



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 888

Series of 2015

Subject: Amendments to Regulations on Dividend Declaration and Interest Payments on Tier 1 Capital Instruments

Pursuant to Monetary Board Resolution No. 1516 dated 17 September 2015, approving the amendments to regulations on dividend declaration, the provisions of the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended:

Section 1. The following sections/subsections of the MORB are hereby amended as follows:

"Sec. X136 Dividends. The following rules and regulations shall govern the declaration of dividends on shares of stock, regardless of feature, as well as interest payments on unsecured subordinated debt which meet the qualification requirements of Additional Tier 1 or Hybrid Tier 1 capital as defined under existing risk-based capital adequacy framework.

"Pursuant to Section 57 of R.A. No. 8791, no bank shall declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts. Neither shall the bank declare dividends if, at the time of declaration, it has not complied with the provisions of Subsec. X136.2."

"§ X136.1 Definitions. For purposes of this Section, the following definitions shall apply:

"x x x"

"§ X136.2 Requirements on the declaration of dividends. At the time of declaration, banks shall have complied with the following:

- "a. Clearing account with the Bangko Sentral is not overdrawn;
- "b. Liquidity floor requirement for government funds;
- "c. Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework;
- "d. Capital conservation buffer requirement as defined in Appendix 63b, Part III, for universal and commercial banks (U/KBs) and their subsidiary banks and quasi-banks (QBs);

"e. Higher loss absorbency requirement, phased-in starting 1 January 2017 with full implementation by 1 January 2019, in accordance with Domestic Systemically Important Banks (DSIBs) Framework as provided under Circular No. 856 dated 29 October 2014, for U/KBs and their subsidiary banks and QBs that are identified as DSIBs; and

"f. Has not committed any unsafe or unsound banking practice as defined under existing regulations and/or major acts or omissions¹ as may be determined by the Bangko Sentral to be ground for suspension of dividend distribution, unless this has been addressed by the bank as confirmed by the Monetary Board or the Deputy Governor, SES, as may be applicable, upon recommendation of the appropriate department of SES.

"Banks shall ensure compliance with the minimum capital requirements and risk-based capital ratios even after the dividend distribution."

"§ 3136.2 Limitations/Amount available for dividends declared by rural banks and cooperative banks. The following rules shall also govern the declaration of dividends by RBs and Coop Banks.

"a. *Reserve for retirement of government preferred stock.* In addition to the requirements prescribed in Subsec. X136.2, an RB/Coop Bank may declare cash dividends only if the amount of its reserve for retirement of government preferred stock is at least equal to the amount which should have been accumulated had the bank transferred annually to the reserve account from its undivided profits an amount equal to at least an average of one-tenth (1/10) of the total amount of preferred stock; and

"b. *Applicability of other laws, rules and regulations for Coop Banks.* Coop Banks shall, likewise, comply with the provisions governing the distribution of net surplus as provided under Article 86 of R.A. No. 9520, the Coop Bank's By-Laws as well as other laws, rules and regulations.

"c. *Dividends on government shares for RBs*

"(1) *Held prior to 09 June 1992.* Whenever dividends of not less than fourteen percent (14%) are declared on common stock, government preferred stock shall be entitled to a cash dividend not to exceed two percent (2%) of total outstanding preferred stock. Should the dividends declared on common stock be less than fourteen percent (14%), the dividend on preferred stock shall be proportionately reduced.

¹ Major acts or omissions is defined as bank's individual failure to comply with the requirements of banking laws, rules and regulations as well as Monetary Board directives having material impact on bank's capital, solvency, liquidity or profitability, and/or those violations classified as major offenses under the Report of Examination, except those classified under unsafe or unsound banking practice.

“(2) Held on or after 09 June 1992. Shares held by the LBP, DBP, or by any government-owned or-controlled bank or FI shall share in dividend distributions from the date of issuance in the amount of four percent (4%) on the first and second years six percent (6%) on the third and fourth years; eight percent (8%) on the fifth and sixth years; ten percent (10%) on the seventh and eighth years; and twelve percent (12%) on the ninth to the fifteenth years, which shall be cumulative: Provided, That the RB and the government-owned or controlled bank are not precluded from entering into an agreement providing for rates of dividends other than those prescribed by law.

