

Republic of the Philippines  
**HOUSE OF REPRESENTATIVES**  
Quezon City, Philippines

Fifteenth Congress  
First Regular Session

HOUSE BILL NO. 4621

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**Introduced by Honorable Cresente C. Paez and Honorable Jose R. Ping-ay**

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**EXPLANATORY NOTE**

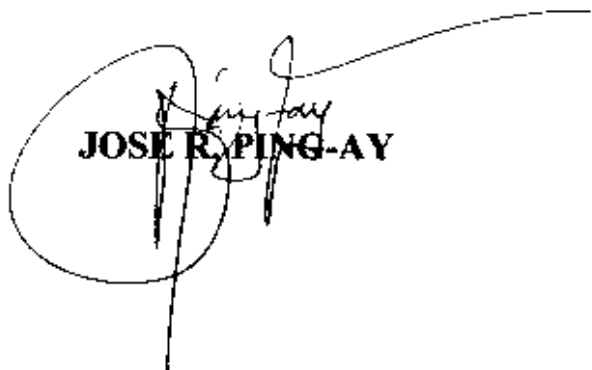
The Land Bank of the Philippines, a Specialized Government Bank with universal banking license, was created under Republic Act No. 3844 also known as the Agricultural Land Reform Code on 08 August 1963 primarily to finance the acquisition and distribution of agricultural estates for division and resale to small landholders as well as the purchase of landholdings by the agricultural lessee as defined under the law. This Body Corporate was granted legal existence for a period of Fifty (50) years counting from the approval of the law. In 1977 the Bank was reorganized to form three major sectors - Agrarian, Banking and Operations to strengthen operations and ensure long-term viability. Several issuances and enactments were later on passed relative to its organizational structure, operations and vested functions. Among which, on 23 February 1995, Republic Act No. 7907 made the LBP as an official government depository.

In its almost forty eight (48) years of corporate existence, LBP was a well renowned government financial institution meritoriously receiving scores of highly acclaimed awards and citations from both local and international award-giving bodies which is a testament to its sound management and profuse growth over the years. As a matter of fact, as of 31 December 2010, LBP reported total assets of 565.72 Billion pesos and total net income after tax of 8.108 Billion pesos translating to an annual growth of 20%.

In the light of LBP's impending corporate life expiration on 2013, this bill seeks to extend the Bank's life for another period of fifty (50) years with an optimistic anticipation that it would continuously replicate with greater dedication and visibility past successes in countryside development and expand further, years of accomplishments in the industry permeating all levels of the Filipino society to provide excellent and responsive services especially to farmers, fisher folks and other priority sectors and stakeholders (its avowed beneficiaries) towards economic prosperity.

In view of the foregoing, the approval of this bill is earnestly sought.

  
**CRESENTE C. PAEZ**

  
**JOSE R. PING-AY**

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1     **AN ACT EXTENDING THE LIFE OF THE LAND BANK OF THE**  
2     **PHILIPPINES, FURTHER AMENDING REPUBLIC ACT 3844,**  
3     **OTHERWISE KNOWN AS THE AGRICULTURAL LAND REFORM**  
4     **CODE, AS AMENDED**

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

7  
8     SECTION 1.     The Land Bank of the Philippines (LBP) franchise  
9     granted under Republic Act No. 3844, also known as the "Agricultural Land  
10    Reform Code", is amended to read as follows:

11     (1)   Sec. 74. Creation, is hereby amended to read as follows;

12  
13     **"Sec. 74. Creation. -** To finance the acquisition by the  
14     Government of landed estates for division and resale to small  
15     landholders, as well as the purchase of the landholding by the  
16     agricultural lessee from the landowner, there is hereby  
17     established a body corporate to be known as the "Land Bank of  
18     the Philippines", hereinafter called the "Bank", which shall  
19     have its principal place of business in Manila. [The legal  
20     existence of the Bank shall be for a period of fifty years  
21     counting from the date of the approval hereof.]**THE BANK IS**  
22     **HEREBY GRANTED FROM THE EXPIRATION OF ITS**  
23     **ORIGINAL TERM ON 08 AUGUST 2013, ANOTHER**  
24     **PERIOD OF FIFTY (50) YEARS OF LEGAL**  
25     **EXISTENCE RENEWABLE FOR ANOTHER FIFTY (50)**  
26     **YEARS.** The Bank shall be subject to such rules and

1 regulations as the Central Bank may from time to time  
2 promulgate.”  
3

4 SEC. 2. *Repealing Clause.* – All laws, presidential decrees, executive  
5 orders in whole or in part, including the rules and regulations promulgated  
6 thereunder inconsistent with the provisions of this Act, are hereby amended,  
7 repealed or modified accordingly.  
8

9 SEC. 3. *Effectivity.* – This Act shall take effect fifteen (15) days  
10 following its publication in the Official Gazette or in at least two (2)  
11 newspapers of general circulation.  
12

13 Approved,