



Bangko Sentral ng Pilipinas
MEMORANDUM

OFFICE OF THE GOVERNOR

MEMORANDUM
Series of 2004

T O : All Banks and Non-Bank Financial Institutions Concerned

SUBJECT: Unsecured Subordinated Debt (USD)

Pursuant to Monetary Board Resolution No. 1079 dated 29 July 2004, the Memorandum to All Banks and NBFIs Concerned dated 17 February 2003 (guidelines for the issuance of unsecured subordinated debt) is hereby amended, as follows:

Section 1. Item C.3 PRE-QUALIFICATION REQUIREMENTS OF ISSUING BANK is hereby amended to read, as follows:

"3. It is a locally incorporated bank".

Section 2. Item E PRIVATE OR NEGOTIATED ISSUANCE OF UNSECURED SUBORDINATED DEBT is hereby amended to read, as follows:

"E. PRIVATE OR NEGOTIATED ISSUANCE OF UNSECURED SUBORDINATED DEBT

- PRIVATE OR NEGOTIATED ISSUANCE IS THE ISSUANCE OF USD TO QUALIFIED INVESTORS/BUYERS, WHETHER INDIVIDUALS OR INSTITUTIONS AS DEFINED UNDER ITEM G HEREOF. THERE IS NO LIMIT ON THE NUMBER OF QUALIFIED INVESTORS/BUYERS AND ON THE SALE OR NEGOTIATION OF THE USD: *PROVIDED*, THAT SUCH SALE OR NEGOTIATION SHALL ONLY BE MADE TO ANOTHER QUALIFIED INVESTOR/BUYER".

Section 3. Item I. ACCOUNTING TREATMENT is hereby amended by adding a new paragraph after the first paragraph to read, as follows:

"THE NET PROCEEDS ACTUALLY RECEIVED FROM THE DEBT ISSUES, WHETHER AT A DISCOUNT OR PREMIUM SHALL BE CONSIDERED IN THE COMPUTATION OF LOANABLE FUNDS FOR PURPOSES OF DETERMINING COMPLIANCE WITH THE MANDATORY ALLOCATION OF FUNDS FOR AGRI-AGRA CREDIT REQUIRED UNDER P. D. NO. 717, AS AMENDED".

PANANALAPING MATATAG, BANSANG PANATAG

This Memorandum shall take effect 15 days following the completion of its publication either in the Official Gazette or in a newspaper of general circulation.

FOR THE MONETARY BOARD:



ARMANDO L. SURATOS
Officer-in-Charge

AUG - 5 2004