



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT
GENERAL SOLANO STREET, SAN MIGUEL, MANILA
CORPORATE OPERATING BUDGET
Fiscal Year 2025

TO: LAND BANK OF THE PHILIPPINES (LBP)

LBP's Corporate Operating Budget (COB) for FY 2025 per approved LBP Board Resolution No. 25-022 dated January 14, 2025, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total amount of **ONE TRILLION ONE HUNDRED EIGHTY-ONE BILLION NINE HUNDRED NINETY-EIGHT MILLION THREE HUNDRED EIGHTY-FIVE THOUSAND PESOS ONLY (P1,181,998,385,000.00)**, details of which are shown below:

PARTICULARS	LBP-Parent (Amount in Thousand Pesos)			LBP-Subsidiaries d/ (Amount in Thousand Pesos)			TOTAL APPROVED LEVEL
	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	
TOTAL SOURCES	P 1,069,136,613	P 1,069,136,613	P -	P 2,086,533,912	P 2,086,533,912	P -	P 3,155,670,525
Corporate Funds	1,069,136,613	1,069,136,613	-	2,086,533,912	2,086,533,912	-	3,155,670,525
TOTAL USES	P 333,623,499	P 333,322,199	P (301,300)	P 848,676,186	P 848,676,186	P -	P 1,181,998,385
Personnel Services (PS)	29,602,514	29,301,214	a/ (301,300)	160,183,082	160,183,082	-	189,484,296
Maintenance & Other Operating Expenses (MOOE)	33,891,702	33,891,702	b/ -	148,407,579	148,407,579	-	182,299,281
Capital Outlays (CO)	270,129,283	270,129,283	c/ -	540,085,525	540,085,525	-	810,214,808
Excess	P 735,513,114	P 735,814,414	P (301,300)	P 1,237,857,726	P 1,237,857,726	P -	P 1,973,672,140

Footnotes:

- a/ The approved PS level of the LBP-Parent considers the Bank's adoption of the Compensation and Position Classification System (CPCS) per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated May 10, 2022. The said CPCS approval expressly authorizes the LBP to implement Category 3 Salary Structure for its 15,073 positions based on their CPCS Job Grade equivalent, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item. The variance of **P301.300 Million** pertains to the allocation of Service Recognition Incentive (SRI) for FY 2025 which is found to have no legal basis.
- b/ The approved MOOE level is computed considering the LBP-Parent's absorptive capacity, i.e., historical budget utilization rates (BURs) of the three (3) immediately preceding years, applying the year with the highest BUR to determine the MOOE level, and the latest report on expenditures of the current year and the doable programs, activities and projects of the LBP until the end of the year.
- c/ The approved CO level of LBP-Parent considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the LBP.
- d/ Pursuant to Section 16 of EO No. 518, shown below are the details of the approved COB of LBP's subsidiaries:

SOURCES

Particulars	Amounts in Thousand Pesos
Land Bank Countryside Development Foundation, Inc. (LCDFI)	57,800
LBP Resources and Development Corporation (LBRDC)	1,392,590,000
LBP Insurance Brokerage, Inc. (LBI)	636,967,096
Overseas Filipino Bank (OFB)	788,240
LBP Leasing and Finance Corporation (LBP LLFC)	9,767,117
UCPB Leasing and Finance Corporation (ULFC)	119,273
UCPB Savings Bank (USB)	1,809,268
Landbank Securities, Inc. (LSI)	44,435,118
Total SOURCES	2,086,533,912

USES

Particulars	Amounts in Thousand Pesos			
	PS	MOOE	CO	TOTAL
Land Bank Countryside Development Foundation, Inc. (LCDFI)	26,335	30,095	900	57,330
LBP Resources and Development Corporation (LBRDC)	63,621,412	71,014,892	221,157,480	355,793,784
LBP Insurance Brokerage, Inc. (LBI)	67,563,244	62,245,562	318,016,182	447,824,988
Overseas Filipino Bank (OFB)	15,330	85,431	609,451	710,212
LBP Leasing and Finance Corporation (LBP LLFC)	100,263	146,797	38,390	285,450
UCPB Leasing and Finance Corporation (ULFC)	17,161	15,779	4,892	37,832
UCPB Savings Bank (USB)	504,364	1,144,577	-	1,648,941
Landbank Securities, Inc. (LSI)	28,334,973	13,724,446	258,230	42,317,649
Total USES	160,183,082	148,407,579	540,085,525	848,676,186

**No report submitted per LBP-CO consolidated COB submission*

Notwithstanding the approved level for each allotment class, the LBP and its subsidiaries still has the flexibility to modify their utilization within the total DBM-approved budget level for items funded out of corporate funds.


