB	-	G/F Champaca II Bldg., Alfaro St., Salcedo Vil., Makati City
3.	Banco Filipino SMB	-	101 Paseo de Roxas cor. dela Rosa St., Makati City
4.	BA Savings Bank <i>Great Pacific Savings Bank Corp.</i>	-	BAFC Bldg., Gamboa St., Legaspi Village, Makati City
5.	BSA Savings Bank	-	Parkview Bldg., 112 Gamboa St., Legaspi Vil., Makati City
6.	Bank of Calape SMB	-	Calape, Bohol
7.	Bank One STC	-	4201 R. Magsaysay Blvd., Sta. Mesa, Manila
8.	BPI Family SB	-	109 Paseo de Roxas cor. dela Rosa St., Makati City
9.	Centennial SB, Inc.	-	15/F Prestige Tower, Emerald Avenue Ortigas Center, Pasig City
10.	Century SB	-	232 Shaw Blvd. cor. Orambo Drive, Pasig City
11.	Citystate SB	-	2113 Pasong Tamo cor. dela Rosa St., Makati City
12.	Consumer SB	-	RFM Corporate Center, Pioneer Street Mandaluyong City
13.	Ecology SB	-	90 E. Rodriguez Jr. Ave., Libis, Quezon City
14.	Equitable SB	-	G/F EBC Bldg., Ortigas Ave., cor. Roosevelt St., Greenhills, San Juan, Metro Manila
15.	Far East SB, Inc.	-	G/F FEBTC Main Bldg., Intramuros Complex, Muralla cor. Solana St., Intramuros, Manila
16.	Federal SMB	-	112 Amorsolo St., Salcedo Village, Makati City
17.	First Allied SB	-	Rizal St., Calamba, Laguna
18.	Insular Life STC	-	Universal Reinsurance Bldg., Paseo de Roxas, Makati City
19.	ISLA Bank (A Thrift Bank), Inc.	-	131 dela Rosa St. cor. Esteban St., Legaspi Vil., Makati City
20.	Jade Progressive SMB	-	G/F Birch Tree Plaza Bldg., 825 Muelle de Industria, Binondo, Manila
21.	Keppel Monte Bank	-	Monte de Piedad St. cor. E. Rodriguez Ave., Cubao, Quezon City
22.	Malayan Bank SMB	-	Majalco Bldg., cor. Benavidez & Trasierra Sts., Legaspi Village, Makati City
23.	Omni SBC	-	48 Jupiter St., Bel-Air Village, Makati City
24.	Orion SB, Inc.	-	G-1 A/B Chatham House Condominium, Valero cor. Herrera St., Salcedo Village, Makati City
25.	PCIB Savings Bank	-	PCI Bank Tower 2, cor. Mkti. Ave. and dela Costa Sts., Mkti. City
26.	Philam SB, Inc.	-	Philam Bldg., cor. dela Rosa & Palanca St., Legaspi Village Makati City
27.	Phil. Postal SB	-	Postal Bank Centre, Liwasang Bonifacio, Manila
28.	Phil. Savings Bank	-	PSBank Tower, Sen. Gil J. Puyat Ave. cor. Tindalo St., Makati City
29.	Robinsons Savings Bank Corp.	-	G & 3/F Expansion Mall, Robinsons Galleria, EDSA cor. Ortigas Ave., Quezon City
30.	Richmond SB	-	Richmond Centre, Imelda Avenue-Gainta-Rizal <i>Reland 10/15</i>
31.	RCBC Savings Bank	-	G/F Alpha Salcedo Bldg., H.V. dela Costa St., Salcedo Village, Makati City
32.	Philippine Business Bank, Inc. (A Thrift Bank)	-	Rizal Ave. cor. 2nd Ave., Grace Park, Kalookan City
33.	UCPB Savings Bank	-	715 EDSA, Malibay, Pasay City
	<i>Pilipinas Savings Bank, Inc. - 8/1/98 (new)</i>		

Source : Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



B.2 Private Development Banks (PDBs)

