

**[ REPUBLIC ACT NO. 8523, February 14, 1998 ]**

**AN ACT STRENGTHENING THE DEVELOPMENT BANK OF THE PHILIPPINES, AMENDING FOR THE PURPOSE EXECUTIVE ORDER NO. 81**

*Be it enacted by the Senate and House of Representatives of the Philippines in Congress assembled:*

SECTION 1. Section 7 of Executive Order No. 81, entitled "Providing for the 1986 Revised Charter of the Development Bank of the Philippines" is hereby amended, as follows:

"SEC. 7. *Authorized Capital Stock-Par Value.* - The capital stock of the Bank shall be Thirty-five billion pesos (P35,000,000,000.00) to be divided into Three hundred fifty million (350,000,000) common shares with par value of P100.00 per share, which shall be fully subscribed by the national government. Upon the effectivity of this Charter, the National Government shall initially subscribe to One hundred twenty-five million (125,000,000) common shares of stock worth Twelve billion five hundred million pesos (P12,500,000,000.00), Five billion pesos (P5,000,000,000.00) of which shall be deemed paid for by the government and the balance shall be paid for by the government out of the stock dividends to be declared by the Bank from its unappropriated retained earnings: Provided, That the dividends due the national government pursuant to Republic Act No. 7656 shall first be paid."

SEC. 2. Section 8 of the same Charter is hereby amended to read as follows:

"SEC. 8. *Board of Directors - Composition - Tenure - Per Diems.* - The affairs and business of the Bank shall be directed and its properties managed and preserved and its corporate powers exercised, unless otherwise provided in this Charter, by a Board of Directors consisting of nine (9) members, to be appointed by the President of the Philippines. The term of office of the Chairman, President and the members of the Board of Directors shall be for a period of one year or until such time as their successors are appointed.

"The Chairman of the Board shall be appointed by the President of the Philippines from among the members of the Board: Provided, That the position of chairman of the Board and president of the Bank shall not be held by the same person.

"The Chairman shall preside at meetings of the Board and of the stockholders.

"The President of the Bank shall be vice chairman of the Board, and as such, shall assist the Chairman and act in his stead in case of absence or incapacity. In case of incapacity or absence of both the Chairman and the Vice Chairman,

the Board of Directors shall designate a temporary chairman from among its members.

"No person shall be appointed director of the Bank unless he is a natural-born citizen of the Philippines, not less than thirty-five (35) years of age, of good moral character and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, agriculture, business management or government administration.

"At least four of the members of the Board shall come from the private sector.

"Except for the Chairman and the President, no officer or employee of the Bank may be appointed, as a member of the Board of Directors of the Bank; nor shall any director, officer or employee of any other bank be eligible as a member of the Board of Directors of the Bank.

"Unless otherwise set by the Board and approved by the President of the Philippines, members of the Board shall be paid a per diem of One thousand pesos (P1,000.00) for each meeting of the Board of Directors actually attended: Provided, That the total amount of per diems for every single month shall not exceed the sum of Seven thousand five hundred pesos (P7,500.00)."

SEC. 3. Section 10 of the same Charter is hereby amended to read as follows:

"SEC. 10. *President and Chief Executive Officer.* - The Chief Executive Officer of the Bank shall be the President who shall be elected by the Board of Directors from among themselves with the advice and consent of the President of the Philippines. No person shall be appointed President of the Bank unless he is at least forty (40) years of age, of good moral character and reputation, with at least ten (10) years previous experience in banking, and has a reputed proficiency, expertise and recognized competence in banking or financial management.

"The President shall, among other powers and duties, execute, carry out and administer the policies, measures, orders and resolutions approved by the Board; direct and supervise the operation and administration of the Bank; and exercise such other powers and perform such other functions or duties as may be directed to or assigned to him by law or by the Board from time to time.

"Particularly, he shall have the power and duty:

- a. To sign and execute all contracts concluded by the Bank and enter into all necessary obligations required or permitted by this Charter, upon proper authorization by the Board; and sign all notes, securities, certificates and other major documents of the Bank;
- b. To exercise, as Chief Executive Officer of the Bank, the powers of control and supervision over decisions and actions of subordinate officers and all other powers that may be granted by the Board;
- c. To report to the Board the main facts concerning the operations of the Bank and to recommend changes in policies which he may deem advisable;