



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE DEPUTY GOVERNOR
FINANCIAL SUPERVISION SECTOR

MEMORANDUM NO. M- 2020- 058

Series of 2020

To : ALL BANKS AND NON-BANK FINANCIAL INSTITUTIONS

Subject : DOCUMENTARY REQUIREMENTS FOR THE AMENDMENT OF ARTICLES OF INCORPORATION/ARTICLES OF COOPERATION AND BY-LAWS

Pursuant to Appendix 124 (Guidelines on Granting of License/Authority) of the Manual of Regulations for Banks (MORB), and in line with the commitment of the Bangko Sentral ng Pilipinas (BSP) to deliver prompt and efficient service, the Annex B (List of Documentary Requirements on the Amendment of Articles of Incorporation and/or By-Laws) and Annex C (List of Documentary Requirements on the Amendment of the Articles of Cooperation and/or By-laws of Cooperative Banks) of Circular Letter No. CL-2009-042 dated 14 May 2009 are hereby amended.

- I. Basic documents required for the Amendment of Articles of Incorporation (AOI)/ Articles of Cooperation (AOC) and/or By-Laws (BL) (All documents to be submitted must be **in two copies and original** except for Securities and Exchange Commission (SEC)-certified AOI and BL, and Cooperative Development Authority (CDA)-certified AOC and BL in the case of cooperative banks.
 1. Application letter signed by an authorized officer¹ of the BSP supervised financial institution (BSFI). In addition to the request for the amendment, the applicant shall include in the application letter the (a) authorization in favor of the BSP giving its consent to the conduct of on-site verification of the documents and/or representations made in connection with the application; and (b) authority to debit its demand deposit account (DDA) with the BSP for the applicable fees. In case the BSFI has no DDA, the letter should state the exact date of payment of the processing fee for the preparation of the "Order of Payment²".
 2. Proposed amended AOI/AOC and/or BL;

The present/original AOI/AOC and/or BL shall be copied verbatim except for the portions being amended. The amended portions must be underscored and the words "As Amended on (date of stockholders'/members' approval of the amendment/s)" must be appended at the end of each amended article/section. There is no need to sign the document/s anew as the applicant needs only to copy the name of the original incorporators/signatories and type "SGD" before each name, including that of the Notary Public. The date of incorporation shall also be retained.

¹ President, Chief Executive Officer or equivalent rank of the institution.

² The payment shall be in a form of local check/manager's check payable to the "Bangko Sentral ng Pilipinas" to be paid over-the-counter at the BSP's Cash Department.

3. The present AOI/AOC and/or BL certified by the SEC or CDA in case of cooperative banks as the “faithful reproduction of the original” or the original copy of the AOI/AOC and/or BL if the Bank/Non-Bank is applying for the amendment of the AOI/AOC and/or BL for the first time;
4. Directors’/Trustees’ Certificate (suggested format is in annexes A-1 and A-2) – notarized and signed by majority of the directors/trustees and the corporate secretary, certifying:
 - a. For the amendment of the AOI:
 - i. that stockholders/members representing at least two-thirds (2/3) of the outstanding capital stock, and majority of the directors/trustees approved the proposed amendment(s) to the AOI in a meeting held at the principal office of the bank/non-bank or in the city or municipality where the principal office of the bank/non-bank is located; and
 - ii. the amendment of the AOI, indicating the amended provisions.
 - b. For the amendment of the BL:
 - i. that stockholders/members representing at least majority of the outstanding capital stock, and majority of the directors/trustees approved the proposed amendment(s) to the BL in a meeting held at the principal office of the bank/non-bank or in the city or municipality where the principal office of the bank/non-bank is located; and
 - ii. the amendment of the BL, indicating the amended provisions.

For cooperative banks –

Directors’ Certificate (suggested format is in Annexes A-3 and A-4) attesting that at least three-fourths (3/4) of all the members with voting rights present and constituting a quorum approved the proposed amendment(s) to the AOC and/or BL in a meeting held at the principal office of the bank as certified under oath by the Cooperative Secretary and majority of the Directors.