“(3) Held on or after 13 September 2013. Shares held by the LBP, DBP, or by any government-owned or-controlled bank or FI shall share in dividend distributions from the date of issuance in an amount based on the lending benchmark approved by the Bangko Sentral plus the prevailing non-prime spread of the government FI: Provided, That the RB and the government-owned or -controlled bank are not precluded from entering into an agreement providing for rates of dividends other than those prescribed by law.”

“§X136.3 Net amount available for dividends. The net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Financial Reporting Package (FRP) as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.

“The derivation of the amount of dividends from the unrestricted/free retained earnings shall be based on a sound accounting system and loss provisioning processes under existing regulations which takes into account relevant capital adjustments including losses, bad debts and unearned profits or income.²”

“§ X136.4 Reporting and verification. Declaration of dividends shall be reported by the bank concerned to the appropriate department of the SES within ten (10) banking days after date of declaration in the following manner:

“a. Submission of a duly notarized certification (Annex A) signed by the President, or an officer of equivalent rank, and the Chief Compliance Officer stating that the bank has complied with the requirements on the declaration of dividends provided under Subsec. X136.2, and, in the case of rural banks and cooperative banks, Subsec. 3136.2, as well as other existing applicable laws; and

“b. Submission of the Report on Dividends Declared (Annex B), which shall be considered a Category A-1 report.

² Unearned profits or income refers to unrealized items which are considered not available for dividend declaration such as accumulated share/equity in net income of its subsidiaries, associates or joint venture accounted for under the equity method, recognized deferred tax asset, foreign exchange profit arising from revaluation of foreign exchange denominated accounts and others.

“However, banks with major supervisory concerns such as those initiated under prompt corrective action (PCA) or with specific MB directive to suspend/refrain/restrict dividend declaration, shall be subject to prior Bangko Sentral verification by the appropriate department of the SES. Pending verification of abovementioned reports, no announcement or communication on the declaration of dividends nor shall any payment be made thereon until receipt of Bangko Sentral advice thereof.”

“§ X136.5 Recording of dividends. The liability for dividends declared shall be taken up in the bank’s books upon its declaration.

“However, for dividend declarations that are subject to prior Bangko Sentral verification, the liability for dividends declared shall be taken up in the bank’s books upon receipt of Bangko Sentral advice thereof. A memorandum entry may be made to record the dividend declaration on the date of approval by the board of directors.

“For full disclosure purposes, the dividends declared shall be disclosed in the financial statements either as a footnote in the statement of changes in equity or in the notes to the financial statements. For dividends declared that is still subject to prior Bangko Sentral verification, disclosure by means of a footnote should include a statement to the effect that the dividend declaration is subject to review by the Bangko Sentral .”

“§ X136.6 Issuance of fractional shares. Whenever the declaration of stock dividend results in the issuance of fractional shares, banks may observe the following guidelines:

“x x x”

“§ X136.7 – X136.9 (Reserved)”

“§ X136.10 Supervisory Enforcement Actions. Consistent with Circular No. 875 dated 15 April 2015, the Bangko Sentral may deploy enforcement actions to promote adherence with the rules and regulations governing dividend declaration and bring about timely corrective actions. The Bangko Sentral may issue directives to suspend/refrain/restrict from performing a particular activity, or impose sanctions to limit the level of or suspend any business activity that has adverse effects on the safety or soundness of the bank, among others. Sanctions may likewise be imposed on a bank and/or its directors, officers and/or employees.

“The imposition of sanctions shall be without prejudice to the imposition of administrative sanctions under Section 37 of R.A. No. 7653 including declaring as unsafe or unsound (as defined under Section 56 of R.A. No. 8791) the inappropriate dividend declarations, and/or to the filing of appropriate criminal charges against culpable persons as provided under Section 35 of R.A. No. 7653 for the willful making of a false/misleading statement.

"Further, banks subsequently found to have violated the provisions on dividend declaration or have falsely certified/submitted misleading statements shall be reverted to the prior Bangko Sentral verification wherein the bank can only make an announcement or communication on the declaration of dividends or payment of dividends thereon³ upon receipt of Bangko Sentral advice thereof."

