

AMENDING SECTION 90 OF REPUBLIC ACT NO. 265, AS AMENDED, AND FOR OTHER PURPOSES

PRESIDENTIAL DECREE NO. 2035, February 20, 1986

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/2bfa61155d29/>

WHEREAS, the Constitution of the Republic of the Philippines requires the establishment of a central monetary authority which shall provide policy directions in the areas of money, banking, and credit and have supervisory authority over the operations of banks as may be provided by law;

WHEREAS, Section 90 of Republic Act No. 265, as amended, prescribes, among others, that in periods of emergency or of imminent financial panic which threaten monetary and banking stability, the Central Bank shall grant extraordinary advances to banking institutions;

WHEREAS, Section 6-E of Republic Act No. 337, as amended, states that the banking industry is indispensable to the national interest and prescribes that the Monetary Board shall modify or set aside the penalties for reserve deficiencies accruing during the entire period of any national emergency affecting bank operations or any bank strike or lockout;

WHEREAS, certain sectors of the country are engaged in a campaign to convince the Filipino people to undertake activities calculated or designed to obstruct performance by the Government of its constitutional duty to maintain internal and external monetary stability in the Philippines and foster monetary credit and exchange conditions conducive to a balanced and sustainable growth of the national economy;

WHEREAS, it is imperative that the Government adopt decisive measures to prevent erosion of public confidence in the Philippine banking system:

NOW THEREFORE, I, FERDINAND E. MARCOS, by virtue of the powers in me vested by the Constitution and the laws, do hereby decree and order the amendment of Republic Act No. 265, as amended, as follows:

SECTION 1. There is hereby inserted a new Section in Republic Act No. 265, as amended, to be known as Section 90-A which shall read as follows:

“SECTION 90-A. Extraordinary loans and advances. Upon proclamation by the President of the Philippines that there exists a concerted political effort to undermine the stability of any bank or banks or imminent danger thereof which threatens the stability of the banking industry, the Governor is required to make available to the bank or banks concerned, extraordinary loans or advances in the form of credit lines equal to their deposits; deposit substitute liabilities; and foreign obligations outstanding as shown in their statement of condition as of the date specified in the required presidential proclamation under the following terms and conditions:

“1. Drawings under the credit line shall be made by way of promissory notes in favor of the Central Bank executed by the bank concerned acting through its President or Treasurer or its duly authorized representatives.

“2. All availments shall be used only for the following purposes:

a) Restoration of deposit and/or deposit substitutes level;

- b) Restoration of legal reserves levels; and
- c) Restoration of foreign exchange position.

Renewals or extensions of existing loans shall not be covered by the provisions herein.”

“3. All availments under the credit line shall have a term of at least one (1) year, or until such time as the bank concerned shall be in a position to operate on its own with safety to its depositors, creditors and the general public.”

“4. All availments shall bear an interest rate equal to the Manila Reference Rate 60.

“5. The proceeds of the availments shall be utilized solely for the purposes specified in subparagraph (2) hereof and shall in no case be utilized for lending and/or investment operations.”

“6. Any violation of this Section 90-A shall be penalized in accordance with, the provisions of Sections 34, 34-A and 34-B as the Monetary Board may prescribe.”

SECTION 2. This decree shall take effect immediately.

Done in the City of Manila this 20th day of February in the year of our Lord nineteen hundred and eighty six.

(Sgd.) FERDINAND E. MARCOS
President

By the President:

(Sgd.) JOAQUIN T. VENUS, JR.
Deputy Presidential Executive Assistant

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.