5. Notarized Secretary’s Certificate on no pending case of intra-corporate dispute (suggested format is in Annex B).
- II. Additional documents required for the amendment of the AOI/AOC and/or BL in the following cases:
1. Increase (Decrease) in capital stock (Application should be submitted to the SEC within six (6) months from the approval of the stockholders and directors of the corporation, unless extension is approved under justifiable reasons by the SEC) –
 - a. Certificate of Increase (Decrease) in Capital Stock (suggested format is in Annex C, Annex C-1 for cooperative banks);
 - b. Treasurer’s Sworn Statement (suggested format is in Annex D);

- c. List of stockholders/members as of the date of the meeting approving the increase, showing the nationalities of the subscribers and their respective subscribed and paid-up capital in the existing authorized capital stock certified by the corporate secretary;
- d. Notarized Secretary's Certificate attesting that non-subscribing stockholders/members have waived their pre-emptive rights;
- e. Notarized Bank Certification signed by the members of the bank's board of directors/trustees (suggested format is in Annex E); and
- f. Subscription Contract for unpaid subscriptions (suggested format is in Annex F).

2. Change of Corporate Name

Copy of the reservation slip from the SEC or from CDA for cooperative banks for the reservation of the proposed corporate name.

3. Change of Corporate Term/Extension of Cooperative Life/Term

Copy of the original registration of the AOI/AOC;

4. Amendment Involving Preferred Stock of Rural Banks –

- a. On redeemable preferred shares – compliance with requirements under items “Ba” to “Bf” of Appendix 5 (Standard Pre-Qualification Requirements for the Grant of Banking Authorities) of the MORB;
- b. The Amended AOI shall incorporate the conditions in items “a(3)(a)”, “a(3)(b)”, “a(3)(c)”, and “a(3)(d)” of Section 122 – Shares of Stock of Banks (Issuance of redeemable shares: conditions; certificate and reports; sanctions) of the MORB; and
- c. Board Resolution for the creation of Sinking Fund (SF) and administration of the SF by other banks if the SF is more than ₱1.0 million.

For information, guidance and implementation.


CHUCHI G. FONACIER
Deputy Governor

Att: a/s

16 July 2020

(For the Amendment of Articles of Incorporation)

DIRECTORS'/TRUSTEES' CERTIFICATE

We, the Corporate Secretary and the majority of the members of the Board of Directors/Trustees of the (Name of Bank/Non-Bank) do hereby certify that in a (regular/special) stockholders'/members' and board meeting held at (place of meeting) on (date of meeting), at least two-thirds (2/3) of all the outstanding capital stock/members of the bank/non-bank and the majority of the directors/trustees approved the amendment/s of the following article/s of the Articles of Incorporation of the (Name of Bank/Non-Bank).

(Please copy in capital letters the amended article/s)

The amendment/s to the Article/s (cite number of amended articles/sections) has/have been duly incorporated in the proposed Amended Articles of Incorporation of the (Name of Bank/Non-Bank), a true and correct copy of which is hereto attached.

IN WITNESS WHEREOF, we have affixed our signature at _____ Municipality/City, Philippines this ____ day of _____, 20__.

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Corporate Secretary
Government Issued ID:
Place and Date Issued:

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ by the above affiants at _____.

Notary Public

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(For the Amendment of By-Laws)

DIRECTORS'/TRUSTEES' CERTIFICATE

We, the Corporate Secretary and the majority of the members of the Board of Directors/Trustees of the (Name of Bank/Non-Bank) do hereby certify that in a (regular/special) stockholders'/members' and board meeting held at (place of meeting) on (date of meeting), stockholders/members representing at least majority of all the outstanding capital stock/members of the bank/non-bank and the majority of the directors/trustees approved the amendment/s of the following Article/s of the By-Laws of the (Name of Bank/Non-Bank)

(State the amendment/s to be made to the By-Laws)

The amendment/s to the Article/s cite number of amended articles/sections has/have been duly incorporated in the proposed Amended By-Laws of the (Name of Bank/Non-Bank), a true and correct copy of which is hereto attached.

