



Bangko Sentral ng Pilipinas

OFFICE OF THE GOVERNOR

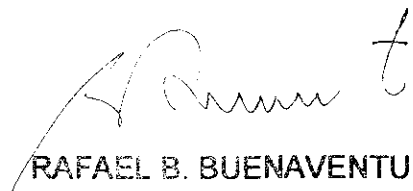
**MEMORANDUM TO ALL BANKS AND OTHER BSP SUPERVISED
FINANCIAL INSTITUTIONS**

The Monetary Board, in its Resolution No. 1869 dated 23 December 2004 approved the adoption of the Accounting Standards Council (ASC) approved Philippine Accounting Standards (PAS) and Philippine Financial Reporting Standards (PFRS) based on the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) effective the annual financial statements beginning 1 January 2005.

Interim financial reports that will be submitted to BSP for the Year 2005 shall need not be in compliance with the provisions of said Standards. Further, prior years financial statements that are presented in the audited annual financial statements for comparative purposes shall be exempt from restatement in so far as the provisions of PASs 32 and 39 are concerned, pursuant to the provisions of PFRS 1.

BSP will soon be issuing a series of implementing guidelines to align the existing regulations with the provisions of the ASC approved PASs and PFRSs.

For information and guidance.


RAFAEL B. BUENAVENTURA
Governor

// January 2005