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Philippines
Financial Sector Study

(In Three Volumes) Volume III: Statistical Annexes

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Asia Region

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CURRENCY EQUIVALENTS

US$1.00 = Pesos (P) 20.90
P 1.00 = US$0.047

FISCAL YEAR

January 1 - December 31

ABBREVIATIONS AND ACRONYMS

ACPB	-	Agriculture Credit Policy Council
ADB	-	Asian Development Bank
AIC	-	Average intermediation cost
AITTP	-	Agro-Industrial Technology Transfer Program
ALF	-	Agriculture Loan Fund
Apex	-	Apex Development Finance Unit
APT	-	Asset Privatization Trust
ASC	-	Accounting Standards Council
BBP	-	Bakahang Barangay Program
BDP	-	Biyayang Dagat Program
BSKP	-	Bagong Kilusang Kaunlaran at Kabuhayan
CALF	-	Comprehensive Agriculture Loan Fund
CBP	-	Central Bank of the Philippines
CDLF	-	Cooperative Development Loan Fund
CFI	-	Court of first instance
CFP	-	Cotton Financing Program
CHM	-	Chattel mortgage
CIB	-	Credit Bureau of Investigation
CIGLF	-	Cottage Industry Guarantee Loan Fund
CPA	-	Certified Public Accountant
DA	-	Department of Agriculture
DBP	-	Development Bank of the Philippines
DLC	-	Department of Loans and Credit
DOSRI	-	Directors, officers, stockholders and related interests
DTI	-	Department of Trade and Industry
ECP	-	Expanded Corn Program
EIMP	-	Export Industry Modernization Program
GAAP	-	Generally accepted accounting principles
GDP	-	Gross domestic product
GEM	-	Gross earnings margin
GFSME	-	Guarantee Fund for Small and Medium Enterprises
GIM	-	Gross interest margin
GRT	-	Gross receipts tax
GSIS	-	Government Service Insurance System
HYV	-	High yield variety
ICI	-	Intermediation cost index
IGLF	-	Industrial Guarantee and Loan Fund
ILFP	-	Industrial Loan Fund Program

IRPP	-	Intensified Rice Production Program
LBP	-	Land Bank of the Philippines
LIBOR	-	London interbank offered rate
MB	-	Monetary Board
MRR	-	Manila Reference Rate
M-99	-	Masagana 99
NEDA	-	National Economic Development Authority
OECF	-	Overseas Economic Cooperation Fund
PCIC	-	Philippine Crop Insurance Corporation
PDIC	-	Philippine Deposit Insurance Corporation
PFI	-	Participating financial institution
PNB	-	Philippine National Bank
QGFB	-	Quedan Guarantee Fund Board
REM	-	Real estate mortgage
SEC	-	Securities and Exchange Commission
SES	-	Supervision and Examination Sector
SME	-	Small and medium enterprises
SMI	-	Small and medium industry
STD	-	Special time deposit
TLRC	-	Technology and Livelihood Resource Center
TRP	-	Textile Rehabilitation Program
T-bills	-	Treasury Bills
ULFP	-	Urban Livelihood Financing Program
Unibanks	-	Universal banks
USAID	-	United States Agency for International Development
USUCC	-	U.S. Uniform Commercial Code

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ANNEX 1

PHILIPPINES

FINANCIAL SECTOR STUDY

National Accounts and Balance of Payments, 1975, 1980-86

	1975	1980	1981	1982	1983	1984	1985	1986
Constant Prices: Billion 1972 Pesos								
GNP	68.53	92.63	96.04	97.54	98.62	91.64	87.77	88.09
Personal consumption expenditures	46.16	59.27	61.62	63.54	65.35	66.03	65.98	66.60
Government consumption	7.03	8.27	8.60	9.15	8.69	8.26	8.21	8.55
Fixed capital formation	15.04	22.74	23.54	23.69	23.01	15.59	11.83	10.08
Stocks, increase in	3.95	3.87	3.68	2.58	1.31	-1.38	-0.70	0.12
Export of goods and services	9.95	18.15	17.95	17.67	19.26	20.85	19.35	23.56
Import of goods and services	13.51	19.45	18.85	19.51	21.75	19.18	14.00	17.56
Statistical discrepancy	-0.26	-0.14	-0.32	1.89	3.44	2.75	-0.86	-0.59
Net factor income from abroad	0.17	-0.08	-0.17	-1.46	-1.30	-2.28	-2.04	-1.68
Current Prices: Billion Pesos								
GNP	114.3	265.1	303.6	335.4	378.7	527.4	594.5	614.3
Personal consumption expenditures	76.2	178.1	206.9	234.5	268.2	403.4	469.1	475.0
Government consumption	10.9	21.2	24.8	29.2	29.5	35.6	42.5	48.6
Fixed capital formation	27.8	81.1	93.3	96.5	102.5	92.0	85.4	82.2
Stocks, increase in	7.9	13.2	14.0	10.5	7.3	-8.1	-4.6	1.2
Export of goods and services	21.3	54.2	57.8	56.2	75.3	117.7	126.6	155.1
Import of goods and services	29.1	68.9	74.4	79.3	101.1	118.4	108.5	116.2
Statistical discrepancy	-0.4	0.3	-3.2	3.5	9.8	10.2	-5.6	-17.9
Net factor income from abroad	-0.3	-0.9	-1.6	-5.2	-5.4	-13.1	-14.9	-12.4
Personal savings	10.5	15.3	19.9	11.5	3.5	4.9	7.6	27.4
% of personal disposable income	12.1	7.9	8.8	4.7	1.3	1.2	1.6	5.5
Corporate savings	3.2	14.5	16.0	14.9	16.2	-1.7	-3.2	-2.1
General government savings	4.6	13.3	11.4	10.1	16.6	20.5	20.0	18.5
GNP, US$ billion	15.77	35.29	38.43	39.27	34.09	31.58	31.95	30.13
Current account, US$ billion	-0.89	-1.90	-2.06	-3.20	-2.75	-1.30	-0.08	1.02
Overall deficit, US$ billion	0.52	0.38	0.56	1.62	2.07	-0.26	-2.39	-1.25
% GNP (Value Basis)								
Personal consumption expenditures	66.7	67.2	68.1	69.9	70.8	76.5	78.9	77.3
Government consumption	9.5	8.0	8.2	8.7	7.8	6.8	7.1	7.9
Fixed capital formation	24.3	30.6	30.7	28.8	27.1	17.4	14.4	13.4
Stocks, increase in	6.9	5.0	4.6	3.1	1.9	-1.5	-0.8	0.2
Export of goods and services	18.6	20.4	19.0	16.8	19.9	22.3	21.3	25.2
Import of goods and services	25.5	26.0	24.5	23.6	26.7	22.4	18.3	18.9
Statistical discrepancy	-0.3	0.1	-1.1	1.0	2.6	1.9	-0.9	-2.9
Net factor income from abroad	-0.3	-0.3	-0.5	-1.6	-1.4	-2.5	-2.5	-2.0
Current account, US$ billion	-5.64	-5.38	-5.36	-8.15	-8.07	-4.12	-0.25	3.39
Overall deficit, US$ billion	3.30	1.08	1.46	4.12	6.07	-0.82	-7.48	-4.15

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Sectoral Output, 1979-86

	1979	1980	1981	1982	1983	1984	1985	1986
In Billions of Constant 1972 Pesos								
Gross national product	88.7	92.6	96.0	97.5	98.6	91.6	87.8	89.1
Gross domestic product	88.3	92.7	96.2	99.0	99.9	93.9	89.8	90.8
Agric., fish. and forestry	22.6	23.7	24.6	25.4	24.9	25.4	26.3	27.2
Industry	32.3	33.5	35.0	35.7	36.0	32.3	29.0	28.2
Mining and quarrying	2.13	2.24	2.18	2.00	1.97	1.76	1.77	1.56
Manufacturing	22.2	23.2	24.0	24.5	25.1	23.3	21.5	21.7
Construction	7.12	7.14	7.83	8.08	7.69	5.87	4.26	3.38
Services	33.4	35.5	36.6	37.9	39.1	36.2	34.6	35.3
Trade	-	-	-	13.1	13.9	14.1	14.1	14.3
Finance and housing	-	-	-	7.25	7.58	5.13	3.98	4.06
Banks	-	-	-	2.31	2.41	1.01	0.00	0.22
Percentage Change								
Gross national product	-	4.40	3.67	1.56	1.13	-7.10	-4.15	1.48
Gross domestic product	-	4.98	3.78	2.91	0.91	-6.01	-4.37	1.11
Agric., fish. and forestry	-	4.87	3.80	3.25	-1.97	2.01	3.54	3.42
Industry	-	3.72	4.48	2.00	0.84	-10.28	-10.22	-2.76
Mining and quarrying	-	5.16	-2.68	-8.26	-1.50	-10.66	0.57	-11.86
Manufacturing	-	4.50	3.45	2.08	2.45	-7.17	-7.73	0.93
Construction	-	0.28	9.66	3.19	-4.83	-23.67	-27.43	-20.66
Services	-	6.29	3.10	3.55	3.17	-7.42	-4.42	2.02
Trade	-	-	-	-	6.11	1.44	0.00	1.42
Finance and housing	-	-	-	-	4.55	-32.32	-22.42	2.01
Banks	-	-	-	-	4.33	-58.26	-99.60	5,475.00

Source: CBP.

ANNEX 3

PHILIPPINES

FINANCIAL SECTOR STUDY

Interest Rates, 1970-87

	1970	1975	1980	1981	1982	1983	1984	1985	1986	1987 (Sep)
Treasury bills: 3 months	13.1	10.3	12.1	12.6	13.8	14.2	40.9	26.2	16.3	10.7
: 6 months	13.9	10.8	12.5	13.1	14.5	14.8	30.5	24.8	14.4	12.2
: 12 months	13.7	10.9	12.8	13.2	14.9	14.9	41.5	35.2	13.2	13.7
Central Bank bills	-	-	-	-	-	-	35.3	27.0	19.1	-
Savings deposits	6	6	7	NA	9.8	9.7	9.9	10.8	8.6	6.0
Time deposits < 1 year	6.7	8.7	14	NA	14.1	13.7	23.2	21.8	12.3	7.0
Time deposits > 1 year	-	-	-	-	16.9	16.4	26.2	21.8	15.6	9.5
Bank loans < 1 year	12	12	14	16	16.8	18.8	26.7	28.3	17.1	12.2
Bank loans > 1 year	-	-	-	-	21.6	21.5	26.8	26.3	19.1	14.1
Inflation (GNP defl year ahead)	-	9.5	10.5	8.4	12.0	49.8	17.7	1.8	5	5
Real 12-month T-bills	-	1.3	2.1	4.4	2.6	-23.3	20.2	32.8	7.8	8.3

ANNEX 4

PHILIPPINES

FINANCIAL SECTOR STUDY

Assets of the Financial System
As of December 31, 1970, 1975, 1980-86, and June 30, 1987
(Billion pesos)

	1970	1975	1980	1981	1982	1983	1984	1985	1986	June 1987
Central Bank	6.0	26.0	65.4	71.6	91.7	13.04	206.0	251.6	313.9	316.0
Banking System	188.8	69.9	188.8	226.0	269.8	331.5	391.8	395.2	297.0	302.6
Commercial banks	14.1	53.2	138.4	164.4	191.0	247.9	289.2	283.3	248.5	253.8/b
Private	8.3	35.1	85.1	103.4	111.0	141.7	160.6	168.0	166.6	177.7
Government	4.6	18.1	34.6	40.6	53.3	65.2	80.4	70.3	34.8	29.3
Foreign	1.2	-	18.7	20.6	26.7	41.0	48.2	45.0	47.1	46.8
Thrift banks	0.9	2.1	10.6	11.6	12.6	16.1	15.0	15.1	17.6	17.2/b
Savings	0.7	1.4	7.4	6.9	5.9	7.4	7.6	6.8	8.1	8.4
Private development banks	0 2	0.4	1.6	2.6	3.7	4.6	4.6	5.1	5.6	4.9
Stock savings & loan associations	-	0.3	1.6	2.1	3.0	4.1	2.8	3.2	3.9	3.9
Rural banks	0.7	2.8	5.6	6.6	8.1	9.5	9.0	8.8	9.3	9.5
Specialized government banks	3.1	11.8	34.2	43.2	53.3	65.3	78.6	88.0	28.6/e	27.4/e,/d
Nonbank Financial Intermediaries	6.1	26.8	58.9	63.3	74.2	92.0	95.5	107.2	112.9	118.3
Insurance companies	5.9	11.9	29.5	33.3	40.7	44.6	50.0	60.8	70.8	74.7
Government /a	4.0	7.7	19.5	22.0	27.0	30.9	35.9	42.7	50.5	54.4/e
Private	1.9	4.2	10.0	11.3	13.7	13.7	14.1	18.1	20.3	20.3
Investment institutions	-	10.3	25.6	23.5	25.6	25.2	19.7	23.8	23.2	23.8/c
Financing companies	-	3.5	11.9	12.1	12.9	11.8	9.6	6.2	5.6	5.6
Investment companies	-	2.0	5.0	5.5	5.9	6.2	2.6	11.0	10.1	9.9
Investment houses	-	4.8	8.7	5.9	6.8	7.2	7.5	6.6	7.5	8.3
Trust operations (fund managers)	-	2.6	1.7	0.8	1.1	1.5	0.9	1.6	1.3	1.6/c
Other financial intermediaries	0.2	2.0	2.1	5.8	6.8	20.7	24.9	21.0	17.6	18.2
Total	200.9	122.7	313.1	360.9	435.7	553.9	693.3	754.0	723.8	736.9

/a Includes GSIS and SSS.

/b May 1987.

/c March 1987.

/d Preliminary.

/e After transfer of certain assets and liabilities to the government.

Source: CBP.

ANNEX 5

PHILIPPINES

FINANCIAL SECTOR STUDY

Percentage Distribution of Assets of the Financial System
As of December 31, 1970, 1975, 1980-86, and June 30, 1987

	1970	1975	1980	1981	1982	1983	1984	1985	1986	June 1987
Central Bank	19.4	21.2	20.9	19.9	21.1	23.6	29.7	33.4	43.4	42.9
Banking System	60.8	57.0	60.3	62.6	61.9	59.8	56.5	52.4	41.0	41.1
Commercial banks	45.6	43.4	44.2	45.6	44.9	43.4	41.7	37.5	33.4	33.7
Private	26.8	28.6	27.2	28.7	26.6	24.2	23.2	22.3	22.1	23.4
Government	14.9	14.8	11.0	11.2	12.2	11.8	11.6	9.3	4.8	4.0
Foreign	3.9	-	6.0	5.7	6.1	7.4	6.9	5.9	6.5	6.3
Thrift banks	2.9	1.7	3.4	3.2	2.9	2.9	2.2	2.0	2.4	2.4
Savings	2.3	1.1	2.4	1.9	1.4	1.3	1.1	0.9	1.1	1.2
Private development	0.6	0.3	0.5	0.7	0.8	0.8	0.7	0.7	0.8	0.7
Stock savings & loan associations	-	0.3	0.5	0.6	0.7	0.8	0.4	0.4	0.5	0.5
Rural banks	2.3	2.3	1.8	1.8	1.9	1.7	1.3	1.2	1.3	1.3
Specialized government banks	10.0	9.6	10.9	12.0	12.2	11.8	11.3	11.7	3.9	3.7
Nonbank Financial Intermediaries	19.8	21.8	18.8	17.5	17.0	16.6	13.8	14.2	15.6	16.0
Insurance companies	19.1	9.7	9.4	9.2	9.3	8.1	7.2	8.1	9.8	10.1
Government /a	12.9	6.3	6.2	6.1	6.2	5.6	5.2	5.7	7.0	7.4
Private	6.2	3.4	3.2	3.1	3.1	2.5	2.0	2.4	2.8	2.7
Investment institutions	-	8.4	8.2	6.5	5.9	4.5	2.9	3.1	3.2	3.2
Financing companies	-	2.9	3.8	3.4	3.0	2.1	1.4	0.8	0.8	0.8
Investment companies	-	1.6	1.6	1.5	1.3	1.1	0.4	1.4	1.4	1.3
Investment houses	-	3.9	2.8	1.6	1.6	1.3	1.1	0.9	1.0	1.1
Trust operations (fund managers)	-	2.1	0.5	0.2	0.2	0.3	0.1	0.2	0.2	0.2
Other financial intermediaries	0.7	1.6	0.7	1.6	1.6	3.7	3.6	2.8	2.4	2.5
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

/a Includes GSIS and SSS.

Source: CBP.

