

[BSP CIRCULAR NO. 106, April 26, 1996]

CREDIT ACCOMMODATIONS TO DIRECTORS, OFFICERS AND SHAREHOLDERS OF COOPERATIVE BANKS

The Monetary Board, in its Resolution No. 384 dated April 17, 1996 amended the rules on credit accommodations to directors, officers and shareholders of cooperative banks, as follows:

a. The individual ceiling for credit accommodations of a cooperative bank to each of its directors, officers or shareholders shall be equivalent to his outstanding deposits and book value of his paid-in capital in the lending bank: Provided, That unsecured credit accommodations to each of the bank's directors or officers shall not exceed thirty percent (30%) of his total credit accommodations.

b. The aggregate ceiling for credit accommodations, whether direct or indirect, to directors and officers of a cooperative bank shall not exceed fifteen percent (15%) of the total loan portfolio of the bank or one hundred percent (100%) of its combined capital accounts net of deferred income tax, unbooked valuation reserves and other capital adjustments required by the Bangko Sentral, whichever is lower: Provided, That total unsecured direct and indirect borrowings of directors and officers shall not exceed thirty percent (30%) of the aggregate ceiling or the outstanding direct/indirect credit accommodations thereto, whichever is lower.

This Circular shall take effect immediately.

Adopted: 26 Apr. 1996

(SGD.) ALBERTO V. REYES
Officer-In-Charge



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