CITIBANK, N.A., PETITIONER, PRESENT: VS. SPOUSES LUIS AND CARMELITA CABAMONGAN AND THEIR SONS LUIS CABAMONGAN, JR. AND LITO CABAMONGAN, RESPONDENTS.

G.R. No. 146918. May 02, 2006

Ponente: AUSTRIA-MARTINEZ, J.

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AUSTRIA-MARTINEZ, J.:

Before the Court is a petition for review on certiorari of the Decision[1] dated January 26, 2001 and the Resolution[2] dated July 30, 2001 of the Court of Appeals (CA) in CA-G.R. CV No. 59033.

The factual background of the case is as follows:

On August 16, 1993, spouses Luis and Carmelita Cabamongan opened a joint "and/or" foreign currency time deposit in trust for their sons Luis, Jr. and Lito at the Citibank, N.A., Makati branch, with Reference No. 60-22214372, in the amount of $55,216.69 for a term of 182 days or until February 14, 1994, at 2.5625 per cent interest per annum.[3] Prior to maturity, or on November 10, 1993, a person claiming to be Carmelita went to the Makati branch and pre-terminated the said foreign currency time deposit by presenting a passport, a Bank of America Versatele Card, an ATM card and a Mabuhay Credit Card.[4] She filled up the necessary forms for pre-termination of deposits with the assistance of Account Officer Yeye San Pedro. While the transaction was being processed, she was casually interviewed by San Pedro about her personal circumstances and investment plans.[5] Since the said person failed to surrender the original Certificate of Deposit, she had to execute a notarized release and waiver document in favor of Citibank, pursuant to Citibank's internal procedure, before the money was released to her.[6] The release and waiver document[7] was not notarized on that same day but the money was nonetheless given to the person withdrawing.[8] The transaction lasted for about 40 minutes.[9]

After said person left, San Pedro realized that she left behind an identification card.[10] Thus, San Pedro called up Carmelita's listed address at No. 48 Ranger Street, Moonwalk Village, Las Pinas, Metro Manila on the same day to have the card picked up.[11] Marites, the wife of Lito, received San Pedro's call and was stunned by the news that Carmelita preterminated her foreign currency time deposit because Carmelita was in the United States at that time.[12] The Cabamongan spouses work and reside in California. Marites made an overseas call to Carmelita to inform her about what happened.[13] The Cabamongan spouses were shocked at the news. It seems that sometime between June 10 and 16, 1993, an unidentified person broke in at the couple's residence at No. 3268 Baldwin Park Boulevard, Baldwin Park, California. Initially, they reported that only Carmelita's jewelry box was missing, but later on, they discovered that other items, such as their passports, bank deposit certificates, including the subject foreign currency deposit, and identification cards were also missing.[14] It was only then that the Cabamongan spouses realized that their passports and bank deposit certificates were lost.[15]

Through various overseas calls, the Cabamongan spouses informed Citibank, thru San Pedro, that Carmelita was in the United States and did not preterminate their deposit and that the person who did so was an impostor who could have also been involved in the break-in of their California residence. San Pedro told the spouses to submit

the necessary documents to support their claim but Citibank concluded nonetheless that Carmelita indeed preterminated her deposit. In a letter dated September 16, 1994, the Cabamongan spouses, through counsel, made a formal demand upon Citibank for payment of their preterminated deposit in the amount of $55,216.69 with legal interests.[16] In a letter dated November 28, 1994, Citibank, through counsel, refused the Cabamongan spouses' demand for payment, asserting that the subject deposit was released to Carmelita upon proper identification and verification.[17]

On January 27, 1995, the Cabamongan spouses filed a complaint against Citibank before the Regional Trial Court of Makati for Specific Performance with Damages, docketed as Civil Case No 95-163 and raffled to Branch 150 (RTC).[18]

In its Answer dated April 20, 1995, Citibank insists that it was not negligent of its duties since the subject deposit was released to Carmelita only upon proper identification and verification.[19]

At the pre-trial conference the parties failed to arrive at an amicable settlement.[20] Thus, trial on the merits ensued.