1. Asiatrust DB	-	ATDB Bldg., 1424 Quezon Ave., Quezon City
2. Banco Davao-Davao City DB	-	San Pedro St., Davao City
3. Bank Dharmala (A Thrift Bank)	-	G/F Professional Tower, No. 37 EDSA cor. Boni Ave., Mandaluyong City
4. Bataan DB	-	Aguirre St., Balanga, Bataan
5. Batangas DB	-	Plaza Rizal cor. Fe St., Balayan, Batangas
6. Bicol DB	-	201 J. P. Rizal St., Legazpi City
7. BPI Agricultural DB	-	9/F BPI Bldg., Ayala Ave., Makati City
8. Business & Consumer Bank - A Devt. Bank	-	cor. Araneta & Rosario Sts., Bacolod City
9. Cabanatuan City DB	-	3100 del Pilar St., Cabanatuan City
10. Capitol DB	-	Pacific Place Bldg., Pearl Drive, Ortigas Center, Pasig City
11. Cavite DB	-	Kiamson St., Silang, Cavite
12. Danao City DB	-	Road House, Danao City
13. Dumaguete City DB	-	Uymatiao Bldg., San Jose St., Dumaguete City
14. Ever DB	-	Subic, Zambales
15. First Consolidated Bank (A Private Devt. Bank)	-	C. P. Garcia Ave., Tagbilaran City
16. First Provincial DB	-	Tarlac, Tarlac
17. Ilocos Sur DB	-	M. Crisolago St., Vigan, Ilocos Sur
18. Iloilo City DB	-	Cor. Rizal and Ortiz St., Iloilo City
19. Inter-Asia DB	-	Public Market Road, Tolentino East, Tagaytay City
20. La Union DB	-	Belmar Bldg., Quezon Ave., San Fernando, La Union
21. LBC Development Bank	-	809 cor. J. P. Rizal St. & Zobel Sts., Makati City
22. Lipa City DB	-	65 T. M. Kalaw St., Lipa City
23. Luzon DB	-	Padiano Rizal, Bo. Mayapa, Calamba, Laguna
24. Mindanao DB	-	C. M. Recto Ave., Lapasan, Cagayan de Oro City
25. Nation Bank (A Private Development Bank)	-	Cor. Hernaez and Lopez Jaena Sts., Bacolod City
26. Northpoint Development Bank, Inc.	-	Urdaneta, Pangasinan
27. Pampanga DB	-	B. Mendoza St., San Fernando, Pampanga
28. Pangasinan DB	-	Bacugan Bldg., Perez Boulevard, Dagupan City
29. PDCCP Development Bank, Inc.	-	8737 Paseo de Roxas, Makati City
30. Planters DB	-	314 Sen. Gil J. Puyat Ave. Ext., Makati City
31. Premiere DB	-	EDSA cor. Magallanes Ave., Makati City
32. Queen City DB	-	Sky City Tower, Mapa St., Iloilo City
33. San Pablo City DB	-	San Francisco, San Pablo City
34. Second Bulacan DB	-	McArthur Highway, Calvario, Meycauayan, Bulacan
35. Teachers DB	-	Elias Angeles Street cor. Ojeda IV St., Naga City
36. The Bank of Cebu (A Development Bank)	-	The Bank of Cebu Bldg., 131 Osmena Blvd. cor. Manalili St., Cebu City
37. The Palawan Bank (Palawan DB), Inc.	-	167 Rizal Ave., Puerto Princesa City, Palawan
38. Tower DB	-	Rockavilla Bldg., Poblacion, Guiguinto, Bulacan
39. Unitrust DB, Inc.	-	Cor. J. P. Rizal & F. Zobel St., Makati City
40. Urbancorp DB, Inc.	-	G/F Paray Bldg., N. Bacalso Ave., Cebu City

B.3 Stock Savings and Loan Associations (SSLAs)

1. Active Bank (A Thrift Bank)	-	135 ACT Tower, Sen. Gil J. Puyat Ave., Makati City
2. Bataan SLB	-	33 Rizal St., Dinalupihan, Bataan

SSLAs (cont'n.)

3.	Batangas SLB	-	F. Alix St., Nasugbu, Batangas
4.	Central SLB	-	Real St., Dumaguete City
5.	City SLB	-	Sto. Nino Bldg., Magallanes St., Cebu City
6.	Comsavings Bank	-	Real St., Las Pinas, Metro Manila
7.	Cordillera SLB	-	Dumlao Ave., Bayombong, Nueva Vizcaya
8.	Crown Bank	-	House of David & Co., McArthur Highway, Apalit, Pampanga
9.	Express SB, Inc.	-	J. P. Rizal St., Cabuyao, Laguna
10.	Farmers SLB	-	Wakas, Bocaue, Bulacan
11.	Filhome SLA	-	Liwag Bldg., Burgos Ave., Cabanatuan City
12.	First Savings Bank	-	268 E. Rodriguez Sr. Blvd., Quezon City
13.	Guagua SB	-	Sto. Cristo, Guagua, Pampanga
14.	Hermosa SLB	-	A. Nuguid St., Hermosa, Bataan
15.	Hiyas SLB	-	Sta. Maria Public Market Area Bldg., Poblacion, Sta. Maria, Bulacan
16.	Homeowners SLB	-	49 HOSLA Condo I, Tomas Morato Ave., Quezon City
17.	Kaunlaran SLA	-	Manaoag, 2430 Pangasinan
18.	Legazpi SLB, Inc.	-	Cor. Rizal & Mabini St., Legazpi City
19.	Lemery SLB	-	Ilustre Avenue, Lemery, Batangas
20.	Liberty SLA, Inc.	-	Calvario, Meycauayan, Bulacan
21.	Life SLA	-	13-14 Marieta Arcade, Marcos Highway, Cainta, Rizal
22.	Lipa Public SLA	-	C. M. Recto Avenue, Lipa City
23.	Malasiqui Progressive SLB, Inc.	-	Quezon Blvd., Malasiqui, Pangasinan
24.	Maritime SB	-	E. Aguinaldo Highway, Bacoor, Cavite
25.	Merchants SLA, Inc.	-	G/F Finman Center, Tordesillas cor. Bautista St., Salcedo Village, Makati City
26.	Metro-Cebu Public SB	-	Tabunoc, Talisay, Cebu
27.	Pangasinan SLB	-	Poblacion, Mangaldan, Pangasinan
28.	Penafrancia SLA	-	San Roque, Iriga City
29.	Prime SB, Inc.	-	17 Annapolis St., Greenhills, San Juan
30.	Progress SLA	-	Poblacion, Subic, Zambales
31.	Quezon Coconut Producers SLB, Inc.	-	Cor. Gov. Guinto & Enriquez St., Lucena City
32.	Real Bank (A Thrift Bank), Inc.	-	Felix Ave. cor. Ortigas Ave. Ext., Cainta, Rizal
33.	Sampaguita SLA	-	A. Mabini St., San Pedro, Laguna
34.	Sandigan SLB, Inc.	-	Cor. Canlapan and T. Alonzo Sts., Malolos, Bulacan
35.	Secured SLA	-	Capt. Vicente Roa St., Cogon, Cagayan de Oro City
36.	Silahis SLB, Inc.	-	452 McArthur Highway, Balagtas, Bulacan
37.	Silangan SLB, Inc.	-	J. P. Rizal St., Silang, Cavite
38.	Winbank, Inc. (A Thrift Bank)	-	Banga, Plaridel, Bulacan
39.	Unified SLA, Inc.	-	J. P. Rizal St. cor. Market Road, Mendez, Cavite) <i>cloud 9/3/98</i>
40.	Unity SLA	-	V. Tomico St., San Fernando, Pampanga
41.	Universal SLB	-	Balibago, Sta. Rosa, Laguna
42.	University SLB	-	1497 Dapitan cor. Alfredo St., Sampaloc, Manila
43.	Utility SLB	-	Bauan, 4201 Batangas
44.	Village SLA	-	Centro I, Orani, Bataan
45.	Vizcaya SLA	-	Gen. Luna St., Solano, Nueva Vizcaya