IN WITNESS WHEREOF, we have affixed our signature at _____ Municipality/City, Philippines this ____ day of _____, 20__.

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Director/Trustee
Government Issued ID:
Place and Date Issued:

Corporate Secretary
Government Issued ID:
Place and Date Issued:

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ by the above affiants at _____.

Notary Public

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(For the Amendment of Articles of Cooperation)

DIRECTORS' CERTIFICATE

We, the Cooperative Secretary and the majority of the members of the Board of Directors of the (Name of Cooperative Bank) do hereby certify that in a general assembly held at (place of meeting) on (date of meeting), at least three-fourths (3/4) of all the members with voting rights present and constituting a quorum approved the amendment/s to the following article/s of the Articles of Cooperation of the (Name of Cooperative Bank).

(Please copy the amended article/s in the proposed Amended Articles of Cooperation verbatim with proper underscoring)

The amendment/s to the Article/s (cite number of amended articles/sections) has/have been duly incorporated in the proposed Amended Articles of Cooperation of the (Name of Bank/Non-Bank), a true and correct copy of which is hereto attached.

IN WITNESS WHEREOF, we have affixed our signature at _____ Municipality/City, Philippines this ____ day of _____, 20__.

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Cooperative Secretary
Government Issued ID:
Place and Date Issued:

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ by the above affiants at _____.

Notary Public

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(For the Amendment of By-Laws of Cooperative Bank)

DIRECTORS' CERTIFICATE

We, the Corporate Secretary and the majority of the members of the Board of Directors of the (Name of Cooperative Bank) do hereby certify that in a general assembly held at (place of meeting) on (date of meeting), at least three-fourths (3/4) of all the members with voting rights present and constituting a quorum approved the amendment/s to the following Article/s of the By-Laws of the (Name of Cooperative Bank)

(Please copy the amended article/s in the proposed Amended By-laws verbatim with proper underscoring)

The amendment/s to the Article/s (cite number of amended articles/sections) has/have been duly incorporated in the proposed Amended By-Laws of the (Name of Cooperative Bank), a true and correct copy of which is hereto attached.

IN WITNESS WHEREOF, we have affixed our signature at _____ Municipality/City, Philippines this ____ day of _____, 20__.

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Director
Government Issued ID:
Place and Date Issued:

Cooperative Secretary
Government Issued ID:
Place and Date Issued:

SUBSCRIBED AND SWORN to before me this ____ day of _____, 20__ by the above affiants at _____.

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(Secretary's Certificate on no pending case of intra-corporate dispute)

Republic of the Philippines)
City of _____) S.S.

SECRETARY'S CERTIFICATE

I, _____, of legal age, single/married, a resident of _____, after having been duly sworn to in accordance with law, depose and state that:

1. I am the duly elected and qualified Corporate/Cooperative Secretary of (Name of Bank/Non-bank), a corporation duly organized and existing under and by virtue of the laws of the Republic of the Philippines, with principal office at _____.
2. To the best of my knowledge, no action or proceeding has been filed or is pending before any Court involving an intra-corporate dispute and/or claim by any person or group against the Board of Directors/Trustees, individual directors/trustees and/or major officers of the Corporation/Cooperative as its duly elected and/or appointed directors/trustees or officers or vice versa.

IN WITNESS WHEREOF, I have hereunto affixed my signature at _____ Municipality/City, Philippines this ____ day of _____, 20__.

CORPORATE/COOPERATIVE SECRETARY

SUBSCRIBED AND SWORN TO before me on this ____ day of _____ 20__ in _____, Philippines, affiant exhibiting to me his/her _____ issued on _____ at _____.