For the plaintiffs, the Cabamongan spouses themselves and Florenda G. Negre, Documents Examiner II of the Philippine National Police (PNP) Crime Laboratory in Camp Crame, Quezon City, testified. The Cabamongan spouses, in essence, testified that Carmelita could not have preterminated the deposit account since she was in California at the time of the incident.[21] Negre testified that an examination of the questioned signature and the samples of the standard signatures of Carmelita submitted in the RTC showed a significant divergence. She concluded that they were not written by one and the same person.[22]

For the respondent, Citibank presented San Pedro and Cris Cabalatungan, Vice-President and In-Charge of Security and Management Division. Both San Pedro and Cabalatungan testified that proper bank procedure was followed and the deposit was released to Carmelita only upon proper identification and verification.[23]

On July 1, 1997, the RTC rendered a decision in favor of the Cabamongan spouses and against Citibank, the dispositive portion of which reads, thus:

> WHEREFORE, premises considered, defendant Citibank, N.A., is hereby ordered to pay the plaintiffs the following:
>
> 1) the principal amount of their Foreign Currency Deposit (Reference No. 6022214372) amounting to $55,216.69 or its Phil. Currency equivalent plus interests from August 16, 1993 until fully paid;
>
> 2) Moral damages of P50,000.00;
>
> 3) Attorney's fees of P50,000.00; and
>
> 4) Cost of suit.
>
> SO ORDERED.[24]

The RTC reasoned that:

> xxx Citibank, N.A., committed negligence resulting to the undue suffering of the plaintiffs. The forgery of the signatures of plaintiff Carmelita Cabamongan on the questioned documents has been categorically established by the handwriting expert. xxx Defendant bank was clearly remiss in its duty and obligations to treat plaintiff's account with the highest degree of care, considering the nature of their relationship. Banks are under the obligation to treat the accounts of their depositors with meticulous care. This is the reason for their established procedure of requiring several specimen signatures and recent picture from potential depositors. For every

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> transaction, the depositor's signature is passed upon by personnel to check and countercheck possible irregularities and therefore must bear the blame when they fail to detect the forgery or discrepancy.[25]

Despite the favorable decision, the Cabamongan spouses filed on October 1, 1997 a motion to partially reconsider the decision by praying for an increase of the amount of the damages awarded.[26] Citibank opposed the motion.[27] On November 19, 1997, the RTC granted the motion for partial reconsideration and amended the dispositive portion of the decision as follows:

> From the foregoing, and considering all the evidence laid down by the parties, the dispositive portion of the court's decision dated July 1, 1997 is hereby amended and/or modified to read as follows:
>
> WHEREFORE, defendant Citibank, N.A., is hereby ordered to pay the plaintiffs the following:
>
> 1) the principal amount of their foreign currency deposit (Reference No. 6022214372) amounting to $55,216.69 or its Philippine currency equivalent (at the time of its actual payment or execution) plus legal interest from Aug. 16, 1993 until fully paid.
>
> 2) moral damages in the amount of P200,000.00;
>
> 3) exemplary damages in the amount of P100,000.00;
>
> 4) attorney's fees of P100,000.00;
>
> 5) litigation expenses of P200,000.00;
>
> 6) cost of suit.
>
> SO ORDERED.[28]

Dissatisfied, Citibank filed an appeal with the CA, docketed as CA-G.R. CV No. 59033.[29] On January 26, 2001, the CA rendered a decision sustaining the finding of the RTC that Citibank was negligent, ratiocinating in this wise:

> In the instant case, it is beyond dispute that the subject foreign currency deposit was pre-terminated on 10 November 1993. But Carmelita Cabamongan, who works as a nursing aid (sic) at the Sierra View Care Center in Baldwin Park, California, had shown through her Certificate of Employment and her Daily Time Record from the [sic] January to December 1993 that she was in the United States at the time of the incident.
>
> Defendant Citibank, N.A., however, insists that Carmelita was the one who pre-terminated the deposit despite claims to the contrary. Its basis for saying so is the fact that the person who made the transaction on the incident mentioned presented a valid passport and three (3) other identification cards. The attending account officer examined these documents and even interviewed said person. She was satisfied that the person presenting the documents was indeed Carmelita Cabamongan. However, such conclusion is belied by these following circumstances.
>
> First, the said person did not present the certificate of deposit issued to Carmelita Cabamongan. This would not have been an insurmountable obstacle as the bank, in the absence of such certificate, allows the termination of the deposit for as long as the depositor executes a notarized release and waiver document in favor of the bank. However, this simple procedure was not followed by the bank, as it terminated the deposit and actually delivered the money to the impostor without having the said document notarized on the flimsy excuse that another department of the bank was in charge of notarization. The said procedure was obviously for the protection of the bank but it deliberately ignored such precaution. At the very least, the conduct of the bank amounts to negligence.
>
> Second, in the internal memorandum of Account Officer Yeye San Pedro regarding the incident, she reported

