



**BANGKO SENTRAL NG PILIPINAS**

**OFFICE OF THE DEPUTY GOVERNOR  
SUPERVISION AND EXAMINATION SECTOR**

**CIRCULAR LETTER NO. CL- 2017- 033**

**To : All Banks and Non-Bank Financial Institutions**

**Subject : Consolidation Program for Rural Banks (CPRB)**

The Bangko Sentral ng Pilipinas (BSP), Philippine Deposit Insurance Corporation (PDIC), and Land Bank of the Philippines (LBP) have mutually agreed to approve the following amendments to the eligibility of the proponent banks under Section 5 of the CPRB Implementing Guidelines<sup>1</sup> through the inclusion of an additional paragraph and footnote, as follows:

<b>Existing Section 5 of CPRB Implementing Guidelines</b>	<b>Proposed Amendments to Section 5 of the CPRB Implementing Guidelines</b>
Any group of at least five Proponent Banks, the head offices or majority of the branches of which, shall preferably be located in the same region or area, and whose consolidation or merger would result in a Surviving Bank with - (a) risk-based Capital Adequacy Ratio (RBCAR) of at least 12%; and (b) A combined unimpaired capital of at least ₱100 Million.	<p>Any group of at least five Proponent Banks, the head offices or majority of the branches of which, shall preferably be located in the same region or area, and whose consolidation or merger would result in a Surviving Bank with - (a) risk-based Capital Adequacy Ratio (RBCAR) of at least 12%; and (b) A combined unimpaired capital of at least ₱100 million.</p> <p>If the Proponent Banks are less than five but based on the submitted documents, the Surviving Bank will have RBCAR of at least 12% and a combined unimpaired capital of at least ₱100 million, the application may be accepted, provided the Countryside Financial Institutions Enhancement Program (CFIEP) Technical Committee<sup>1</sup> will favorably endorse the said application, taking into consideration the objectives of the Program.</p> <p><sup>1</sup>The CFIEP Technical Committee is composed of representatives from the Bangko Sentral ng Pilipinas, Philippine Deposit Insurance Corporation, and Land Bank of the Philippines,</p>

<sup>1</sup> Implemented under Memorandum No. M-2015-043 dated 11 December 2015

	and is mainly tasked to monitor the implementation of CFIEP projects, including the CPRB.
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For guidance and implementation.

  
NESTOR A. ESPENILLA, JR.  
Deputy Governor

12 May 2017