



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 372
Series of 2003

Pursuant to Monetary Board Resolution No. 129 dated January 23, 2003, Section 52 of Circular 1389 dated 13 April 1993, is hereby amended by adding a new paragraph after Item No. 7 thereof, to read as follows:

"However, OBUs may hold peso-denominated assets arising from restructuring or other repayment scheme of outstanding loans, subject to the terms and conditions of the approval of such restructuring/other repayment scheme and to the following clarifications and conditions:

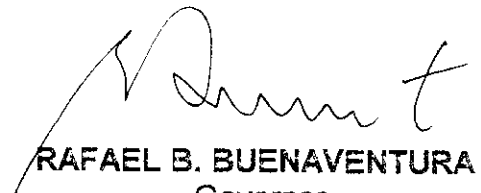
- a. That term 'assets' as used in this Circular shall refer to bonds or other certificates of indebtedness, shares of stocks and other properties.
- b. That bonds or other certificates of indebtedness issued by a third party as well as shares of stocks and other properties acquired as a result of restructuring/other payment scheme shall be booked at their appraised value or the balance of the loan, whichever is lower.
- c. That shares of stocks and other properties acquired as a result of restructuring/other repayment scheme shall be sold/disposed of within a period of five (5) years from date of acquisition.
- d. That the booking of bonds or other certificates of indebtedness and shares of stocks acquired hereunder shall be adjusted in cases of decline in their market values while other properties shall be subject to regular provisioning, as follows:



MAG-IMPOK SA BANGKO

<u>End of Year after Perfection of Contract</u>	<u>Annual Provisions (% to Acquisition Cost)</u>	<u>Accumulated Reserves</u>
1 st	50%	50%
2 nd	30%	80%
3 rd	20%	100%

This Circular shall take effect fifteen (15) days after publication in the Official Gazette or in a newspaper of general circulation.


RAFAEL B. BUENAVENTURA
 Governor

February 14, 2003