



**BANGKO SENTRAL NG PILIPINAS**  
OFFICE OF THE GOVERNOR

**CIRCULAR NO. 803**  
Series of 2013

**Subject: Amendment to regulations on single borrower's limit (SBL)**

Pursuant to Monetary Board Resolution Nos. 897 and 947 dated 30 May 2013 and 6 June 2013, respectively, the Manual of Regulations for Banks (MORB) and Manual of Regulations for Non-Bank Financial Institutions (MORNBFI) are hereby amended as follows:

**Section 1.** Item "b.3" of Section X303 of the MORB, on credit exposure limits to a single borrower is hereby amended, as follows:

"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. x x x; and

"3. By an additional fifteen percent (15%) of the net worth of such bank: *Provided*, That the additional loans, credit accommodations and guarantees are granted to finance oil importation of oil companies which are not affiliates of the lending bank engaged in energy and power generation: *Provided, further*, That the oil companies qualify under the credit underwriting standards of the lending bank and the lending bank shall comply with Subsec. X301.6 on the guidelines in managing large exposures and credit risk concentration: *Provided, furthermore*, That the credit risk concentration arising from total exposures to all oil companies shall be considered by the bank in its internal assessment of capital adequacy relative to its overall risk profile and operating environment and shall be incorporated in the Internal Capital Adequacy Assessment Process (ICAAP) document required to be submitted under Sec. X117: *Provided, finally*, That the additional fifteen percent (15%) shall only be allowed for a period of three (3) years from 3 March 2011 or, until 3 March 2014. Said additional loans, credit accommodations and guarantees outstanding as of the end of the three (3)-year period and in excess of twenty five percent (25%) of the lending bank's net worth shall not be increased but shall be reduced and once reduced, said exposures shall not be increased thereafter."

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

"The total amount of loans, credit accommodations and guarantees prescribed in the first paragraph may be further increased by an additional fifteen percent (15%) of the net worth of such QB: *Provided*, That the additional loans, credit accommodations and guarantees are granted to finance oil importation of oil companies which are not affiliates of the lending QB engaged in energy and power generation: *Provided, further*, That the oil companies qualify under the credit underwriting standards of the lending QB and the lending QB shall comply with Subsec. 4301Q.6 on the guidelines in managing large exposures and credit risk concentration: *Provided, furthermore*, That the credit risk concentration arising from total exposures to all oil companies shall be considered by the QB in its internal assessment of capital adequacy relative to its overall risk profile and operating environment and shall be incorporated in the ICAAP document required to be submitted under Sec. 4119Q: *Provided finally*, That the additional fifteen percent (15%) shall only be allowed for a period of three (3) years from 3 March 2011 or, until 3 March 2014. Said additional loans, credit accommodations and guarantees outstanding as of the end of the three (3)-year period and in excess of twenty five percent (25%) of the lending QB's net worth shall not be increased but shall be reduced and once reduced, said exposures shall not be increased thereafter."

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

5 July 2013