"Sec. X137 (Reserved)"

"Sec. 1137 (Reserved)"

"Sec. 2137 (Reserved)"

"Sec. 3137 Limitations/Amount Available on Dividends Declared by Rural Banks and Cooperative Banks. *(Deleted by Circular No. 888 dated 9 October 2015)*

§ 3137.1 Dividends on government shares *(Deleted by Circular No. 888 dated 9 October 2015)*

"Secs. X138 - X140 (Reserved)

"§ X126.5 Issuance of redeemable shares: conditions; certification and report; sanctions

"a. Conditions. Banks may issue redeemable shares subject to the following conditions:

- (1) xxx
- (2) xxx
- (3) The applicant bank after xxx:
 - (a) xxx
 - (b) xxx
 - (c) xxx

(d) No dividend shall be declared or paid on redeemable shares in the absence of sufficient undivided profits, free surplus."

"xxx."

Section 2. The following sections/subsections of the MORNBF I are hereby amended as follows:

"Sec. 4136Q (2008-4126Q) Dividends. The following rules and regulations shall govern the declaration of dividends on shares of stock, regardless of feature, as well

³ Subject banks whose shares are listed with any domestic stock exchange may declare dividends and give immediate notice of such declaration to the SEC and the stock exchanges, in compliance with pertinent rules of the SEC: Provided, That, no record date is fixed for such dividend pending verification of the report on such declaration by the appropriate department of the SES.

as interest payments on unsecured subordinated debt which meet the qualification requirements of Additional Tier 1 as defined under existing risk-based capital adequacy framework.

“Pursuant to Section 57 of R.A. No. 8791, no QB shall declare dividends greater than its accumulated net profits then on hand, deducting therefrom its losses and bad debts. Neither shall the QB declare dividends if, at the time of declaration, it has not complied with the provisions of Subsec. 4136Q.2.”

“§ 4136Q.1 (2008 - 4126Q.1) Definitions of terms. For purposes of this Section, the following definitions shall apply:

“x x x”

“§ 4136Q.2 (2008 - 4126Q.2) Requirements on the declaration of dividends/net amount available for dividends.

“a. Requirements on the declaration of dividends. At the time of declaration, QBs shall have complied with the following:

“(1) Clearing account with the BSP is not overdrawn;

“(2) Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework;

“(3) Capital conservation buffer requirement as defined in Appendix Q-46, Part III, for QBs that are subsidiaries of universal and commercial banks (U/KBs);

“(4) Higher loss absorbency requirement, phased-in starting 1 January 2017 with full implementation by 1 January 2019, in accordance with Domestic Systemically Important Banks (DSIBs) Framework as provided under Circular No. 856 dated 29 October 2014, for QBs that are subsidiaries of U/KBs identified as DSIBs; and

“(5) Has not committed any unsafe or unsound practice as defined under existing regulations and/or major acts or omissions⁴ as may be determined by the Bangko Sentral to be ground for suspension of dividend distribution, unless this has been addressed by the QB as confirmed by the Monetary Board or the Deputy Governor, SES, as may be applicable, upon recommendation of the appropriate department of SES.

“QBs shall ensure compliance with the minimum capital requirement and risk-based capital ratio even after the dividend distribution.

⁴ Major acts or omissions is defined as QB’s individual failure to comply with the requirements of banking laws, rules and regulations as well as Monetary Board directives having material impact on QB’s capital, solvency, liquidity or profitability, and/or those violations classified as major offenses under the Report of Examination, except those classified under unsafe or unsound practice.

"b. *Amount available.* The net amount available for dividends shall be the amount of unrestricted or free retained earnings and undivided profits reported in the Bangko Sentral prudential reports as of the calendar/fiscal year-end immediately preceding the date of dividend declaration.

"The derivation of the amount of dividends from the unrestricted/free retained earnings shall be based on a sound accounting system and loss provisioning processes under existing regulations which takes into account relevant capital adjustments including losses, bad debts and unearned profits or income.⁵"

"§ 4136Q.3 (Reserved)"

"§ 4136Q.4 (2008 – 4126Q.3) Reporting and verification. Declaration of cash dividends shall be reported by the QB concerned to the appropriate department of the SES within ten (10) business days after date of declaration in the following manner:

"a. Submission of a duly notarized certification (Annex A) by the President, or an officer of equivalent rank, and the Chief Compliance Officer stating that the QB has complied with the requirements on the declaration of dividends provided under Subsec. 4136Q.2, as well as other existing applicable laws; and

"b. Submission of the Report on Dividends Declared (Annex B), which shall be considered a Category A-1 report.

