

**FINANCIAL REPORTING PACKAGE
FOR BANKS**

(Updated as of 31 May 2019)

ORGANIZATION OF THE INSTRUCTIONS OF THE FRP		1
GENERAL INSTRUCTIONS	Who must Report on What Forms/Schedules	1
	Frequency of Reporting	2
	Rules of Consolidation	3
	Amounts Reported	3
STRUCTURE OF THE FRP	Types of Books	4
	Regular Banking Book	
	FCDU/EFCDU	
	Counterparty Classification	4
	Residents	
	Government	
	Bangko Sentral ng Pilipinas	
	Banks	
	Private Corporations	
	Non-Residents	
	Central Government/Central Bank	
	Public Sector Entities	
	Banks	
	Corporations	
	Multilateral Agencies	
	Additional Information	6
	Classification as to Original Term	
	Geographic Regions of Non-resident Counterparties	
MANUAL OF ACCOUNTS		
Asset Accounts	Cash on Hand	8
	Local Currency	
	Foreign Currency	
	Checks and Other Cash Items (COCI)	8
	Local Currency	
	Foreign Currency	
	Due from Bangko Sentral ng Pilipinas	8
	Local Currency	
	Foreign Currency	
	Due from Other Banks	9
	Resident Banks	
	Non-Resident Banks	
	Resident Banks - Clearing and Settlement Account	
	Financial Assets Held For Trading (HFT)	10
	Held For Trading (HFT) Securities	10
	Derivatives with Positive Fair Value	10
	Held for Trading	

MANUAL OF ACCOUNTS

Asset Accounts		
Interest Rate Contracts		10
Interest Rate Forwards		
Interest Rate Swaps		
Interest Rate Futures		
Interest Rate Option Contracts		
Foreign Exchange Contracts		12
Forward Foreign Exchange Contracts		
Cross Currency Interest Rate Swap		
Foreign Exchange Futures		
Foreign Exchange Options Contracts		
Equity Contracts		15
Equity Derivatives Forwards		
Equity Swap		
Equity Derivative Futures		
Equity Options Contracts		
Credit Derivatives		15
Bank as Beneficiary		
Bank as Guarantor		
Derivatives Carried at Cost		16
Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)		16
Available-for-Sale (AFS) Financial Assets		17
AFS Debt Securities		
AFS Equity Securities		
Held-to-Maturity (HTM) Financial Assets		18
Unquoted Debt Securities Classified as Loans		19
Investments in Non-Marketable Equity Securities		20
Loans and Receivables		20
Loans to Bangko Sentral ng Pilipinas		
Interbank Loans Receivable		
Loans and Receivables - Others		
Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/ Participation with Recourse and Securities Lending and Borrowing Transactions		24
Derivatives with Positive Fair Value Held for Hedging		24
Fair Value Hedge		
Cash Flow Hedge		
Hedges of a Net Investment in Foreign Operation		
Portfolio Hedge of Interest Rate Risk		
Revaluation of Hedged Assets in Portfolio Hedge of Interest Rate Risk		24

MANUAL OF ACCOUNTS

Asset Accounts		
	Sales Contract Receivable	25
	Performing	
	Non-Performing	
	Accrued Interest Income from Financial Assets	25
	Equity Investment in Subsidiaries, Associates	25
	and Joint Ventures	
	Investment in Subsidiaries	
	Investment in Associates	
	Investment in Joint Ventures	
	Bank Premises, Furniture, Fixture and Equipment	26
	Land	
	Building	
	Furniture and Fixtures	
	Information Technology (IT) Equipment	
	Other Office Equipment	
	Transportation Equipment	
	Leasehold Rights and Improvements	
	Bank Premises, Furniture, Fixture and Equipment -	
	Under Finance Lease	
	Revaluation Increment	
	Building Under Construction	
	Real and Other Properties Acquired (ROPA)	27
	Non-Current Assets Held for Sale	28
	Goodwill	28
	Other Intangible Assets	28
	Deferred Tax Asset	29
	Other Assets	29
	Deferred Charges	
	Servicing Assets	
	Accounts Receivable	
	Dividends Receivable	
	Loans to RBU by FCDU/EFCDU	
	Deficiency Judgment Receivable	
	Employee Benefits	
	Sinking Fund	
	Prepaid Expenses	
	Shortages	
	Sundry debits	
	Inter-Office Float Items	
	Others	
	Due from Head Office/Branches/Agencies Abroad	32
	(Philippine branch of a Foreign Bank)	
	Due from FCDU/RBU	32

MANUAL OF ACCOUNTS

Liability Accounts		
Financial Liabilities Held for Trading		33
Derivatives with Negative Fair Value Held for Trading		
Liability for Short Position		
Financial Liabilities Designated at Fair Value through Profit or Loss (DFVPL)		33
Deposit Liabilities		33
Demand Deposit		
Savings Deposit		
Negotiable Order of Withdrawal (NOW) Accounts		
Time Certificates of Deposit		
Long Term Negotiable Certificates of Deposit		
Due to Other Banks		34
Due to Resident Banks - Clearing and Settlement Accounts		
Due to Non-Resident Banks - Working Capital		
Bills Payable		34
Bangko Sentral ng Pilipinas		
Interbank Loans Payable		
Other Deposit Substitutes		
Others		
Bonds Payable		35
Unsecured Subordinated Debt (USD)		35
Redeemable Preferred Shares		36
Financial Liabilities Associated with Transferred Assets		36
Derivatives with Negative Fair Value Held for Hedging		36
Fair Value Hedge		
Cash Flow Hedge		
Hedges of a Net Investment in Foreign Operation		
Portfolio Hedge of Interest Rate Risk		
Revaluation of Hedged Liabilities in Portfolio Hedge of Interest Rate Risk		36
Accrued Interest Expense on Financial Liabilities		36
Finance Lease Payment Payable		36
Special Time Deposit		36
Due to the Treasurer of the Philippines		36
Treasurer/Cashier/Manager's Checks		36
Payment Orders Payable		37

MANUAL OF ACCOUNTS**Liability Accounts**

Margin Deposits on Letters of Credit	37
Margin Deposits on Customers' Liability on Bills/ Drafts under Letters of Credit and/or Trust Receipt	
Cash Letters of Credit	37
Outstanding Acceptances Executed by or for Account of this Bank	37
Due to Bangko Sentral ng Pilipinas Supervision Fee Others	37
Due to Philippine Deposit Insurance Corporation	37
Due to Philippine Crop Insurance Corporation	37
Income Tax Payable	37
Other Taxes and Licenses Payable	37
Accrued Other Expenses	37
Unearned Income	37
Advanced Rentals on Bank Premises, ROPA and Equipment Rentals on Safe Deposit Box Others	
Deferred Tax Liabilities	38
Provisions	38
Pensions and Other Post Retirement Benefits Obligations Others	
Broker Customer Accounts for Settlement of Customer Trades	38
Other Liabilities	38
Servicing Liabilities	
Withholding Tax Payable	
SSS, Philhealth, Employer's Compensation Premiums and Pag-ibig Contributions Payable	
Unclaimed Balances	
Dividends Payable	
Accounts Payable	
Loans by RBU from FCDU/EFCDU	
Deposit for Stock Subscription	
Overages	
Sundry Credits	
Inter-office Float Items	
Miscellaneous Liabilities	
Due to Head Office/Branches/Agencies Abroad (Philippine branch of a Foreign Bank)	40
Due to FCDU/RBU	40

MANUAL OF ACCOUNTS

Equity Accounts		
	Paid-in Capital Stock	41
	Common Stock	
	Perpetual and Non-Cumulative Preferred Stock	
	Perpetual and Cumulative Preferred Stock	
	Additional Paid-in Capital	41
	Common Stock	
	Perpetual and Non-Cumulative Preferred Stock	
	Perpetual and Cumulative Preferred Stock	
	Other Equity Instruments	41
	Hybrid Tier 1	
	Equity Component of Compound Financial Instruments	
	Others	
	Deposit for Stock Subscription	41
	Retained Earnings	41
	Retained Earnings Reserve	
	Retained Earnings Free	
	Stock Dividends Distributable	42
	Undivided Profits	42
	Other Comprehensive Income	42
	Net Unrealized Gains/(Losses) on AFS Financial Assets	
	Gains/(Losses) on Fair Value Adjustment of Hedging Instruments	
	Cumulative Foreign Currency Translation	
	Remeasurements of Net Defined Benefit Liability (Asset)	
	Net Unrealized Gains/ Losses on Fair Value Attributable to Changes in Own Credit Risk of Financial Liabilities Designated at Fair Value Through Profit or Loss	
	Others	
	Appraisal Increment Reserve	43
	Treasury Stock	43
	Minority Interest in Subsidiaries	43
	Assigned Capital	43

MANUAL OF ACCOUNTS

Income Statement Accounts		
	Interest Income	44
	Interest Expense	45
	Provision for Losses on Accrued Interest Income from Financial Assets	45
	Dividend Income	45

MANUAL OF ACCOUNTS

Income Statement Accounts		
	Fees and Commissions Income	46
	Payment Services	
	Intermediation Services	
	Custodianship	
	Underwriting and Securities Dealership	
	Income from Securities Brokering Activities	
	Securitization Activities	
	Income from Fiduciary Activities	
	Others	
	Gains/(Losses) on Financial Assets and Liabilities	46
	Held for Trading (HFT)	
	Realized Gains/(Losses) from Sale or	
	Derecognition of Financial Assets and Liabilities	
	Unrealized Gains/(Losses) from Marking to	
	Market	
	Realized Gains/(Losses) from Foreign Exchange	
	Transactions	
	Gains/(Losses) on Financial Assets and Liabilities	46
	Designated at Fair Value through Profit or Loss (DFVPL)	
	Realized Gains/(Losses) from Sale/Redemption/Derecognition	
	of Financial Assets and Liabilities	
	Unrealized Gains/(Losses) from Marking to	
	Market	
	Foreign Exchange Profit/(Loss)	47
	Gains/(Losses) from Sale/Redemption/	47
	Derecognition of Non-Trading Financial	
	Assets and Liabilities	
	Realized Gains/(Losses) from Sale/Redemption/Derecognition	
	of Non-Trading Financial Assets and Liabilities	
	Gains/(Losses) on Reclassification from AFS to HTM	
	Gains/(Losses) from Fair Value Adjustment	47
	in Hedge Accounting	
	Unrealized Gains/(Losses) from Remeasurement	
	of Hedging Instruments	
	Unrealized Gains/(Losses) from Remeasurement	
	of Hedged Items	
	Gains/(Losses) from Sale/Derecognition of	47
	Non-Financial Assets	
	Other Income	47
	Rental income	
	Miscellaneous Income	
	Compensation/Fringe Benefits	48
	Salaries and Wages	

MANUAL OF ACCOUNTS

Income Statement Accounts		
Compensation/Fringe Benefits		48
Fringe Benefits		
Director's Fees		
SSS, Philhealth and Employees' Compensation		
Premium and Pag-ibig Fund Contributions		
Medical, Dental, and Hospitalization		
Contribution to Retirement/Provident Fund		
Provision for Pensions and Other Post		
Retirement Benefits		
Taxes and Licenses		49
Fees and Commissions Expenses		49
Other Administrative Expenses		49
Rent		
Power, Light and Water		
Postage, Telephone, Cables and Telegrams		
Repairs and Maintenance		
Security, Clerical, Messengerial and Janitorial		
Services		
Information Technology Expenses		
Supervision Fees		
Insurance Expenses		
Management and Other Professional Fees		
Representation and Entertainment		
Traveling Expenses		
Fuel and Lubricants		
Advertising and Publicity		
Membership Fees and Dues		
Donations and Charitable Contributions		
Periodicals and Magazines		
Documentary Stamps Used		
Stationery and Supplies Used		
Fines, Penalties and Other Charges		
Litigation/Assets Acquired Expenses		
Other Expenses		
Depreciation/Amortization		50
Impairment Loss		51
Provisions		51
Provision for Credit Losses on Loans and		51
Receivables and Other Financial Assets		
Bad Debts Written Off		51
Recovery on Charged-Off Assets		51
Share in the Profit/(Loss) of Unconsolidated		51
Subsidiaries		

MANUAL OF ACCOUNTS

Income Statement Accounts	Share in the Profit/(Loss) of Associates	51
	Share in the Profit/(Loss) of Joint Ventures	51
	Income Tax Expense	51
	Minority Interest in the Profit/(Loss) of Subsidiaries	51

MANUAL OF ACCOUNTS

Contingent Accounts	Guarantees Issued	52
	Financial Standby Letters of Credit (LCs)	52
	Outstanding	
	Domestic	
	Foreign	
	Performance Standby Letters of Credit (LCs)	52
	Outstanding	
	Domestic	
	Foreign	
	Commercial Letters of Credit (LCs) Outstanding	52
	Sight Letters of Credit (LCs) Outstanding	
	Usance Letters of Credit (LCs) Outstanding	
	Deferred Letters of Credit (LCs) Outstanding	
	Revolving Letters of Credit (LCs) Outstanding	
	Trade Related Guarantees	53
	Export Letters of Credit Confirmed	
	Shipside Bond/Airway Bills	
	Commitments	53
	Underwritten Accounts Unsold	
	Committed Credit Lines for Commercial Papers Issued	
	Credit Card Lines	
	Others	
	Spot Foreign Exchange Contracts	53
	Bought	
	Sold	
	Derivatives	54
	Others	54
	Late Deposit/Payments Received	
	Inward Bills for Collection	
	Outward Bills for Collection	
	Traveler's Check Unsold	
	Securities Held under Custodianship by Bank Proper	
	Items Held for Safekeeping/Custody	
	Items Held as Collateral	
	Deficiency Claims Receivable	
	Trust Department Accounts	
	PERA Assets Administered by Bank Proper	
	Broker Customer Securities Account	
	Other Contingent Accounts	

THE FINANCIAL REPORTING PACKAGE

The Financial Reporting Package (FRP) is a set of financial statements for prudential reporting purposes composed of the Balance Sheet, Income Statement and Supporting Schedules. The FRP is primarily designed to align the BSP reportorial requirements with the (1) provisions of the Philippine Financial Reporting Standards (PFRS)/ Philippine Accounting Standards (PAS) and (2) Basel 2 Capital Adequacy Framework. It is also designed to meet BSP statistical requirements.

Organization of the Instructions of the FRP

This instruction book is divided into the following sections:

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

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

GENERAL INSTRUCTIONS

Who must Report on What Forms/Schedules

All banks are required to prepare the FRP. The FRP shall be prepared on a solo and consolidated basis. Solo basis shall refer to the combined financial statements of the head office and branches/other offices. Consolidated basis shall refer to the combined financial statements of parent bank and subsidiaries consolidated on a line by line basis. Only banks with financial allied subsidiaries, excluding insurance subsidiaries, shall submit the report on consolidated basis.

The solo and consolidated FRP shall be prepared on a quarterly basis, except for the solo balance sheet and the following selected schedules which shall be prepared on a monthly basis:

- | | |
|------------------|--|
| (1) Schedule 1 | : Checks and Other Cash Items |
| (2) Schedule 2 | : Due from Other Banks |
| (3) Schedule 3 | : Financial Assets Held for Trading |
| (4) Schedule 4a | : Derivatives Held for Trading, Matrix of Counterparty and Type of Derivative Contract |
| (5) Schedule 5 | : Financial Assets Designated at Fair Value Through Profit or Loss |
| (6) Schedule 6 | : Available for Sale Financial Assets |
| (7) Schedule 7 | : Held to Maturity Financial Assets |
| (8) Schedule 8 | : Unquoted Debt Securities Classified as Loans |
| (9) Schedule 9 | : Investment in Non-Marketable Equity Securities |
| (10) Schedule 10 | : Interbank Loans Receivables |
| (11) Schedule 11 | : Loans and Receivables – Others |

- | | |
|---------------------------|---|
| (12) Schedule 11a to 11a4 | : Loans and Receivables – Others,
Classified as to Status |
| (13) Schedule 11b to 11b4 | : Restructured Loans and Receivables,
Classified as to Status |
| (14) Schedule 11d to 11d4 | : Loans and Receivables – Others, at Amortized
Cost, Classified as to Type of Business/Industry |
| (15) Schedule 11f | : Schedule of Agri-Agra, Microfinance and SME
Loans and Receivables, Classified as to
Counterparty |
| (16) Schedule 12 | : Loans and Receivables Arising from Repurchase
Agreements, Certificates of
Assignment/Participation with Recourse and
Securities Lending and Borrowing Transactions |
| (17) Schedule 15 | : Equity Investment in Subsidiaries, Associates and
Joint Arrangements |
| (18) Schedule 19 | : Other Assets |
| (19) Schedule 20 | : Breakdown of Due from/to HO/Branches/Agencies
Abroad – Philippine Branch of a Foreign Bank |
| (20) Schedule 22 | : Deposit Liabilities Classified as to Type of Deposit |
| (21) Schedule 23 | : Due to Other Banks |
| (22) Schedule 24 | : Bills Payable |
| (23) Schedule 28 | : Other Liabilities |

Solo and consolidated income statement shall be prepared quarterly on a cumulative basis, i.e. first quarter report shall cover results of operations during the first quarter, second quarter report shall cover results of operations during the first and second quarters, etc.

All schedules shall be available to any type of reporting bank. Hence, schedules that do not apply to a particular bank should only be left blank when submitted.

Frequency of Reporting

The solo FRP shall be submitted quarterly within 15 banking days after the end of the reference quarter. The solo balance sheet and the selected schedules listed above shall be submitted monthly within 15 banking days after end of the reference month. The consolidated FRP, on the other hand, shall be submitted quarterly within 30 banking days after the end of reference quarter.

The following schedules or columns of particular schedules of the solo and/or consolidated FRP, however, are required to be submitted and/or accomplished only annually (i.e. end December of each year):

- | | |
|--------------------------|--|
| (1) Schedule 6b to 6b(4) | : Available for Sale Financial Assets (“Collateral and
Other Credit Enhancements Received as Security
for the Related Impaired and Past Due Assets”
column) |
| (2) Schedule 6c to 6c(4) | : Available for Sale Financial Assets Movements in
Allowances for Credit Losses |
| (3) Schedule 7b | : Fair Value of Held to Maturity Financial Assets |
| (4) Schedule 7c to 7c(4) | : Held to Maturity Financial Assets (“Collateral and
Other Credit Enhancements Received as Security
for the Related Impaired and Past Due Assets”
column) |
| (5) Schedule 7d to 7d(4) | : Held to Maturity Financial Assets
Movements in Allowances for Credit Losses |

Financial Reporting Package

- | | | |
|------|------------------------|--|
| (6) | Schedule 8a | : Fair Value of Unquoted Debt Securities Classified as Loans |
| (7) | Schedule 8b to 8b(4) | : Unquoted Debt Securities Classified as Loans ("Collateral and Other Credit Enhancements Received as Security for the Related impaired and Past Due Assets" column) |
| (8) | Schedule 8c to 8c(4) | : Unquoted Debt Securities Classified as Loans Movements in Allowances for Credit Losses |
| (9) | Schedule 11e to 11e(4) | : Loans and Receivables-Others Classified as to Status Per PAS 39 |
| (10) | Schedule 15a | : Investment in Subsidiaries, Associates and Joint Arrangements (Fair Value Column) |
| (11) | Schedule 17 | : Real and Other Properties Acquired/Non-Current Assets Held for Sale (Fair Value Column) |
| (12) | Schedule 17a | : Aging of ROPA and NCAHS Accounts |
| (13) | Schedule 17b | : Movement in ROPA and NCAHS Accounts |
| (14) | Schedule 18 | : Schedule of Tax Assets and Liabilities |
| (15) | Schedule 26 | : Fair Value of Financial Liabilities |

Rules of Consolidation

In preparing consolidated financial statements, only investments in financial allied subsidiaries except insurance subsidiaries shall be consolidated on a line-by-line basis in accordance with PAS 27 "Consolidated and Separate Financial Statements", while insurance and non-financial allied subsidiaries shall be accounted for using the equity method. Financial/non-financial allied/non-allied associates shall be accounted for using the equity method in accordance with the provisions of PAS 28 "Investments in Associates".

For purposes of preparing solo financial statements, financial/non-financial allied/non-allied subsidiaries/associates, including insurance subsidiaries/associates, shall also be accounted for using the equity method.

For purposes of preparing consolidated reports, the "Peso accounts" column, "Foreign accounts" column, "FCDU/EFCDU" column and "Foreign Offices" column, and their supporting schedules shall not be filled up/accomplished.

Amounts Reported

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

STRUCTURE OF THE FRP

- (1) The FRP is designed to reflect the two types of books as follows¹: (1) **regular banking book**, which shall be comprised of (a) **peso accounts**; and (b) **foreign accounts** and (2) **FCDU/EFCDU** as allowed under Circular No. 1389 dated 13 April 1993, as amended. Transactions in the foreign regular and FCDU/EFCDU books shall be recorded at their foreign currency amounts and their local currency equivalent using the Philippine Dealing System (PDS) Peso/US Dollar closing rate and the New York US Dollar/ Third Currencies closing rate.
- (2) The FRP generally groups transactions into the different counterparties of the reporting bank. Foreign offices and branches of local banks abroad shall classify their counterparties from the perspective of the Head Office. Counterparties are broadly classified as to residents and non-residents and further sub-classified into the different sectors and institutional units defined as follows:
- (a) **Residents** – This refers to individuals or institutional units that have a center of economic interest in the economic territory of the Philippines.
- (a.1) **Government**
- (i) **National Government** – This refers to the Philippine National Government and its agencies such as departments, bureaus, offices, and instrumentalities, but excluding local government units and government-owned and controlled corporations.
- (ii) **Local Government Units (LGUs)** – This refers to the Philippine government units below the level of national government, such as city, provincial and municipal governments.
- (iii) **Government Owned and Controlled Corporations (GOCCs)** – This refers to any agency organized as a stock or non-stock corporation vested with functions relating to public needs whether governmental or proprietary in nature, and owned by the government directly or indirectly or through its instrumentalities either wholly, or where applicable as in the case of stock corporations to the extent of at least 51 percent of its capital stock: provided, that GOCCs maybe further categorized by the Department of Budget, the Civil Service Commission and the Commission on Audit for the purpose of the exercise and discharge of their respective powers, functions and responsibilities with respect to such corporations.
- **Social Security Institutions (SSIs)** – This refers to the social security agencies such as the Employees Compensation Commission (ECC), Government Service Insurance System (GSIS), Philippine Health Insurance Corporation (PhilHealth) and Social Security System (SSS).
 - **Other Financial Institutions** – This refers to GOCCs that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks such as the Home Guaranty Corporation (HGC), Trade and Investment

¹ Provide columns (in US \$ and Peso Equivalent) for foreign offices, where applicable.

Development Corporation (TIDCORP) and Small Business Corporation (SBC).

- **Non-Financial Institutions** – This refers to GOCCs that may not be classified as a social security institution nor other financial institutions.

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

(a.3) **Banks**

- (i) **Universal/Commercial Banks (UBs/KBs)** – This refers to universal banks (UBs) and commercial banks (KBs) as defined under existing laws and regulations.
 - **Government Banks** – This refers to UBs/KBs owned or controlled by the national government such as the Development Bank of the Philippines (DBP), the Land Bank of the Philippines (LBP) and the Al Amanah Islamic Investment Bank of the Philippines.
 - **Non-Government Banks** – This refers to private UBs/KBs, which are neither owned nor controlled by the national government, including branches of foreign banks licensed as UBs/KBs operating in the Philippines.
- (i) **Other Banks** – This refers to banks other than UBs/KBs i.e., thrift banks, rural and cooperative banks.

