

CAPITALIZATION

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Pursuant to Monetary Board Resolution No. 1230 dated November 27, 1996, Books I and II of the Manual of Regulations for Banks and Other Financial Intermediaries are hereby amended to read as follows:

SECTION 1. The provisions of Subsec. 1106.1 (Book I) are hereby amended to read, as follows:

"Minimum capital for expanded commercial banks. All expanded commercial banks, including those already in operation as well as those to be established hereafter, shall have capital accounts of at least P4.5 billion each.

The foregoing minimum capital requirement shall immediately apply to applications filed after November 27, 1996.

Expanded commercial banks which are existing, or which are newly authorized but not yet operating, or banks from which completed applications to operate under an expanded commercial banking authority have been received as of November 27, 1996 but pending action by the Bangko Sentral ng Pilipinas (BSP) are hereby allowed to meet the above minimum requirement in two phases, as follows:

First phase — P3.500 billion within the first twelve (12) months from date of this Circular

Second phase — P4.500 billion within the next twelve (12) months from first anniversary date of this Circular

Provided, That they shall submit to the BSP a capital build-up program for this purpose within (3) months from the date of this Circular: Provided, further, That expanded commercial banks which are listed in the Philippines Stock Exchange, or are in the process of listing, as certified by the Securities and Exchange Commission, shall have an additional six (6) month period to meet the above minimum capital requirement."

SECTION 2. The provisions of Subsec. 1106.2 (Book I) are hereby amended to read, as follows:

"Minimum capital for commercial banks. All commercial banks including those already in operation as well as those to be established hereafter, shall have capital accounts of at least P2 billion each.

The foregoing minimum capital requirement shall immediately apply to applications filed after November 27, 1996.

Commercial banks which are existing, or which are newly authorized but not yet operating, or persons from whom completed applications to establish commercial banks have been received as of November 27, 1996 but pending action by the Bangko Sentral ng Pilipinas (BSP) are hereby allowed to meet the above minimum capital requirement in two phases, as follows:

First phase - P1.625 billion within the first twelve (12) months from date of this Circular

Second phase - P2.000 billion within the next twelve (12) months from first anniversary date of this Circular

Provided, That they shall submit to the BSP a capital build-up program for this purpose within three (3) month from the date of this Circular: provided, further, That commercial banks which are listed in the Philippine Stock Exchange, or are in the process of listing, as certified by the Securities and Exchange Commission, shall have an additional six (6) month period to meet the above minimum capital requirement."

SECTION 3. The provisions of Subsec. 2106 (Book II) are hereby amended to read, as follows:

"Minimum capitalization. A thrift bank shall have minimum capital accounts, as follows:

- a. With head office within Metro Manila — P250 million
- b. With head office within Metro Manila — P 40 million

Provided, That for thrift banks with head office within Metro Manila under item a, the minimum capital requirement of P250 million shall immediately apply to applications filed after November 27, 1996."

SECTION 4. The provisions of Item of Subsec. 2106.2 (Book II) are hereby amended to read as follows:

"Capital build-up program for thrift banks not meeting the required minimum capital accounts.

a. Thrift banks which are existing, or which are newly authorized but not yet operating, or persons from whom completed applications to establish thrift banks have been received as of November 27, 1996 but pending action by the Bangko Sentral ng Pilipinas (BSP) are hereby allowed the following time frame within which to meet the above minimum requirements:

With head office within Metro Manila

P150 million on or before February 21, 1997

P200 million within the first twelve (12) months from February 22, 1997

P250 million within the next twelve (12) months after February 22, 1998

Provided, That for the P200 million and P250 million minimum capital, they shall submit to the BSP a capital build-up program for this purpose within three (3) months from the date of this Circular: Provided, further, That thrift banks which are listed in the Philippine Stock Exchange or are in the process of listing, as certified by the Securities and Exchange Commission, shall have an additional six (6) month period to meet the minimum capital.

With head office outside Metro Manila

P40 million on or before February 21, 1997"

This Circular shall take effect immediately.

Adopted: 24 Dec. 1996

(SGD.) GABRIEL C. SINGSON

Governor

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