

**[ BSP CIRCULAR NO. 487, June 03, 2005 ]**

**AMENDMENTS TO THE MOR FOR BANKS RE SUBSEC. 1338.2 AND X338.3**

Pursuant to Monetary Board Resolution No. 695 dated 26 May 2005, the provisions of the Manual of Regulations for Banks (MORB) are hereby amended to read as follows:

*SECTION 1.* The last paragraph of Item "c" of Subsec. 1338.2 is hereby amended to read as follows:

"Loans financed under Items "a" and "b" shall be excluded from the computation of the capital to risk assets ratio."

*SECTION 2.* The provisions of Item "c", Subsec. X338.3 is hereby amended to read as follows:

c. "The aggregate outstanding loans and other credit accommodations granted under the bank's fringe benefits program, inclusive of those granted to officers in the nature of lease with option to purchase, shall not exceed five percent (5%) of the bank's total loan portfolio.

All banks providing financial assistance to their officers/employees shall submit a regular report on "availments of financial assistance to officers and employees" to the BSP within fifteen (15) banking days after end of the reference semester.

The appropriate supervising and examining department of the BSP may further require banks to submit such data or information as may be necessary to facilitate verification of such transactions by BSP examiners."

This Circular shall take effect immediately.

Adopted: 3 June 2005