> that upon comparing the authentic signatures of Carmelita Cabamongan on file with the bank with the signatures made by the person claiming to be Cabamongan on the documents required for the termination of the deposit, she noticed that one letter in the latter [sic] signatures was different from that in the standard signatures. She requested said person to sign again and scrutinized the identification cards presented. Presumably, San Pedro was satisfied with the second set of signatures made as she eventually authorized the termination of the deposit. However, upon examination of the signatures made during the incident by the Philippine National Police (PNP) Crime Laboratory, the said signatures turned out to be forgeries. As the qualifications of Document Examiner Florenda Negre were established and she satisfactorily testified on her findings during the trial, we have no reason to doubt the validity of her findings. Again, the bank's negligence is patent. San Pedro was able to detect discrepancies in the signatures but she did not exercise additional precautions to ascertain the identity of the person she was dealing with. In fact, the entire transaction took only 40 minutes to complete despite the anomalous situation. Undoubtedly, the bank could have done a better job.
>
> Third, as the bank had on file pictures of its depositors, it is inconceivable how bank employees could have been duped by an impostor. San Pedro admitted in her testimony that the woman she dealt with did not resemble the pictures appearing on the identification cards presented but San Pedro still went on with the sensitive transaction. She did not mind such disturbing anomaly because she was convinced of the validity of the passport. She also considered as decisive the fact that the impostor had a mole on her face in the same way that the person in the pictures on the identification cards had a mole. These explanations do not account for the disparity between the pictures and the actual appearance of the impostor. That said person was allowed to withdraw the money anyway is beyond belief.
>
> The above circumstances point to the bank's clear negligence. Bank transactions pass through a successive [sic] of bank personnel, whose duty is to check and countercheck transactions for possible errors. While a bank is not expected to be infallible, it must bear the blame for failing to discover mistakes of its employees despite established bank procedure involving a battery of personnel designed to minimize if not eliminate errors. In the instant case, Yeye San Pedro, the employee who primarily dealt with the impostor, did not follow bank procedure when she did not have the waiver document notarized. She also openly courted disaster by ignoring discrepancies between the actual appearance of the impostor and the pictures she presented, as well as the disparities between the signatures made during the transaction and those on file with the bank. But even if San Pedro was negligent, why must the other employees in the hierarchy of the bank's work flow allow such thing to pass unnoticed and unrectified?[30]

The CA, however, disagreed with the damages awarded by the RTC. It held that, insofar as the date from which legal interest of 12% is to run, it should be counted from September 16, 1994 when extrajudicial demand was made. As to moral damages, the CA reduced it to P100,000.00 and deleted the awards of exemplary damages and litigation expenses. Thus, the dispositive portion of the CA decision reads:

> WHEREFORE, the decision of the trial court dated 01 July 1997, and its order dated 19 November 1997, are hereby AFFIRMED with the MODIFICATION that the legal interest for actual damages awarded in the amount of $55,216.69 shall run from 16 September 1994; exemplary damages amounting to P100,000.00 and litigation expenses amounting to P200,000.00 are deleted; and moral damages is reduced to P100,000.00.
>
> Costs against defendant.
>
> SO ORDERED.[31]

The Cabamongan spouses filed a motion for partial reconsideration on the matter of the award of damages in the decision.[32] On July 30, 2001, the

CA granted in part said motion and modified its decision as follows:

> - The actual damages in amount of $55,216.69, representing the amount of appellees' foreign currency time

> deposit shall earn an interest of 2.5625% for the period 16 August 1993 to 14 February 1994, as stipulated in the contract;
>
> - From 16 September 1994 until full payment, the amount of $55,216.69 shall earn interest at the legal rate of 12% per annum, and;
>
> - The award of moral damages is reduced to P50,000.00.[33]

