



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

MEMORANDUM NO. M-2013-035

To : ALL THRIFT, RURAL AND COOPERATIVE BANKS

Subject : GUIDELINES ON THE CLASSIFICATION OF A BANK AS A "COMPLEX" BANK FOR REGULATORY PURPOSES

The Monetary Board in its Resolution No. 1157 dated 11 July 2013, approved the following criteria in the classification of thrift, rural or cooperative banks as "complex" banks for purposes of Circular Nos. 747 and 749 dated 6 and 27 February 2012, respectively.

Any thrift, rural or cooperative bank having at least three (3) of the following characteristics shall be deemed a "complex" bank:

- a. Total assets of at least ₱6 billion;
- b. Extensive branch network;
- c. Non-traditional financial products and services by virtue of special authorities (e.g., trust, quasi-banking, derivatives licenses), as well as distinctive products like credit cards, remittance, trade-related services, contract-to-sell (CTS) financing, among other financial services;
- d. Use of non-conventional business model, such as those using non-traditional delivery platform such as electronic platforms; and
- e. Business strategy characterized by risk appetite that is aggressive and risk exposures which are increasing, such as those with robust branch expansion programs or acquisition plans.

Thrift, rural and cooperative banks classified as "complex" banks shall designate a full-time Chief Compliance Officer, as provided under Circular No. 747, and establish Audit, Risk Oversight and Corporate Governance Committees, as required under Circular No. 749.

For information and guidance.

FOR THE MONETARY BOARD:

A handwritten signature in black ink, appearing to read "Amto", is written over the printed name and title of the Governor.

AMANDO M. TETANGCO, JR.
Governor

30 July 2013