



BANGKO SENTRAL NG PILIPINAS

MEMORANDUM NO. M-2022-002

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

To : All BSP-Supervised Financial Institutions (BSFIs)

Subject : Supplemental Capital Adequacy Ratio (CAR) Report on the Temporary Regulatory Relief on the Capital Treatment of Provisioning Requirements under the Philippine Financial Reporting Standard (PFRS) 9

The Monetary Board (MB), in its Resolution No. 29 dated 6 January 2022, approved the submission of a Supplemental CAR Report (Annex A) by covered BSFIs that will avail of the temporary regulatory relief on the capital treatment of provisioning requirements under PFRS 9 pursuant to BSP Memorandum No. M-2021-055 dated 19 October 2021.

The Supplemental CAR Report shall be considered a Category A report¹ and shall be submitted on both solo and consolidated bases starting from the quarter-end reporting period subsequent to the date of notification to the BSP of the BSFI's availment of the capital relief. It shall be submitted electronically to the Department of Supervisory Analytics following the timeline of the CAR reports (i.e., within 15 banking days after end of reference quarter for solo basis and 30 banking days after end of reference quarter for consolidated basis) during the BSFI's period of availment of the capital relief measure.

The submission of the Supplemental CAR Report shall be subject to the provisions of Sec. 171/172-Q (*Sanctions on reports for non-compliance with the reporting standards*) of the Manual of Regulations for Banks/Manual of Regulations for Non-Bank Financial Institutions.

The Supplemental CAR Report requires BSFIs to disclose both the actual and relief-adjusted CAR amounts and ratios for the reporting period, including supporting computation of adjustments related to the add-back amount to common equity tier 1 capital and the amount of stage 1 provisions for reversal from Tier 2 capital, if any, in view of the application of the said regulatory relief.²

¹ Category A-1 shall apply to the Supplemental CAR Report submitted by universal and commercial banks and their subsidiary banks/quasi-banks (QBs) while Category A-2 shall apply to the Supplemental CAR Report submitted by stand-alone banks and stand-alone QBs.

² Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone thrift banks (TBs), rural banks and cooperative banks (RCBs) under Circular No. 1079 dated 9 March 2020, CET1 capital in this reporting template shall refer to Tier 1 capital for these banks. Meanwhile, Tier 2 Capital wherein General Loan Loss Provisions and Retained Earnings-General Provisions are added under this framework shall refer to Upper Tier 2 Capital for stand-alone TBs and RCBs. The same manner of reporting of Tier 1 Capital and Upper Tier 2 Capital shall also apply to stand-alone QBs.

The BSFI shall report the actual CAR, without application of the capital relief measure under BSP Memorandum No. M-2021-055, in its CAR report while the application of the capital relief measure shall be disclosed in the Supplemental CAR Report. The adjusted CAR amounts and ratios, after applying the capital relief measure under BSP Memorandum No. M-2021-055, shall be used for purposes of monitoring effectiveness of the capital relief measure and for supervisory assessment purposes, including the crafting of the supervisory plan and deployment of supervisory actions on the BSFI.

The BSP will issue a separate memorandum covering the specific guidelines on the mode and manner of the electronic submission of the Supplemental CAR Report.

For information and guidance.


CHUCHI G. FONACIER
Deputy Governor

Digitally signed by
DG Chuchi G. Fonacier
11 January 2022

11 January 2022

Annex A

DEADLINE: 15 banking days after end of reference quarter (solo basis) 30 banking days after end of reference quarter (consolidated basis)

REPORT CATEGORY: CATEGORY A*
SUBMISSION: Electronic submission to the Department of Supervisory Analytics

ALL COVERED BSP-SUPERVISED FINANCIAL INSTITUTIONS (BSFI)

(Name of BSFI)	(Code)
(Address)	

SUPPLEMENTAL CAPITAL ADEQUACY RATIO (CAR) REPORT ON THE AVAILMENT OF TEMPORARY REGULATORY RELIEF ON THE CAPITAL TREATMENT OF THE PROVISIONING REQUIREMENTS UNDER PFRS 9

Indicate "X" if: ☐ Solo basis ☐ Consolidated basis

As of _____ (Quarter-End)

I certify that all matters set forth in this report and its supporting schedule are true and correct, to the best of my knowledge and belief.

