

## BANCO ESPAÑOL-FILIPINO DE ISABEL II

Before the establishment of the first bank in the Philippines, the functions of banks were performed by the Obras Pías (pious works), a charitable institution which was created by the Spaniards on February 3, 1827. Obras Pías was established based on accumulations of bequests whose donors had specified that the funds be used for charitable, religious and educational purposes. Some of the funds were managed by confraternities that invested in capital in secular activities such as underwriting cargoes for the galleon trade. On April 17, 1826, a royal order was circulated among the Obras Pías for opinions regarding the establishment of a "public bank". The foundation of the first public bank in the Philippines was decreed by a royal order dated April 6, 1828 by King Ferdinand VII of Spain.

However, the establishment of the first public bank was delayed for 23 years before it became a reality. The man behind the actual organisation of the bank was His Excellency Antonio de Urbiztondo y Eguia, the Governor-General of the Philippines. As the highest-ranking government official in the Philippines, Governor Antonio de Urbiztondo called for the support of the Junta de Autoridades (a committee comprising of civil and ecclesiastical officials) in approving the bank's statutes and by-laws. The junta approved these statutes and by-laws and the bank was formally established on August 1, 1851, but it was understood that such approval had to be confirmed by the Spanish Crown.



The bank was called El Banco Español Filipino de Isabel II, in honour of the reigning queen of Spain. The bank's office was located at the Royal Custom house (Aduana) in Intramuros. The bank first opened its doors for business in 1851, with the first meeting of the interim Board of Directors held on September 11, 1851.

shareholders at the time was Jose Juaquin de Ynchausti of Ynchausti y Cia, a prominent Philippine conglomerate that founded Tanduay Distillery (Jose also served as managing director between 1868 and 1873 and again between 1876 and 1884). While the members of the bank's highest policy-making board were essentially civil and ecclesiastical officials, there was also a businessman whom the Spanish Crown named to represent the business community of Manila. This honour was attributed to Antonio de Ayala of the prominent Casa Roxas, precursor of Ayala y Cia (later forming the Ayala Corporation).

The royal decree that confirmed the creation of El Banco Español Filipino de Isabel II also gave the bank the exclusive privilege to issue paper money. The original bank notes were collectively called pesos fuertes (PF), Spanish for "strong pesos".



The first bank notes (or paper money) in the Philippines had the issue date May 1, 1852 and were redeemable at face value for gold or silver Mexican coins. Apart from carrying the name of the bank as issuer of the currency, the bank notes also bore the portrait of Queen Isabella II of Spain.

## BANCO ESPAÑOL-FILIPINO DE ISABEL II

The first deposit with the bank was carried out on May 1, 1852 by a man named Fulgencio Barrera. Three days later, a Chinese man named Tadian became the first borrowing client of the bank after the bank discounted to him a promissory note amounting to ten thousand pesos fuertes. Articles of Association were granted on August 13, 1857. The bank was capitalised by the Obras Pias. Some foreign businesses were also among the shareholders, including the British firm of Butler, Sykes and Company.



On September 3, 1869, the bank officially dropped the name of Queen Isabella II as a result of her abdication in September 1868. Hence, since 1869, the bank was known simply as "El Banco Español Filipino".

The Chinese dominated the retail traffic while British merchants controlled the export-import business. Rosario Street (now Quintin Paredes) in Binondo became the centre of retail business while Escolta was the place for the finest of American

and European shops. In January 1892, the bank moved from the Royal Custom House in Intramuros to the new business district of Binondo after it found that Intramuros was becoming "economically inactive". It moved to 4 Plaza San Gabriel (later renamed Plaza Cervantes), which was at that time a prime property acquired from the Dominican Order.

Through the years, the bank had a close link with the Spanish Crown, wherein the establishment of its first branch had to be approved by authorities in Madrid. In fact, it took a royal order in 1896 to enable the bank to open branches, although, again, this authority was still subject to clearance by Spain's minister of the colonies. The bank originally planned to open its first branch in Central Luzon during the first decade of its operations, which was sometime in the 1850s. The reason for this was the emergence of the region as a sugar-producing area. During that time, sugar was exported from this region, making the product a major source of income for local producers.

But the plan to put up this first branch did not materialise. By the time the bank was ready in 1897, Central Luzon had been overshadowed by Iloilo and the Panay provinces in terms of economic prominence. This explains why, on March 15, 1897, the bank's first branch was established in Iloilo instead.

Following the signing of the Treaty of Paris in 1898, in which Spain ceded the Philippines and other territories to the United States, the bank promptly shed off its Spanish character and converted into a Philippine institution. On January 1, 1912, as a result of Republic Act No. 1790 passed on October 12, 1907 permitting the bank to change its name, El Banco Español Filipino became officially known as the Bank of the Philippine Islands (BPI), or Banco de las Islas Filipinas. The bank was also privatized during the American colonial period. Under the American administration, the bank was allowed to continue issuing Philippine pesos, although no longer on an exclusive basis.

The period of rebuilding after World War II saw BPI actively involved in post-war reconstruction and in the development of industries. Although its conversion to a private bank during the American regime resulted in the loss of many privileges previously granted to it by the Spanish Crown, the bank continued to do its share in nation building. In 1949, with the establishment of the Central Bank of the Philippines (now the Bangko Sentral ng Pilipinas), BPI lost the right to issue Philippine pesos, a right it had since the Spanish colonial era and during the American colonial period.

In 1969, the Ayala Corporation, which had been associated with the bank since the start (either through a partner or a representative sitting on the board), became the dominant shareholder group. Following this change in the ownership structure, BPI soon became the financial flagship of the Ayala group of companies.

**BANCO ESPAÑOL-FILIPINO****BUSINESS HANDSTAMPS****BH1: SINGLE OUTER AND INNER LINED OVAL HANDSTAMP**

**BANCO ESPANOL FILIPINO ON TOP  
BLANK CENTRE  
MANILA ON BOTTOM**



Scott #153 (1892)



Scott #153 (1892)



Scott #153 (1892)



Scott #153 (1892)



Scott #153 (1892)



Scott #153 (1892)



Scott #P20 (1896)



Scott #P20 (1896)



Scott #181 (1897)



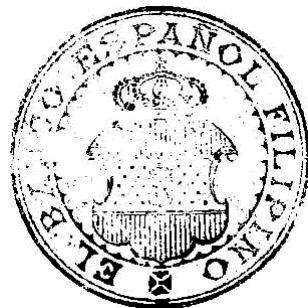
Scott #185 (1897)



Scott #185 (1897)



Scott #153 (1898)  
Slightly Larger Lettering

**BANCO ESPAÑOL-FILIPINO****BUSINESS HANDSTAMPS****BH2: DOUBLE OUTER AND SINGLE INNER CIRCULAR HANDSTAMP**

**EL BANCO ESPAÑOL FILIPINO  
ELABORATE SEAL IN CENTRE  
EMBLEM ON BOTTOM**

**OVERPRINTED ON POSTAGE STAMPS**

Scott #81  
(1882)



Scott #P20  
(1896)

**OVERPRINTED ON GIRO FISCAL STAMPS**

Warren W-103  
(1880)



Warren W-104  
(1880)



Warren W-105  
(1880)

**BANCO ESPAÑOL-FILIPINO****BUSINESS HANDSTAMPS****BH2: DOUBLE OUTER AND SINGLE INNER CIRCULAR HANDSTAMP**

**OVERPRINTED ON GIRO FISCAL STAMPS**



Warren W-164  
(1894)



