



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M-2020-067

To : All Covered Banks and Quasi-Banks

Subject : Transitory Guidelines on the Reporting of Certain Exposures in the Capital Adequacy Ratio (CAR) Reports

Pursuant to the amendments to the Risk-Based Capital Adequacy Frameworks for universal and commercial banks (U/KBs) and their subsidiary banks and quasi-banks, and stand-alone thrift banks (TBs), rural banks (RBs) and cooperative banks (Coop Banks) under Circular No. 1084 and Memorandum No. M-2020-034 both dated 28 April 2020, all covered banks and quasi-banks shall temporarily report in the CAR reports, the following:

1. Peso-denominated loans, to the extent guaranteed by the Agricultural Guarantee Fund Pool (AGFP) and Agricultural Credit Policy Council (ACPC) shall be afforded a zero percent (0%) risk weight, and shall be temporarily reported in the same manner as a guaranteed exposure of the Trade and Investment Development Corporation of the Philippines (TIDCORP).¹
2. For the duration of the regulatory relief under Memorandum No. M-2020-034, current exposures to micro-, small and medium enterprises (MSMEs), both qualified and unqualified portfolio, shall be temporarily reported, as follows:

FROM	TO
Basel 1.5 CAR Report for Stand-alone TBs, RBs and Coop Banks	
Qualified MSME loan portfolio reported in Item D.(1) of Part III.1. Risk Weighted On-Balance Sheet Assets with 75 percent risk weight	Current MSME loans, both qualified and unqualified portfolio to be reported in Item C.(2) of Part III.1. Risk Weighted On-Balance Sheet Assets with 50 percent risk weight
Basel III CAR Report for U/KBs and their Subsidiary Banks and Quasi-banks	
Qualified MSME loans reported in Item I.2.a.5.i of Part III.1. Risk Weighted On-Balance Sheet Assets under 75 percent risk weight column	Current MSME loans, both qualified and unqualified portfolio to be reported in Item I.2.a.5.iii of Part III.1. Risk Weighted On-Balance Sheet Assets under 50 percent risk weight column
Unqualified MSME loans reported in Item I.2.a.5.iii of Part III.1. Risk Weighted On-Balance Sheet Assets under 100 percent risk weight column	

¹ This is renamed as Philippine Guarantee Corporation (Philguarantee).

The foregoing transitory reporting shall be reflected in the Basel 1.5 and Basel III CAR reports starting with the reference cut-off date as of end-September 2020.

For guidance.



CHUCHI G. FONACIER
Deputy Governor

04 September 2020