



BANGKO SENTRAL NG PILIPINAS
OFFICE OF THE GOVERNOR

CIRCULAR NO. 732
Series of 2011

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

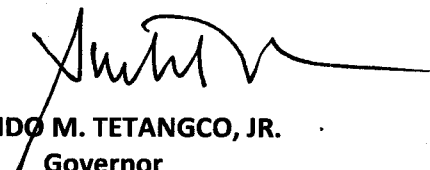
The Monetary Board, in its Resolution No. 1117 dated 28 July 2011, approved the increase in the statutory/legal reserve requirements for peso deposit liabilities and deposit substitutes of universal/commercial banks, thrift banks, rural banks, cooperative banks, and non-bank financial institutions (NBFIs) 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)	9%	10%	11%
	-DS evidenced by repo agreements ^{1/} -Long-term Negotiable Certificate of Time Deposits (LTNCTDs)	3%	4%	0%
Thrift Banks	-Demand -“NOW” -Savings -Time -Deposit substitutes	5%	6%	2%
	-DS evidenced by repo agreements ^{1/} -LTNCTDs	3%	4%	0%
Rural Banks/Cooperative Banks	-Demand -“NOW”	5%	6%	0%
	-Savings -Time	2%	3%	
	-LTNCTDs	3%	4%	
NBFIs with quasi-banking functions	-Deposit substitutes	9%	10%	11%
	-DS evidenced by repo agreements ^{1/}	3%	4%	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 5 August 2011.

FOR THE MONETARY BOARD:



AMANDO M. TETANGCO, JR.
Governor

3 August 2011