

[ **PRESIDENTIAL DECREE NO. 1897, January 11, 1984** ]

**AMENDING REPUBLIC ACT NUMBERED THREE THOUSAND FIVE HUNDRED NINETY-ONE, AS AMENDED, ENTITLED "AN ACT ESTABLISHING THE PHILIPPINE DEPOSIT INSURANCE CORPORATION, DEFINING THE POWERS AND DUTIES AND FOR OTHER PURPOSES."**

**WHEREAS**, it is the declared policy of the State to encourage the accumulation of savings and deposits in banks in recognition of the immense contribution of these funds mobilized by banks in the socio-economic development of the country;

**WHEREAS**, the deposit insurance system was conceived to generate more faith and confidence in the banking system by providing immediate relief to bank depositors in the event of bank failures;

**WHEREAS**, under R.A. No. 3591 enacted in June 1963, the Philippine Deposit Insurance Corporation was established to administer an insurance system for bank deposits;

**WHEREAS**, under prevailing circumstances, there is a felt need to increase the insurance coverage from its present amount of P15,000 per depositor;

**NOW, THEREFORE, I, FERDINAND E. MARCOS**, President of the Republic of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby order and decree the further amendment of Republic Act No. 3591, as amended, as follows:

**SECTION 1.** Section three (g) of Republic Act Numbered Three Thousand Five Hundred Ninety-One, as amended, is hereby amended to read as follows:

**"SEC. 3(g)** The term 'insured deposit' means the net amount due to any depositor for deposits in an insured bank (after deducting offsets) less any part thereof which is in excess of forty thousand pesos (P40,000). Such net amount shall be determined according to such regulations as the Board of Directors may prescribe and in determining such amount due to any depositor, there shall be added together all deposits in the bank maintained in the same capacity and the same right for his benefit either in his own name or in the name of others.

**SECTION 2.** Section six (i) of the same Act is hereby amended to read as follows:

**"Sec. 6(i)** Trust funds held by an insured bank in a fiduciary capacity whether held in trust or deposited in any other department or in another bank shall be insured like other forms of deposits, in an amount not to exceed P40,000 for each trust estate, and when deposited by the fiduciary bank in another bank such trust funds shall be similarly insured to the fiduciary bank according to the trust estates represented. Notwithstanding any other provision of this Act, such insurance shall be separate from and additional to that covering other deposits of the owners of such trust funds or the beneficiaries of such trust estates: Provided, That where the fiduciary bank deposits any of such trust funds