Warren W-166  
(1894)



Warren W-166  
(1894)



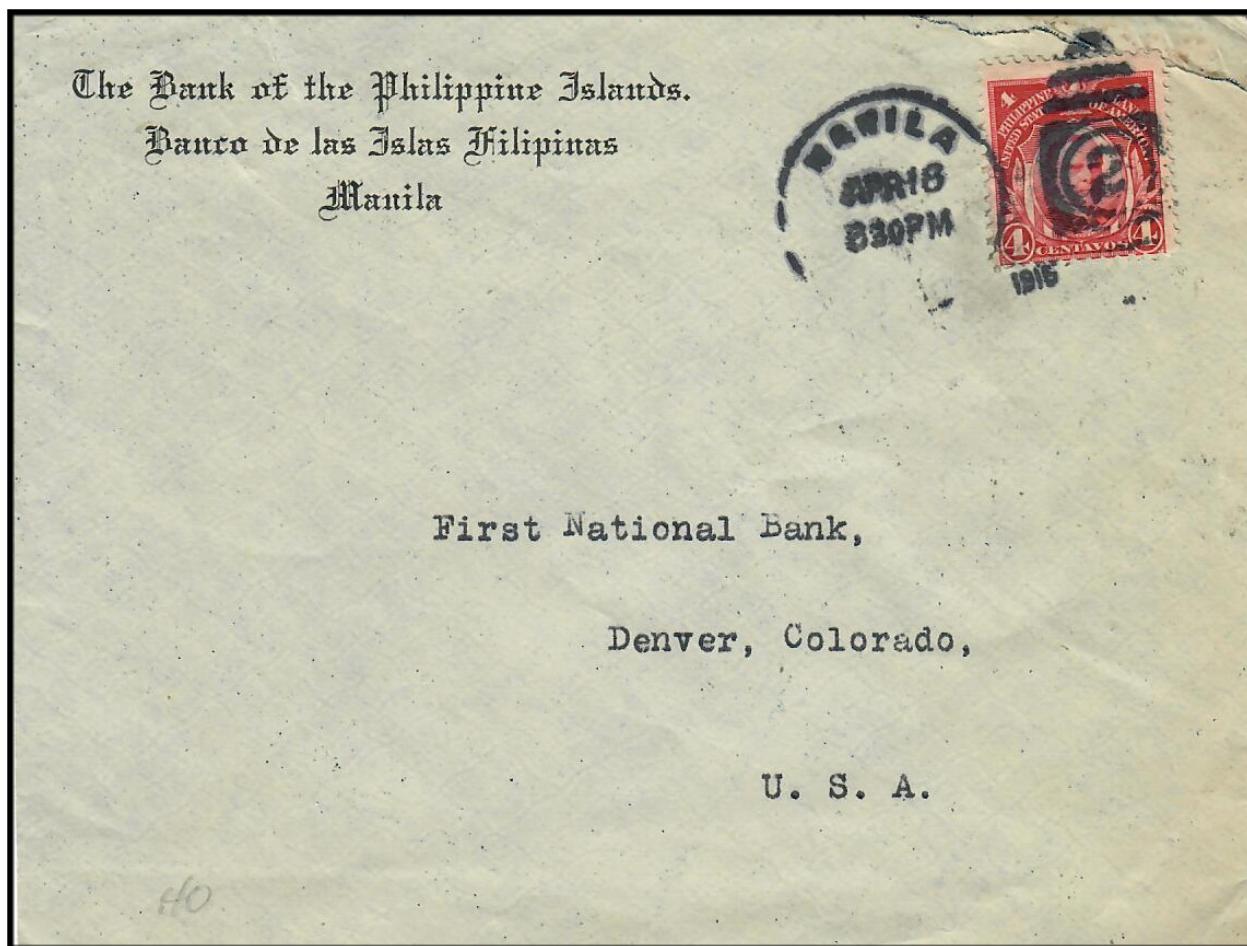
Warren W-227  
(1897)

**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**

The Bank of the Philippine Islands.  
Banco de las Islas Filipinas  
Manila



16 April 1916 – Manila to Denver, Colorado, USA

Stamp tied with Manila (No. 2) Duplex Cancel

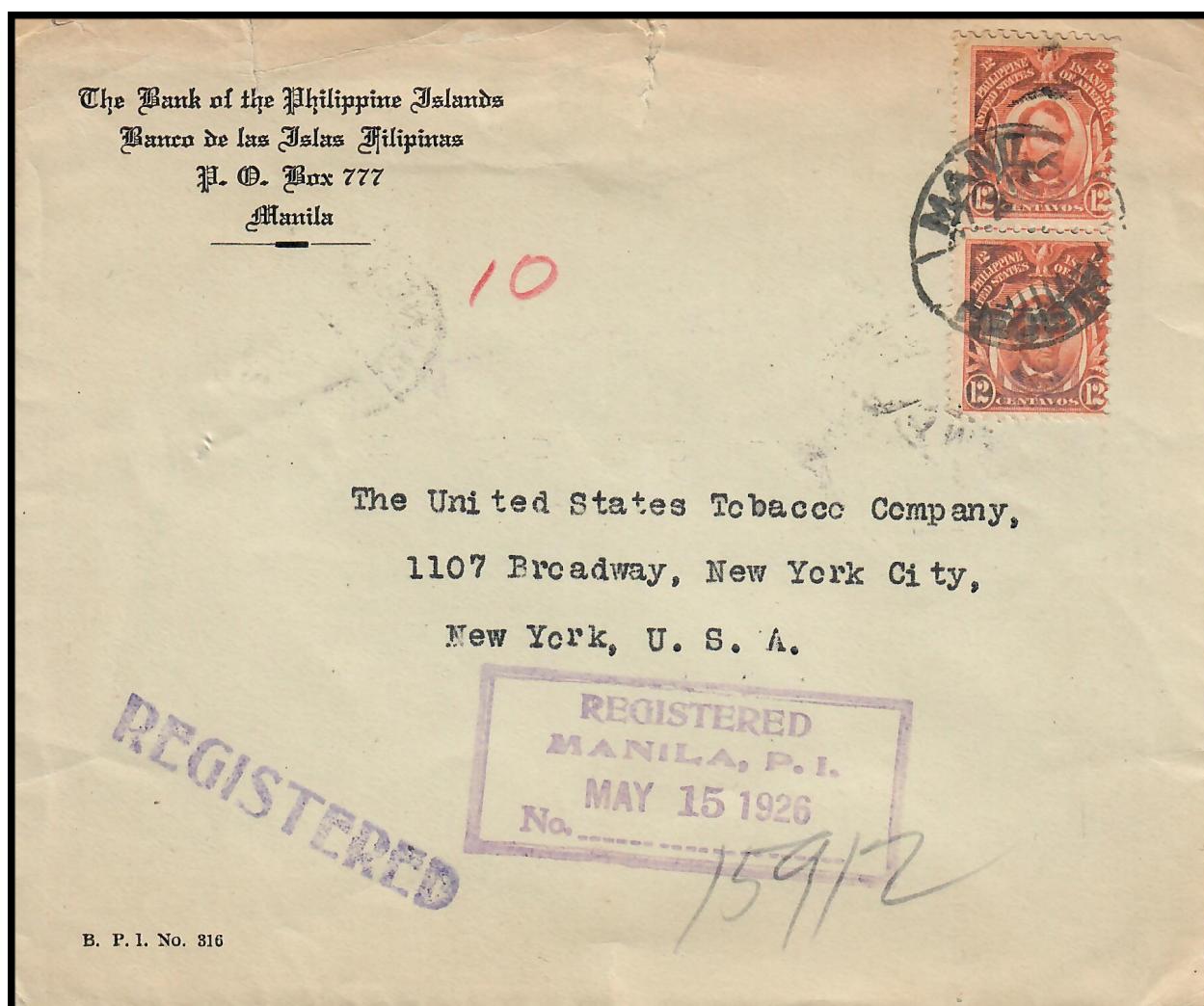
**BANCO ESPAÑOL-FILIPINO DE ISABEL II**

**BANK OF THE PHILIPPINE ISLANDS**

**US OCCUPATION**

**CORNER CARD**

The Bank of the Philippine Islands  
 Banco de las Islas Filipinas  
 P. O. Box 777  
 Manila