ANNEX 6

PHILIPPINES

FINANCIAL SECTOR STUDY

Number of Thrift and Rural Banks
As of December 31, 1970, 1975, 1980-86, and May 31, 1987

	Grand total		Thrift banks								Rural banks		
			Savings and mortgage banks		Private development banks		Stock savings and loan associations		Total				
	Head office	Branches	Head office	Branches	Head office	Branches	Head office	Branches	Head office	Branches	Head office	Branches	Total
1970	557	88	14	42	29	23	28	-	71	67	486	21	507
1975	855	211	10	81	33	53	44	25	87	159	768	52	820
1980	1,129	640	10	258	43	111	91	160	144	529	985	111	1,096
1981	1,180	624	9	178	44	138	87	181	140	497	1,040	127	1,167
1982	1,096	692	8	185	45	158	84	196	137	539	959	153	1,112
1983	1,085	774	8	201	45	173	83	198	136	572	949	202	1,151
1984	1,061	746	8	203	43	166	70	160	121	529	940	217	1,157
1985	1,022	756	7	219	45	170	66	154	118	543	904	213	1,117
1986	993	757	7	224	43	170	66	155	116	549	877	208	1,085
1987	971	753	7	224	42	161	65	158	114	543	857	210	1,067

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Savings and Mortgage Banks' Summarized Consolidated Balance Sheets, as of December 31, 1984-86
(Million pesos)

	1984	1985	1986
Assets			
Cash and Due From Banks	757.3	1,131.9	1,131.7
Cash on hand	144.1	180.7	305.8
Check and other cash items	23.5	6.6	8.4
Due from CB	213.4	627.6	607.4
Due from other banks	376.3	317.0	210.1
Loan Portfolio (Net)	5,019.8	3,695.1	4,470.2
Interbank loans receivable	77.5	191.5	47.0
Loans and discounts	4,604.2	1,756.4	2206.1
AGRA/AGRI credit loans	253.4	393.7	681.3
Bills purchased	90.7	502.6	770.9
Customer liability on drafts under LC/TR /a	2.7	-	-
Trading account securities - loans	-	874.0	792.0
Less: Allowance for probable losses	8.7	23.1	27.1
Investments	485.3	1,039.9	1,423.2
Trading account securities - investment	12.0	192.3	365.1
Investment in bonds and other debt instruments	437.4	847.6	1,058.1
Equity investment in allied/nonallied	35.9	-	-
Other Assets	1,344.4	929.7	1,072.3
Bank premises/fixtures and equipment	195.3	134.2	203.6
Real or other properties owned or acquired	279.9	216.6	264.1
Other assets	869.2	578.9	604.6
Total Assets	7,606.8	6,796.6	8,097.3
Liabilities and Capital			
Deposits	3,032.4	5,625.4	6,960.8
Demand and negotiable order of withdrawal	67.1	106.9	171.5
Savings	1,683.3	3,132.9	4,518.0
Time	1,186.7	2,311.6	2,192.2
Other	95.3	74.0	79.0
Bills Payable	3,435.0	175.5	69.9
Central Bank	3,406.6	-	29.9
Interbank	1.9	75.5	40.0
Local banks	8.0	100.0	-
Others	18.5	-	-
Other Liabilities	498.8	605.0	510.2
Time certificate - special financing	119.4	162.1	100.9
Due to the Treasurer	2.4	0.7	0.8
Due to local banks	0.7	0.2	0.5
Treasurer's/manager's/gift checks	18.8	57.9	51.1
Marginal deposits	1.0	-	-
Accrued taxes and other expenses	116.0	89.5	81.4
Unearned income and other deferred credits	9.3	106.0	100.9
Due to Central Bank	135.5	22.7	2.5
Other liabilities	95.7	165.9	172.1
Total Liabilities	6,966.2	6,406.0	7,540.8
Capital	640.6	390.6	556.5
Capital stock	453.4	340.5	428.8
Surplus and surplus reserves	167.3	28.1	104.9
Undivided profits	19.9	21.9	22.8
Total Liabilities and Capital	7,606.8	6,796.6	8,097.3

/a LC/TR = letters of credit/trust receipts.

Source: CBP.

ANNEX 8

PHILIPPINES

FINANCIAL SECTOR STUDY

Savings and Mortgage Banks' Summarized Consolidated Income Statements, for the Years Ended December 31, 1984-86
(Million pesos)

	1984	1985	1986
Total Operating Income	1,100.3	911.0	1,189.6
Interest income	953.2	775.9	972.5
IBL receivable	-	5.8	9.5
Loans & discounts	859.8	427.8	471.9
Investments	65.4	292.5	456.7
Deposits in banks	23.6	23.8	34.4
Trading account sec	4.4	3.6	-
Others	-	22.4	-
Bank commissions	1.1	1.2	3.0
Service charges/fees	88.4	31.8	60.6
Trading gain/(loss)	(11.7)	62.0	110.8
Foreign exchange profit/(loss)	2.3	1.1	2.0
Income-trust department	3.6	1.4	1.1
Other income	63.4	37.7	39.5
Total Operating Expenses	1,038.6	910.3	1,112.7
Interest expenses	634.8	572.4	610.6
Deposits	561.6	552.9	598.9
Borrowed funds	68.9	19.4	11.7
Others	4.4	0.0	0.0
Compensation/fringe benefits	150.1	129.2	216.1
Management & other professional fees	5.4	1.7	2.5
Supervision & exam fees	1.1	1.8	2.4
Fines, penalties & other charges	4.1	0.2	0.3
Taxes & licenses	22.4	35.2	55.8
Insurance	10.5	5.3	9.5
Depreciation/amortization	27.6	22.6	44.5
Lit/assets acquired expenses	9.9	4.8	6.1
Other expenses	158.8	119.5	156.8
Provisions	13.9	17.5	8.2
Net Operating Income/(Loss)	61.7	0.7	76.9
Extraordinary credits/(charges)	28.4	23.8	41.8
Net Income/(Loss) Before Income Tax	90.1	24.5	118.7
Provision for income tax	22.7	9.9	21.5
Net Income/(Loss) After Income Tax	67.4	14.6	97.2

Source: CBP.

ANNEX 9

PHILIPPINES

FINANCIAL SECTOR STUDY

Private Development Banks' Summarized Consolidated Balance Sheets, as of December 31, 1984-86
(Million pesos)

	1984	1985	1986
Assets			
Cash and Due From Banks	593.8	802.5	987.3
Cash on hand	88.6	106.7	149.0
Check and other cash items	10.7	8.5	19.3
Due from CB	186.6	239.0	285.6
Due from other banks	308.0	448.3	533.5
Loan Portfolio (Net)	2,812.9	2,582.8	2,993.0
Interbank loans receivable	14.2	29.5	10.5
Loans and discounts	2,420.3	2,198.4	2,409.6
AGRA/AGRI credit loans	366.6	393.6	609.8
Bills purchased	2.4	2.6	6.8
Customer liability on drafts under LC/TR /a	-	0.4	3.1
Trading account securities - loans	44.5	-	-
Less: Allowance for probable losses	35.2	41.7	46.9
Investments	395.5	799.3	613.8
Trading account securities - investment	-	76.2	47.1
Investment in bonds and other debt instruments	382.1	707.8	550.0
Equity investment in allied/nonallied	13.4	15.2	16.7
Other Assets	704.9	854.0	984.4
Bank premises/fixtures and equipment	105.8	119.1	144.0
Real and other property owned or acquired	149.3	256.7	342.9
Other assets	449.9	478.2	497.4
Total Assets	4,507.1	5,038.5	5,578.5
Liabilities and Capital			
Deposits	2,175.8	2,682.9	3,188.2
Demand and negotiable order of withdrawal	135.2	131.5	213.2
Savings	948.2	1,264.1	1,607.9
Time	1,030.2	1,259.1	1,330.3
Other	62.1	28.2	36.8
Bills Payable	1,235.5	1,008.3	1,048.7
Deposit substitutes	34.7	-	-
Others	1,200.7	1,008.3	1,048.7
Central Bank	132.9	14.9	27.1
Interbank	-	-	150.6
Local banks	366.1	396.7	234.6
Nonbanks	12.0	31.8	1.9
Private firms	25.9	-	-
Others	663.8	564.9	634.5
Other Liabilities	438.9	613.7	670.9
Time certificate - special financing	41.0	177.8	231.3
Due to the Treasurer	0.3	0.5	5.0
Due to local banks	-	0.0	0.1
Treasurer's/manager's/gift checks	38.1	34.4	33.6
Marginal deposits	0.1	-	-
Accrued taxes and other expenses	112.3	93.8	103.8
Unearned income and other deferred credits	19.4	28.6	33.8
Due to Central Bank	14.7	7.2	10.6
Other liabilities	212.9	271.4	252.7
Total Liabilities	3,850.1	4,304.9	4,907.8
Capital	657.0	733.5	670.7
Capital stock	496.5	544.5	569.0
Surplus and surplus reserves	95.5	130.9	127.4
Undivided profits	64.9	58.1	(25.7)
Total Liabilities and Capital	4,507.1	5,038.5	5,578.5

/a LC/TR = letters of credit/trust receipts.

Source: CBP.

ANNEX 10

PHILIPPINES

FINANCIAL SECTOR STUDY

Private Development Banks' Summarized Consolidated Income Statements, for the Years Ended December 31, 1984-86
(Million pesos)

	1984	1985	1986
Total Operating Income	727.9	884.3	725.0
Interest income	613.7	747.7	629.6
Loans & discounts	529.4	569.0	497.1
Investments	58.2	124.8	88.6
Deposits in banks	23.8	46.1	37.6
Due from CBP	2.4	7.8	6.2
Bank commissions	4.1	2.3	1.6
Service charges/fees	53.9	75.6	28.0
Trading gain/(loss)	1.7	-	-
Foreign exchange profit/(loss)	1.1	(3.8)	1.2
Other income	53.4	62.6	64.7
Total Operating Expenses	676.5	863.0	774.8
Interest expenses	447.5	544.8	476.5
Deposits	269.0	391.7	305.3
Borrowed funds	171.7	146.7	164.7
Others	6.9	6.3	6.6
Compensation/fringe benefits	96.9	107.2	111.5
Management & other professional fees	4.5	4.8	5.2
Supervision & exam fees	0.7	3.1	2.0
Fines, penalties & other charges	2.2	3.7	0.9
Taxes & licenses	8.8	26.8	28.3
Insurance	4.3	5.1	7.1
Depreciation/amortization	16.2	18.9	18.5
Lit/assets acquired expenses	6.8	10.5	17.1
Bad debts expenses	-	-	-
Other expenses	83.2	126.7	98.5
Provisions	5.1	11.6	9.2
Net Operating Income/(Loss)	51.4	21.4	(49.8)
Extraordinary credits/(charges)	23.4	35.1	28.2
Net Income/(Loss) Before Income Tax	74.8	56.5	(21.6)
Provision for income tax	3.7	8.7	7.1
Net Income/(Loss) After Income Tax	71.2	47.8	(28.8)

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Stock Savings and Loan Associations' Summarized Consolidated Balance Sheets, as of December 31, 1984-86
(Million pesos)

	1984	1985	1986
Assets			
Cash and Due From Banks	374.1	500.0	673.0
Cash on hand	90.7	113.0	145.6
Check and other cash items	12.3	14.1	14.3
Due from CB	62.9	117.7	162.8
Due from other banks	208.2	255.2	350.2
Loan Portfolio (Net)	1,761.7	1,635.3	1,937.7
Interbank loans receivable	5.3	-	-
Loans and discounts	1,390.0	1,340.0	1,597.5
AGRA/AGRI credit loans	350.6	295.4	327.4
Bills purchased	36.1	26.1	45.1
Less: Allowance for probable losses	20.4	26.2	32.3
Investments	247.8	444.6	591.5
Investment in bonds and other debt instruments	162.8	367.9	522.4
Equity investment in allied/nonallied	77.5	1.9	1.3
Others	7.5	74.8	67.8
Other Assets	424.8	543.8	668.8
Bank premises/fixtures and equipment	88.0	89.3	97.0
Real and other property owned or acquired	82.6	111.7	116.0
Other assets	254.3	342.8	455.8
Total Assets	2,808.4	3,123.7	3,871.1
Liabilities and Capital			
Deposits	1,734.9	1,974.6	2,624.3
Demand and negotiable order of withdrawal	17.9	18.0	45.3
Savings	989.9	1,077.4	1,502.9
Time	722.5	877.1	1,073.8
Other	4.6	2.2	2.2
Bills Payable	335.4	380.5	376.8
Central Bank	22.9	1.3	28.2
Local banks	-	-	200.0
Others	312.5	379.2	148.6
Other Liabilities	216.5	270.1	433.1
Time certificate - special financing	4.7	3.9	3.0
Due to the Treasurer	7.1	0.0	0.0
Due to local banks	15.9	36.4	0.0
Special time deposits	1.1	0.3	0.1
Accrued taxes and other expenses	58.6	87.0	127.2
Unearned income and other deferred credits	35.7	36.4	42.1
Due to Central Bank	22.1	10.4	40.1
Other liabilities	71.4	95.7	220.6
Total Liabilities	2,286.8	2,625.1	3,434.2
Capital	521.5	498.6	436.9
Capital stock	493.7	516.6	479.2
Surplus and surplus reserves	28.4	31.3	35.3
Undivided profits	(0.5)	(49.3)	(77.7)
Total Liabilities and Capital	2,808.4	3,123.7	3,871.1

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Stock Savings and Loan Associations' Summarized Consolidated Income Statements, for the Years Ended December 31, 1984-86
(Million pesos)

	1984	1985	1986
Total Operating Income	467.1	514.3	523.9
Interest income	393.9	432.4	441.9
Loans & discounts	335.3	335.7	343.6
Investments	30.2	96.7	98.3
Deposits in banks	28.4	-	-
Bank commissions	1.5	1.1	0.5
Service charges/fees	33.7	31.0	37.3
Other income	38.1	49.7	44.1
Total Operating Expenses	442.4	513.2	520.2
Interest expenses	250.3	302.1	297.9
Deposits	214.0	257.2	243.1
Borrowed funds	36.3	44.9	54.8
Compensation/fringe benefits	74.1	82.6	87.7
Management & other professional fees	3.7	3.4	4.8
Supervision & exam fees	0.5	1.0	1.3
Fines, penalties & other charges	4.1	3.0	5.1
Taxes & licenses	15.1	17.5	18.5
Insurance	3.7	-	-
Depreciation/amortization	13.1	13.6	17.4
Lit/assets acquired expenses	3.0	-	-
Bad debts expenses	0.5	-	-
Other expenses	71.6	90.0	87.5
Provisions	2.5	-	-
Net Operating Income/(Loss)	24.8	1.1	3.7
Extraordinary credits/(charges)	(0.1)	(2.6)	2.2
Net Income/(Loss) Before Income Tax	24.7	(1.5)	5.9
Provision for income tax	0.9	2.5	2.5
Net Income/(Loss) After Income Tax	23.8	(3.9)	3.4

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Rural Banks' Summarized Consolidated
Balance Sheets, as of December 31, 1984-86
(Million pesos)

	1984	1985	1986
Assets			
Cash and Due From Banks	947.6	1,020.4	1,331.2
Cash on hand	228.7	236.3	312.3
Check and other cash items	23.0	21.4	36.7
Due from CB	137.5	162.9	213.5
Due from other banks	558.4	599.8	768.7
Loan Portfolio (Net)	6,818.0	6,416.1	6,543.5
Loans and discounts	982.7	1,080.7	1,318.8
AGRA/AGRI credit loans	6,039.7	5,555.8	5,471.7
Less: Allowance for probable losses	204.5	220.4	247.0
Investments	361.5	436.2	475.9
Investment in bonds and other debt instruments	193.3	202.7	215.3
Equity investment in allied/nonallied	19.2	29.4	22.2
Others	149.0	204.2	238.4
Other Assets	691.7	728.6	752.8
Bank premises/fixtures and equipment	149.5	149.1	147.3
Real and other properties owned or acquired	303.8	329.5	368.5
Other assets	238.3	250.1	237.1
Total Assets	8,818.8	8,601.3	9,103.5
Liabilities and Capital			
Deposits	2,867.2	3,018.7	3,767.1
Demand and negotiable order of withdrawal	17.5	17.1	20.5
Savings	1,910.0	1,966.9	2,407.2
Time	939.6	1,034.7	1,339.4
Bills Payable	3,937.7	3,465.5	3,082.4
Others (Central Bank)	3,937.7	3,465.5	3,082.4
Other Liabilities	708.1	756.6	802.2
Due to the Treasurer	2.6	3.8	3.8
Due to local banks	44.4	52.8	39.9
Unearned income and other deferred credits	241.8	234.0	258.6
Due to Central Bank	38.7	52.4	32.7
Other liabilities	380.6	413.5	467.1
Total Liabilities	7,513.0	7,240.8	7,651.6
Capital	1,305.8	1,360.5	1,451.9
Capital stock	978.0	1,014.9	1,057.5
Surplus and surplus reserves	284.8	291.2	328.4
Undivided profits	43.0	54.4	65.9
Total Liabilities and Capital	8,818.8	8,601.3	9,103.5

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Rural Banks' Summarized Consolidated
Income Statements, for the Years Ended December 31, 1984-86
(Million pesos)

	1984	1985	1986
Total Operating Income	1,051.9	1,127.7	1,154.9
Interest income	873.2	959.8	966.3
Loans & discounts	788.9	826.6	856.0
Investments	24.5	43.8	39.9
Deposits in banks	59.8	89.4	70.4
Bank commissions	3.6	3.8	4.7
Service charges/fees	103.2	99.2	109.8
Other income	71.9	64.7	74.0
Total Operating Expenses	952.4	1,042.8	1,002.4
Interest expenses	447.1	471.7	467.0
Deposits	326.0	341.5	340.5
Borrowed funds	121.1	130.2	126.4
Compensation/fringe benefits	268.9	289.0	286.3
Other expenses	236.4	282.1	249.1
Net Income/(Loss) Before Income Tax	99.4	84.8	152.5
Provision for income tax	0.1	0.1	-
Net Income/(Loss) After Income Tax	99.3	84.7	152.5

Source: CBP.