C. Rural and Cooperative Banks

<p>NCR - Metro Manila</p> <ol style="list-style-type: none"> 1. Baclaran Rural Bank, Inc. 2. Bangko Pasig (Rural Bank), Inc. 3. Builders' Rural Bank 4. Capital RB of Makati, Inc. 5. Country RB of Taguig, Inc. 6. Filipino Savers Bank 7. Finman RB, Inc. 8. First Macro Bank 9. Insular Rural Bank, Inc. 10. Marikina Valley Rural Bank, Inc. 11. Metro South Coop. Bank 12. RB of Alabang (Muntinlupa), Inc. 13. RB of Calococan, Inc. 14. RB of Makati, Inc. 15. RB of Malabon, Inc. 16. RB of Navotas, Inc. 17. RB of Paranaque, Inc. 18. RB of San Juan (MM), Inc. 19. RB of Zapote, Inc. 20. Rodriguez RB, Inc. 21. San Francisco del Monte RB, Inc. 22. Second RB of Valenzuela, Inc. 23. The Center Rural Bank, Inc. 24. Ventures RB of Mandaluyong, Inc. 	<p>Ilocos Sur (cont'n.)</p> <ol style="list-style-type: none"> 12. RB of Sta. Lucia, Inc. 13. RB of Sta. Maria (Ilocos Sur), Inc. 14. RB of Tagudin, Inc. 15. Vigan Banco Rural Incorporada <p>La Union</p> <ol style="list-style-type: none"> 1. Bannawag RB, Inc. 2. Community RB of San Gabriel, Inc. 3. Coop. Bank of La Union 4. Rang-Ay RB, Inc. 5. RB of Agoo, Inc. 6. RB of Bacnotan, Inc. 7. RB of Bangar, Inc. 8. RB of Bauang, Inc. 9. RB of Caba, Inc. 10. RB of Luna (La Union), Inc. 11. RB of Naguilian (La Union), Inc. 12. RB of Rosario (La Union), Inc. 13. RB of San Juan (La Union), Inc. 14. RB of Santol, Inc. 15. RB of Sto. Tomas (La Union), Inc. 16. RB of Sudipen, Inc.
<p>— Region I - Ilocos</p> <p>Ilocos Norte</p> <ol style="list-style-type: none"> 1. Community RB of Currimao, Inc. 2. Community RB of Dingras, Inc. 3. Community RB of Pasuquin, Inc. 4. Coop RB of Ilocos Norte, Inc. 5. RB of Batac, Inc. 6. RB of Sarrat, Inc. <p>Ilocos Sur</p> <ol style="list-style-type: none"> 1. Ilocos Sur Coop Bank 2. RB of Banayoyo, Inc. 3. RB of Burgos (Ilocos Sur), Inc. 4. RB of Cabugao, Inc. 5. RB of Galimuyod, Inc. 6. RB of Magsingal, Inc. 7. RB of Narvacan, Inc. 8. RB of Sadiri (San Juan), Inc. 9. RB of Salcedo, Inc. 10. RB of Santiago (Ilocos Sur), Inc. 11. RB of Sta. Cruz (Ilocos Sur), Inc. 	<p>Pangasinan</p> <ol style="list-style-type: none"> 1. Bani Rural Bank, Inc. 2. BHF RB, Inc. 3. Coop RB of Pangasinan, Inc. 4. Corfarm RB of Umingan (Pangasinan), Inc. 5. Kaluyagan Rural Bank, Inc. 6. Manaoag Rural Bank, Inc. 7. People's RB of Binmaley, Inc. 8. RB of Agno, Inc. 9. RB of Alaminos (Pangasinan), Inc. 10. RB of Anda, Inc. 11. RB of Asingan, Inc. 12. RB of Balungao, Inc. 13. RB of Bautista, Inc. 14. RB of Bayambang, Inc. 15. RB of Binalonan, Inc. 16. RB of Bolinao, Inc. 17. RB of Bugallon, Inc. 18. RB of Burgos (Pangasinan), Inc. 19. RB of Calasiao, Inc. 20. RB of Central Pangasinan, Inc. 21. RB of Dasol, Inc. 22. RB of Infanta (Pangasinan), Inc.

