



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 188 Series of 1999

Pursuant to Monetary Board Resolution No. 116 dated 29 January 1999, **reducing the liquidity reserve requirement** on all types of peso deposits and deposit substitute liabilities of expanded commercial banks, commercial banks and non-bank financial intermediaries with quasi-banking functions (NBQBs) and certain types of deposit and deposit substitute liabilities of thrift banks and rural banks, Circular No. 166 dated 28 May 1998 and Books I, II, III and IV of the Manual of Regulations for Banks and Other Financial Intermediaries are hereby amended as follows:

Books I, II, III and IV Liquidity Reserves for All Financial Intermediaries

Section 11 of Circular No. 166 dated 28 May 1998 is amended to read as follows:

"Section 11. On top of the regular reserve requirements, a **liquidity reserve** against peso demand, savings, time deposit and deposit substitute liabilities shall be maintained as follows:

- | | |
|---|---|
| a) For expanded commercial banks, commercial banks, and non-bank financial intermediaries with quasi-banking functions (NBQBs), | six percent (6%) effective 1 February 1999, and five percent (5%) effective 1 March 1999 |
| b) For thrift banks | five percent (5%) effective 1 February 1999, and four percent (4%) effective 1 March 1999 |



c) For rural banks

- against demand deposit liabilities two percent (2%) effective 1 February 1999, and one percent (1%) effective 1 March 1999
- against savings/time deposits to remain at zero (0%)

The required liquidity reserve may be maintained in the form of short-term market-yielding government securities purchased directly from the BSP-Treasury Department, pursuant to Circular No. 10 dated 29 December 1993.

FOR THE MONETARY BOARD:



GABRIEL C. SINGSON
Governor

3 February 1999