ANNEX 15

PHILIPPINES

FINANCIAL SECTOR STUDY

Specialized Government Banks' Summarized Consolidated Balance Sheets, as of December 31, 1984-86
(Million pesos)

	1984	1985	1986
Assets			
Cash and Due From Banks	2,873.0	3,847.0	3,738.0
Cash on hand	60.0	56.0	73.0
Check and other cash items	69.0	56.0	92.0
Due from CB	2,304.0	2,414.0	1,976.0
Due from other banks	440.0	1,321.0	1,597.0
Loan Portfolio (Net)	40,539.0	33,242.0	11,697.0
Interbank loans receivable	506.0	400.0	2.0
Loans and discounts	34,160.0	27,884.0	7,657.0
AGRA/AGRI credit loans	5,598.0	5,234.0	4,706.0
Bills purchased	33.0	24.0	20.0
Customer liability on drafts under LC/TR /a	71.0	76.0	76.0
Trading account securities - loans	410.0	220.0	2,100.0
Less: Allowance for probable losses	239.0	596.0	2,864.0
Investments	13,371.0	12,771.0	6,582.0
Trading account securities - investment	938.0	2,364.0	3,438.0
Investment in bonds and other debt instruments	2,933.0	3,678.0	2,014.0
Equity investment in allied/nonallied	9,500.0	6,729.0	1,130.0
Other Assets	24,040.0	35,031.0	3,735.0
Bank premises/fixtures and equipment	357.0	362.0	304.0
Real and other properties owned or acquired	8,406.0	10,915.0	1,114.0
Customer liability on acceptances outstanding	8.0	7.0	3.0
Other assets	15,269.0	23,747.0	2,314.0
Total Assets	80,823.0	84,891.0	25,752.0
Liabilities and Capital			
Deposits	5,446.0	6,901.0	8,577.0
Demand and negotiable order of withdrawal	218.0	155.0	189.0
Savings	3,891.0	2,971.0	3,740.0
Time	1,052.0	3,480.0	4,327.0
Other	285.0	255.0	321.0
Bills Payable	46,726.0	52,862.0	2,865.0
Deposit substitutes	500.0	500.0	-
Others	46,226.0	52,362.0	2,866.0
Central Bank	4,349.0	5,432.0	940.0
Interbank	-	-	156.0
Local banks	2,057.0	-	-
Nonbanks	488.0	-	-
Private firms	4.0	-	-
Others	9,169.0	46,930.0	2,370.0
Foreign	30,159.0	-	-
Foreign	8,878.0	-	-
Others	21,281.0	-	-
Other Liabilities	19,585.0	17,555.0	7,904.0
Time certificate - special financing	508.0	533.0	631.0
Due to the Treasurer	-	1.0	-
Due to foreign banks	2,767.0	2,685.0	-
Treasurer's/manager's/gift checks	41.0	19.0	21.0
Outstanding acceptances executed by/for	8.0	7.0	3.0
Special time deposits	4,754.0	3,509.0	461.0
Accrued taxes and other expenses	4,407.0	3,942.0	631.0
Unearned income and other deferred credits	952.0	1,437.0	818.0
Payment orders payable	-	18.0	12.0
Due to Central Bank	70.0	56.0	50.0
Cash letters of credits	131.0	-	-
Other liabilities	5,947.0	5,348.0	5,277.0
Total Liabilities	71,757.0	77,318.0	19,847.0
Capital	9,066.0	7,573.0	6,405.0
Capital stock	6,260.0	19,653.0	23,557.0
Surplus and surplus reserves	2,130.0	(4,278.0)	(14,907.0)
Undivided profits	676.0	(7,802.0)	(2,245.0)
Total Liabilities and Capital	80,823.0	84,891.0	25,752.0

/a LC/TR = letters of credit/trust receipts.

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Specialized Government Banks' Summarized Consolidated Income Statements, for the Years Ended December 31, 1984-86
(Million pesos)

	1984	1985	1986
Total Operating Income	2,245.6	3,441.0	3,417.0
Interest income	2,283.8	3,026.0	2,684.0
IBL receivable	79.7	129.0	6.0
Loans & discounts	1,615.5	1,861.0	1,440.0
Investments	151.7	304.0	293.0
Deposits in banks	172.9	224.0	192.0
Due from CBP	-	-	33.0
Trading account sec	264.0	508.0	647.0
Others	-	-	73.0
Bank commissions	3.6	3.0	4.0
Service charges/fees	212.7	158.0	102.0
Trading gain/(loss)	8.1	46.0	60.0
Foreign exchange profit/(loss)	(811.1)	(313.0)	159.0
Income-trust department	8.8	9.0	14.0
Other income	539.8	512.0	394.0
Total Operating Expenses	7,931.5	8,812.0	5,876.0
Interest expenses	7,065.6	7,697.0	4,613.0
Deposits	884.8	892.0	874.0
Borrowed funds	6,180.8	6,694.0	3,633.0
Bonds payable	-	-	106.0
Others	-	111.0	-
Finance charges	-	-	11.0
Compensation/fringe benefits	388.3	435.0	484.0
Management & other professional fees	10.8	15.0	12.0
Supervision & exam fees	13.3	34.0	21.0
Fines, penalties & other charges	2.7	-	-
Taxes & licenses	21.0	163.0	187.0
Insurance	7.1	11.0	13.0
Depreciation/amortization	37.5	40.0	17.0
Lit/assets acquired expenses	82.2	134.0	76.0
Bad debts expenses	-	-	6.0
Other expenses	179.5	188.0	175.0
Provisions	123.4	95.0	261.0
Net Operating Income/(Loss)	(5,685.8)	(5,371.0)	(2,459.0)
Extraordinary credits/(charges)	(602.7)	(1,094.0)	181.0
Net Income/(Loss) Before Income Tax	(6,288.5)	(6,465.0)	(2,278.0)
Provision for income tax	16.6	14.0	14.0
Net Income/(Loss) After Income Tax	(6,305.1	(6,479.0)	(2,292.0)

Source: CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Profile of the Insurance Industry, 1982-86
(Amounts in million pesos)

	1982		1983		1984		1985		1986	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
A. Private Insurers										
Life										
Insurance Issued, Received, Revived & Increased During the Year	22,748.6	100.00	25,932.1	100.00	28,078.7	100.00	34,776.3	100.00	40,238.5	100.00
Ordinary	13,801.9	60.67	16,803.3	64.80	18,854.6	67.15	21,852.1	62.84	27,763.1	69.00
Group	6,477.0	29.47	7,721.2	29.78	7,894.5	28.12	11,064.0	31.81	11,975.0	29.76
Industrial	2,469.7	10.86	1,407.6	5.42	1,329.6	4.73	1,860.2	5.35	500.4	1.24
Insurance Terminated During the Year	14,443.5	100.00	16,685.0	100.00	16,507.4	100.00	20,556.3	100.00	23,118.0	100.00
Ordinary	7,150.7	49.51	9,648.4	57.82	10,943.5	66.30	11,956.5	58.16	15,590.5	67.44
Group	4,664.0	32.29	5,171.9	31.00	4,428.0	26.82	6,485.1	31.55	6,925.7	29.96
Industrial	2,628.8	18.20	1,864.7	11.18	1,135.9	6.88	2,114.7	10.29	601.8	2.60
Insurance in Force at the End of the Year	64,289.7	100.00	74,003.1	100.00	85,579.3	100.00	98,924.4	100.00	116,044.9	100.00
Ordinary	40,047.6	62.29	47,171.4	63.74	55,085.4	64.37	66,702.2	67.43	78,474.7	67.97
Group	19,968.5	31.06	22,979.3	31.05	26,447.7	30.90	30,514.8	30.85	35,564.1	30.65
Industrial	4,273.6	6.65	3,852.4	5.21	4,046.2	4.73	1,707.4	1.72	1,606.1	1.38
Number of Policies	3,044,055	100.00	2,973,018	100.00	2,888,813	100.00	2,723,469	100.00	2,703,377	100.00
Ordinary	1,272,644	41.81	1,341,077	45.10	1,363,986	47.31	1,345,229	49.10	1,696,567	62.76
Group	5,337	0.17	5,276	0.18	5,710	0.20	5,131	0.19	9,685	0.36
(Certificates)	(2,610,108)		(2,634,562)		(2,924,650)		(3,419,611)		(3,650,477)	
Industrial	1,766,074	58.02	1,626,665	54.72	1,513,117	52.49	1,381,109	50.71	997,125	36.88
Premium Income	1,995.4	100.00	1,951.9	100.00	2,190.2	100.00	2,430.9	100.00	2,756.4	100.00
Ordinary	1,281.4	64.22	1,472.0	75.41	1,702.2	77.72	1,897.9	78.07	2,207.9	80.10
Group	505.0	25.31	289.2	14.82	308.2	14.07	360.7	14.84	455.0	16.51
Industrial	209.0	10.47	190.7	9.77	179.8	8.21	172.3	7.09	93.5	3.39
Participation in Premium Income	1,995.4	100.00	1,951.9	100.00	2,190.2	100.00	2,430.9	100.00	2,756.4	100.00
Domestic companies	1,844.0	92.41	1,756.1	89.97	1,934.4	88.32	2,098.1	86.31	2,362.4	85.71
Foreign companies	151.4	7.59	195.8	10.03	255.8	11.68	332.8	13.69	394.0	14.29
Benefit Payments	856.0	100.00	750.3	100.00	946.5	100.00	1,176.0	100.00	1,366.3	100.00
Ordinary	395.1	46.16	504.9	67.29	721.2	76.20	770.5	65.52	980.7	71.78
Group	384.1	44.87	185.6	24.74	148.3	15.67	302.9	25.76	330.3	24.17
Industrial	76.8	8.97	59.8	7.97	77.0	8.13	102.6	8.72	55.3	4.05
Benefit Payments	856.0	100.00	750.3	100.0	946.5	100.00	1,176.0	100.00	1,366.3	100.00
Death benefits	207.2	24.21	244.9	32.64	250.2	26.44	304.4	25.88	361.6	26.47
Matured policies	61.4	7.17	87.4	11.65	137.6	14.54	155.2	13.20	185.6	13.59
Annuity benefits	1.9	0.22	0.3	0.04	0.4	0.04	0.3	0.02	2.5	0.18
Disability benefits	1.3	0.18	1.6	0.21	2.3	0.24	2.3	0.20	3.1	0.23
Surrender benefits	455.0	53.15	246.4	32.84	323.8	34.21	419.1	35.64	372.6	27.27
Benefits under accident & health policies	37.8	4.42	50.5	6.73	64.0	6.76	83.0	7.06	104.3	7.64
Benefits under supplementary contracts	21.9	2.56	5.8	0.77	38.8	4.10	55.3	4.70	58.4	4.27
Group conversions	2.0	0.23	0.2	0.03	-	-	2.4	0.21	-	-
Policy dividends	62.0	7.24	85.4	11.38	119.9	12.67	134.8	11.46	160.2	11.72
Others	5.3	0.62	27.8	3.71	9.5	1.00	19.2	1.63	118.0	8.63
Legal Reserves	4,547.2		5,167.0		5,794.1		6,394.1		7,176.6	
Underwriting Results										
Premium income less increase/(decrease) in reserves	1,410.4		1,345.5		1,586.4		1,750.7		1,983.7	
Benefits paid	856.0		750.3		946.5		1,176.0		1,366.3	
Commissions (net)	(400.0)		(416.8)		(452.0)		(473.3)		(524.2)	
Other underwriting income/(expense)	(63.2)		(75.8)		(88.8)		(117.3)		(110.2)	
Underwriting gain/(loss)	91.2		102.6		99.1		(15.9)		(17.0)	
Underwriting gain/(loss) as a % of premium income		4.57		5.26		4.52		(0.64)		(0.60)
Operating Results										
Underwriting gain/(loss)	91.2		102.6		99.1		(15.9)		(17.0)	
Gross investment income	691.7		820.4		1,021.2		1,290.5		1,229.5	
Operating expense	501.4		584.4		680.5		870.1		837.4	
Net income/(loss) before income tax	281.5		338.6		439.8		404.5		375.1	
Net income/(loss) after income tax	205.1		256.5		363.3		325.8		322.0	
Investment Yield /a		14.24		13.94		14.40		16.73r		13.57p

	1982		1983		1984		1985		1986	
	Amount	%	Amount	%	Amount	%	Amount	%	Amount	%
Nonlife & Professional Reinsurers										
Risks Written										
Direct business	443,863.8		457,540.8		588,120.8		661,609.7		749,188.2	
Gross risks	464,809.3		485,055.9		629,648.6		697,090.6		777,085.0	
Net risks	308,677.2		315,075.4		437,422.9		499,276.1		565,698.0	
Premiums Written										
Direct business	2,415.5		2,648.2		3,117.8		3,497.5		3,680.6	
Gross premiums	2,798.6		3,053.9		3,614.2		3,957.9		4,058.2	
Net premiums	2,048.2		2,210.1		2,653.2		2,854.3		2,936.6	
Participation in net premiums written										
Domestic companies	1,647.4	80.43	1,763.8	79.81	2,061.2	77.69	2,148.7	75.28	2,182.9	74.33
Foreign companies	400.7	19.57	446.3	20.19	592.0	22.31	705.6	24.72	753.7	25.67
Retention ratios		73.19		72.37		73.41		72.12		72.36
Reserve for unearned premiums	[illegible]3		756.2		889.9		976.8		1,043.0	
Premiums Earned by Line										
Total	2,011.0	100.00	2,152.4	100.00	2,516.5	100.00	2,759.3	100.00	2,864.5	100.00
Fire & allied lines	744.6	37.03	796.0	36.98	887.6	35.27	1,004.0	36.39	1,085.2	37.88
Marine, aviation or transit	285.2	14.18	291.4	13.54	332.8	13.22	326.5	11.83	324.0	11.31
Casualty	864.1	42.97	931.7	43.29	1,133.0	45.02	1,250.2	45.31	1,268.7	44.29
Suretyship	88.5	4.40	96.5	4.48	111.1	4.42	121.3	4.39	131.3	4.59
Life, for professional reinsurers	28.6	1.42	36.8	1.71	52.0	2.07	57.3	2.08	55.3	1.93
Claims Incurred/Loss Ratios by Line										
Total	1,034.2	51.43	1,084.9	50.40	1,301.1	51.70	1,387.8	50.29	1,348.2	47.07
Fire & allied lines	378.8	50.87	420.4	52.82	404.7	45.60	497.9	49.59	499.0	45.98
Marine, aviation or transit	147.8	51.83	154.7	53.08	182.4	54.81	195.7	59.94	154.1	47.56
Casualty	484.3	56.06	486.3	52.19	677.1	59.76	664.1	53.12	665.5	52.46
Suretyship	14.4	16.22	10.1	10.48	12.3	11.02	13.1	10.78	10.9	8.28
Life, for professional reinsurers	8.9	30.89	13.4	36.50	24.6	47.31	17.0	29.64	18.7	33.76
Underwriting Results										
Premiums earned	2,011.0		2,152.4		2,516.5		2,759.3		2,864.5	
Claims incurred	1,034.2		1,084.9		1,301.1		1,387.8		1,348.2	
Commissions (net)	(479.2)		(535.7)		(656.2)		(706.0)		(787.5)	
Other underwriting income/(expense)	(120.7)		(133.0)		(150.6)		(166.4)		(172.9)	
Underwriting gain/(loss)	376.9		398.9		408.6		499.1		555.9	
Underwriting gain/(loss) as % to premiums earned		18.74		18.53		16.24		18.08		19.41
Operating Results										
Underwriting gain/(loss)	376.9		398.9		408.6		499.1		555.9	
Gross investment income	240.1		276.4		398.3		501.4		476.4	
Operating expenses	451.3		475.0		505.8		647.2		745.1	
Net income/(loss) before income tax	165.7		200.3		301.1		353.3		287.2	
Net income/(loss) after income tax	130.3		168.5		256.3		290.6		268.0	
Investment Yield /a		11.45		10.23		15.86		19.13r		16.17p
		B. Public Insurers								
Government Service Insurance System										
Investments	10,799.3		12,291.0		13,288.2		14,285.0		15,567	
Premiums	2,458.5		2,631.9		2,609.4		2,975.3		3,469	
Life	2,148.7		1,316.7		2,218.4		2,468.8		2,712	
General insurance	309.8		315.2		391.0		506.5		757	
Social Security System										
Investments	13,430.3		17,527.0		19,615.7		25,307.0		30,493	
Premiums	1,900.0		1,988.3		2,112.2		2,187.0		2,221	
Philippine Crop Insurance										
Investments	316.5		328.2		313.2		348.4		304	
Premiums	32.4		42.8		47.2		81.1		76	

r = Revised figures; p = preliminary figures.

/a Using: Investment yield = $\frac{2I}{A + B - I} \times 100$

where: I = investment interest/income earned for the current year
A = investments at cost of the previous year
B = investments at cost of current year.

Source: Key Data Insurance Industry (1982-86), Insurance Commission.