Source : Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



<p>Pangasinan (cont'n.)</p> <ol style="list-style-type: none"> 23. RB of Labrador, Inc. 24. RB of Laoac (Pangasinan), Inc. 25. RB of Lingayen, Inc. 26. RB of Mabini (Pangasinan), Inc. 27. RB of Malasiqui, Inc. 28. RB of Mangaldan, Inc. 29. RB of Mangatarem, Inc. 30. RB of Mapandan, Inc. 31. RB of Pozorubio, Inc. 32. RB of Rosales, Inc. 33. RB of San Fabian, Inc. 34. RB of San Jacinto (Pangasinan), Inc. 35. RB of San Nicolas (Pangasinan), Inc. 36. RB of San Quintin, Inc. 37. RB of Sison, Inc. 38. RB of Sta. Barbara (Pangasinan), Inc. 39. RB of Sto. Tomas (Pangasinan), Inc. 40. RB of Sual, Inc. 41. RB of Urbiztondo, Inc. 42. Second RB of Basista (Pangasinan) 43. Second RB of Villasis, Inc. 44. Urduja RB of Tayug, Inc. <p>Region II - Cagayan Valley</p> <p>Cagayan</p> <ol style="list-style-type: none"> 1. Coop RB of Cagayan, Inc. 2. RB of Camalaniugan, Inc. 3. RB of Claveria, Inc. 4. RB of Faire, Inc. 5. RB of Gattaran, Inc. 6. RB of Sanchez Mira, Inc. <p>Isabela</p> <ol style="list-style-type: none"> 1. Consolidated RB of Cagayan Valley 2. First Isabela Coop RB, Inc. 3. Mallig Plains RB (Isabela), Inc. 4. Phil. Rural Banking Corp. 5. RB of Alicia (Isabela), Inc. 6. RB of Angadanan, Inc. 7. RB of Benito Soliven 8. RB of Cabagan, Inc. 9. RB of Cauayan (Isabela), Inc. 10. RB of Echague, Inc. 11. RB of Luna (Isabela), Inc. 12. RB of Magsaysay (Isabela), Inc. 13. RB of Quezon (Isabela), Inc. 14. RB of Ramon, Inc. 15. RB of Reina Mercedes, Inc. 	<p>Isabela (cont'n.)</p> <ol style="list-style-type: none"> 16. RB of San Agustin, Inc. 17. RB of San Manuel (Isabela), Inc. 18. RB of San Mateo (Isabela), Inc. 19. RB of Tumauini, Inc. 20. United Consumers RB, Inc. <p>Nueva Vizcaya</p> <ol style="list-style-type: none"> 1. Agri-Business RB 2. Coop RB of Nueva Vizcaya, Inc. 3. RB of Aritao, Inc. 4. RB of Bagabag, Inc. 5. RB of Bambang, Inc. 6. RB of Bayombong, Inc. 7. RB of Dupax, Inc. 8. RB of Solano, Inc. 9. RB of Villaverde, Inc. <p>Quirino</p> <ol style="list-style-type: none"> 1. RB of Maddela, Inc. <p>Region III - Central Luzon</p> <p>Bataan</p> <ol style="list-style-type: none"> 1. Balanga RB, Inc. 2. Orani RB, Inc. 3. RB of Abucay, Inc. 4. RB of Bagac, Inc. 5. RB of Dinalupihan, Inc. 6. RB of Hermosa, Inc. 7. RB of Limay, Inc. 8. RB of Orion, Inc. 9. RB of Pilar (Bataan), Inc. <p>Bulacan</p> <ol style="list-style-type: none"> 1. Agricom RB (Sta. Maria, Bulacan), Inc. 2. Apex Rural Bank, Inc. 3. Baliuag RB, Inc. 4. Bangko Rural ng Kalumpit (Bulacan), Inc. 5. Coop RB of Bulacan, Inc. 6. Emerald RB, Inc. 7. First Manufacturers' RB 8. Gateway Rural Bank, Inc. 9. Hagonoy Rural Bank, Inc. 10. Meycauayan RB, Inc. 11. RB of Angat, Inc. 12. RB of Bocaue, Inc. 13. RB of Bustos, Inc. 14. RB of del Pilar, Inc.
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Source: Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



Bulacan (cont'n.)

15. RB of Dna. R. Trinidad, Inc.
16. RB of Francisco Balagtas, Inc.
17. RB of Guiguinto, Inc.
18. RB of Malolos, Inc.
19. RB of Norzagaray, Inc.
20. RB of Pandi, Inc.
21. RB of Plaridel (Bulacan), Inc.
22. RB of Pulilan, Inc.
23. RB of San Ildefonso, Inc.
24. RB of San Jose del Monte, Inc.
25. RB of San Miguel (Bulacan), Inc.
26. RB of San Pascual (Bulacan), Inc.
27. RB of San Rafael (Bulacan), Inc.
28. RB of 21st Century (Balagtas), Inc.
29. Second RB of Meycauayan, Inc.
30. Sta. Maria RB (Bulacan), Inc.