Notary Public

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CERTIFICATE OF INCREASE IN CAPITAL STOCK

KNOW ALL MEN BY THESE PRESENTS:

That, we, the undersigned, the Chairperson and the Secretary of the stockholder's meeting and the majority members of the Board of Directors of (Name of Bank/Non-bank) do hereby certify:

1. That at the regular/special meeting of the stockholders/members and the board of directors/trustees of _____ held on _____ at _____, at least majority of the directors/trustees and the stockholders/members representing at least two-thirds (2/3) of the outstanding capital stock, or _____ shares, approved the increase in the bank's/company's authorized capital from ₱ _____ to ₱ _____:

2. That the increase in the capital stock of ₱ _____, is composed of _____ shares of common stock and _____ shares of preferred stock, both with a par value of ₱ _____, each;

3. That out of the ₱ _____ representing the increase in the capital stock, the amount of P _____, has been subscribed, and the amount subscribed P _____ has been actually paid (in cash/in the form of cash/stock dividends), as follows:

COMMON SHARES SUBSCRIBED

	<u>Stockholder</u>	<u>Nationality</u>	<u>Addresses</u>	<u>No. of Share</u>	<u>Amount</u>
1.					₱
2.					
3.					
4.					₱
			Total Subscription		₱

COMMON SHARES PAID-UP

	<u>Stockholder</u>	<u>Nationality</u>	<u>Addresses</u>	<u>No. of Share</u>	<u>Amount</u>
1.					₱
2.					
3.					
4.					₱
			Total Payment		₱

4. That no bonded indebtedness of the corporation has been created, incurred, or increased;

5. That the actual indebtedness of the corporation on the date of said meeting was P_____ (total liabilities including deposit liabilities);

6. The requirements of Section 37 of the Revised Corporation Code of the Philippines have been complied with.

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

Countersigned by:

Chairperson, Stockholders' and Directors'
Meeting

Secretary, Stockholders' and Directors'
Meeting

SUBSCRIBED AND SWORN TO before me on this ___ day of _____ 20__ in _____, Philippines, affiant exhibiting to me his/her _____ issued on _____ at _____.

Notary Public

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(For Cooperative Bank)

CERTIFICATE OF INCREASE IN SHARE CAPITAL

KNOW ALL MEN BY THESE PRESENTS:

That, we, the undersigned, the Chairperson and the Secretary of the general assembly meeting and the majority members of the Board of Directors of (Name of Cooperative Bank) do hereby certify:

1. That at the regular/special general assembly of the members and the board of directors of the said cooperative bank held on (date of meeting) at (place of meeting), at least three-fourths (3/4) of all the members with voting rights and constituting a quorum approved the increase in the bank’s authorized capital from ₱ _____ to ₱ _____:

2. That the increase in the share capital of ₱ _____, is composed of _____ shares of common stock and _____ shares of preferred stock, both with a par value of ₱ _____, each;

3. That out of the ₱ _____ representing the increase in the share capital, the amount of ₱ _____, has been subscribed, and the amount subscribed ₱ _____ has been actually paid (in cash/in the form of cash/stock dividends), as follows:

COMMON SHARES SUBSCRIBED

	<u>Subscriber</u>	<u>Nationality</u>	<u>Addresses</u>	<u>No. of Share</u>	<u>Amount</u>
1.					₱
2.					
3.					
4.					₱ _____
			Total Subscription	_____	_____

COMMON SHARES PAID-UP

	<u>Subscriber</u>	<u>Nationality</u>	<u>Addresses</u>	<u>No. of Share</u>	<u>Amount</u>
1.					₱
2.					
3.					
4.					₱ _____
			Total Payment	_____	_____

4. That no bonded indebtedness of the cooperative bank has been created, incurred, or increased;

5. That the actual indebtedness of the cooperative bank on the date of said meeting was ₱ _____ (total liabilities including deposit liabilities);

6. The requirements of Article 99 of the Philippine Cooperative Code of 2008 the Philippines have been complied with.

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

(Signature over Printed Name)
Director

Countersigned by:

Chairperson, General Assembly and
Directors' Meeting

Secretary, General Assembly and
Directors' Meeting

SUBSCRIBED AND SWORN TO before me on this ____ day of _____ 20__ in _____, Philippines, affiant exhibiting to me his/her _____ issued on _____ at _____.