ANNEX 18

PHILIPPINES

FINANCIAL SECTOR STUDY

The Social Security System
(Thousand pesos)

	Assets		Trust funds		Investments	
	Amount	% increase	Amount	% increase	Amount	% increase
Social Security						
1957-59	105,804	227.05	104,487	233.42	100,393	233.40
1960-69	4,982,182	30.32	4,664,702	30.30	4,364,228	30.10
1970-79	31,866,181	21.50	41,256,926	21.42	41,855,743	21.80
1980	8,220,682	21.78	8,112,809	22.15	8,056,327	22.06
1981	9,958,235	21.14	9,823,211	21.08	9,711,305	20.39
1982	11,834,004	18.84	11,707,250	19.18	11,538,464	18.81
1983	13,936,600	17.77	13,796,095	17.84	13,633,164	18.15
1984	17,155,919	23.10	16,805,204	21.81	16,448,990	20.65
1985	22,245,772	29.67	21,709,855	29.19	21,121,516	28.41
1986	26,155,109	17.57	25,868,082	19.15	25,290,680	19.74
Medicare						
1972-79	1,131,581	24.04	1,091,955	24.69	1,093,212	25.07
1980	357,270	48.16	355,325	52.48	350,146	52.02
1981	511,344	43.13	508,487	43.10	501,392	43.20
1982	668,358	30.71	666,358	31.05	652,825	30.20
1983	853,674	27.73	851,773	27.83	838,473	28.44
1984	1,137,158	33.21	1,135,521	33.31	1,105,369	31.83
1985	1,577,242	38.70	1,561,222	37.49	1,492,024	34.98
1986	1,964,228	24.54	1,944,235	24.53	1,898,924	27.27
Employees' Compensation						
1975-79	1,333,666	71.37	1,294,702	72.11	1,286.929	70.64
1980	682,255	34.43	680,557	35.84	668,664	36.59
1981	892,481	30.81	889,397	30.69	873,486	30.63
1982	1,143,562	28.13	1,141,662	28.36	1,117,010	27.88
1983	1,436,871	25.65	1,435,025	25.70	1,408,488	26.09
1984	1,822,693	26.85	1,820,037	26.83	1,742,274	23.70
1985	2,478,471	35.98	2,475,283	36.00	2,349,782	34.87
1986	3,069,409	23.84	3,067,761	23.94	2,982,593	26.93

Source: SSS.

PHILIPPINES

FINANCIAL SECTOR STUDY

The Government Service Insurance System: Corporate Balance Sheet, 1985/86
(Pesos)

	1986	1985	Increase (decrease)
Assets			
Current assets	3,253,367,065	1,789,542,495	1,463,824,572
Loans and investments	12,746,646,915	11,857,728,189	888,918,726
Other assets	3,326,197,888	3,105,620,181	220,577,707
Total Assets	19,326,211,868	16,752,890,866	2,573,321,002
Add: Nonadmitted assets	116,608,321	120,034,501	(3,426,180)
Total Assets	19,442,820,189	16,872,925,367	2,569,894,822
Less: Nonadmitted assets	116,608,321	120,034,501	(3,426,180)
Total Admitted Assets	19,326,211,868	16,752,890,866	2,573,321,002
Liabilities and Net Worth			
Current liabilities	1,725,900,752	950,411,758	775,488,994
Deferred credits	48,360,715	55,731,750	7,371,035
Reserves			
Social insurance reserve fund	16,430,733,779	13,327,366,965	3,103,366,814
Optional insurance reserve fund	489,713,682	534,493,000	(44,779,318)
Medicare insurance reserve fund	174,368,443	240,230,000	(65,861,557)
Employees' compensation insurance reserve fund	307,490,073	446,365,935	(138,875,862)
General insurance reserve fund	711,645,913	676,829,352	34,816,561
Total Reserves	18,113,951,890	15,225,285,252	2,888,666,638
Surplus	(562,001,489)	521,462,106	(1,083,463,595)
Total Liabilities and Net Worth	19,326,211,868	16,752,890,866	2,573,321,002

Source: GSIS.

PHILIPPINES

FINANCIAL SECTOR STUDY

Ranking and Selected Balance Sheet Accounts of Individual Banks as of September 30, 1987
(₱'000)

	Total assets		Liquid assets		Total loans		Total deposits		Bank borrowings		Capital accounts	
	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount	Rank	Amount
Private Domestic Banks												
Allied Banking Corp.	13	6,205,553	14	1,899,680	11	3,454,672	13	4,042,610	27	198,049	9	903,717
Associated Bank	28	2,345,336	27	657,478	26	1,221,550	22	1,641,269	21	398,020	30	143,408
Bank of the Philippine Islands	3	20,073,412	3	9,303,664	4	8,212,898	2	16,579,368	20	450,746	5	1,558,004
China Banking Corp.	18	4,458,820	20	1,086,400	17	2,434,314	14	3,415,398	28	104,632	13	542,704
CityTrust Banking Corp.	11	6,602,719	10	2,975,167	15	2,692,509	15	3,403,712	8	1,272,086	10	871,917
Commercial Bank of Manila	29	1,662,630	30	324,478	30	788,372	29	711,386	22	367,965	20	376,594
Consolidated Bank & Trust Corp.	12	6,263,893	11	2,347,333	12	3,382,530	9	4,908,691	24	337,858	15	519,195
Equitable Banking Corp.	14	6,165,675	13	2,300,548	14	3,231,256	10	4,764,380	23	351,417	11	665,983
Far East Bank & Trust Co.	4	18,118,295	4	8,054,769	5	7,975,925	3	13,406,072	7	1,316,398	4	1,617,118
International Corporate Bank	20	3,654,624	17	1,397,028	19	1,975,772	24	1,376,400	14	792,124	8	943,050
Manila Banking Corp.	-	0	-	0	-	0	-	0	-	0	-	0
Metropolitan Bank & Trust Co.	5	17,089,723	6	6,047,320	3	8,910,062	4	12,859,622	3	2,047,569	7	1,069,735
Philippine Bank of Communications	24	3,138,975	23	968,234	21	1,844,217	23	1,623,406	13	826,860	16	481,061
Philippine Banking Corp.	21	3,403,460	25	813,285	23	1,692,202	17	2,817,662	26	205,992	25	256,845
Philippine Commercial Int'l Bank	6	13,987,997	7	4,932,385	6	7,139,825	5	10,353,187	12	837,635	6	1,290,657
Philippine Trust Co.	26	2,888,051	16	1,483,515	27	1,041,692	19	2,232,902	29	51,395	21	366,661
Pilipinas Bank	30	1,513,107	28	513,150	29	807,592	30	588,402	19	462,565	24	292,344
Producers Bank of the Philippines	27	2,641,388	26	701,072	28	981,980	27	1,098,794	10	1,045,843	28	151,409
Prudential Bank	15	6,028,336	8	3,492,164	24	1,648,569	12	4,410,832	15	727,917	14	530,140
Republic Planters Bank	16	5,636,269	24	850,835	13	3,298,415	25	1,342,206	2	2,150,827	17	479,993
Rizal Commercial Banking Corp.	10	6,797,168	19	1,136,347	10	3,808,790	11	4,664,693	17	595,135	12	594,476
Security Bank & Trust Co.	19	4,258,226	12	2,304,071	25	1,398,458	16	3,347,105	25	217,807	23	340,976
Traders Royal Bank	23	3,288,939	21	1,018,310	20	1,870,348	18	2,468,173	30	48,348	22	354,885
Union Bank of the Philippines	22	3,327,877	18	1,265,822	22	1,833,567	20	1,714,831	11	873,358	18	442,570
United Coconut Planters Bank	9	11,173,511	9	3,483,968	7	5,989,966	7	5,851,847	6	1,334,163	3	2,143,668
Subtotal		160,723,984		59,357,021		77,635,481		109,622,948		17,014,709		16,937,110
Foreign Banks												
Bank of America	8	11,928,862	15	1,679,593	8	5,567,561	21	1,708,999	18	464,534	27	157,204
Citibank N.A.	2	25,382,272	2	9,313,602	2	9,508,899	6	6,319,854	1	7,467,739	29	150,238
Hongkong & Shanghai Banking Corp.	17	4,500,827	22	985,394	16	2,660,857	26	1,168,737	9	1,156,806	26	188,735
Standard Chartered Bank	25	3,075,310	29	404,910	18	2,090,135	28	915,672	4	1,498,886	19	401,318
Subtotal		44,887,271		12,383,499		19,827,452		10,113,262		10,587,965		897,495
Government Banks												
Land Bank of the Philippines	7	13,101,835	5	6,049,730	9	5,460,619	8	5,202,214	16	670,926	1	3,837,011
Philippine National Bank	1	32,727,257	1	14,489,234	1	10,536,501	1	19,434,621	5	1,416,914	2	3,140,656
Subtotal		45,829,092		20,538,964		15,997,120		24,636,835		2,087,840		6,977,667
GRAND TOTAL		251,440,347		92,279,484		113,460,053		144,373,045		29,690,514		24,812,272

Source: Published Statements of Condition, as given in Business World, Special Report, November 10, 1987.

PHILIPPINES

FINANCIAL SECTOR STUDY

Commercial Banks' Summarized Consolidated Balance Sheets, as of December 31, 1970, 1975, 1980-86
(Million pesos)

	1970	1975	1980	1981	1982	1983	1984	1985	1986
Assets									
Cash	294.0	872.2	2,077.3	2,102.8	2,140.2	2,897.1	2,908.9	3,335.2	4,918.3
Check and other cash items	351.4	1,172.7	1,184.2	1,106.8	912.5	987.2	1,150.0	1,045.2	1,154.6
Due from CB	841.3	2,222.8	7,058.7	9,109.9	8,654.7	15,815.0	29,230.6	32,946.7	35,775.0
Due from banks	508.6	5,016.5	11,357.8	12,143.4	16,283.4	11,842.0	21,869.3	23,602.6	20,942.2
Loans and discounts	7,583.8	26,070.0	77,439.2	90,529.1	104,417.8	139,373.7	134,115.7	124,406.2	93,665.2
Customers' liability for bank's acceptances outstanding	1,621.9	6,538.8	11,172.3	12,439.8	11,970.6	15,516.4	13,638.7	10,012.0	8,376.0
Investment in bonds and securities	1,762.3	6,180.0	13,453.1	16,205.9	20,225.8	21,443.5	29,678.4	27,753.4	30,587.4
Bank premises, furniture and equipment	305.6	940.4	3,046.7	4,080.8	4,654.8	5,236.3	6,749.1	8,563.2	6,156.6
Real and chattel properties	215.0	412.8	1,052.0	1,339.0	2,117.5	2,967.1	3,879.6	11,820.6	4,786.8
Others	582.2	3,746.6	10,575.8	15,557.1	19,600.1	31,849.9	45,930.6	39,862.0	42,164.4
Total	14,066.1	53,172.8	138,417.1	164,614.6	190,977.4	247,928.2	289,150.9	283,347.1	248,526.5
Liabilities and Net Worth									
Liabilities									
Demand deposits	2,458.9	6,664.8	12,792.0	14,311.7	11,939.4	19,139.3	15,268.0	14,753.3	19,650.6
Savings deposits	3,757.2	8,951.2	23,047.1	27,016.7	33,444.7	40,939.7	47,210.9	56,267.5	70,881.2
Time deposits	1,469.6	5,130.7	36,791.1	37,933.3	47,846.3	56,147.8	72,068.4	71,996.9	47,494.4
Due to banks	511.5	2,426.1	820.0	1,555.9	1,628.6	2,006.3	982.7	2,409.7	2,181.4
Treasurer's and manager's checks	144.7	289.6	1,417.3	1,482.5	1,424.9	1,730.6	2,059.2	2,368.5	1,779.6
Dividends payable	..	..	49.0	40.3	63.2	308.5	230.5	77.3	41.7
Bills payable	1,948.7	18,209.5	32,833.2	44,788.9	47,482.6	66,164.8	65,126.3	68,544.1	29,433.2
Other liabilities	2,304.8	6,125.4	19,959.6	23,436.1	30,418.4	41,519.0	61,546.5	45,353.0	48,828.5
Subtotal	12,595.4	47,997.3	127,709.3	150,565.4	174,248.1	227,956.2	264,492.5	261,770.3	220,290.6
Net Worth									
Capital stock	867.9	3,866.9	6,659.0	8,413.2	10,248.7	12,062.8	13,232.2	15,109.3	12,979.0
Surplus reserve and undivided profits	602.8	1,308.6	4,048.8	5,636.0	6,480.6	7,909.2	11,426.2	6,467.5	15,256.9
Subtotal	1,470.7	5,175.5	10,707.8	14,049.2	16,729.3	19,972.0	24,658.4	21,576.8	28,235.9
Total	14,066.1	53,172.8	138,417.1	164,614.6	190,977.4	247,928.2	289,150.9	283,347.1	248,526.5

Source: CBP.

Commercial Banks' Summarized Consolidated Income Statements, for the Years Ended December 31, 1970, 1975, 1980-86
(Million pesos)

	1970	1975	1980	1981	1982	1983	1984	1985	1986
Total Operating Income	1,168.7	4,766.9	14,263.2	20,506.1	24,360.8	28,862.7	39,035.5	36,124.2	28,200.8
Interest income	792.1	3,304.6	11,470.3	17,055.7	20,541.3	23,044.3	30,700.4	29,022.6	21,864.6
Interbank loans receivable	-	-	2,875.0	808.3	1,324.4	1,126.1	904.9	532.2	n.a.
Loans and discounts	711.5	2,868.5	8,823.6	12,057.6	14,376.7	16,845.7	23,289.4	19,015.9	n.a.
Investments	80.6	436.1	1,207.2	1,240.9	1,368.7	2,013.9	2,724.0	2,214.6	n.a.
Deposits in banks	-	-	1,033.9	2,856.2	3,400.5	2,944.7	3,361.3	3,589.2	n.a.
Due from CBP	-	-	-	-	-	-	-	918.1	n.a.
Trading account securities	-	-	118.1	92.7	71.0	113.9	420.8	2,235.8	n.a.
Others	-	-	-	-	-	-	-	436.8	n.a.
Bank commissions	-	-	605.5	636.0	549.1	605.7	930.4	771.0	723.3
Service charges/fees	110.1	597.7	814.4	772.7	578.8	556.3	882.2	602.0	620.5
Fees/commissions - others	-	-	-	-	-	-	-	133.8	75.9
Trading gain/(loss)	-	-	187.8	106.8	184.7	187.4	651.2	1,701.2	1,279.3
Foreign exchange profit/(loss)	164.0	430.4	761.4	1,254.5	1,796.5	3,645.4	4,817.7	2,659.8	2,547.7
Gold trading gain/(loss)	-	-	4.0	-	22.4	(1.9)	4.8	7.7	0.5
Income-trust department	12.1	35.8	151.7	230.7	213.7	198.3	231.1	421.0	427.6
Other income	90.4	398.4	268.1	449.7	474.3	627.2	817.4	805.1	661.4
Total Operating Expenses	949.0	3,667.1	12,819.2	18,972.9	22,871.1	26,711.7	37,914.7	40,880.1	31,370.9
Interest expenses	416.3	2,290.7	8,836.2	13,902.2	17,194.4	19,407.5	27,998.2	29,829.3	20,396.8
Deposits	286.8	992.1	4,434.0	7,206.9	9,006.0	10,892.7	13,740.4	16,730.0	n.a.
Borrowed funds	129.5	1,298.6	4,254.6	6,548.1	7,943.4	8,159.4	13,205.6	11,705.0	n.a.
Others	-	-	147.6	347.2	245.0	355.4	1,052.2	1,388.3	n.a.
Finance charges	-	-	-	-	-	-	-	-	1.5
Compensation/fringe benefits	144.1	514.8	1,446.7	1,834.6	2,045.6	2,324.9	2,749.1	2,927.5	3,245.9
Management and other professional fees	-	-	72.7	82.4	83.6	116.5	156.9	169.7	192.7
Supervision and examination fees	-	-	53.2	79.4	79.4	62.3	4.8	76.6	84.6
Fines, penalties and other charges	-	-	6.9	6.4	52.2	23.6	330.6	282.5	458.5
Taxes and licenses	124.7	223.7	695.1	715.1	749.6	881.0	1,229.5	1,809.0	1,101.7
Insurance	-	-	74.2	97.9	104.6	130.9	148.1	191.4	209.0
Depreciation/amortization	26.8	61.0	214.8	273.6	318.3	374.3	448.3	535.1	540.0
Litigation/assets acquired expenses	-	-	26.8	1.0	70.3	77.5	110.6	127.2	124.0
Bad debts expenses	-	-	67.2	131.4	130.7	150.3	583.6	596.3	39.0
Other expenses	237.1	576.9	1,198.1	1,950.3	1,780.9	2,170.1	2,648.1	2,953.1	3,039.6
Provisions	-	-	127.3	358.6	261.5	992.8	1,506.9	1,382.4	1,939.1
Net Operating Income/(Loss)	219.7	1,099.8	1,444.0	1,533.2	1,489.7	2,151.0	1,120.8	(4,755.9)	(3,170.1)
Extraordinary Credits/(Charges)	(14.6)	(41.0)	159.3	125.2	207.5	169.4	241.3	393.1	537.8
Recovery on charged-off assets	-	(3.9)	8.0	10.7	9.6	7.2	20.3	41.0	33.7
Income from assets acquired	-	-	16.6	23.2	54.9	50.1	57.0	90.1	109.1
Profits/(losses) from assets sold/exchanged	-	12.7	64.8	45.2	90.8	127.2	102.4	74.0	136.9
Dividends-equity investments	-	-	-	-	-	-	-	109.7	5.0
Revaluation profits/(losses)	-	(28.7)	-	-	-	-	-	(13.8)	10.9
Profits/(losses) on foreign exchange swap contract differential	-	-	-	-	-	-	-	75.9	45.6
Others	(14.6)	(21.1)	69.9	46.1	52.2	(15.1)	61.6	16.2	190.6
Net Income/(Loss) Before Income Tax	205.1	1,058.8	1,603.3	1,658.4	1,697.2	2,320.4	1,362.1	(4,362.8)	(2,638.3)
Provision for income tax	-	282.9	112.4	142.2	80.6	155.7	228.4	279.8	307.7
Net Income/(Loss) After Income Tax	205.1	775.9	1,490.9	1,516.2	1,616.6	2,164.7	1,133.7	(4,642.6)	(2,946.0)

Source: CBP.