Nueva Ecija

1. Aliaga Farmers Rural Bank (NE), Inc.
2. Banco Rural de Gen. Tinio, Inc.
3. Cabanatuan City Rural Bank, Inc.
4. Citizens' Rural Bank (Cабiao), Inc.
5. Community Rural Bank of Guimba, Inc.
6. Community RB of San Isidro (NE), Inc.
7. Coop. RB of Nueva Ecija, Inc.
8. Cuyapo Rural Bank, Inc.
9. Kabalikat Rural Bank, Inc.
10. Masagana Rural Bank, Inc.
11. Merchant RB of Talavera, Inc.
12. Munoz Rural Bank, Inc.
13. New RB of San Leonardo (NE), Inc.
14. Producers' RB of San Jose City (NE), Inc.
15. RB of Gabaldon, Inc.
16. RB of Guimba (NE), Inc.
17. RB of Jaen, Inc.
18. RB of Laur, Inc.
19. RB of Licab, Inc.
20. RB of Lupao, Inc.
21. RB of Palayan City, Inc.
22. RB of Quezon (Nueva Ecija), Inc.
23. RB of Sta. Rosa (Nueva Ecija), Inc.
24. RB of Sto. Domingo (Nueva Ecija), Inc.
25. RB of Talugtug, Inc.
26. Towncall RB

Pampanga

1. 2nd Rural Bank of San Luis (Pampanga), Inc.
2. Coop RB of Pampanga, Inc.
3. Guagua RB, Inc.
4. RB of Angeles, Inc.

Pampanga (cont'n)

5. RB of Apalit, Inc.
6. RB of Bacolor, Inc.
7. RB of Floridablanca, Inc.
8. RB of Lubao, Inc.
9. RB of Mabalacat, Inc.
10. RB of Masantol, Inc.
11. RB of Mexico, Inc.
12. RB of Porac, Inc.
13. RB of San Luis (Pampanga), Inc.
14. RB of Semoan, Inc.
15. RB of Sta. Rita, Inc.
16. San Bartolome RB, Inc.
17. San Fernando RB (Pampanga), Inc.
18. Saviour RB

Tarlac

1. Camiling RB, Inc.
2. Concepcion RB, Inc.
3. Coop RB of Tarlac, Inc.
4. RB of Bamban, Inc.
5. RB of Gerona, Inc.
6. RB of La Paz (Tarlac), Inc.
7. RB of Pura, Inc.
8. RB of San Manuel (Tarlac), Inc.
9. RB of Sta. Ignacia, Inc.
10. RB of Sta. Rosa de Lima
11. RB of Tarlac, Inc.
12. RB of Victoria (Tarlac), Inc.
13. St. Michael RB

Zambales

1. Coop Bank of Zambales, Inc.
2. Commty RB of Sn Felipe, Inc.
3. Countryside RB of Palauig (Zambales), Inc.
4. Maharlika RB of Sta. Cruz (Zambales), Inc.
5. RB of Cabangan, Inc.
6. RB of Candelaria (Zambales), Inc.
7. RB of Castillejos, Inc.
8. RB of San Antonio (Zambales), Inc.
9. RB of San Marcelino, Inc.
10. RB of San Narciso (Zambales), Inc.
11. Sambali Com Rural Bank (Zambales), Inc.

Region IV - Southern Tagalog

Batangas

1. Batangas RB for Coop., Inc.
2. Bauan Rural Bank, Inc.
3. Bolbok Rural Bank, Inc.



Batangas (cont'n.)	Cavite (cont'n.)
4. Classic Rural Bank, Inc.	6. Kaban RB of GMA (Cavite), Inc.
5. Countryside Coop RB of Batangas, Inc.	7. Imus Rural Bank Inc.
6. Empire Rural Bank, Inc.	8. Masuwerte RB of Bacoor, Inc.
7. Excel RB, Inc.	9. RB of Alfonso, Inc.
8. Farmers Rural Bank, Inc.	10. RB of Amadeo (Cavite), Inc.
9. First Coconut RB, Inc.	11. RB of Carmona, Inc.
10. Ibaan Rural Bank, Inc.	12. RB of Cavite City, Inc.
11. Malarayat Rural Bank, Inc.	13. RB of Dasmarinas, Inc.
12. Mt. Makiling RB, Inc.	14. RB of General Aguinaldo, Inc.
13. Pres Jose P Laurel RB (Tanauan), Inc.	15. RB of General Trias, Inc.
14. Progressive RB, Inc.	16. RB of Indang, Inc.
15. RB of Agoncillo, Inc.	17. RB of Kawit, Inc.
16. RB of Alitagtag, Inc.	18. RB of Maragondon, Inc.
17. RB of Balayan, Inc.	19. RB of Mendez, Inc.
18. RB of Batangas, Inc.	20. RB of Naic, Inc.
19. RB of Calaca, Inc.	21. RB of Salinas, Inc.
20. RB of Calatagan, Inc.	22. RB of Silang, Inc.
21. RB of Cuenca, Inc.	23. RB of Sto Nino (Ternate), Inc.
22. RB of Laurel, Inc.	24. RB of Tagaytay City, Inc.
23. RB of Lemery (Batangas), Inc.	25. RB of Tanza, Inc.
24. RB of Lipa City, Inc.	26. Unlad Rural Bank of Noveleta, Inc.
25. RB of Lobo, Inc.	
26. RB of Mabini (Batangas), Inc.	Laguna
27. RB of Mataas Na Kahoy, Inc.	1. Binan Rural Bank, Inc.
28. RB of Nasugbu, Inc.	2. CARD Rural Bank, Inc.
29. RB of Padre Garcia, Inc.	3. Coop RB of Laguna, Inc.
30. RB of Rosario (Batangas), Inc.	4. Key Rural Bank (San Pedro), Inc.
31. RB of San Jose (Batangas), Inc.	5. Los Banos Rural Bank, Inc.
32. RB of San Luis (Batangas), Inc.	6. Provident RB of Sta. Cruz, Inc.
33. RB of San Nicolas (Batangas), Inc.	7. RB of Alaminos (Laguna), Inc.
34. RB of San Pascual (Batangas), Inc.	8. RB of Bay, Inc.
35. RB of Sta Teresita (Batangas), Inc.	9. RB of Cabuyao, Inc.
36. RB of Sto Tomas (Batangas), Inc.	10. RB of Calamba, Inc.
37. RB of Taal, Inc.	11. RB of Calauan, Inc.
38. RB of Talisay (Batangas), Inc.	12. RB of Canlubang Planters, Inc.
39. RB of Taysan, Inc.	13. RB of Cavinti, Inc.
40. RB of Tuy, Inc.	14. RB of Lilio, Inc.
41. Sto Rosario Rural Bank, Inc.	15. RB of Luisiana, Inc.
42. Summit Rural Bank of Lipa City	16. RB of Lumban, Inc.
43. Sunrise RB (Rosario, Batangas), Inc.	17. RB of Mabitac, Inc.
44. Synergy RB, Inc.	18. RB of Magdalena, Inc.
45. Women's RB, Inc.	19. RB of Majayjay, Inc.
46. 6 Speed Rural Bank, Inc.	20. RB of Marilag (Sta Maria, Lag), Inc.
	21. RB of Nagcarlan, Inc.
Cavite	22. RB of Paete, Inc.
1. Advance Bank (RB)	23. RB of Pagsanjan, Inc.
2. Capitol City RB of Trece Martires	24. RB of Pangil, Inc.
3. Cebuana Lhuiller RB, Inc.	25. RB of Rizal (Laguna), Inc.
4. Central Equity Rural Bank, Inc.	26. RB of San Pablo City, Inc.
5. Cooperative Bank of Cavite	27. RB of Seven Lakes, Inc.