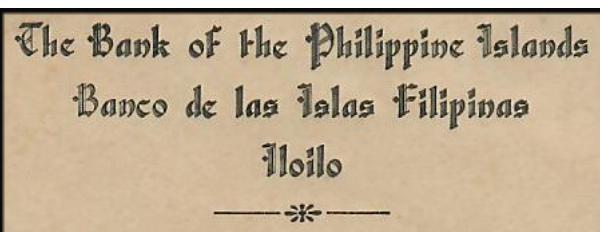
15 May 1926 – Manila to New York, USA

Stamps tied with Manila Circular Date Stamp and Registration Handstamps on Front and Reverse  
 New York (9 June) Receiving Backstamps

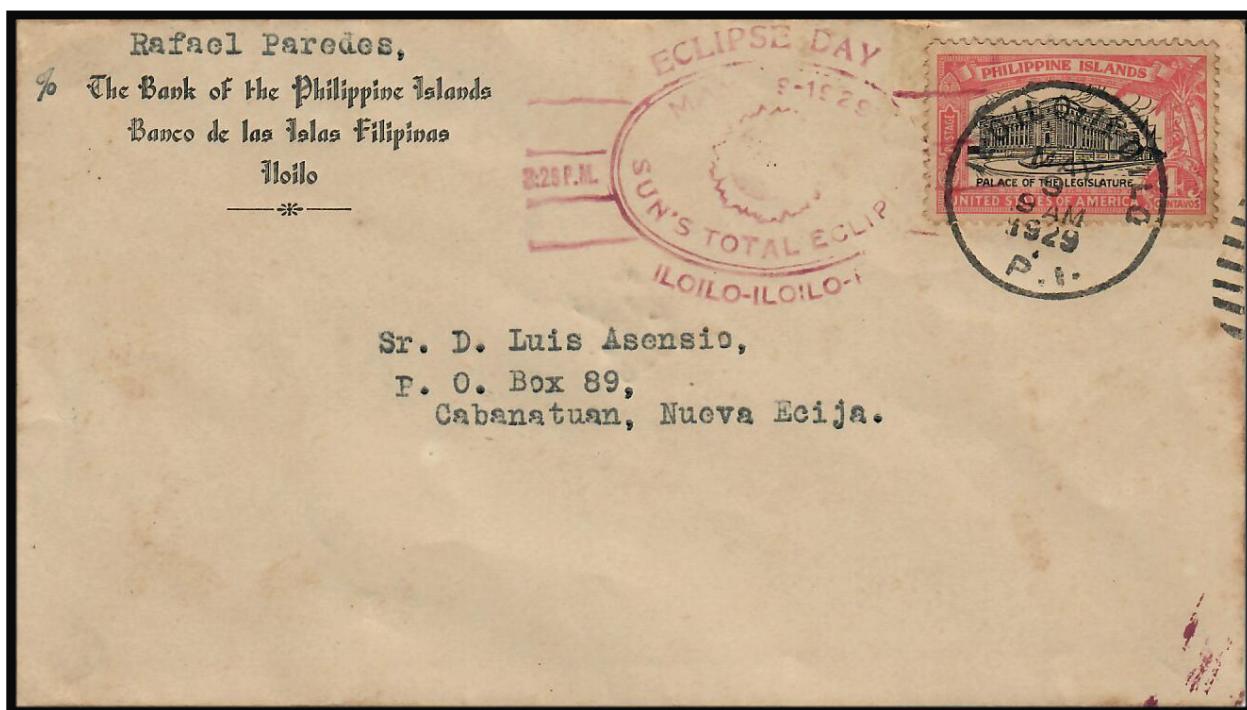
**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**



**ILOILO BRANCH**



9 May 1929 – Domestic Cover from Iloilo to Cabanatuan, Nueva Ecija

4c Legislative Palace stamp tied with Iloilo Duplex Cancel

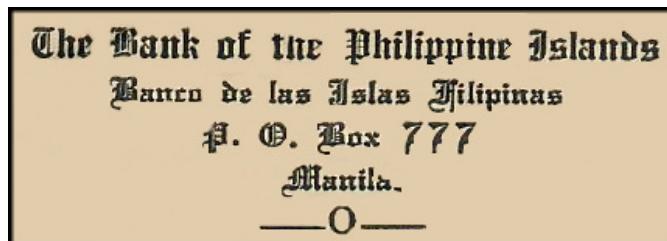
Cabanatuan (13 May 1929) Receiving Circular Date Backstamp

Special Cachet Handstamp commemorating Eclipse Day (Total Eclipse of the Sun)

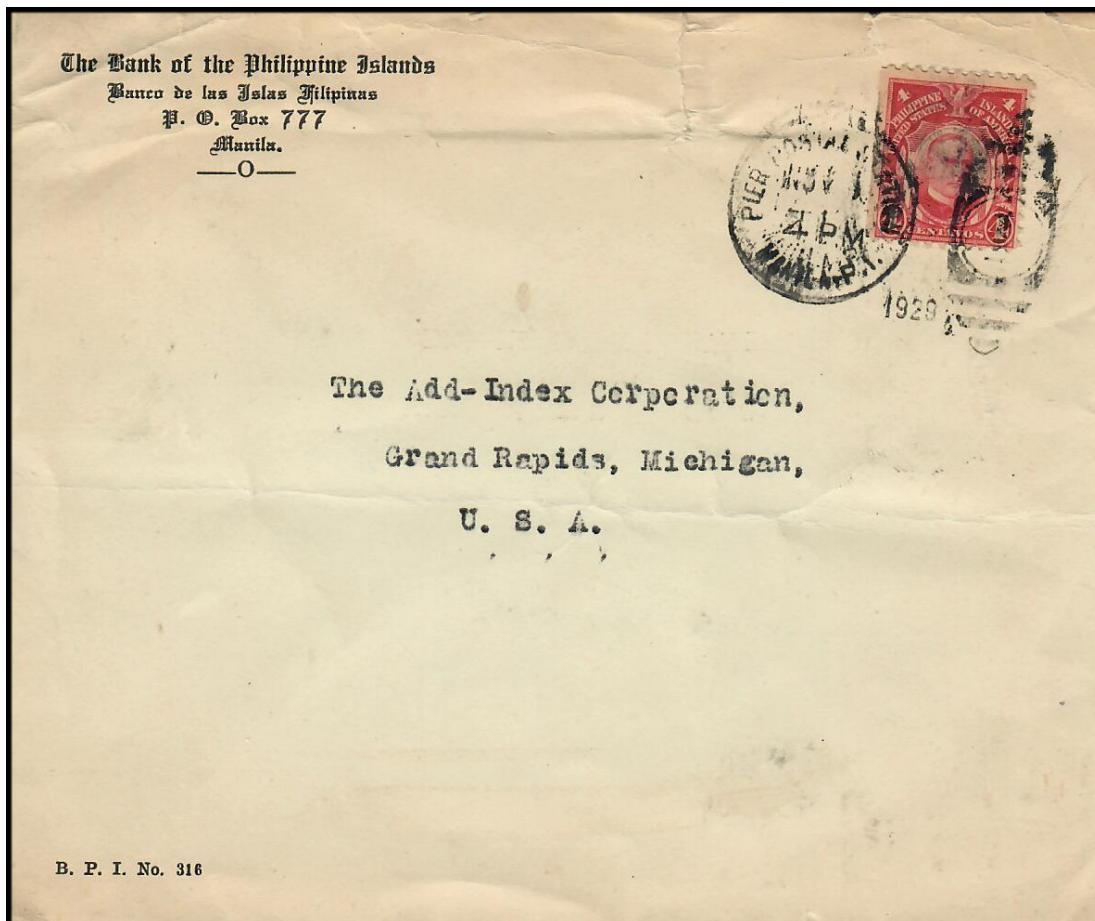
**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**



