

[BSP CIRCULAR NO. 260, October 06, 2000]

LIQUIDITY RESERVES

The Monetary Board, in its Resolution No. 1716 dated 4 October 2000, (a) increased the liquidity reserves against peso demand, savings, time deposit and deposit substitute liabilities of universal banks (UBs), commercial banks (KBs) and non-banks with quasi-banking functions (NBQBs) and certain types of deposit and deposit substitute liabilities of thrift banks (TBs); 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

Category of Banks	Liquidity Ratios
UBs/KBs and NBQBs	From 3% to 5%
TBs	From 2% to 4%
RBs/Coop Banks:	To remain at 0%
(1) Demand Deposit	To remain at 0%
(2) Savings/Time	To remain at 0%
Deposits	

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:

Types	UBs/KBs	TBs	RBs/Coop Banks	NBQBs
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%