ADJUSTED CAPITAL AMOUNTS AND RATIOS AFTER CONSIDERING IMPACT OF THE CAPITAL RELIEF MEASURE (In Php absolute amounts; Ratios in percentages)

A. Qualifying Capital

A.1. Tier 1 Capital

A.1.1. Common Equity Tier 1 Capital **

A.2. Tier 2 Capital

A.3. Total Qualifying Capital (Sum of A.1. and A.2.)

B. Risk-Based Capital Adequacy Ratio

B.1. Common Equity Tier 1 Ratio (in %)*

B.2. Total Capital Adequacy Ratio (in %)

*Category A-1 shall apply to Supplemental CAR Report submitted by universal and commercial banks (UKBs) and their subsidiary banks/quasi-banks (QBs) while Category A-2 shall apply to Supplemental CAR Report submitted by stand-alone banks and stand-alone QBs.

** Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone thrift banks (TBs), rural banks and cooperative banks (RCBs) under Circular No. 1079 dated 9 March 2020, Common Equity Tier (CET) 1 capital in this reporting template shall refer to Tier 1 capital for these banks. In the same manner, stand-alone QBs shall report the amount of their Tier 1 capital as CET 1 capital in this reporting template.

(Signature of Category A Authorized Signatory/Alternate of Authorized Signatory)

Name of BSFI

DATA SHEET FOR PURPOSES OF AVAILING THE TEMPORARY CAPITAL RELIEF ON PROVISIONING REQUIREMENTS UNDER PFRS 9
In absolute amounts

As of 31 December 2019

General Loan Loss Provision (GLLP) - Stage 1 Provisions
 Allowance for Credit Losses - Stage 2 Provisions
 Allowance for Credit Losses - Stage 3 Provisions

As of _____ (quarter end reporting period)

GLLP - Stage 1 Provisions
 Allowance for Credit Losses - Stage 2 Provisions
 Allowance for Credit Losses - Stage 3 Provisions

As of _____ (quarter end reporting period)

Common Equity Tier 1 Capital ^{1/}
 Additional Tier 1 Capital ^{2/}
 Tier 2 Capital, excluding GLLP Added Back to Tier 2 Capital ^{3/}
 GLLP Added Back to Tier 2 Capital ^{3/}
 Total Risk-Weighted Assets

Add-Back Factor

 1.00

COMPUTATION OF ADJUSTMENTS RELATIVE TO TEMPORARY CAPITAL RELIEF ON PROVISIONING REQUIREMENTS UNDER PFRS 9
In absolute amounts

Nature of Item	GLLP - Stage 1 Provisions	Allowance for Credit Losses - Stage 2 Provisions	Total
	A	B	C = A+B
1. Add-back amount to Common Equity Tier 1 (CET 1) Capital ^{1/}			
1.1. As of end-December 2019	-	-	-
1.2. As of _____ (quarter end reporting period)	-	-	-
1.3. Net increase/decrease in Stage 1 and 2 provisions (1.2. less 1.1.)	-	-	-
1.4. Add-back factor (%)			1.00
1.5. Add-back amount as of (quarter end reporting period)			-
2. Amount of Stage 1 Provisions for Reversal from Tier 2 Capital ^{3/}			
2.1. Net increase in Stage 1 provisions			-
2.2. Amount of GP-Stage 1 Provisions and RE-GP considered as Tier 2 Capital ^{3/}			-
2.3. Minimum of 2.1 or 2.2.			-

Period	Add-back factor (%)
01 January 2022 to 31 December 2022	1.00
01 January 2023 to 31 December 2023	0.50

^{1/} Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone thrift banks (TBs), rural banks and cooperative banks (RCBs) under Circular No.1079 dated 9 March 2020, stand-alone TBs and RCBs shall report the amount of their Tier 1 capital as Common Equity Tier (CET) 1 capital in this reporting template. In the same manner, stand-alone quasi-banks (QBs) shall report the amount of their Tier 1 capital as CET 1 capital in this reporting template.