**B.P.I. No. 316**



1 November 1929 – Pier Postal Station, Manila to Grand Rapids, Michigan, USA

Stamp tied with Pier Postal Station Duplex Cancel

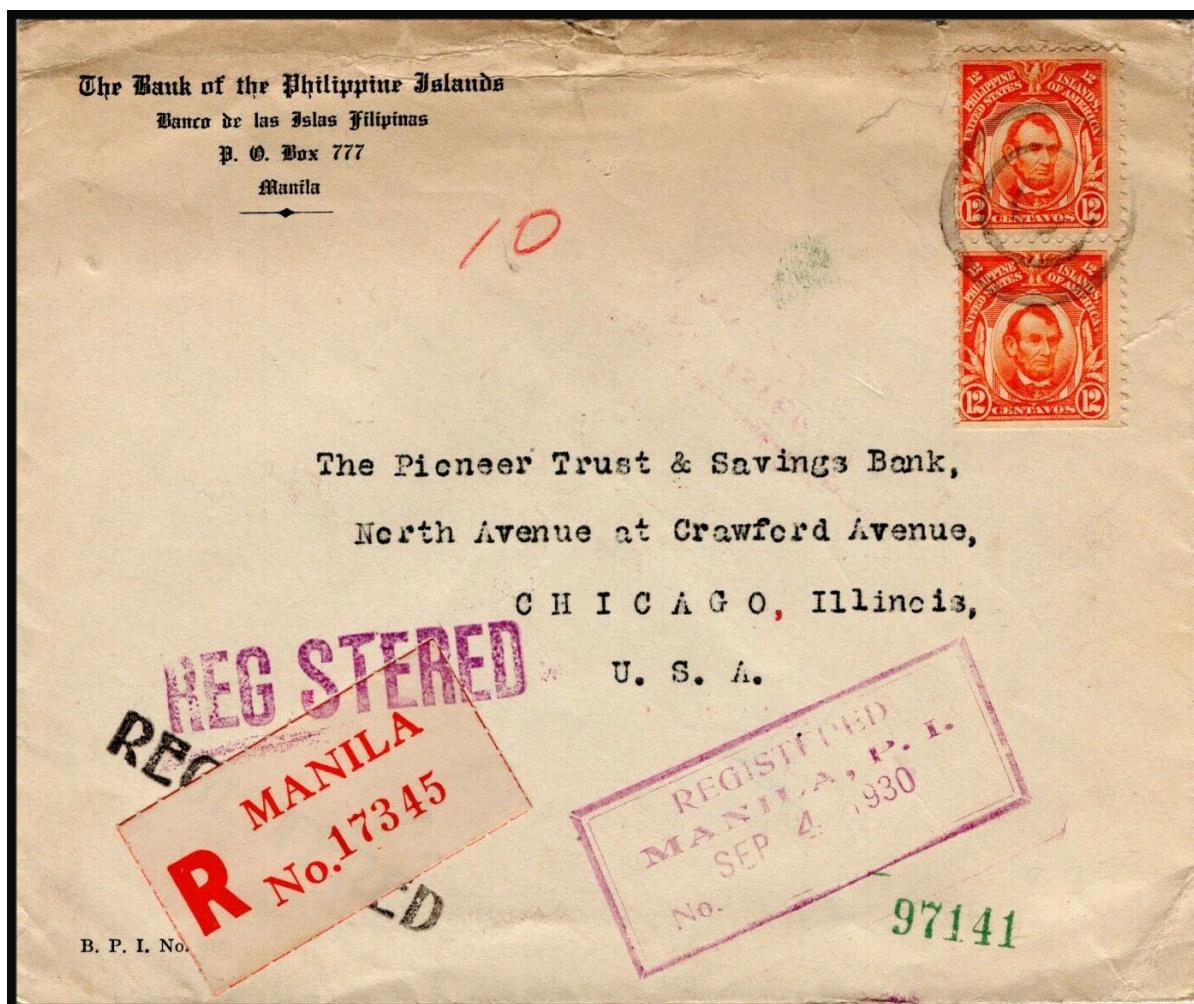
**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**

The Bank of the Philippine Islands  
 Banco de las Islas Filipinas  
 P. O. Box 777  
 Manila

**B.P.I No. ?? ENVELOPE**



4 September 1930 – Registered Cover from Manila to Illinois, USA

Stamps tied with Circular Bullseye Cancel and Rectangular Registration Cancel on Bottom Front

Chicago (4 October 1930) Receiving Circular Date Backstamps

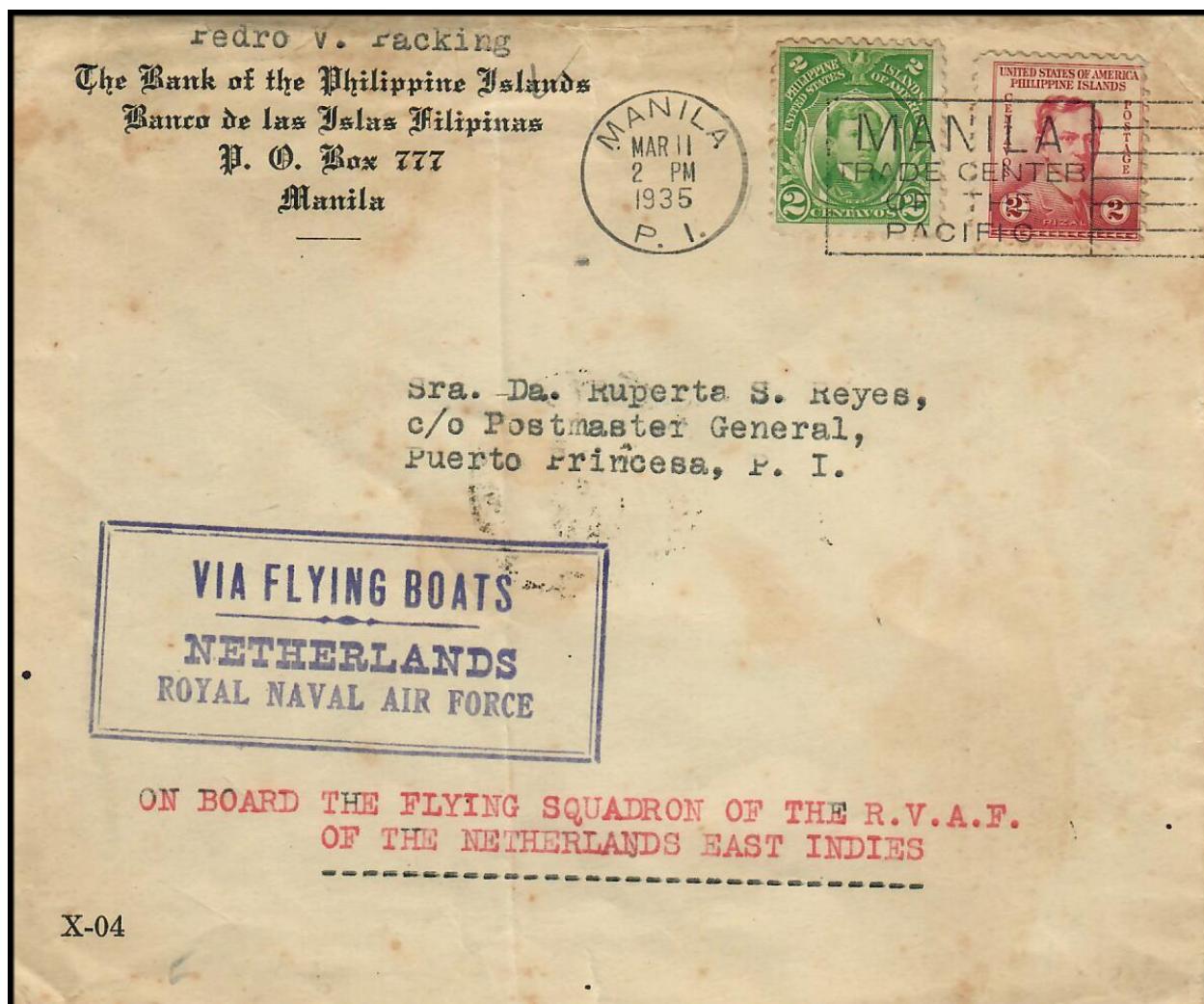
**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**

