

[PRESIDENTIAL DECREE NO. 515, July 19, 1974]

INCREASING THE MAXIMUM NUMBER OF DIRECTORS OF COMMERCIAL BANKS BY AMENDING REPUBLIC ACT NO. 337, AS AMENDED.

WHEREAS, the Central Bank has initiated a program increasing the minimum capitalization of commercial banks;

WHEREAS, increased capitalization may be achieved, among other things, through the infusion of capital from investors other than existing stockholders, including foreign banks;

WHEREAS, in order to allow new stockholders contributing a substantial amount to the equity of commercial banks representation in the Board without displacing existing directors, there is a need to increase the maximum number of directors for commercial banks;

WHEREAS, the Investments Incentives Act, in order to accomplish the desired objectives thereof, permits enterprises registered thereunder to fix the number of their directors at any number not in excess of fifteen;

WHEREAS, in order to promote bank mergers and consolidations, membership in the board of directors of the resulting bank may include up to the total number of directors provided for in the respective articles of incorporation of the merging or consolidating banks;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution, do hereby decree and order that —

SECTION 1. Republic Act Numbered Three Hundred Thirty-Seven is hereby amended by adding the following section after section twenty thereof, which shall read as follows:

"SECTION 20-A. Any provision of law to the contrary notwithstanding, commercial banking corporations may fix the number of their directors at any number not less than five (5) nor in excess of fifteen (15).

SEC. 2. This Decree shall take effect immediately.

Done in the City of Manila, this 19th day of July, in the year of Our Lord, nineteen hundred and seventy-four.

**(Sgd.) FERDINAND E.
MARCOS**
*President of the
Philippines*

By the President: