

[**BSP CIRCULAR NO. 117, December 24, 1996**]

CAPITALIZATION

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.