The Bank of the Philippine Islands  
 Banco de las Islas Filipinas  
 P. O. Box 777  
 Manila

**B.P.I No. X-04 ENVELOPE**



11 March 1935 – Manila to Puerto Princesa via Netherlands Royal Navy Air Force Flying Boats

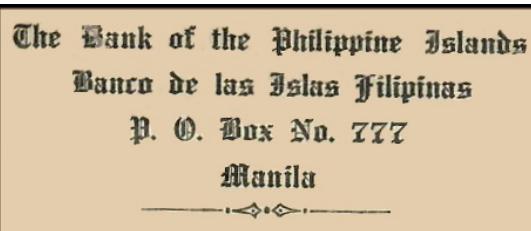
Stamps tied with Manila Trade Center Slogan Cancel

Puerto Princesa (12 March 1935) Receiving Circular Date Backstamp

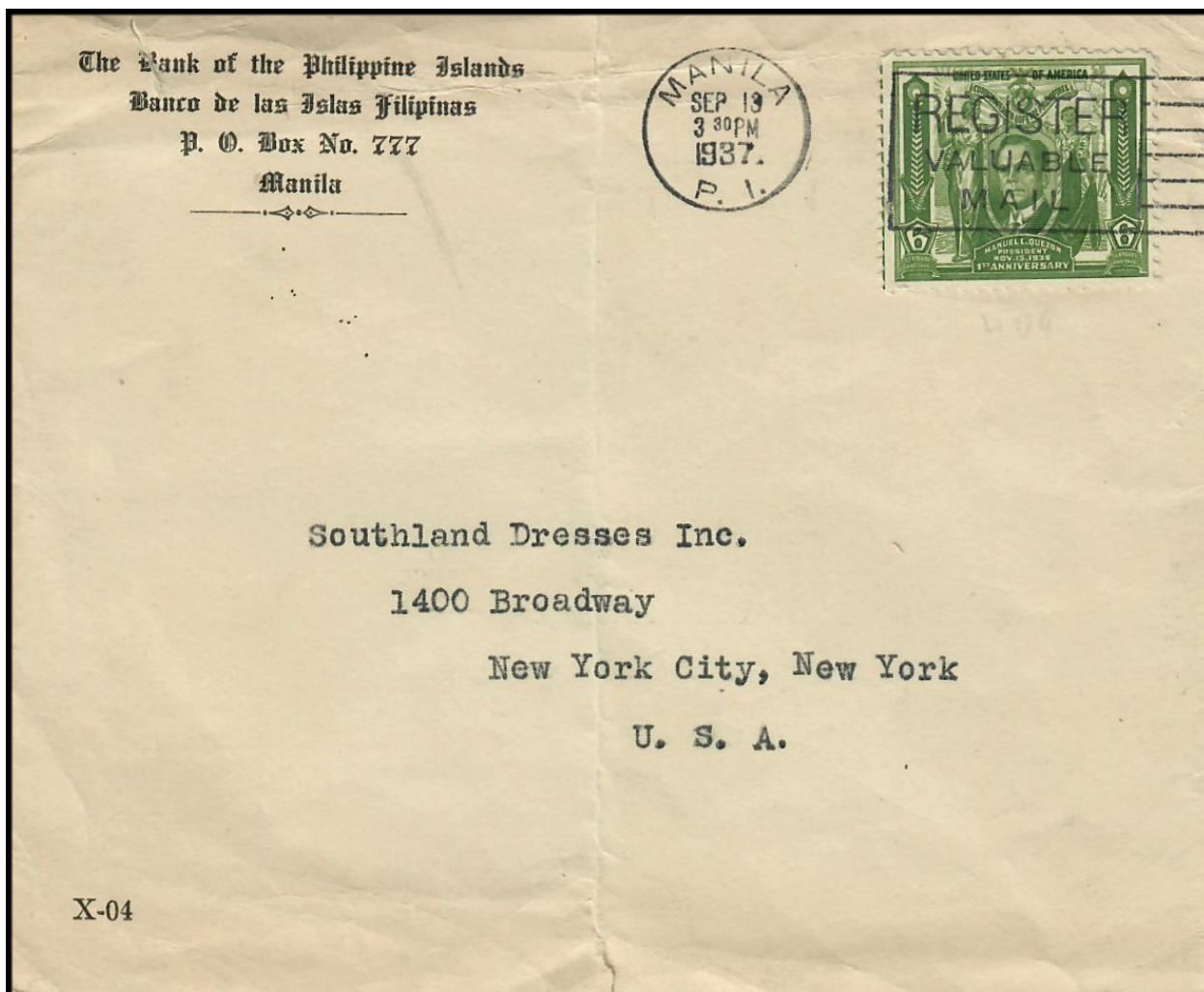
**THE BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**



