

**[ BSP CIRCULAR NO. 87, S. 1995, September 20, 1995 ]**

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

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%