"However, QBs with major supervisory concerns such as those initiated under prompt corrective action (PCA) or with specific MB directive to suspend/refrain/restrict dividend declaration, shall be subject to prior Bangko Sentral verification by the appropriate department of the SES. Pending verification of abovementioned reports, no announcement or communication on the declaration of cash dividends nor shall any payment be made thereon until receipt of Bangko Sentral advice thereof."

"§ 4136Q.5 (2008 – 4126Q.4) Recording of dividends. The liability for cash dividends declared shall be taken up in the QB's books upon its declaration.

"However, for dividend declarations that are subject to prior Bangko Sentral verification, the liability for cash dividends declared shall be taken up in the QB's books upon receipt of Bangko Sentral advice thereof. A memorandum entry may be made to record the dividend declaration on the date of approval by the board of directors.

⁵ Unearned profits or income refers to unrealized items which are considered not available for dividend declaration such as accumulated share/equity in net income of its subsidiaries, associates or joint venture accounted for under the equity method, recognized deferred tax asset, foreign exchange profit arising from revaluation of foreign exchange denominated accounts and others.

“For full disclosure purposes, the cash dividends shall be disclosed in the financial statements as a footnote in the statement of changes in equity or in the notes to the financial statements. For dividends declared that is still subject to prior Bangko Sentral verification, disclosure by means of a footnote should include a statement to the effect that the dividend declaration is subject to review by the Bangko Sentral.”

“§ 4136Q.6 (Reserved)”

“§ 4136Q.7 (2008 - 4126Q.5) Rules on declaration of stock dividends. The declaration of stock dividends shall be subject to the preceding regulations on declaration of cash dividends. ”

“§ 4136Q.8 – 4136Q.9 (Reserved)”

“§ 4136Q.10 Supervisory Enforcement Actions. Consistent with Circular No. 875 dated 15 April 2015, the Bangko Sentral may deploy enforcement actions to promote adherence with the rules and regulations governing dividend declaration and bring about timely corrective actions. The Bangko Sentral may issue directives to suspend/refrain/restrict from performing a particular activity, or impose sanctions to limit the level of or suspend any business activity that has adverse effects on the safety or soundness of the QB, among others. Sanctions may likewise be imposed on a QB and/or its directors, officers and/or employees.

“The imposition of sanctions shall be without prejudice to the imposition of administrative sanctions under Section 37 of R.A. No. 7653 including declaring as unsafe or unsound (as defined under Section 56 of R.A. No. 8791) the inappropriate dividend declarations, and/or to the filing of appropriate criminal charges against culpable persons as provided under Section 35 of R.A. No. 7653 for the willful making of a false/misleading statement.

“Further, QBs subsequently found to have violated the provisions on dividend declaration or have falsely certified/submitted misleading statements shall be reverted to the prior Bangko Sentral verification wherein the QB can only make an announcement or communication on the declaration of dividends or payment of dividends thereon⁶ upon receipt of Bangko Sentral advice thereof.”

Section 3. The Financial Reporting Package, prescribed under Subsection X191.2 of the MORB is further amended to revise the Manual of Accounts (MOA) to amend the definition of Dividends Payable as follows:

(a) Manual of Accounts

“xxx

⁶ Subject QBs whose shares are listed with any domestic stock exchange may declare dividends and give immediate notice of such declaration to the SEC and the stock exchanges, in compliance with pertinent rules of the SEC: Provided, That, no record date is fixed for such dividend pending verification of the report on such declaration by the appropriate department of the SES.

"30. Other Liabilities

"(a) Servicing Liabilities - xxx

"xxx


(e) Dividends Payable – This refers to the amount of unpaid cash dividends declared by the Board of Directors to stockholders of record.

"xxx

Section 4. Appendix 6 of the MORB and Appendix Q-3 of the MORNBF are hereby amended to include the Report on Dividends Declared (for banks and QBs) as a Category A-1 report which shall be submitted within 10 banking/business days after date of dividend declaration to the appropriate department of the SES.

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

FOR THE MONETARY BOARD:


DIWA C. GUINIGUNDO
Officer-in-Charge

9 October 2015

**FORMAT CERTIFICATION ON COMPLIANCE WITH
REQUIREMENTS ON DIVIDEND DECLARATION
(Appendix to Subsec. X136.4/4136Q.4)**

(Name of Bank/QB)

CERTIFICATION

We, (Name of Officer), President (or Officer of Equivalent Rank) and (Name of Officer), Chief Compliance Officer, in behalf of (Name of Bank/QB), with office address at (Head/Principal Office), after having been duly sworn to in accordance with law, hereby certify that the bank's/QB's dividend declaration as of (date of dividend declaration), as approved by the board of directors (state resolution number and date), to the bank's/QB's stockholders of record as of (record date) amounting to (amount of cash/stock/property dividend declaration) complies with the provisions of Section X136 of the Manual of Regulation for Banks (MORB), in the case of banks, or Section 4136Q of the Manual of Regulations for Non-Bank Financial Institutions, in the case of QBs.