Notary Public

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Republic of the Philippines)
 City/Municipality of) S.S
 Province of)

TREASURER'S SWORN STATEMENT

I, _____, Filipino, of legal age, and with residence at _____, after having been duly sworn to in accordance with law depose and state that:

1. I am the duly elected Treasurer of (Name of Bank/Non-bank) with principal business address at _____ having been elected as such on the ___ day of _____, 20___, lawfully holding office at the time of the filing of this certificate and duly authorized to receive for and in the name of the (Name of Bank/Non-bank) all payments for the subscriptions to the increase in capital stock.
2. Of the ₱ _____ representing the increase in capital stock, the amount of ₱ _____ has been paid in cash/in the form of cash and that said amount was actually received by me for the benefit and credit of the _____/that property, the valuation of which is equal to ₱ _____, has been transferred to the corporation.
3. At least 25 percent of the increase in capital stock has been subscribed and the amount actually paid-up is at least 25 percent of said subscription and has been paid in actual cash to the Bank/Non-bank or that property, the valuation of which is equal to 25 percent of the subscription, has been transferred to the Bank/Non-bank.

IN WITNESS WHEREOF, I have hereunto affixed my signature at _____ Municipality/City, Philippines this ___ day of _____, 20___.

 Treasurer

SUBSCRIBED AND SWORN TO before me on this ___ day of _____ 20___ in _____, Philippines, affiant exhibiting to me his/her _____ issued on _____ at _____.

Notary Public

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BANK/NON-BANK CERTIFICATION

On the Increase in Capital Stock of _____
Through Capital Infusion of Cash

WE, the undersigned members of the Board of Directors and the Corporate Secretary of _____, a corporation duly organized and existing under Philippine laws, with office address at _____, after having been duly sworn to in accordance with law depose and state that:

1. The Bank/Non-bank has conducted adequate due diligence review of the true identities of the parties to and sources of funds of the capital infusion;
2. The payment received for subscription were not originally disbursed to the subscribers mentioned in the attached schedules of stockholdings before and after capital increase, and payments in the form of loans and/or advances or the same was not subsequently returned to the subscribers in the form of loans and/or advances;
3. All capital infusion to the Bank/Non-bank after the approval by the stockholders of the increase in authorized capital stock is considered as deposit for future stock subscriptions;
4. The corporate authorizations and approvals of the equity investment in the Bank/Non-bank in the case of corporate investors and the stockholder’s resolution in the case of single purpose companies/individuals, were verified to be legally adequate to authorize the equity investment;
5. All documents in support of the increase in the Bank’s/Non-bank’s capital stock, such as but not limited to deposit slips, bank statements, cash receipts/disbursements logbook, official receipts, cashflow statement, loans/advances accounts are intact and shall be readily available to the examiners of any regulatory agencies for further verification/validation/examination; and
6. Should any of the foregoing representations and warranties prove to be false, the undersigned may be accorded appropriate penalty/sanction and the pertinent BSP approval issued for the increase in capital stock may be deemed revoked and the corresponding increase in capital stock may not be recognized and considered as capital by BSP.

IN WITNESS WHEREOF, we have hereunto affixed our signature at _____
Municipality/City, Philippines this ___ day of _____, 20__.

