RESERVE REQUIREMENTS

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Pursuant to Monetary Board Resolution No. 297 dated March 20, 1990, increasing the reserve requirement on all types of deposits of commercial banks and non-bank financial intermediaries and on demand deposit, long-term time deposit and deposit substitute liabilities of thrift banks from twenty percent (20%) to twenty one percent (21%) and similarly, raising the reserve requirement on savings deposit and short-term time deposit liabilities of thrift banks from fourteen percent (14%) to fifteen percent (15%), and by one percentage point every month thereafter to reach twenty-one percent (21%), Books I, II and IV of the Manual of Regulations are hereby amended to read as follows:

Book I - Commercial Banks
SECTION 1. Sections 1203, Section 1214, Section 1225, Section 1232 and the first paragraph of Section 1253 of Book I of the Manual of Regulations are hereby amended by increasing the required reserves against demand and savings deposits, NOW accounts, and time deposits with original maturities of 730 days or less of banks with expanded commercial banking authority, commercial banks, the Land Bank of the Philippines and the Philippine Amanah Bank from twenty percent (20%) to twenty- one percent (21%) effective March 26, 1990.

SECTION 2. Section 1232 and the first paragraph of Section 1253 of Book I of the Manual of Regulations are hereby amended by increasing the required reserves against demand and savings deposits, NOW accounts, and time deposits with original maturities of 730 days or less of banks with expanded commercial banking authority, commercial banks, the Land Bank of the Philippines, and the Philippine Amanah Bank from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

SECTION 3. The first paragraph of Section 1283 of Book I of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of 730 days or less from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

SECTION 4. The third paragraph of Section 1283 of Book I of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of more than 730 days from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

Book II - Thrift Banks
SECTION 5. Section 2203 and the first paragraph of Section 2253 of Book II of the Manual of Regulations are hereby amended by increasing the required reserves against demand deposits from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990

SECTION 6. Section 2232 and the first paragraph of Section 2253 of the Manual of Regulations are hereby amended by increasing on a staggered basis the required reserves against time deposits with original maturities of 730 days or less from fourteen percent (14%) to fifteen percent (15%) effective March 26, 1990, and by one-percentage point every month thereafter to reach sixteen percent (16%) effective April 25, 1990, seventeen percent (17%) effective May 25, 1990, eighteen percent (18%) effective June 25, 1990, nineteen percent (19%) effective July 25, 1990, and finally, twenty-one percent (21%) effective September 24, 1990.

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SECTION 7. The first paragraph of Section 2253 of Book II of the Manual of Regulations is hereby amended by increasing the required reserves against savings deposits from fourteen percent (14%) to fifteen percent (15%) effective March 26, 1990 and by one percentage point every month thereafter to reach sixteen percent (16%) effective April 25, 1990, seventeen percent (17%) effective May 25, 1990, eighteen percent (18%) effective June 25, 1990, nineteen percent (10%) effective July 25, 1990, twenty percent (20%) effective August 24, 1990, and finally, twenty-one percent (21%) effective September 24, 1990.

SECTION 8. The first paragraph of Section 2253 of Book II of the Manual of Regulations if hereby amended by increasing the required reserves against savings for deposits for fourteen percent (14%) to fifteen percent (15%) effective March 26, 1990 and by one percentage point every month thereafter to reach sixteen percent (16%) effective April 25, 1990, seventeen percent (17%) effective May 25, 1990, eighteen percent (18%) effective June 25, 1990, nineteen percent (19%) effective July 25, 1990, twenty percent (20%) effective August 24, 1990, and finally twenty-one percent (21%) effective September 24, 1990, and against NOW accounts from eighteen percent (18%) to nineteen percent (19%) effective March 28, 1990 and by one-percentage point every month thereafter to reach twenty percent (20%) effective April 25, 1990, and finally, to twenty-one percent (21%) effective May 25, 1990.

SECTION 9. The first paragraph of Section 2283 of Book II of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of 730 days or less from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

SECTION 10. The third paragraph of Section 2283 of Book II of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of more than 730 days from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

Book IV - Non-Bank Financial Intermediaries
SECTION 11. The first paragraph of Section 4283Q of Book IV of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of 730 days or less from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

SECTION 12. The first paragraph of Section 4283Q of Book IV of the Manual of Regulations is hereby amended by increasing the required reserves against deposit substitute liabilities with original maturities of more than 730 days from twenty percent (20%) to twenty-one percent (21%) effective March 26, 1990.

Adopted: 21 Mar. 1990

(SGD.) JOSE L. CUISIA, JR.
Governor

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