We further certify that at the time of dividend declaration, the bank/QB has complied with the following:

- a. Clearing account with the Bangko Sentral is not overdrawn;
- b. Liquidity floor requirement for government funds; *(for banks)*
- c. Minimum capitalization requirement and risk-based capital ratios as provided under applicable and existing capital adequacy framework;¹
- d. Capital conservation buffer requirement as defined in Appendix 63b/Q-46, Part III of the MORB/MORNBFi; *(for U/KBs and their subsidiary banks and QBs)*
- e. Higher loss absorbency requirement as provided under Circular No. 856 dated 29 October 2014; *(for identified Domestic Systemically Important Banks and their subsidiary banks and QBs)*
- f. Has not committed any unsafe or unsound banking practice and/or major acts or omissions as as may be determined by the Bangko Sentral;
- g. Has accumulated reserves of P _____ for the retirement of the government preferred stock which is at least equal to the amount prescribed in Subsection 3136.2 of the MORB *(for rural and cooperative banks)*;
- h. Has complied with the provisions of Article 86 of R.A. No. 9520, its By-Laws and other applicable laws, rules and regulations on the allocation and distribution of net surplus *(for cooperative banks)*;

¹ We also certify that the bank/quasi-bank also comply with this requirement even after dividend distribution.

- i. Has complied with the provisions of Section 43 (Power to declare dividends) of The Corporation Code of the Philippines (Batas Pambansa Blg. 68), as may be applicable; and
- j. Has complied with the provisions of revised implementing rules and regulations to R.A. No. 7656, "An Act Requiring Government-Owned and/or Controlled Corporations to Declare Dividends Under Certain Conditions to the National Government, and for Other Purposes" (for Government-owned banks/QBs)

To the best of our knowledge, the foregoing statements are true and correct.

President	Chief Compliance Officer
TIN :	TIN :
Com. Tax Cert. No.:	Com. Tax Cert. No.:
Issued on:	Issued on:
Issued at:	Issued at:

Subscribed and sworn to before me, this _____ day of _____ 20____, at _____, exhibiting his/her respective Community Tax Certificate as indicated above.

NOTARY PUBLIC

Doc. No. _____
 Page No. _____
 Book No. _____
 Series of : _____

ANNEX B

Category: Category A-1
Deadline: 10 banking/business days after date of dividend declaration
Submission: Hard copy to the appropriate supervising department of the SES

FOR ALL BANKS/QBs

Name of Bank/QB	Code
Address	

REPORT ON DIVIDENDS DECLARED

As of _____ (Date of Dividend Declaration)

REPUBLIC OF THE PHILIPPINES)
_____) S.S.

We solemnly swear that all matters set forth in this report including its supporting schedule are true and correct, to the best of our knowledge and belief.

(Signature of Chief Compliance Officer)

(Signature of Chief Finance Officer/
Comptroller/Chief Accountant)

(Signature of President/Senior/
Executive Vice President)

SUBSCRIBED AND SWORN TO BEFORE ME this _____ day of _____
20____, affiants exhibiting to me their
Valid ID No., to wit:

<u>Name</u>	<u>Valid ID No.</u>	<u>Date/Place issued</u>
_____	_____	_____
_____	_____	_____
_____	_____	_____

Notary Public
Until _____
PTR No. _____
Place _____

Doc. No. _____
Page No. _____
Book No. _____
Series of _____

REPORT ON DIVIDENDS DECLARED

NAME OF UB/KB/TB/RB/QB

As of _____
(Date of dividend declaration)

1. Declaration by the Board of Directors

Minutes No: _____

Resolution No: _____

Meeting: _____
(special or regular)

Date of Meeting: _____

2. Summary:

- a. Date of Declaration of Dividends: _____
- b. Record Date: _____
- c. Dividend Payment Date: _____
- d. Form of Dividends (Cash, Stock, etc.): _____

