

Republic of the Philippines
HOUSE OF REPRESENTATIVES
Quezon City, Metro Manila

FIFTEENTH CONGRESS

Second Regular Session

HOUSE BILL NO. 5117

INTRODUCED BY REPRESENTATIVE PEDRO P. ROMUALDO

EXPLANATORY NOTE

The Land Bank of the Philippines (LBP) was created on August 8, 1963 by virtue of Section 74 of Republic Act No. 3844, with an original term of fifty (50) years which will expire on August 8, 2013. This bill proposes to extend the term of the Land Bank of the Philippines to another fifty (50) years to continue its existence and operations.

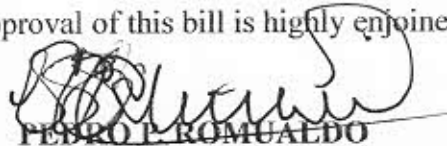
The Land Bank of the Philippines has been very successful in its twin-thrusts as a universal bank by virtue of Presidential Decree No. 251 on July 21, 1973 and as the financial intermediary of the agrarian reform program of the government wherein it was primarily created to provide financial support in all phases of agrarian reform under Section 64 of Republic Act No. 3844.

It was reorganized in 1977 to focus into three areas: Agrarian, Banking and Operations to meet the increasing and diverse needs of its clients and strengthen its long term viability. On February 23, 1995, its charter was amended wherein its authorized capital was increased from its original authorized capital One billion five hundred thousand pesos (P\ 1,500,000.00) to "Nine billion pesos" (P\ 9,000,000.00) and its Board of Trustees was increased from seven (7) to nine (9). It also became the official government depository bank. On August 25, 1998, its authorized capitalization was again increased to "Twenty-five billion pesos" (P\ 25,000,000.00).

Today, Land Bank of the Philippines is one of the top five commercial banks in the country in terms of deposits, assets, loans and capital. It continues to serve the country as: a) the implementing arm of the Comprehensive Agrarian Reform Program which includes land valuation, compensation to owners of agricultural lands, and collection of amortizations from CARP-farmer beneficiaries; b) provision of credit assistance to small farmers and fisherfolks and agrarian reform beneficiaries; c) as official government depository bank; and d) in fulfilling its mandate to spur countryside development.

Let us continue to support "Ang Bangkong May Damdaming Bayan" so it can function well and fulfill its mandate as a top universal and government bank as well as lead partner of our national government in the successful implementation of the Comprehensive Agrarian Reform Program.

With the foregoing, your favorable support and approval of this bill is highly enjoined.



PEDRO P. ROMUALDO

Congressman, Lone District, Camiguin

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

AN ACT

EXTENDING THE TERM OF THE LAND BANK OF THE PHILIPPINES (LBP) TO ANOTHER FIFTY (50) YEARS THEREBY AMENDING SECTION 74 OF THE REPUBLIC ACT NO. 3844, AS AMENDED, OTHERWISE KNOWN AS THE "AGRICULTURAL LAND REFORM CODE"

SECTION 1. Section 74 of Republic Act No. 3844, as amended is hereby amended to read as follows:

" **Section 74. Creation** - To finance the acquisition by the Government of landed estates for division and resale to small landholders, as well as the purchase of the landholding by the agricultural lessee from the landowner, there is hereby established a body corporate to be known as the "Land Bank of the Philippines", hereinafter called the "Bank", which shall have its principal place of business in Manila. [The legal existence of the Bank shall be for a period of fifty years counting from the date of the approval hereof.] **THE BANK IS HEREBY GRANTED FROM THE EXPIRATION OF ITS ORIGINAL TERM ON AUGUST 8, 2013, ANOTHER PERIOD OF FIFTY (50) YEARS.** The Bank shall be subject to such rules and regulations as the [Central Bank] **BANGKO SENTRAL NG PILIPINAS** may from time to time promulgate.

SECTION 2. Repealing Clause. - All laws, decrees, executive orders, proclamations, rules and regulations and other issuances, or parts thereof which are inconsistent with the provisions of this Act, are hereby repealed, amended or modified.

SECTION 3. Effectivity Clause. - This Act shall take effect fifteen (15) days from the date of its publication, upon its initiative, in at least two (2) newspapers of general circulation in the Philippines.

Approved,