

INFORMATION MEMORANDUM
Issue No. 11, Series of 2018

TO : ALL CONCERNED LENDING INSTITUTIONS
SUBJECT : AMENDMENTS ON SBC'S MSME NOTES PRICING

Please be informed of the following amendments to the pricing of MSME Notes (particularly the reference rate) as approved by the Asset and Liability Committee last 5 November 2018, covered under ALCO Resolution No. 2018-11-05-007.

PARTICULARS	FROM	TO
Short Term MSME Notes (6 months to 1 year)	<p>Rate = $4/5 \times (\text{PDST-R1 less } 20\% \text{ tax})$ Floor rate = 0.54% Ceiling rate = 1.50% (max, whichever is lower)</p> <p><i>Special rate is allowed in instances where liquidity is needed to support the lending requirements of the Corporation, subject to ALCO's approval.</i></p>	<p>Same formula, except PDST-R1 will now be replaced by the PHP BVAL Reference rate for the applicable term (6 months, 1 year)</p> <p><i>Same floor and ceiling rates and consideration on special rate.</i></p>
Medium Term MSME Notes (2-, 3-, 5- years)	<p>2-year Rate = $2/3 \times (\text{2-year PDST-R1 Rate less } 20\% \text{ tax})$ 3-year Rate = $2/3 \times (\text{3-year PDST-R1 Rate less } 20\% \text{ tax})$ 5-year Rate = $2/3 \times (\text{5-year PDST-R1 Rate less } 20\% \text{ tax})$ Floor rate = 1.00% Ceiling rate = 2.00% (max, whichever is lower)</p> <p><i>Special rate is allowed in instances where liquidity is needed to support the lending requirements of the Corporation, subject to ALCO's approval.</i></p>	<p>Same formula, except PDST-R1 will now be replaced by the PHP BVAL Reference rate for the applicable term (2 years, 3 years, 5 years)</p> <p><i>Same floor and ceiling rates and consideration on special rate.</i></p>

For your information and guidance.


MA. LUNA E. CACANANDO
President / CEO