ANNEX 23

PHILIPPINES

FINANCIAL SECTOR STUDY

Analysis of Commercial Banks' Sources and Uses of Funds, 1980-86
(Amounts in billion pesos)

	1980	1981	1982	1983	1984	1985	1986	1987 Jun
Nominal Sources and Uses of Funds								
Sources	138.4	164.6	191.0	247.9	289.2	283.3	248.5	253.8
Deposits	72.6	79.3	93.2	116.2	134.5	143.0	138.0	138.6
Capital	10.7	14.0	16.7	20.0	24.7	21.6	28.2	27.6
Loans/bills	32.8	44.8	47.5	66.2	65.1	68.5	29.4	32.6
Due to banks	0.8	1.6	1.6	2.0	1.0	2.4	2.2	1.4
Unclassified	21.4	25.0	31.9	43.6	63.8	47.8	50.7	53.7
Uses	138.4	164.6	191.0	247.9	289.2	283.3	248.5	253.8
Cash	3.3	3.2	3.1	3.9	4.1	4.4	6.1	5.1
Private loans	81.5	96.6	108.3	143.0	124.2	116.2	91.0	96.8
Private investment	1.9	3.6	5.1	5.0	9.4	8.6	7.4	13.3
Total private	83.4	100.1	113.3	148.0	133.5	124.8	98.4	110.1
Government loans	7.1	6.4	8.1	11.9	23.6	18.2	11.1	11.8
Government investment	11.5	12.6	15.2	16.5	20.3	19.2	23.2	18.8
Total government	18.6	19.0	23.3	28.3	43.9	37.4	34.3	30.6
Due from banks	18.4	21.3	24.9	27.7	51.1	56.5	56.7	59.2
Unclassified	14.7	21.0	26.4	40.1	56.6	60.2	53.1	48.9
Constant 1980 Pesos								
Sources	138.4	150.7	153.8	100.3	96.2	92.6	77.1	76.8
Deposits	72.6	72.6	75.1	47.0	44.8	46.7	42.8	41.9
Capital	10.7	12.9	13.5	8.1	8.2	7.0	8.8	8.3
Loans/bills	32.8	41.0	38.2	26.8	21.7	22.4	9.1	9.9
Due to banks	0.8	1.4	1.3	0.8	0.3	0.8	0.7	0.4
Unclassified	21.4	22.9	25.7	17.6	21.2	15.6	15.7	16.2
Uses	138.4	150.7	153.8	100.3	96.2	92.6	77.1	76.8
Cash	3.3	2.9	2.5	1.6	1.4	1.4	1.9	1.5
Private loans	81.5	88.4	87.2	57.8	41.3	38.0	28.2	29.3
Private investment	1.9	3.3	4.1	2.0	3.1	2.8	2.3	4.0
Total private	83.4	91.7	91.3	59.9	44.4	40.8	30.5	33.3
Government loans	7.1	5.9	6.5	4.8	7.8	6.0	3.4	3.6
Government investment	11.5	11.5	12.2	6.7	6.8	6.3	7.2	5.7
Total government	18.6	17.4	18.8	11.5	14.6	12.2	10.6	9.3
Due from banks	18.4	19.5	20.1	11.2	17.0	18.5	17.6	17.9
Unclassified	14.7	19.2	21.2	16.2	18.8	19.7	16.5	14.8
Key Performance Ratios								
Loans/deposits	122.0	129.9	124.8	133.3	109.8	94.0	73.9	78.4
Loans/fund liabilities	83.4	82.0	81.8	84.0	73.6	62.8	60.2	62.9
Capital/total assets	7.7	8.5	8.8	8.1	8.5	7.6	11.4	10.9
Capital/loans	12.1	13.6	14.4	12.9	16.7	16.1	27.7	25.4
Real Growth Rates (%)								
Total sources and uses		8.9	2.1	(34.8)	(4.1)	(3.8)	(16.7)	(0.4)
Deposits		(0.1)	3.5	(37.4)	(4.8)	4.4	(8.3)	(2.1)
Capital		20.1	4.8	(40.1)	1.6	(14.1)	24.3	(4.9)
Loans/bills		24.9	(6.7)	(30.0)	(19.0)	3.4	(59.2)	8.1
Due to banks		73.7	(7.9)	(38.2)	(59.7)	140.7	(14.0)	(37.5)
Unclassified		6.7	12.5	(31.5)	20.6	(26.5)	0.7	3.3
Cash		(9.9)	(16.3)	(36.1)	(14.0)	6.0	31.7	(18.8)
Private loans		8.5	(1.4)	(33.7)	(28.6)	(8.1)	(25.6)	3.7
Private investment		68.9	23.9	(50.5)	54.4	(9.8)	(18.5)	76.1
Total private		9.9	(0.4)	(34.4)	(25.8)	(8.2)	(25.1)	9.2
Government loans		(17.8)	11.5	(26.7)	63.4	(24.1)	(42.4)	4.3
Government investment		0.4	5.8	(45.5)	1.6	(7.4)	15.1	(21.0)
Total government		(6.6)	7.7	(38.9)	27.5	(16.4)	(12.9)	(12.9)
Due from banks		5.7	3.2	(44.3)	52.0	8.7	(4.7)	1.7
Unclassified		30.9	10.6	(23.8)	16.2	4.6	(16.3)	(10.3)

Source: Basic data by CBP.

ANNEX 24

PHILIPPINES

FINANCIAL SECTOR STUDY

Performance Ratios of the Commercial Banking System

		1984	1985	1986
Financial Performance (%)				
Return on risk assets		0.58	(2.98)	(2.30)
Return on assets		0.36	(1.66)	(1.25)
Return on equity		2.88	(16.14)	(9.99)
Liquidity (%)				
Normal risk assets/core deposits		111.19	88.52	69.33
All risk assets/core deposits		133.68	108.06	91.36
Capital Adequacy (%)				
Equity/normal risk assets		24.36	22.54	30.30
Equity/all risk assets		20.27	18.46	22.99
Equity/all RA plus trust		18.42	15.95	18.38
Equity/total assets		12.42	10.31	12.51
Equity/core deposits		27.09	19.95	21.01
Equity/funding liabilities		17.74	14.08	17.09
Growth Indicators (%)				
Change in normal risk assets		-	(12.05)	(23.33)
Change in all risk assets		-	(10.69)	(17.24)
Change in total assets		-	(1.92)	(15.11)
Change in equity participations		-	(17.43)	(35.06)
Change in core deposits		-	10.48	(2.12)
Change in trust funds		-	40.85	31.70
Change in equity		-	(18.64)	3.07
Productivity				
Staff expenses/core deposits		1.93	2.03	2.30
Staff expenses/all risk assets		1.44	1.88	2.51
Staff expenses/net income		247.03	(63.06)	(109.53)
Intermediation Margin, % Total Assets				
Staff costs		0.88	1.05	1.37
Administrative costs		1.24	1.36	1.73
Depreciation & provisions		0.67	0.90	1.07
Total Costs		2.79	3.31	4.17
Profit before all taxes		0.82	(0.92)	(0.65)
Intermediation Margin		3.62	2.40	3.52
Dividends/Payout Rate		629.4/61.9	248.7/(5.4)	664.2/(22.4)
Past Due Data (Pesos)				
Renegotiated		2,524.1	4,743.8	2,904.6
1- 30 days		2,475.8	3,363.1	2,235.3
31- 90 days		1,940.0	1,623.9	1,430.2
91-180 days		1,094.1	1,466.3	985.4
181-360 days		1,879.4	2,600.9	1,797.3
Over 1 year		5,995.7	6,324.3	13,348.3
Total		15,909.2	20,122.2	22,701.1
Potential Loss Estimates (Pesos)	%			
Renegotiated	25	631.0	1,185.9	726.2
1-30 days	5	123.8	168.2	111.8
31-90 days	10	194.0	162.4	143.0
91-180 days	25	273.5	366.6	246.3
181-360 days	50	939.7	1,300.4	898.7
Over 1 year	75	4,496.8	4,743.2	10,011.2
Specific reserve estimate	-	6,658.8	7,926.7	12,137.2
General Reserve estimate	1	1,321.9	1,132.3	822.1
Total		7,980.7	9,059.0	12,959.3
Reported loan loss provisions (Pesos)		3,027.9	5,754.6	7,088.9
Adjusted equity (Pesos)		30,392.9	25,453.1	23,769.1
Equity/normal risk assets (%)		20.95	19.95	24.30
Equity/total assets (%)		10.68	9.12	10.04

Sources: Loan loss provisions have been derived from individual bank's published annual reports; all other data from CBP. Calculations of ratios are by the mission.

ANNEX 25

PHILIPPINES

FINANCIAL SECTOR STUDY

Consolidated Balance Sheets of the Commercial Banking Less PNB
(Amounts in million pesos)

	1984	%	1985	%	1986	%
Total Assets	197,289.9	100	202,853.0	100	201,824.7	100
Cash and Due From Banks	46,511.3	24	57,148.7	28	56,511.3	28
Cash on hand	2,607.0	1	3,118.3	2	4,218.6	2
Check and other cash items	274.5	0	431.8	0	511.9	0
Due from CB	21,973.1	11	28,619.0	14	27,888.3	14
Due from other banks	21,656.7	11	24,979.6	12	23,892.6	12
Loan Portfolio (Net)	97,045.4	49	92,277.7	45	89,154.1	44
Interbank loans receivable	2,193.7	1	3,278.0	2	3,014.3	1
Loans and discounts	70,892.1	36	63,558.2	31	60,027.0	30
AGRA/AGRI credit loans	10,571.9	5	11,554.0	6	12,077.0	6
Bills purchased	4,948.8	3	3,994.0	2	4,782.9	2
Customer's liability on drafts under LC/TR /a	4,962.8	3	4,390.1	2	6,035.1	3
Trading account securities - loans	3,476.3	2	5,503.5	3	3,217.8	2
Investments	23,031.9	12	22,234.0	11	26,421.1	13
Trading account securities - investments	6,668.7	3	8,997.0	4	11,597.9	6
Investment in bonds and other debt instruments	13,332.7	7	10,933.2	5	12,599.7	6
Equity investment in allied/nonallied	3,030.4	2	2,303.8	1	2,223.5	1
Other Assets	30,701.3	16	31,192.5	15	29,738.2	15
Bank premises/fixtures and equipment	4,244.5	2	5,533.7	3	5,462.8	3
Real and other properties owned or acquired	2,439.9	1	2,955.6	1	3,629.0	2
Customer's liability on acceptances outstanding	3,303.8	2	3,311.6	2	1,848.4	1
Other assets	20,713.2	10	19,391.6	10	18,798.0	9
Total Liabilities and Capital Accounts	197,289.9	100	202,853.0	100	201,824.7	100
Deposits	110,315.5	56	120,681.4	59	118,440.5	59
Demand and negotiable order of withdrawal	8,743.8	4	9,164.2	5	11,018.7	5
Savings	38,029.8	19	49,181.4	24	64,928.0	32
Time	58,774.8	30	62,335.8	31	42,493.8	21
Others	4,767.0	2	0.0	0	0.0	0
Bills Payable	25,695.2	13	22,650.9	11	28,423.6	14
Deposit substitutes	5,635.2	3	4,000.9	2	4,144.8	2
Others	20,060.0	10	18,650.0	9	24,278.7	12
Central Bank	6,463.6	3	8,660.8	4	7,440.9	4
Interbank	1,162.9	1	2,674.0	1	10,899.4	5
Local banks	206.5	0	51.4	0	24.7	0
Nonbanks	286.1	0	0.0	0	0.0	0
Private firms	455.5	0	0.0	0	0.0	0
Others	599.0	0	7,263.8	4	5,913.8	3
Foreign	10,886.4	6	0.0	0	0.0	0
Foreign	10,309.6	5	0.0	0	0.0	0
Others	576.8	0	0.0	0	0.0	0
Other Liabilities	32,869.4	17	32,016.9	16	27,860.6	14
Time certificate - special financing	438.4	0	780.9	0	590.1	0
Special foreign currency deposits	6.5	0	19.7	0	72.3	0
Due to the Treasurer	12.2	0	20.5	0	20.5	0
Due to local banks	61.6	0	355.6	0	197.4	0
Due to foreign banks	1,504.2	1	120.4	0	369.3	0
Treasurer's/manager's gift checks	1,690.8	1	2,066.3	1	1,492.3	1
Outstanding acceptances executed by/for	3,218.7	2	3,328.7	2	1,890.2	1
Marginal deposits	3,110.9	2	2,230.4	1	2,765.9	1
Special time deposits	37.0	0	55.2	0	88.4	0
Accrued taxes and other expenses	3,593.6	2	2,848.1	1	2,397.6	1
Unearned income and other deferred credits	1,096.0	1	1,149.7	1	1,150.5	1
Payment orders payable	503.8	0	339.5	0	504.4	0
Due to Central Bank	1,659.0	1	4,879.4	2	4,108.8	2
Cash letters of credits	289.9	-	2,057.1	-	1,408.8	-
Other liabilities	15,652.9	8	11,765.5	6	10,804.2	5
Total Liabilities	168,880.0	86	175,349.2	86	174,724.7	87
Total Capital Accounts	28,409.9	14	27,503.8	14	27,100.0	13
Capital stock	9,220.1	5	9,567.1	5	10,227.1	5
Surplus and surplus reserves	2,434.8	1	3,302.1	2	4,243.1	2
Undivided profits	2,313.1	1	2,426.5	1	2,218.9	1
Due from head office, etc.	6,646.8	3	6,439.1	3	8,007.6	4
Due to head office, etc.	20,393.0	10	17,877.6	9	17,503.4	9
Assigned capital	695.7	0	723.4	0	897.4	0
Revaluation profits/(losses)	0.0	0	46.2	0	17.7	0
Trust accounts	15,979.2	-	23,455.7	-	31,111.4	-

/a LC/TR = letters of credit/trust receipts.

Source: Consolidated Balance Sheet of all 30 banks provided by CEP. Adjustment for PNB is by the mission.

ANNEX 26

PHILIPPINES

FINANCIAL SECTOR STUDY

Consolidated Income Statements of the Commercial Banking System Less PNB, 1984-86
(Amounts in million pesos)

	1984		1985		1986	
Total Operating Income	27,405.5		30,977.5		24,158.1	
Interest income	21,201.7		24,303.9		17,966.9	
Interest-interbank loans receivable	2,414.5		352.9		257.7	
Interest-loans and discounts	14,372.2		15,796.0		11,552.7	
Interest-investments	1,927.0		2,054.5		1,752.9	
Interest-deposit in banks	2,067.2		2,511.2		1,354.4	
Interest-due from CBP	0.0		918.1		1,354.7	
Interest-trading account securities	420.9		2,235.7		1,348.6	
Interest-others	0.0		435.6		345.9	
Bank commissions	624.0		634.5		609.0	
Service charges/fees	568.0		567.3		592.2	
Fees/commissions-others	0.0		133.7		75.8	
Trading gain/(loss)	675.1		1,872.5		1,278.5	
Foreign exchange profit/(loss)	3,422.5		2,315.7		2,628.7	
Gold trading gain/(loss)	2.9		8.5		0.5	
Income-trust department	215.5		411.9		415.9	
Other income	695.7		729.5		590.7	
Total Operating Expenses	24,728.7		28,491.0		21,796.1	
Interest expenses	17,463.1		19,125.8		13,120.9	
Interest-deposits	10,530.3		13,428.2		9,080.1	
Interest-borrowed funds	6,219.7		4,341.4		3,209.5	
Interest-bonds payable						
Interest-others	713.2		1,356.3		831.3	
Finance charges	0.0		0.0		1.5	
Compensation/fringe benefits	2,093.5		2,490.4		2,790.0	
Management and other professional fees	100.0		115.2		140.4	
Supervision and examination fees	(12.9)		59.6		61.6	
Fines, penalties and other charges	64.0		26.1		27.3	
Taxes and licenses	1,008.5		1,638.0		995.6	
Insurance	129.1		171.9		186.2	
Depreciation/amortization	371.5		489.6		506.2	
Litigation/assets acquired expenses	73.0		94.4		84.0	
Bad debts expenses	1,189.5		581.5		37.4	
Other expenses	2,168.5		2,593.3		2,662.7	
Provisions /a	80.9		1,115.3		1,182.3	
Net Operating Income/(Loss)	2,676.8		2,486.5		2,362.0	
Extraordinary credits/(charges)	(389.5)		363.8		475.9	
Net Income/(Loss) Before income Tax	2,287.3		2,850.3		2,837.9	
Provision for income tax	168.6		275.4		304.0	
Net Income/(Loss) After Income Tax	2,118.7		2,574.9		2,533.9	

Restatement of Profit and Loss	1984	%	1985	%	1986	%
Interest income	21,201.7	100	24,303.9	100	17,966.9	100
Interest expense	17,463.1	82	19,125.8	79	13,122.4	73
Net Interest Difference Income	3,738.6	40	5,178.1	47	4,844.6	46
Fee income	1,192.0	13	1,335.5	12	1,277.0	12
Foreign exchange income	3,422.5	37	2,315.7	21	2,628.7	25
Trading income	678.0	7	1,881.0	17	1,279.0	12
Trust income	215.5	2	411.9	4	415.9	4
Net Operating Income	9,246.7	100	11,122.3	100	10,445.0	100
Staffing	2,093.5	23	2,490.4	22	2,790.0	27
Depreciation	371.5	4	489.6	4	506.2	5
Taxes and licenses	1,008.5	11	1,638.0	15	995.6	10
Other operating expenses	2,521.7	27	3,050.5	27	3,162.2	30
Net Operating Expenses	5,995.2	65	7,668.5	69	7,454.0	71
Net Operating Profit	3,251.4	35	3,453.7	31	2,991.0	29
Other income	695.7	8	1,093.3	10	1,066.6	10
Loan loss provisions	1,270.4	14	1,696.7	15	1,219.7	12
Other expenses	389.5	4	0.0	0	0.0	0
Net Income Before Tax	2,287.3	25	2,850.3	26	2,837.9	27
Taxes	168.6	2	275.4	2	304.0	3
Net Income After Tax	2,118.7	23	2,574.9	23	2,533.9	24
Net income before all tax	3,295.9		4,488.3		3,833.4	
Taxes	1,177.1		1,913.4		1,299.6	
Effective tax rate excluding reserve costs	35.7		42.6		33.9	

/a Excluding provision for income tax.

