



**BANGKO SENTRAL NG PILIPINAS**

OFFICE OF THE GOVERNOR

**CIRCULAR NO. 779**

Series of 2013

**Subject : Amendment to Regulations on Single Borrower's Limit**

Pursuant to Monetary Board Resolution No. 2049 dated 6 December 2012, the following provisions of the Manual of Regulations for Banks (MORB) and the Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended.

**Section 1.** Item "b.2" of Sec. X303 of the MORB on credit exposure limits to a single borrower is hereby amended, as follows:

**"Sec. X303 Credit Exposure Limits to a Single Borrower**

"x x x

"b. The total amount of loans, credit accommodations and guarantees prescribed in the first paragraph may be increased for each of the following circumstances:

- "1. X x x ;
- "2. By an additional twenty-five percent (25%) of the net worth of such bank: Provided, That the additional loans, credit accommodations and guarantees are for the purpose of undertaking infrastructure and/or development projects under the Public-Private Partnership (PPP) Program of the government duly certified by the Secretary of Socio-Economic Planning: Provided, further, That the total exposures of the bank to any borrower pertaining to such infrastructure and/or development projects under the PPP Program shall not exceed twenty-five percent (25%) of the net worth of such bank: Provided, furthermore, that the additional twenty-five percent (25%) shall only be allowed for a period of six (6) years from 28 December 2010: Provided, finally, That the credit risk concentration arising from total exposures to all borrowers pertaining to such infrastructure and/or development projects

under the PPP Program shall be considered by the bank in its internal assessment of capital adequacy relative to its overall risk profile and operating environment. Said loans, credit accommodations and guarantees based on the contracted amount as of the end of the six (6)-year period shall not be increased but may be reduced and once reduced, said exposures shall not be increased thereafter; and

“3. x x x.”

**Section 2.** The third paragraph of Sec. 4303Q of the MORNBF I on loan limit to a single borrower is hereby amended to read, as follows:

**“Sec. 4303Q Loan Limit to a Single Borrower.**

“x x x

“The total amount of loans, credit accommodations and guarantees prescribed in the first paragraph may be increased by an additional twenty-five percent (25%) of the net worth of such quasi-bank: Provided, That the additional loans, credit accommodations and guarantees are for the purpose of undertaking infrastructure and/or development projects under the Public-Private Partnership (PPP) Program of the government duly certified by the Secretary of Socio-Economic Planning: Provided, further, That the total exposures of the quasi-bank to any borrower pertaining to such infrastructure and/or development projects under the PPP Program shall not exceed twenty-five percent (25%) of the net worth of such quasi-bank: Provided, furthermore, that the additional twenty-five percent (25%) shall only be allowed for a period of six (6) years from 28 December 2010: Provided, finally, That the credit risk concentration arising from total exposures to all borrowers pertaining to such infrastructure and/or development projects under the PPP Program shall be considered by the quasi-bank in its internal assessment of capital adequacy relative to its overall risk profile and operating environment. Said loans, credit accommodations and guarantees based on the contracted amount as of the end of the six (6)-year period shall not be increased but may be reduced and once reduced, said exposures shall not be increased thereafter.

“x x x”

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:**



**AMANDO M. TETANGCO, JR.**  
Governor

9 January 2013