**B.P.I No. X-04 ENVELOPE**

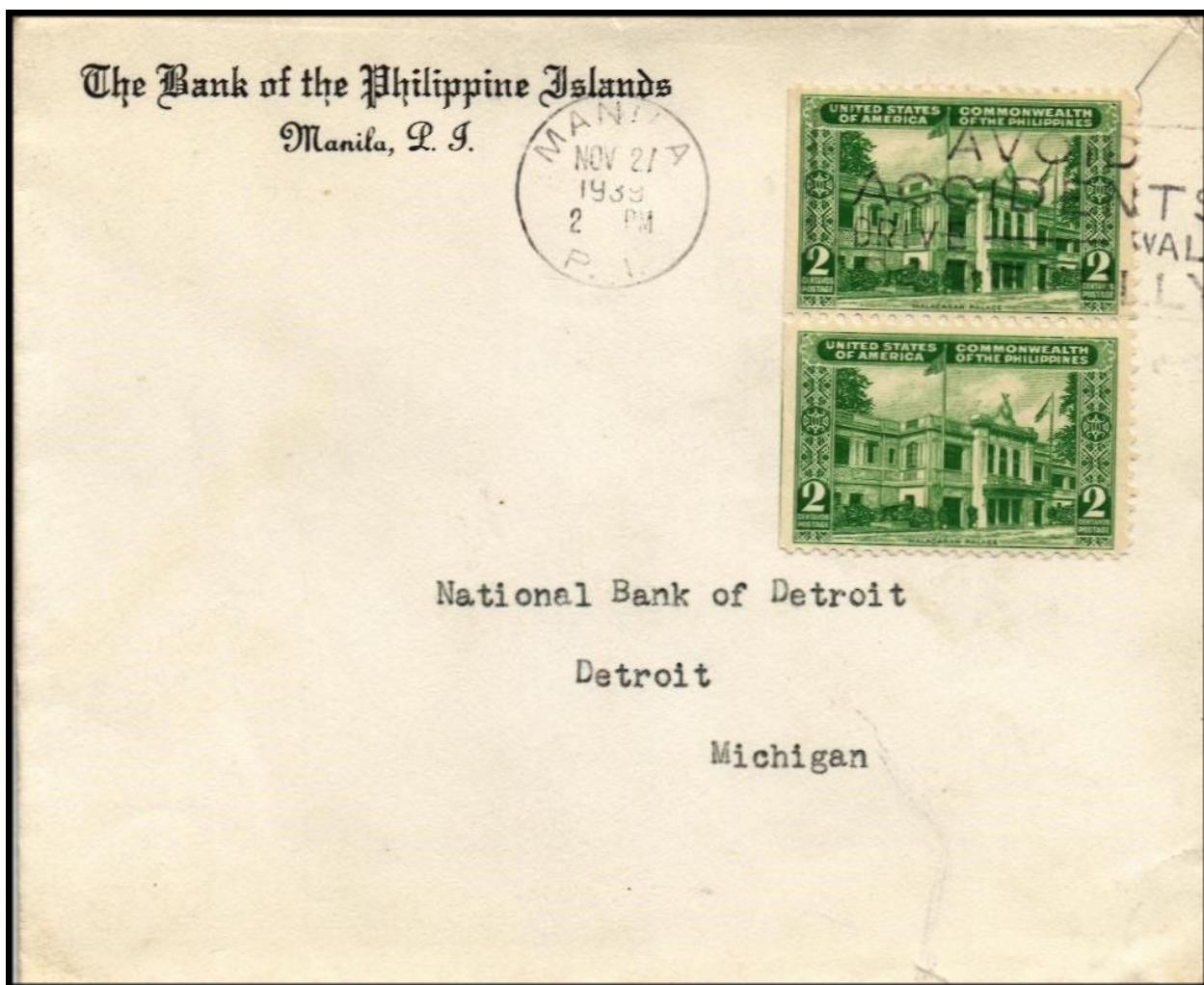


13 September 1937 – Manila to New York, USA

Stamp tied with Manila Register Valuable Mail Slogan Cancel

**THE BANK OF THE PHILIPPINE ISLANDS****US OCCUPATION****CORNER CARD**

The Bank of the Philippine Islands  
Manila, P. I.



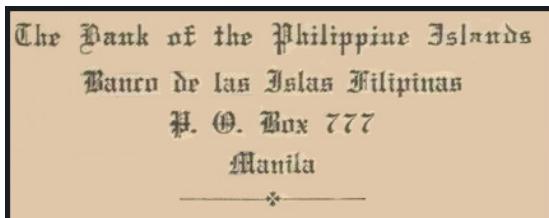
27 November 1939 – Manila to Michigan, USA  
Stamps tied with Manila Slogan Cancel

**THE BANK OF THE PHILIPPINE ISLANDS**

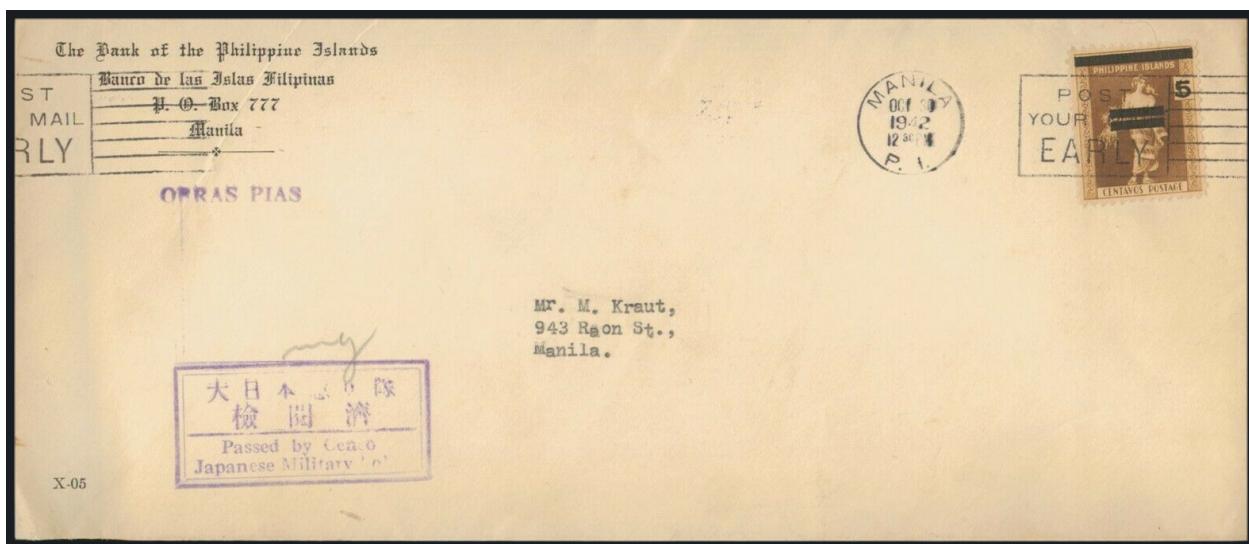
**BANCO DE LAS ISLAS FILIPINAS**

**JAPANESE OCCUPATION**

**CORNER CARD**



**B.P.I No. X-05 ENVELOPE**



30 October 1942 – Manila Circulating on Long Cover

5c Stamp (paying First Class Rate) tied with Manila "Post Your Mail Early" Universal Machine Cancel

Rectangular Boxed Censor handstamp on bottom left with Censor Initials

**BANK OF THE PHILIPPINE ISLANDS****JAPANESE OCCUPATION****HANDSTAMP CORNER CARD**

BANK OF THE PHILIPPINE ISLANDS  
P. O. Box 777  
MANILA, PHILIPPINES.



