

STRENGTHENING PROGRAM FOR RURAL BANKS PLUS
Documentary Requirements

Additional Requirements for Potential Eligible Strategic Third Party Investor (STPI)

1. Full name and detailed description of the potential STPI, including details on licenses obtained from the Bangko Sentral ng Pilipinas (BSP) or any regulatory agency, products and services offered and current distribution network
 2. Corporate History/Overview (including principal shareholders and their respective shareholdings)
 3. Brief background and experience of directors and senior management
 4. Audited Financial Statements (FS) for the last 3 fiscal years
 5. Notarized Certification from the potential STPI, that:
 - a. For universal, commercial, thrift and rural banks as Eligible STPI
 - (i) It is not under BSP's prompt corrective action (PCA);
 - (ii) There is no finding of unsafe and unsound banking practices by the PDIC or BSP.
 - b. For non-bank corporation:
 - (i) It has strong financial condition of good reputation.
- A. For merger or consolidation:
1. Plan of Merger or Consolidation duly approved by at least two-thirds (2/3) of the outstanding capital stock of each of the Eligible STPI and Eligible Bank (constituent institution) present and constituting a quorum;
 2. Notarized Secretary's Certificate on the Resolution of the Board of Directors of the respective constituent institutions approving the Plan of Merger or Consolidation;
 3. Notarized Secretary's Certificate attesting approval of at least two thirds (2/3) two-thirds (2/3) of the outstanding capital stock of each constituent institution approving the Plan of Merger or Consolidation duly certified by the Secretaries and attested by the respective Chairpersons;
 4. Proof of Posting/Publication of the Announcement of Merger or Consolidation in a newspaper of general circulation;
 5. Notarized Secretary's Certificate attesting to the following facts: a) That creditors and investors are informed by mail of the merger or consolidation; and b) That no objection/opposition has been filed, or if any, the same has been resolved;

6. Additional requirements
 - a. For merger
 - i. Articles of Merger duly attested to by the Incumbent Directors of the Surviving Entity
 - ii. Certificate of Merger/Registration of the Surviving Entity
 - b. For consolidation
 - i. Articles of Consolidation duly attested to by the Incumbent Directors of the Consolidated Entity
 - ii. New Certificate of Consolidated Entity
- B. For Purchase of Assets and Assumption of Liabilities
 1. Sale and Purchase Agreement;
 2. Stockholder's Resolution approving the sale of all assets and assumption of all liabilities (P&A) of the Eligible Bank by an Eligible STPI duly certified by the Secretaries and attested by the President/Chairperson of the Eligible Bank. The P&A must be approved by at least two thirds (2/3) of the outstanding capital stock of each constituent institution present and constituting a quorum;
 3. Proof of Notice to Creditors of the Eligible Bank;
 4. Joint Certification from Eligible Bank and Eligible STPI signed by their respective authorized signatories that all requirements under the Bulk Sales Law and all laws relevant have been complied with;
- C. For Acquisition of Control through Purchase of Shares of the Eligible Bank subject to the applicable laws and rules
 1. Stock Purchase Agreement duly signed by the authorized signatory of the Eligible STPI and Eligible Bank and certified to by their respective board secretary
 2. Notarized Secretary's Certificate on the Board Resolution of the Eligible STPI approving the acquisition of control/purchase of majority shares of the Eligible Bank
- D. Financial Statements:
 - ❖ Latest financial statements as of month immediately preceding the date of application and latest 3-year audited financial statements of the constituent institutions; and
 - ❖ 5-year financial projections with valid assumptions of the surviving institution's balance sheet and income statement.
- E. List of regulatory relief/incentives the constituent institutions will avail from BSP;
- F. Letter to BSP requesting restructuring of past due rediscounting/emergency loan;
- G. List of shareholders with their share capital/shareholdings of each of the constituent institutions duly certified by the respective Board Secretaries and attested to by the respective Board Chairpersons before and after the transaction;

- H. List of directors and officers of each of the constituent institutions;
- I. List of proposed officers and directors of the surviving/consolidated bank and the summary of their qualifications;
- J. Organizational chart of the surviving/consolidated bank including the number of offices and locations thereof;
- K. Inter-company transactions relative to the submitted Financial Statements;
- L. Computation of Risk Based Capital Adequacy Ratio on the submitted financial statements;
- M. Schedule of unbooked valuation reserves based on latest BSP-ROE, if any;
- N. Viable Operational Plan with the following components:
 - Marketing Strategies
 - Proposed Target Market
 - Proposed Loan Portfolio Diversification
 - Deposit Generation
 - Proposed Improvements in Accounting System
 - Operations Control
 - Computerization Plan
 - Communication System
- O. The appraiser's report of reappraisal of bank premises, if any, done by an independent and licensed appraiser;
- P. Proposed increase of Capital Stock of surviving/consolidated bank;
- Q. Proposed Amendments in the Articles of Incorporation of surviving/consolidated bank;
- R. Director's Certificate (surviving/consolidated bank) on the proposed amendment of the Articles of Incorporation increasing the authorized capital stock;
- S. Any other reasonable requirement deemed material in the proper evaluation of the transaction as may subsequently be requested by the PDIC or BSP.