(a.4) **Private Corporations**

- (i) **Financial** - This refers to private corporations that are primarily engaged in financial intermediation or in auxiliary financial activities that are closely related to financial intermediation but are not classified as banks. This shall include among others, insurance corporations, pension funds that are constituted as separate from the units that have created them, non-stock savings and loan associations (NSSLAs) and non-bank financial institutions with quasi-banking functions (NBQBs). Except in the case of “Loans and Receivables – Interbank Loans and Receivables” where NBQBs shall be a separate line item.
 - (ii) **Non-Financial** – This refers to private corporations whose principal activity is the production of goods or non-financial services for sale.
- (b) **Non-Residents** – This refers to individuals or institutional units that have a center of economic interest outside the economic territory of the Philippines.
- (b.1) **Central Government/Central Bank** – Central Government refers to the central government of a foreign country which is regarded as such by a recognized banking supervisory authority in that country. Central Bank refers to the national financial institution (or institutions) that exercises control over key aspects of the financial system and carries out such activities as issuing currency, managing international reserves, and providing credit to other depository corporations.

- (b.2) **Public Sector Entities** – This refers to entities which are regarded as such by a recognized banking supervisory authority in the country in which they are incorporated.
 - (b.3) **Banks**
 - (i) **Off-Shore Banking Units (OBUs)** – This refers to a branch, subsidiary or affiliate of a foreign banking corporation which is duly authorized by the BSP to transact offshore banking business in the Philippines.
 - (ii) **Other Banks** – This refers to the non-resident banks other than OBUs.
 - (b.4) **Corporations** – This refers to non-resident corporations.
 - (c) **Multilateral Agencies** – This refers to the World Bank Group comprised of the International Bank for Reconstruction and Development (IBRD) and the International Finance Corporation (IFC), Asian Development Bank (ADB), African Development Bank (AfDB), the European Bank for Reconstruction and Development (EBRD), the Inter-American Development Bank (IADB), the European Investment Bank (EIB), the Nordic Investment Bank (NIB); the Caribbean Development Bank (CDB), the Council of Europe Development Bank (CEDB) and such others as may be recognized by the BSP.
- (3) The supporting schedules in the FRP contain an **Additional Information** section which requires disclosure of information necessary for validating compliance with other BSP requirements and for statistical purposes. Among the information required to be disclosed are the following:
- (a) Classification as to Original Term, which shall be reported only for solo reports
 - (a.1) Short Term (1 year or less)
 - (a.2) Medium Term (>1 year to 5 years)
 - (a.3) Long Term (> 5 years)
 - (b) Geographic Regions of Non-Resident Counterparties
 - (b.1) **Advanced Economies** – Australia; Austria; Belgium; Canada; Cyprus; Denmark; Finland; France; Germany; Greece; Hong Kong SAR; Iceland; Ireland; Israel; Italy; Japan; Korea; Luxembourg; Netherlands; New Zealand; Norway; Portugal; Singapore; Slovenia; Spain; Sweden; Switzerland; Taiwan Province of China; United Kingdom and United States
 - (b.2) **Regions Excluding Advanced Economies**
 - (i) **Africa** - Algeria; Morocco; Tunisia and Sub-Sahara

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

Republic of; Cote d' Ivoire; Equatorial Guinea, Gabon; Guinea – Bissau; Mali; Niger; Senegal; and Togo.

- (ii) **Central and Eastern Europe** - Albania; Bulgaria; Croatia; Czech Republic; Estonia; Hungary; Latvia; Lithuania; Macedonia, FYR; Malta; Poland; Romania; Slovak Republic and Turkey.
- (iii) **Commonwealth of Independent States** – Armenia; Azerbaijan; Belarus; Georgia; Kazakhstan; Kyrgyz Republic; Moldova; Mongolia; Russia; Tajikistan; Turkmenistan; Ukraine and Uzbekistan.
- (iv) **Developing Asia** – Bangladesh; Bhutan; Cambodia; China; Fiji; India; Indonesia; Kiribati; Lao PDR; Malaysia; Maldives; Myanmar; Nepal; Pakistan; Papua New Guinea; Samoa; Solomon Islands; Sri Lanka; Thailand; Tonga; Vanuatu and Vietnam.
- (v) **Middle East** – Bahrain; Iran I.R.; Kuwait; Libya; Oman; Qatar; Saudi Arabia; United Arab Emirates; Yemen, Republic of; Egypt; Jordan; Lebanon and Syrian Arab Republic.
- (vi) **Western Hemisphere** – Mexico; Argentina; Brazil; Bolivia; Chile; Colombia; Ecuador; Paraguay; Peru; Uruguay; Venezuela; Costa Rica; El Salvador; Guatemala; Honduras; Nicaragua; Panama; Antigua and Barbuda; Bahamas, The; Barbados; Belize; ; Dominica; Dominican Republic; Grenada; Guyana; Haiti; Jamaica; St. Kitts and Nevis; St. Lucia; St. Vincent and the Grenadines; Suriname and Trinidad and Tobago.

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

MANUAL OF ACCOUNTS

BALANCE SHEET ACCOUNTS

Asset Accounts

1. **Cash on Hand** – This refers to the total amount of cash in the bank's vault in the form of notes and coins under the custody of the cashier/cash custodian or treasurer, including notes in the possession of tellers and those kept in automated teller machines (ATM) and the like.
 - (a) **Local Currency** -This refers to the total amount of cash on hand denominated in Philippine currency.
 - (b) **Foreign Currency** -This refers to the total amount of cash on hand denominated in foreign currency. This shall be limited to foreign currencies acceptable to form part of the international reserves.
2. **Checks and Other Cash Items (COCI)** -This refers to the total amount of checks and other cash items received after the selected clearing cut-off time until the close of the regular banking hours. This account may consist of the following:
 - Checks drawn on other banks
 - Manager's/Cashier's/Treasurer's Checks and Demand Drafts issued by reporting bank's other branches/offices or other banks
 - Philippine Postal Money Orders

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

- Postdated Checks
- COCIs received on collection basis
- Out-of-town Checks not collectible through established clearing channels
- Items returned from clearing
- All other cash items not in process of collection

This shall include COCIs received by authorized Philippine Clearing House Corporation (PCHC) couriers for delivery to the PCHC for settlement.

- (a) **Local Currency** - This refers to the total amount of COCIs denominated in Philippine currency.
 - (b) **Foreign Currency** - This refers to the total amount of COCIs denominated in foreign currency. This shall be limited to foreign currencies acceptable to form part of the international reserves.
3. **Due from Bangko Sentral ng Pilipinas (BSP)** – This refers to the balance of the deposit account maintained with the BSP.
 - (a) **Local Currency** - This refers to the amount due from BSP denominated in Philippine currency to meet reserve requirements and to serve as clearing account for interbank claims.

The local currency amount maintained in the FCDU/EFCDU books shall be limited to those derived from the proceeds of FCDU/EFCDU foreign currency deposit swapped with the BSP.

- (b) **Foreign Currency** - This refers to the amount due from BSP denominated in foreign currency.

The foreign currency amount maintained in the Foreign Regular books shall be limited to those held to meet the required reserves against foreign currency deposit liabilities and to comply with the SME requirements.

The Due from BSP accounts shall be broken down as to:

- (a) **Demand Deposit** – This refers to the amount due from BSP denominated in Philippine currency to comply with the reserve requirements as provided under Section 94 of R.A. No. 7653. It also includes banks' respective working funds to settle transactions due to/from BSP and with other banks, which are subject to payment in legal tender upon demand, by the presentation of checks as provided under Sec. 58 of R.A. No. 7653.
- (b) **Overnight Deposit** – This refers to the amount of funds placed in the Bangko Sentral's overnight deposit facility the interest rate of which is set in relation to the policy interest rate.
- (c) **Term Deposit** - This refers to the amount of funds placed in the Bangko Sentral's term deposit facility that is used to withdraw liquidity from the system in bulk, the interest rate of which is determined by auction.
- (d) **Others** – This refers to the amount of Due from BSP which cannot be appropriately classified under items (a), (b) and (c) above. Funds set aside and used as compliance for other regulatory requirements shall also be classified under this account.

4. Due from Other Banks

- (a) **Resident Banks** -This refers to the balances of deposit accounts maintained with other resident banks excluding loans and advances.
- (b) **Non-Resident Banks** - This refers to the balances of deposit accounts maintained with non-resident banks and Offshore Banking Units (OBUs), as working funds in the case of foreign regular book.

The foreign currency amount maintained in the FCDU/EFCDU book shall be those held as asset cover for FCDU/EFCDU liabilities.

- (c) **Resident Banks – Clearing and Settlement Account** – This refers to debit balances of accounts maintained with other resident banks exclusively for the settlement of payment transactions pertaining to fund transfer services, check clearing, foreign exchange trades, security trades, security custody services, and other short-term payment transactions.
- (1) **Local currency** - This refers to balances of accounts maintained for the settlement of short-term Peso-denominated payment transactions including interbank claims in places where there is no BSP clearing facility.

- (2) **Foreign currency** – This refers to balances of accounts maintained for the settlement of short-term foreign-currency denominated payment transactions. It includes accounts with the franchise holder of the Philippine Domestic Dollar Transfer System (PDDTS) for clearing of checks and accounts with the designated settlement bank for the Domestic Renminbi (RMB) Transfer Service, among others.
- (d) **Non Resident Banks – Clearing and Settlement Account** – This refers to debit balances of clearing and settlement accounts maintained with non-resident banks exclusively for the settlement of payment transactions pertaining to fund transfer services, check clearing, foreign exchange trades, security trades, security custody services, and other short-term payment transactions

5. Financial Assets Held for Trading (HFT)

- (a) **Held for Trading (HFT) Securities** – This refers to the debt and equity securities that are:
 - (1) acquired principally for the purpose of selling or repurchasing them in the near term; or
 - (2) part of a portfolio of identified securities that are managed together and for which there is evidence of a recent actual pattern of short-term profit-taking.

HFT securities shall be measured upon initial recognition at their fair value. Transaction costs incurred at the acquisition of HFT securities shall be recognized directly in profit or loss. After initial recognition, a bank shall measure HFT securities at their fair values without any deduction for transaction costs that it may incur on sale or other disposal. A gain or loss arising from a change in the fair value of HFT securities shall be recognized in profit or loss under the account "Gain/(Loss) on Financial Assets and Liabilities Held for Trading".

- (b) **Derivatives with Positive Fair Value Held for Trading** - This refers to the **positive fair value** of derivatives acquired for the bank's trading activities. This may consist of the following derivatives contracts:
 - (1) **Interest Rate Contracts** – This refers to the contracts related to an interest bearing financial instrument or whose cash flows are determined by referencing interest rates or another interest rate contract (e.g., an option on a futures contract to purchase a Treasury Bill).
 - (a) **Interest Rate Forwards** – This refers to forward contracts committing the bank to purchase or sell financial instruments whose predominant risk characteristic is interest rate risk.
 - (i) **Forward Rate Agreement** - This refers to an agreement fixing the interest rates for a specified period whereby the buyer bank receives (or pays) and the seller bank pays (or receives) the interest rate differential if the reference rate rises above (or falls below) the contract rate, respectively.

- (b) **Interest Rate Swaps** - This refers to an agreement in which the parties agree to exchange interest cash flows on a principal amount at certain times in the future according to an agreed upon formula.
- (i) **Plain Vanilla Swap** - This refers to a fixed for floating interest rate swap.
- **Fixed Payer** – This refers to a plain vanilla swap where the bank is the fixed interest rate payer.
 - **Fixed Receiver** - This refers to a plain vanilla swap where the bank is the fixed interest rate receiver.
- (ii) **Basis Swap**- This refers to an interest rate swap that has two floating legs (floating for floating), each tied to a different reference rate.
- (c) **Interest Rate Futures** - This refers to the futures contracts committing the bank to purchase or sell financial instruments where the predominant risk characteristic is interest rate risk.
- (d) **Interest Rate Option Contracts** -This refers to option contracts which convey the right or the obligation depending upon whether the bank is the purchaser or the writer, respectively, to buy or sell at a specified price by a specified future date, for a fee or a premium, interest bearing financial instruments whose predominant risk characteristic is interest risk.
- (d.1) **Over the Counter (OTC) Interest Rate Option Contracts**
- (i) **OTC Option Bought** – This refers to OTC interest rate option contracts conveying the bank the right to purchase/sell at a specified price by a specified future date, for a fee or a premium, interest bearing financial instruments whose predominant risk characteristic is interest risk.
- (ii) **OTC Option Sold** - This refers to OTC interest rate option contracts conveying the bank the obligation to sell/purchase at a specified price by a specified future date, for a fee or a premium, interest bearing financial instruments whose predominant risk characteristic is interest risk.
- (d.2) **Exchange Traded (ET) Interest Rate Option Contracts**
- (i) **ET Option Bought** – This refers to ET interest rate option contracts conveying the bank the right to purchase/sell at a specified price by a specified future date, for a fee or a premium, interest-bearing financial instruments whose predominant risk characteristic is interest risk.
- (ii) **ET Option Sold** - This refers to ET interest rate option contracts conveying the bank the obligation to sell/purchase at a specified price by a specified future date, for a fee or a premium, interest bearing financial instruments whose predominant characteristic is interest risk.

- (2) **Foreign Exchange Contracts** – This refers to contracts to purchase/sell foreign currencies in the forward market in an over the counter or an organized exchange. A purchase of foreign currency is equivalent to a sale of Philippine currency. A transaction involving two foreign currencies is treated as two separate foreign exchange contracts against Philippine currency.
- (a) **Forward Foreign Exchange Contracts** – This refers to an agreement for delayed delivery of a foreign currency in which the buyer agrees to purchase and the seller agrees to deliver at a specified future date a specified amount at a specified exchange rate.
- (i) **Outright Forwards** - This refers to outright forward transaction, which is a straightforward single purchase/sale of one currency for another settled on any pre-agreed date three or more business days after the transaction date.
- (i.a) **Outright Forwards Bought** - This refers to outright forward transaction, which is a straightforward single purchase of foreign currency for Philippine currency settled on any pre-agreed date three or more business days after the transaction date.
- (i.b) **Outright Forwards Sold** - This refers to outright forward transaction, which is a straightforward single sale of foreign currency for Philippine currency settled on any pre-agreed date three or more business days after the transaction date.
- (ii) **Forward Leg of Swap Contracts** - This refers to the second leg of a swap contract, which is the reverse exchange of the same two currencies that was exchanged in the first leg, at a date further in the future at a rate (different from the rate applied to the first leg) agreed on deal date.
- (ii.a) **Forward Leg of Swap Contracts Bought** - This refers to the second leg of a swap contract pertaining to forward purchase of a foreign currency against Philippine currency that was exchanged in the first leg, at a date further in the future at a rate (different from the rate applied to the first leg) agreed on deal date.
- (ii.b) **Forward Leg of Swap Contracts Sold** - This refers to the second leg of a swap contract pertaining to the forward sale of a foreign currency against Philippine currency that was exchanged in the first leg, at a date further in the future at a rate (different from the rate applied to the first leg) agreed on deal date.
- (iii) **Non Deliverable Forwards (NDF)** - This refers to the forward foreign exchange contract where only the net difference between the contracted forward rate and the market rate shall be settled at maturity.
- (iii.a) **Non Deliverable Forwards (NDF) Bought** - This refers to the NDF foreign exchange contract to purchase foreign currency against Philippine currency where only the net

difference between the contracted forward rate and the market rate shall be settled at maturity.

- (iii.b) **Non Deliverable Forwards (NDF) Sold** - This refers to the NDF foreign exchange contract to sell foreign currency against Philippine currency where only the net difference between the contracted forward rate and the market rate shall be settled at maturity.
- (b) **Cross Currency Interest Rate Swap** - This refers to the transaction in which two parties agree to exchange principal amounts of different currencies, usually at the prevailing spot rate, at the inception of an agreement that lasts for a certain number of years. At defined intervals over the life of the swap, the counterparties exchange payments in the different currencies based on specified rates of interest. When the agreement matures, the principal amounts will be re-exchanged at the same spot rate. The notional amount of a cross-currency (interest rate swap) is generally the underlying principal amount upon which the exchange is based.
 - (i) **Foreign Currency Buyer in the Forward Leg** – This refers to a currency swap wherein the bank is the foreign currency buyer in the forward leg.
 - (ii) **Foreign Currency Seller in the Forward Leg** – This refers to a currency swap wherein the bank is the foreign currency seller in the forward leg.
- (c) **Foreign Exchange Futures** -This refers to futures contracts committing the bank to purchase/sell foreign currencies where the predominant risk characteristic is foreign exchange risk.

Specifically, currency futures contract is a standardized agreement for delayed delivery of foreign currency in which the buyer agrees to purchase and the seller agrees to deliver at a specified future date, a specified amount at a specified exchange rate.
- (d) **Foreign Exchange Options Contracts** -This refers to option contracts which convey the right or the obligation depending upon whether the bank is the purchaser or the writer respectively to buy or sell at a specified price by a specified future date, for a fee or a premium, two different currencies at a specified exchange rate.

(d.1) Over the Counter (OTC) Foreign Exchange Option Contracts

- (i) **OTC Option Bought** – This refers to OTC foreign exchange option contracts conveying the bank the right to purchase/sell at a specified price by a specified future date, for a fee or a premium, two different currencies at a specified exchange rate.
 - (i.a) **Call Option** - This refers to OTC foreign exchange option contracts conveying the bank the right to purchase at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(i.b)**Put Option**- This refers to OTC foreign exchange option contracts conveying the reporting bank the right to sell at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(ii) **OTC Option Sold** – This refers to OTC foreign exchange option contracts conveying the bank the obligation to purchase/sell at a specified price by a specified future date, for a fee or a premium, two different currencies at a specified exchange rate.

(ii.a)**Call Option** - This refers to OTC foreign exchange option contracts conveying the bank the obligation to sell at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(ii.b)**Put Option**- This refers to OTC foreign exchange option contracts conveying the reporting bank the obligation to purchase at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(d.2) Exchange Traded (ET) Foreign Exchange Option Contracts

(i) **ET Option Bought** – This refers to ET foreign exchange option contracts conveying the bank the right to purchase/sell at a specified price by a specified future date, for a fee or a premium, two different currencies at a specified exchange rate.

(i.a)**Call Option** - This refers to ET foreign exchange option contracts conveying the bank the right to purchase at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(i.b)**Put Option**- This refers to ET foreign exchange option contracts conveying the reporting bank the right to sell at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(ii) **ET Option Sold** – This refers to ET foreign exchange option contracts conveying the bank the obligation to purchase/sell at a specified price by a specified future date, for a fee or a premium, two different currencies at a specified exchange rate.

(ii.a)**Call Option** - This refers to ET foreign exchange option contracts conveying the bank the obligation to sell at a specified price by a specified future date, for a fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(ii.b)**Put Option**- This refers to ET foreign exchange option contracts conveying the reporting bank the obligation to purchase at a specified price by a specified future date, for a

fee or a premium, foreign currency against Philippine currency at a specified exchange rate.

(3) **Equity Contracts** – This refers to contracts that have a return, or a portion of their return linked to the price of a particular equity or to an index of equity prices.

(a) **Equity Derivatives Forwards** -This refers to forward contracts committing the reporting bank to purchase or sell equity instruments.

(b) **Equity Swap** - This refers to equity or equity index swaps.

(c) **Equity Derivative Futures** - This refers to futures contracts committing the reporting bank to purchase or sell equity securities or instruments based on equity indexes.

(d) **Equity Options Contracts** - This refers to equity option contracts which convey the right or the obligation depending upon whether the reporting bank is the purchaser or the writer, respectively, to buy or sell at a specified price by a specified future date, for a fee or a premium, equity instrument or equity index.

(d.1) **Over the Counter (OTC) Equity Options Contracts**

(i) **Equity Option Bought** – This refers to OTC equity option contracts conveying the bank the right to purchase/sell an equity instrument or equity index.

(ii) **Equity Option Sold** – This refers to OTC equity option contracts conveying the bank the obligation to sell/purchase an equity instrument or equity index.

(d.2) **Exchange Traded (ET) Equity Options Contracts**

(i) **Equity Option Bought** – This refers to ET equity option contracts conveying the bank the right to purchase/sell an equity instrument or equity index.

(ii) **Equity Option Sold** – This refers to ET equity option contracts conveying the bank the obligation to sell/purchase an equity instrument or equity index.

(4) **Credit Derivatives** - This refers to arrangements that allow one party (the "beneficiary") to transfer the credit risk of a "reference asset" to another party (the "guarantor").

Credit Default Swaps – This refers to a financial contract between two parties, the protection buyer and protection seller, with reference to a certain notional value of a reference credit or a basket of reference credits, whereby the former pays a premium to the latter, and in return the latter agrees to make certain protection payments to the former contingent upon the occurrence of a credit event with respect to the reference entity(ies)/asset(s).

Total Rate of Return – This refers to a financial contract where the protection buyer agrees to transfer, periodically and throughout the term of the contract, the actual returns from a reference asset, to the protection

seller, and the latter, in return, agrees to transfer returns calculated at a certain spread over a base rate.

Credit Spread Option – This refers to an option to swap an asset if the credit spread on a reference obligation changes and moves above or below a strike spread.

(a) Bank as Beneficiary

- (i) **CDS Bought** – This refers to an option bought for protection payments upon the occurrence of a credit event with respect to the reference entity(ies)/asset(s).
- (ii) **TROR Payer** – This refers to protection bought that allows the transfer of the exposure on a reference asset to the protection seller throughout the term of the contract.
- (iii) **Credit Spread Call/Put Option Bought** – This refers to a call/put option bought for the right to swap an asset if the credit spread on a reference obligation changes and moves above/below a strike spread.

(b) Bank as Guarantor

- (i) **CDS Sold** - This refers to a written option guaranteeing protection payments upon the occurrence of a credit event with respect to the reference entity(ies)/asset(s).
- (ii) **TROR Receiver** – This refers to protection sold to assume the exposure on the reference asset throughout the term of the contract.
- (iii) **Credit Spread Call/Put Option Sold** – This refers to a written call/put option for an obligation to swap an asset if the credit spread on a reference obligation changes and moves above/below a strike spread.

- (c) **Derivatives Carried at Cost** - This refers to the cost of derivatives linked to and must be settled by delivery of unquoted equity instruments.

6. **Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)** - This refers to financial assets that upon initial recognition are designated by the bank as at fair value through profit or loss. This shall comprise of both debt and equity securities and shall be accounted for in the same manner as HFT securities.

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

- (1) Banks shall have in place appropriate risk management systems (including related risk management policies, procedures and controls) prior to initial application of the fair value option for a particular activity or purpose and on an ongoing basis;
- (2) Banks shall apply the fair value option only to instruments for which fair values can be reliably estimated; and

- (3) Banks shall provide BSP with supplemental information as may be necessary, to enable BSP to assess the impact of the bank's utilization of the fair value option.

7. **Available-for-Sale (AFS) Financial Assets** - This refers to securities that are designated as available-for-sale, which shall be measured upon initial recognition at their fair value plus transaction costs that are directly attributable to the acquisition of securities. After initial recognition, a bank shall measure AFS at their fair values, without any deduction for transaction costs it may incur on sale or other disposal. A gain or loss arising from a change in the fair value of an AFS security shall be recognized directly in equity under the account "Net Unrealized Gains/(Losses) on AFS Financial Assets" and reflected in the statement of changes in equity, except for impairment losses and foreign exchange gains and losses, until the financial asset is derecognized, at which time the cumulative gain or loss previously recognized in equity shall be recognized in profit or loss. However, interest calculated using the effective interest method is recognized in profit or loss. Dividends on an AFS equity security are recognized in profit or loss when the financial institution's right to receive payment is established.

