

AMENDING CERTAIN PROVISIONS OF BOOKS I AND II OF THE MANUAL OF REGULATIONS FOR BANKS AND OTHER FINANCIAL INTERMEDIARIES

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Pursuant to Monetary Board Resolution No. 1005 dated September 7, 1995 increasing the limit on equity investments of an expanded commercial bank, a commercial bank or a thrift bank in banks, the following provisions of Books I and II of the Manual of Regulations for Banks and Other Financial Intermediaries are hereby amended to read as follows:

SECTION 1. Section 1378 of Book I of the Manual is hereby amended to read as follows:

"SEC. 1378. Limits on Investments in the Equities of Financial Allied Undertakings

"a. The equity investment of an expanded commercial bank in a single financial allied undertaking shall be, in relation to the total subscribed capital stock and in relation to the total voting stock of the allied undertaking, within the following ratios:

Allied Undertaking

Limit

Commercial banks - Up to 49%

Thrift banks and rural banks - Up to 100%

Other financial allied undertakings

- Up to 100% without prejudice to the limitations prescribed in Subsec. 1378.1

"The equity investment of an expanded commercial bank in a bank pursuant to Republic Act No. 7721 shall be governed by the rules and regulations implementing said law.

"b. The equity investment of a commercial bank in a single financial allied undertaking shall be, in relation to the total subscribed capital stock and in relation to the voting stock of the allied undertaking, within the following ratios:

Allied Undertaking

Limit

Commercial banks - Up to 49%

Thrift banks and rural banks - Up to 100%

Other financial allied undertakings

- Up to 40% without prejudice to the limitations prescribed in Subsec. 1378.2

"The equity investment of a commercial bank in a bank pursuant to Republic Act No. 7721 shall be governed by the rules and regulations implementing said law."

SECTION 2. Section 2378 of the Manual is hereby amended to read as follows:

"SEC. 2378. Limits on Investments in the Equities of Financial Allied Undertakings. The equity investment of a thrift bank in a single financial allied undertaking shall be, in relation to the total voting stock of the allied undertaking, within the following ratios:

Allied Undertaking

Limit

Commercial banks - Up to 49%

Thrift banks and rural banks - Up to 100%

Other financial allied undertakings

- Up to 40% subject to the limitations prescribed in the following Subsection

"The equity investment of a thrift bank in a bank pursuant to Republic Act No. 7721 shall be governed by the rules and regulations implementing said law."

The Circular shall take effect immediately.

Adopted: 20 Sept. 1995

(SGD.) GABRIEL C. SINGSON

Governor

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