

## [ BSP CIRCULAR NO. 257, August 15, 2000 ]

### LEVEL OF CAPITALIZATION PRESCRIBED FOR BANKS

Pursuant to Monetary Board Resolution Nos. 943 and 1159 dated 9 June 2000 and 14 July 2000, respectively, universal banks, commercial banks, thrift banks and rural banks are advised that:

1. The target level of capitalization prescribed for banks as of end-2000 has been set aside;
2. The level of required capitalization as of end-2000 shall be the same as that prescribed as of end-1999;
3. For new entrants in the banking system, the minimum level of capitalization, unless otherwise prescribed by the Monetary Board, shall be as follows:

Bank Category	Minimum Capital (In Millions)
Universal Banks	P4,950
Commercial Banks	2,400
Thrift Banks	
With Head Office within Metro Manila	325
With Head Office outside Metro Manila	52
Rural Banks	
Within Metro Manila	26
Cities of Cebu and Davao	13
1st/2nd/3rd class cities and 1st class municipalities	6.5
4th/5th/6th class cities and 2nd/3rd/4 th class municipalities	3.9
5th and 6th class municipalities	2.6

4. For banks that have executed a *Memoranda of Understanding (MOU)* with the Bangko Sentral ng Pilipinas (BSP), in compliance with Circular No. 181 dated 14 November 1998, the following guidelines shall apply:

1. For banks with capital deficiency but with capital-to-risk assets ratio within the minimum prescribed **and** with no weaknesses (i.e, high past due loans, DOSRI violations, etc.), the MOU may be set aside; provided, that the bank will be