For the purpose of recognizing foreign exchange gains and losses on a monetary AFS security that is denominated in a foreign currency, it shall be treated as if it was carried at amortized cost in the foreign currency. Accordingly, for such an AFS security, exchange differences resulting from changes in amortized cost are recognized in profit or loss and other changes in carrying amount are recognized directly in equity. For AFS securities that are not monetary items (for example, equity instruments), the gain or loss that is recognized directly in equity includes any related foreign exchange component.

- (a) **AFS Debt Securities** - This refers to debt securities that are designated as AFS.

Unamortized Discount/Premium - This refers to the unamortized discount/premium on AFS debt securities, which shall be debited/credited monthly based on the effective interest method with the corresponding credit/ debit to "Interest Income-AFS Debt Securities".

A sub-account shall be provided for Underwritten Debt Securities, which is defined as follows:

Underwritten Debt Securities – This refers to debt securities purchased, which have remained unsold/locked-in from underwriting ventures on a firm basis. Debt securities outstanding for more than ninety (90) calendar days from the date of issue shall be reclassified according to intention in accordance with PAS 39.

- (b) **AFS Equity Securities** -This refers to equity securities that are designated as AFS.

A sub-account shall be provided for Underwritten Equity Securities, which is defined as follows:

Underwritten Equity Securities – This refers to equity securities purchased, which have remained unsold/locked-in from underwriting ventures on a firm basis. Equity securities outstanding for more than ninety (90) calendar days from the date of issue shall be reclassified according to intention in accordance with PAS 39 or PAS 27/PAS 28/PAS 31, as the case may be.

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

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

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

When a decline in the fair value of an AFS security has been recognized directly in equity and there is objective evidence that the asset is impaired, the cumulative loss that has been recognized directly in equity shall be removed from equity and recognized in profit or loss even though the security has not been derecognized. The amount of the cumulative loss that is removed from equity and recognized in profit or loss shall be the difference between the acquisition cost (net of any principal repayment and amortization) and current fair value, less any impairment loss on that security previously recognized in profit or loss.

Impairment losses recognized in profit or loss for an investment in an equity instrument classified as AFS shall not be reversed through profit or loss.

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

The amount of impairment loss for the period shall be recognized in profit or loss under the account "Provision for Credit Losses".

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

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

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

- (a) are so close to maturity or the security's call date (i.e., less than three months before maturity) that changes in the market rate of interest would not have a significant effect on the security's fair value;
- (b) occur after the bank has substantially collected all (i.e., at least 85 percent) of the security's original principal through scheduled payments or prepayments; or

- (c) are attributable to an isolated event that is beyond the bank's control, is non-recurring and could not have been reasonably anticipated by the bank.

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

HTM securities shall be measured upon initial recognition at their fair value plus transaction costs that are directly attributable to the acquisition of the securities.

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

A gain or loss arising from the change in the fair value of the HTM security shall be recognized in profit or loss when the security is derecognized or impaired, and through the amortization process.

Unamortized Discount/Premium - This refers to the unamortized discount/premium on HTM debt securities, which shall be debited/credited monthly based on the effective interest method with the corresponding credit/debit to "Interest Income-HTM Debt Securities".

Allowance for Credit Losses - This refers to the cumulative amount of impairment loss that has been incurred on HTM securities. A bank shall assess at each time it prepares its financial statements whether there is any objective evidence that an HTM security is impaired.

If there is an objective evidence that an impairment loss on HTM securities has been incurred, the amount of loss is measured as the difference between the security's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the security's original effective interest rate (i.e. the effective interest rate computed at initial recognition). The amount of impairment loss for the period shall be recognized in profit or loss under the account "Provision for Credit Losses".

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

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

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

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

Allowance for Credit Losses - This refers to the amount of impairment loss that has been incurred on Unquoted Debt Securities Classified as Loans. A bank

shall assess at each time it prepares its financial statements whether there is any objective evidence that an Unquoted Debt Security Classified as Loans is impaired.

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

10. **Investments in Non-Marketable Equity Securities (INMES)** – This refers to equity instruments that do not have a quoted market price in an active market, and whose fair value cannot be reliably measured.

INMES shall be measured upon initial recognition at its fair value plus transaction costs that are directly attributable to the acquisition of the security. After initial recognition, a bank shall measure INMES at cost. A gain or loss arising from the change in fair value of the INMES shall be recognized in profit or loss when the security is derecognized or impaired.

Allowance for Credit Losses - This refers to the cumulative amount of impairment loss that has been incurred on INMES. A bank shall assess at each time it prepares its financial statements whether there is any objective evidence that an INMES is impaired.

If there is an objective evidence that an impairment loss on INMES has been incurred, the amount of impairment loss is measured as the difference between the carrying amount of the security and the estimated future cash flows discounted at the current market rate of return for a similar financial instrument. Such impairment loss shall not be reversed.

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

- those that the bank intends to sell immediately or in the near term, which shall be classified as HFT, and those that the entity upon initial recognition designates as at fair value through profit or loss;
- those that the bank upon initial recognition designates as AFS; or
- those for which the holder may not recover substantially all of its initial investment, other than because of credit deterioration, which shall be classified as AFS.

Quoted loans and receivables shall be classified as debt securities.

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

- (a) **Loans to Bangko Sentral ng Pilipinas** - This refers to foreign currency denominated loans and discounts granted by an FCDU/EFCDU to the BSP.

- (i) **Maturing within 1 year** – This refers to loans to BSP maturing within one (1) year.
- (ii) **Maturing beyond 1 year** - This refers to loans to BSP maturing beyond one (1) year.

(b) Interbank Loans Receivable

- (i) **Interbank Call Loans Receivable** - This refers to the cost of call/demand loans granted to other resident banks and non-bank financial intermediaries with quasi-banking authority covered under Section X343 of the Manual of Regulations for Banks.
- (ii) **Interbank Term Loans Receivable** - This refers to the loans/placements granted to other banks and non-bank financial institutions with quasi-banking authority including bank's acceptance of other bank's drafts, export bills purchased without recourse, other than those payable on call/demand. This shall not include loans and receivables arising from repurchase agreements/ securities lending and borrowing transactions and certificates of assignment/ participation with recourse.

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

- (c) Loans and Receivables-Others** - This refers to loans granted other than to BSP, banks and non-bank financial institutions with quasi-banking authority. For each of the loan classifications, control accounts shall be maintained in accordance with the following:
- (i) status (current, past due but not yet non-performing; past due and already non-performing and items in litigation);
 - (ii) restructured loans and their status;
 - (iii) economic activity as defined under the Philippine Standard Industrial Classification (PSIC) of the National Statistical Coordination Board (NSCB);
 - (iv) status per PAS 39 (current, past due and impaired);
 - (v) residual maturity of performing loans; and
 - (vi) repricing of performing loans.

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

(c.1) Loans to Government

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

- (i) **Social Security Institutions** - This refers to the amortized cost of loans granted to GOCC - social security institutions as defined under Structure of the FRP Item 2.a.
- (ii) **Other Financial** - This refers to the amortized cost of loans granted to GOCC - other financial institutions as defined under Structure of the FRP Item 2.a.
- (iii) **Non-Financial** - This refers to the amortized cost of loans granted to GOCC - non-financial institutions as defined under Structure of the FRP Item 2.a.

(c.2) Agrarian Reform and Other Agricultural Loans

- (c.2a) **Agrarian Reform Loans** – This refers to the amortized cost of loans which meet the qualification requirements for agrarian reform loans under Subsections X341.4 and X341.5 of the Manual of Regulations for Banks (MORB).
- (c.2b) **Other Agricultural Credit Loans** - This refers to the amortized cost of loans which meet the qualification requirements for other agricultural credit loans under Subsections X341.4 and X341.5 of the MORB.
- (c.3) **Microenterprise Loans** - This refers to the amortized cost of loans granted to microenterprises as defined under Subsection X342.1, Item c, of the MORB, as amended. These shall be further classified as follows:
 - (c.3a) **Microfinance Loans** – This refers to the amortized cost of loans granted under the bank's microfinance loan products that meet the general features provided under Appendix 45, Item E of the MORB, as amended; and
 - (c.3b) **Other Microenterprise Loans** – This refers to the amortized cost of loans granted to microenterprises which cannot be appropriately classified under microfinance loans.
- (c.4) **Small and Medium Enterprises Loans** - This refers to the amortized cost of loans granted to small and medium enterprises as defined under Subsection X342.1, Item c of the MORB, as amended. These shall be further classified as follows:
 - (c.4a) **Small Enterprises** – This refers to the amortized cost of loans granted to small scale enterprises; and
 - (c.4b) **Medium Enterprises** – This refers to the amortized cost of loans granted to medium scale enterprises.
- (c.5) **Contracts to Sell** – This refers to the amortized cost of loans granted to developers of housing projects by way of purchase of the bank of receivables from Contracts to Sell executed between the developer and home buyers on a with recourse or substitution basis.
- (c.6) **Loans to Private Corporations** - This refers to the amortized cost of loans granted to private corporations, which shall include partnerships, single proprietorships and cooperatives.

- (c.6a) **Financial** – This refers to the amortized cost of loans granted to financial private corporations.
- (c.6b) **Non-Financial** – This refers to the amortized cost of loans granted to non-financial private corporations.
- (c.7) **Loans to Individuals for Housing Purposes** - This refers to the amortized cost of loans granted to individuals for housing purposes, which may be for the acquisition, construction or improvement of a residential unit.
- (c.8) **Loans to Individuals Primarily for Personal Use Purposes** – This refers to the amortized cost of loans granted to individuals for personal use purposes.
 - (c.8a) **Credit Card** - This refers to the amortized cost of loans granted to credit cardholders arising from purchases of goods and services, cash advances, annual membership/renewal fees as well as interest, penalties, insurance fees, processing/service fees and other charges.
 - (c.8b) **Motor Vehicle Loans** - This refers to the amortized cost of loans granted to individuals for the acquisition of motorized land transportation vehicles primarily for personal use. The loan may be considered secured if the motor vehicle purchased using the loan proceeds satisfies the full requirements of eligible chattel mortgage that is registered with both Registry of Deeds and LTO.
 - (c.8b.1) Auto Loans – This refers to loans granted to individuals for the acquisition of automobiles primarily for personal use.
 - (c.8b.2) Motorcycle Loans – This refers to loans granted to individuals for the acquisition of motorcycles primarily for personal use.
 - (c.8c) **Salary-Based General-Purpose Consumption Loans**– This refers to the amortized cost of unsecured loans for a broad range of consumption purposes, granted to individuals mainly on the basis of regular salary, pension or other fixed compensation, where repayment would come from such future cash flows, either through salary deductions, debits from the borrower's deposit account, mobile payments, pay-through collections, over-the-counter payments or other type of payment arrangement agreed upon by the borrower and lender.
 - (c.8d) **Others** - This refers to the amortized cost of loans granted to individuals to finance other personal and household needs such as purchase of household appliances, furniture and fixtures and/or to pay taxes, hospital and educational bills on the basis and under a repayment scheme other than those described under salary-based general-purpose consumption loans.
- (c.9) **Loans to Individuals for Other Purposes** - This refers to the amortized cost of other loans granted to individuals that cannot be classified under any of the foregoing classifications.

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

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

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

12. **Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions** - This refers to the amortized cost of loans arising from repurchase agreements, certificates of assignment/participation with recourse and securities lending and borrowing transactions.

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

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

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

13. **Derivatives with Positive Fair Value Held for Hedging** - This refers to the positive fair value of derivatives that are designated and effective hedging instruments.
- (a) **Fair Value Hedge** - This refers to the positive fair value of derivatives that are designated and effective fair value hedging instruments.
 - (b) **Cash Flow Hedge** - This refers to the positive fair value of derivatives that are designated and effective cash flow hedging instruments.
 - (c) **Hedges of a Net Investment in Foreign Operation** - This refers to the positive fair value of derivatives that are designated and effective hedging instruments for hedges of a net investment in foreign operation.
 - (d) **Portfolio Hedge of Interest Rate Risk** - This refers to the positive fair value of derivatives that are designated and effective hedging instruments for portfolio hedge of interest rate risk.
14. **Revaluation of Hedged Assets in Portfolio Hedge of Interest Rate Risk** - This refers to the gain or loss arising from change in the fair value of a portion of a

portfolio of financial assets designated as hedge items for a fair value hedge of interest rate exposure.

15. Sales Contract Receivable (SCR) - This refers to the amortized cost of assets acquired in settlement of loans through foreclosure or dation in payment and subsequently sold on installment basis whereby the title to the said property is transferred to the buyers only upon full payment of the agreed selling price. This shall be recorded initially at the present value of the installment receivable discounted at the imputed rate of interest. Discount shall be accreted over the life of the SCR by crediting interest income using the effective interest method. Any difference between the present value of the SCR and the derecognized assets shall be recognized in profit or loss at the date of sale in accordance with the provisions of PAS 18.

(a) **Performing** – This refers to the amortized cost of performing sales contract receivables.

(b) **Non-Performing** - This refers to the amortized cost of non-performing sales contract receivables.

SCR Discount – This refers to the unamortized discount on Sales Contract Receivable representing financial service fees that are an integral part of the effective interest of the account, which shall be debited monthly based on the effective interest method with the corresponding credit to “Interest Income – Sales Contract Receivables”.

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

Allowance for Credit Losses - This refers to the cumulative amount of impairment loss that has been incurred on SCR.

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

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

17. Equity Investment in Subsidiaries, Associates and Joint Ventures

(a) **Investment in Subsidiaries** - This refers to the amount of the bank's investments in the equity instruments of unconsolidated subsidiaries, which shall be accounted for using the equity method. As provided under PAS 27, a subsidiary is an entity that is controlled by another entity (known as the parent). Control is presumed to exist when the parent owns, directly or indirectly through subsidiaries, more than half of the voting power of an entity, unless in exceptional circumstances, it can be directly demonstrated that such ownership does not constitute control. Refer to General Instructions for the Rules of Consolidation.

(b) **Investment in Associates** - This refers to the cost of the bank's investments in the equity instruments of associates, which shall be accounted for using the equity method. As provided under PAS 28, an associate is an entity over

which the investor has significant influence and that is neither a subsidiary nor an interest in a joint venture. Significant influence is presumed to exist if an investor holds, directly or indirectly through subsidiaries, 20 percent or more of the voting power of the investee, unless it can be clearly demonstrated that that is not the case. Conversely, if the investor holds, directly or indirectly through subsidiaries, less than 20 percent of the voting power of the investee, it is presumed that the investor does not have significant influence, unless such influence can be clearly demonstrated.

- (c) **Investment in Joint Ventures** - This refers to the cost of the bank's investments in the equity instruments of joint ventures, which shall be accounted for in accordance with PAS 31.

Allowance for Credit Losses - This refers to the cumulative amount of impairment loss incurred on equity investments in subsidiaries, associates and joint ventures which shall be accounted for in accordance with PAS 36.

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

- (a) **Land** - This refers to the acquisition cost of the land or lots used as existing or future sites of bank's offices, including residential and parking lots used by the bank's officers/ employees and clients. Acquisition cost shall consist of the purchase price and all expenditures incurred incident to acquisition, such as cost of surveying, registration and issuance of title. This account shall also include the cost of filling and other expenditures which enhance the value of the land.
- (b) **Building** - This refers to the cost of buildings owned and used or to be used by the bank for its business, including residential houses provided for its officers and employees. The buildings/residential houses shall be recorded at acquisition or construction/improvement costs, including architect's fees, building permits, inspection fees, cost of vaults, elevators, tellers' cages and other capitalizable expenditures incurred in making the premises ready for use.
- (c) **Furniture and Fixtures** - This refers to the cost of furniture, such as desks, tables and chairs, and fixtures to buildings, which do not form part of "*Bank Premises - Buildings*" account, including expenditures incurred for major repairs and maintenance, which prolong the life of these assets beyond their original estimated useful life. This account also includes the cost of firearms owned and licensed in the name of the bank.
- (d) **Information Technology (IT) Equipment** - This refers to the cost of IT equipment.
- (e) **Other Office Equipment** - This refers to the cost of office equipment, other than IT equipment.
- (f) **Transportation Equipment** – This refers to the cost of transportation equipment.
- (g) **Leasehold Rights and Improvements** – This refers to the cost of building and/or improvements introduced on premises leased by the bank, including the cost of leasehold rights and other expenditures incurred in making the premises ready for use.

- (h) **Bank Premises, Furniture, Fixture and Equipment – Under Finance Lease** -This refers to the cost of bank premises, furniture, fixture and equipment leased by the bank under a finance lease agreement. This shall be accounted for in accordance with PAS 17. Under PAS 17, this shall be recorded at the lower of (a) fair value of the leased property or (b) present value of the minimum lease payments, each determined at the inception of the lease. The discount rate to be used in calculating the present value of the minimum lease payments is the interest rate implicit in the lease, if this is practicable to determine; if not, the lessee's incremental borrowing rate shall be used. Any initial direct costs of the lessee are added to the amount recognized as an asset. This shall comprise of the following sub-accounts:

- (i) Land;
- (ii) Buildings;
- (iii) Furniture and Fixtures;
- (iv) Information Technology Equipment;
- (v) Other Office Equipment; and
- (vi) Transportation Equipment

- (i) **Revaluation Increment** - This refers to the revaluation increase in the carrying amount of bank premises, furniture, fixture and equipment as an incentive to mergers and consolidation approved by the Monetary Board. The increase in the carrying amount of the asset shall be credited directly to equity under the account "Revaluation Increment Reserves". This shall comprise of the following sub-accounts:

- (i) Land
- (ii) Buildings
- (iii) Furniture and Fixtures
- (iv) Information Technology Equipment
- (v) Other Office Equipment
- (vi) Transportation Equipment
- (vii) Bank Premises, Furniture, Fixture and Equipment – Under Finance Lease
 - Land
 - Buildings
 - Furniture and Fixtures
 - Information Technology Equipment
 - Other Office Equipment
 - Transportation Equipment

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

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

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

19. **Real and Other Properties Acquired (ROPA)** - This refers to real and other properties, other than those used for banking purposes or held for investment,

acquired by the bank in settlement of loans through foreclosure or dation in payment and/or for other reasons, whose carrying amount will be recovered principally through a sale transaction.

Properties acquired through foreclosure or dation in payment shall be booked under this account as follows:

- (a) Upon entry of judgment in case of judicial foreclosure;
- (b) Upon execution of the Sheriff's Certificate of Sale in case of extrajudicial foreclosure; and
- (c) Upon notarization of the Deed of Dacion in case of dation in payment (dacion en pago)

ROPA shall be booked initially at the carrying amount of the loan (i.e., outstanding loan balance adjusted for any unamortized premium or discount less allowance for credit losses computed based on PAS 39 provisioning requirements, which take into account the fair value of the collateral) plus booked accrued interest less allowance for credit losses (computed based on PAS 39 provisioning requirements) plus transaction costs incurred upon acquisition (such as non-refundable capital gains tax and documentary stamp tax paid in connection with the foreclosure/purchase of the acquired real estate property): *Provided*, That if the carrying amount of ROPA exceeds P5 million, the appraisal of the foreclosed/purchased asset shall be conducted by an independent appraiser acceptable to the BSP.

An in-house appraisal of all ROPAs shall be made at least every other year: *Provided*, that immediate appraisal shall be conducted on ROPAs which materially decline in value.

Accumulated Depreciation - This refers to the accumulated depreciation of ROPA-Buildings and Other Properties Acquired, which shall be set up monthly against current operations.

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

20. **Non-Current Assets Held for Sale** – This refers to ROPA that are available for immediate sale in its present condition subject only to terms that are usual and customary for sales of such assets and the sale must be highly probable. This shall be accounted for in accordance with PFRS 5.

Allowance for Losses - This refers to the cumulative amount of impairment loss incurred on NCAHS, which shall be accounted for in accordance with PFRS 5.

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

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

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

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

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

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

24. **Other Assets**

(a) **Deferred Charges** – This refers to the actual loss incurred on the sale/transfer of non-performing assets (NPAs) to special purpose vehicles (SPVs) and to qualified individuals for housing under the “Special Purpose Vehicle (SPV) Act of 2002”, which should be written down over a period of ten (10) years in accordance with existing regulations, subject to disclosure requirement.

(b) **Servicing Assets** – This refers to the fee received from securitization transactions that is expected to be more than adequate compensation for the servicing right of the bank.

(c) **Accounts Receivable** - This refers to the following:

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

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

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

- Amounts due from customers and other parties under open-account arrangements including miscellaneous advances made, such as cable expenses, out-of-pocket collection charges, documentary stamps, commissions and insurance premiums.
- Claims such as tax refund and insurance proceeds.
- Staff salary advances payable in thirty (30) days or less (those payable in more than 30 days shall be considered as loans)
- Advances for official travel of officers/employees
- Temporary overdrafts all owed under existing rules and regulations.

- (d) **Dividends Receivable** - This refers to cash dividends earned but not yet received on shares of stocks owned by the bank that are held as HFT, DFVPL, AFS and INMES.
- (e) **Loans to RBU by FCDU/EFCDU** - This refers to FCDU/EFCDU funds lent to RBU solely for the purpose of funding RBU's net fund outflow on its on-balance sheet foreign exchange transactions, as allowed under existing regulations.
- (f) **Deficiency Judgment Receivable** – This refers to claims against borrower-debtor(s) arising from deficiency judgments rendered by the court.
- (g) **Employee Benefits** – This refers to the overfunding of defined benefit plan or in certain cases, the actuarial gains recognized.
- (h) **Sinking Fund** - This refers to the accumulated amount set aside for the redemption of issued and outstanding bonds/stocks/others. This shall comprise of the following sub-accounts:
 - (i) Bond
 - (ii) Redeemable Preferred Shares
 - (iii) Others
- (i) **Prepaid Expenses** – This refers to expense prepayments expected to benefit the bank for a future period not exceeding one year (i.e., insurance premiums, rent and interest on time certificates of deposit, etc.) paid in advance, which shall be amortized monthly.
- (j) **Shortages** - This refers to the amount of shortages found in the teller's daily transactions and/or accountability of officers and/or other employees. This account shall be closed when the shortage is: (a) duly accounted; or (b) paid in full; or (c) charged as receivable from the officer/employee concerned; or (d) charged to expense or written-off in accordance with existing rules and regulations.
- (k) **Sundry Debits** – This refers to items/transactions which at the time of recording cannot be classified immediately under any debit account. Entries to this account shall be cleared within one (1) month from the date of entry.
- (l) **Inter-office Float Items** - This refers to the debit balance difference of the Due from Head Office/ Branches/Agencies and Due to Head Office/ Branches/ Agencies accounts resulting from the elimination of reciprocal accounts in the consolidation process, to wit:

Due from Head Office/Branches/Agencies - The accounts "*Due From Branches/Agencies*" and "*Due to Branches/Agencies*" are Head Office general ledger control accounts. The counterpart of these accounts in the books of the branches consists of the general ledger control accounts "*Due from Head Office*" and "*Due to Head Office*". If the balance of the Head Office account with its branch is a debit, the account is carried as a "*Due From*", an asset account in the books of the Head Office. Conversely, if the balance of the Head Office account with its branch is a credit, the account is carried as a "*Due To*", a liability account in the books of the Head Office. The same rule applies to balances of the branches accounts ("*Due From*" or "*Due To*" Head Office) with the Head Office.

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

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

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

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

- (i) **Philippines** - This account controls the clearing of items/transactions between the bank's Head Office and its local branches/agencies.
 - (ii) **Abroad** – This account controls the clearing of items/transactions between the bank's Head Office and its branches/agencies abroad.
- (m) **Others** – This refers to other asset accounts such as, but not limited to the following:
- (i) **Gold** – This refers to the cost of gold bullion and bars, which come into the possession of the bank as an authorized gold dealer.
 - (ii) **Foreign Currency Notes and Coins on Hand not Acceptable as International Reserves** – This refers to the total amount of foreign currency notes and coins on hand not acceptable to form part of the international reserves.
 - (iii) **Foreign Currency Checks and Other Cash Items not Acceptable as International Reserves** - This refers to the total amount of checks and other cash items not acceptable to form part of the international reserves.

