

[BSP CIRCULAR NO. 1294, July 09, 1991]

CAPITAL OF RURAL BANKS/COOPERATIVE BANKS

The Monetary Board, in its Resolution No. 715 dated June 28, 1991, approved the following:

1. The adoption by existing rural banks of a capital build-up program whereby they will have to raise their private capitalization to P1 million in four (4) equal semi-annual installments starting January 1, 1992; provided that as a precondition to the approval by the Monetary Board of any sale or transfer or a series of sale or transfer of the capital stock of a rural bank located in the National Capital Region (NCR) or in the cities of Cebu and Davao, which will effect a change in the majority ownership or control of the voting stocks of the bank from one group of persons to another group, the bank concerned shall immediately comply with the prescribed minimum capital requirement for new rural banks in the aforementioned places of P20 million and P10 million, respectively;
2. The establishment of new rural banks with a minimum private paid-in capital of P2 million, except in NCR and in the cities of Cebu and Davao;
3. The minimum paid-in capital of P1.25 million as prescribed by the Cooperative Code of the Philippines for local cooperative banks that may be established; and
4. The adoption of a capital build-up program for existing cooperative rural banks with private paid-in capital contribution of less than P1.25 million required under the Cooperative Code of the Philippines whereby they shall have to raise their private capitalization to P1.250 million in four (4) equal semi-annual installments starting January 1, 1992.

Adopted: 9 July 1991

(SGD.) JOSE L. CUISIA, JR.
Governor



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