

BANK PREMISES; MANUAL OF ACCOUNT

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/3d12fa5f4e4e/>

The Monetary Board, in its Resolution No. 604 dated 14 April 2000, approved the amendments to the Manual of Regulations and the Manual of Accounts for Banks and for Non-bank Financial Institutions to read as follows:

MANUAL OF REGULATIONS

SECTION 1. Subsection X 606.3 of the Manual of Regulations for Banks is hereby renumbered as Subsection X606.4.

SECTION 2. Subsection X606.3 as hereby added to the Manual of Regulations for Banks, shall read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

REAL AND OTHER PROPERTIES OWNED OR ACQUIRED (ROPOA) RECLASSIFIED AS BANK PREMISES SHALL BE BOOKED AT THEIR ROPOA BALANCE, NET OF ANY VALUATION RESERVES: PROVIDED, THAT ONLY SUCH ACQUIRED ASSET OR A PORTION THEREOF THAT WILL BE IMMEDIATELY USED OR EARMARKED FOR FUTURE USE MAY BE RECLASSIFIED AND BOOKED AS BANK PREMISES.

BANKS, PRIOR TO THE RECLASSIFICATION OF THEIR ROPOA ACCOUNTS TO BANK PREMISES, SHALL FIRST SECURE PRIOR BANGKO SENTRAL APPROVAL BEFORE EFFECTING THE RECLASSIFICATION AND SHALL SUBMIT, IN CASE OF FUTURE USE, JUSTIFICATION AND PLANS FOR EXPANSION/USE."

SECTION 3. Sections 4657Q, 4655S, 4653P, 4653B and 4104N as hereby added to the Manual of Regulations for Non-bank Financial Institutions shall read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

REAL AND OTHER PROPERTIES OWNED OR ACQUIRED (ROPOA) RECLASSIFIED EITHER AS REAL PROPERTY-LAND OR REAL PROPERTY-BUILDING SHALL BE BOOKED AT THEIR ROPOA BALANCE, NET OF ANY VALUATION RESERVES: PROVIDED, THAT ONLY SUCH ACQUIRED ASSET OR A PORTION THEREOF THAT WILL BE IMMEDIATELY USED OR EARMARKED FOR FUTURE USE MAY BE RECLASSIFIED AND BOOKED AS REAL PROPERTY LAND/BUILDING.

NON-BANKS, PRIOR TO THE RECLASSIFICATION OF THEIR ROPOA ACCOUNTS TO REAL PROPERTY LAND/BUILDING, SHALL FIRST SECURE THE BANGKO SENTRAL APPROVAL BEFORE EFFECTING THE RECLASSIFICATION AND SHALL SUBMIT, IN CASE OF FUTURE USE, JUSTIFICATION AND PLANS FOR EXPANSION/USE."

MANUAL OF ACCOUNTS

SECTION 4. The first paragraph of Item 20.a of the Manual of Accounts for banks, as amended by Circular Letter dated 4 February 1999, is hereby further amended to read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

This represents real and other properties, other than those used for banking purposes or held in the investment portfolio, acquired by the bank in settlement of loans and/or for other reasons. The property acquired by the bank in settlement of loans THROUGH FORECLOSURE OR DATION IN PAYMENT shall be recorded at the balance of the loan (principal plus booked accrued interest receivable after considering allowance for uncollected interest on loans less unamortized income) or bid/PURCHASE PRICE, whichever is lower. The amount of the non-refundable capital gains tax and documentary stamp tax paid in connection with the foreclosure/purchase may be included in the book value of the acquired real estate, provided that the total book value does not exceed the appraised value of the asset acquired, as determined by an independent appraiser acceptable to Bangko Sentral ng Pilipinas. However, the property acquired for other reasons shall be recorded at cost or appraised value when cost is not involved/determinable in the acquisition of the property".

SECTION 5. The first paragraph on the definition of ROPOA in the Manual of Accounts for non-bank financial Institutions, as amended by Circular Letter dated 4 February 1999, is hereby further amended to read as follows:

"REAL AND OTHER PROPERTIES OWNED OR ACQUIRED

This represents real and other properties, other than those used for business purposes or held in the investment portfolio, acquired by the non-bank in settlement of loans and/or for other reasons. The property acquired by the non-bank in settlement of loans THROUGH FORECLOSURE OR DATION IN PAYMENT shall be recorded at the balance of the loan (principal plus booked accrued interest receivable after considering allowance for uncollected interest on loans less unamortized income) or bid/PURCHASE PRICE, whichever is lower. The amount of the non-refundable capital gains tax and documentary stamp tax paid in connection with the foreclosure/purchase may be included in the book value of the acquired real estate, provided that the total book value does not exceed the appraised value of the asset acquired, as determined by an independent appraiser acceptable to Bangko Sentral ng Pilipinas. However, the property acquired for other reasons shall be recorded at cost or appraised value when- cost is not involved/determinable in the acquisition of the property."

This Circular shall take effect immediately.

Adopted: 4 May 2000

(SGD.) RAFAEL B. BUENAVENTURA
Governor

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.