

[BSP CIRCULAR NO. 654, S. OF 2009, May 12, 2009]

AMENDMENT OF CEILINGS ON LOANS TO SUBSIDIARIES AND AFFILIATES

Pursuant to Monetary Board Resolution No. 573 dated 17 April 2009, allowing a separate individual limit to loans of banks/quasi-banks to their subsidiaries and affiliates engaged in energy and power generation, the provisions of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORBNBFI) are hereby amended as follows:

Section 1. Subsections X328.5.b and 4328Q.b of the MORB and MORBNBFI, respectively, are hereby amended by adding a new paragraph after the first paragraph thereof, to read as follows:

“LOANS, OTHER CREDIT ACCOMMODATIONS AND GUARANTEES GRANTED BY A BANK/QUASI-BANK TO ITS SUBSIDIARIES AND AFFILIATES ENGAGED IN ENERGY AND POWER GENERATION CONSISTENT WITH THE MEDIUM-TERM PHILIPPINE DEVELOPMENT PLAN/MEDIUM-TERM PUBLIC INVESTMENT PROGRAM OF THE NATIONAL GOVERNMENT DULY CERTIFIED AS SUCH BY THE SECRETARY OF THE SOCIO-ECONOMIC PLANNING SHALL BE SUBJECT TO A SEPARATE INDIVIDUAL LIMIT OF TWENTY-FIVE PERCENT (25%) OF THE NET WORTH OF THE LENDING BANK/QUASI-BANK: *PROVIDED*, TH AT THE UNSECURED PORTION THEREOF SHALL NOT EXCEED TWELVE AND ONE-HALF PERCENT (12.5%) OF SUCH NET WORTH: *PROVIDED, FURTHER*, THAT THESE SUBSIDIARIES AND AFFILIATES ARE NOT RELATED INTERESTS OF ANY OF THE DIRECTOR, OFFICER, AND/OR STOCKHOLDER OF THE LENDING BANK/QUASI-BANK, EXCEPT WHERE SUCH DIRECTOR, OFFICER OR STOCKHOLDER SITS IN THE BOARD OF DIRECTORS OR IS APPOINTED OFFICER OF SUCH CORPORATION AS REPRESENTATIVE OF THE BANK/QUASI-BANK.”

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

Adopted: 12 May 2009

FOR THE MONETARY BOARD:

(SGD.) AMANDO M. TETANGCO, JR.
Governor