Source: Consolidated Income Statement of all 30 banks provided by CBP. Adjustment for PNB is by the mission.

ANNEX 27

PHILIPPINES

FINANCIAL SECTOR STUDY

Performance Ratios of the Commercial Banking System Less PNB, 1984-86

		1984	1985	1986
Financial Performance (%)				
Return on risk assets		1.76	2.25	2.19
Return on assets		1.07	1.27	1.26
Return on equity		7.46	9.36	9.35
Liquidity (%)				
Normal risk assets/core deposits		87.97	76.46	75.27
All risk assets/core deposits		108.85	94.89	97.58
Capital Adequacy (%)				
Equity/normal risk assets		29.27	29.81	30.40
Equity/all risk assets		23.66	24.02	23.45
Equity/all risk assets plus trust		20.88	19.94	18.47
Equity/total assets		14.40	13.56	13.43
Equity/core deposits		25.75	22.79	22.88
Equity/funding liabilities		20.89	19.19	18.45
Growth Indicators (%)				
Change in normal risk assets		-	(4.91)	(3.39)
Change in all risk assets		-	(4.63)	0.93
Change in total assets		-	2.82	(0.51)
Change in equity participations		-	(23.98)	(3.49)
Change in core deposits		-	9.40	(1.86)
Change in trust funds		-	46.79	32.64
Change in equity		-	(3.19)	(1.47)
Productivity				
Staff expenses/core deposits		1.90	2.06	2.36
Staff expenses/all risk assets		1.74	2.17	2.41
Staff expenses/net income		98.81	96.72	110.11
Intermediation Margin, % Total Assets				
Staff costs		1.06	1.23	1.38
Administrative costs		1.48	1.50	1.57
Depreciation & provisions		0.83	1.08	0.86
Total Costs		3.37	3.81	3.80
Profit before all taxes		1.67	2.21	1.90
Intermediation Margin		5.04	6.02	5.70
Dividends/Payout Rate		640.0/30.2	248.7/9.7	664.2/26.2
Past Due Data (Pesos)				
Renegotiated		1,246.3	3,931.9	2,435.2
1- 30 days		2,475.8	3,363.1	1,375.1
31- 90 days		1,940.0	1,623.9	882.1
91-180 days		1,094.1	1,466.3	604.8
181-360 days		1,879.4	2,600.9	1,104.6
Over 1 year		5,995.7	6,324.3	8,217.8
Total		14,631.3	19,310.4	14,619.7
Potential Loss Estimates (Pesos)	%			
Renegotiated	25	311.6	983.0	608.8
1- 30 days	5	123.8	168.2	68.8
31- 90 days	10	194.0	162.4	88.2
91-180 days	25	273.5	366.6	151.2
181-360 days	50	939.7	1,300.4	552.3
Over 1 year	75	4,496.8	4,743.2	6,163.4
Specific reserve estimate	-	6,339.4	7,723.7	7,632.6
General reserve estimate	1	849.6	762.7	782.4
Total		7,188.9	8,486.5	8,415.1
Reported loan loss provisions (Pesos)		2,542.3	3,303.7	3,709.4
Adjusted equity (Pesos)		23,763.3	22,321.1	22,394.4
Equity/normal risk assets (%)		24.49	24.19	25.12
Equity/total assets (%)		12.04	11.00	11.10

Sources: Loan loss provisions have been derived from individual bank's published annual reports; all other data from CBP. Calculations of ratios are by the mission.

ANNEX 28

PHILIPPINES

FINANCIAL SECTOR STUDY

Analysis of Deposit Structure of Commercial Banks

	1980	1981	1982	1983	1984	1985	1986
Distribution of Deposits							
Demand	12.8	14.3	11.9	19.1	15.3	14.8	19.7
Savings	23.0	27.0	33.4	40.9	47.2	56.3	70.9
Time	36.8	37.9	47.8	56.1	72.1	72.0	47.5
Core deposits	72.6	79.2	93.1	116.1	134.6	143.1	138.1
% Distribution of Deposit Sources							
Demand	8.8	9.0	6.4	8.2	5.2	4.7	6.3
Savings	15.8	17.0	17.9	17.6	16.0	17.9	22.6
Time	25.3	23.9	25.7	24.2	33.2	32.4	27.0
Deposit Substitutes							
Demand	n.a.	n.a.	n.a.	n.a.	8.3	6.2	4.9
Savings	n.a.	n.a.	n.a.	n.a.	17.5	24.5	32.3
Time	72.6	79.2	93.1	116.1	160.4	173.8	175.3
Constant Peso Funding (1980)							
Demand	12.8	13.1	9.6	7.7	5.1	4.8	6.1
Savings	23.0	24.7	26.9	16.5	15.7	18.4	22.0
Time	36.8	34.7	38.5	22.7	24.0	23.5	14.7
Core deposits	72.6	72.5	75.0	46.9	44.8	46.8	42.9
Deposit substitutes	0.0	0.0	0.0	0.0	2.8	2.0	1.5
Trust	0.0	0.0	0.0	0.0	5.8	8.0	10.0
Total	145.2	145.0	150.0	93.9	98.1	103.6	97.3

Source: Basic data by the CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Distribution of Outstanding Loans by Purpose, 1980-86
(Billion pesos)

	1980	1981	1982	1983	1984	1985	1986
Loans Oustanding by Purpose							
Production	45.3	44.2	50.8	48.6	51.8	33.6	30.5
Trade	11.2	15.6	16.6	15.5	20.3	14.1	10.3
Construction	2.3	3.0	5.0	3.8	5.2	2.4	1.9
Consumption	1.4	1.7	1.7	2.5	2.3	2.2	1.9
Other	17.0	22.0	24.2	41.0	36.8	35.3	22.0
Total	77.2	86.5	98.2	111.4	116.4	87.6	67.6
In 1980 Pesos							
Production	45.3	40.5	40.9	19.7	17.2	11.0	9.8
Trade	11.2	14.2	13.4	6.2	6.7	4.6	3.2
Construction	2.3	2.8	4.0	1.5	1.7	0.8	0.6
Consumption	1.4	1.6	1.4	1.0	0.8	0.7	0.6
Other	17.0	20.1	19.5	16.6	12.2	11.5	6.8
Total	77.2	79.2	79.1	45.0	38.7	28.6	21.0
% Composition							
Production	58.7	51.1	51.7	43.7	44.5	38.4	46.6
Trade	14.5	18.0	16.9	13.9	17.4	16.1	15.3
Construction	2.9	3.5	5.0	3.4	4.5	2.7	2.7
Consumption	1.8	2.0	1.7	2.2	2.0	2.6	2.8
Other	22.0	25.4	24.7	36.8	31.6	40.3	32.6

Source: Basic data was provided by the CBP.

ANNEX 30

PHILIPPINES

FINANCIAL SECTOR STUDY

Distribution of Outstanding Loans by Security
(Billion pesos)

	1980	1981	1982	1983	1984	1985	1986
Composition of Loans Outstanding by Security							
Unsecured	28.7	31.5	33.0	30.5	39.0	26.8	27.4
Real estate	23.2	25.3	29.7	35.4	30.2	23.2	18.6
Chattel	4.2	6.7	9.5	11.9	12.3	5.0	3.1
Assignment	6.1	6.0	7.9	8.6	6.4	6.3	6.0
Other	14.9	17.0	18.2	24.9	28.5	26.3	11.5
Total	77.2	86.5	98.2	111.4	116.4	87.6	66.6
% Distribution							
Unsecured	37.2	36.4	33.5	27.4	33.5	30.6	41.1
Real estate	30.1	29.3	30.2	31.8	25.9	26.5	28.1
Chattel	5.4	7.7	9.7	10.6	10.6	5.7	4.6
Assignment	7.9	7.0	8.1	7.7	5.5	7.2	9.0
Other	19.3	19.7	18.5	22.4	24.5	30.0	17.2
Total	100.0	100.0	100.0	100.0	100.0	100.0	100.0
% secured	62.8	63.6	66.5	72.6	66.5	69.4	58.9
In 1980 Pesos							
Unsecured	28.7	28.8	26.5	12.3	13.0	8.8	8.5
Real estate	23.2	23.2	23.9	14.3	10.0	7.6	5.8
Chattel	4.2	6.1	7.7	4.8	4.1	1.6	1.0
Assignment	6.1	5.5	6.4	3.5	2.1	2.1	1.9
Other	14.9	15.6	14.6	10.1	9.5	8.6	3.6
Total	77.2	79.2	79.1	45.0	38.7	28.6	20.7

Source: Basic data was provided by the CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Distribution of Outstanding Loans by Maturity

	1980	1981	1982	1983	1984	1985	1986
Distribution of Loan Maturities							
0-1 year	60.3	63.5	67.8	77.2	71.0	58.1	47.1
1-3 years	7.7	15.0	17.8	16.9	28.2	14.7	10.0
3-5 years	9.1	8.0	12.7	17.3	17.2	14.8	9.5
Total	77.2	86.5	98.2	111.4	116.4	87.6	66.6
% Distribution of Loan Maturities							
0-1 year	78.1	73.4	69.0	69.3	61.0	66.3	70.6
1-3 years	10.0	17.3	18.1	15.1	24.3	16.7	15.0
3-5 years	11.9	9.3	12.9	15.5	14.8	16.9	14.4

Source: Basic data was provided by the CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Commercial Bank Branches by Region, 1976-86

	1976	1977	1978	1979	1980	1981	1982	1983	1984	1985	1986
Manila	429	486	513	573	619	729	776	842	859	784	800
Other											
Region 1	76	81	88	94	99	111	116	112	112	102	100
2	23	24	26	30	30	36	36	37	37	35	36
3	100	105	109	118	121	135	141	143	145	137	139
4	89	88	94	101	106	117	120	124	125	111	113
5	35	38	44	47	50	55	57	56	56	48	49
6	81	89	91	97	99	110	117	119	118	109	108
7	66	72	83	89	100	113	117	120	119	112	111
8	23	26	27	29	31	35	37	37	37	33	33
9	19	21	24	26	31	39	42	40	40	36	36
	43	47	55	59	59	69	70	69	69	63	64
	61	67	68	78	83	95	100	102	102	88	86
	18	18	17	17	22	28	30	30	31	28	28
Subtotal	634	676	726	785	831	943	983	989	991	902	903
Total	1,063	1,142	1,239	1,358	1,450	1,672	1,759	1,831	1,850	1,686	1,703

Source: Basic data was provided by the CBP.

ANNEX 33

PHILIPPINES

FINANCIAL SECTOR STUDY

Analysis of the Cost of Intermediation, 1983-86

	1983	1984	1985	1986
Average net paid to depositor (₱)	8.02	10.42	8.77	5.86
20% final tax (%)	2.00	2.60	2.19	1.46
Average cost of deposits (%)	10.02	13.02	10.96	7.32
Reserves (blended 21% & 5%) (%)	18.00	18.00	18.00	18.00
Agra (%)	10.00	10.00	10.00	10.00
Reserve earnings @ 4% less 20% FT (₱)	3.20	3.20	3.20	3.20
Reserve earnings credit (%)	0.90	0.90	0.90	0.90
Cost of deposits (%)	9.12	12.12	10.06	6.42
% of deposits available for lending	72.00	72.00	72.00	72.00
Cost of lendable funds (%)	12.67	16.84	13.98	8.92
Effective reserve costs (%)	2.65	3.82	3.02	1.60
Average bank lending rate (%)	15.01	19.73	18.84	14.62
Gross receipts rate (%)	5.00	5.00	5.00	5.00
GRT margin effect (%)	0.75	0.99	0.94	0.73
Bank received (%)	14.26	18.74	17.90	13.89
Total margin (%)	6.99	9.31	10.07	8.76
Taxation component (%)	5.41	7.41	6.15	3.80
Bank margin (%)	1.59	1.90	3.92	4.97
Composition of Lending Rate (%)				
Depositor	53.40	52.79	46.54	40.05
20% final tax	13.35	13.20	11.63	10.01
Reserve costs	17.67	19.36	16.02	10.96
Gross receipt tax	5.00	5.00	5.00	5.00
Bank margin	10.57	9.65	20.81	33.97
Total	100.00	100.00	100.00	100.00
Intermediation Margin (%)				
20% final tax	2.00	2.60	2.19	1.46
Reserve costs	2.65	3.82	3.02	1.60
Gross receipt tax	0.75	0.99	0.94	0.73
Bank margin	1.59	1.90	3.92	4.97
Total	6.99	9.31	10.07	8.76
Thrift bank margin (%)	3.13	4.12	5.67	5.90
Thrift advantage (%)	1.54	2.22	1.75	0.93

Source: Mission calculations based on basic data provided by the CBP.

PHILIPPINES

FINANCIAL SECTOR STUDY

Commercial Banks: Analysis of Arrears, December 31, 1986
(Million pesos)

Bank ID	Renegotiated loans	Number of days past due 1-30	31-90	91-180	181-360	>360	Total past due	% past due	Adjusted equity/ loans /a
AB	98.2	11.8	29.7	141.7	200.8	290.2	772.4	11.8	12
BC	138.9	22.9	18.3	18.6	24.4	454.9	678.0	53.5	5
CD	5.5	45.4	25.7	15.7	48.1	209.6	350.0	24.5	22
DE	1.5	15.9	2.5	4.5	8.7	46.3	79.4	1.2	15
EF /c	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
FG /b	22.6	3.4	23.7	35.0	5.9	72.9	163.5	14.2	72
GH	0.0	0.8	0.0	4.4	0.0	94.5	99.7	3.9	52
HI	203.7	9.1	7.9	5.2	55.4	71.0	352.4	5.6	32
IJ	0.0	20.6	11.7	11.7	95.7	139.9	279.6	14.9	31
JK	51.7	19.6	16.5	15.0	36.3	449.4	588.4	24.1	3
KL	21.1	7.8	16.9	15.6	21.5	56.8	139.8	16.5	39
LM	18.7	21.5	0.0	9.7	0.5	30.3	80.7	5.1	61
MN	740.8	985.2	324.8	15.0	107.2	1,579.5	3,752.6	39.8	27
NO	113.7	35.4	24.0	64.1	47.4	432.8	717.3	34.2	17
OP /c	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.0	n.a.	28
PQ	0.0	18.2	0.6	0.0	2.7	106.9	128.3	2.6	28
QR /b	8.2	6.1	0.0	5.6	20.1	765.8	805.7	73.0	(31)
RS	178.6	0.3	1.1	6.5	51.1	454.3	691.9	21.6	24
ST	7.3	0.7	101.2	50.4	6.6	198.4	364.6	7.1	41
TU /b	72.0	63.2	76.9	4.2	12.1	137.5	366.0	19.3	20
UV	0.0	0.0	0.0	0.0	84.8	673.8	758.5	41.6	(9)
VW	0.0	0.0	1.2	48.7	0.0	7.5	57.4	3.6	4
WX	22.8	4.4	7.0	66.7	198.0	140.0	438.9	36.9	26
XY	59.5	21.3	29.0	25.9	3.3	277.9	416.8	13.9	39
YZ /b	615.4	3.5	100.9	26.0	31.2	207.9	984.7	28.3	2
ZA	9.7	26.3	24.6	10.5	24.7	131.7	227.4	14.1	23
AA	5.5	31.9	37.3	2.7	1.4	634.1	712.9	79.5	(28)
BB /b	4.4	0.0	0.5	1.5	17.1	474.0	497.7	55.6	0
CC	35.4	0.7	0.0	0.0	0.2	79.8	116.2	13.0	28
DD	469.5	0.0	0.0	0.0	0.0	0.0	469.5	4.1	50
Total	2,904.6	1,376.0	882.1	604.8	1,105.1	8,217.8	15,090.4	15.9	27
Potential for loss (%)	25	5	10	25	50	75			