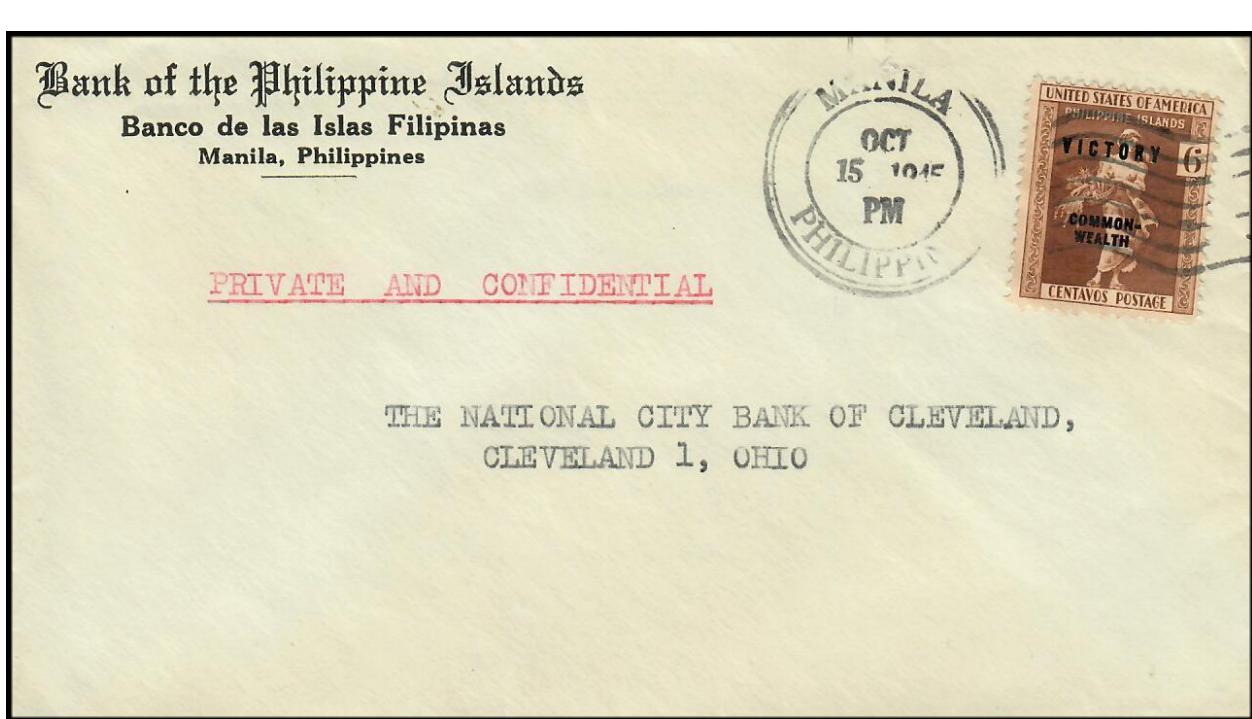
2 January 1943 – Manila Circulating Cover

5c Stamp (paying First Class Rate) tied with Manila "Post Your Mail Early" Universal Machine Cancel  
Rectangular Boxed Censor handstamp on left with Censor Initials

**BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**CORNER CARD**



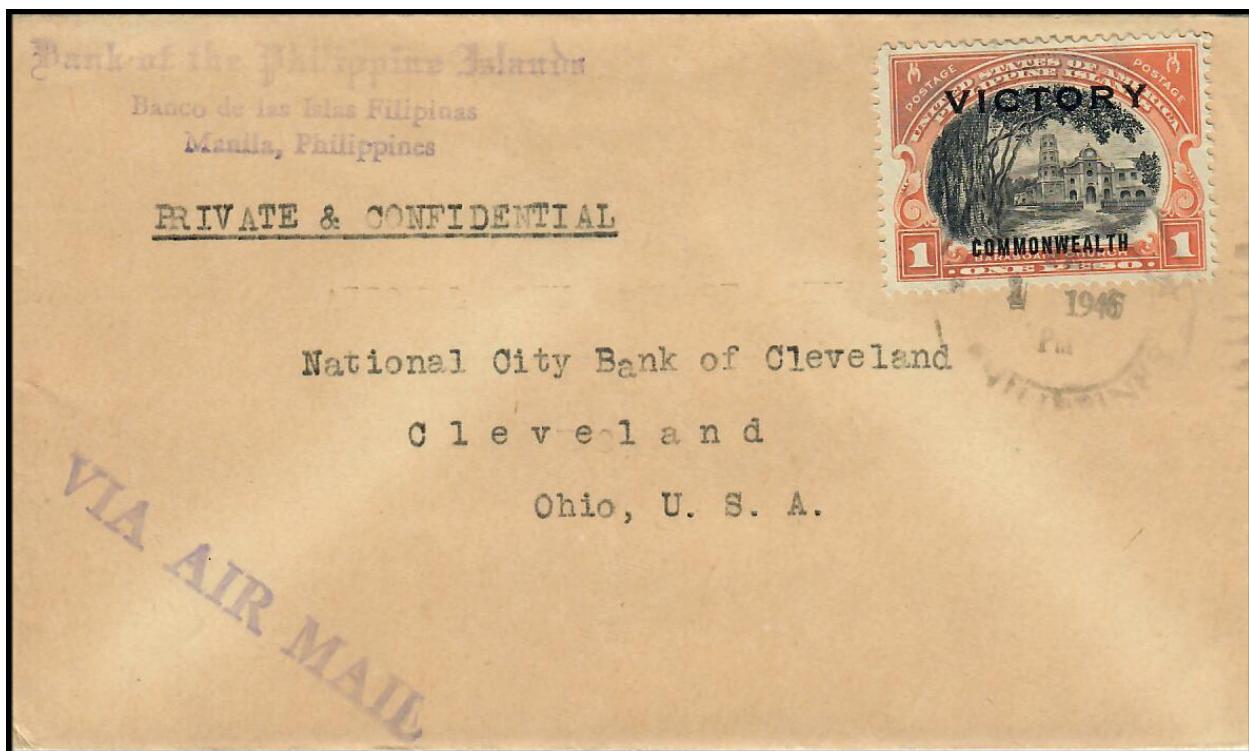
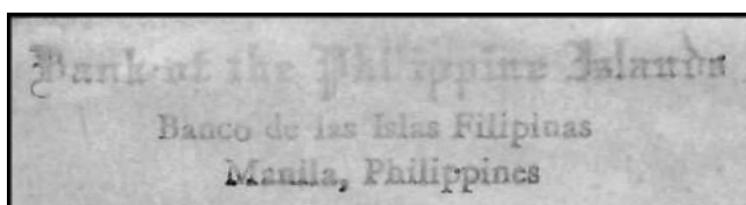
15 October 1945 – Manila to Cleveland, Ohio, USA