Dissatisfied, both parties filed separate petitions for review on certiorari with this Court. The Cabamongan spouses' petition, docketed as G.R. No. 149234, was denied by the Court per its Resolution dated October 17, 2001.[34] On the other hand, Citibank's petition was given due course by the Court per Resolution dated December 10, 2001 and the parties were required to submit their respective memoranda.[35]

Citibank poses the following errors for resolution:

> - THE HONORABLE COURT OF APPEALS GRAVELY ERRED AND GRAVELY ABUSED ITS DISCRETION IN UPHOLDING THE LOWER COURT'S DECISION WHICH IS NOT BASED ON CLEAR EVIDENCE BUT ON GRAVE MISAPPREHENSION OF FACTS.
>
> - THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN UPHOLDING THE DECISION OF THE TRIAL COURT AWARDING MORAL DAMAGES WHEN IN FACT THERE IS NO BASIS IN LAW AND FACT FOR SAID AWARD.
>
> - THE HONORABLE COURT OF APPEALS GRAVELY ERRED IN RULING THAT THE PRINCIPAL AMOUNT OF US$55,216.69 SHOULD EARN INTEREST AT THE RATE OF 12% PER ANNUM FROM 16 SEPTEMBER 1994 UNTIL FULL PAYMENT.[36]

Anent the first ground, Citibank contends that the CA erred in affirming the RTC's finding that it was negligent since the said courts failed to appreciate the extra diligence of a good father of a family exercised by Citibank thru San Pedro.

As to the second ground, Citibank argues that the Cabamongan spouses are not entitled to moral damages since moral damages can be awarded only in cases of breach of contract where the bank has acted willfully, fraudulently or in bad faith. It submits that it has not been shown in this case that Citibank acted willfully, fraudulently or in bad faith and mere negligence, even if the Cabamongan spouses suffered mental anguish or serious anxiety on account thereof, is not a ground for awarding moral damages.

On the third ground, Citibank avers that the interest rate should not be 12% but the stipulated rate of 2.5625% per annum. It adds that there is no basis to pay the interest rate of 12% per annum from September 16, 1994 until full payment because as of said date there was no legal ground yet for the Cabamongan spouses to demand payment of the principal and it is only after a final judgment is issued declaring that Citibank is obliged to return the principal amount of US$55,216.69 when the right to demand payment starts and legal interest starts to run.

On the other hand, the Cabamongan spouses contend that Citibank's negligence has been established by evidence. As to the interest rate, they submit that the stipulated interest of 2.5635% should apply for the 182-day contract period from August 16, 1993 to February 14, 1993; thereafter, 12% should apply. They further contend that the RTC's award of exemplary damages of P100,000.00 should be maintained. They submit that the CA erred in treating the award of litigation expenses as lawyer's fees since they have shown that they incurred actual expenses in litigating their claim against Citibank. They also contend that the CA erred in reducing the award of moral damages in view of the degree of mental anguish and emotional fears, anxieties and nervousness suffered by them.[37]

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Subsequently, Citibank, thru a new counsel, submitted a Supplemental Memorandum,[38] wherein it posits that, assuming that it was negligent, the Cabamongan spouses were guilty of contributory negligence since they failed to notify Citibank that they had migrated to the United States and were residents thereat and after having been victims of a burglary, they should have immediately assessed their loss and informed Citibank of the disappearance of the bank certificate, their passports and other identification cards, then the fraud would not have been perpetuated and the losses avoided. It further argues that since the Cabamongan spouses are guilty of contributory negligence, the doctrine of last clear chance is inapplicable.

Citibank's assertion that the Cabamongan spouses are guilty of contributory negligence and non-application of the doctrine of last clear chance cannot pass muster since these contentions were raised for the first time only in their Supplemental Memorandum. Indeed, the records show that said contention were neither pleaded in the petition for review and the memorandum nor in Citibank's Answer to the complaint or in its appellant's brief filed with the CA. To consider the alleged facts and arguments raised belatedly in a supplemental pleading to herein petition for review at this very late stage in the proceedings would amount to trampling on the basic principles of fair play, justice and due process.[39]