Romblon	Camarines Sur (cont'n.)
1. Community Rural Bank of Romblon, Inc.	13. RB of Gainza, Inc.
2. RB of Alcantara, Inc.	14. RB of Goa, Inc.
3. RB of Cajidiocan, Inc.	15. RB of Lagonoy, Inc.
4. RB of Looc, Inc.	16. RB of Milaor, Inc.
5. RB of Odiongan, Inc.	17. RB of Nabua, Inc.
6. RB of San Fernando (Romblon), Inc.	18. RB of Nueva Caceres, Inc.
7. RB of Sta Fe (Romblon), Inc.	19. RB of Ocampo, Inc.
	20. RB of Pamplona (Camarines Sur), Inc.
	21. RB of Pili, Inc.
Region V - Bicol	22. RB of Ragay, Inc.
	23. RB of San Fernando (Camarines Sur)
Albay	24. RB of San Jose (Camarines Sur), Inc.
1. Cagsawa RB, Inc.	25. RB of Sipocot, Inc.
2. Coop Rural Bank of Albay, Inc.	26. RB of Tigaon, Inc.
3. First Naga Bank	27. RB of Tinambac, Inc.
4. Ibalon Rural Bank (Tabaco, Albay), Inc.	
5. RB of Camalig, Inc.	Catanduanes
6. RB of Daraga, Inc.	1. RB of Virac, Inc.
7. RB of Guinobatan, Inc.	
8. RB of Legaspi, Inc.	Masbate
9. RB of Libon, Inc.	1. RB of Milagros, Inc.
10. RB of Malilipot, Inc.	2. RB of San Jacinto (Masbate), Inc.
11. RB of Malinao (Albay), Inc.	
12. RB of Oas, Inc.	Sorsogon
13. RB of Polangui, Inc.	1. RB of Donsol, Inc.
14. RB of Santiago de Libon, Inc.	2. RB of Irosin, Inc.
15. RB of Sto Domingo (Albay), Inc.	3. RB of Pilar (Sorsogon), Inc.
	4. RB of Sta. Magdalena, Inc.
Camarines Norte	5. Sorsogon Rural Bank, Inc.
1. Cooperative Bank of Camarines Norte	
2. RB of Capalonga, Inc.	Region VI - Western Visayas
3. RB of Jose Panganiban, Inc.	
4. RB of Paracale, Inc.	Aklan
5. RB of San Vicente, Inc.	1. Coop Rural Bank of Aklan, Inc.
6. RB of Sta Elena, Inc.	2. Kalibo Rural Bank of Aklan, Inc.
7. RB of Vinzons, Inc.	3. RB of Altavas, Inc.
	4. RB of Balete, Inc.
Camarines Sur	5. RB of Banga (Aklan), Inc.
1. Bangko Rural ng Magarao (Cam Sur), Inc.	6. RB of Batan, Inc.
2. Bangko Rural ng Minalabac, Inc.	7. RB of Ibajay, Inc.
3. Bangko Rural ng Pasacao	8. RB of Makato, Inc.
4. Coop Bank of Camarines Sur	9. RB of Malinao (Aklan), Inc.
5. Municipal RB of Del Gallego, Inc.	10. RB of Nabas, Inc.
6. Municipal RB of Libmanan, Inc.	11. RB of New Washington, Inc.
7. Municipal RB of Nabua, Inc.	12. RB of Numancia, Inc.
8. Penafracia RB of Calabanga	13. RB of Tangalan, Inc.
9. RB of Bombon, Inc.	14. Samahang Nayon Rural Bank of Malay, Inc.
10. RB of Cabusao, Inc.	
11. RB of Camaligan, Inc.	
12. RB of Canaman, Inc.	