- (iv) **Returned Checks and Other Cash Items** – This refers to the total amount of checks and other cash items, returned to/by the bank or dishonored/found to be defective for certain reasons such as insufficiency of funds and alterations in the documents.
- (v) **Miscellaneous Checks and Other Cash Items** - This refers to the total amount of checks and other cash items other than those booked under “Checks and Other Cash Items”, “Loans and Receivables – Others (Bills Purchased – Clean)” and “Returned Checks and Other Cash Items” accounts such as miscleared and missorted checks.
- (vi) **Petty Cash Fund** – This refers to the fund maintained on an imprest system to defray minimal disbursements. All payments shall be evidenced/supported by duly accomplished and approved petty cash vouchers.
- (vii) **Documentary Stamps** – This refers to the cost of documentary stamps, loose and/or loaded in the meter machine.
- (viii) **Postage Stamps** – This refers to the cost of postage stamps loose and/or loaded in the postage meter machine.
- (ix) **Stationery and Supplies on Hand** – This refers to the cost of unissued stationery, printed forms and supplies.
- (x) **Deposits with Closed Banks/Banks in Liquidation** – This refers to demand, savings and/or time deposits maintained with a bank and/or private securities/commercial papers purchased from financial institutions (banks and non-banks), which have been closed or placed under liquidation.
- (xi) **Other Investments** – This refers to the cost of investments made for public relations purposes and/or to qualify as member/subscriber of clubs/ other non-profit organizations.
- (xii) **Miscellaneous Assets** – This refers to items/transactions, which cannot be appropriately classified under any of the foregoing asset accounts.

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

25. Due from Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank) – This account controls the clearing of items/transactions between the Philippine branches of foreign banks and its Head Office/branches/agencies abroad.

26. Due from FCDU/RBU – This account controls the clearing of items/transactions between the FCDU/RBU. This account excludes FCDU/EFCDU funds lent to RBU solely for the purpose of funding RBU’s net fund outflow on its on-balance sheet foreign exchange transactions, as allowed under existing regulations, which is reported as **Loans to RBU by FCDU/EFCDU** under Other Assets. This shall be comprised of the following sub-accounts:

- (a) **Due from FCDU/RBU – Clearing Accounts.** This account controls the clearing of the items/transactions between the FCDU/RBU other than those reported in Item (b).

Sub-account (b) shall only apply to the RBU book:

- (b) **Due from FCDU/EFCDU – FCDU/EFCDU Net Realized/Unrealized Losses Recognized in Profit or Loss and in Equity** - This refers to the amount of receivables by the RBU from FCDU/EFCDU corresponding to the amount of eligible foreign currency assets transferred from the RBU book to the FCDU/EFCDU book representing 'Net Realized/Unrealized Losses Recognized in Profit or Loss and in Equity' in the FCDU/EFCDU book.

Liability Accounts

1. Financial Liabilities Held for Trading

- (a) **Derivatives with Negative Fair Value Held for Trading** – This refers to the **negative fair value** of derivatives acquired for the bank's trading activities. The types of derivative contracts are defined under the Manual of Accounts – Asset Accounts Item 5.b.
- (b) **Liability for Short Position** – This refers to the obligation of the purchaser/borrower of securities under Reverse Repurchase Agreements/ Certificates of Assignment/Participation with Recourse/ Securities Lending and Borrowing Agreements to return the securities purchased/borrowed from the seller/lender, which the former sold to third parties. This shall be recorded at fair value and any gain or loss arising from a change in its fair value shall be recognized in profit or loss under the account "Gain/(Loss) from Financial Assets and Liabilities Held for Trading".

2. Financial Liabilities Designated at Fair Value through Profit or Loss (DFVPL) – This refers to financial liabilities that upon initial recognition are designated by the bank at fair value through profit or loss.

3. Deposit Liabilities

- (a) **Demand Deposit** - This refers to deposits, subject to withdrawal by check thru available bank channels and/or thru the automated teller machines (ATM) which are otherwise known as current or checking accounts. The bank may or may not pay interest on these accounts.
- (b) **Savings Deposit** - This refers to interest- or non-interest-bearing deposits which are withdrawable upon demand thru available bank channels.
- (1) Regular savings account - refers to interest-bearing account which is withdrawable either upon presentation of a properly accomplished withdrawal slip together with the corresponding passbook or thru automated teller machine.
 - (2) Kiddie and teen savings account - refers to interest-bearing savings account of children and teens up to nineteen (19) years old with an initial deposit of P100 and no minimum maintaining balance requirement.
 - (3) Basic deposit account - refers to interest- or non-interest-bearing account designed to promote financial inclusion.
 - (4) Other savings account - refers to interest-bearing special savings account which offers tiered interest rates depending on the size of deposit. It

usually carries higher interest rate compared to the rate for regular savings account.

- (c) **Negotiable Order of Withdrawal (NOW) Accounts** – This refers to the interest-bearing savings deposit which are withdrawable by means of Negotiable Orders of Withdrawal.
- (d) **Time Certificates of Deposit** – This refers to interest-bearing deposits with specific maturity dates and evidenced by certificates issued by the bank.
- (e) **Long Term Negotiable Certificates of Deposit** – This refers to interest bearing negotiable certificates of deposit with a minimum maturity of five years.

4. Due to Other Banks

- (a) **Due to Resident Banks – Clearing and Settlement Accounts** – This refers to credit balances of accounts maintained by other resident banks exclusively for settlement of payment transactions pertaining to fund transfer services, check clearing, foreign exchange trades, security trades, security custody services, and other short-term payment transactions.
 - (i) **Local currency** – This refers to credit balances of accounts maintained by other resident banks for settlement of short-term Peso-denominated payment transactions including interbank claims in places where there is no BSP clearing facility.
 - (ii) **Foreign currency** – This refers to credit balance of accounts maintained by other resident banks for the settlement of short-term foreign-currency denominated payment transactions.
- (b) **Due to Non-Resident Banks – Working Capital** – This refers to credit balances of deposit accounts maintained by non-resident banks as working funds denominated in local currency funded by inward remittances subject to drawing through payment order of the former.

5. Bills Payable

- (a) **Bangko Sentral ng Pilipinas (BSP)** – This refers to the amortized cost of obligations to the BSP.
 - (a.1) **Rediscounting** – This refers to the amortized cost of obligations arising from availments of rediscounting facilities of the BSP.
 - (a.2) **Emergency Advances** – This refers to the amortized cost of obligations arising from emergency advances from the BSP.
 - (a.3) **Overnight Borrowings** - This refers to the amount availed from the Bangko Sentral's overnight lending facility in order to cover short-term liquidity requirements
 - (a.4) **Overdrafts** – This refers to the amortized cost of obligations arising from overdrafts from the BSP
 - (a.5) **Others** – This refers to the amortized cost of obligations arising from other obligations to the BSP.

(b) Interbank Loans Payable

(b.1) **Interbank Call Loans** – This refers to the cost of call/demand borrowings from other resident banks and non-bank financial institutions with quasi-banking authority covered under Section X343 of the Manual of Regulations for Banks.

(b.2) **Interbank Term Loans** – This refers to the amortized cost of borrowings from other banks and non-bank financial institutions with quasi-banking authority, other than those payable on call/demand.

(c) Other Deposit Substitutes

(c.1) **Repurchase Agreements with Bangko Sentral ng Pilipinas (BSP)**- This refers to the amortized cost of borrowings in the form of sale of securities to the BSP with an agreement to repurchase (buy back) them at a fixed price on a specified future date.

(c.2) **Repurchase Agreements** – This refers to the amortized cost of borrowings in the form of sale of securities to another bank/counterparty with an agreement to repurchase (buy back) them at a fixed price on a specified future date.

(c.3) **Certificates of Assignment/Participation with Recourse** – This refers to the amortized cost of borrowings in the form of sale of securities to another bank/counterparty under certificates of assignment/participation with recourse.

(c.4) **Securities Lending and Borrowing Agreement** – This refers to the amortized cost of borrowings in the form of securities lending/borrowing agreements.

(c.5) **Time Certificates of Deposit – Special Financing** – This refers to time certificates of deposits received for projects under the special financing program of the Philippine Government and/or foreign government and/or international financing institutions.

(c.6) **Repurchase Agreements with BSP-Sold to Clients** – This refers to the amortized cost of repurchase agreements with BSP, wherein the securities purchased are subsequently sold to third parties, with an agreement to repurchase (buy back) them at a fixed price on a specified future date.

(c.7) **Others** – This refers to the amortized cost of other deposit substitute, which cannot be appropriately classified under any of the foregoing accounts.

(d) **Others** – This refers to the amortized cost of other borrowings, which cannot be appropriately classified under any of the foregoing accounts.

6. **Bonds Payable** – This refers to the amortized cost of obligations arising from the issuance of bonds.

Unamortized Bond Discount/Premium - This refers to the unamortized discount/ premium on bonds payable which shall be credited/debited monthly based on the effective interest method with the corresponding debit/credit to "Interest Expense-Bonds Payable".

7. **Unsecured Subordinated Debt (USD)**- This refers to the amortized cost of obligations arising from the issuance of unsecured subordinated debt, which may be eligible as Tier 2 (supplementary) capital of the bank, subject to certain terms and conditions.

Unamortized Unsecured Subordinated Debt Discount/Premium – This refers to the unamortized discount/premium on unsecured subordinated debt which shall be credited/debited monthly based on the effective interest method with the corresponding debit/credit to “Interest Expense-Unsecured Subordinated Debt”.

8. **Redeemable Preferred Shares** – This refers to preferred shares issued which provides for redemption on a specific date, i.e., mandatorily redeemable preferred shares. This shall be measured at amortized cost using the effective interest method.
9. **Financial Liabilities Associated with Transferred Assets** – This refers to the consideration received arising from the transfer of assets that does not result in derecognition because the bank (transferor) has retained substantially all the risks and rewards of ownership of the transferred asset.
10. **Derivatives with Negative Fair Value Held for Hedging** – This refers to the **negative fair value** of derivatives that are designated and effective hedging instruments.
- (a) **Fair Value Hedge** – This refers to the negative fair value of derivatives that are designated and effective fair value hedging instruments.
- (b) **Cash Flow Hedge** – This refers to the negative fair value of derivatives that are designated and effective cash flow hedging instruments.
- (c) **Hedges of a Net Investment in Foreign Operation** – This refers to the negative fair value of derivatives that are designated and effective hedging instruments for hedges of a net investment in foreign operation.
- (d) **Portfolio Hedge of Interest Rate Risk** – This refers to the negative fair value of derivatives that are designated and effective hedging instruments for portfolio hedge of interest rate risk.
11. **Revaluation of Hedged Liabilities in Portfolio Hedge of Interest Rate Risk** – This refers to the gain or loss arising from change in the fair value of a portion of a portfolio of financial liabilities designated as hedge items for a fair value hedge of interest rate exposure.
12. **Accrued Interest Expense on Financial Liabilities** – This refers to the interest incurred/due but not yet paid on financial liabilities.
13. **Finance Lease Payment Payable** – This refers to the future lease payments payable under finance leases that shall be accounted for in accordance with PAS 17.
14. **Special Time Deposit** – This refers to the non-interest bearing deposits used as security for IGLF purposes and interest bearing deposits of government agencies used to finance its programs/projects. These deposits are not subject to reserve requirements.
15. **Due to the Treasurer of the Philippines** – This refers to all credits and deposits, including interest thereon, held by the bank in favor of persons known to be dead

or who have not made further deposits or withdrawals during the preceding ten (10) years or more, which have been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances Act (Act No. 3936, as amended). These credits and deposits, including interest thereon, shall remain in this account up to the time the proceeds thereof have been remitted under court order to the Treasurer of the Philippines or other parties.

16. **Treasurer/Cashier/Manager's Checks** – This refers to the total amount of checks drawn by the bank upon itself payable to the payees named in the check.
17. **Payment Orders Payable** – This refers to inward and outward remittances of funds by telegraphic transfers, demand drafts or mail transfer orders received by the bank pending payment/disposition to designated beneficiaries or application/disposition to appropriate accounts.
18. (a) **Margin Deposits on Letters of Credit** -This refers to non-interest bearing deposits required on commercial letters of credit issued in favor of beneficiaries arising from movement of goods or services.

(b) **Margin Deposits on Customers' Liability on Bills/Drafts Under Letters of Credit and/or Trust Receipt** – This refers to margin deposits corresponding to negotiations on letters of credit evidenced by import bills and/or trust receipts.
19. **Cash Letters of Credit** – This refers to import letters of credit issued where the importer pays 100 percent in Philippine pesos.
20. **Outstanding Acceptances Executed by or for Account of this Bank** – This refers to the total liabilities of the bank to its correspondent banks arising from customer trade, which calls for time drafts payable within a specified number of days from the date of presentation by the beneficiary, for which the bank has given accommodations to the buyer/importer in the form of acceptance credit. This is the reciprocal account of "Customers' Liability for this Bank's Acceptances Outstanding".
21. **Due to Bangko Sentral ng Pilipinas (BSP)**
 - (1) **Supervision Fee** – This refers to the estimated liability for the bank's share in the cost of maintaining the appropriate supervision and examination department of the BSP, which shall be set up monthly against current operations.
 - (2) **Others** – This refers to the items/transactions which cannot be appropriately classified under any of the foregoing "Due to BSP" accounts.
22. **Due to Philippine Deposit Insurance Corporation (PDIC)** – This refers to the amount payable to the PDIC as premium on insurance for deposits.
23. **Due to Philippine Crop Insurance Corporation (PCIC)** – This refers to the amount payable to the PCIC as premium on insurance covering production loans for palay under the supervised credit program, which premium shall include the share of the borrower-farmer and the bank.
24. **Income Tax Payable** – This refers to the estimated liability for income tax which shall be set-up monthly against current operations.

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

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

27. Unearned Income

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

(b) **Rentals on Safe Deposit Box** – This refers to the unearned portion of rentals received in advance on safe deposit boxes, the earned portion of which shall be transferred to income at the end of the accounting period.

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

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

29. Provisions

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

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

30. **Broker Customer Accounts for Settlement of Customer Trades** – This refers to customer cash accounts and margin accounts received by banks which shall be used exclusively for the settlement of securities brokering transactions.

31. Other Liabilities

(a) **Servicing Liabilities** – This refers to the fee received from securitization transactions wherein the amount is not expected to compensate the bank adequately for performing the servicing.

(b) **Withholding Tax Payable** – This refers to the taxes deducted/withheld by the bank from the (a) salaries/wages of its officers and employees and those hired on a contractual basis; (b) interest on demand, savings, NOW and time deposit liabilities; (c) money market transactions; (d) interest income of non-resident foreign individuals/corporations; and (e) others, for remittance to the Bureau of Internal Revenue, in accordance with existing rules and regulations.

- (c) **SSS, Philhealth, Employer's Compensation Premiums and Pag-IBIG Contributions Payable** – This refers to the amount due to the Social Security System, Philippine Health Insurance Corporation, Employees' Compensation Commission and Pag-IBIG Funds, for employees' premiums/contributions and payment of loans, such as salary and housing loans.
- (d) **Unclaimed Balances** – This refers to the other credits held by the bank in favor of persons known to be dead or unheard from during the preceding ten (10) years or more which have not been reported to the Treasurer of the Philippines pursuant to the provisions of the Unclaimed Balances Act (Act No. 3936, as amended).
- (e) **Dividends Payable** – This refers to the amount of unpaid cash dividends declared by the Board of Directors to stockholders of record.
- (f) **Accounts Payable**
- (i) **Accounts Payable Arising from Purchase of Financial Assets under the Trade Date Accounting** - This refers to the payable arising from the purchase of financial asset under trade date accounting pending actual settlement/receipt of the underlying securities which shall require corresponding asset/liquid asset cover.
 - (ii) **Accounts Payable – Electronic Money (E-Money)** – This refers to obligations arising from the issuance of e-money by authorized Electronic Money Issuer-Banks (EMI-Banks).
 - (iii) **Accounts Payable – Others.** This refers to the following:
 - Other obligations of the bank under open-account arrangements such as deposits made by loan applicants for various expenses in connection with pending loan applications;
 - Payments on loans pending liquidation;
 - Interest rebates on loan accounts which have not been claimed by clients;
 - Deposits in connection with the purchase/redemption of property acquired;
 - Proceeds of collections pending remittance to clients/payees;
 - Balances of current accounts closed due to improper handling; and
 - Indebtedness for purchases of office supplies, printed forms, furniture, fixtures and equipment.
- (g) **Loans by RBU from FCDU/EFCDU** - This refers to the FCDU/EFCDU funds borrowed by RBU solely for the purpose of funding RBU's net fund outflow on its on-balance sheet foreign exchange transactions, as allowed under existing regulations.
- (h) **Deposit for Stock Subscription** – This refers to funds received as deposits for stock subscription but do not meet the conditions for recognition as equity provided in Sec. X128 of the MORB².
- (i) **Overages** – This refers to the amount of overages found in the tellers' daily transactions and/or accountability of officers and/or other employees.

² As amended by Circular No. 762 dated 25 July 2012

Overages arising from loose change shall be closed to an appropriate income account at the end of the accounting period while overages of substantial amounts shall be transferred to "Accounts Payable" account pending proper disposition.

- (j) **Sundry Credits** – This refers to the items/transactions which cannot be classified immediately under any credit account. Entries to this account shall be cleared within one (1) month from date of entry.
- (k) **Inter-Office Float Items** – This refers to the credit balance difference between the Due to Head Office/ Branches/Agencies and Due from Head Office/Branches/Agencies accounts resulting from the elimination of reciprocal accounts in the consolidation process.

Due to Head Office/Branches/Agencies (Refer to Manual of Accounts- Assets Accounts Item 24(l))

- (i) **Philippines** - This account controls the clearing of items/transactions between the bank's Head Office and its local branches/agencies. This is the reciprocal account of "*Due from Branches/Agencies in the Philippines*".
- (ii) **Abroad** - This account controls the clearing of items/transactions between the bank's head office and its branches/agencies abroad. This is the reciprocal account of "*Due from Branches/Agencies Abroad*".
- (l) **Miscellaneous Liabilities** - This refers to the items/transactions which cannot be appropriately classified under any of the foregoing liability accounts.

- 32. Due to Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)** – This account controls the clearing of items/transactions between the Philippine branches of foreign banks and its Head Office/Branches/Agencies abroad.

This is the reciprocal account of "Due from Head Office/Branches/Agencies Abroad (Philippine branch of a foreign bank)".

- 33. Due to FCDU/RBU** – This account controls the clearing of items/transactions between the FCDU/RBU. This shall comprise of the following sub-accounts.

- (a) **Due to FCDU/RBU –Clearing Accounts** - This account controls the clearing of the items/transactions between the FCDU/RBU other than those reported in Item (b).

Sub-account (b) shall only apply to the FCDU/EFCDU book:

- (b) **Due to RBU – FCDU/EFCDU Net Realized/Unrealized Losses Recognized in Profit or Loss and in Equity** - This refers to the amount of payables by the FCDU/EFCDU to the RBU corresponding to the amount of eligible foreign currency assets transferred from the RBU book to the FCDU/EFCDU book representing 'Net Realized/Unrealized Losses Recognized in Profit or Loss and in Equity' in the FCDU/EFCDU book.

Equity Accounts

1. Paid-In Capital Stock

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

2. Additional Paid-In Capital

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

3. Other Equity Instruments

- (a) **Hybrid Tier 1** – This refers to perpetual preferred stock and perpetual unsecured subordinated debt qualifying as Hybrid Tier 1 Capital as provided under Circular No. 503 dated 22 December 2005.
- (b) **Equity Component of Compound Financial Instruments** - This refers to the amount allocated, net of income tax effects, for the equity portion of compound financial instruments, which shall be accounted for in accordance with PAS 32.
- (c) **Others** – This refers to equity instruments that cannot be classified under any of the foregoing classifications.

4. Deposit for Stock Subscription – This refers to funds received as deposits for stock subscription that meets the conditions for recognition as equity provided in Sec. X128 of the MORB.

5. Retained Earnings

(a) Retained Earnings Reserve

- (i) **Trust Business** - This refers to the accumulated amount required from banks to carry to retained earnings 10 percent of its net profits accruing from trust business since the last preceding dividend declaration until the retained earnings shall amount to 20 percent of its authorized capital stock.
- (ii) **Self-Insurance** - This refers to the accumulated amount set aside to cover losses due to fire, defalcation by and other unlawful acts of the bank's officers/employees and/or third parties.

- (iii) **Contingencies** - This refers to the accumulated amount set aside for possible or unforeseen losses, decrease or shrinkage in the book value of the bank's assets, or for undeterminable liabilities not otherwise recorded, such as those arising from lawsuits, defaults on obligations and unexpected expenditures.
 - (iv) **Others** – This refers to the accumulated amount set aside for purpose other than those stated in the aforementioned "Retained Earnings Reserve" accounts.
- (b) **Retained Earnings Free** - This refers to the unappropriated or free portion of the accumulated profits of the bank.

A separate "Retained Earnings Free" account in the FCDU/EFCDU book shall be maintained, which shall be defined as follows:

Retained Earnings Free - This refers to the net realized FCDU/EFCDU profits/(losses) of the preceding year pending transfer to the RBU book within the prescribed period and the cumulative unrealized gains/(losses) from operations in the FCDU/EFCDU book from prior years arising from the following:

- (i) Marking-to-market of 'Financial Assets and Liabilities Held for Trading' ;
- (ii) Marking-to-market of 'Financial Assets and Liabilities Designated at Fair Value through Profit or Loss' ;
- (iii) Revaluation of foreign exchange transactions;
- (iv) Remeasurement of 'Hedging Instruments'; and
- (v) Remeasurement of 'Hedged Items'.

For Philippine branches of foreign banks, instead of the '*Retained Earnings Free*' account the '*Due to Head Office/Branches/Agencies Abroad – Unremitted Profits not yet approved by the BSP*' shall be used if credit balance and the '*Due from Head Office/Branches/Agencies Abroad – Losses in Operation of Philippine Branch of Foreign Banks*' shall be used if debit balance.

6. **Stock Dividends Distributable** – This refers to the amount of stock dividends declared by the Board of Directors, the corresponding certificates for which have not yet been issued.
7. **Undivided Profits** - This refers to the clearing account for all income and expenses, the balance of which shall be transferred to "Retained Earnings – Free" account at the end of the accounting period after taking up all other charges and/or credits that may be appropriately cleared thru this account.
8. **Other Comprehensive Income**

(a) **Net Unrealized Gains/(Losses) on AFS Financial Assets**

- (i) **Debt Securities** - This refers to the contra account of "*Accumulated Market Gains/(Losses) - AFS Debt Securities*". The account is credited for gains and debited for losses from change in the fair value of the AFS Debt Securities.

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

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

- (i) **Cash Flow Hedge** - This refers to the gains/(losses) from change in fair value of hedging instruments in a cash flow hedge.
- (ii) **Hedge of a Net Investment in Foreign Operations** - This refers to the gains/(losses) from change in fair value of hedging instruments in a hedge of a net investment in foreign operations.

(c) **Cumulative Foreign Currency Translation** - This refers to:

- (i) Exchange component of the gains or losses on foreign currency denominated non-monetary items, where such gains or losses are recognized directly in equity.
- (ii) Exchange differences arising on a monetary item that forms part of a reporting bank's net investment in a foreign operation denominated in the functional currency of the foreign operation.

(d) **Remeasurements of Net Defined Benefit Liability (Asset)** - This refers to remeasurements of the net defined benefit liability (asset) made in accordance with PAS 19 "Employee Benefits".