Further, the following conditions shall be observed and complied with:

- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.
- Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
- This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the OP. **Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations**, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 150 for Government-Owned or Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
- Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to the provisions of CPCS Circular No. 2021-013 while the other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
- For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, shall be secured before acquisition thereof. Examples: OP/Department of Budget and Management/Supervising Department for the purchase of motor vehicles, in accordance with the provisions of the Budget Circular No. 2022-01 (Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Motor Vehicles), RA No. 12009 (New Government Procurement Act) and its Implementing Rules and Regulations, among others).


TO: LAND BANK OF THE PHILIPPINES (LBP)

6. Electronic payment shall be observed in the disbursement of corporate and funds. In case the same is impracticable, the GOCC shall be allowed to continue with the existing payment scheme.
7. Pursuant to AO No. 6 dated September 19, 2017, no irregular, unnecessary, extravagant, excessive and unconscionable expenses shall be incurred. Furthermore, existing laws, rules and regulations mandating the judicious and prudent use of government funds shall be observed.
8. It is understood that this review action does not authorize any item of expenditure that is prohibited by or inconsistent with the provisions of existing laws, rules and regulations.
9. Any and all officials or employees who will authorize, allow or permit, as well as those who are negligent in the performance of their duties and functions which resulted in the incurrence or payment of unauthorized and unlawful obligation or expenditure shall be personally liable to the government for the full amount committed or expended and subject to disciplinary actions in accordance with Section 43, Chapter 5 and Section 80, Chapter 7, Book VI of EO No. 292.

Recommending Approval:

for:  Digitally signed
by Lulu P. Vispo
ELENA REGINA S. BRILLANTES
Director, BMB-C

Approved by:
By Authority of the Secretary:


ROLANDO U. TOLEDO
Undersecretary, DBM

cc: **The Chairman**
Board of Directors, Land Bank of the Philippines

The Assistant Commissioner for Corporate Government Audit Sector
Commission on Audit (COA) - Central Office
COA Building, Quezon City

The Resident Auditor
COA - LBP

COB No. C4-25-0047

Date: May 6, 2025



SOURCES AND USES OF FUNDS
LAND BANK OF THE PHILIPPINES (LBP)
FY 2025 Corporate Operating Budget

SCHEDULE I

GOCC under:

- ☐ DBM
☒ GCG

NG Budgetary Support:

