

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.