(e) **Net Unrealized Gains/Losses on Fair Value Attributable to Changes in Own Credit Risk of Financial Liabilities Designated at Fair Value Through Profit or Loss**- This refers to gains/(losses) resulting from change in the fair value of financial liabilities designated at fair value through profit or loss where such gains/(losses) are attributable to changes in the bank's own credit risk as provided under PRFS 9. (For early adopters of PRFS 9 on the classification of financial liabilities)

(f) **Others**- This refers to Other Comprehensive Income that cannot be appropriately classified under items (a) to (e) above

9. **Appraisal Increment Reserve** - This is the reciprocal account of "*Bank Premises – Appraisal Increment*" account.

10. **Treasury Stock** - This refers to the stocks that have been issued as fully paid and have been reacquired by the bank and not retired.

This also refers to shares of the parent bank held by a subsidiary in a consolidated balance sheet.

11. **Minority Interest in Subsidiaries** - This refers to the portion of net assets of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent in line by line consolidation of financial statements.

12. **Assigned Capital** - This refers to the capital permanently assigned by a foreign bank to its branches operating in the Philippines pursuant to Section 4 of R.A. No. 7721.

INCOME STATEMENT ACCOUNTS

1. **Interest Income** – This refers to interest earned and/or actually collected from the following financial assets:
 - (a) Due from Bangko Sentral ng Pilipinas
 - (b) Due from Other Banks
 - (c) Financial Assets Held-for-Trading
 - (i) Held-for-trading Securities
 - (ii) Derivatives with Positive Fair Value Held for Trading
 - (d) Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)
 - (e) Available for Sale (AFS) Financial Assets
 - (f) Held-to-Maturity (HTM) Financial Assets
 - (g) Unquoted Debt Securities Classified as Loans
 - (h) Loans and Receivables
 - (i) Loans to Bangko Sentral ng Pilipinas
 - (ii) Interbank Loans Receivable
 - (1) Interbank Call Loans Receivable
 - (2) Interbank Term Loans Receivable
 - (iii) Loans and Receivables – Others
 - (1) Loans to Government
 - (2) Agrarian Reform/Other Agricultural Loans
 - (3) Microfinance Loans
 - (4) Small and Medium Enterprise Loans
 - (5) Contracts to Sell
 - (6) Loans to Private Corporations
 - (7) Loans to Individuals for Housing Purposes
 - (8) Loans to Individuals for Consumption Purposes
 - (9) Loans to Individuals for Other Purposes
 - (i) Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions

- (j) Derivatives with Positive Fair Value Held for Hedging
 - (k) Sales Contract Receivable
 - (l) Others
2. **Interest Expense** - This refers to payments and/or monthly accruals of interest on the following financial liabilities:
- (a) Financial Liabilities Held for Trading
 - (i) Derivatives with Negative Fair Value Held for Trading
 - (ii) Liability for Short Position
 - (b) Financial Liabilities Designated at Fair Value through Profit or Loss
 - (c) Deposits
 - (i) Demand Deposit
 - (ii) Savings Deposit
 - (iii) NOW
 - (iv) Time Certificates of Deposit
 - (v) LTNCD
 - (d) Bills Payable
 - (i) Bangko Sentral ng Pilipinas
 - (iii) Interbank Loans Payable
 - (iii) Other Deposit Substitutes
 - (iv) Others
 - (e) Bonds Payable
 - (f) Unsecured Subordinated Debt
 - (g) Redeemable Preferred Shares
 - (h) Derivatives with Negative Fair Value Held for Hedging
 - (i) Finance Lease Payment Payable
 - (j) Others
3. **Provision for Losses on Accrued Interest Income from Financial Assets** – This refers to the impairment loss on accrued interest income from financial assets charged against current operations.
4. **Dividend Income** - This refers to cash dividends earned and/or actually collected on equity securities held as HFT, DFVPL, AFS and INMES.

5. Fees and Commissions Income

- (a) **Payment Services** – This refers to fees and commissions income from payment services offered by the banks such as for bills (e.g. insurance and telecommunication companies), utilities (e.g., electric and water companies) and taxes.
- (b) **Intermediation Services** - This refers to fees and commissions income from intermediation services such as those relating to deposit and lending services.
- (c) **Custodianship** – This refers to fees and commissions income from the custodianship services offered by the bank.
- (d) **Underwriting and Securities Dealership** – This refers to fees and commissions income from underwriting (or participating in the underwriting of securities) and securities dealership activities.
- (e) **Income from Securities Brokering Activities** – This refers to fees and commissions income from securities brokering activities.
- (f) **Securitization Activities** – This refers to fees and commissions income, including servicing fees earned from the bank's securitization activities. This does not include the income from seller's interests and residual interest retained by the bank.
- (g) **Income from Fiduciary Activities** – This refers to income from services rendered by the bank's trust department.
- (h) **Others** – This refers to fees and commission income not classified under any of the foregoing classifications

6. Gains/(Losses) on Financial Assets and Liabilities Held for Trading (HFT) – This refers to the gains/(losses) from financial assets and liabilities held for trading comprised of the following:

- (a) **Realized Gains/(Losses) from Sale or Derecognition of Financial Assets and Liabilities** - This refers to the gains/(losses) from sale or derecognition of financial assets and liabilities held for trading.
- (b) **Unrealized Gains/(Losses) from Marking to Market** - This refers to the unrealized gains/(losses) from change in fair value of financial assets and liabilities held for trading.
- (c) **Realized Gains/(Losses) from Foreign Exchange Transactions** - This refers to the realized gains/(losses) from purchase and sale of foreign currencies.

7. Gains/(Losses) on Financial Assets and Liabilities Designated at Fair Value through Profit or Loss (DFVPL) - This refers to the gains/(losses) from financial assets and liabilities designated at fair value through profit or loss comprised of the following:

- (a) **Realized Gains/(Losses) from Sale/Redemption/Derecognition of Financial Assets and Liabilities** - This refers to the gains/(losses) from sale or derecognition of financial assets and liabilities designated at fair value through profit or loss.

- (b) **Unrealized Gains/(Losses) from Marking to Market** - This refers to the unrealized gains/(losses) from change in fair value of financial assets and liabilities designated at fair value through profit or loss.
- 8. **Foreign Exchange Profit/(Loss)** - This refers to the unrealized gains/(losses) arising from the revaluation of foreign currency denominated accounts. This shall be accounted for in accordance with PAS 21.
- 9. **Gains/(Losses) from Sale/Redemption/Derecognition of Non-Trading Financial Assets and Liabilities** - This refers to the gains/(losses) from non-trading financial assets (i.e., AFS; HTM; Unquoted Debt Securities Classified as Loans; Loans and Receivables; Investment in Subsidiaries, Associates and Joint Ventures) and liabilities, which is comprised of the following:
 - (a) **Realized Gains/(Losses) from Sale/Redemption/Derecognition of Financial Assets and Liabilities** - This refers to the gains/(losses) incurred in the sale/redemption/ derecognition of non-trading financial assets and liabilities.
 - (b) **Gains/(Losses) on Reclassification from AFS to HTM** - This refers to the gains/(losses) from reclassification of debt securities from AFS to HTM due to the lapse of the two preceding financial years referred to in Circular No. 476 dated 16 February 2005, during which the bank has been prohibited from using the HTM account for selling or reclassifying more than an insignificant amount of HTM investments before maturity. Any previous gain or loss on AFS debt security that has been recognized directly in equity shall be amortized by debiting or crediting this account over the remaining life of the HTM security using the effective interest method.
- 10. **Gains/(Losses) from Fair Value Adjustment in Hedge Accounting**
 - (a) **Unrealized Gains/(Losses) from Remeasurement of Hedging Instruments** - This refers to the gains/(losses) from remeasuring the derivative hedging instruments at fair value or the foreign currency component of the carrying amount of a non-derivative hedging instrument.
 - (b) **Unrealized Gains/(Losses) from Remeasurement of Hedged Items** - This refers to the gains/(losses) arising from the change in fair value of the hedged items in a fair value hedge.
- 11. **Gains/(Losses) from Sale/Derecognition of Non-Financial Assets** – This refers to the gains/(losses) arising from derecognition of the following non-financial assets:
 - (a) Bank Premises, Furniture, Fixture and Equipment
 - (b) ROPA
 - (c) Goodwill
 - (d) Other Intangible Assets
- 12. **Other Income**
 - (a) **Rental Income**
 - (i) **Safe Deposit Box** - This refers to the earned portion of rental collected in advance from lessees of safe deposit boxes.

- (ii) **Bank Premises and Equipment** - This refers to rental earned from lessees on bank premises and equipment.
- (iii) **Real and Other Properties Acquired** - This refers to rental earned from lessees on real and other properties acquired.
- (b) **Miscellaneous Income** - This refers to the income which cannot be appropriately classified under any of the foregoing income accounts.

13. Compensation/Fringe Benefits

- (a) **Salaries and Wages** - This refers to the gross remuneration of officers and employees for regular and overtime services rendered.
- (b) **Fringe Benefits**
 - (i) **Directors** - This refers to the expenses for any good, service or other benefit furnished or granted by the bank to its directors, in cash or in kind, in addition to basic salaries, such as, but not limited, to housing; expense account; vehicle of any kind; household personnel, such as maid, driver and others; interest on loan at less than market rate to the extent of the difference between the market rate and the actual rate granted; membership fees, dues and other expenses borne by the bank for its directors in social and athletic clubs or other similar organizations; expenses for foreign travel; holiday and vacation expenses; educational assistance to directors or their dependents; and life or health insurance and other non-life insurance premiums or similar amounts in excess of what the law allows, in accordance with BIR regulations.
 - (ii) **Officers and Employees** - This refers to the expenses for any good, service or other benefit furnished or granted by the bank to its officers, in cash or in kind, in addition to basic salaries, such as, but not limited to, housing; expense account; vehicle of any kind; household personnel, such as maid, driver and others; interest on loan at less than market rate to the extent of the difference between the market rate and the actual rate granted; membership fees, dues and other expenses borne by the bank for its officers in social and athletic clubs or other similar organizations; expenses for foreign travel; holiday and vacation expenses; educational assistance to officers or their dependents; and life or health insurance and other non-life insurance premiums or similar amounts in excess of what the law allows, in accordance with BIR regulations, as well as expenses for allowances and other fringe benefits granted to employees in accordance with management policy such as bonuses, profit shared, including those for special studies/seminars but excluding medical, dental and hospitalization benefits.
- (c) **Director's Fees** - This refers to the per diems and fees granted to directors in accordance with management policy.
- (d) **SSS, Philhealth and Employees' Compensation Premium and Pag-IBIG Fund Contributions** - This refers to the bank's share in the Social Security System, Philhealth, Employees' Compensation premiums and Pag-IBIG Fund contributions of its officers and employees.
- (e) **Medical, Dental and Hospitalization** - This refers to the expenses for medical and dental services, including cost of medicines, hospital bills and other related expenses incurred by the bank, in accordance with management policy, for and in behalf of its officers and employees and their dependents.

- (f) **Contribution to Retirement/Provident Fund** - This refers to the bank's contributions to the retirement/provident fund or any similar fund for its personnel.
 - (g) **Provision for Pensions and Other Post Retirement Benefits** – This refers to the bank's provisions for pensions and other post retirement benefits.
14. **Taxes and Licenses** - This refers to the expenses incurred for taxes and licenses other than income tax, such as corporate residence tax, motor vehicle registration fees, privilege tax, firearms tax, gross receipts tax and other taxes.
15. **Fees and Commissions Expenses** -This refers to fees and commissions expenses for payment services, intermediation services, custodianship, underwriting and securities dealership, securitization activities, fiduciary activities and other services availed by the bank.
16. **Other Administrative Expenses**
- (a) **Rent** - This refers to the expenses incurred, including monthly amortizations of rent paid in advance, for buildings, spaces and/or equipment leased by the bank for its business.
 - (b) **Power, Light and Water** - This refers to the expenses incurred for power, light and water consumption.
 - (c) **Postage, Telephone, Cables and Telegrams** - This refers to the expenses incurred for postage, telephone services, cables and telegrams.
 - (d) **Repairs and Maintenance** - This refers to the expenses for repairs and maintenance incurred to put/keep the bank premises, furniture, fixtures and equipment in working condition but which do not prolong the estimated useful life of the asset or enhance the value thereof.
 - (e) **Security, Clerical, Messengerial and Janitorial Services** - This refers to expenses incurred for the services of security guards, clerks/tellers, messengers and janitors who are not employees of the bank and/or are hired on a contractual basis.
 - (f) **Information Technology Expenses** - This refers to expenses incurred for the operation, maintenance and development of computer hardware and software.
 - (g) **Supervision Fees**- This refers to fees on supervision by the BSP.
 - (h) **Insurance Expenses**
 - (i) **Philippine Deposit Insurance Corporation (PDIC)** - This refers to the expenses incurred for insurance premiums to the PDIC, pursuant to Republic Act No. 3591, as amended.
 - (ii) **Philippine Crop Insurance Corporation (PCIC)** - This refers to the bank's share in the premiums on insurance covering production loans for palay under the supervised credit program, which share shall be remitted to the PCIC.
 - (iii) **Others** - This refers to the payments and monthly amortizations for premiums on insurance, such as banker's blanket and fidelity bond, fire insurance and workmen's compensation coverage.

- (i) **Management and Other Professional Fees** - This refers to the expenses for services rendered by individuals/firms on a retainer/ contractual basis, such as the managing company, legal counsel, external auditors and consultants.
 - (j) **Representation and Entertainment** - This refers to the fixed allowances and/or actual expenses incurred for public relations activities which are directly related to the promotion of the business development and enhancement of the prestige of the bank.
 - (k) **Traveling Expenses** - This refers to the expenses incurred for the official travel of directors, officers and employees, including fares, hotel bills, subsistence, portage and tips. This account shall also include expenses incurred by directors, officers and employees for fuel and minor repairs in using their own vehicles for official travel.
 - (l) **Fuel and Lubricants** - This refers to the expenses incurred for fuel and lubricants used for bank-owned/leased vehicles and other equipment.
 - (m) **Advertising and Publicity** - This refers to the expenses for advertising and publicity in the newspapers, magazines, television, radio and other media, including those for handbills, pamphlets, billboards, brochures and giveaways.
 - (n) **Membership Fees and Dues** - This refers to the expenses incurred for membership fees and dues to civic/bank associations or professional organizations wherein the bank, its officers and/or employees are members.
 - (o) **Donations and Charitable Contributions** - This refers to the donations and contributions to charitable organizations and other non-profit associations, including contributions to victims of fire, typhoon and other calamities.
 - (p) **Periodicals and Magazines** - This refers to the expenses incurred for periodicals, magazines and other publications.
 - (q) **Documentary Stamps Used** - This refers to the expenses incurred for documentary stamps used by the bank, excluding those chargeable to customers.
 - (r) **Stationery and Supplies Used** - This refers to the expenses incurred for printed forms, stationery and other office supplies used by the bank or issued from the stockroom to the different departments and branches of the bank, excluding those chargeable to the customers.
 - (s) **Fines, Penalties and Other Charges** - This refers to the fines, penalties and other charges imposed on the bank under existing rules and regulations, such as fines/penalties for reserve deficiencies, late submission of reports and violation of rules/regulations.
 - (t) **Litigation/Assets Acquired Expenses** - This refers to the expenses incurred in connection with the litigation proceedings and the registration/consolidation of ownership of acquired assets in the name of the bank, as well as those incurred in their preservation/maintenance.
 - (u) **Other Expenses** - This refers to the items which cannot be appropriately classified under any of the foregoing expense accounts.
17. **Depreciation/Amortization** – This refers to the monthly/periodic depreciation of bank premises, furniture, fixture and equipment and ROPA accounts and the amortization of other intangible assets.

18. **Impairment Loss** – This refers to impairment loss incurred on the following assets:
- (a) Investment in Subsidiaries, Associates and Joint Ventures
 - (b) Bank Premises, Furniture, Fixture and equipment
 - (c) ROPA
 - (d) NCAHS
 - (e) Goodwill
 - (f) Other Intangible Assets
 - (g) Other Assets
19. **Provisions** – This refers to the bank's provisions other than for pensions and other post retirement benefit obligations.
20. **Provision for Credit Losses on Loans and Receivables and Other Financial Assets** – This refers to the impairment loss on loans and receivables and other financial assets, which shall be debited to set up the allowance for losses on the said financial assets.
21. **Bad Debts Written Off** - This refers to loans, advances and other accounts which management has finally determined to be worthless/uncollectible and written-off from the books in accordance with generally accepted procedures and existing rules and regulations.
22. **Recovery on Charged-Off Assets** - This refers to the collections of accounts or recovery from impairment of items previously written-off/provided with allowance for credit losses.
23. **Share in the Profit/(Loss) of Unconsolidated Subsidiaries** - This refers to the share of the bank in the profit/(loss) of the unconsolidated subsidiary under the equity method of accounting.
24. **Share in the Profit/(Loss) of Associates** - This refers to the share of the bank in the profit/(loss) of the associate under the equity method of accounting.
25. **Share in the Profit/(Loss) of Joint Ventures** - This refers to the share of the bank in the profit/(loss) of the joint venture under the equity method of accounting.
26. **Income Tax Expense** – This refers to the monthly provision for income tax
27. **Minority Interest in the Profit/(Loss) of Subsidiaries** - This refers to the portion of profit/(loss) of a subsidiary attributable to equity interests that are not owned, directly or indirectly through subsidiaries, by the parent in line by line consolidation of financial statements.

CONTINGENT ACCOUNTS

1. **Guarantees Issued** - This refers to the guarantees issued by the bank to creditors as allowed under existing rules and regulations whereby it guarantees third-party obligations by signing as guarantor in the contract/agreement; that is, the bank agrees to assume the liability/obligations of third parties in case of their inability to pay.
2. **Financial Standby Letters of Credit (LCs) Outstanding** - This refers to the unutilized balances of LCs issued in favor of beneficiaries which do not involve movement of goods. The LC issued in accordance with existing rules and regulation, is established usually as guarantee for the payment of cash loans obtained by the client.
 - (a) **Domestic** - This refers to the unutilized balances of financial standby LCs issued in favor of local beneficiaries.
 - (b) **Foreign** - This refers to the unutilized balances of financial standby LCs issued in favor of foreign beneficiaries.
3. **Performance Standby Letters of Credit (LCs) Outstanding** - This refers to the unutilized balances of LCs issued in favor of beneficiaries which do not involve movement of goods. The LC, issued in accordance with existing rules and regulation, is established usually as guarantee that a business transaction will be performed.
 - (a) **Domestic** - This refers to the unutilized balances of performance standby LCs issued in favor of local beneficiaries.
 - (b) **Foreign** - This refers to the unutilized balances of performance standby LCs issued in favor of foreign beneficiaries.
4. **Commercial Letters of Credit (LCs) Outstanding** – This refers to the unutilized balances of LCs issued in favor of local beneficiaries arising from domestic movement of goods and/or services or in favor of foreign beneficiaries for the importation of goods and/or payment of services abroad.
 - (a) **Sight Letters of Credit (LCs) Outstanding** - This refers to commercial LCs drawable by sight drafts.
 - (i) **Domestic** - This refers to the unutilized balances of sight LCs issued in favor of local beneficiaries.
 - (ii) **Foreign** - This refers to the unutilized balances of sight LCs issued in favor of foreign beneficiaries.
 - (b) **Usance Letters of Credit (LCs) Outstanding** - This refers to commercial LCs drawable by usance or term drafts.
 - (i) **Domestic** - This refers to the unutilized balances of usance LCs issued in favor of local beneficiaries.
 - (ii) **Foreign** - This refers to the unutilized balances of usance LCs issued in favor of foreign beneficiaries.
 - (c) **Deferred Letters of Credit (LCs) Outstanding** - This refers to commercial LCs, which provide for drawings on installment basis, spread over a specified period of time interval, usually over one year. This credit is usually established in substantial amounts which necessitate periodic installment payments.

- (i) **Domestic** - This refers to the unutilized balances of deferred LCs issued in favor of local beneficiaries.
- (ii) **Foreign** - This refers to the unutilized balances of deferred LCs issued in favor of foreign beneficiaries.
- (d) **Revolving Letters of Credit (LCs) Outstanding** - This refers to the cumulative or non-cumulative commercial LCs, which are automatically re-instated within a fixed determinable period of time.
 - (i) **Domestic** - This refers to the unutilized balances of revolving LCs issued in favor of local beneficiaries.
 - (ii) **Foreign** - This refers to the unutilized balances of revolving LCs issued in favor of foreign beneficiaries.

5. Trade Related Guarantees

- (a) **Export Letters of Credit Confirmed** - This refers to the unutilized balances of the letters of credit opened by foreign importers in favor of local exporters which are received from foreign correspondent banks and confirmed by the bank.
- (b) **Shipside Bond/Airway Bills** - This refers to the guarantees issued by the bank to the shipping/airline companies/Bureau of Post for the amount of importations/parcel post released to the importers under shipside/guaranty bond. The account shall be recorded at the original foreign currency amount of the shipment and shall be reversed upon surrender to the bank of the shipside bonds duly cancelled.

6. Commitments

- (a) **Underwritten Accounts Unsold** - This refers to the total guaranteed selling value of unsold securities under an ongoing underwriting agreement.
- (b) **Committed Credit Lines for Commercial Papers Issued** - This refers to the commitments under committed credit line agreements entered into by the bank with any corporation proposing to issue commercial paper pursuant to existing BSP and Securities and Exchange Commission rules and regulations.
- (c) **Credit Card Lines** - This refers to the unused portions of all commitments to extend credit both to individuals for household, family, and other personal expenditures and to commercial or industrial enterprises through credit cards. Banks may report unused credit card lines as of the end of their customers' last monthly billing cycle prior to the report date or as of the report date.
- (d) **Others** - This refers to all other types of off-balance sheet commitments of the bank that does not fall under any of the specified items.

7. Spot Foreign Exchange Contracts

- (a) **Bought** - This refers to the amount of spot foreign exchange contracts committing the bank to purchase a foreign currency against Philippine currency for delivery within two (2) business days at the prevailing cash market rate.

- (b) **Sold** - This refers to the amount of spot foreign exchange contracts committing the bank to sell a foreign currency against Philippine currency for delivery within two (2) business days at the prevailing cash market rate.
- 8. **Derivatives** – This refers to the notional amount of derivatives contracts of the bank. Refer to Manual of Accounts-Asset Accounts Item 5.b.
- 9. **Others**
 - (a) **Late Deposit/Payment Received** - This refers to the non-cash deposits received after the selected clearing cut-off time which are not booked as deposits for the day as allowed under existing rules and regulations and non-cash payments received after the selected clearing cut-off time for purposes other than as deposits which shall be validated/reversed the following banking day or shall be lodged in their appropriate asset/liability accounts.
 - (b) **Inward Bills for Collection** - This refers to the amount of (i) domestic bills, drafts or checks received for collection locally or (ii) foreign bills, drafts or checks received from foreign correspondents for collection from drawee(s).
 - (c) **Outward Bills for Collection** - This refers to the amount of (i) local bills, drafts or checks received for collection from out-of-town drawee banks or (ii) foreign bills, drafts or checks received from customers for collection from foreign correspondent banks.
 - (d) **Traveler's Check Unsold** - This refers to the total face amount of unsold travelers' checks received on consignment basis.
 - (e) **Securities Held under Custodianship by Bank Proper** – This refers to all securities held under custodianship agreement by the Bank Proper as provided under Circular No.524 dated 31 March 2006.
 - (i) **PERA Securities Held Under Custodianship by Bank Proper** – This refers to securities held under PERA Custody agreement by the Bank Proper under the PERA Act of 2008.
 - (f) **Items Held for Safekeeping/Custody** - This refers to the total nominal amount (P1.00 per item) of items held for safekeeping or custody which are not administered by the Trust Department
 - (g) **Items Held as Collateral** - This refers to the total nominal amount (P1.00 per item) of the items held as collateral for loans and other credits granted such as certificates of deposit, passbooks, certificates of title, bank acceptances, stock certificates and sugar quedans. A register shall be maintained for this account.
 - (h) **Deficiency Claims Receivable** - This refers to the amount of probable claims against borrowers/debtors arising from the foreclosure of mortgaged properties.
 - (i) **Trust Department Accounts** - This refers to the total accountabilities of the bank from its trust operations.
 - (i) **Securities Held Under Custodianship by Trust Department** – This refers to all securities held under custodianship agreement by the Bank's Trust Department as provided under Circular No.524 dated 31 March 2006.

