



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1073

Series of 2020

Subject: Extension of the Transitory Period on Single Borrower's Limit of Foreign Bank Branches

The Monetary Board, in its Resolution No. 123 dated 23 January 2020, approved the extension of the transitory period until 31 December 2020 for existing foreign bank branches to use twice the level of capital as basis for determining the Single Borrower's Limit (SBL).

Section 1. Item "b" under Section 103 on Liberalized Entry and Scope of Operations of Foreign Banks (Transitory provision) of the Manual of Regulations for Banks (MORB) is hereby amended as follows:

"Transitory provision.

a. *Minimum capital of foreign banks.*

x x x

b. *SBL*

1. Loans and credit commitments of foreign bank branches as of 07 August 2014 may be maintained, but once repaid or expired, shall no longer be increased in excess of the ceiling allowed under the succeeding paragraph.
2. Existing foreign bank branches shall be given until 31 December 2020 to use twice the level of capital as defined in this Section as net worth, as reference point for purposes of determining the appropriate SBL."

Section 2. Effectivity. 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:

BENJAMIN E. DIOKNO

Governor

10 February 2020