Source: Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



<p>Antique</p> <ol style="list-style-type: none"> 1. RB of Barbaza, Inc. 2. RB of Bugasong, Inc. 3. RB of Culasi, Inc. 4. RB of Hamtic, Inc. 5. RB of Libertad, Inc. 6. RB of Sebaste, Inc. 7. RB of Sibalom, Inc. 8. RB of Tibiao, Inc. <p>Capiz</p> <ol style="list-style-type: none"> 1. Capiz Settlers Cooperative Rural Bank, Inc. 2. Farmers' Bank of Capiz, Inc. 3. Pres Roxas Rural Bank (Capiz), Inc. 4. RB of Cuartero, Inc. 5. RB of Dao, Inc. 6. RB of Ivisan, Inc. 7. RB of Jamindan, Inc. 8. RB of Mambusao, Inc. 9. RB of Panay, Inc. 10. RB of Pilar (Capiz), Inc. 11. RB of Sapián, Inc. <p>Guimaras</p> <ol style="list-style-type: none"> 1. RB of Buenavista (Guimaras Is.), Inc. 2. RB of Jordan, Inc. <p>Iloilo</p> <ol style="list-style-type: none"> 1. Community Rural Bank of Dingle, Inc. 2. Coop Rural Bank of Iloilo, Inc. 3. Farmers-Traders RB, Inc. 4. First Midland RB 5. Janiuay Rural Bank, Inc. 6. RB of Alimodian, Inc. 7. RB of Anilao, Inc. 8. RB of Badiangan, Inc. 9. RB of Balasan, Inc. 10. RB of Barotac Nuevo, Inc. 11. RB of Barotac Viejo, Inc. 12. RB of Bingawan, Inc. 13. RB of Cabatuan (Iloilo), Inc. 14. RB of Calinog, Inc. 15. RB of Dumangas, Inc. 16. RB of Guimbal, Inc. 17. RB of Iloilo City, Inc. 18. RB of Leganes, Inc. 19. RB of Maasin, Inc. 	<p>Iloilo (cont'n.)</p> <ol style="list-style-type: none"> 20. RB of Miagao, Inc. 21. RB of Oton, Inc. 22. RB of Pavia, Inc. 23. RB of Pototan, Inc. 24. RB of San Enrique (Iloilo), Inc. 25. RB of San Joaquin, Inc. 26. RB of San Miguel (Iloilo), Inc. 27. RB of Sta Barbara (Iloilo), Inc. 28. RB of Tigbuan, Inc. 29. RB of Zarraga, Inc. 30. Valiant Rural Bank (Iloilo City), Inc. <p>Negros Occidental</p> <ol style="list-style-type: none"> 1. Community Rural Bank of Magallon, Inc. 2. Coop Rural Bank of Negros Occidental, Inc. 3. First State Rural Bank 4. New Rural Bank of Binalbagan, Inc. 5. RB of Bacolod City, Inc. 6. RB of Cadiz, Inc. 7. RB of Calatrava, Inc. 8. RB of E B Magalona, Inc. 9. RB of Escalante, Inc. 10. RB of Himamaylan, Inc. 11. RB of Hinigaran, Inc. 12. RB of Ilog, Inc. 13. RB of La Carlota, Inc. 14. RB of Manapla, Inc. 15. RB of Marayo, Inc. 16. RB of Ma-ao, Inc. 17. RB of Sagay (Negros Occidental), Inc. 18. RB of San Enrique (Negros Occidental), Inc. 19. RB of Silay City, Inc. 20. RB of Talisay (Negros Occidental), Inc. 21. RB of Victorias, Inc. <p>Region VII - Central Visayas</p> <p>Bohol</p> <ol style="list-style-type: none"> 1. Coop RB of Bohol, Inc. 2. RB of Alicia (Bohol), Inc. 3. RB of Calape, Inc. 4. RB of Clarín, Inc. 5. RB of Garcia-Hernandez, Inc. 6. RB of Loon, Inc. 7. RB of Maribojoc, Inc. 8. RB of San Miguel (Bohol), Inc.
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<p>Southern Leyte</p> <ol style="list-style-type: none"> 1. Community Rural Bank of Maasin, Inc. 2. RB of Hinundayan, Inc. 3. RB of Malitbog, Inc. 4. RB of Padre Burgos (Southern Leyte), Inc. 5. RB of San Juan (Southern Leyte), Inc. 6. Southern Leyte Coop Bank <p>Region IX - Western Mindanao</p> <p>Zamboanga del Norte</p> <ol style="list-style-type: none"> 1. Community Rural Bank of Dapitan City 2. RB of Dipolog, Inc. 3. RB of Katipunan (Zamboanga del Norte) 4. RB of Labason, Inc. 5. RB of Liloj, Inc. 6. RB of Manukan, Inc. 7. RB of Pinan, Inc. 8. RB of Pres. Manuel A. Roxas 9. RB of Rizal (Zamboanga del Norte) 10. RB of Salug, Inc. 11. RB of Siocon, Inc. 12. Zamboanga del Norte Coop Bank <p>Zamboanga del Sur</p> <ol style="list-style-type: none"> 1. Coop Bank of Zamboanga del Sur 2. RB of Kabasalan, Inc. 3. RB of Pagadian, Inc. 4. Zamboanga City RB, Inc. <p>Region X - Northern Mindanao</p> <p>Bukidnon</p> <ol style="list-style-type: none"> 1. Coop Rural Bank of Bukidnon, Inc. 2. Malaybalay Rural Bank, Inc. 3. RB of Kalilangan, Inc. 4. RB of Kibawe, Inc. 5. RB of Lantapan, Inc. 6. RB of Manolo Fortich, Inc. 7. RB of Valencia (Bukidnon), Inc. <p>Camiguin</p> <ol style="list-style-type: none"> 1. Camiguin Cooperative RB, Inc. 2. Community RB of Mambajao, Inc. 	<p>Misamis Occidental</p> <ol style="list-style-type: none"> 1. Community RB of Clarin, Inc. 2. Coop RB of Misamis Occidental, Inc. 3. Panguil Bay Rural Bank, Inc. 4. RB of Bonifacio, Inc. 5. RB of Jimenez, Inc. 6. RB of Lopez Jaena, Inc. 7. RB of Oroquieta, Inc. 8. RB of Ozamis City, Inc. 9. RB of Pana-on, Inc. 10. RB of Plaridel (Misamis Occidental), Inc. 11. RB of Sapang Dalaga, Inc. 12. RB of Sinacaban, Inc. 13. RB of Tangub, Inc. 14. RB of Tudela, Inc. <p>Misamis Oriental</p> <ol style="list-style-type: none"> 1. Bangko Rural ng Tagoloan 2. Community Rural Bank of Lugait, Inc. 3. Community Rural Bank of Naawan, Inc. 4. Coop RB of Misamis Oriental, Inc. 5. Kagay-anon Rural Bank (C.D.O.), Inc. 6. RB of Balingasag, Inc. 7. RB of Balingoan, Inc. 8. RB of El Salvador, Inc. 9. RB of Gingoog, Inc. 10. RB of Gitagum, Inc. 11. RB of Initao, Inc. 12. RB of Kinogitan, Inc. 13. RB of Medina, Inc. 14. RB of Talisayan, Inc. 15. UCPB Rural Bank, Inc. <p>Region XI - Southern Mindanao</p> <p>Davao del Norte</p> <ol style="list-style-type: none"> 1. Community Rural Bank of Cuambog, Inc. 2. Davao Cooperative Bank 3. RB of Babak, Inc. 4. RB of Carmen (Davao del Norte), Inc. 5. RB of Compostela (Davao del Norte) 6. RB of Kapalong, Inc. 7. RB of Mabini (Davao del Norte), Inc. 8. RB of Mawab, Inc. 9. RB of Monkayo, Inc. 10. RB of Montevista, Inc.
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Source : Supervisory Reports & Studies Office, Bangko Sentral ng Pilipinas