- (i.a) **PERA Securities Held Under Custodianship by Trust Department** – This refers to securities held under PERA Custody agreement by the Bank's Trust Department under the PERA Act of 2008.
- a. **PERA Assets Administered by Trust Department** – This refers to all assets held by Bank's Trust Department as PERA Administrator under the PERA Act of 2008.
- (j) **PERA Assets Administered by Bank Proper** – This refers to all assets held by Bank Proper as PERA Administrator under the PERA Act of 2008.
- (k) **Broker Customer Securities Account** – This refers to the customer securities representing the market value of securities held in accordance with securities brokering agreements such as securities held as margin and/or prior to the settlement of customer trade
- (l) **Other Contingent Accounts** - This refers to the items which cannot be appropriately classified under any of the foregoing contingent accounts.

LINE ITEM INSTRUCTIONS

Schedule 1 - Cash and Other Cash Items (COCI)

Report the total amount of COCI classified according to the drawee institution (i.e, Government - Philippine Postal Corporation, BSP, banks).

Additional Information

Due from Philippine Clearing House Corporation (PCHC) - This refers to the total amount of COCIs received by authorized PCHC couriers for delivery to the Philippine Clearing House Corporation for settlement.

Cash Segregated for Customer Brokering Services – This refers to amount received from customer which shall be used exclusively for the settlement of securities brokering transactions.

Schedule 2 - Due from Other Banks

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

Additional Information

(1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)

Report the balances of demand, savings and NOW deposits maintained with other banks in the earliest time bucket - *Short Term (one year or less)*.

(2) **Special Reserve Bank Account for Securities Brokers** – Report the amount of deposits maintained in another bank for the exclusive benefit of the customers in accordance with the provisions of Rule No. 49.2 of the Securities Regulation Code (SRC) on customer protection, in case of banks and their financial allied subsidiaries that are duly registered by the SEC to act as securities brokers.

Schedule 3 - Financial Assets Held for Trading

Report the *fair value* of securities held for trading classified as to the issuer of the securities.

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

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

Additional Information**On Debt Securities**

Report the *fair value* of the securities held for trading classified as to issuer of the securities.

- (1) **Data on Utilization of Debt Securities**, which shall be reported only for solo reports
 - (a) **Reserve and Liquidity Floor Requirement** – This refers to debt securities eligible as reserves against deposit and deposit substitute liabilities.
 - (b) **Alternative Compliance Agri-Agra** – This refers to debt securities that are allowed as alternative compliance with the agrarian reform and agricultural credit as provided under Subsection X341.5 of the MORB.
 - (c) **Special Reserve Bank Account** – Securities Held for the Exclusive Benefit of Customers – This refers to the net carrying amount of qualified securities held under a custody account with a BSP-authorized securities custodian, in accordance with the provisions of Rule no. 49.2 of the SRC on customer protection, in the case of banks and their financial allied subsidiaries that are duly registered by the SEC to act as securities brokers.
- (2) **Debt Securities Issued by LGUs to the extent guaranteed by the LGUGC** – This refers to debt securities issued by LGUs to the extent guaranteed by the Local Government Unit Guarantee Corporation (LGUGC).
- (3) **Debt Securities Issued by GOCCs to the extent guaranteed by the National Government** – This refers to debt securities issued by GOCCs to the extent guaranteed by the National Government.
- (4) **Dollar Linked Peso Notes (DLPNs)** – This refers to debt securities, which are direct and unconditional obligations of the National Government and are issued by the Bureau of Treasury (BTr). Payments of interest and principal on these notes are linked to the movement of the Philippine Peso and US Dollar exchange rate and computed based on the foreign exchange factor.
- (5) **Structured Notes**
 - (a) **Credit-Linked Notes (CLNs) (Circular No. 417 dated 28 January 2004)** – This refers to a pre-funded credit derivative instrument under which the note holder effectively accepts the transfer of credit risk pertaining to a reference asset or basket of assets issued by a reference entity/ies. The repayment of the principal to the note holder is contingent upon the occurrence of a defined credit event. In consideration, the note holder receives an economic return reflecting the underlying credit risk of the reference asset/s.
 - (b) **Securitization Structures (Circular No.468 dated 12 January 2005)** – This refers to the:
 - (1) structures where the cash flow from an underlying pool of exposures is used to service at least two different stratified risk positions or tranches reflecting different degrees of credit risk (also known as traditional securitization); or

- (2) structures with at least two different stratified risk positions or tranches that reflect different degrees of credit risk, where credit risk of an underlying pool of exposures is transferred, in whole or in part, through the use of credit derivatives or guarantees that serve to hedge the credit risk of the portfolio (also known as synthetic securitization).

(c) **Others**

- (i) **Simple (Circular No. 466 dated 5 January 2005)** – This refers to the foreign currency-denominated structured products issued by banks and special purpose vehicles (SPVs) of high credit quality, with features as provided under Circular No. 466.
- (ii) **Others** – This refers to other structured products not falling under any of the foregoing classifications.

(6) **Retained Interest in Securitized Assets**

- (a) **Interest Only (I-O) Strip Receivable** – This refers to the contractual right to receive some or all of the interests due on transferred assets.
- (b) **Subordinated Retained Interest** – This refers to other subordinated retained interest on securitized assets.
- (7) **Quoted Loans and Receivables** – This refers to loans and receivables that are quoted in an active market. For prudential reporting purposes, a loan that becomes tradable or has been traded in an active market shall be reclassified as a debt security instrument.
- (8) **Redeemable Preferred Shares** – This refers to redeemable preferred shares that are accounted for as debt securities in the books of both the issuer and the investor.

On Equity Securities

- (1) **Equity Securities Acquired in Settlement of Loans** – This refers to equity securities acquired in settlement of loans.

Schedule 3a – Breakdown of Held for Trading (HFT) Financial Assets Purchased/Sold/Lent Under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreements

Report the *fair value* of HFT debt securities that are held by the reporting bank and/or transferred from the reporting bank (transferor) to another entity (transferee) as collateral for loans, as follows:

- (1) **Securities Purchased** – This refers to the *fair value* of securities purchased, which are not transferred to another entity under Repurchase Agreements, Certificates of Assignment/Participation with Recourse or Securities Lending and Borrowing Agreement.
- (2) **Repurchase Agreements (RA)** – This refers to agreements involving the sale for cash or securities at a specified price with a commitment to repurchase the same or similar securities at a fixed price either on a specified future date or with an open maturity. Repo transactions are accounted for as **collateralized borrowings**. In this case, the transferred securities are not derecognized from

the books of the transferor, which shall remain under the same classification they had before the transaction, in this case HFT.

- (a) **Securities Sold Under RA with BSP** – This refers to the fair value of securities sold under RA agreements wherein the transferee (buyer of securities) is the BSP.
- (b) **Securities Sold Under RA** – This refers to the fair value of securities sold under RA agreements wherein the transferee (buyer of securities) is another institution other than BSP.
- (3) **Certificates of Assignment/Participation with Recourse (CA/PR)**– This refers to the fair value of securities sold under CA/PR.
- (4) **Securities Lent Under Securities Lending Agreements (SLB)** – This refers to transactions that has a similar arrangement to a repo except that this is a “security driven” agreement typically initiated by financial institutions that need specific securities to cover a short sale or a customer’s failure to deliver securities sold. The transferee of securities is generally required to provide “collateral” to the transferor of securities, commonly cash but sometimes other securities, standby letters of credit or a combination thereof.

Schedule 4 – Derivatives Held for Trading (HFT)

Notional Amount – Report in this column, the total notional amount or par value of the derivatives contracts indicated in the schedule. Notional amounts of bought and sold contracts, unless otherwise indicated, shall be added in reporting the total notional amount for each type of derivative contract.

In transactions where foreign currencies are bought or sold against the Philippine currency, report only the side of the transaction involving foreign currency.

In transactions involving two foreign currencies, i.e., purchase of one foreign currency versus the sale of another foreign currency, e.g., buy USD/sell JPY, the transaction is treated as two separate foreign exchange contracts against Philippine currency.

Positive Fair Value – Report in this column the positive fair value of derivative contracts indicated in the schedule.

Negative Fair Value - Report in this column the negative fair value of derivative contracts indicated in the schedule.

Stand-alone Derivatives – Report in the appropriate columns the notional amount and positive/negative fair value of stand alone derivatives.

Embedded Derivatives – Report in the appropriate columns the notional amount and positive/negative fair value of embedded derivatives that are **separated** from the hybrid contracts in accordance with the provisions of PAS 39. The notional amount of embedded derivatives refers to the notional amount of the combined (hybrid) contract. In case that there are multiple embedded derivatives that are required to be separated from one hybrid contract, the notional amount of the hybrid contract shall be reported for each type of bifurcated derivatives.

The terms in this schedule are defined as follows:

Derivative – This refers to a financial instrument or other contract with all of the following characteristics:

- (1) its value changes in response to the change in a specified interest rate, financial instrument price, commodity price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract (sometimes called the underlying);
- (2) it requires no initial net investment or an initial net investment that is smaller than would be required for other types of contracts that would be expected to have a similar response to changes in market factors; and
- (3) it is settled at a future date.

The most common types of stand-alone derivatives contracts are forwards, futures, swaps and options defined as follows:

- (1) **Forward contracts** – This refers to agreements that obligate two parties to purchase (long) and sell (short) a specific financial instrument, foreign currency or commodity at a specified price with delivery and settlement at a specified future date.
- (2) **Swap contracts** - This refers to forward-based contracts in which two parties agree to swap streams of payments over a specified period. The payment are based on an agreed upon notional principal amount.
- (3) **Futures contracts** – This refers to standardized forward contracts that are traded on organized changes.
- (4) **Option contracts** – This refers to contracts that grant the right but do not obligate, the purchaser (holder) to buy (call) or sell (put) a specific or standard commodity, financial instrument at a specified price during a specified period or at a specified date. A **purchased option** is a contract in which the buyer has paid compensation (such as a fee or premium) to acquire the right to purchase or sell an instrument at a stated price on a specified future date. A **written option** obligates the option seller to purchase or sell the instrument at the option of the buyer of the contract.

Embedded Derivatives – This refers to a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to stand-alone derivative. An embedded derivative causes some or all of the cash flows that otherwise would be required by the contract to be modified according to a specified interest rate, financial instrument price, foreign exchange rate, index of prices or rates, credit rating or credit index, or other variable, provided in the case of a non-financial variable that the variable is not specific to a party to the contract. A derivative that is attached to a financial instrument but is contractually transferable independently of that instrument, or has a different counterparty from that instrument, is not an embedded derivative, but a separate financial instrument.

Schedules 4a - Matrix of Counterparty and Type of Derivative Contracts

Report the fair value of derivatives held for trading in the appropriate line item of the schedule. This schedule is a matrix of the following:

- (1) **Counterparty** – This refers to the counterparty of the reporting bank in derivative contracts transactions; and
- (2) **Type of Derivative Contracts** – This refers to the type of derivative contracts, i.e., forward, swaps, options, futures and credit derivatives.

Schedule 5 – Financial Assets Designated at Fair Value through Profit or Loss (DFVPL)

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

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

Additional Information

Report the *fair value* of the securities referred to in the additional information section as defined under the line item instructions for Schedule 3.

On Debt Securities

Item Nos. 1 to 8 of the additional information section on debt securities are defined under the line item instructions in Schedules 3, except for Guarantee for Trust Duties, which shall be defined as follows:

Guarantee for Trust Duties – This refers to debt securities deposited by the bank at BSP, eligible as security for the faithful performance of its trust and other fiduciary duties in compliance with Subsection X405.1 of the Manual of Regulations for Banks (MORB).

Item Nos. 9 to 11 are defined as follows:

- (9) A. **Readily Marketable** – This refers to readily marketable debt securities used for purposes of FCDU liquidity and asset cover.
- B. **Not Readily Marketable** - This refers to readily marketable debt securities not considered as readily marketable for purposes of FCDU liquidity and asset cover.

- (11) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)

On Equity Securities

Item 1 of the additional information section on equity securities is defined under the line item instruction in Schedule 3.

Schedule 6 – Available for Sale (AFS) Financial Assets

AFS debt and equity securities shall be classified according to the issuer of securities.

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

Amortized Cost – Report in this column the amortized cost or cost of the AFS debt and equity securities, respectively.

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

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

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

Additional Information

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

On Debt Securities

Item Nos. 1 to 9 and 11 of the additional information section on debt securities are defined under the line item instructions in Schedules 3 and 5. Item Nos. 10 and 12 are defined as follows:

- (10) **Hedged Items** – This refers to debt securities that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged.
- (12) **Underwritten Debt Securities** – This refers to debt securities purchased, which have remained unsold/locked-in from underwriting ventures on a firm basis. Debt securities outstanding for more than ninety (90) calendar days from the date of issue shall be reclassified according to intention in accordance with PAS 39.³

On Equity Securities

Item 1 of the additional information section on equity securities is defined under the line item instruction in Schedule 3.

- (2) **Hedged Items** - This refers to the equity securities that (a) exposes the entity to risk of changes in fair value or future cash flows and (b) is designated as being hedged.
- (3) **Underwritten Equity Securities** - This refers to equity securities purchased, which have remained unsold/locked-in from underwriting ventures on a firm basis. Equity securities outstanding for more than ninety (90) calendar days from the date of issue shall be reclassified according to intention in accordance with PAS 39 or PAS 27/28/PAS 31, as the case may be.³

Schedule 6a – Breakdown of Available for Sale (AFS) Financial Assets Purchased/Sold/Lent Under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreements

³ Amended per Circular No. 784 dated 25 January 2013

Report the *fair value* of AFS debt securities that are held by the reporting bank and/or transferred from the reporting bank (transferor) to another entity (transferee) as collateral for loans as defined under Line Item Instructions for Schedule 3a.

Schedules 6b (Total Amount), 6b1 (Peso Accounts), 6b2 (Foreign Regular), 6b3 (FCDU/EFCDU) and 6b4 (Foreign Offices)- Available for Sale (AFS) Financial Assets – Classified as to Status

Report the *fair value* of AFS debt securities classified as to the status of the accounts in the appropriate column as follows:

- (1) **Carrying amount of unimpaired assets before allowance for credit losses –**
This refers to the carrying amount of the financial asset before allowance for credit losses.
- (2) **Carrying amount of past due assets before allowance for credit losses –**
This refers to the carrying amount of past due *but not impaired* financial assets before allowance for credit losses classified as to age, as follows:
 - (a) past due for not more than 30 days (≤ 30 Days);
 - (b) past due for more than 30 days but not more than 90 days (> 30 Days ≤ 90 days);
 - (c) past due for more than 90 days but not more than 180 days (> 90 Days ≤ 180 days);
 - (d) past due for more than 180 days but not more than 1 year (> 180 Days ≤ 1 year); and
 - (e) past due for more than 1 year (> 1 year).
- (3) **Carrying amount of the impaired assets before allowance for credit losses –**
This refers to the carrying amount of impaired financial assets as defined under Circular No. 476 dated 16 February 2005, before allowance for credit losses.

The schedule likewise requires the following information:

- (4) **Specific allowances for individually assessed financial assets –** This refers to the allowance for credit losses provided on individually assessed financial assets.
- (5) **Specific allowances for collectively assessed financial assets –** This refers to the allowance for credit losses provided on collectively assessed financial assets. Collective assessment of impairment of financial assets is done when no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not. In this regard, the bank shall include the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment.
- (6) **Collateral and other credit enhancements received as security for the related impaired and past due assets (Annually) –** This refers to the amount of credit enhancement that was incorporated in the calculation of the estimated future cash flows of a collateralized financial asset.

Schedules 6c (Total Amount), 6c1 (Peso Accounts), 6c2 (Foreign Regular), 6c3 (FCDU/EFCDU) and 6c4 (Foreign Offices) – Available for Sale Securities – Movements in Allowances for Credit Losses (For Annual Submission)

Report the movement in the allowances for credit losses whether specific allowances for individually assessed financial assets or specific allowances for collectively assessed financial assets. This schedule shall be comprised of the following components:

(1) Opening balance of the allowance for credit losses
 Less: (2) Write-offs taken against the allowance
 Add: (3) Amounts set aside for estimated probable credit losses
 Less: (4) Amounts reversed for estimated probable credit losses
 Less/Add: (5) Other adjustments

Further, report the (1) recoveries directly recognized in profit or loss and (2) charge-offs directly recognized in profit or loss on financial assets that are not adjusted through the allowances for credit losses accounts.

Schedule 7 – Held to Maturity (HTM) Financial Assets

HTM debt securities shall be classified according to the issuer of securities.

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

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

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

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

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

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

Additional Information

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

Item Nos. 1 to 11 of the additional information section are defined under the line item instructions in Schedules 3, 5 and 6.

Schedule 7a – Breakdown of Held to Maturity (HTM) Financial Assets Purchased/Sold/Lent Under Repurchase Agreements, Certificates of Assignment/Participation with Recourse, Securities Lending and Borrowing Agreements

Report the *amortized cost (adjusted for fair value changes for hedged items)* of HTM debt securities that are held by the reporting bank and/or transferred from the reporting bank (transferor) to another entity as collateral for loans (transferee) as defined under Line Item Instructions for Schedule 3a.

**Schedule 7b – Fair Value of Held to Maturity (HTM) Financial Assets
(For Annual Submission)**

Report the *fair value* of HTM debt securities classified according to the issuer of securities.

Schedules 7c (Total Amount), 7c1 (Peso Accounts), 7c2 (Foreign Regular), 7c3 (FCDU/EFCDU) and 7c4 (Foreign Offices) – Held to Maturity Securities – Classified as to Status

Report the *amortized cost (adjusted for fair value changes for hedged items)* of HTM debt securities classified as to the status of the accounts in the appropriate columns as defined under the line item instructions for Schedules 6b, 6b1, 6b2, 6b3 and 6b4.

**Schedules 7d (Total Amount), 7d1 (Peso Accounts), 7d2 (Foreign Regular), 7d3 (FCDU/EFCDU) and 7d4 (Foreign Offices) – Held to Maturity Securities – Movements in Allowances for Credit Losses
(For Annual Submission)**

Report the movement in the allowances for credit losses whether specific allowances for individually assessed financial assets or specific allowances for collectively assessed financial assets. This schedule shall be comprised of the components under the line item instructions for Schedules 6c1, 6c2, 6c3 and 6c4.

Schedule 8 Unquoted Debt Securities Classified as Loans

Unquoted Debt Securities Classified as Loans shall be classified according to the issuer of securities.

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

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

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

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

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

Additional Information

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

Item Nos. 1 to 11 of the additional information section are defined under the line item instructions in Schedules 3, 5 and 6.

**Schedule 8a – Fair Value of Unquoted Debt Securities Classified as Loans
(For Annual Submission)**

Report the *fair value* of Unquoted Debt Securities Classified as Loans classified according to the issuer of securities.

Schedules 8b (Total Amount), 8b1 (Peso Accounts), 8b2 (Foreign Regular), and 8b3 (FCDU/EFCDU) and 8b4 (Foreign Offices) – Unquoted Debt Securities Classified as Loans – Classified as to Status

Report the *amortized cost (adjusted for fair value changes for hedged items)* of Unquoted Debt Securities Classified as Loans classified as to the status of the accounts in the appropriate column as defined under the line item instructions for Schedules 6b, 6b1, 6b2, 6b3 and 6b4.

**Schedules 8c (Total Amount), 8c1 (Peso Accounts), 8c2 (Foreign Regular), 8c3 (FCDU/EFCDU) and 8c4 (Foreign Offices) – Unquoted Debt Securities Classified as Loans – Movements in Allowances for Credit Losses
(For Annual Submission)**

Report the movement in the allowances for credit losses whether specific allowances for individually assessed financial assets or specific allowances for collectively assessed financial assets. This schedule shall be comprised of the components under the line item instructions for Schedules 6c, 6c1, 6c2, 6c3 and 6c4.

Schedule 9 –Investment in Non-Marketable Equity Securities (INMES)

INMES shall be classified according to the issuer of securities.

Cost – Report in this column the cost of INMES.

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

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

Schedule 10 – Interbank Loans Receivable

(1) **Interbank Call Loans Receivable** – Report the cost of Interbank Call Loans Receivable classified according to the counterparty of the reporting bank.

(2) **Interbank Term Loans Receivable** - Report the amortized cost of Interbank Term Loans Receivable classified according to the counterparty of the reporting bank.

Allowance for Credit Losses – Report in this column the allowance for credit losses, which shall be the higher of the PFRS/PAS provisioning requirements and the BSP minimum recommended valuation reserves.

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

Additional Information

Report in the appropriate column the cost or *amortized cost*, *specific allowance for credit losses*, and *net carrying amount* of the Interbank Call Loans and Interbank Term Loans, respectively corresponding to the following line items:

- (1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)
- (2) **Geographic Regions of Non-Resident Counterparties** – (Refer to Structure of the FRP Item 3.b)
- (3) **Classified as to Status**
 - (a) Current
 - (b) Past Due
 - (c) Gross Non-Performing Loans
 - (1) Non-Performing, net of ITL
 - (2) Items in Litigation

Non-Performing Loans shall refer to gross non-performing loans as defined under Subsection X306.2 of the MORB.

Schedule 11 – Loans and Receivables – Others (Net Carrying Amount)

Report the net carrying amount of loans (cost less loan discount less other deferred credits less specific allowance for credit losses) including restructured loans classified primarily based on the reporting bank's compliance with existing regulations, i.e., Agri-Agra, Microfinance and SME Loans. Loans used to comply for both SME and Agri-Agra requirements shall be classified under SME and such amount shall be disclosed under the line item a/ (superscript). Loans not falling under the compliance requirements shall be classified according to the reporting bank's counterparties, i.e., government, contracts to sell (developers), private corporations or individuals.

Loans reported in the "Foreign Regular" column shall be limited to trade-related transactions e.g. Export Bills Purchased, Bills Purchased – Documentary.

Additional Information

Report the *net carrying amount* (amortized cost less specific allowance for credit losses) of loans that would fall under the following line items:

- (1) **Loans to LGUs to the extent guaranteed by LGUGC**- This refers to the loans granted to Local Government Units to the extent guaranteed by the Local Government Unit Guarantee Corporation.
- (2) **Loans to GOCCs to the extent guaranteed by the National Government** - This refers to the loans granted to Government Owned or Controlled Corporations to the extent guaranteed by the National Government.
- (3) **Loans to the extent covered by hold-out on, or assignment of deposits/deposit substitutes** – This refers to the loans granted to the extent covered by hold-out on, or assignment of deposit/deposit substitutes.
- (4) **Loans or acceptances under letters of credit to the extent covered by margin deposits** – This refers to the loans granted under letters of credit to the extent covered by margin deposits.