- ☐ Asking
☒ Non-asking

Particulars	In Thousand Pesos			Remarks
	Proposal	Recommendation	Variance	
Sources of Funds				
The sources of funds are derived from the				
Corporate Revenues	3,155,670,525	3,155,670,525	-	Recommended as proposed. LBP-Parent corporate funds are composed of corporate income, operating liabilities, borrowings and other financing activities amounting to P355,399,091,000.00 and a beginning cash balance of P713,737,522,000.00.
<i>Landbank of the Philippines -Parent</i>	<u>1,069,136,613</u>	<u>1,069,136,613</u>	-	
<i>Subsidiaries:</i>	<u>2,086,533,912</u>	<u>2,086,533,912</u>	-	Likewise, LBP's subsidiaries' sources of funds, which mainly come from their own corporate income as a result of their operations, is recommended as proposed.
Land Bank Countryside Development Foundation, Inc. (LCDFI)	57,800	57,800	-	
LBP Resources and Development Corporation (LBRDC)	1,392,590,000	1,392,590,000	-	
LBP Insurance Brokerage, Inc. (LIBI)	636,967,096	636,967,096	-	
Overseas Filipino Bank (OFB)	788,240	788,240	-	
LBP Leasing and Finance Corporation (LBP LLFC)	9,767,117	9,767,117	-	
UCPB Leasing and Finance Corporation (ULFC)	119,273	119,273	-	
UCPB Savings Bank (USB)	1,809,268	1,809,268	-	
Landbank Securities, Inc. (LSI)	44,435,118	44,435,118	-	
Total Sources	3,155,670,525	3,155,670,525	-	
Uses of Funds				
Personnel Services (PS)	189,785,596	189,484,296	(301,300)	The PS level of the LBP-Parent is recommended as proposed in consideration of the Bank's adoption of the Compensation and Position Classification System (CPCS) per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated May 10, 2022. The said CPCS approval expressly authorizes the LBP to implement Category 3 Salary Structure for its 15,073 positions based on their CPCS Job Grade equivalent, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item. The variance of P301.300 Million pertains to the allocation of Service Recognition Incentive for FY 2025 which is found to have no legal basis.
<i>Landbank of the Philippines -Parent</i>	<u>29,602,514</u>	<u>29,301,214</u>	<u>(301,300)</u>	
<i>Subsidiaries:</i>	<u>160,183,082</u>	<u>160,183,082</u>	-	On the other hand, the proposed PS of LBP's subsidiaries are recommended as proposed.
Land Bank Countryside Development Foundation, Inc. (LCDFI)	26,335	26,335	-	
LBP Resources and Development Corporation (LBRDC)	63,621,412	63,621,412	-	
LBP Insurance Brokerage, Inc. (LIBI)	67,563,244	67,563,244	-	
Overseas Filipino Bank (OFB)	15,330	15,330	-	
LBP Leasing and Finance Corporation (LBP LLFC)	100,263	100,263	-	
UCPB Leasing and Finance Corporation (ULFC)	17,161	17,161	-	
UCPB Savings Bank (USB)	504,364	504,364	-	
Landbank Securities, Inc. (LSI)	28,334,973	28,334,973	-	
Maintenance & Other Operating Expenses (MOOE)	182,299,281	182,299,281	-	The recommended MOOE level for LBP-Parent is computed considering its absorptive capacity for the past three (3) years and applying the year with the highest BUR to determine the regular MOOE level for FY 2025, as prescribed by the Budget Execution Guidelines No. 2022-1 dated November 4, 2022.
<i>Landbank of the Philippines -Parent</i>	<u>33,891,702</u>	<u>33,891,702</u>	-	
<i>Subsidiaries:</i>	<u>148,407,579</u>	<u>148,407,579</u>	-	
Land Bank Countryside Development Foundation, Inc. (LCDFI)	30,095	30,095	-	

SOURCES AND USES OF FUNDS

LAND BANK OF THE PHILIPPINES (LBP)

FY 2025 Corporate Operating Budget

SCHEDULE I

GOCC under:

- ☐ DBM
☒ GCG

NG Budgetary Support:

- ☐ Asking
☒ Non-asking

Particulars	In Thousand Pesos			Remarks																																
	Proposal	Recommendation	Variance																																	
LBP Resources and Development Corporation (LBRDC)	71,014,892	71,014,892	-	<table><tr><th>Particulars</th><th>FY 2022 ^{1/}</th><th>FY 2023 ^{1/}</th><th>FY 2024 ^{2/}</th></tr><tr><td>DBM-Approved COB</td><td>531,447,853</td><td>127,998,657</td><td>1,114,770,299</td></tr><tr><td>Actual Expenditures</td><td>686,384,737</td><td>185,507,575</td><td>1,318,701,822 ^{3/}</td></tr><tr><td>Unutilized Balance</td><td>(154,936,884)</td><td>(57,508,918)</td><td>(203,931,523)</td></tr><tr><td>BUR</td><td>129.15%</td><td>144.93%</td><td>118.29%</td></tr><tr><td>Proposed Regular MOOE</td><td></td><td></td><td>33,891,702</td></tr><tr><td>x Highest BUR</td><td></td><td></td><td>100.00% ^{4/}</td></tr><tr><td>MOOE Level</td><td></td><td></td><td>33,891,702</td></tr></table> <p>1/ Actual expenditures is based on the submitted DBM form of LBP</p> <p>2/ The figures presented include the Consolidated Operating Budget (COB) levels of LBP's subsidiaries.</p> <p>3/ The presented actual expenditures for FY 2024 are based on LBP's latest figures, inclusive of its subsidiaries.</p> <p>4/ The highest Budget Utilization Rate (BUR) was recorded in FY 2023, capped at 100%.</p> <p>On the other hand, the proposed MOOE of LBP's subsidiaries are recommended as proposed.</p>	Particulars	FY 2022 ^{1/}	FY 2023 ^{1/}	FY 2024 ^{2/}	DBM-Approved COB	531,447,853	127,998,657	1,114,770,299	Actual Expenditures	686,384,737	185,507,575	1,318,701,822 ^{3/}	Unutilized Balance	(154,936,884)	(57,508,918)	(203,931,523)	BUR	129.15%	144.93%	118.29%	Proposed Regular MOOE			33,891,702	x Highest BUR			100.00% ^{4/}	MOOE Level			33,891,702
Particulars	FY 2022 ^{1/}	FY 2023 ^{1/}	FY 2024 ^{2/}																																	
DBM-Approved COB	531,447,853	127,998,657	1,114,770,299																																	
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x Highest BUR			100.00% ^{4/}																																	
MOOE Level			33,891,702																																	
LBP Insurance Brokerage, Inc. (LIBI)	62,245,562	62,245,562	-																																	
Overseas Filipino Bank (OFB)	85,431	85,431	-																																	
LBP Leasing and Finance Corporation (LBP LLFC)	146,797	146,797	-																																	
UCPB Leasing and Finance Corporation (ULFC)	15,779	15,779	-																																	
UCPB Savings Bank (USB)	1,144,577	1,144,577	-																																	
Landbank Securities, Inc. (LSI)	13,724,446	13,724,446	-																																	

