

**[ BSP CIRCULAR NO. 727 SERIES OF 2011, June 23, 2011 ]**

**AMENDMENT TO THE GUIDELINES ON BRANCHING AND  
VOLUNTARY CLOSURE/SALE/ACQUISITION OF  
BRANCHES/OTHER BANKING OFFICES**

SUBJECT: AMENDMENT TO THE GUIDELINES ON BRANCHING AND  
VOLUNTARY CLOSURE/SALE/ACQUISITION OF BRANCHES/OTHER  
BANKING OFFICES

Pursuant to Monetary Board Resolution No. 789 dated 26 May 2011, the provisions of the Manual of Regulations for Banks (MORB) are hereby amended as follows:

**SECTION 1.** Item "d" of Subsec. X151.4 on branching guidelines is hereby amended to read as follows:

**"Subsec. X151.4 Branching guidelines.** —Branches may be established, subject to the following guidelines:

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"d. As a general rule, banks shall be allowed to establish branches anywhere in the Philippines, except in the cities of Makati, Mandaluyong, Manila, Parañaque, Pasay, Pasig, Quezon and San Juan (restricted areas): *Provided, however,* That RBs/Coop Banks shall not be allowed to establish branches in Metro Manila: *Provided, further,* That —

- 1) Branches of microfinance-oriented banks, microfinance-oriented branches of banks which are not microfinance-oriented may be established anywhere, subject to compliance with, among other requirements, the minimum capital requirement under Item "a" of Subsec. X151.2 and the following conditions:
  - a) A microfinance-oriented TB or RB may be allowed to establish branches in Metro Manila, including in the restricted areas, if it has combined capital accounts of at least P1.0 billion in case of a TB, or at least P 100.0 million in case of an RB; and
  - b) A TB or RB/Coop Bank may be allowed to establish microfinance-oriented branches in Metro Manila, including in the restricted areas, if it has combined capital accounts of at least P1.0 billion in case of a TB, or at least P100.0 million in case of an RB/Coop Bank.
- 2) Subject to the submission of the specific business purpose for establishing the branch, among other justifications: