



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 538
Series of 2006**

Subject: Revised Risk-Based Capital Adequacy Framework

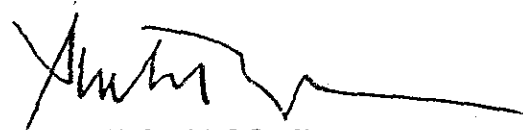
The Monetary Board, in its Resolution No. 697 dated 2 June 2006, approved the attached guidelines implementing the revised risk-based capital adequacy framework for the Philippine banking system to conform to Basel II recommendations.

The guidelines apply to all universal banks and commercial banks, as well as their subsidiary banks and quasi-banks. Thrift banks, rural banks, as well as quasi-banks that are not subsidiaries of universal banks and commercial banks shall continue to be subject to the existing applicable risk-based capital adequacy framework, as contained in Circular No. 280 dated 29 March 2001, as amended, and Circular No. 400 dated 1 September 2003.

The appropriate supervisory reporting template to implement the revised framework shall be issued at a later date. Such reports shall be submitted quarterly, and shall be classified under Category A-1 Reports.

This Circular shall take effect on 1 July 2007.

FOR THE MONETARY BOARD:


AMANDO M. TETANGCO, JR.
Governor

Att: A/S

4 August 2006

PANANALAPING MATATAG, BANSANG PANATAG