



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 197 Series of 1999

Pursuant to Monetary Board Resolution No. 411 dated 7 April 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. 188 dated 3 February 1999 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), | four percent (4%) effective 16 April 1999 |
| b) For thrift banks | three percent (3%) effective 16 April 1999 |

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CRISANTA F. REYES
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Manager I
Administrative Services Department

ITAGUYOD ANG PHILIPPINES 2000



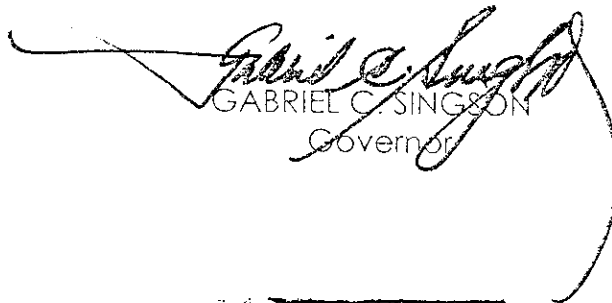
MAG-IMPOK SA BANGKO

c) For rural banks

- against demand deposit liabilities zero (0%) effective 16 April 1999
- against savings/time deposits to remain at zero (0%)

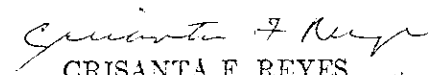
The required liquidity reserve may be maintained in the form of short-term market-yielding government securities purchased directly from the BSP-Treasury Department, pursuant to Circular No. 10 dated 29 December 1993.

FOR THE MONETARY BOARD:


GABRIEL C. SINGSON
Governor

12 April 1999

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CRISANTA F. REYES
Manager I *4-20/99*
Administrative Services Department