

**[ BSP CIRCULAR NO. 1346 S, 1992, July 14, 1992 ]**

**CONDITIONS IN ORDER THAT THRIFT BANKS MAY ACCEPT OR  
CREATE DEMAND DEPOSITS**

The Monetary Board, in its Resolution No. 578 dated June 26, 1992, authorized the resumption of processing of applications of thrift banks to accept or create demand deposits, subject to the following conditions:

- a. The provisions of *Section 2201* of the Manual of Regulations for Thrift Banks are amended so as to increase the paid-in capital mentioned therein to at least P100 million for those located in Metro Manila, Cebu City and Davao City, at least P500 million for banks located in other cities and in 1st to 3rd class municipalities and P25 million for all banks in all other areas; provided that thrift banks located in Metro Manila, Cebu City and Davao City with paid-in capital of less than P100 million, P50 million, and P25 million which have been authorized to accept/create demand deposits earlier shall be required to build-up their paid-in capital to P100 million, P50 million, and P25 million, respectively, within a period of one year from June 11, 1992;
- b. The bank may continue to maintain legal reserves of 19% of all types of deposits and deposit substitutes; provided that this rate may be changed subject to the outcome of a review currently being conducted by the Department of Economic Research; and
- c. The bank shall appoint a commercial bank through which it shall participate in the check clearing system.

This Circular shall take effect immediately.

Adopted: 14 July 1992

(SGD.) JOSE L. CUISIA, JR.  
Governor



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