SOURCES AND USES OF FUNDS

LAND BANK OF THE PHILIPPINES (LBP)

FY 2025 Corporate Operating Budget

SCHEDULE I

GOCC under:

☐ DBM

☒ GCG

NG Budgetary Support:

☐ Asking

☒ Non-asking

Particulars	In Thousand Pesos			Remarks
	Proposal	Recommendation	Variance	
Capital Outlay (CO)	810,214,808	810,214,808	-	Supported by a certification signed by EVP Alan V. Bornas, Head of LBP's Operations Sector that the proposed capital outlays are implementation-ready and will be completed within the Fiscal Year.
Landbank of the Philippines -Parent	270,129,283	270,129,283	-	
CO Items included per CAPEX	10,725,698	10,725,698	-	
Investment Property Outlay (ROPA)	3,310,777	3,310,777	-	
Land and Land Improvements Outlay	25,000	25,000	-	
Buildings and Other Structures	2,981,658	2,981,658	-	
Furniture, Fixtures and Office Equipment Outlay	3,448,762	3,448,762	-	
Transportation Equipment Outlay	45,478	45,478	-	
Intangible Assets Outlay	770,000	770,000	-	
Other Assets/Resources	144,023	144,023	-	
CO Items related to banking operations	259,403,585	259,403,585	-	Recommended as proposed as this pertains to CO items related to banking operations
Investment Outlay	150,317,206	150,317,206	-	
Loans Outlay	105,107,283	105,107,283	-	
Others	3,979,096	3,979,096	-	
Other Liabilities/Bills Payable/Unsecured Sub Debts	2,779,096	2,779,096	-	
Provision for income tax payment	1,200,000	1,200,000	-	
Other Charges to Capital	-	-	-	
Subsidiaries:	540,085,525	540,085,525	-	Likewise, the proposed CO of LBP's subsidiaries are recommended as proposed.
Land Bank Countryside Development Foundation, Inc. (LCDFI)	900	900	-	
LBP Resources and Development Corporation (LBRDC)	221,157,480	221,157,480	-	
LBP Insurance Brokerage, Inc. (LIBI)	318,016,182	318,016,182	-	
Overseas Filipino Bank (OFB)	609,451	609,451	-	
LBP Leasing and Finance Corporation (LBP LLFC)	38,390	38,390	-	
UCPB Leasing and Finance Corporation (ULFC)	4,892	4,892	-	
UCPB Savings Bank (USB)*	-	-	-	
Landbank Securities, Inc. (LSI)	258,230	258,230	-	
*No report submitted per LBP-Parent consolidated COB submission				
Total Uses	1,182,299,685	1,181,998,385	(301,300)	