Bank ID	General risks/d	Renegotiated	Number of days past due 1-30	31-90	91-180	181-360	>360	Potential loss	Reported reserves	Under-reserves	Reported equity	Adjusted equity
AB	58.0	24.5	0.6	3.0	35.4	100.4	217.7	439.5	153.1	286.4	1,091.7	805.3
BC	5.9	34.7	1.1	1.8	4.7	12.2	341.2	401.6	185.8	215.9	285.0	69.1
CD	10.8	1.4	2.3	2.6	3.9	24.1	157.2	202.2	88.9	113.3	426.5	313.2
DE	67.4	0.4	0.8	0.2	1.1	4.4	34.7	109.0	267.3	(158.3)	894.8	1,053.1
EF /c	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	671.9	671.9
FG /b	9.9	5.7	0.2	2.4	8.7	3.0	54.7	84.5	n.a.	84.5	908.3	823.8
GH	24.9	0.0	0.0	0.0	1.1	0.0	70.9	96.9	n.a.	96.9	1,449.7	1,352.8
HI	58.9	50.9	0.5	0.8	1.3	27.7	53.3	193.3	733.4	(540.1)	1,454.0	1,994.1
IJ	15.9	0.0	1.0	1.2	2.9	47.8	104.9	173.8	148.4	25.4	603.4	578.0
JK	18.6	12.9	1.0	1.6	3.7	18.1	337.0	393.0	n.r.	393.0	469.8	76.8
KL	7.1	3.3	0.4	1.7	3.9	10.8	42.6	71.7	29.8	41.9	369.0	327.1
LM	15.0	4.7	1.1	0.0	2.4	0.3	22.7	46.2	198.4	(152.2)	811.4	963.6
MN	56.8	185.2	49.3	32.5	3.8	53.6	1,184.6	1,565.7	n.a.	1,565.7	4,086.7	2,521.0
NO	13.8	28.4	1.8	2.4	16.0	23.7	324.6	410.7	209.9	200.8	558.7	357.9
OP /c	73.9	0.0	0.0	0.0	0.0	0.0	0.0	73.9	774.4	(700.5)	1,402.9	2,103.4
PQ	48.7	0.0	0.9	0.1	0.0	1.3	80.2	131.1	n.a.	131.1	1,529.1	1,398.0
QR /b	3.0	2.1	0.3	0.0	1.4	10.0	574.3	591.1	n.a.	591.1	245.7	(345.4)
RS	25.2	44.7	0.0	0.1	1.6	25.5	340.7	437.8	333.8	104.0	860.9	756.9
ST	48.0	1.8	0.0	10.1	12.6	3.3	148.8	224.7	155.1	69.6	2,192.9	2,123.8
TU /b	15.4	18.0	3.2	7.7	1.0	6.1	103.2	154.5	90.4	64.1	448.6	384.5
UV	10.6	0.0	0.0	0.0	0.0	42.4	505.3	558.3	46.0	512.3	347.5	(164.8)
VW	15.3	0.0	0.0	0.1	12.2	0.0	5.6	33.3	n.a.	33.3	93.7	60.4
WX	7.5	5.7	0.2	0.7	16.7	99.0	105.0	234.8	186.1	48.7	362.0	313.3
XY	25.9	14.9	1.1	2.9	6.5	1.7	208.4	261.2	860.9	(599.7)	558.5	1,158.2
YZ /b	24.9	153.9	0.2	10.1	6.5	15.6	155.9	367.0	n.a.	367.0	449.2	82.2
ZA	13.9	2.4	1.3	2.5	2.6	12.3	98.8	133.8	n.r.	133.8	499.4	365.6
AA	1.8	1.4	1.6	3.7	0.7	0.7	475.6	485.5	n.a.	485.5	235.7	(249.8)
BB /b	4.0	1.1	0.0	0.1	0.4	8.6	355.5	369.6	83.6	286.0	288.6	2.6
CC	7.8	8.9	0.0	0.0	0.0	0.1	59.9	76.6	9.0	67.6	321.4	253.8
DD	110.1	117.4	0.0	0.0	0.0	0.0	0.0	227.5	3,379.4	(3,151.9)	2,539.5	5,691.4
Total	798.7	726.2	68.8	88.2	151.2	552.5	6,163.4	8,549.0	7,933.6	615.4	26,456.5	25,841.1

/a Adjusted equity is calculated in the last column of the second part of the annex.
/b Private banks undergoing rehabilitation.
/c Data not available
/d One percent of performing loans outstanding.

PHILIPPINES

FINANCIAL SECTOR STUDY

Government-Supervised/Directed Credits: Agriculture

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Agriculture Credits - Locally Funded					
Masagana 99 /a (M-99)	Dept. of Agriculture & Fisheries/National Food & Agriculture Council (DA/NAFC)	To increase productivity and attain self-sufficiency in rice.	1973	DA/NAFC	PNB, RBs, LBP
Cooperative Development Loan Fund /a (CDLF)	Dept. of Agriculture & Fisheries/Bureau of Cooperative Development (DAF/BCD)	To foster growth of cooperatives and strengthen cooperative movement financing assistance.	1973	CDLF, DA	CRBs
Pagkain ng Bayan /a (formerly Palayan ng Bayan)	Ministry of Finance	To contribute to food production, generate additional revenues for provincial/city governments and provide addtional employment opportunities.	Palayan-1973 Pagkain-1980	Pagkain ng Bayan, MDF, NFA, DA, MAR, BAEcon	Direct lending to provincial/city government
Cotton Financing Program/a (CFP)	Philippine Cotton Corporation (PCC)	To increase local production of cotton.	1974	PCC, CB	RBs
CB-MECS Supervised Experience Program	Department of Education and Culture	To increase food production through training of agricultural students on effective use of credit.	1974	CB, MECS	RBs
Gulayan sa Kaunlaran /a (GSK)	DA/NAFC	To contribute to food supply by increasing vegetable production and consequently provide farmers with additional source of income.	1975	DA/NAFC	RBs
IAF-Virginia/Burley Tobacco Financing /a	DA/NAFC	To meet growing agricultural credit needs of tobacco farmers of Virginia and Burley.	1975-Virginia 1980-Burley	CB, PVTA	RBs
Philippine Tobacco Authority (PTA) Credit Assistance for Native Tobacco/a	DA/NAFC	To improve production of high-quality native cigar leaf tobacco by providing production loans and facilitating loans.	1975	PTA	PTA
Farm Systems Development Corporation (FSDC) Irrigation System/Infrastructure Development (FSDC-ISIO)	DA/NAFC	Construction of pump/communal irrigation projects mainly for crop production; to develop and control water on a small-scale multipurpose scheme through construction of small impounding projects.	1975-79	FSDC	Integrated Service Associations (ISAs)

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
FSDC Adaptive Farm Technology Developments	DA/NAFC	Provision of farm machineries or carabaos.	1976-80	FSDC	ISAs
Bakahang Barangay /a (Fattening)	DA/NAFC	To provide additional income for small backyard cattle raisers.	1977	CB, BAI	RBs
Special Agriculture Rehabilitation Fund (SARF)	DAR	To provide special financing to ineligible farmers in areas affected by natural calamities.	1978	CB, DA/NAFC	RBs, PNB
Kambingang Barangay /a	DA/NAFC	To improve income of small farmers through provision of financing for goat production.	1979	CB, BAI	RBs
Biyayang Dagat Program /a (BDP)	Fisheries Loan and Guarantee Fund	To encourage and assist small- and medium-scale fishermen and culture fishery operators in increasing production and adopting appropriate fishing technology.	1979	BFAR	RBs, PNB, DBP
FSDC KAISA-Agro-Industries	DA/NAFC with assistance from the German government	To assist ISA/farmer members in establishing and managing livestock centers, feedmill projects/enterprises, rice integrated cooperative enterprises and trading projects.	1981/82	FSDC	FSDC, KAISA
Supervised Credit for Orchard Crops /a	DA/NAFC	To increase local production of various fruits.	1982	CB/BPI	RBs
FSDC Gasifier/Woodlot Project	DA/NAFC	To promote use of gasifier equipment to ensure economic operation of the irrigation system, to establish a small-scale free farming unit to supply wood fuel needs of gasifier-run irrigation systems.	1982	FSDC	ISAs
Bagong Kilusang Kabuhayan at Kaunlaran (B-KKK)		To spur economic and social development through establishment of livelihood projects or enterprises to be owned and managed by communities.	1982	B-KKK Secretariat, BFAR	PNB, DBP, LBP
Kalabaw ng Barangay /a	DA/NAFC	To finance purchase of carabao stocks for draft breeding and other expenses related to procurement of animals to be financed.	1983	CB, BAI	RBs

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Bakahang Barangay /a (Cow/Calf)	DA/NAFC	To increase cattle breeder base and improve local stock through artificial insemination and/or natural breeding.	1983	CB, BAI	RBs
Kabataang Sakahan para sa Kaunlaran /a (KASAKA)	DA/NAFC	To develop attitudes and skills of out-of-school youths on agribusiness projects.	1983	CB, DA	RBs
Integrated Rural Financing (IRF)	DA/NAFC	To effect comprehensive development and financing for small farm household and agricultural communities.	1983	CB, DA/NAFC, ACPC	RBs
Coastal Area Resource and Enterprise Development Program (CARE)	DA/NAFC	To organize coastal fishermen into associations through the necessary finanical, technical and management support to be provided in the establishment and operation of fish capture enterprise.	1983	FSDC	FSDC
Intensified Rice Production Program /a (IRPP)	DA/NAFC	To restore self-sufficiency in rice.	1984	DA/NAFC, CB	NFA, Suppliers, RBs, PKBs, PNB, Traders/ Millers
Expanded Corn Program /a (ECP)	DA/NAFC	To promote and intensify original MaiSagana and EYCPAP objectives of attaining self-sufficiency in yellow corn to meet local demand and permit exportation.	1984	DA/NAFC, CB	PNB, RBs, NFA, PKBs, Suppliers, Trader/ Millers
National Soybean Production Program /a (NSPP)	DA/NAFC	To increase production of soybean.	1984	DA/NAFC, CB	PNB, RBs, NFA, PKBs, Suppliers, Trader/ Millers
National Root Crop Program /a (NRP)	DA/NAFC	To increase production of root crops mainly potato and cassava.	1985	DA/NAFC, CB	PNB, RBs, NFA, PKBs, Suppliers
Northern Samar Integrated Rural Development Project (NACIAD)	NACIAD	To provide credit funds to association formed under the program.	1986	NACIAO, VICTO	VICTO
National Coconut Intercropping Program (National Coco Crop)	DA/NAFC		1987		
NFA-Post Harvest Facilities	DA/NAFC		1987		

ame of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Quedan IRPP/ECP Financing to Farmers through Traders/Millers	DA/NAFC		1987		
Agri-Small and Medium Industries Lending Program (A-SMILE)		To infuse financial resources to countryside development in order to accelerate growth of agricultural and small- and medium-scale industries.		DBP A-SMILE	DBP
griculture Credits - Foreign Assisted					
Laguna de Bay Fishpen Development Project	Asian Development Bank (ADB)/Organization of Petroleum Exporting Countries (OPEC)	To develop around 1,680 ha of fish modules in Laguna de Bay to benefit about 155 lakeshore families.	1979	LLDA/DBP	DBP
Samahang Nayon Support Project (SNSP)	United States Aid for International Development (USAID)	To develop and pilot test a viable and realistic package of support service technology that will provide SNs direct and indirect socioeconomic benefits to farmer-member beneficiaries of agrarian reform.	1979	DAP, BCOD, NEDA	KBs, RBs, PNB
Cooperative Marketing Project (CMP)	USAID	To develop efficient and well-managed cooperative finance system to cater to needs of Area Marketing Cooperatives (AMCs); strengthen and facilitate development of the cooperative marketing structure in the Philippines.	1979	BCOD, KBs, NFA	KBs, RBs, NEDA, CFP
Northern Palawan Fisheries Development Project	ADB	To develop area-specific production and marketing-oriented investment project in fisheries.	1980	PFDA	PFDA
Palawan Integrated Area Development Project (PIADP)	ADB	To provide an integrated package of credit for development of land under multistorey cropping; improvement of land cultivated under coffee, cashew and cattle fattening.	1981	NACIAD-DA, PIADP, CB	RBs, DBP
National Food Authority (NFA) Agro-Processing and Marketing Project (APMP) for Private Sector Modernization Scheme	NFA/ADB	To modernize about 350 cane mills to improve their ability to mill NFA paddy through the provision of credit assistance covering up to 80% of total cost of approved modernization plans.	1983	APMP office (NFA)	Direct lending

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
NFA-APMP for Thresher Amortization Program	NFA/ADB	To strenghthen NFA's grain center in Cagayan Valley by providing adequate threshing, drying, storage and transportation facilities.	1983	APMP office (NFA)	Direct lending
Agro-Iadustrial Technology Transfer Program (AITTP)	Overseas Economic Cooperation Fund (OECF)	To increase productivity and improve market competitiveness of Philippine agribusiness through transfer of technology, development of domestic and export markets and livelihood generation for the rural sector.	1983	TLRC-DBP	TLRC
First Aquaculture Development Project	ADB	To increase milkfish and shrimp production of existing fishponds through rehabilitation and improvement of good management practices.	1984	DA, BFAR, CB	RBs, KBs, TBs
Taal Lake Development Program (TLDP)	WB	To assist small-scale fishermen along Taal Lake.	1984	FSDC, TLDP	FSDC
Laguna Lake Cooperative Development Program (LLCDP)	WB	To provide livelihood projects for lakeshore residents along Laguna Lake.	1984	FSDC, LLDA	FSDC, LLDA
Agricultural Loan Fund Project (ALP)	USAID/WB	To provide short-, medium- and and long-term credit for agriculture projects; to develop an appropriate institutional and policy framework for a financially sound banking system; and to strengthen capacity of rural savings and to improve efficiency of farm credit operations.	1985	CB-DLC	Accredited banks
Agriculture Guarantee Programs - Locally Funded					
Quedan Financing Program for Food Traders/Processors	National Food Authority (NFA)/Quedan Guarantee Fund Board (QGFB)	To encourage active participation of food businessmen in local procurement of grains; increase direct involvement of private commercial banks in compliance with PD 717; enhance further rice stabilization program of government and support its food production program.	1978	QGFB	Accredited PKBs, RBs, SGBs

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Guarantee Fund for Small and Medium Enterprises /a (GFSME)	GFSME	To induce banking institutions to support small and medium enterprises by directly lending their own funds to finance agri-business projects of entrepreneurs through a system of guarantee interest rates subsidy, liquidity and refinancing schemes.	1984	GFSME	Accredited banks
Quedan Financing Program for Farmers	NFA/QGFB	To provide farmers opportunity to maximize their earnings through proper and timely disposition and sale of their produce.	1985	QGFB	Quedan traders/ millers
Quedan Financing Program for Sugar	NFA/QGFB	To encourage private banks to extend marketing credit to sugar planters, millers, traders and end-users and promote use of sugar quedan as collateral.	1986	QGFB, SRA	PKBs
Agriculture Guarantee Program - Foreign Funded					
USAID Guarantee Facility	USAID	To stimulate rural business sector through financing of borrowers whose principal place of operation is outside Metro Manila.		USAID	PCIB, FEBTC, Metrobank

/a Consolidated under the CALP.

Note: Acronyms used: Agriculture Credit Policy Council (ACPC), Bank of Philippine Islands (BPI), Bureau of Animal Industry (BAI), Bureau of Cooperative Development (BCOD), Central Bank - Department of Loans and Credits (CB-DLC), Commercial Banks (KBs), Cooperative Rural Banks (CRBs), Development Bank of the Philippines (DBP), Far East Bank and Trust Co. (FEBTC), Laguna Lake Development Authority (LLDA), Land Bank of the Philippines (LBP), National Economic Development Authority (NEDA), National Food Authority (NFA), Philippine Commercial International Bank (PCIB), Philippine Fisheries Development Authority (PFDA), Philippine National Bank (PNB), Rural Banks (RBs), Specialized Government Banks (SGBs), Technology Livelihood and Resource Center (TLRC) and Thrift Banks (TBs).