^{2/} Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone TBs and RCBs under Circular No.1079 dated 9 March 2020, stand-alone TBs and RCBs shall not report amount under Additional Tier 1 capital in this reporting template. In the same manner, stand-alone QBs shall not report amount under Additional Tier 1 capital in this reporting template.

^{3/} The amount of general provisions (GP) (Stage 1 provisions) and Retained Earnings GP (RE-GP) that will be considered as Tier 2 capital shall be reduced by the amount of Stage 1 provisions added back to CET 1 capital.

Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone TBs and RCBs under Circular No.1079 dated 9 March 2020, Tier 2 capital wherein General Loan Loss Provisions and Retained Earnings-General Provisions are added under this framework shall refer to Upper Tier 2 capital in this reporting template. In the same manner, stand-alone QBs shall report their Upper Tier 2 Capital as Tier 2 Capital in this reporting template.

Name of BSFI

SUPPLEMENTAL CAPITAL ADEQUACY RATIO (CAR) REPORT ON THE AVAILMENT OF TEMPORARY CAPITAL RELIEF ON PROVISIONING REQUIREMENTS UNDER PFRS 9

PART 1. CALCULATION OF RISK-BASED CAR

(In Php absolute amounts; Ratios in percentages)

Nature of Item	Reference (For universal/commercial banks and their subsidiary banks and quasi-banks)	Without Regulatory Relief	Adjustments	With Regulatory Relief
		A (Reporting Period) Amount	B	C= A+B (Reporting Period) Amount
A. Qualifying Capital				
A.1. Tier 1 Capital	Part II (Item A.7)	-	-	-
A.1.1. Common Equity Tier 1 Capital ^{1/}	Part II (Item A.3)	-	-	-
A.1.2. Additional Tier 1 Capital ^{2/}	Part II (Item A.6)	-	-	-
A.2. Tier 2 Capital	Part II (Item B.3)	-	-	-
A.2.1. Tier 2 Capital, excluding GLLP Added Back to Tier 2 Capital ^{3/}		-	-	-
A.2.2. GLLP Added Back to Tier 2 Capital ^{3/}		-	-	-
A.3. Total Qualifying Capital (Sum of A.1. and A.2.)		-	-	-
B. Total Risk-Weighted Assets		-		-
C. Risk-Based Capital Adequacy Ratio				
C.1. Common Equity Tier 1 Ratio (in %)		#DIV/0!		#DIV/0!
C.2. Tier 1 Capital Ratio (in %)		#DIV/0!		#DIV/0!
C.3. Total Capital Adequacy Ratio (in %)		#DIV/0!		#DIV/0!

A - The amount reflected in the CAR report as of the reporting period.

B - Adjustments in the calculation in view of the application of the relief on the capital treatment of provisioning requirements under PFRS 9.

C - The amount reflected in the CAR report with the prudential capital relief measure which shall be for supervisory purposes and in crafting supervisory plan for the BSFI.

^{1/} Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone thrift banks (TBs), rural banks and cooperative banks (RCBs) under Circular No. 1079 dated 9 March 2020, stand-alone TBs and RCBs shall report the amount of their Tier 1 capital as Common Equity Tier (CET) 1 capital in this reporting template. In the same manner, stand-alone quasi-banks (QBs) shall report the amount of their Tier 1 capital as CET 1 capital in this reporting template.

^{2/} Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone TBs and RCBs under Circular No. 1079 dated 9 March 2020, stand-alone TBs and RCBs shall not report amount under Additional Tier 1 capital in this reporting template. In the same manner, stand-alone QBs shall not report amount under Additional Tier 1 capital in this reporting template.

^{3/} The amount of general provisions (GP) (Stage 1 provisions) and Retained Earnings GP (RE-GP) that will be considered as Tier 2 capital shall be reduced by the amount of Stage 1 provisions added back to CET 1 capital.

Pending the implementation of the amendments to the risk-based capital adequacy framework for stand-alone TBs and RCBs under Circular No. 1079 dated 9 March 2020, Tier 2 capital wherein General Loan Loss Provisions and Retained Earnings-General Provisions are added under this framework shall refer to Upper Tier 2 capital in this reporting template. In the same manner, stand-alone QBs shall report their Upper Tier 2 Capital as Tier 2 Capital in this reporting template.