The Court has repeatedly emphasized that, since the banking business is impressed with public interest, of paramount importance thereto is the trust and confidence of the public in general. Consequently, the highest degree of diligence[40] is expected,[41] and high standards of integrity and performance are even required, of it.[42] By the nature of its functions, a bank is "under obligation to treat the accounts of its depositors with meticulous care,[43] always having in mind the fiduciary nature of their relationship."[44]

In this case, it has been sufficiently shown that the signatures of Carmelita in the forms for pretermination of deposits are forgeries. Citibank, with its signature verification procedure, failed to detect the forgery. Its negligence consisted in the omission of that degree of diligence required of banks. The Court has held that a bank is "bound to know the signatures of its customers; and if it pays a forged check, it must be considered as making the payment out of its own funds, and cannot ordinarily charge the amount so paid to the account of the depositor whose name was forged."[45] Such principle equally applies here.

Citibank cannot label its negligence as mere mistake or human error. Banks handle daily transactions involving millions of pesos.[46] By the very nature of their works the degree of responsibility, care and trustworthiness expected of their employees and officials is far greater than those of ordinary clerks and employees.[47] Banks are expected to exercise the highest degree of diligence in the selection and supervision of their employees.[48]

The Court agrees with the observation of the CA that Citibank, thru Account Officer San Pedro, openly courted disaster when despite noticing discrepancies in the signature and photograph of the person claiming to be Carmelita and the failure to surrender the original certificate of time deposit, the pretermination of the account was allowed. Even the waiver document was not notarized, a procedure meant to protect the bank. For not observing the degree of diligence required of banking institutions, whose business is impressed with public interest, Citibank is liable for damages.

As to the interest rate, Citibank avers that the claim of the Cabamongan spouses does not constitute a loan or forbearance of money and therefore, the interest rate of 6%, not 12%, applies.

The Court does not agree.

The time deposit subject matter of herein petition is a simple loan. The provisions of the New Civil Code on simple loan govern the contract between a bank and its depositor. Specifically, Article 1980 thereof categorically provides that ". . . savings . . . deposits of money in banks and similar institutions shall be governed by the

provisions concerning simple loan." Thus, the relationship between a bank and its depositor is that of a debtor-creditor, the depositor being the creditor as it lends the bank money, and the bank is the debtor which agrees to pay the depositor on demand.

The applicable interest rate on the actual damages of $55,216.69, should be in accordance with the guidelines set forth in Eastern Shipping Lines, Inc. v. Court of Appeals[49] to wit:

> - When an obligation, regardless of its source, i.e., law, contracts, quasi-contracts, delicts or quasi-delicts is breached, the contravenor can be held liable for damages. The provisions under Title XVIII on "Damages" of the Civil Code govern in determining the measure of recoverable damages.
>
> - With regard particularly to an award of interest, in the concept of actual and compensatory damages, the rate of interest, as well as the accrual thereof, is imposed, as follows:
>
> - When the obligation is breached, and it consists in the payment of a sum of money, i.e., a loan or forbearance of money, the interest due should be that which may have been stipulated in writing. Furthermore, the interest due shall itself earn legal interest from the time it is judicially demanded. In the absence of stipulation, the rate of interest shall be 12% per annum to be computed from default, i.e., from judicial or extrajudicial demand under and subject to the provisions of Article 1169 of the Civil Code.
>
> - When an obligation, not constituting a loan or forbearance of money, is breached, an interest on the amount of damages awarded may be imposed at the discretion of the court at the rate of 6% per annum. No interest, however, shall be adjudged on unliquidated claims or damages except when or until the demand can be established with reasonable certainty. Accordingly, where the demand is established with reasonable certainty, the interest shall begin to run from the time the claim is made judicially or extrajudicially (Art. 1169, Civil Code) but when such certainty cannot be so reasonably established at the time the demand is made, the interest shall begin to run only from the date the judgment of the court is made (at which time the quantification of damages may be deemed to have been reasonably ascertained). The actual base for the computation of legal interest shall, in any case, be on the amount finally adjudged.
>
> - When the judgment of the court awarding a sum of money becomes final and executory, the rate of legal interest whether the case falls under paragraph 1 or paragraph 2, above, shall be 12% per annum from such finality until its satisfaction, this interim period being deemed to be by then an equivalent to a forbearance of credit.[50]