ANNEX 36

PHILIPPINES

FINANCIAL SECTOR STUDY

Financial Performance of Selected Credit Programs by Year
(Million pesos)

Name of program	1980	1981	1982	1983	1984	1985	1986	1987/a
Masagana 99								
Loans granted /b	5,484.5	4,872.4	5,300.0	5,476.7	5,741.8	5,775.9	5,715.9	5,716.0
Loans collected /b	3,583.2	3,857.7	4,240.4	4,441.7	4,628.4	n.a.	4,799.2	4,814.2
Loans outstanding	n.a.	1,014.7	1,059.8	1,029.2	1,113.4	n.a.	916.7	901.3
Loans past due	n.a.	870.6	901.3	923.6	982.8	n.a.	468.0	438.2
Past due ratio (%)	n.a.	85.8	85.8	89.7	88.3	n.a.	51.0	49.0
Pagkain ng Bayan /c								
Loans granted /b	n.a.	17.1	20.7	21.7	n.a.	n.a.	20.1	49.1
Loans collected /b	n.a.	5.8	6.4	9.0	n.a.	n.a.	[illegible]	16.8
Loans outstanding	n.a.	11.2	14.3	12.7	n.a.	n.a.	17.4	32.3
Loans past due	n.a.	7.6	7.7	7.3	n.a.	n.a.	1.5	8.1
Past due ratio (%)	n.a.	67.8	53.8	57.8	n.a.	n.a.	8.7	25.0
Cotton Financing Program								
Loans granted /b	15.2	67.3	80.1	84.8	88.0	n.a.	214.2	n.a.
Loans collected /b	12.9	41.7	52.8	61.9	66.1	n.a.	227.2	n.a.
Loans outstanding	2.3	25.6	34.3	n.a.	n.a.	n.a.	46.5	n.a.
Loans past due	2.3	12.4	23.5	n.a.	n.a.	n.a.	42.7	n.a.
Past due ratio (%)	100.0	48.4	68.5	n.a.	n.a.	n.a.	91.6	n.a.
Gulayan sa Kaunlaran								
Loans granted /b	22.2	26.7	31.8	46.7	62.0	71.1	74.4	n.a.
Loans collected /b	15.8	18.0	20.0	26.7	44.9	n.a.	58.5	n.a.
Loans outstanding	n.a.	n.a.	n.a.	n.a.	17.1	n.a.	15.9	n.a.
Loans past due	n.a.	n.a.	8.8	9.6	9.1	n.a.	14.6	n.a.
Past due ratio (%)	n.a.	n.a.	n.a.	n.a.	53.2	n.a.	91.8	n.a.
IAF-Tobacco Financing Program								
Loans granted /b	3.4	58.2	74.8	93.9	105.7	n.a.	51.6	22.5
Loans collected /b	2.1	47.3	59.4	77.5	92.3	n.a.	42.0	n.a.
Loans outstanding	0.4	10.9	15.4	10.6	13.4	n.a.	9.6	n.a.
Loans past due	n.a.	6.4	5.6	5.8	7.8	n.a.	4.1	n.a.
Past due ratio (%)	n.a.	58.7	36.4	54.7	58.2	n.a.	42.8	n.a.
Biyayang Dagat Program								
Loans granted /b	35.3	79.2	94.8	96.6	101.7	n.a.	168.8	n.a.
Loans collected /b	n.a.	12.2	21.2	25.1	25.4	n.a.	31.6	n.a.
Loans outstanding	n.a.	67.0	73.6	76.5	76.3	n.a.	74.8	n.a.
Loans past due	n.a.	n.a.	12.3	29.1	n.a.	n.a.	8.2	n.a.
Past due ratio (%)	n.a.	n.a.	16.7	38.0	n.a.	n.a.	95.0	n.a.
Samahang Nayon Support Program								
Loans granted /b	0.6	1.7	3.4	4.1	5.8	n.a.	5.9	5.8
Loans collected /b	0.1	0.1	0.2	0.6	1.2	n.a.	2.3	2.6
Loans outstanding	n.a.	n.a.	3.2	3.5	4.7	n.a.	3.6	3.2
Loans past due	n.a.	0.1	0.1	0.1	0.4	n.a.	1.2	1.6
Past due ratio (%)	n.a.	n.a.	3.1	2.8	7.9	n.a.	33.4	49.0
Agro-Industrial Technology Transfer Program /d								
Loans granted /b	n.a.	n.a.	n.a.	n.a.	36.4	258.7	108.5	401.6
Loans collected /b	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.3	2.4
Loans outstanding	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	108.2	212.1
Loans past due	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.8	5.3
Past due ratio (%)	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	0.7	2.0
Quedan Financing Program								
Loans granted /b	18.0	100.6	271.8	621.8	915.6	1,373.7	1,767.3	2,708.9
Loans collected /b	n.a.	69.6	271.8	n.a.	n.a.	n.a.	1,625.5	2,308.0
Loans outstanding	3.3	31.0	100.0	74.5	53.2	n.a.	141.9	400.9
Loans past due	n.a.	0.0	0.0	0.5	0.3	n.a.	3.2	5.4
Past due ratio (%)	n.a.	0.0	0.0	1.0	1.0	n.a.	2.3	1.0
Guarantee Fund for Small and Medium Enterprises /e								
Loans granted /b	n.a.	n.a.	n.a.	n.a.	35.5	148.5	289.4	407.7
Loans collected /b	n.a.	n.a.	n.a.	n.a.	0.0	2.0	9.5	92.7
Loans outstanding	n.a.	n.a.	n.a.	n.a.	0.0	n.a.	62.2	263.0
Loans past due	n.a.	n.a.	n.a.	n.a.	0.0	n.a.	15.8	13.4
Past due ratio (%)	n.a.	n.a.	n.a.	n.a.	0.0	n.a.	12.4	6.0
Industrial Guarantee Loan Fund /f								
Loans granted	n.a.	234.4	188.4	211.6	484.7	615.9	223.9	n.a.
Loans collected	n.a.	49.3	80.3	83.8	108.9	194.5	628.5	n.a.
Loans outstanding	n.a.	415.8	522.7	651.5	1,037.2	1,462.2	1,056.6	n.a.
Loans past due	n.a.	25.4	50.2	52.1	46.7	48.3	47.5	n.a.
Past due ratio (%)	n.a	6.1	9.6	8.0	4.5	3.3	3.3	n.a.

/a As of June 30, 1987.
/b Cumulative loan balances.
/c Formerly Palayan ng Bayan, implemented in 1980.
/d Implemented in 1983.
/e Balances reflect lending banks' balances. Implemented in 1984.
/f Data obtained from CB-DLC. Loans granted and collected are not cumulative.

Source: ACPC, TBAC Annual Reports 1980-85.

PHILIPPINES

FINANCIAL SECTOR STUDY

Government-Supervised/Directed Credits: Industry

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Industrial Credits - Locally Funded					
Technology Utilization Support System (TUSS)	National Treasury	To provide concessional lending through a technology delivery fund for preinvestment and project development requirements of a technology application project and tap available technical and managerial expertise for development and implementation of technology ventures.	1980	TLRC-DBP	TLRC
Industrial Loan Program	CB/National Treasury	Initially, to match advances made by Central Bank to troubled quasi-banks and over the long run, focus on the general problems and difficulties encountered by private enterprises that are to be rehabilitated. Funds are on-lent partly as equity to distressed corporations as part of a financial reorganization package that would enable them to pay the quasi-banks who in turn can repay their CB advances.	1981	CB-Apex	Accredited/lead banks
Balikatan Sa Kabuhayan Program (BSKP)	National Treasury	To encourage livelihood programs among urban residents by providing funding assistance.	1986	TLRC-DBP	TLRC
Tulong sa Tao Program	National Treasury		1986	Department of Trade and Industry (DTI)	DTI
Industrial Credits - Foreign Assisted					
Industrial Guarantee and Loan Fund (IGLF)	WB/NEDA	To meet financing needs of collateral-deficient small and medium enterprises.	1952	CB-DLC	Accredited banks
Export Industry Modernization Program	OECF	To improve and/or modernize operations and facilities of small- to medium-scale enterprises by providing funds so that their products can be competitive in international markets.	1980	TLRC-DBP	TLRC

Name of program	Fund sources	Major objectives	Year implemented	Implementing agency	Lending channels
Urban Livelihood Financing Program (ULFP)	WB/National Treasury	To provide soft-term loans for relending to micro and small to medium entrepreneurs in low-income communities of Metro Manila.	1981	TLRC-DBP	TLRC
Apex Development Finance	WB/National Treasury/ Lloyds Bank	Productive investment financing for medium- and large-scale enterprises through multiple financial intermediaries.	1981	CB-Apex	Accredited banks
Textile Rehabilitation Program	WB	To provide financing for the rehabilitation, modernization and expansion of textile subsectors and training and technical requirements of individual firms with a view to improving their technical operations and reducing costs.	1982	DTI	Joint BOI/DBP Evaluation Team
Industrial Guarantee Program - Locally Funded					
Philippine Export and Foreign Loan Guarantee Corporation (Philguarantee)	National Treasury	To provide guarantee coverage to Filipino exporters on their borrowings whether obtained from local or foreign sources and to issue guarantees and counterguarantees for bid bonds, performance bonds and advance payment arrangements.	1974	Philguarantee	Philguarantee, accredited banks
Equity Programs					
Venture Capital Programs	Venture Capital Corporation (VCC)	To provide additional capital/equity financing to cottage, small and medium businesses.	1980	VCC	KB-VCCs
Phimma Venture Capital Corporation (PVCC)		To provide growth funds on an equity basis to innovative small- and medium-scale enterprises.		PVCC	PVCC

PHILIPPINES

FINANCIAL SECTOR STUDY

Estimation of Subsidy Provided to End Users under 3 Major Current Directed Programs in Agriculture 1981-86

Selected major programs/year	Average outstanding (₱ mln)	Prevailing market-oriented interest rate /a (%)	On-lending rate (%)	Rate differential (%)	Amount of subsidies (₱ mln)
Masagana 99 (M-99)					
1981	1,015	16.0	12.0	4.0	40.6
1982	1,038	16.8	12.0	4.8	49.8
1983	1,045	18.8	12.0	6.8	71.1
1984	1,071	26.7	22.0	4.7	50.3
1985 /b	1,043	28.3	23.0	5.3	55.3
1986	1,015	17.1	15.0	2.1	21.3
Interest subsidy					288.4
Loans uncollected /c					1,034.0
Subtotal					1,322.4
Intensified Rice Production Program (IRPP) (implemented in 1984)					
1984	n.a.	26.7	-	-	-
1985	n.a.	28.3	15.0	13.3	-
1986	72	17.1	15.0	2.1	1.5
Interest subsidy					1.5
Loans uncollected					105.0
Subtotal					106.5
Cotton Financing Program (CFP)					
1981	14	16.0	12.0	4.0	0.6
1982	30	16.8	12.0	4.8	1.4
1983	30	18.8	12.0	6.8	2.0
1984	30	26.7	22.0	4.7	1.4
1985 /b	36	28.3	23.0	5.3	1.9
1986	41	17.1	15.0	2.1	0.9
Interest subsidy					8.2
Loans uncollected					47.0
Subtotal					55.2

Selected major programs/year	Average outstanding (₱ mln)	Prevailing market-oriented interest rate /a (%)	On-lending rate (%)	Rate differential (%)	Amount of subsidies (₱ mln)
Biyayang Dagat Program (BDP)					
1981	67	16.0	12.0	4.0	2.7
1982	71	16.8	12.0	4.8	3.4
1983	76	18.8	12.0	6.8	5.2
1984	77	26.7	22.0	4.7	3.6
1985 /b	77	28.3	23.0	5.3	4.1
1986	77	17.1	15.0	2.1	1.6
Interest subsidy					20.6
Loans uncollected					137.0
Subtotal					157.6
Cooperative Development Loan Fund (CDLF)					
1981	88	16.0	12.0	4.0	3.5
1982	88	16.8	12.0	4.8	4.2
1983	88	18.8	12.0	6.8	6.0
1984	88	26.7	22.0	4.7	4.1
1985 /b	101	28.3	23.0	5.3	5.4
1986	114	17.1	13.0	4.1	4.7
Interest subsidy					27.9
Loans uncollected					36.0
Subtotal					63.9
Expanded Corn Program (ECP) (implemented in 1984)					
1984	n.a.	26.7	-	-	-
1985	n.a.	28.3	15.0	13.3	-
1986	112	17.1	15.0	2.1	2.4
Interest subsidy					2.4
Loans uncollected					47.0
Subtotal					49.4

Selected major programs/year	Average outstanding (₱ mln)	Prevailing market-oriented interest rate /a (%)	On-lending rate (%)	Rate differential (%)	Amount of subsidies (₱ mln)
Coastal Area Resource Enterprise Development (FSDC-CARE) (implemented in 1983)					
1984	n.a.	26.7	-	-	-
1985	n.a.	28.3	7.0	21.3	-
1986	4	17.1	7.0	10.1	0.4
Interest subsidy					0.4
Loans uncollected					n.a.
Subtotal					0.4
Bagong Kilusang Kabuhayan at Kaunlaran (B-KKK) (implemented in 1983)					
1983	n.a.	18.8	-	-	-
1984	n.a.	26.7	-	-	-
1985	n.a.	28.3	23.0	5.3	-
1986	1,275	17.1	14.0	3.1	39.5
Interest subsidy					39.5
Loans uncollected					1,196.0
Subtotal					1,235.5
Special Agriculture Rehabilitation Fund (SARF) (implemented in 1978)					
1981	n.a.	16.0	-	-	-
1982	43	16.8	10.0	6.8	2.9
1983	43	18.8	10.0	8.8	3.8
1984	39	26.7	10.0	16.7	6.5
1985 /b	38	28.3	10.0	18.3	7.0
1986	37	17.1	10.0	7.1	2.6
Interest subsidy					22.8
Loans uncollected					35.0
Subtotal					57.8

Selected major programs/year	Average outstanding (₱ mln)	Prevailing market-oriented interest rate /a (%)	On-lending rate (%)	Rate differential (%)	Amount of subsidies (₱ mln)
Quedan for Traders (via Rediscounting)					
1981	17	16.0	12.0	4.0	0.7
1982	66	16.8	12.0	4.8	3.2
1983	88	18.8	12.0	6.8	6.0
1984	64	26.7	22.0	4.7	3.0
1985 /b	81	28.3	23.0	5.3	4.3
1986	98	17.1	15.0	2.1	2.1
Interest subsidy					19.3
Loans uncollected					0.0
Subtotal					19.3
Guarantee Fund for Small and Medium Enterprises (GFSME) (implemented in 1984) /d					
1984	10	-	-	12.0	1.2
1985	135	-	-	5.0	6.8
1986	285	-	-	2.0	5.7
Interest subsidy					13.7
Loans uncollected					6.0
Subtotal					19.7
Maisan Corn Program					
1981	123	16.0	12.0	4.0	4.9
1982	123	16.8	12.0	4.8	5.9
1983	123	18.8	12.0	6.8	8.4
1984	123	26.7	22.0	4.7	5.8
1985 /b	123	28.3	23.0	5.3	6.5
1986	123	17.1	15.0	2.1	2.6
Interest subsidy					34.1
Loans uncollected					132.0
Subtotal					166.1

Selected major programs/year	Average outstanding (₱ mln)	Prevailing market-oriented interest rate /a (%)	On-lending rate (%)	Rate differential (%)	Amount of subsidies (₱ mln)
Maisagana Corn Program (implemented in 1982)					
1982	52	16.8	12.0	4.8	2.5
1983	68	18.8	12.0	6.8	4.6
1984	81	26.7	22.0	4.7	3.8
1985 /b	81	28.3	23.0	5.3	4.3
1986	81	17.1	15.0	2.1	1.7
Interest subsidy					16.9
Loans uncollected					147.0
Subtotal					163.9
Total interest rate subsidies					495.7
Total loans uncollected					2,922.0
Total of Credit Subsidies in Domestically Funded Programs					3,417.7

/a Interest rates on commercial bank short-term (one year and below) loans.

/b Data not available for 1985. Mission estimates average outstanding for 1985 to be the average of 1984 and 1986 figures.

/c As of year-end 1985.

/d Banks lend their own funds with 2% direct subsidy provided by GFSME.

PHILIPPINES

FINANCIAL SECTOR STUDY

Movements of Exchange Rates, 1982-87

	1982		1983		1984		1985		1986		1987
	I	II	I	II	I	II	I	II	I	II	I
Peso/US$ rate (end-period)	8.47	9.17	11.00	14.00	18.00	19.76	18.47	19.03	20.58	20.53	20.46
Percent change in Peso/$ rate (half-yearly)	3.29	8.28	19.96	27.27	28.57	9.77	-6.55	3.07	8.13	-0.24	-0.36
Cumulative % change in Peso/$ /a	-58.59	-55.17	-46.22	-31.55	-12.00	-3.40	-9.73	-6.96	0.61	0.36	0.00
Average percentage change in Peso/$ /a	-16.17	-16.33	-14.36	-10.26	-4.17	-1.38	-4.99	-4.70	0.61	0.72	0.00
Treasury bill rate (6 month)	15.31	14.26	14.13	15.91	26.75	42.17	33.43	16.56	14.73	10.51	13.14
US T-bill rate	11.04	8.01	8.81	8.96	10.09	8.58	7.31	7.01	5.83	5.34	5.50
Cumulative net loss from investing in Pesos /a,/b	-32.18	-30.15	-25.78	-13.43	7.58	34.10	37.18	12.03	3.56	7.29	2.79
Peso/Yen rate (end-period; x 10,000)	332	391	459	600	759	789	742	938	1,244	1,273	1,394
Percent change in Peso/$ rate (half-yearly)	-9.78	17.77	17.39	30.72	26.50	3.95	-5.96	26.42	32.62	2.33	9.51
Cumulative change in Peso/$ /a	-76.18	-71.95	-67.07	-56.96	-45.55	-43.40	-46.77	-32.71	-10.76	-8.68	0.00
Average percentage change in Peso/$ /a	-24.95	-24.61	-24.25	-21.40	-18.34	-20.36	-27.04	-23.21	-10.76	-16.61	0.00

/a From date shown to 1987.
/b Rather than US$.