- (5) **Loans to the extent guaranteed by IGLF** – This refers to the loans granted to the extent guaranteed by Industrial Guarantee and Loan Fund.
- (6) **Loans to the extent guaranteed by TIDCORP** – This refers to the loans granted to the extent guaranteed by Trade and Investment Development Corporation of the Philippines.
 - (a) **Maturing within 1 year** - This refers to the loans granted to the extent guaranteed by TIDCORP maturing within one year.
 - (b) **Maturing beyond 1 year** - This refers to the loans granted to the extent guaranteed by TIDCORP maturing beyond one year.
- (7) **Loans to the extent guaranteed by SBC** - This refers to the loans granted to the extent guaranteed by Small Business Corporation.
 - (a) **Maturing within 1 year** - This refers to the loans granted to the extent guaranteed by SBC maturing within one year.
 - (b) **Maturing beyond 1 year** - This refers to the loans granted to the extent guaranteed by SBC maturing beyond one year.
- (8) **Real estate mortgage loans to the extent guaranteed by the HGC** - This refers to the real estate mortgage loans granted to the extent guaranteed by the Home Guarantee Corporation.
- (9) **Bills Purchased**
 - (a) **Export Bills Purchased** - This refers to drafts or bills of exchange originating from export transactions involving commodities or services drawn on foreign banks/buyers. Upon receipt of the confirming advice of payment from the foreign correspondent bank, this account shall be credited and the account of the said foreign correspondent bank "Due from Other Banks – Non-resident" shall be debited accordingly. (Foreign Regular and FCDU)
 - (b) **Bills Purchased – Documentary** – This refers to domestic/import bills purchased covering purchase/importation without letters of credit, which are received for collection and are subsequently purchased by the bank for the account of the buyer/importer. (Peso Account and Foreign Regular)
 - (c) **Bills Purchased – Clean** – This refers to clean bill purchased. (Peso Account and FCDU)
 - (i) **Local currency** – This refers to local currency denominated clean bills purchased, e.g., local drafts and/or negotiable instruments which have been discounted with or purchased by the bank, and checks purchased by the bank covered by unexpired domestic bills purchased lines allowed under existing rules and regulations.
 - (ii) **Foreign currency** – This refers to foreign currency denominated clean bills purchased, e.g., checks, drafts, coupons, treasury warrants and other negotiable instruments.
- (10) **Customers' Liability on Bills/Drafts Under Letters of Credit (LCs) and/or Trust Receipts (TRs)**

- (a) **Import Bills** – This refers to bills/drafts drawn at sight under import LCs issued by the bank covering the value of imports and their related expenses, pending presentation for payment and/or acceptance by the importer. (Peso Account and Foreign Regular)
- (b) **Import Bills under TRs** – This refers to bills/drafts drawn at sight under import LCs, which have been accepted by importer prior to/upon release of the shipping documents under TRs. (Peso Account and Foreign Regular)
- (11) **Customer's Liability for this Bank's Acceptances Outstanding**– This refers to the accommodations given to domestic traders/importers in the form of acceptance credit arising from domestic/foreign trade which calls for time drafts payable within a specific number of days from the date of presentation by the beneficiaries. The account, therefore, reflects the traders'/importers' liabilities to the bank corresponding to the latter's liabilities to its local/foreign correspondent bank(s) concerned.
- (12) **Classified as to Original Term** – Report the amortized cost of loans and receivables – others classified as to original term in accordance with the structure of the FRP under item 3.a.
- (13) **Geographic Regions of Non-Resident Counterparties** – Report the amortized cost of loans and receivables – others classified as to geographic regions in accordance with the structure of the FRP under item 3.b

Disclosure of FCDU/EFCDU Loans and Receivables - Others for Purposes of Computing FCDU/EFCDU cover

Report the net carrying amount of Loans and Receivables – Others, for the following items:

1. Loans with Specific Approval by the BSP under Section 23 of Circular No. 1389, as amended.
2. Short-term Loans to Resident Private Sector Borrowers which under existing regulations requires no prior BSP approval and allowed to be serviced using foreign exchange purchased from the banking system under Section 24.4 of Circular No. 1389, as amended.
3. Loans to Resident Private Sector Borrowers to be serviced using Foreign Exchange Purchased from Outside the Banking System under Section 24.1 of Circular No. 1389, as amended.
4. Loans granted by EFCDU to Non-Resident pursuant to Section 24 of Circular No. 1389, as amended, to be serviced using Foreign Exchange Purchased from Outside the Banking System.

Schedules 11a (Total Amount), 11a1 (Peso Accounts), 11a2 (Foreign Regular), 11a3 (FCDU/EFCDU) and 11a4 (Foreign Offices) – Loans and Receivables-Others – Classified as to Status

Report the *amortized cost* of Loans and Receivables-Others including restructured loans classified according to the status of the account as follows:

- (1) Current
- (2) Past Due
- (3) Non-Performing, net of ITL

(4) Items in Litigation

Non-Performing Loans are defined under the line item instructions for Schedule 10.

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

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

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

Additional Information

Report the amortized cost of loan accounts corresponding to the following line items:

(1) **DOSRI** – This refers to the amortized cost (i.e. gross of allowance for credit losses) of loans granted to Directors, Officers, Stockholders and Related Interest.

(a) **Secured** – This refers to the loans granted to DOSRI that are secured by real estate mortgage (REM) and other collateral.

(i) **REM – Residential** – This refers to the loans granted to DOSRI that are secured by REM on residential properties.

(ii) **REM – Commercial** - This refers to the loans granted to DOSRI that are secured by REM on commercial properties.

(iii) **REM – Agricultural** - This refers to the loans granted to DOSRI that are secured by REM on agricultural properties.

(iv) **Non-risk Assets** - This refers to the loans granted to DOSRI that are secured by non-risk assets as defined under Subsection X330.1 of the MORB.

(v) **Other Collateral** - This refers to the loans granted to DOSRI that are secured by other collateral.

(b) **Unsecured** - This refers to the clean loans granted to DOSRI

(c) **Loans Granted under the Bank's Fringe Benefit Program** - This refers to loans granted to bank employees and officers under its fringe benefit program in accordance with existing regulations.

(2) **Non-DOSRI Loans** – This refers to the loans granted to non-DOSRI accounts.

(a) **Secured** – This refers to the loans granted to non-DOSRI accounts that are secured by real estate mortgage (REM) and other collateral.

(i) **REM – Residential** – This refers to the loans granted to non-DOSRI accounts that are secured by REM on residential properties.

(ii) **REM – Commercial** - This refers to the loans granted to non-DOSRI accounts that are secured by REM on commercial properties.

- (iii) **REM – Agricultural** - This refers to the loans granted to DOSRI that are secured by REM on agricultural properties.
- (iv) **Other Collateral** - This refers to the loans granted to non-DOSRI accounts that are secured by other collateral.
- (b) **Unsecured** - This refers to the clean loans granted to non-DOSRI accounts.
- (3) **Exposure to Real Estate Industry** (i.e., according to purpose)
 - (a) **Residential Real Estate Loans** –This refers to the residential real estate loans granted by the reporting bank.
 - (i) **Not Exceeding P3.5 million** - This refers to the real estate loans granted not exceeding P3.5 million.
 - (ii) **Exceeding P3.5 million** - This refers to the real estate loans granted exceeding P3.5 million.
 - (1) **Guaranteed Under National Shelter Program** - This refers to the real estate loans granted exceeding P3.5 million, which are guaranteed under the National Shelter Program.
 - (2) **Others** - This refers to the real estate loans granted exceeding P 3.5 million, which are not guaranteed under the National Shelter Program.
 - (b) **Commercial Real Estate Loans** – This refers to the commercial real estate loans granted by the reporting bank.
 - (c) **Agricultural** - This refers to the agricultural loans granted by the reporting bank.
- (4) **Bills Purchased** – (Refer to Line Item Instructions for Schedule 11)
- (5) **Customers’ Liability on Bills/Drafts Under LC/TR** - (Refer to Line Item Instructions for Schedule 11)
- (6) **Customer’s Liability for this Bank’s Acceptances Outstanding** - (Refer to Line Item Instructions for Schedule 11)
- (7) **Gross Non-Performing Loans** – This refers to gross non-performing loans as defined under Subsection X309.1 of the MORB and represents the total loans and receivables-others reported by the bank as “*Past Due and Already Non-Performing*” and “*Items in Litigation*”.
- (8) **Allowance for Credit Losses** – This refers to the specific loan loss provision of Loans and Receivables-Others, broken down as to the status of the related loan account.

Schedules 11b (Total Amount), 11b1 (Peso Accounts), 11b2 (Foreign Regular), 11b3 (FCDU/EFCDU) and 11b4 (Foreign Offices) – Restructured Loans and Receivables – Classified as to Status

Report the *amortized cost* of Restructured Loans and Receivables-Others net of *Capitalized Interest and Other Charges* classified according to the status of the account as follows:

- (1) Current
- (2) Past Due
- (3) Non-Performing, net of ITL
- (4) Items in Litigation

Non-Performing Loans are defined under the line item instructions for Schedule 10.

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

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

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

Schedules 11c (Total Amount), 11c1 (Peso Accounts), 11c2 (Foreign Regular), 11c3 (FCDU/EFCDU) and 11c4 (Foreign Offices) - Loans and Receivables-Others – Movements in Allowances for Credit Losses

Report the movement in the allowances for credit losses on loan accounts. This schedule shall be comprised of the components under the line item instructions for Schedules 6c, 6c1, 6c2, 6c3 and 6c4.

Schedules 11d (Total Amount), 11d1 (Peso Accounts), 11d2 (Foreign Regular), 11d3 (FCDU/EFCDU) and 11d4 (Foreign Offices) – Gross Loans and Receivables- Others – Classified as to Type of Business/Industry of Counterparty

Report the amortized cost (i.e. gross of allowance for credit losses) of Loans and Receivables - Others classified as to the type of business/industry of the counterparty based on the following categories provided under the 2009 Philippine Standard Industrial Classification (PSIC), as amended:

- (1) Agriculture, Forestry and Fishing
- (2) Mining and Quarrying
- (3) Manufacturing
- (4) Electricity, Gas, Steam and Air-Conditioning Supply
- (5) Water Supply, Sewerage, Waste Management and Remediation Activities
- (6) Construction
- (7) Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles
- (8) Accommodation and Food Service Activities
- (9) Transportation and Storage
- (10) Information and Communication
- (11) Financial and Insurance Activities
- (12) Real Estate Activities
- (13) Professional, Scientific, and Technical Activities
- (14) Administrative and Support Service Activities
- (15) Public Administration and Defense; Compulsory Social Security
- (16) Education
- (17) Human Health and Social Work Activities
- (18) Arts, Entertainment and Recreation
- (19) Other Service Activities
- (20) Activities of Households as Employers; Undifferentiated Goods- and Services- Producing Activities of Households for Own Use
- (21) Activities of Extra-Territorial Organizations and Bodies.

Report the loans in US\$ and the corresponding peso equivalent for Schedule 11d2, 11d3 and 11d4.

The following general guidelines shall be observed in slotting Loans and Receivables – Others to the appropriate business/industry classification:

- (1) Loans shall primarily be classified based on the reporting bank's compliance with existing regulations or counterparty as indicated in the line items (rows). These line item classifications shall be further sub-classified based on the type of business/industry engaged in by the counterparty (columns).

For example, a loan granted to a private non-financial corporation involved in the hotel and restaurant business for purposes of constructing a five-star hotel shall be reported under the *Accommodation and Food Service Activities* column.

On the other hand, a loan granted to a private non-financial corporation involved in the construction business for purposes of constructing a five-star hotel shall be reported under the *Construction* column.

- (2) Loans granted to the National Government and LGUs shall be reported under the *Public Administration and Defense; Compulsory Social Security* column except those intended for *Education, Health and Social Work*, which shall be slotted under the corresponding columns.
- (3) Loans granted to entities that are engaged in more than one type of business/industry shall be classified under the specific business/industry where the proceeds of the loan will be used.

For example, a private non-financial corporation has two divisions - one engaged in the production of hollow blocks/or prefabricated slabs and the other division engaged in construction of commercial condominiums. Loan granted for additional working capital for the production of hollow blocks shall be slotted under the *Manufacturing* column. On the other hand, loan granted for financing the construction of commercial condominiums shall be classified under the *Construction* category.

- (4) Loans classified under the line item "Loans to Individuals for Other Purposes" shall be evaluated whether the proceeds shall be used for production purposes or for household consumption. Loans that shall be used for production purposes shall be slotted under the column for the specific type of business/industry of the borrower, provided that, if the loan will be used for production of goods and services mainly for own consumption and not for sale in the market, the same shall be classified under *Activities of Households as Employers and Undifferentiated Goods- and -Services Producing Activities of Households for Own Use*.

On the other hand, loans that shall be used for household consumption purposes shall not be classified under any of the business/industry classification, but shall however, be extended to the total column.

For this purpose, production and household consumption shall be defined as follows:

Production – refers to an economic activity carried out by a business enterprise or other entities, which produce goods and/or services, either for

sale in the market, or to be provided free to other units or to be used for own consumption.

Household consumption – refers to the expenditures of individuals on goods and services for household needs. This covers purchases of food, education, household appliances and family cars, among others. However, this excludes expenditures on real estate or dwelling units which are considered as production activities.

- (5) Loans primarily classified as Loans to Individuals for Consumption Purposes and those granted to non-resident counterparties shall not be classified under any of the business/industry classification, but shall however, be extended to the total column.

Additional Information

Report under Items (1) to (4) the amortized cost (i.e. gross of allowance for credit losses) of Loans and Receivables – Others classified as to the following status:

- (1) Current
- (2) Past Due
- (3) Non-Performing, net of ITL
- (4) Items in Litigation

Report under Items (5) to (6) the amortized cost of Loans and Receivables-Others reported as real estate loans:

- (5) Real estate loans under Circular No. 600 – Report the amortized cost of Loans and Receivables-Others which are reported as real estate loans following the definition provided under Circular No. 600 dated 4 February 2008.⁵
- (6) Real estate exposures under Memorandum No. M-2012-046 – Report the amortized cost of Loans and Receivables-Others which form part of the bank's reported real estate exposures following the definition provided under Memorandum No. M-2012-046 dated 21 September 2012.

Non-Performing Loans are defined under the line item instructions for Schedule 10.

Schedules 11e (Total Amount), 11e1 (Peso Accounts), 11e2 (Foreign Regular), 11e3 (FCDU/EFCDU) and 11e4 (Foreign Offices) – Loans and Receivables- Others – Classified as to Status Per PAS 39 (For Annual Submission)

Report the *amortized cost* of Loans and Receivables - Others classified as to the status of the accounts in the appropriate column as defined under the line item instructions for Schedules 6b, 6b1, 6b2, 6b3 and 6b4. The impairment and allowance reported in this schedule is computed based on PAS 39 provisioning requirements.

Schedule 11f - Schedule of Agri-Agra, Microfinance and SME Loans and Receivables Classified as to Counterparty

Report the net carrying amount of Agri-Agra, Microfinance and SME Loans and Receivables reported under Schedule 11, classified according to the reporting bank's counterparty.

⁵ This shall correspond to Real Estate loans reported under item Nos. I.A and I.B1 of the Expanded Report on Real Estate Exposures of covered banks.

Schedule 11g – Real Estate Exposure⁶***Sub-schedule 1 – Real Estate Exposure⁶***

Report in the appropriate column the following required information:

I. Residential Real Estate Loans

- (a) **No. of Accounts** – Report the number of accounts of real estate loans extended.
- (b) **Outstanding Balance** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans extended.

Status of Accounts

Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans extended classified as to the following status:

- (c) **Current**
- (d) **Past Due**
- (e) **Non-Performing, net of ITL**
- (f) **Items in Litigation**

Non-Performing Loans are defined under the line item instructions for Schedule 10.

Collateral

Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans classified as to the following:

- (g) **Secured by REM** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans to the extent covered by REM on residential and commercial properties.
- (h) **Secured by Contracts to Sell (CTS)** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans to the extent covered by CTS
- (i) **Secured by Non-Risk Assets** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans to the extent covered by non-risk assets.
- (j) **Secured by Other Assets** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans to the extent covered by other assets
- (k) **Unsecured** – Report the amortized cost (i.e. gross of allowance for credit losses) of unsecured real estate loans extended.
- (l) **Guaranteed by Home Guarantee Corporation (HGC)** – Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans to the extent guaranteed by the HGC

⁶ Schedule 11g and its sub-schedules shall be deleted upon live implementation of the revised Expanded Report on Real Estate Exposures starting quarter-ending 30 June 2018.

- (m) **Allowance for Credit Losses** – Report the specific allowance for credit losses booked for the real estate loans extended.
- (n) **Net Carrying Amount** – Report the net carrying amount of real estate loans extended as the difference between Amortized Cost and Allowance for Credit Losses
- (o) **Fair Value of Collateral** – Report the fair value of the REM collateral on an annual basis.

II. Loans Secured by REM (Other than those reported under Item I)

Report in the appropriate column the following required information for loans secured by REM that are extended for purposes other than for real estate activities:

- (a) **No. of Accounts** – Report the number of accounts of loans extended that are secured by REM.
- (b) **Outstanding Balance** – Report the amortized cost (i.e. gross of allowance for credit losses) of loans extended that are secured by REM.

Status of Accounts

Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans extended secured by REM that are classified as follows:

- (c) **Current**
- (d) **Past Due**
- (e) **Non-Performing, net of ITL**
- (f) **Items in Litigation**

Non-Performing Loans are defined under the line item instructions for Schedule 10.

- (g) **Secured by REM**
- (h) **Allowance for Credit Losses** – Report the specific allowance for credit losses booked for loans extended that are secured by REM.
- (i) **Net Carrying Amount** – Report the net carrying amount of loans extended secured by REM as the difference between Amortized Cost and Allowance for Credit Losses
- (j) **Fair Value of Collateral** – Report the fair value of the REM collateral on annual basis.

Additional Information:

Public Infrastructure – This refers to loans extended for purposes of financing the construction of highways, streets, bridges, tunnels, railways and other infrastructure intended for public use.

III. Investment in Debt and Equity Securities Issued by Real Estate Companies (e.g. land developers and construction companies)

Report the names of real estate companies that issued debt and equity securities held by the bank. Further, report under the appropriate column the following information:

- (a) **Account Classification** – Report the account title where the securities are currently booked (e.g. Held for Trading, Available for Sale, etc.) per line item indicated.
- (b) **Acquisition Cost** – Report the acquisition cost of securities per line item indicated.
- (c) **Carrying Amount** – Report the gross carrying amount of securities per line item indicated.
- (d) **Allowance for Credit Losses** – Report the specific allowance for credit losses per line item indicated.
- (e) **Net carrying amount** – Report the net carrying amount of securities per line item indicated as the difference between Items (c) and (d).
- (f) **Past Due Accounts** – Report the total amount of past due accounts per line item indicated.
- (g) **Fair Value** – Report the fair value of the debt and equity securities of real estate companies held by the bank on an annual basis.

Sub-schedule 2 – Original Maturity and Earliest Repricing of Real Estate Exposure⁶

Report the amortized cost (i.e. gross of allowance for credit losses) of real estate loans under the appropriate columns for original maturity and earliest repricing reckoned from date of grant of loan.

Schedule 11h1 – Movements in Non-Performing Loans (NPLs)

Report the movements in NPLs during the quarter, i.e., from the end of the preceding quarter up to the end of the reporting quarter, corresponding to the following items:

- (1) **Opening Balance** – This corresponds to the amount of NPLs as of the end of the preceding quarter.
- (2) **Newly Reclassified to NPL** – This refers to loans which became nonperforming during the reporting quarter.
- (3) **Reasons for the Decline in NPLs** - This refers to the decrease in NPLs from the balance as of the end of the preceding quarter up to the end of the reporting quarter arising from the following transactions:
 - (a) **Collections/Payments** – This refer to NPLs collected from/paid by the borrower during the reporting quarter.
 - (b) **Write-Offs** – This refer to NPLs which management has finally determined to be worthless/uncollectible and written-off from the books in

accordance with generally accepted procedures and existing rules and regulations.

- (c) **Reclassification/Transfer to ROPA** – This refers to acquisition of real and other properties in settlement of NPLs through foreclosure or dation in payment.
 - (d) **Reclassification/Transfer to Performing Status** – This refers to NPLs restored to performing loan status in accordance with existing regulations, other than those which have been restructured.
 - (e) **Reclassification/Transfer to Restructured Loans Not Considered NPL** – This refers to NPLs which have been restructured and meet the criteria to be considered performing as of restructuring date, as prescribed under Subsection X322.1 of the MORB.
 - (f) **Sale to SPV and Other Entities** – This refers to disposition of NPLs through transfer/sale to special purpose vehicles (SPVs) and other entities.
- (4) **Other Adjustments** – This corresponds to adjustments/transactions affecting NPLs, other than those enumerated in Items “(2)” and “(3)” above.
- (5) **Closing Balance** – This corresponds to the amount of NPLs as of the end of the reporting quarter.

Non-performing loans shall refer to gross non-performing loans as defined under Subsection X306.2 of the MORB.

The balances and movements in the NPLs shall also be broken down as to type of loan account, as follows:

1. Loans and Receivables-Others, Residents, with corresponding economic activity (Refer to Line Item Instructions for Schedule 11D)
2. Loans and Receivables-Others, Non-Residents
3. Interbank Loans Receivables
4. Loans and Receivables Arising from Repurchase Agreements (RA), Certificates of Assignment/Participation with Recourse (CA/PR) and Securities Lending and Borrowing (SLB) Transactions.

Schedule 11h2 – Aging of Non-Performing Loans (NPLs)

Report the amount of NPLs, including non-performing restructured loans, according to the specified aging schedule reckoned from the latest date of reclassification of the loan account to non-performing status up to reporting date, as follows:

- (1) Less than or equal to 1 year
- (2) Greater than 1 year but less than or equal to 2 years
- (3) Greater than 2 years but less than or equal to 3 years
- (4) Greater than 3 years but less than or equal to 4 years
- (5) Greater than 4 years but less than or equal to 5 years
- (6) Greater than 5 years but less than or equal to 6 years
- (7) Greater than 6 years but less than or equal to 7 years
- (8) Greater than 7 years but less than or equal to 8 years

- (9) Greater than 8 years but less than or equal to 9 years
- (10) Greater than 9 years but less than or equal to 10 years
- (11) Greater than 10 years

Non-performing loans shall refer to gross non-performing loans as defined under Subsection X306.2 of the MORB.

The age of the NPL accounts from the latest date of NPL reclassification up to the reporting date shall also be broken down as to type of loan, as follows:

- 1. Loans and Receivables-Others, Residents, with corresponding economic activity (Refer to Line Item Instructions for Schedule 11D)
- 2. Loans and Receivables-Others, Non-Residents
- 3. Interbank Loans Receivables
- 4. Loans and Receivables Arising from Repurchase Agreements (RA), Certificates of Assignment/Participation with Recourse (CA/PR) and Securities Lending and Borrowing (SLB) Transactions.

Schedule 12 – Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions – By Counterparty

Report the *amortized cost* of loans and receivables arising from repurchase agreements, certificates of assignment/participation with recourse and securities lending and borrowing transactions.

Additional Information

Report the amortized cost of loans and receivables arising from repurchase agreements, certificates of assignment/participation with recourse and securities lending and borrowing transactions corresponding to the following line items:

- (1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)
- (2) **Geographic Regions of Non-Resident Counterparties** – (Refer to Structure of the FRP Item 3.b)
- (3) **Classified as to Status**
 - (a) **Current**
 - (b) **Past Due**
 - (c) **Gross Non-Performing Loans**
 - (1) **Non-Performing, net of ITL**
 - (2) **Items in Litigation**
- (4) **Allowance for Credit Losses** - This refers to the specific loan loss provision of Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions, broken down as to the status of the related loan account.

Non-Performing Loans are defined under the line item instructions for Schedule 10.