<p>Kalinga-Apayao</p> <ol style="list-style-type: none"> 1. RB of Luna (Kalinga-Apayao), Inc. 2. RB of Rizal (Kalinga-Apayao), Inc. 3. RB of Tabuk, Inc. <p>Mountain Province</p> <ol style="list-style-type: none"> 1. Coop Bank of Mt. Province 2. RB of Bontoc, Inc. 3. RB of Sagada, Inc. 	<p>XV. CARAGA 2/</p> <p>Agusan del Norte 3/</p> <ol style="list-style-type: none"> 1. Agusan Norte-Butuan City Coop RB 2. Butuan City Rural Bank, Inc. 3. RB of Buenavista (Agusan del Norte) 4. RB of Cabadbaran, Inc. 5. RB of Nasipit, Inc. <p>Agusan del Sur 3/</p> <ol style="list-style-type: none"> 1. Coop Bank of Agusan del Sur 2. RB of Talacogon, Inc. <p>Surigao del Norte 3/</p> <ol style="list-style-type: none"> 1. RB of Alegria, Inc. 2. RB of Dapa, Inc. 3. RB of Gigaquit, Inc. 4. RB of Loreto, Inc. 5. RB of Mainit, Inc. 6. RB of Placer, Inc. 7. Surigao City Evergreen RB, Inc. 8. Surigaonon Rural Banking Corp. <p>Surigao del Sur 4/</p> <ol style="list-style-type: none"> 1. Coop Bank of Surigao del Sur 2. New Rural Bank of Lianga, Inc. 3. RB of Bislig, Inc. 4. RB of Cagwait, Inc. 5. RB of Cantilan, Inc. 6. RB of Lanuza, Inc. 7. RB of Tandag, Inc.
<p>XIV. Autonomous Region in Muslim Mindanao (ARMM)</p> <p>Lanao del Sur</p> <ol style="list-style-type: none"> 1. Bagong Bangko Rural ng Malabang 2. Coop Bank of Lanao del Sur 3. Integrated Rural Bank of Binidayan, Inc. 4. RB of Butig, Inc. 5. RB of Calawi Bacolod Grande, Inc. 6. RB of Ditsaan-Ramain, Inc. 7. RB of Ganassi, Inc. 8. RB of Islamic City of Marawi, Inc. 9. RB of Lumbatan, Inc. 10. RB of Lumba-Bayabao, Inc. 11. RB of Malabang, Inc. 12. RB of Masiu, Inc. 13. RB of Molundo, Inc. 14. RB of Poona-Bayabao, Inc. 15. RB of Pualas, Inc. 16. RB of Tamparan, Inc. 17. RB of Taraka, Inc. 18. RB of Tugaya, Inc. <p>Maguindanao</p> <ol style="list-style-type: none"> 1. RB of Cotabato, Inc. 2. RB of Datu Paglas, Inc. 3. RB of Parang (Maguindanao), Inc. 	

2/ Created into a region under R.A. No.7901 dated February 23, 1996, taken from Region 10 and Region 11.

3/ Formerly part of Region 10 before the creation of CARAGA.

4/ Formerly part of Region 11 before the creation of CARAGA.





II. NON -BANKS WITH QUASI-BANKING FUNCTIONS (NBs W/ QBF)

- A.1 Investment Houses (IHs)
- A.2 Financing Companies (Fcs)