

[BSP CIRCULAR NO. 184, December 04, 1998]

**FILING OF APPLICATION AND OTHER REQUIREMENTS FOR THE
ESTABLISHMENT OF BRANCHES OF RURAL BANKS, AND
SANCTIONS FOR FAILURE TO SUBMIT REQUIRED
CERTIFICATIONS**

The Monetary Board, in its Resolution No. 1582 dated November 17, 1998, approved the following amendments to Book III of the Manual of Regulations for Banks and Other Financial Intermediaries on the filing of application and other requirements for the establishment of branches of rural banks, and sanctions for failure to submit required certifications.

SECTION 1. Subsection 3151.2 of the Manual is hereby amended by adding the following paragraphs:

"No application for establishment of branches shall be accepted by the Bangko Sentral from a rural bank which has two (2) approved but unopened branches. Applications which may be accepted at any given time from a rural bank shall be in such number that if all these applications were approved, the applicant bank shall not have approved but unopened branches in excess of the limit herein prescribed.

"The herein prescribed limit shall be applied prospectively and shall not include branches approved and unopened prior to the effectivity of this Circular: Provided, however, that any approved but unopened branches shall be opened within the six (6) months period and failing which such branch/es shall be included for purposes of determining compliance with the prescribed limit.

"Nothing herein shall operate to bar substitution of applications within the prescribed limit."

SECTION 2. Subsection 3151.4 of the Manual is hereby amended to read, as follows:

"Subsec. 3151.4. Other requirements. — In addition to the capital requirements for establishment of branches in Subsection 3151.3, the following conditions shall be complied with:

a. The bank during the last ninety (90) days immediately preceding the date of application has:

- 1) Not been deficient in its net worth-to-risk assets ratio;
- 2) Complied with the ceilings on credit accommodations to directors, officers, stockholders and/or related interests; and