



MALACANAN PALACE
MANILA

BY THE PRESIDENT OF THE PHILIPPINES

EXECUTIVE ORDER NO. 44

APPROVING THE ACQUISITION OF PHILIPPINE POSTAL SAVINGS BANK BY THE LAND BANK OF THE PHILIPPINES

WHEREAS, pursuant to the Philippine Development Plan 2017-2022, this Administration aims to ensure a sound macroeconomic policy by strengthening the effectiveness of financial inclusion initiatives, particularly those focusing on the efficient delivery of microfinance and micro-insurance products and services for Filipinos including those who live abroad;

WHEREAS, overseas-based Filipinos, who contribute to the country's foreign exchange income, currency stability, employment, and overall economic growth through their remittances should be given provision of priority support for their growing financial needs;

WHEREAS, there is a need to establish a policy bank dedicated to provide financial products and services tailored to the requirements of overseas Filipinos, and focused on delivering quality and efficient foreign remittance services;

WHEREAS, the Philippine Postal Savings Bank, Inc. (PPSB), a subsidiary of the Philippine Postal Corporation (PPC), which has the primary purpose of developing the rural financial sector, is strategically equipped to provide the needed financial and remittance services to Filipinos overseas and their families;

WHEREAS, Section 2 of Republic Act (RA) No. 10149 or the "GOCC Governance Act of 2011" declares as a policy of the State to actively exercise its ownership rights in GOCCs and to promote growth by ensuring that operations are consistent with national development policies and programs;

WHEREAS, pursuant to Section 5(a)(1) of the same law, the Governance Commission for GOCCs (GCG) recommended the acquisition of PPSB by the Land Bank of the Philippines (LBP) through transfer of shares, since the functions and purposes for which PPSB was created are no longer consistent with the national development policy of the State;

WHEREAS, Section 17, Article VII of the 1987 Constitution provides for the

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President's power of control over all executive departments, bureaus and offices;

NOW, THEREFORE I, RODRIGO ROA DUTERTE, President of the Philippines, by virtue of the powers vested in me by the Constitution and existing laws, do hereby order:

SECTION 1. Acquisition of PPSB by LBP and Conversion of PPSB into an Overseas Filipino Bank. Subject to the necessary approval and/or clearance of the Bangko Sentral ng Pilipinas, Securities and Exchange Commission, Philippine Deposit Insurance Corporation, and the Philippine Competition Commission, the acquisition of PPSB by LBP through transfer of shares and its subsequent conversion into an Overseas Filipino Bank (OFB) is hereby approved, in accordance with existing laws, rules and regulations.

SECTION 2. Transfer of Shares of PPC and the Bureau of the Treasury. The PPC and the Bureau of the Treasury are hereby directed to transfer all their respective shares in PPSB to LBP at zero value. Relative thereto, the PPSB shall cause the expeditious transfer of all assets, liabilities, records, systems, and other appurtenant items to LBP.

SECTION 3. Additional Capitalization for the OFB. In order to strengthen the capital base of OFB and enable the same to attain its primary agenda of servicing the various financial and banking needs of overseas Filipinos, the LBP is hereby directed to infuse the necessary capital to OFB.

SECTION 4. Reorganization. The LBP shall implement a reorganization plan for the OFB, and cause the detail or secondment of LBP employees as may be necessary.

The affairs and business of the OFB shall be directed, and its property managed and preserved, by a Board of Directors consisting of the following nine (9) members:

- a. LBP President, as Chairperson;
- b. LBP-designated OFB President, as Vice Chairperson;
- c. Four (4) LBP-designated Directors or Officers, as members;
- d. A member representing the Department of Labor and Employment (DOLE);
- e. A member representing the Overseas Workers Welfare Administration (OWWA); and
- f. A private sector member representing overseas Filipinos.

The members representing the DOLE, OWWA and overseas Filipinos shall be appointed by the President.

SECTION 5. Early Retirement Incentive Plan. All PPSB officers and employees who voluntarily elect to be retired or may be separated from the service shall be granted the following retirement incentive, in addition to retirement or separation benefits under existing laws:

Years In Service	Rates
First 20 years	1.00 x BMP* x No. of years
20 years and 1 day to 30 years	1.25 x BMP x No. of years
30 years and 1 day and above	1.50 x BMP x No. of years

**Basic Monthly Pay*

Funding for the separation pay and other benefits of affected officials and personnel of PPSB shall be sourced from its corporate funds or, whenever necessary, the corporate funds of the LBP.

SECTION 6. Return of Project Dagdag Regular Income Via Entrepreneurship (DRIVE) Fund. Prior to the actual transfer of shares, the PPSB is hereby directed to return to the National Treasury the balance amounting to ₱249.23 Million from the previously released ₱500 Million to fund the Project DRIVE Fund.

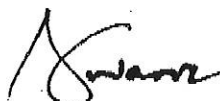
SECTION 7. Repeal. All other orders, issuances, or parts thereof, which are inconsistent with the provisions of this Order, are hereby repealed or modified accordingly.

SECTION 8. Separability. If any provision of this Order is declared invalid or unconstitutional, the other provisions not affected thereby shall remain valid and subsisting.

SECTION 9. Effectivity. This Order shall take effect immediately upon publication in the Official Gazette or in a newspaper of general circulation.

DONE, in the City of Manila, this 28th day of September, in the year of our Lord Two Thousand and Seventeen.

By authority of the President:



MENARDO I. GUEVARRA
Acting Executive Secretary