Guidelines on unibanking

(Continued from yesterday)

(5) Corporation, association or firm of which any or a group of directors, officers, stockholders of the lending bank and/or their spouses or relatives within the first degree of consanguinity or affinity, or relative by legal adoption, hold/own more than 20% of the subscribed capital of such corporation, or of the equity of such association or firm;

(6) Corporation, association or firm wholly or majority-owned or controlled by any or a group of related entities mentioned in (2), (4) and (5) of this Section.

Other cases of direct/indirect borrowing shall be resolved on a case-to-case basis.

It shall be the responsibility of the banking institution concerned to ascertain whether the borrower, guarantor, representative, endorser or surety is related to persons mentioned in (b) (1) of this Section or connected with any of the directors, officers or stockholders of the bank in any of the capacities mentioned in (b)(2), (3), (4), (5) and (6) of this Section.

SEC. 50. *Individual Ceiling.* — The total outstanding direct credit accommodations to each of the bank's directors, officers or stockholders shall not exceed, at any time, an amount equivalent to his outstanding deposits and book value of his paid-in capital contribution in the lending bank: *Provided*, That unsecured credit accommodations to each of the bank's director, officer or stockholder shall not exceed thirty per cent (30%) of his total credit accommodation.

SEC. 51. *Aggregate Ceiling; Ceiling on Unsecured Loans.* — Except with the prior approval of the Monetary Board, the total outstanding borrowings of a director, officer or stockholder, whether direct or indirect, shall not exceed fifteen per cent (15%) of the total loan portfolio of the bank or one hundred per cent (100%) of combined capital accounts net of such unbooked valuation reserves and other capital adjustments as may be required by the Central Bank, whichever is lower: *Provided*, That in no case shall the total unsecured direct and indirect borrowings of directors, officers and stockholders exceed 30% of the aggregate ceiling or the outstanding direct/indirect loans thereto, whichever is lower. For the purpose of determining compliance with the ceiling on unsecured loans, banks shall be allowed to average their ceiling on unsecured loans and their outstanding unsecured loans every quarter.

(To be continued)

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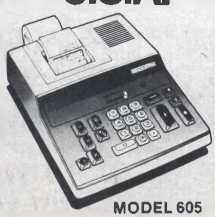

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New Ventures

Worm business has fast-moving demand

More often than not, the mere thought of earthworms makes people squeamish. But not for Carmen R. Arceño, whose Vermi-Farms Philippines, Inc., does the ultimate in profitable anti-squeamishness: earthworm-raising.

Registered with the Securities and Exchange Commission last April, Vermi-Farms operates as a family enterprise with an authorized capital of P500,000, of which P100,000 is subscribed and P25,000 paidup.

Vermi-Farms has a 1,500-square meter vermiculture or earthworm farm in Tarlac. It breeds reddish brown earthworms of the species "perionyx excavatus" which are known for their fast and prolific growth.

In 18" x 24" x 8" wooden boxes called beddings, kilos of worms multiply under temperature conditions of above 45 degrees Fahrenheit during the rainy season, and below 95 degrees during summer.

At the normal rate of multiplication, a kilo of worms (numbering about 2,000) can double in only two months.

VARIED USES. Recent scientific studies have shown the feasibility of using the lowly red wiggler not only as fish bait but also as animal feed, fertilizer converter, urban waste recycler, and lately, as food supplement for humans.

As such, the demand for earthworms, both here and abroad, has continuously been on the rise. According to figures from Vermi-Farms, the demand in the export field alone has been leaping by 20% to 30% annually.

Vermi-Farms exports earthworms to Japan, its main market. Shipped over-dried and powdered, the earthworms are used there either as food supplement when processed and mixed with flour to make biscuits, as feed for animals and fishes. Earthworms are considered good feed because of their high protein content of 74%. They also give medicine extracts for such purposes as growing hair and shrinking blood vessels.

DOMESTIC USERS. At present, Vermi-Farms supplies earthworm "breeders" and "castings" to local farmers, backyard earthworm growers, fishermen, and fishpond operators. "Breeders" are mature worms (normally one to two months old) recognizable by a black band around the neck. Higher priced because of their reproductive capacities, these worms are normally sought by backyard worm growers.

