



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

Memorandum to All Banks And Non-Bank Financial Institutions Concerned

Pursuant to Monetary Board Resolution No. 912 dated 26 June 2003, Item D of the Memorandum to All Banks and Non-Bank Financial Institutions Concerned dated 17 February 2003 prescribing the guidelines for the issuance of unsecured subordinated debt (USD) eligible as Tier 2 (supplementary) capital under b.b.1(8) and b.b.2(1), Subsection X116.1 of the Manual of Regulations for Banks (MOR) is hereby amended to read, as follows:

"D. Public Issuance of Unsecured Subordinated Debt

"1. xxx xxx xxx

"3. Requirements for Other Parties Involved

"a. xxx xxx xxx

"e. Public Trustee

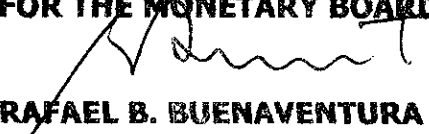
"1) xxx xxx xxx

"3) It must have adequate risk management and must be well capitalized as evidenced by compliance with the risk based capital adequacy ratio (CAR) prescribed under Sec. X116 of the MOR for the past sixty (60) days immediately preceding the date of application where applicable. The 60-day compliance period with the risk based CAR shall be waived in evaluating a bank's eligibility to act as Public Trustee for another bank's Unsecured Subordinated Debt Tier 2 Offering, if the former bank has instituted remedial measure to its CAR deficiency by issuing Tier 2 capital.

xxx xxx xxx."

This Memorandum shall take effect after fifteen (15) days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


RAFAEL B. BUENAVENTURA
Governor

23 July 2003

MAG-IMPOK SA BANGKO