



BANGKO SENTRAL NG PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 1227

Series of 2026

Subject : Extension of Regulatory Incentive Period for Financing for Eligible Green or Sustainable Projects and Activities

The Monetary Board, in its Resolution No. 1266 dated 22 December 2025, approved the amendments to the regulations on credit exposure limits to a single borrower and rates of required reserves as provided under Sections 362 and 251 of the Manual of Regulations for Banks (MORB), respectively. This effectively extends the period for regulatory incentives for another two (2) years.

The extension of regulatory incentives, in the form of (i) an additional fifteen percent (15%) Single Borrower's Limit (SBL), and (ii) a zero percent (0%) reserve requirement rate for sustainable bonds issued by banks, aims to promote financing for eligible green or sustainable projects and activities that advance the National Government (NG)'s climate commitments and sustainable development goals, as articulated in the National Adaptation Plan (NAP), the Nationally Determined Contributions (NDCs), and the Philippine Development Plan (PDP).

Section 1. Section 362 of the MORB, as amended by Circular Nos. 1164 dated 05 January 2023 and 1185 dated 13 December 2023, shall be further amended to read as follows:

362 CREDIT EXPOSURE LIMITS TO A SINGLE BORROWER

a. 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

x x x

(5) By an additional fifteen percent (15%) of the net worth of such bank subject to the following conditions:

(a) That the additional loans, credit accommodations and guarantees are for the purpose of financing eligible green or sustainable projects, including transitional activities to decarbonization, that meet any of the principles or eligible categories of projects laid out in any of the following documents, and future enhancements thereto:

(i) x x x ;

x x x ;

(iv) ASEAN Taxonomy for Sustainable Finance^x; or

(v) Philippine Sustainable Finance Taxonomy Guidelines^{xx};

x x x

x x x

^x ASEAN Taxonomy for Sustainable Finance which may be accessed in <https://www.sfinstitute.asia/asean-taxonomy/>.

^{xx} Implementing regulations to be issued by the Financial Sector Forum (FSF)-member agencies.

- (e) That the additional fifteen percent (15%) shall be allowed for a period of two (2) years from 06 January 2026; and
- (f) That the credit risk concentration arising from total exposures to all borrowers pertaining to such eligible projects shall be considered by the bank in its internal assessment of capital adequacy relative to its overall risk profile and operating environment.

x x x

x x x

Section 2. Section 251 of the MORB, as amended by Circular Nos. 1175 dated 23 June 2023, 1176 dated 29 June 2023, 1201 dated 20 September 2024, 1211 dated 11 March 2025, and 1185 dated 13 December 2023, shall be further amended to read, as follows:

251 ACCOUNTS SUBJECT TO RESERVES; AMOUNTS REQUIRED

The following rules and regulations shall govern the reserves against deposit and deposit substitute liabilities.

Required reserves against deposit and deposit substitute liabilities. The rates of required reserves against deposit and deposit substitute liabilities in local currency of banks effective in the reserve week after effectivity of this Circular shall be, as follows:

Reservable Liabilities	UBs/KBs	Digital Banks	TBs	RBs/Coop Banks
a. x x x	x x x	x x x	x x x	x x x
x x x	x x x	x x x	x x x	x x x
g. Bonds				
(1) Sustainable bonds ^{xxx}	0%	0%	0%	0%
(2) Other bonds	x x x	x x x	x x x	x x x
x x x	x x x	x x x	x x x	x x x

x x x

Section 3. 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:



ELI M. REMOLONA, JR.
Governor

5 January 2026

^{xxx} This shall include outstanding and new issuances of green, social, sustainability and other sustainable bonds x x x.

x x x

The zero percent (0%) reserve requirement rate shall be effective for a period of two (2) years from 06 January 2026.