

[EXECUTIVE ORDER NO. 601, February 09, 2007]

**ADJUSTING THE DIVIDEND RATE OF LAND BANK OF THE
PHILIPPINES (LBP) ON ITS 2003, 2004 AND 2005 NET
EARNINGS PURSUANT TO SECTION 5 OF REPUBLIC ACT NO.
7656**

WHEREAS, under Section 1 of Republic Act No. 7656, it is the declared policy of the state that in order for the National Government to realize additional revenues, government owned and/or controlled corporations, without impairing their viability and the purposes for which they have been established, shall share a substantial amount of their net earnings to the national Government;

WHEREAS, Section 5 of Republic Act No. 7656 provides that *"in the interest of national economy and general welfare, the percentage of annual net earnings that shall be declared by a government owned and/or controlled corporations may be adjusted by the President of the Philippines upon recommendation by the Secretary of Finance"*;

WHEREAS, to support the viability and mandate of LBP, their liquidity, capital position, retained earnings and medium term plans and programs were considered in the determination of reasonable dividend rates; and

WHEREAS, pursuant to Section 5 of Republic Act No. 7656, the Secretary of Finance recommended the adjustment on the percentage of dividend rates for 2003, 2004 and 2005 net earnings that shall be declared by LBP to the National Government, in the interest of national economy and general welfare.

NOW, THEREFORE, I, GLORIA MACAPAGAL-ARROYO, President of the Philippines, by virtue of the powers vested in me by law, do hereby order:

SECTION 1. The percentage of dividends for years 2003, 2004 and 2005 to be remitted by LBP to the National Government, which are composed of:

YEAR	AMOUNT	PERCENTAGE
2005	At least eight hundred million (P800 M) cash and five hundred million (P500 M) stock dividends	23% cash 14% non-cash
2004	At least seven hundred million (P700 M) cash and six hundred million (P600 M) stock dividends	18.00% cash 15.40% no-cash
2003	At least six hundred	14.01% cash