A. PHYSICAL PERFORMANCE

PROGRAM INDICATORS		FY 2024 TARGET	ACCOMPLISHMENT AS OF DECEMBER 31, 2024	REASON FOR UNMET TARGETS/REMARKS
Objective/Measure	Strategic Measures			
SO 1: Accelerate financial inclusion by making the financial services accessible and responsive to all sectors of the society (through digitalization)	Promotion of a Cash-Life Community	N/A	N/A	To be adopted only starting FY 2025 per updated LBP Performance Scorecard, as negotiated with the GCG
	Increase in volume digital transactions	N/A	N/A	To be adopted only starting FY 2025 per updated LBP Performance Scorecard, as negotiated with the GCG
SO 2: Sustain support to the National Government's socio-economic agenda	Onboarding of new MSMEs	N/A	N/A	To be adopted only starting FY 2025 per updated LBP Performance Scorecard, as negotiated with the GCG
	Increase in private deposits	P1,236 billion	P1,225.15 billion	The Bank fell slightly short of its private deposit target due to the slowing growth of the economy. Nonetheless, in 2024, the Bank launched new deposit products — the OptiSaver and GreenGrowth accounts — along with the IpoNalo promotional campaign to boost private deposit generation. These initiatives enabled LANDBANK to reach its highest deposit level to date, despite falling short of the target for CY 2024.
	Efficient Utilization of Corporate Budget	90%	81.70%	The non-attainment of the targeted budget utilization is attributed to various rent and lease costs arising from the planned LandBank-UCPB merger, which did not materialize, as well as the postponement of scheduled repairs and maintenance due to changes in management decisions and cost-cutting measures implemented by LBP.
	NPL reduction	N/A	N/A	To be adopted only starting FY 2025 per updated LBP Performance Scorecard, as negotiated with the GCG
SO 3: Optimize bank resources for higher returns, while supporting green, national and local government programs	Cost-to-Income Ratio	55%	48.96%	Target Exceeded; 112.34% accomplishments against the target
	Increase in Commercial and Treasury Loans	P1,300 billion	P1,547.57 billion	Target Exceeded

SO 4: Cultivate relationship with customers and their stakeholders through timely, appropriate and accessible products and services on various customer touchpoints and platforms that will address the current and future requirements of our diverse customer base	Percentage of satisfied customers	90%	99%	Target Exceeded
	Percentage of loan application processed within the applicable turnaround time	100%	99.92%	The slight shortfall against the target loan application turnaround time (TAT) was due to isolated delays in processing a few accounts, stemming from a combination of human and system-related factors. These instances have provided valuable insights, allowing LBP to identify areas for process improvements and system enhancements. As a result, corrective measures are already underway to prevent recurrence.
	Service availability of the internet banking services	90%	99.58%	Target Exceeded
	Percentage of service availability of ATMs- onsite	90% onsite ATMs with at least 80% availability	97.75%	Target Exceeded

	Percentage of service availability of ATMs- offsite NCR	80% of Offsite ATMs in NCR with at least 75% availability	92.38%	Target Exceeded
	Percentage of service availability of ATMs- offsite Field units	70% of Offsite ATMs in the FUs with at least 75% availability	93.28%	Target Exceeded
SO 5: Achieve increased productivity, efficiency and seamless work experience through innovation and adoption of a unified platform	Implementation of the Queuing Management System	N/A	N/A	To be adopted only starting FY 2025 per updated LBP Performance Scorecard, as negotiated with the GCG
	Maintain Quality Management System	maintained ISO 9001:2015 QMS Certification	maintained ISO 9001:2015 QMS Certification	Target Met
SO 5: Acquire, develop, engage talent critical for future-ready organizational capabilities	Improvement on the Competency Level of the Organization	Increase in the level of competency over the 2023 competency assessment	Completed activities to address the identified competency gaps based on the 2023 assessment with completion rate of 100%	Target Met

The LBP was able to achieve/exceed its physical targets except for three (3) strategic measures pertaining to the following: *(1) Increase in private deposits (2) Efficient Utilization of Corporate Budget (3) Percentage of loan application processed within the applicable turnaround time.*

The Bank slightly missed its private deposit target due to slower economic growth. However, the launch of new products — OptiSaver, GreenGrowth, and the IpoNalo campaign — helped LANDBANK achieve its highest deposit level to date, despite falling short of the CY 2024 target.

The non-attainment of the targeted budget utilization is attributed to various rent and lease costs arising from the planned merging of LandBank and UCPB offices, which did not materialize, as well as the postponement of scheduled repairs and maintenance due to changes in management decisions and cost-cutting measures implemented by LBP.

