

[PRESIDENTIAL DECREE NO. 195, May 19, 1973]

AUTHORIZING THE INCREASE IN AUTHORIZED CAPITAL STOCK AND APPROPRIATING FUNDS FOR PAID-UP CAPITAL OF THE DEVELOPMENT BANK OF THE PHILIPPINES

WHEREAS, in line with the objectives of rapid economic growth, it is necessary for the Government to provide massive credit financing for the development and expansion of industry and agriculture;

WHEREAS, the Development Bank of the Philippines is one of the primary agencies of the Government which provides credit facilities for economic development;

WHEREAS, under its Charter (Republic Act No. 2081, as amended) the Development Bank of the Philippines has an authorized capital of P2 billion fully subscribed by the Government of which only P408.7 million has been paid; and

WHEREAS, in accordance with the findings of the Performance Evaluation Team which conducted an audit of the financial affairs and operations of the Development Bank of the Philippines pursuant to Presidential Memorandum Order No. 247, Series of 1971, it is desirable to increase the capital stock and paid-up capital of the said Bank to enable it to sustain the credit requirements of a rapidly expanding economy;

NOW, THEREFORE, I, FERDINAND E. MARCOS, President of the Philippines, by virtue of the powers in me vested by the Constitution as Commander-in-Chief of all the Armed Forces of the Philippines, and pursuant to Proclamation No. 1081, dated September 21, 1972, and General Order No. 1, dated September 22, 1972, as amended, and in order to effect the desired changes and reforms in the social, economic, and political structures of our society, do hereby order and decree the amendment of Republic Act No. 2081, as amended, as follows:

SECTION 1. Section Three of R.A. No. 2081, as amended, is hereby amended to read as follows:

"SEC. 3. Capital Stock. — The capital stock of the Bank shall be three billion pesos divided into three million shares having a par value of one thousand pesos each. The said capital stock shall be fully subscribed by the Government of the Republic of the Philippines and payment of the said subscription shall be as follows:

"(a) At least fifty *per centum* (50%) of the surplus account of the Bank as of June 30, 1962 and at least twenty *per centum* (20%) of the net profits that may hereafter be realized as well as profits that may be assigned as dividends to the shares of the Government shall be automatically applied to the payment of the subscribed capital stock of the Government until the said capital stock shall have been fully paid for, in which case the said profits shall be utilized for such purposes as may be authorized by the Board of Governors.

"(b) The provisions of Section three of Republic Act Numbered Seventeen hundred eighty-nine to the contrary notwithstanding, an amount equivalent to fifty percent of the