

FURTHER AMENDING PRESIDENTIAL DECREE NO. 694, AS AMENDED, OTHERWISE KNOWN AS THE 1975 REVISED CHARTER OF THE PHILIPPINE NATIONAL BANK.

PRESIDENTIAL DECREE NO. 1963, January 11, 1985

Read online (full-text search, related cases, audio case brief): <https://batas.org/library/47f536a42778/>

WHEREAS, the Charter of the Philippine National Bank was amended by Presidential Decree No. 1478 to strengthen the bank with regard to its assigned role of providing the necessary financing for the economic development of the country;

WHEREAS, the current economic crisis amounts to a grave emergency which affects the stability of the nation and requires immediate action;

WHEREAS, the issuance of this Decree is an essential and necessary component of the National Economic Recovery Program formulated to meet and overcome the emergency;

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

SECTION 1. Section 4 of Presidential Decree No. 694, as amended, otherwise known as the 1975 Revised Charter of the Philippine National Bank, is hereby further amended to read as follows:

"SECTION 4. Authorized Capital Stock-Par Value — Government Subscription and Payment — Sale of Shares.— The authorized capital stock of the Bank shall be further increased to Twenty-Five Billion Pesos to be divided into two hundred fifty million shares at par value of One Hundred Pesos each. The Government shall fully subscribe and pay for the whole increase, subject to the exercise of pre-emptive rights by existing private stockholders. Payment for the additional capital contribution by the Government shall be made as follows:

- Fifty per centum (50%) in the form of cash which is hereby appropriated from funds in the National Treasury not otherwise appropriated, to be applied to the full payment of the corresponding shares of common stock subscribed by the Government.
- Fifty per centum (50%) in the form of the amount of taxes due to the National Government which is likewise hereby appropriated under this Decree on income or other transactions of the Bank to be automatically applied to the payment of the balance of the subscription by the Government, beginning with the calendar year 1985.

The Bank's authorized capital stock shall be divided into the following classes of shares:

- Preferred "A" shares which shall consist of one million shares available for sale to or subscription by the general public. These shares shall have the following features:

1. preferred as to dividends at ten percent (10%);
2. cumulative;
3. participating;
4. non-voting;

5. dividends thereon shall be exempt from income tax;
6. redeemable at the option of the Bank at the prevailing book value but in no case less than par after five (5) years from issuance thereof; and
7. convertible to common shares at the option of the holder in case the Bank fails to pay dividends thereon for two consecutive years; Provided, however, that if the holder thereof signifies his intention to convert the Preferred "A" shares to Common shares, the Bank may, at its option, redeem said shares even before the lapse of five (5) years counted from date of their issuance.

- Preferred "B" shares which shall consist of two million shares available for sale to or subscription by citizens of the Philippines only. These shares shall have the following features:

1. preferred as to dividends;
2. cumulative;
3. participating;
4. non-voting;
5. dividends thereon shall be exempt from income tax; and
6. convertible to Common at the option of the holder in case the Bank fails to pay dividends thereon for two consecutive years.

- Common "A" shares which shall consist of five hundred thousand (500,000) shares exclusively available for subscription at par by officers and employees of the Bank. These shares shall have the following features:

1. preferred as to dividends;
2. cumulative;
3. participating;
4. voting;
5. dividends thereon shall be exempt from income tax; and non-transferable except to qualified holders as herein provided.

Transfer of any kind, including that by hereditary succession, to any person other than officers or employees of the Bank shall not be valid and shall not be registered in the books of the Bank. Moreover, such transfer shall give rise to the Bank's right to acquire the shares so transferred at par. The Board of Directors of the Bank shall prescribe the terms and conditions for the distribution of Common "A" shares to officers and employees of the Bank as well as for the Bank's reacquisition of said shares from the holders thereof upon their separation from the Bank or upon the transfer of said shares to any person other than officers or employees of the Bank.

- The remaining balance of the authorized capital stock shall be in common shares.

The Board of Directors of the Bank may, at its discretion, increase the number of any of the preferred shares as well as the Common "A" shares by converting outstanding Common shares, if there are any available, to such shares desired to be increased. Said increase shall be subject to the approval of the President of the Philippines upon recommendation of the Minister of Finance. The Bank may take the necessary steps to have its preferred shares listed in any duly registered stock exchange.

Existing private stockholders may exercise their pre-emptive rights; Provided, that they shall only have a period of ninety (90) days within which to exercise such right with respect to the increase in capital stock and the common shares unsubscribed by said private stockholders shall than be automatically subscribed and paid for by the National Government.

The Bank is also authorized to purchase its own shares that are held privately.

Holders of the Land Bank bonds may, under such terms and conditions as may be prescribed by the Board of Directors of the Bank, exchange such bonds, for shares of the Bank offered for sale to the public."

SEC. 2. This Decree shall take effect immediately.

DONE in the City of Manila, this 11th day of January, in the year of Our Lord, nineteen hundred and eighty-five.

ABOUT BATAS.ORG

Study smarter at BATAS.org

The Philippine bar review and law-school companion built around how your brain actually remembers.

The complete Philippine law library - free for everyone.

More than 100,000 Supreme Court decisions, Republic Acts, and executive issuances - full-text searchable, browsable by category and year, and always free. No paywall, no login. This PDF came from it.

Audio case-brief lectures.

Any decision becomes a podcast-style lecture - facts, issues, ruling, and doctrine - with read-along highlighting and a hands-free presentation mode. Study while commuting, working out, or resting your eyes.

Bar review built on the science of memory.

Complete, sequenced courses for all eight bar subjects, narrated like podcasts and reinforced with retrieval practice and spaced review - the study techniques with the strongest evidence behind them.

The full law-school curriculum.

One subscription unlocks the entire J.D. curriculum - every subject, every lesson, with your progress tracked down to the paragraph so you can pick up exactly where you left off, on any device.

Mock exams that tell you where you stand.

Timed multiple-choice exams graded instantly, with per-subject score breakdowns and focus suggestions that point you at your weakest topics first.

A study planner that keeps you on pace.

Set your schedule and BATAS tells you every day whether you are on track for bar day - and exactly which lesson to take next.

Start free at <https://batas.org>

The law library is free forever - and your first lesson is one click away.

The text of this document is an official public record and remains in the public domain. Formatting, presentation, and compilation © 2026 batas.org.

Downloaded free from the batas.org Law Library. Share it freely - the library is free for every law student, bar reviewee, and practitioner.