



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

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CIRCULAR NO. 726

Series of 2011

Subject : Increase in Statutory/Legal Reserve Requirements of Peso Deposit Liabilities and Deposit Substitutes

The Monetary Board, in its Resolution No. 871 dated 16 June 2011, approved the increase in the statutory/legal reserve requirements for peso deposit liabilities and deposit substitutes of universal/commercial banks, thrift banks, rural banks, cooperative banks, and non-bank financial institutions (NBFIs) with quasi-banking functions, as follows:

BANK/FINANCIAL INSTITUTION	ACCOUNTS	STATUTORY/LEGAL RESERVES		LIQUIDITY RESERVES
		From	To	
Universal/Commercial Banks	-Demand -"NOW" -Savings -Time -Deposit substitutes (DS)	8%	9%	11%
	-DS evidenced by repo agreements ^{1/} -Long-term Negotiable Certificate of Time Deposits (LTNCTDs)	2%	3%	0%
Thrift Banks	-Demand -"NOW" -Savings -Time -Deposit substitutes	4%	5%	2%
	-DS evidenced by repo agreements ^{1/} -LTNCTDs	2%	3%	0%
Rural Banks/Cooperative Banks	-Demand -"NOW"	4%	5%	0%
	-Savings -Time	1%	2%	
	-LTNCTDs	2%	3%	
NBFIs with quasi-banking functions	-Deposit substitutes	8%	9%	11%
	-DS evidenced by repo agreements ^{1/}	2%	3%	0%

^{1/} Refer to deposit substitutes evidenced by repo agreements covering government securities up to the amount equivalent to the adjusted Tier 1 capital of the bank/quasi-bank and which comply with the conditions provided under Subsection X253.1/ 4253Q of the Manual of Regulations for Banks/Manual of Regulations for Non-Bank Financial Institutions

These new reserve requirement ratios shall take effect on the reserve week beginning on 24 June 2011.

FOR THE MONETARY BOARD:


NESTOR A. ESPENILLA, JR.
Officer-In-Charge

27 June 2011