Thus, in a loan or forbearance of money, the interest due should be that stipulated in writing, and in the absence thereof, the rate shall be 12% per annum counted from the time of demand. Accordingly, the stipulated interest rate of 2.562% per annum shall apply for the 182-day contract period from August 16, 1993 to February 14, 1994. For the period from the date of extra-judicial demand, September 16, 1994, until full payment, the rate of 12% shall apply. As for the intervening period between February 15, 1994 to September 15, 1994, the rate of interest then prevailing granted by Citibank shall apply since the time deposit provided for roll over upon maturity of the principal and interest.[51]

As to moral damages, in culpa contractual or breach of contract, as in the case before the Court, moral damages are recoverable only if the defendant has acted fraudulently or in bad faith,[52] or is found guilty of gross negligence amounting to bad faith, or in wanton disregard of his contractual obligations.[53] The act of Citibank's employee in allowing the pretermination of Cabamongan spouses' account despite the noted discrepancies in Carmelita's signature and photograph, the absence of the original certificate of time deposit and the lack of notarized waiver dormant, constitutes gross negligence amounting to bad faith under Article 2220 of the Civil Code.

There is no hard-and-fast rule in the determination of what would be a fair amount of moral damages since each

case must be governed by its own peculiar facts. The yardstick should be that it is not palpably and scandalously excessive.[54] The amount of P50,000.00 awarded by the CA is reasonable and just. Moreover, said award is deemed final and executory insofar as respondents are concerned considering that their petition for review had been denied by the Court in its final and executory Resolution dated October 17, 2001 in G.R. No. 149234.

Finally, Citibank contends that the award of attorney's fees should be deleted since such award appears only in the dispositive portion of the decision of the RTC and the latter failed to elaborate, explain and justify the same.

Article 2208 of the New Civil Code enumerates the instances where such may be awarded and, in all cases, it must be reasonable, just and equitable if the same were to be granted. Attorney's fees as part of damages are not meant to enrich the winning party at the expense of the losing litigant. They are not awarded every time a party prevails in a suit because of the policy that no premium should be placed on the right to litigate.[55] The award of attorney's fees is the exception rather than the general rule. As such, it is necessary for the court to make findings of facts and law that would bring the case within the exception and justify the grant of such award. The matter of attorney's fees cannot be mentioned only in the dispositive portion of the decision.[56] They must be clearly explained and justified by the trial court in the body of its decision. Consequently, the award of attorney's fees should be deleted.

WHEREFORE, the instant petition is PARTIALLY GRANTED. The assailed Decision and Resolution are AFFIRMED with MODIFICATIONS, as follows:

1. The interest shall be computed as follows:

- The actual damages in principal amount of $55,216.69, representing the amount of foreign currency time deposit shall earn interest at the stipulated rate of 2.5625% for the period August 16, 1993 to February 14, 1994;

- From February 15, 1994 to September 15, 1994, the principal amount of $55,216.69 and the interest earned as of February 14, 1994 shall earn interest at the rate then prevailing granted by Citibank;

- From September 16, 1994 until full payment, the principal amount of $55,216.69 and the interest earned as of September 15, 1994, shall earn interest at the legal rate of 12% per annum;

2. The award of attorney's fees is DELETED.

No pronouncement as to costs.

SO ORDERED.

Panganiban, C. J., (Chairperson), Ynares-Santiago, and Callejo, Sr., JJ., concur.
Chico-Nazario, J., on official leave.

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[1] Penned by Associate Justice Buenaventura J. Guerrero and concurred in by Associate Justices Eriberto U. Rosario, Jr. and Alicia L. Santos (all retired). Rollo, p. 42.

[2]Rollo, p. 53.

[3] Records, pp. 38, 342.

[4] TSN, Testimony of Yeye San Pedro, July 5, 1996, pp. 4-6.

[5]Id. at 7.

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[6]Id. at 9, 21.

[7]Folder of Exhibits, p. 219

[8]TSN, Testimony of Yeye San Pedro, July 5, 1996, pp. 22-24.

[9]Id. at 7.

[10] Id. at 12, 14.

[11]Id. at 12.

[12]TSN, Testimony of Luis Cabamongan, July 31, 1995, p. 11; TSN, Testimony of Carmelita Cabamongan, September 18, 1995, p. 5.

