

CSDs: BTR (Philippines), PDTC (Philippines)

Date: 03 Jan 2013

SMI Markets: Philippines

CMIRR Markets: Philippines

BSP Publishes Basel III Implementing Guidelines

The Monetary Board of the Bangko Sentral ng Pilipinas (BSP) has approved the implementing guidelines of the revised capital standards under the Basel III Accord. Universal and commercial banks are required to meet the standards by 1 January 2014. The key points of the guidelines include:

- Minimum Capital Adequacy Ratio is 10%;
- Minimum Common Equity Tier 1 (CET1) capital ratio is 6%;
- Minimum Tier 1 capital ratio is 7.5%;
- Introduce the capital conservation buffer of 2.5% which will be made up of CET1 capital;
- The capital instruments issued by the banks from 2011 will be Basel III-eligible until the end of 2015.

The BSP announcement can be accessed here: [BSP Issues the BASEL III Implementing Guidelines](#).

CSD Risk Impact

BTR (Philippines)

CSD Rating: A+

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = AA-

Flash Impact = Positive

The implementation of capital standards of Basel III is expected to improve the quality of participant banks and enhance the financial stability of banks, consequently helping to mitigate the risk of default in the market.

PDTC (Philippines)

CSD Rating: A

CSD Flash Impact: Positive

Impacted Risk Type: Counterparty Risk

Current Rating = A

Flash Impact = Positive

The implementation of capital standards of Basel III is expected to improve the quality of participant banks and enhance the financial stability of banks, consequently helping to mitigate the risk of default in the market.

Market Information Impact

Philippines

This newsflash is for information only.

Infrastructure Risk Ratings Impact

Philippines

Market Rating: A
Market Flash Impact: Positive

Impacted Risk Type: Counterparty Risk
Current Rating = A
Flash Impact = Positive

The implementation of capital standards of Basel III will improve the quality of participant banks, enhance the banks' financial stability and reduce the risk of default in the market.

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