

[BSP CIRCULAR NO. 696, October 29, 2010]

MINIMUM CAPITAL REQUIREMENT FOR RURAL BANKS

Pursuant to Monetary Board Resolution No. 1457 dated 14 October 2010, the following provisions of the Manual of Regulations for Banks (MORB) are hereby amended as follows:

Section 1. Subsec. X111.1 on minimum capitalization is hereby amended to read as follows:

"Subsec. X111.1 Minimum capitalization. The required minimum capitalization (a) upon establishment of a new bank, (b) upon conversion of an existing bank from a lower to a higher category bank and vice versa, (c) upon relocation of the head office of a TB/ RB in an area of higher classification, and (d) when majority of an RB's total assets and/ or majority of its total deposit liabilities are regularly accounted for by branches located in areas of higher classification as provided in Subsec. X151.4 on the branching guidelines, shall be as follows:

Bank Category	Required Minimum Capitalization
a. UBs	P 4.95 billion
b. KBs	P 2.4 billion
c. TBs with Head Office in:	
(1) Metro Manila	P 325 million
(2) Outside Metro Manila	P 52 million
d. RBs with Head Office in:	
(1) Metro Manila	P 100 million
(2) Cities of Cebu and Davao	50 million
(3) All other cities	25 million
(4) 1st to 4th class Municipalities	10 million
(5) 5th to 6th class Municipalities	5 million
e. Coop Banks	P 10 million

For the grant of the following special banking authorities:

- a. Quasi-banking functions for TBs;
- b. Trust and other fiduciary business for U/KBs and TBs;