"Castings" are earthworm excretions. Considered to be "nature's richest organic fertilizer," they contain "over five times the nitrate, seven times the phosphorus, three times the magnesium, 11 times the potash, and 1-1/2 times the lime (calcium) that is found in good top soil," Vermi-Farms says.

Castings are best suited for plantations of sugarcane, pineapple, bananas, rice and corn, coconut and for ornamental and vegetable gardens.

ACCELERATING. With the growing demand, Vermi-Farms encounters only one problem yet: how to speed up production to meet bulkier orders. One Japanese importer has been asking for 20,000 kilos of earthworms per shipment.

Experiments in the company's Tarlac farm try to alter the earthworm-breeding habitat, for faster production. Results so far are encouraging for Vermi-Farms. The new habitat has produced 1,085 worms from every 10 breeders in 51 days.

Estafa raps filed vs. Bicol, Leyte financing firm execs

The Central Bank yesterday filed 52 estafa charges against 10 officers of a financing firm and a lawyer in connection with a P19-million swindling case which victimized 12 rural banks in Bicol and Leyte owned by the same financing company.

Named respondents in the charges filed with the Ministry of Justice were Manuel Villar, resident and general manager of the Abba Holding Corp.; his wife Erlinda Villar, Abba treasurer; Florante Bernandino, executive vice-president of Abba; Nestor Arcilla, Lagrimas Geronimo, both Abba officers; Allan Repatacudo, Manuel Nicolas, land technicians in the Rural Bank of Buhi, Camarines Sur; Lilia Fortuna, Anita Yadupedo and Fernando Pallarco, Abba officers; and lawyer Francisco Mendezabal.

Fajardo said the Abba officers, who controlled the operation of the 12 rural banks through direct or indirect stockholdings, have allegedly been involved in about 2,674 questionable transactions which resulted in the loss of P19 million through grant of fictitious loans.

GMCR bares 2nd-quarter dividends

The board of directors of Globe-Mackay Cable and Radio Corp. (GMCR) recently approved a second-quarter cash dividend of P0.35 per share of P1 par value, for stockholders of record as of Aug. 26, 1980, payable Sept. 15, 1980.

GMCR chairman Jaime Zobel de Ayala said it was the 24th consecutive cash dividend declared by the company since it went public in July 1974.

PAL opens Mabuhay Club

Philippine Airlines launched its Mabuhay Club last night at the Manila Hotel with Foreign Minister Carlos P. Romulo as first member and principal guest.

Membership in the club is free for passengers who will fly PAL for a total of at least 30,000 air miles in the first class service or 45,000 air miles in full-fare economy service in 12 months beginning Aug. 1.

For example, a passenger will qualify as member if he travels Manila-San Francisco-Manila twice a year on first class, or thrice a year on full-fare economy.

Why is it important to report at once any trouble you have with your phone?

When there is something wrong with your telephone or it breaks down completely, you should report it immediately. This will enable your Telephone Company to attend to your complaint and do the necessary repairwork.

THE TELEPHONE REPAIR PROCEDURE

Basically, the repair procedure goes this way:

- The time and day you file your complaint are noted down and sent to a Test and Dispatch Group of your Telephone Company.
- This group assigns the work to a repairman in your vicinity.
- The repairman undertakes the necessary repairs.
- If the damage is on the cable, he informs the Cable Maintenance Crew which works around the clock to make the necessary repairs.

In any case, the Test and Dispatch Group is informed and they record the time the repair is made and forward it together with the date you filed your complaint to your Telephone Company's billing department.

IT PAYS TO REPORT YOUR PHONE TROUBLE

The whole repair procedure can only be implemented if you report your telephone trouble. Because if you don't, there is no way for your Telephone Company to detect if anything is wrong with your phone. Reporting your telephone trouble may also result in a rebate in your telephone bill. Based on the report filed by the Test and Dispatch Group, your Telephone Company's billing department determines if you are entitled to a rebate and how much this would be. So you see, it pays to report your telephone trouble immediately.

The more you know about your phone, the better it can serve you.