(Signature Over Printed Name)
Chairman

(Signature Over Printed Name)
Director

(Signature Over Printed Name)
Director

(Signature Over Printed Name)
Director

(Signature Over Printed Name)
Director

(Signature Over Printed Name)
Corporate Secretary

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE) S.S.
MUNICIPALITY OF)

SUBSCRIBED AND SWORN TO before me in _____ this
_____ day of _____ 20____, personally appeared the following persons:

Name	CTC No.	Date/Place Issued
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Known to be the same persons who executed the foregoing instrument and they acknowledged before me that the same is their own free and voluntary deed.

Notary Public

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I. SCHEDULE OF STOCKHOLDINGS BEFORE AND AFTER CAPITAL INCREASE

Name of Stockholders/ Subscribers	Before Capital Increase (Before Stockholders and Directors Meeting)			Subscription to Capital Increase			After Capital Increase		
	No. of Shares	Amount	Ratio	No. of Shares	Amount	Ratio	No. of Shares	Amount	Ratio

II. SCHEDULE OF PAYMENTS

Name of Stockholders	Date of O.R.	O.R. No.	Amount

SUBSCRIPTION AGREEMENT

On the Increase in Capital Stock of _____
through Capital Infusion of Cash

KNOW ALL MEN BY THESE PRESENTS:

Dated _____, 20____, this Subscription Agreement (the "Agreement") is executed by and between:

_____, a banking corporation duly organized and existing under the laws of the Republic of the Philippines with office address at _____ represented by its Chairman and President, and hereinafter referred to as the "BANK"

- and -

_____, and hereinafter referred to as the "SUBSCRIBER"

WITNESSETH: That –

WHEREAS, the SUBSCRIBER is one of the Stockholders of the Bank;

WHEREAS, the SUBSCRIBER has agreed to subscribe to the common shares of the capital stock of the BANK and the BANK has agreed to issue to the SUBSCRIBER such common shares subject to the terms and conditions hereinafter stipulated;

NOW, THEREFORE, for and in consideration of the foregoing premises, the parties have agreed as follows:

1. SUBSCRIPTION TO SHARES

- 1.1. Upon the terms and subject to the conditions of this Agreement, the SUBSCRIBER shall subscribe to and pay the Subscription Price (as hereinafter defined) for _____ shares of the capital stock of the BANK (the "Subscribed Shares") and the BANK shall sell, issue and deliver to the SUBSCRIBER the Subscribed Shares.
- 1.2. The SUBSCRIBER shall enjoy preemptive right to subscribe to all issues or disposition of shares of any class, in proportion to the respective shareholdings of the SUBSCRIBER, unless such right is denied by the articles of incorporation.

2. SUBSCRIPTION PRICE

- 2.1. The Subscription Price for the Subscribed Shares shall be _____ (₱_____) per share or an aggregate amount of _____ (₱_____) (the "Subscription Price").

- 2.2. The Bank hereby confirms that the SUBSCRIBER has already remitted to the BANK as of date of this Agreement the amount of _____ (₱ _____), as its full payment of the aggregate Subscription Price referred to in Section ___ above, which amount has been booked by the BANK as the SUBSCRIBER's deposit for future subscription and shall be applied as full payment for the Subscribed Shares at Payment Date, in accordance with Section ___ below.
- 2.3. The SUBSCRIBER's payment on its subscription to the Subscribed Shares under Section ___ above shall be non-interest bearing and non-withdrawable except as set forth in Section ___ below.

3. SUBSCRIBED SHARES

The Subscribed Shares shall be _____ of _____ shares of the BANK at a total Subscription Price of _____ (₱ _____).

