

FINANCIAL MANAGEMENT OF BPI FAMILY (SILANG BRANCH)

CASE STUDY

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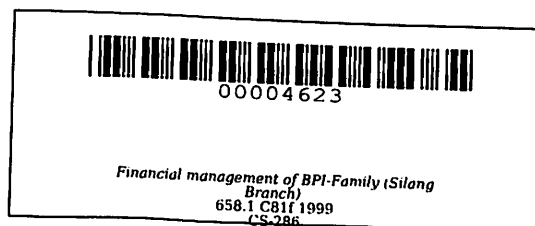
Indang, Cavite

April 1999

FINANCIAL MANAGEMENT OF BPI-FAMILY (SILANG BRANCH)

A Case Study
Submitted to the Faculty of
Cavite State University
Indang, Cavite

In partial fulfillment
of the requirement for the degree of
Bachelor of Science in Business Management
(Major in Economics)



GERMAN D. CORTEZ
April 1999

ABSTRACT

CORTEZ, GERMAN DESTURA, “FINANCIAL MANAGEMENT OF BPI-FAMILY BANK (SILANG BRANCH). Undergraduate Case Study, Bachelor of Science in Business Management, Major in Economics, Cavite State University, Indang, Cavite, April 1999. Adviser: Dr. Luzviminda A. Rodrin.

A three-month case study at BPI-Family Bank in Silang, Cavite was conducted from December 1998 to February 1999 to determine and analyze the management, organization and financial aspect of the BPI-Family Bank; to identify the problems encountered by the firm in its operation and to recommend probable solutions to the problems mentioned.

The study focused on the management and organization and financial aspect of the firm. The data were gathered through interviews with the head officer and other employees of the bank. Other data were gathered from reading materials of the firm.

After evaluating the firm, it was observed that the firm encountered problems mainly on its line communication because the bank was centralized. They cannot transfer the daily transaction immediately to the main office like deposit accounts and other balances.

After computing the different kinds of financial ratios, it was observed that the financial performance of the bank are not financially stable because it only survived through the shares from the head office, branches and other agencies.

Lastly, it was observed that due to peso depreciation the bank achieved negative incomes in their 1996 and 1997 operations. And the problems for financial sourcing and utilization is the borrower's delinquency in the payments of loans.

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FINANCIAL MANAGEMENT OF BPI-FAMILY (SILANG BRANCH)

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An undergraduate Case Study presented to the faculty of the Department of Management, College of Economics, Management and Development Studies (CEMDS), Cavite State University, Indang Cavite in partial fulfillment of the requirements for graduation with the degree of Bachelor of Science in Business Management (BSBM) major in Economics. Contribution No. _____. Prepared under the supervision of Dr. Luzviminda A. Rodrin.

INTRODUCTION

A bank is more than just a place where money is deposited, kept safely, and drawn again. It is also a source of capital for investment in industries and businesses. It also plays an important part in the economics (financial activities) of communities by providing channels for foreign trade and by regulating the flow of money (Modern Century Illustrated Encyclopedia).

The business of banking consists of receiving deposits and making loans at interest, issuing notes, keeping clients accounts and rendering such services as trusteeship, acting as executors, purchasing stocks and shares and giving financial advice to clients (The New Universal Library, 1986).

Banks, both commercial and development, as well as savings and loan institution are the principal sources of funds to finance various projects in the country. Many business projects today that are doing very well could not have been established without