Stamp tied with Manila Wavy Lined Duplex Cancel

**BANK OF THE PHILIPPINE ISLANDS**  
**BANCO DE LAS ISLAS FILIPINAS**

**US OCCUPATION**

**HANDSTAMP CORNER CARD**



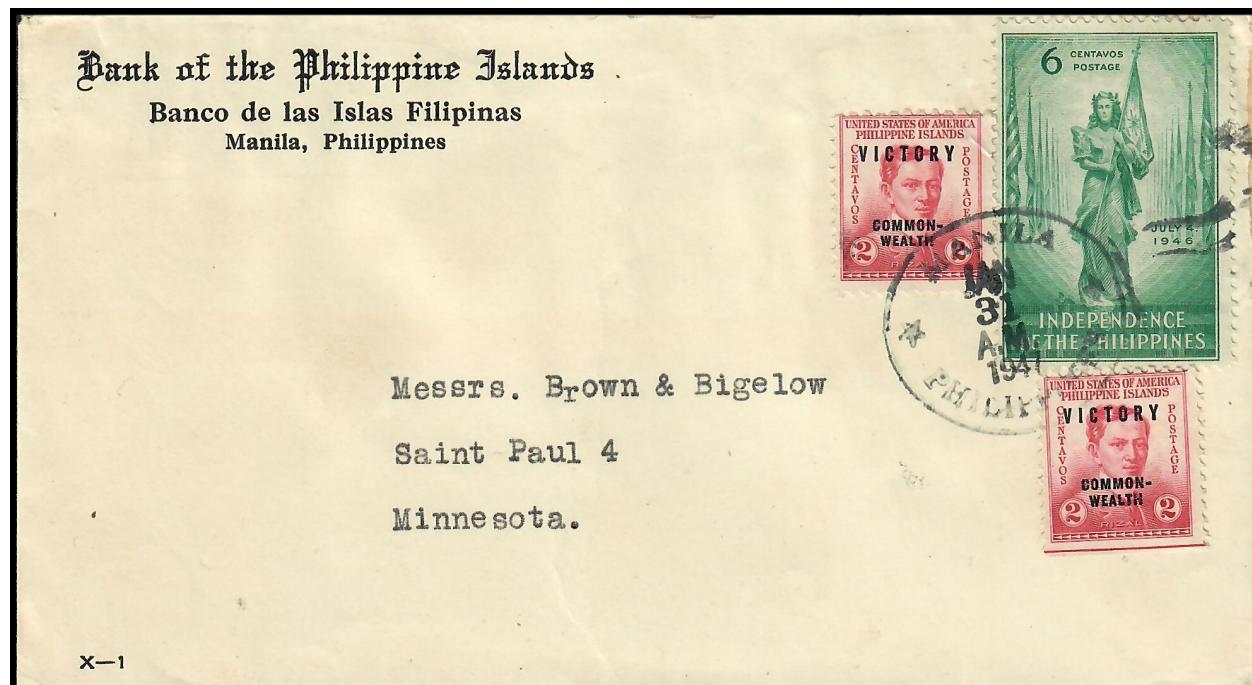
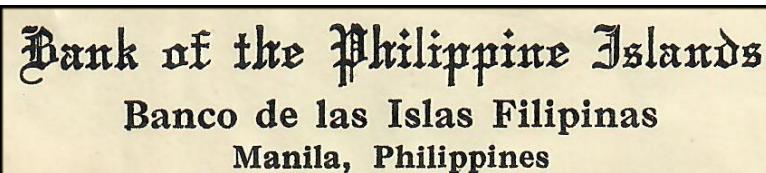
1 February 1946 – Manila to Cleveland, Ohio, USA

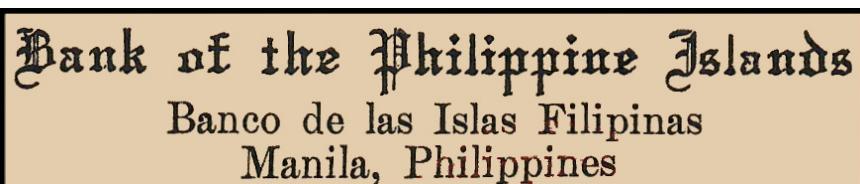
Stamp tied with Manila Duplex Cancel

**BANCO ESPAÑOL-FILIPINO DE ISABEL II**  
**BANK OF THE PHILIPPINE ISLANDS**

**REPUBLIC PERIOD**

**CORNER CARD**



**BANCO ESPAÑOL-FILIPINO DE ISABEL II****BANK OF THE PHILIPPINE ISLANDS****REPUBLIC PERIOD****CORNER CARD**

1 December 1948 – Bank of the Philippines Meter Cancellation, First Day of Use

Unaddressed cover with Meter Nr. 002 specifically used for the Bank of the Philippines

**BANK OF THE PHILIPPINE ISLANDS**  
**ILOILO BRANCH**

**REPUBLIC PERIOD**

**CORNER CARD**



21 October 1954 – Registered Cover from Iloilo to Reno, then Redirected to Las Vegas, Nevada, USA

Stamp tied with Wavy Line Cancellation

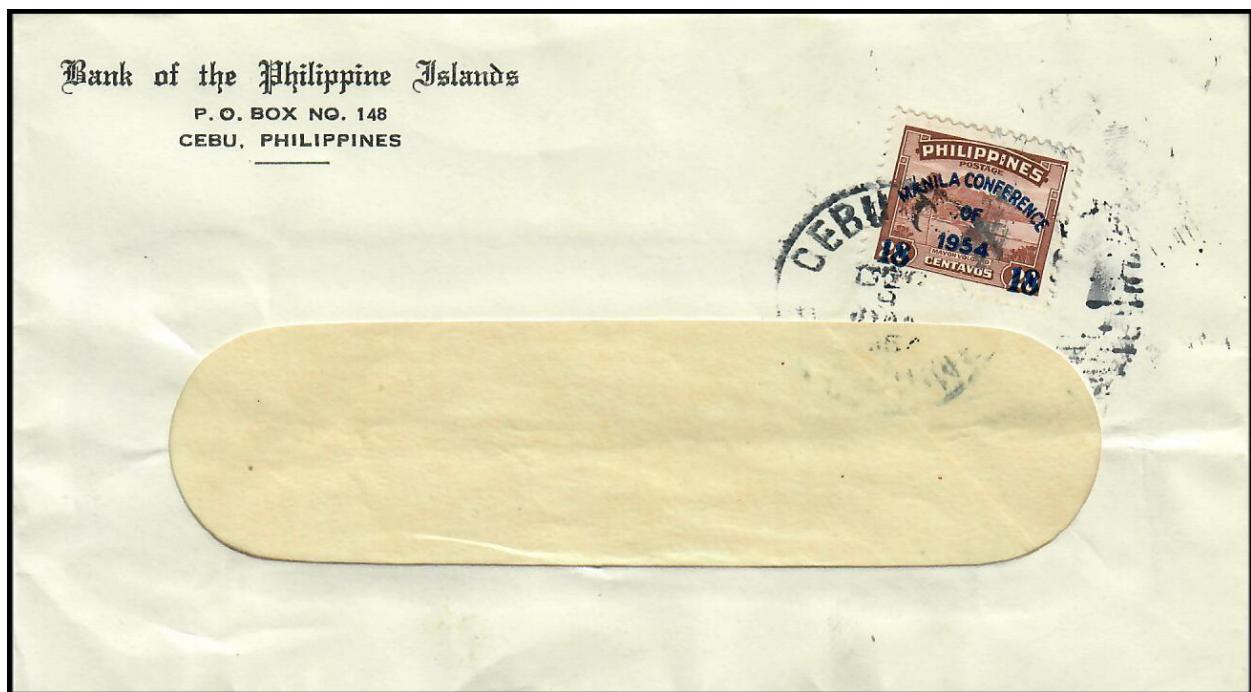
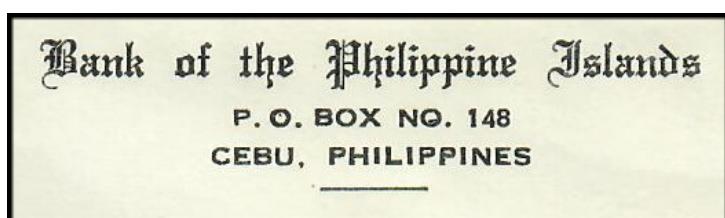
Manila (22 October 1954) Transit Circular Date Stamp on Reverse

Reno (25 October) Receiving CDS, Reno (26 October) Forwarding CDS and  
 Las Vegas (26 October) Receiving CDS on Reverse

**BANK OF THE PHILIPPINE ISLANDS**  
**CEBU BRANCH**

**REPUBLIC PERIOD**

**CORNER CARD**



9 December 1954 – Cover from Cebu on Window Envelope

Stamp tied with Cebu Duplex Cancellation