4. COVENANTS OF THE PARTIES

The BANK and the SUBSCRIBER respectively covenant and agree as follows:

- 4.1. The BANK shall cause such number of new _____ shares to be subscribed by the Stockholders identified in Annex "A" of this Agreement or their assignees, out of the increase in the authorized capital stock of the BANK under the Capital Increase, at a subscription price of _____ (₱ _____) per share, which shall result in the BANK receiving aggregate proceeds of the subscriptions of not less than _____ (₱ _____) (the "New Share Issuance").
- 4.2. Immediately upon the approval by SEC of the Capital Increase as provided in Section ___ above, the BANK shall cause all the shares to be subscribed out of the increase in the authorized capital stock of the BANK under the Capital Increase and the New Share Issuance, including the Subscribed Shares.
- 4.3. The BANK shall confirm in writing to the SUBSCRIBER, within five business days following the execution of this Agreement, the approval by its Board of Directors and its stockholders the Capital Increase and the New Share Issuance (such notice, hereinafter "Notice of Corporate Approvals") together with a Secretary's Certificate certifying to such approvals by its Board of Directors and its stockholders and a Certification by a senior officer of the BANK that all documents required to be filed with the Bangko Sentral ng Pilipinas (BSP) and the SEC for the application for the Capital Increase and the New Share Issuance had been duly executed and that said documents shall be filed with the BSP and the SEC within _____ business days from the approval by its stockholders of the Capital Increase and the New Share Issuance.
- 4.4. The Bank shall within _____ business days following the approval of its stockholders of the Capital Increase and the New Share Issuance, file with the BSP all documents required for the application for the Capital Increase and the New Share Issuance.

Within the next business day following the receipt by the BANK of the Certificate of Authority to Register the Amendments to the Articles of Incorporation of the BANK covering the said Capital Increase and New Share Issuance, the BANK shall file with the SEC all documents required for the application for the Capital Increase and New Share Issuance.

- 4.5. The BANK shall, upon receipt of the SEC approval of the Capital Increase and the New Share Issuance, apply the deposit for future subscription as provided in Section ____ above, as full payment of the Subscribed Shares.
- 4.6. The BANK shall within the first ____ days of the month following the approval by the SEC of the Capital Increase, pay the documentary stamp tax on Subscribed Shares.
- 4.7. For avoidance of doubt, the parties agree that the SUBSCRIBER shall be deemed to have subscribed to and paid for the Subscribed Shares only after the BANK has applied the deposit for future subscription referred to in Section ____ above as full payment of the Subscription Price for the Subscribed Shares and which payment shall be booked by the BANK simultaneously with the payment for the additional subscription for new ____ shares of the BANK in accordance with Section ____ above.

5. ADDITIONAL COVENANTS OF THE BANK AND THE SUBSCRIBER (Optional)

- 5.1. The BANK covenants and agrees that between the signing of this Agreement and the date that the SEC shall have approved the Capital Increase and the New Share Issuance, the BANK shall conduct its business in the ordinary course and consistent with its prior practice. The BANK shall preserve intact its business in the ordinary course and consistent with its prior practice. The BANK shall preserve intact its business organizations and its current relationships with its depositors, customers and other persons with which it has significant business relationships. Without limiting the generality of the immediately preceding covenants, the BANK shall not without the SUBSCRIBER's prior written consent, do any of the following between the signing of this Agreement and the date that the SEC shall have approved the Capital Increase and the New Issuance, among others.

- 5.2. State additional covenants x x x.

6. REPRESENTATION AND WARRANTIES

The BANK hereby represents and warrants to the SUBSCRIBER that:

- 6.1. It is a banking corporation duly organized and existing under the laws of the Republic of the Philippines and duly licensed by the Bangko Sentral ng Pilipinas to operate as a rural bank/cooperative bank.
- 6.2. It has the legal capacity and authority to execute and deliver this Agreement and to perform all the terms and conditions thereof to be performed by it and this Agreement constitutes a binding obligation against it enforceable according to its terms.