3. Distribution of Dividends:

Shares Entitled to Dividends			Dividends Declared								
Class/ Description	No. of Shares ^{2/}	Amount ^{3/}	Cash		Stock		Other Property			Total Dividends	
			Rate per Share	Total Amount	Rate per Share	Share Issue Price ^{4/}	Total Amount	Rate per Share	Property Value ^{5/}		Total Amount
Preferred ^{1/}											-
											-
											-
Common											-
											-
Total Dividends											-

^{1/} This includes interest paid for unsecured subordinated debt that qualify as Additional Tier 1 or Hybrid Tier 1 Capital
^{2/} Number of shares of subscribed capital stock as of record date
^{3/} Carrying amount of subscribed capital stock as of record date
^{4/} Issue price of stock dividend (per share)
^{5/} Fair value of property (per unit)

REPORT ON DIVIDENDS DECLARED

NAME OF UB/KB/TB/RB/QB

Computation of Net Amount Available for Dividends

As of _____
(Date of dividend declaration)

Details of Accounts		Amounts
A. Basis for Computation of Dividends <i>(As of calendar/fiscal year-end immediately preceding the date of declaration)</i>		
Retained Earnings Free		xxx
Undivided Profits		xxx
B. Less: Capital Adjustments: <i>(please specify)</i>		
C. Net amount available for dividends*		xxx
D. Amount of Dividends Declared		xxx
E. Excess/(Deficiency) in Net Amount Available for Dividend Declaration		xxx

**The net amount available for dividend declaration shall be based on the unrestricted retained earnings and undivided profits which shall be based on a sound accounting system and loss provisioning processes that considers relevant adjustments to capital including losses, bad debts and unearned profits or income.*

REPORT ON DIVIDENDS DECLARED

NAME OF COOP BANK

As of _____
(Date of dividend declaration)

1. Declaration by the Board of Directors

Minutes No: _____
Meeting: _____
(special or regular)

Resolution No: _____
Date of Meeting: _____

2. Summary:

- a. Date of Declaration of Dividends: _____
- b. Record Date: _____
- c. Dividend Payment Date: _____
- d. Form of Dividends (Cash, Stock, etc.): _____

3. Distribution of Dividends:

Shares Entitled to Dividends			Dividends Declared											
Class/ Description	No. of Shares ^{1/}	Amount ^{2/}	Cash				Stock			Other Property			Total Dividends	
			Interest on Share Capital		Patronage Refund		Rate per Share	Share Issue Price ^{3/}	Total Amount	Rate per Share	Property Value ^{4/}	Total Amount		
			Rate of Interest	Total Amount	Rate of Patronage Refund	Total Amount								
Preferred														
Common														
Total Dividends														

^{1/} Number of shares of subscribed capital stock as of record date
^{2/} Carrying amount of subscribed capital stock as of record date
^{3/} Issue price of stock dividend (per share)
^{4/} Fair value of property (per unit)

REPORT ON DIVIDENDS DECLARED

 NAME OF COOP BANK

Computation of Net Surplus Available for Dividends

As of _____

(Date of dividend declaration)

Details of Accounts	Peso Amounts
A. Basis for Computation of Dividends <i>(As of calendar/fiscal year-end immediately preceding the date of declaration)</i>	
Net Surplus	
(1) Retained Earnings	XXX
(2) Undivided Profits	XXX
Net Surplus	XXX
B. Less: Required Reserves	
(1) Required Reserves under Article 86 of R.A. No. 9520	XXX
(a) Reserve Fund	XXX
(b) Education and Training Fund	XXX
(c) Community Development Fund	XXX
(d) Optional Fund	XXX
(2) Other Required Reserves	XXX
(a) Trust Business	XXX
(b) Self Insurance	XXX
(c) Contingencies	XXX
(d) Redemption of Preferred Shares of Stock	XXX
(e) Others	XXX
Sub-Total	XXX
C. Less: Capital Adjustments: <i>(please specify)</i>	
D. Net Surplus Available for Dividend Declaration*	XXX
E. Amount of Dividends Declared	
(1) Interest on Share Capital	XXX
(2) Patronage Refund	XXX
Sub-total	XXX
F. Excess/(Deficiency) in Net Surplus Available for Dividend Declaration	XXX

*The net amount available for dividend declaration shall be based on the unrestricted retained earnings and undivided profits which shall be based on a sound accounting system and loss provisioning processes that considers relevant adjustments to capital including losses, bad debts and unearned profits or income.