[13] Id.

[14] Records, p. 50. TSN, Testimony of Luis Cabamongan, July 31, 1995, p. 26.

[15]TSN, Testimony of Luis Cabamongan, July 31, 1995, pp. 15-16, 26-27; TSN, Testimony of Carmelita Cabamongan, September 18, 1995, p. 12.

[16] Records, p. 84.

[17] Id. at 90.

[18] Id. at 1.

[19]Id. at 97.

[20]Id. at 129.

[21] TSN, Testimony of Luis Cabamongan, July 31, 1995, p. 13; TSN, Testimony of Carmelita Cabamongan, September 18, 1995, p. 7.

[22]TSN, Testimony of Florenda G. Negre, February 5, 1996, pp. 8, 19.

[23] TSN, Testimony of Yeye San Pedro, July 5, 1996; TSN, Testimony of Cris Cabalatungan, September 20, 1990.

[24]Records, p. 512.

[25] Id. at 511.

[26] Id. at 516.

[27]Id. at 546.

[28]Id. at 556.

[29]CA rollo, p. 4.

[30]Id. at 99-100.

[31]Id. at 103.

[32]Id. at 118.

[33]Id. at 204.

[34] Id. at 222.

[35] Rollo, p. 103.

[36]Id. at 151.

[37] Id. at 118.

[38] Id. at 170.

[39] Bank of the Philippine Islands v. Leobrera, G.R. Nos. 137147-48, November 18, 2003, 416 SCRA 15, 19; Balitaosan v. Secretary of Education, Culture and Sports, G.R. No. 138238, September 2, 2003, 410 SCRA 233, 235-236.

[40]Bank of the Philippine Islands v. Court of Appeals, 383 Phil. 538, 554 (2000); Philippine Bank of Commerce v. Court of Appeals, 336 Phil. 667, 681 (1997).

[41] Philippine Commercial International Bank v. Court of Appeals, G.R. No. 121413, January 29, 2001, 350 SCRA 446, 472.

[42] §2 of Republic Act No. 8791, otherwise known as "The General Banking Law of 2000."

[43]Westmont Bank v. Ong, G.R. No. 132560, January 30, 2002, 375 SCRA 212, 221; Citytrust Banking Corp. v. Intermediate Appellate Court, May 27, 1994, 232 SCRA 559, 564.

[44]Simex International (Manila), Inc. v. Court of Appeals, March 19, 1990, 183 SCRA 360, 367.

[45] San Carlos Milling Co., Ltd. v. Bank of the Philippine Islands, 59 Phil. 59, 66 (1933).

[46]Philippine Commercial International Bank v. Court of Appeals, supra; Bank of the Philippine Islands v. Court of Appeals, 216 SCRA 51, 71 (1992).

[47] Philippine Commercial International Bank v. Court of Appeals, supra.

[48] Id.

[49] G.R. No. 97412, July 12, 1994, 234 SCRA 78.

[50]Id. at 95-97

[51] Records, pp. 38.

[52] Article 2220, New Civil Code.
Art. 2220. Willful injury to property may be a legal ground for awarding moral damages if the court should find that, under the circumstances, such damages are justly due. The same rule applies to breaches of contract where the defendant acted fraudulently or in bad faith.

[53]Philippine Telegraph & Telephone Corporation v. Court of Appeals, G.R. No. 139268, September 3, 2002, 388 SCRA 270, 276-277.

[54] Prudential Bank v. Court of Appeals, G.R. No. 125536, March 16, 2000, 328 SCRA 264, 271; Philippine National Bank v. Court of Appeals, G.R. No. 126152, September 28, 1999, 315 SCRA 309, 315.

[55] Country Bankers Insurance Corporation v. Lianga Bay and Community Multi-purpose Cooperative, Inc. G.R. No. 136914, January 25, 2002, 374 SCRA 653, 666; Ibaan Rural Bank, Inc. v. Court of Appeals, G.R. No. 123817, December 17, 1999, 321 SCRA 88, 95.

[56] Samatra v. Vda. de Pariñas, G.R. No. 142958, April 24, 2002, 381 SCRA 522, 533; Development Bank of the Philippines v. Court of Appeals, G.R. No. 118180, September 20, 1996, 262 SCRA 245,253.

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