

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City

**EIGHTEENTH CONGRESS**  
First Regular Session

**HOUSE RESOLUTION No. 610**



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**Introduced by Representatives Enrico A. Pineda,  
Francisco G. Datol Jr., Virgilio S. Lacson, Ron P. Salo,  
Jorge Antonio P. Bustos**

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A RESOLUTION  
URGING THE PROPER COMMITTEE OF THE HOUSE OF  
REPRESENTATIVES TO CONDUCT AN INVESTIGATION IN AID OF  
LEGISLATION ON **THE DUBIOUS AND SUSPICIOUS UNPAID  
LOANS EXTENDED BY BANCO FILIPINO TO ITS OWNERS,  
ALBERT "BOBBY" AGUIRRE, HIS HEIRS AND RELATIVES, AND  
OTHER DIRECTORS AND/OR OFFICERS, AND RELATED  
INTERESTS, PROCEEDING FROM UNPAID DOSRI (DIRECTORS,  
OFFICERS, STOCKHOLDERS AND RELATED INTERESTS)  
ACCOUNTS OF THE BANK.**

**WHEREAS**, Section 2 of R.A. 8791, otherwise known as "The General Banking Law of 2000", provides that "[t]he State recognizes the vital role of banks in providing an environment conducive to the sustained development of the national economy and the fiduciary nature of banking that requires high standards of integrity and performance";

**WHEREAS**, Section 26 (f) of R.A. 3591, otherwise known as "An Act Establishing the Philippine Deposit Insurance Corporation", as amended by Section 44 of R.A. 10846, provides for the penalty of imprisonment of six (6) to

twelve (12) years and a fine of not more than Ten Million Pesos (Php10,000,000.00) against any director, officer, employee or agent of a bank which conducted business in an unsafe or unsound manner;

**WHEREAS**, through MB Resolution dated 25 January 1985, the **Monetary Board** ordered the closure of **Banco Filipino Savings and Mortgage Bank (Banco Filipino)** because the latter was found to be "*insolvent and that its continuance in business would involve probable loss to its depositors and creditors*". However, in its Decision dated 11 December 1991 in nine (9) consolidated cases entitled "*Banco Filipino Savings and Mortgage Bank vs. the Monetary Board, et al.*," docketed as G.R. No. 70054, 68878, 77255-58, 78766, 78767, 78894, 81303, 81304, and 90473, the Supreme Court ordered the re-organization and re-opening of Banco Filipino;

**WHEREAS**, despite being given a second chance to resume its operations on 1 July 1994, Banco Filipino continued to engage in dubious, unsafe and unsound banking practices and extended onerous loans to the bank owners, directors, officers, and related interests. Thus, on 17 March 2011, the Monetary Board of the **Bangko Sentral ng Pilipinas (BSP)** closed Banco Filipino and placed it under receivership;

**WHEREAS**, the BSP has openly stated that the **bank owners and officers of Banco Filipino have hefty unpaid loans** to Banco Filipino;

**WHEREAS**, it was discovered that the bank owners, the Aguirre Family, including **Albert "Bobby" Aguirre**, his heirs and relatives, other directors and officers, and related interests – collectively called DOSRI in banking parlance – **borrowed money from Banco Filipino and never paid them back;**



**WHEREAS**, the **unpaid DOSRI loans reached the staggering amount of Php2.192 Billion** representing 53.5% of total loans, and exceeding the limits allowed by law. This fact prompted BSP to issue a statement that *"banks are not created for the benefit of its directors or officers. Instead, BF was being run to the 'extreme prejudice of its depositors' since it was violating various laws and BSP regulations."* Further to this, the bank owners also hid the true financial weakness of the thrift bank as they willfully refused to submit audited financial statements and to report DOSRI loans and they even issued false statements for years;

**WHEREAS**, on account of the above, the BSP has filed criminal charges against several directors and officers of Banco Filipino for falsification, grant of illegal loans, and major violation of banking laws, rules and regulations;

**WHEREAS**, the BSP stated that Banco Filipino has engaged in hazardous lending and lax collection policies and practices. Among others, **Banco Filipino approved an excessive number of weak self-serving loans to its directors, officers, stockholders and related interests (DOSRI loans), equivalent to Php2.192 billion or 53.5% of its total loans;**

**WHEREAS**, Banco Filipino also allowed an excessive volume of past due/non-performing loans which remain uncollected representing 90.9% of its loan portfolio. **The BSP has stated that Banco Filipino manipulated, falsified and window-dressed its accounting records to conceal its true financial conditions to the great prejudice of its depositors, creditors, investors and stockholders.** Banco Filipino had 177,652 depositors, about 53% of whom had deposits of Php5,000.00 and below;

**WHEREAS, the story of Banco Filipino is a landmark case. It is one of a kind.** The unique facts surrounding the case is not and should not be duplicated in any banking case in the Philippines. Thus, there is a need for

additional laws to strengthen our banking system and avoid the occurrence of similar cases;

**WHEREAS**, it is imperative that **an investigation on Banco Filipino and its founders and owners, the Aguirre Family and Albert "Bobby" Aguirre, his heirs and relatives, on account of the unpaid loans proceeding from DOSRI accounts which amounted to about Php2.2 Billion Pesos and which worked to the grave prejudice of the 177,652 Filipino depositors**, be conducted so that the legislature may enact the necessary measures that would strengthen our banking laws in order for the same to give more protection to the Filipino depositors and to punish individuals, hiding behind the cloak of corporate identity, who have direct participation in the illegal scheme.

**NOW THEREFORE, BE IT RESOLVED**, as it is hereby resolved by the House of Representatives to direct the proper Committee to conduct an investigation in aid of legislation on the dubious and suspicious ***unpaid loans to Banco Filipino proceeding from DOSRI accounts obtained by the Aguirre Family, Albert "Bobby" Aguirre, his heirs and relatives, other directors and officers and related interests***, to the grave prejudice of more or less 178,000 Filipino depositors.

Adopted,



**Hon. Enrico A. Pineda**

Representative, 1Pacman Party-list



**Hon. Francisco G. Datol Jr.**

Representative, Señor Citizen Party-list



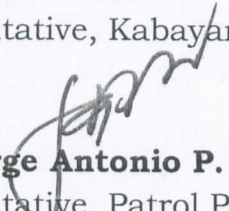
**Hon. Virgilio S. Lacson**

Representative, Manila Teachers Party-list



**Hon. Ron P. Salo**

Representative, Kabayan Party-list



**Hon. Jorge Antonio P. Bustos**

Representative, Patrol Party-list