



Bangko Sentral ng Pilipinas

MAYNILA, PILIPINAS

OFFICE OF THE GOVERNOR

CIRCULAR NO. 262 Series of 2000

The Monetary Board, in its Resolution No. 1760 dated 12 October 2000, (a) **increased the liquidity reserves** against peso demand, savings, time deposit and deposit substitute liabilities of universal banks (UBs), commercial banks (KBs), thrift banks (TBs) and non-banks with quasi-banking functions (NBQBs); and (b) maintained the liquidity reserves against demand, savings, and time deposits of rural banks (RBs)/cooperative banks (Coop Banks) at zero, as follows:

A. LIQUIDITY RESERVES AGAINST DEPOSIT/DEPOSIT SUBSTITUTES

<u>Category of Banks</u>	<u>Liquidity Ratios</u>
UBs/KBs and NBQBs	From 5% to 7%
TBs	From 4% to 5%
RBs/Coop Banks:	To remain at 0%
(1) Demand Deposits	To remain at 0%
(2) Savings/Time Deposits	To remain at 0%

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

B. REGULAR RESERVES

The regular reserves on all types of peso deposits and deposit substitute liabilities shall be maintained as follows:

ITAGUYOD ANG PHILIPPINES 2000



MAG-IMPOK SA BANGKO

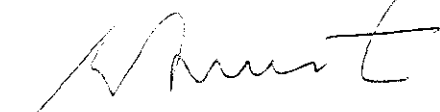
<u>Types</u>	<u>UBs/KEs</u>	<u>TBs</u>	<u>RBs/Coop Banks</u>	<u>NBQBs</u>
Demand Deposits	9%	8%	7%	N.A.
NOW Accounts	9%	8%	7%	N.A.
Savings Deposits	9%	6%	2%	N.A.
Time Deposits/Negotiable Certificates of Time Deposits/Long-Term Non- Negotiable Tax-Exempt Certificates of Time Deposits	9%	6%	2%	N.A.
Deposit substitutes	9%	8%	-	9%

C. INTEREST ON RESERVE DEPOSITS

Deposits maintained by all banks and NBQBs with the BSP up to forty percent (40%) of the reserve requirement (excluding the liquidity reserve mentioned in Item A of this Circular against the combined deposit and deposit substitute liabilities of banks and NBQBs allowed to be maintained in the form of short-term market-yielding government securities purchased directly from the BSP-Treasury Department) maintained by all banks and NBQBs as deposits with the BSP shall continue to be paid interest at four percent (4%) per annum based on the average daily balance of said deposits to be credited quarterly.

This Circular shall take effect on 23 October 2000.

FOR THE MONETARY BOARD:


 RAFAEL B. BUENAVENTURA
 Governor

12 October 2000