

[BSP CIRCULAR NO. 205, S. 1999, July 01, 1999]

REDUCING THE REGULAR AND LIQUIDITY RESERVES AND INTEREST ON RESERVE DEPOSITS

The Monetary Board, in its Resolution Nos. 854 and 896 dated 25 June and 30 June 1999, respectively, reduced (a) the regular reserves on all types of peso deposits and deposit substitute liabilities of expanded commercial banks (EKBs), 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 rural banks (RBs)/cooperative banks (Coop Banks), (b) liquidity reserves, and (c) interest on reserve deposits, as follows:

A. REGULAR RESERVES AGAINST DEPOSIT/DEPOSIT SUBSTITUTES

Types	EKBs/KBs		TBs		RBs/Coop Banks		NBQBs	
	From	To	From	To	From	To	From	To
Demand Deposits	10%	9%	9%	8%	8%	7%	-	-
NOW Accounts	10%	9%	9%	8%	8%	7%	-	-
Savings Deposits	10%	9%	7%	6%	3%	2%	-	-
Time Deposits/Negotiable Certificates of Time Deposits/Long-Term Non- Negotiable Tax- Exempt Certificates of Time Deposits	10%	9%	7%	6%	3%	2%	-	-
Deposit Substitutes	10%	9%	9%	8%	-	-	10%	9%

B. LIQUIDITY RESERVES

On top of the regular reserve requirements, liquidity reserves against peso demand, savings, time deposit and deposit substitute liabilities shall be maintained, as follows:

<u>Category of Banks</u>	<u>Liquidity Ratios</u>
a) EKBs/KBs and NBQBs	3% effective 2 July 1999
b) TBs	2% effective 2 July 1999
c) RBs/Coop Banks:	