

372 FINANCIAL ALLIED UNDERTAKINGS

With prior Bangko Sentral approval, banks may invest in equities of the following financial allied undertakings, subject to the limits prescribed under Sec. 373:

- a. Leasing companies including leasing of stalls and spaces in a commercial establishment:
Provided, That bank investment in/acquisition of shares of such leasing company shall be limited/applicable only in cases of conversion of outstanding loan obligations into equity;
- b. Banks;
- c. IHs;
- d. Financing companies;
- e. Credit card companies;
- f. FIs catering to small and medium scale industries including venture capital corporation (VCC), subject to the provisions of Sec. 374;
- g. Companies engaged in stock brokerage/securities dealership; and
- h. Companies engaged in foreign exchange dealership/brokerage.

In addition, UBs may invest in the following as financial allied undertakings:

- a. Insurance companies; and
- b. Holding company: *Provided*, That the investments of such holding company are confined to the equities of allied undertakings and/or non-allied undertakings of UBs allowed under Bangko Sentral regulations.

The Monetary Board may declare such other activities as financial allied undertakings of banks.

The determination of whether the corporation is engaged in a financial allied undertaking shall be based on its primary purpose as stated in its articles of incorporation and the volume of its principal business.