

**[ BSP CIRCULAR NO. 42, s. 1994, August 29, 1994 ]**

**AMENDMENT TO SUBSECTIONS 2151.3 (4) OF THE MANUAL OF REGULATIONS FOR BANKS AND OTHER FINANCIAL INTERMEDIARIES (BOOK II)**

The Monetary Board, in its Resolution No. 797 dated August 17, 1994, approved the amendment to Circular No. 1390 to reduce the required equivalent capital for each branch to be established by a thrift bank. Accordingly, the provisions of Subsections 2151.3 (4) of the Manual of Regulations for Banks and Other Financial Intermediaries (Book II) are hereby repealed/amended to read as follows:

"2151.3 Requirements for Establishing Banking Offices

x x x

"4. For each branch to be established by a thrift bank, an additional capital shall be put up as follows:

In the National Capital Region and the Cities of Cebu and Davao ..... P10 million

In other cities and first class municipalities ..... 5 million

In second, third and fourth class municipalities ..... 3 million

In fifth and sixth class municipalities ..... N o n e

if the capital of the bank is less than an amount equal to P10 million times the number of existing and proposed additional branches located/to be located in the NCR and the cities of Cebu and Davao plus P5 million times the number of existing and proposed additional branches located/to be located in other cities and first class municipalities plus P3 million times the number of existing and proposed additional branches located/to be located in the second, third and fourth class municipalities.

"In implementing the above, the following guidelines shall be observed:

- a. Where the capital of a thrift bank is lower than an amount equal to the sum of : (1) P10 million times the number of existing branch/es in the NCR and the cities of Cebu and Davao; (2) P5 million times the number of existing branch/es in other cities and first class municipalities; and (3) P3 million times the number of existing branch/es in the second, third and fourth class municipalities, such bank shall not be allowed to branch out until its capital is increased