The slight shortfall in meeting the target loan application turnaround time (TAT) was due to isolated delays in processing a limited number of accounts, resulting from a combination of human and system-related factors. These occurrences have provided valuable insights, allowing LBP to identify key areas for process optimization and system enhancements. Consequently, corrective actions are already being implemented to prevent recurrence.

B. FINANCIAL PERFORMANCE

PARTICULARS	DBM-APPROVED LEVEL	ACTUAL UTILIZATION	VARIANCE	UTILIZATION RATE	REMARKS
Personnel Services	174,988,611	139,758,868	(35,229,743)	79.87%	Variance pertains to 779 plantilla positions which remained unfilled as of December 31, 2024.
Maintenance and Other Operating Expenses	193,565,174	123,601,302	(69,963,872)	63.86%	The bulk of the unutilized MOOE pertains to rent expenses, repairs and maintenance of LBP facilities, and communication expenses such as postage, cable, telephone, and telegraph, among others. These were attributed to various rent and lease costs arising from the LandBank-UCPB merger, the postponement of scheduled repairs and maintenance due to changes in management decisions, and cost-cutting measures implemented by LBP.
Capital Outlays	746,216,514	1,055,341,652	309,125,138	141.43%	The utilization rate exceeded 100%, primarily due to overutilization by LBP Insurance Brokerage, Inc. (LIBI), which incurred higher-than-anticipated expenditures related to its banking operations. This overutilization may be attributed to increased operational demands, expanded service coverage, or unplanned financial requirements that arose during the period. Despite exceeding the approved funding level, these expenditures were aligned with LIBI's mandate to support the insurance and financial service needs of its clientele, in coordination with the broader objectives of the Land Bank of the Philippines.
GRAND TOTAL	1,114,770,299	1,318,701,822	203,931,523.00	118.29%	

For FY 2024, the LBP reported total utilization of P1,318.701 billion equivalent to 118.29% of the FY 2024 DBM-approved COB level. The variance in PS pertains to seven hundred seventy-nine (779) vacant plantilla positions which remained unfilled as of December 31, 2024.

Meanwhile, for MOOE, the unutilized MOOE largely stems from rent, repair and maintenance, and communication expenses. These were due to lease costs from the LandBank-UCPB merger, deferred maintenance following management decisions, and cost-cutting measures implemented by LBP.

Lastly, for CO, the utilization rate exceeded 100%, primarily due to overutilization by LBP Insurance Brokerage, Inc. (LIBI), which incurred higher-than-anticipated expenditures related to its banking operations. This overutilization may be attributed to increased operational demands, expanded service coverage, or unplanned financial requirements that arose during the period. Despite exceeding the approved funding level, these expenditures were aligned with LIBI's mandate to support the insurance and financial service needs of its clientele, in coordination with the broader objectives of the Land Bank of the Philippines.

C. FINANCIAL RATIOS

Capital Adequacy Ratio

PARTICULARS	Amount (In Thousand Pesos)		
	FY 2022 Audited 1/	FY 2023 Audited 1/	FY 2024 Actual 2/
Cash and Cash Equivalent	637,314,156	469,917,944	713,737,521
Tier 1 Capital	210,591,014	227,351,434	233,574,268
Tier 2 Capital	7,044,925	13,144,405	13,764,400
Less: Required Deductions	29,150,044	39,416,550	42,167,196
Total Qualifying Capital	188,485,895	201,079,289	205,171,472
Risk Weighted Assets	1,305,580,217	1,470,772,879	1,550,847,181
Total Capital Adequacy Ratio (CAR)	14.44%	16.35%	15.95%

1/ Per COA Audit Report of LBP

2/ Provided by LBP

There was a slight decrease in LBP's capital adequacy ratio (CAR) in FY 2024 compared to FY 2023, primarily due to increased required deductions resulting from heightened risk associated with LBP's capital assets.

Nevertheless, LBP's capital ratio continues to exceed the Bangko Sentral ng Pilipinas (BSP)'s minimum requirement of 10% Total CAR, indicating its capacity to absorb significant market shocks, particularly during adverse economic conditions. This also demonstrates a sufficient capital buffer to support the Bank's growth and expansion, including its ability to finance government priority sectors and large-scale infrastructure projects.