

[BATAS PAMBANSA BLG. 390, April 14, 1983]

AN ACT FURTHER AMENDING SECTION FOUR OF REPUBLIC ACT NUMBERED FORTY HUNDRED NINETY-THREE, AS AMENDED, OTHERWISE KNOWN AS THE PRIVATE DEVELOPMENT BANKS' ACT, WHICH PROVIDES FOR THE ORGANIZATION OF PRIVATE DEVELOPMENT BANKS.

Be it enacted by the Batasang Pambansa in session assembled:

SECTION 1. Section four of Republic Act Numbered Forty hundred and ninety-three, as amended, is further amended to read as follows:

"SEC. 4. A private development bank shall be organized in the form of a stock corporation: *Provided*, That at least seventy percent of the voting stock subscribed by the private sector shall be owned and held by citizens of the Philippines, except where a new bank is established as a result of the consolidation of existing private development banks in any of which there are foreign-owned voting stocks at the time of consolidation: *Provided, however*, That the Monetary Board may with the approval of the President of the Philippines reduce the required minimum percentage of Philippine ownership prescribed herein from seventy (70%) percent to sixty (60%) percent: *Provided, further*, That shares of stock subscribed by the Development Bank of the Philippines under authority existing prior to the effectivity of Batas Pambansa Bilang 63 shall be preferred shares entitled to cumulative dividends at the yearly rate of one percent during the first five years, two percent during the following five years, and three percent thereafter, shall be preferred as against common and other preferred stockholders in the distribution of assets in the event of liquidation, and shall be entitled to voting privileges: *Provided, still further*, That such preferred shares of the bank may at any time be paid off at not less than par and retired in whole or in part if, in the opinion of the Monetary Board, the bank has accumulated enough capital strength to permit retirement of such shares, or sold at not less than par to private individuals who are citizens of the Philippines, and in the sale thereof, the qualified registered stockholders shall have the right of pre-emption within one year from the date of offer in proportion to their respective holdings, but in the absence of such buyers, preference shall be given to residents of the province or city where the development bank is located: *Provided, finally*, That such preferred shares may be converted to common shares when sold to private individuals. At least two-thirds of the members of the board of directors of the private development bank shall be citizens of the Philippines: *Provided, however*, That no appointive or elective public official, whether full-time or part-time, shall at the same time serve as officer of any private development bank, except in cases where such service is incident to financial assistance provided by the government or a government-owned or controlled corporation to the bank: *Provided, further*, That in the case of