

**BOARD-LEVEL COMMITTEE INCLUDING MEMBERSHIP AND FUNCTIONS
As of 31 December 2022**

Committee: Risk Oversight Committee (RiskCom)

Duties and Functions:

1. The Board-level Risk Oversight Committee (RiskCom) is primarily responsible for the LANDBANK’s Risk Management (RM) framework, policies and guidelines and ensures the alignment of RM objectives with the Bank’s overall business strategies and performance goals.
2. The RiskCom oversees the RM program of the Bank ensuring that RM systems are in place, limits and tolerances are observed, system of limits remain effective and immediate corrective actions are taken whenever there are breaches.

The RiskCom is composed of the following: **(GCG III.23)**

RiskCom Chairperson	Director Jaime L. Miralles
RiskCom Vice-Chairperson	Deputy Treasurer Erwin D. Sta. Ana <i>(Representative of Treasurer Rosalia V. de Leon, Alternate of DOF Secretary Benjamin E. Diokno)</i>
Member/Independent Director	Director Nancy D. Irlanda
Member/Ex-Officio Director	Usec. Mercedita A. Sombilla <i>(Representative of Sr. USec. Domingo F. Panganiban, Alternate of President Ferdinand R. Marcos, Jr.)</i>

The RiskCom meets at least **once a month** and held a total of **13** meetings in 2022 including **one** Special RiskCom meeting for the approval of 2022 LANDBANK Internal Capital Adequacy Assessment Process (ICAAP) Document and Recovery Plan.

The Committee approved, noted and/or confirmed 217 regular risk reports, 34 special reports comprising of frameworks, plans, programs, policies and procedures and 20 ad hoc reports to assess and mitigate credit risks, market and liquidity risks, operational risks and issued 372 RiskCom Resolutions.

Major LANDBANK initiatives and new/enhanced guidelines approved by the RiskCom are as follows:

Treasury-related (Market, Liquidity, IRRBB, Counterparty Credit) RM
<ol style="list-style-type: none">1. Review of Liquidity Risk Limit – Maximum Cumulative Outflow (MCO) Limits for CY 20222. Combined Review of Earnings-at-Risk Limits (earnings perspective) and Economic Value of Equity-at-Risk Limit (economic perspective) 2022 (including Guidelines on the Interest Rate Risk in the Banking Book (IRRBB) Limit Setting Procedure)3. Market Risk Limits (FVPL and FVOCI) Structure 2022 (Using end-September 2021 data)4. Updating of Pre-Settlement Risk (PSR) Weights for 20225. Guidelines on Behavioral Analysis and Backtesting of Term Deposit Pre-termination6. Guidelines on Behavioral Analysis and Backtesting of Loan Prepayment7. Guidelines on Calculation and Backtesting of Value-at-Risk (VaR)8. Guidelines on Interest Rate Risk in the Banking Book (IRRBB) Reporting9. Guidelines on Model Risk Management for Treasury Risk Models10. Guidelines on Behavioral Analysis and Backtesting of Credit Lines and Credit Cards Drawing Pattern11. Model Risk Management (MRM) Framework for Risk Management Group (RMG)12. Treasury Risk Limits Recalibration 202213. Guidelines on Treasury Operational Risk Reporting14. Liquidity Contingency Plan (LCP) 2022 Version 915. Treasury Risk Limits for 202316. Inclusion of Walk-Away Rate in the Investment Policy and Strategy of the Bank17. Interest Rate Risk in the Banking Book (IRRBB) Limits Second Adjustment for 2022
Credit-related RM
<ol style="list-style-type: none">1. Proposed Enhancement in the Credit Risk Engine System (CRES) Scoring Facilities2. Change in Frequency of Industry Loan Concentration Report
Operational RM
<ol style="list-style-type: none">1. Revision in the Prioritization of Bank's Functions in case of Disaster based on Results of Business Impact Analysis (BIA)2. Revised ORMD Operations Manual on Validation of Institutional Risk Assessment3. Revised Guidelines on Conduct of Business Continuity Risk Assessment (BCRA)4. Revised Guidelines on Risk and Control Self-Assessment (RCSA)5. Revised Guidelines on the Conduct of Business Impact Analysis6. 2022 Enhancements in the Risk Management Program for LBP Subsidiaries (RMPS)7. Proposed 2023 Operational Risk Threshold for Business Units (Bus) and Operational Risk Management (ORM) Tools8. Information Technology (IT) Systems Prioritization List

Information Security & Technology RM

1. Proposed Revisions to Cyber Resilience Plan
2. Reduction in Application Change Requests (ACRs) thru Impact Assessment Information Security Awareness Report as of March 2022
3. Revised Information Security Program (ISP)
4. Proposed Revised Guidelines on Vulnerability Management of the Bank's Information Technology (IT) Systems
5. Proposed 2023 Operational Risk Threshold for Information Security Risk Assessor (ISRA) Tool
6. Performance Metrics – Information Security Program (ISP) 1
7. Revised Guidelines on the Management of Information Assets

Other Items approved by RISKCOM

1. Risk Management (RM) Enterprise Structure
2. Proposed Amendment to the RiskCom Charter
3. Environmental and Social Risk Management System Roadmap and Action Plans
4. Updated Risk Management Framework (RMF)
5. Business Continuity Plan (BCP) of Retail and Mid-market Lending Group (RMLG)
6. BCP of Asset Recovery Group (ARG)
7. 2022 Asset-Liability Management (ALM) Strategies
8. Investment Strategies
9. 2022 LBP Internal Capital Adequacy Assessment Process and Recovery Plan
10. BCP of Procurement Department
11. Information Technology Disaster Recovery Plan (ITDRP)
12. Revised Crisis Communication Plan (CCP)
13. BCP of Digital Banking Products and Services
14. Earnings-at-Risk (EaR) Limit Breach
15. Incident Action Plan (IAP) for LANDBANK Plaza version 6.2
16. BCP of Lending Program Management Group (LPMG)
17. Fair Value Through Other Comprehensive Income (FVOCI) Management Alert Trigger (MAT) Breach – Second Level
18. Status/ Recommendation on the Creation of Policy to Enable the Bank to Pursue Third-Party Perpetrators Involved in Fraud Incidents
19. Proposed Adoption of the Bank's Report on Overall Risk Rating
20. Revised Investment Policy and Strategy of the Bank

The overall 2022 performance rating of the RiskCom is 99.54% or Superior based on the parameters: Function and Responsibilities, Structure, Process and Performance. (GCG.III.22)