- 6.3. The authorized capital stock of the Corporation as of date of execution of this Agreement amounts to _____ consisting of _____ shares, each with a par value of _____ (£ _____), of which _____ shares have been subscribed and issued. The terms and features of the common and preferred shares are as provided in its Article of Incorporations, as amended as of _____.
- 6.4. On _____ the Board of Directors of the BANK approved by the affirmative vote of majority of all the members thereof each of the aforesaid Capital Increase, New Share Issuance and Listing of Shares and on _____, the stockholders representing at least two-thirds (2/3) of all issued and outstanding shares of the BANK approved and ratified each of such Capital Increase, New Share Issuance and Listing of Shares.
- 6.5. The SUBSCRIBER represents and warrants to the BANK that:
- 6.5.1. He has the legal capacity to execute and deliver this Agreement and to perform all the terms and conditions thereof to be performed by it; and this Agreement constitutes binding obligations on his part and enforceable according to its terms;
- 6.5.2. The payment for subscription were not originally sourced from the Bank either in the form of loans and/or advances or the same was nit subsequently returned by the Bank in the form of loans and/or advances; and
- 6.5.3. The execution, delivery, and performance by the SUBSCRIBER of this Agreement does not and will not violate in any respect any provision of, or result in breach of, or constitute a default under (i) the organizational documents of the SUBSCRIBER, or (ii) any indenture, agreement or other undertaking or instrument to which the SUBSCRIBER is a party or which is binding upon the SUBSCRIBER.
- 6.6. Should any of the foregoing representations and warranties prove to be false or misleading in any material respect, the adversely affected party may, by providing notice or presenting claim to the other party at any time within a period of one year from the execution of this Agreement, require such other party to cure such breach of warranty. In the event that the breach of representation or warranty is not cured, the adversely affected party may within three months from said notice or claim presentations, institute the proper proceeding to seek indemnification from such other party in the form of actual damages which indemnity shall in no case exceed the amount equivalent to _____ percent if the paid-up value of the Subscribed Shares plus all reasonable costs incurred by the said party in connection with said Subscribed Shares. Each party hereby waives any other remedy or period available under law, regulation or contract for breach of representation or warranty.

7. TERMINATION AND WAIVER

In case any of the following occurs:

- 7.1. Failure of the BANK to obtain the approval of the BSP and the SEC for the Capital Increase or the New Share Issuance by _____ or as of such other date as the BANK and the SUBSCRIBER may mutually agree upon in writing, due to reasons other than attributable to the fault or negligence of the SUBSCRIBER;
- 7.2. A Material Adverse Effect on the BANK shall have occurred at any time prior to the date on which the BSP and SEC shall have approved the Capital Increase and the New Share Issuance; or
- 7.3. Failure of the BANK to perform its obligation under this Agreement;
- 7.4. The SUBSCRIBER shall have the option to terminate this Agreement, in which case, the BANK shall refund to the SUBSCRIBER the full amount of the Subscription Price already remitted to the BANK as of effective date of termination, without interest and the SUBSCRIBER shall have no more obligation whatsoever under this Agreement.

8. EFFECT OF TERMINATION

In the event of termination of this Agreement as provided in Section ____ above, this Agreement shall forthwith become void and of no further effect and there shall be no liability on the part of either party hereto except (i) the terms and provisions of this Section ____, Sections ____ and ____, shall remain in full force and effect, and (b) that such termination shall not relieve any party from liability for any willful breach of this Agreement.

IN WITNESS WHEREOF, we have hereunto affixed our signature at _____ Municipality/City, Philippines this day of _____, 20__.

(Signature over Printed Name)
(Position)

(Signature over Printed Name)
(Position)

(Signature over Printed Name)
(Position)

(Signature over Printed Name)
(Position)

ACKNOWLEDGEMENT

REPUBLIC OF THE PHILIPPINES)
PROVINCE) S.S.
MUNICIPALITY OF)

SUBSCRIBED AND SWORN TO before me, A Notary Public, in _____ this
____ day of _____ 20 __, personally appeared the following persons:

Name	CTC No.	Date/Place Issued
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known to be the same persons who executed the foregoing instrument and who
acknowledged to me that the same is their own free and voluntary deed.

WITNESS MY HAND AND NOTARIAL SEAL on the date and place first above written.

Notary Public

Doc No. __
Page No. __
Book No. __
Series of __