



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 978
Series of 2017

Subject: Exclusion of Loans and Other Credit Accommodations Covered by Guarantees of International/Regional Institutions/Multilateral Financial Institutions from Ceilings to Subsidiaries and Affiliates of Banks

The Monetary Board, in its Resolution No. 1753 dated 12 October 2017, approved the exclusion of the portion of loans and other credit accommodations covered by guarantees of international/regional institutions/multilateral financial institutions where the Philippine Government is a member/shareholder, from the ceilings on total outstanding loans, other credit accommodations and guarantees granted to banks' subsidiaries and affiliates.

Section 1. Subsection X328.5 of the MORB on loans, other credit accommodations and guarantees granted to subsidiaries and/or affiliates shall be amended to read as follows:

"Subsection X328.5 Loans, other credit accommodations and guarantees granted to subsidiaries and/or affiliates.

- a. *Ceilings.* The total outstanding loans, other credit accommodations and guarantees to each of the bank's subsidiaries and affiliates ... xxx.
 - b. *Exclusions from the ceilings.* The following loans, other credit accommodations and guarantees shall be excluded in determining compliance with the ceilings prescribed in Item "a" above:
 - (1) Loans, other credit accommodations and guarantees secured by assets considered as non-risk under existing Bangko Sentral regulations;
 - (2) Interbank call loans; and
 - (3) The portion of loans and other credit accommodations covered by guarantees of international/regional institutions/multilateral financial institutions where the Philippine Government is a member/shareholder, such as the International Finance Corporation and the Asian Development Bank.
 - c. *Procedural requirements.* xxx
- xxx

Section 2. This Circular shall take effect fifteen (15) calendar days following its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Governor

27 October 2017