Schedules 12a (Total Amount), 12a1 (Peso Accounts), 12a2 (Foreign Regular), 12a3 (FCDU/EFCDU) and 12a4 (Foreign Offices) - Loans and Receivables Arising from Repurchase, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions – Matrix of Counterparty and Issuer of Collateral Securities

Report the amortized costs of loans and receivables arising from repurchase agreements, certificates of assignment/participation with recourse and securities lending and borrowing transactions. This schedule is a matrix of the following:

- (1) **Counterparty** – This refers to the counterparty of the reporting bank in a repurchase and securities lending and borrowing transactions, which shall be the party transferring the securities; and
- (2) **Issuer of Securities** – This refers to the issuer of the security that was transferred or serves as a collateral for the transaction.

Schedule 13 –Fair Value Adjustments in Hedge Accounting

Report the fair value changes (gains and losses) of the hedged items and hedging instruments for the different types of hedging relationships in the appropriate columns.

The terms in the line items requirements are defined as follows:

- (1) **Hedged item** – This refers to an asset, liability, firm commitment, highly probable forecast transaction or net investment in a foreign operation that (a) exposes the reporting bank to risk of changes in fair value or future cash flows and (b) is designated as being hedged.
- (2) **Hedging derivatives/instruments** – This refers to a designated derivative or (for a hedge of the risk of changes in foreign currency exchange rates only) a designated non-derivative financial asset or non-derivative financial liability whose fair value or cash flows are expected to offset changes in the fair value or cash flows of a designated hedged item.
- (3) **Fair value changes** – This refers to gain or loss from marking-to-market of a financial asset/liability.
- (4) **Ineffective portion** – This refers to the ineffective results of the hedge which should be within the range of 80 percent to 125 percent.

Schedule 13a – Derivatives Held for Fair Value Hedge**Schedule 13b – Derivatives Held for Cash Flow Hedge****Schedule 13c – Derivatives Held for Hedges of Net Investment in Foreign Operations****Schedule 13d – Derivatives –Held for Portfolio Hedge of Interest Rate Risk (Marked to Market Amount)**

Report the total notional amount or par value, positive and negative fair values of the derivatives contracts indicated in the schedule as defined under the line item instructions for Schedule 4.

Schedule 14 – Accrued Interest Income/Expense from Financial Assets/Liabilities

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

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

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

Schedule 15 – Equity Investment in Subsidiaries, Associates and Joint Ventures

Adjusted Cost – Report in this column the adjusted cost/carrying value of Investment in Subsidiaries, Associates and Joint Ventures.

Allowance for Credit Losses – Report in this column the Allowance for Credit Losses booked due to impairment of Investments in Subsidiaries, Associates and Joint Ventures.

Net Carrying Amount – Report in this column the net carrying amount of Investments in Subsidiaries, Associates and Joint Ventures, which shall correspond to the cost of investments less any allowance for credit losses.

Additional Information

Item 1 of the additional information section is defined under the line item instruction in Schedule 3.

Schedule 15a – Equity Investment in Subsidiaries, Associates and Joint Ventures – Classified as to Nature of Business

Report the net carrying amount of Investment in Subsidiaries, Associates and Joint Ventures classified as follows:

- (1) Financial Allied Other than Insurance Companies and Securities Dealers and Brokers;
- (2) Insurance Companies;
- (3) Securities Dealers and Brokers;
- (4) Non-Financial Allied; and
- (5) Non-Financial Allied (UBs).

Report the fair value of the Investment in Subsidiaries, Associates and Joint Ventures annually.

Schedule 15b – Details of Equity Investment in Subsidiaries, Associates and Joint Ventures

Disclose the following specific information required from Investments in Subsidiaries, Associates and Joint Ventures:

- (1) Industry classification in accordance with the Philippine Standard Industrial Classification (PSIC) of the National Statistical Coordination Board (NSCB);
- (2) Authority to Invest (MB Res. No. and Date);

- (3) Class of Stock;
- (4) Voting or Non-Voting;
- (5) Par Value;
- (6) No. of Shares;
- (7) Acquisition Cost;
- (8) Carrying Amount; and
- (9) Percent of Voting Stock to Total Voting Stock.

Schedule 16 – Bank Premises, Furniture, Fixture and Equipment

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

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

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

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

Schedule 17 – Real and Other Properties Acquired/Non-Current Assets Held for Sale

Cost/Carrying Amount – Report the cost of the Real and Other Properties Acquired in this column and carrying amount (fair value less cost to sell but not to exceed the carrying amount of the ROPA prior to transfer) of Non-Current Assets Held for Sale in this column.

Accumulated Depreciation - Report the accumulated depreciation of Real and Other Properties Acquired in this column.

Allowance for Losses - Report the allowance for impairment losses on Real and Other Properties Acquired.

Net Carrying Amount - Report the net carrying amount of Real and Other Properties Acquired and Non-Current Assets Held for Sale in this column, which shall correspond to the cost less accumulated depreciation less allowance for losses, as applicable.

Fair Value – Report the fair value of ROPA and NCAHS in this column annually.

Additional Information

ROPAs contributed to a Joint Arrangement - Report in the appropriate column the cost, accumulated depreciation, allowance for losses and net carrying amount of ROPAs contributed to a joint arrangement which have not been derecognized in the books of the bank. Report the fair value of ROPAs contributed to a joint arrangement annually.

Schedule 17a – Aging of ROPA and NCAHS Accounts

Report the net carrying amount of ROPA and NCAHS accounts according to the specified aging schedule reckoned from date of acquisition of the real and other properties acquired in settlement of loans.

Additional Information

- (1) **Aging of NCAHS from date of classification** – Report the net carrying amount of NCAHS accounts according to the specified aging schedule reckoned from date of reclassification of the real and other properties to NCAHS.

Schedule 17b– Movement in ROPA and NCAHS Accounts

Report the movement in ROPA and NCAHS accounts during the year; i.e., from 31 December of the preceding year up to 31 December of the reporting year.

- (1) **Opening balance** shall correspond to the net carrying amount of ROPA and NCAHS as of 31 December of the preceding year.
- (2) Movements in ROPA/NCAHS during the period shall refer to the increase/(decrease) in the ROPA and NCAHS from balance as of 31 December of the preceding year up to 31 December of the reporting year arising from the following transactions:
 - (a) **Acquisitions** shall refer to acquisitions of real and other properties in settlement of loans through foreclosure or dation in payment;
 - (b) **Disposals** shall refer to sales or write-offs of ROPA and NCAHS;
 - (c) **Reclassifications** shall refer to transfers (i) from ROPA to NCAHS, or (ii) from ROPA to Bank Premises, Furniture, Fixture and Equipment, or (iii) from NCAHS to ROPA, or (iv) from Bank Premises, Furniture, Fixture and Equipment to ROPA (i.e., reversal of reclassifications of real and other properties acquired to bank premises that fail to comply with the prescribed guidelines under Subsection X160.3 of the MORB);
 - (d) **Depreciation expense** shall refer to the provision for/reversal of depreciation expense on ROPA;
 - (e) **Provision for impairment** shall refer to the provision for/reversal of impairment on ROPA; and
 - (f) **Others** shall refer to adjustments/transactions affecting ROPA and NCAHS, other than those mentioned in Items “(a)” to “(e)”.
- (3) **Closing balance** shall correspond to the net carrying amount of ROPA and NCAHS as of 31 December of the reporting year.

Additional Information

- (1) ***Amount of ROPA reclassified to Bank Premises, Furniture, Fixture and Equipment during the year*** - Report the cost, accumulated depreciation and allowance for losses of real and other properties acquired (ROPA) reclassified to bank premises, furniture, fixture and equipment during the year.

- (2) ***Amount of ROPA reclassified from Bank Premises, Furniture, Fixture and Equipment during the year*** – Report the cost, accumulated depreciation and allowance for losses of real and other properties acquired (ROPA) reclassified from bank premises, furniture, fixture and equipment during the year.

Schedule 18 – Schedule of Tax Assets and Liabilities

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

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

Table B

Item I – Recognized Deferred Tax Assets and Liabilities

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

- (i) Amount of the deferred tax assets and liabilities recognized in the balance sheet for each period presented;
- (ii) Amount of the deferred tax income or expense recognized in the income statement, if this is not apparent from the changes in the amounts recognized in the balance sheet;

Item II – Deferred Tax Assets Unrecognized

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

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

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

Item IV – Other Tax Disclosures

Report the amount of other tax disclosures required.

Item V – Reconciliation of Statutory Tax to Effective Tax

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

Schedule 19 – Other Assets

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

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

Additional Information

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

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

- b. Accounts Receivable from Sale of Financial Assets Other Than Readily Marketable Debt Instruments
2. **Loans to RBU by FCDU/EFCDU (Outstanding for More Than One Year)** - This refers to FCDU/EFCDU funds lent to RBU solely for the purpose of funding RBU's net fund outflow on its on-balance sheet foreign exchange transactions, as allowed under existing regulations, which is outstanding for more than 1 year.

For domestic banks with branches/offices/agencies abroad, disclose:

The outstanding amount (before elimination of reciprocal accounts i.e. Due to Branches/Agencies Abroad) of inter-office transactions between the Bank's Head Office and its branches/agencies abroad.

Schedule 20 – Breakdown of Due from and Due to Head Office/Branches/Agencies Abroad – Philippine Branch of Foreign Banks

Report the amount required for the line items indicated in the schedule. This schedule shall apply only to the Philippine branches of foreign banks.

Schedule 21 – Liability for Short Position

Report the *fair value* of the obligation of the reporting bank to return the securities bought/borrowed from the transferor of securities under Reverse Repurchase Agreements/ Certificates of Assignment/Participation with Recourse/ Securities Lending and Borrowing Agreements.

[Additional Information](#)

Report the *fair value* of the obligation of the reporting bank to return the securities bought/borrowed from the transferor of securities under Reverse Repurchase Agreements/ Certificates of Assignment/Participation with Recourse/ Securities Lending and Borrowing Agreements corresponding to the following line items.

- (1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)

Schedule 22 –Deposit Liabilities – Classified as to Type of Deposit

Report the amount of deposit liabilities of the reporting bank to specific counterparties (depositors) classified as to the following types of deposits:

- (1) demand deposit;
- (2) savings deposit;
- (3) NOW;
- (4) time certificates of deposit; or
- (5) LTNCDs.

Trust Department as counterparty shall refer to the trust department of the reporting bank and other banks.

[Additional Information](#)

- (1) **Savings Deposit with Automatic Transfer** – Report the amount of savings deposits with automatic transfer to demand deposit arrangement.
- (2) **Non-Taxable** - Report the amount of non-taxable deposits.

- (a) **Personal Equity and Retirement Account** – Report the amount of deposits that are eligible PERA Investment Products covered by the PERA Act of 2008.
 - (b) **Other Non-taxable** – Report the amount of non-taxable deposits which are not covered by the PERA Act of 2008.
- (3) **Taxable** – Report the amount of taxable deposits.
- (4) **Dormant Accounts** – Report the amount of dormant accounts per type of deposit. Dormant accounts shall refer to deposit accounts which have no activity (deposits or withdrawals) for a period specified by the Board of Directors of the bank but which in no case shall be less than two (2) years or one (1) year for savings and demand deposits, respectively.
- (5) **Reserve Exempt National Government Deposits** – Report the amount of deposits of the following agencies, which shall be exempt in the computation of the reserve requirements on deposit liabilities:
- a. Bureau of Customs
 - b. Bureau of Internal Revenue
- (6) a. **Gross New Deposits for the Period** – Report the total amount of gross new deposits for the period per type of deposit, which shall include transfer of deposits from one type of deposit account to another and account roll-over.
- b. **Gross Withdrawals for the Period** – Report the total amount of gross withdrawals for the period per type of deposit, which shall include transfer of deposits from one type of deposit account to another.
- (7) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a) Report the balances of demand, savings and NOW deposits in the earliest time bucket - *Short Term (one year or less)*.

Schedule 22a - Deposit Liabilities by Size of Accounts Excluding Deposits in Foreign Offices/Branches

Report the number of accounts and the total amount of deposits per deposit size bucket in the appropriate columns.

[Additional Information](#)

- (1) **No. of Depositors** - Report the total number of depositors per type of account. A depositor (and/or, in trust for) who has several types of accounts (i.e., current savings, time) should be counted as one and reported in the column where the depositor has the largest amount of deposit.

Schedule 23 – Due to Other Banks

Report the amount of due to other banks.

[Additional Information](#)

Report the amount of due to other banks corresponding to the following line items.

- (1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)

Schedule 24 – Bills Payable

Report the amortized cost of bills payable

[Additional Information](#)

Report the amortized cost of bills payable corresponding to the following line items:

- (1) **Classified as to Original Term** – (Refer to Structure of the FRP Item 3.a)
- (2) **Taxable Borrowings** – This refers to the total amount of taxable borrowings.

Schedule 25 – Bonds Payable, Unsecured Subordinated Debt and Redeemable Preferred Shares

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

Unsecured Subordinated Debt – Report in this column the amortized cost of unsecured subordinated debt.

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

[Additional Information](#)

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

Schedule 26 – Fair Value of Financial Liabilities (For Annual Submission)

Report the *fair value* of the financial liabilities indicated in the schedule.

Schedule 27 – Financial Liabilities Associated with Transferred Assets

Nature of the Assets – Report in this column, in the appropriate section designated for the classification of the assets transferred, the description/nature of the accounts.

Nature of the risks and rewards to which the bank remains exposed – Report in this column the nature of the risks and rewards to which the reporting bank remains exposed after the transfer.

Total – Report in this column the total amount (fair value/net carrying amount) of the assets transferred.

Part of the asset still recognized (continuing involvement) – Report in this column the part of the asset still recognized by the reporting bank through continuing involvement.

Associated Liability – Report in this column the associated liability of the reporting bank arising from the transferred assets.

Schedule 28 – Other Liabilities

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

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

Obligations arising from e-money transactions shall be specified as a separate line item, as follows:

- (a) **Accounts Payable – E – Money** – Report the total amount of outstanding e-money issued according to counterparty (Refer to Structure of the FRP Item 2)
 - (1) **Resident**
 - (2) **Non-Resident**

Specify other types of account under this category that comprise at least 25 percent of total other liabilities, other than Accounts Payable – E - Money.

Additional Information

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

For domestic banks with branches/offices/agencies abroad, disclose:

The outstanding amount (before elimination of reciprocal accounts i.e. Due from Branches/Agencies Abroad) of inter-office transactions between the Bank's Head Office and its branches/agencies abroad.

Schedule 29 – Interest Income/Expense from Financial Instruments

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

Schedule 29a – Interest Income from Due from Other Banks – Classified as to Type of Deposits

Report in the appropriate column the interest income from the balances of deposit accounts of the reporting bank maintained in other banks.

Schedule 29b – Interest Income from Held for Trading, Designated at Fair Value through Profit or Loss, Available for Sale, Held to Maturity Financial Assets and Unquoted Debt Securities Classified as Loans

Report in the appropriate column the amount of interest income from securities classified as Held for Trading, Designated at Fair Value through Profit or Loss, Held to Maturity Financial Assets and Unquoted Debt Securities Classified as Loans.

Schedule 29c – Interest Income from Interbank Loans Receivable

Report the interest income from interbank loans receivable classified as to the reporting bank's counterparties.

Schedules 29d (Total Amount), 29d1 (Peso Accounts), 29d2 (Foreign Regular), 29d3 (FCDU/EFCDU) and 29d4 (Foreign Offices) – Interest Income from Loans and Receivables – Others – Classified as to Status

Report the interest income from Loans and Receivables-Others including restructured loans classified according to the status of the account.

Schedule 29e – Interest Income from Loans and Receivables Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions – By Counterparty

Report the interest income from Loans and Receivables Under Repurchase Agreements, Certificates of Assignment/Participation with Recourse and Securities Lending and Borrowing Transactions classified according to the reporting bank's counterparties.

Schedule 30a – Interest Expense on Deposit Liabilities – Classified as to Type of Deposit

Report the interest expense on deposit liabilities of the reporting bank from specific counterparties (depositors) classified as to the types of deposits.

[Additional Information](#)

- (1) **Taxable** – Report the total interest expense on taxable deposits.
- (2) **Non-Taxable** – Report the total interest expense on non-taxable deposits
- (3) **Dormant Accounts** – Report the total interest expense on dormant accounts.
- (4) **Preterminated Time Certificate of Deposits (TCDs):**
 - a. **< 3 years** – Report the interest expense on preterminated TCDs with original term of less than 3 years.
 - b. **3 years but < 4 years** - Report the interest expense on preterminated TCDs with original term of equal to or more than 3 years but less than 4 years.
 - c. **Over 4 years but < 5 years** - Report the interest expense on preterminated TCDs with original term of equal to or more than 4 years but less than 5 years.

Schedule 30b – Interest Expense on Bills Payable

Report the interest expense on bills payable.

[Additional Information](#)

- (1) **Taxable Borrowings** – Report the total amount of interest expense on the taxable borrowings of the reporting bank.

Schedule 30c – Interest Expense on Bonds Payable, Unsecured Subordinated Debt and Redeemable Preferred Shares

Report the interest expense on bonds payable, unsecured subordinated debt and redeemable preferred shares in the appropriate columns.

[Additional Information](#)

- (1) **Taxable Borrowings** – Report the total amount of interest expense on taxable bonds payable and unsecured subordinated debt of the reporting bank.

Schedule 31 – Dividend Income

Report the dividend income from investments in equity securities classified as Held for Trading, Designated at Fair Value through Profit or Loss, Available for Sale and Investments in Non-Marketable Equity Securities.

Schedule 32 – Gain/(Loss) on Financial Assets and Liabilities Held for Trading

Record the gains/(loss) on financial assets and liabilities held for trading which shall be comprised of:

- (a) Realized gains/losses from sale or derecognition of held for trading financial instruments;
- (b) Unrealized gains/(losses) from marking-to-market; and
- (c) Realized gains/(losses) from foreign exchange transactions.

Schedule 33 – Gains/(Losses) from Sale/Redemption/Derecognition of Non-Trading Financial Assets and Liabilities

Record the gain/(loss) from derecognition of financial instruments which shall be comprised of:

- (a) Gains/(Losses) from Derecognition of Financial Assets and Liabilities;
- (b) Gains/(Losses) on Reclassification from AFS to HTM.

Schedule 34 –Compensation/Fringe Benefits

Report the amount of expenses for compensation and fringe benefits as indicated in the schedule.

Schedule 35 –Other Administrative Expenses

Report the amount of other administrative expenses as defined under the Manual of Accounts.

Others – This refers to the total amount of other administrative expenses that are not listed in the schedule. Specify the type of account under this category that comprise at least 25 percent of total other administrative expenses.

Schedule 36 –Depreciation/Amortization Expense

Report the depreciation expense on bank premises furniture, fixture and equipment and the amortization expense on other intangible assets.

Schedule 37 –Impairment Loss

Report the impairment loss incurred on the following asset accounts:

- (a) Investment in Subsidiaries, Associates and Joint Ventures,
- (b) Bank Premises, Furniture, Fixture and Equipment;
- (c) ROPA;
- (d) NCAHS
- (e) Intangible Assets; and

(f) Other Assets.

Schedule 38 – Off Balance Sheet

Report the amount of the indicated contingent accounts as defined in the Manual of Accounts.

Schedules 38a, 38a1, 38a3 and 38a4 – Report by the PERA Administrator on Personal Equity and Retirement Account

Report the total PERA assets and accountabilities of the PERA Administrator under the appropriate columns. For these particular schedules, the accounts as defined in the Manual of Accounts of the Financial Reporting Package for Trust Institutions shall be used.

Additional Information

(1) **Total Number of Personal Equity and Retirement Accounts** – Report the total number of PERA under the appropriate columns.

(2) **Total Number of Contributors** – Report the total number of Contributors.

(a) **Total Number of Contributors who are Overseas Filipinos (OFs)**

(i) **Number of Accounts** – Report the total number of PERA owned by overseas Filipinos.

(ii) **Total Assets** – Report the total carrying amount of PERA assets owned by overseas Filipinos.

Overseas Filipinos are defined under the PERA Act of 2008 and its implementing rules and regulations.

(b) **Total Number of Contributors who are non-OFs**

(i) **Number of Accounts** – Report the total number of PERA owned by non-overseas Filipinos.

(ii) **Total Assets** – Report the total carrying amount of PERA assets owned by non-overseas Filipinos.

(3) **Basic Security Deposit** – Report the value of security/ies for the faithful performance of PERA Administrator as prescribed under Section X960/4960Q and Appendix 34a/Q-21a of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI), respectively.

Schedule 39 (Regular – Consisting of Peso, Foreign Regular Books and Foreign Offices), Schedule 39a (FCDU/EFCDU) – Residual Maturity of Performing Financial Assets and Financial Liabilities

Report net carrying amount of performing financial assets and financial liabilities classified as to the following residual maturity time buckets:

- (a) Up to one month;
- (b) Over one month to three months;
- (c) Over three months to 12 months;

- (d) Over one year to three years;
- (e) Over three years to five years;
- (f) Over five years to 15 years; and
- (g) Over 15 years.

Financial assets classified as Held for Trading, Designated at Fair Value through Profit or Loss; Available for Sale, Held to Maturity and Unquoted Debt Securities Classified as Loans shall be sub-classified into (a) National Government Securities and (b) Other Securities.

Residual Maturity – This refers to the amount of time remaining from the report date until the final contractual maturity of the performing financial asset and financial liabilities. Financial assets classified as Held for Trading shall be reported in the earliest time bucket – *Up to One Month*.

The account “Others” under performing financial assets shall be composed of the following accounts:

- (a) Accounts Receivable
- (b) Dividends Receivable
- (c) Loans to RBU by FCDU/EFCDU
- (d) Deficiency Judgment Receivable
- (e) Sinking Fund
- (f) Others

The account “Others” under financial liabilities shall be composed of the following accounts:

- (a) Special Time Deposit
- (b) Due to Treasurer of the Philippines
- (c) Treasurer/Cashier/Manager’s Checks
- (d) Payment Orders Payable
- (e) Margin Deposits on LCs and Customer’s Liability on Bills/Drafts under LCs and/or TRs
- (f) Cash Letters of Credit
- (g) Outstanding Acceptances Executed by or for Account of this Bank
- (h) Due to Bangko Sentral ng Pilipinas
- (i) Due to Philippine Deposit Insurance Corporation
- (j) Due to Philippine Crop Insurance Corporation
- (k) Income Tax Payable
- (l) Other Taxes and Licenses Payable
- (m) Others

Schedule 40 (Regular - Consisting of Peso, Foreign Regular Books and Foreign Offices), Schedule 40a (FCDU/EFCDU) –Repricing of Performing Financial Assets and Financial Liabilities

Report the net carrying amount of performing financial assets and financial liabilities classified as to the following repricing time buckets:

- (a) Up to one month;
- (b) Over one month to three months;
- (c) Over three months to 12 months;
- (d) Over one year through to years;
- (e) Over three years to five years;
- (f) Over five years to 15 years; and
- (g) Over 15 years.

Financial assets classified as Held for Trading, Designated at Fair Value through Profit or Loss; Available for Sale, Held to Maturity and Unquoted Debt Securities Classified as Loans shall be sub-classified into (a) National Government Securities and (b) Other Securities.

Repricing Date – This refers to the date in which the interest rate on a floating rate financial asset can next change in accordance with the terms of the contract or the contractual maturity of the financial asset, whichever is earlier. Fixed rate financial assets shall be recorded in the time bucket corresponding to its contractual maturity. The account “Others” under performing financial assets and financial liabilities shall be as defined under the line item instructions in Schedule 39.

Schedule 41 – Investment in Debt Instruments Issued by LGUs and Loans Granted to LGUs

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

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

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

Schedule 42- Disclosure of Due from FCDU/RBU and Due to FCDU/RBU

Disclose the amount of Due from FCDU/RBU and Due to FCDU/RBU subsidiary ledger accounts as defined in the Manual of Accounts.