



SERVING THE NATION

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Regulated by the Bangko Sentral ng Pilipinas



GROWTH
& RESILIENCE

SERVING
THE NATION

2023 Annual Report

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About the Cover



In 2023, LANDBANK celebrated its 60th Anniversary by reflecting on its humble beginning as the financing arm of the country’s agrarian reform program to its evolution into a universal bank and the largest government-owned and controlled corporation.

Just as a diamond possesses multifaceted brilliance, the Bank also displayed its strength through various facets of its operations, strategies, and culture. It showed its enduring nature as it remained as a strong supporter of Agriculture, Fisheries, and Rural Development (AFRD) and the largest lender to Local Government Units (LGUs). Likewise, it adapted to market demands, technological advancements, and competitive landscape while staying true to its mandate.

LANDBANK’s Brand

LANDBANK is distinct among the top universal banks in the Philippines as it continuously balances the pursuit of its social mandate with its thrust of sustaining institutional viability.

It fosters collaborations with various agencies and development partners in the implementation of programs and initiatives in support of development thrusts of the National Government.

LANDBANK faithfully builds on its strengths while adapting to the times, earnestly pursuing digital transformation to ensure the delivery of quality, timely and responsive financial services across the country.

Corporate Policy

As a vital partner in nation-building, LANDBANK remains steadfast in supporting the National Government (NG) in its socio-economic agenda, in fostering sustainable development, and advancing financial inclusion for all. The Bank consistently meets the financial needs of its clients, driving inclusive economic growth and delivering essential services that elevate the quality of life for communities nationwide.

LANDBANK plays a pivotal role in empowering communities by financing various infrastructure projects including farm-to-market roads, hospitals, schools, and housing developments. The Bank also supports initiatives in communication, transportation, potable water access, electrification, and the expansion of digital banking platforms. In keeping with its commitment to sustainability, LANDBANK integrates social and environmental considerations into its operations. Additionally, the Bank actively promotes financial inclusion by expanding access to formal banking services, empowering more Filipinos to participate in the country’s economic development.

Alongside its role as the financial intermediary of the NG for the Comprehensive Agrarian Reform Program (CARP), LANDBANK serves as official depository bank and distribution arm for the NG’s various Social Protection Programs, working in close partnership with key government agencies to ensure the efficient delivery of these services nationwide.

With its role in the economy, LANDBANK continues to strengthen its financial viability and enhance operational agility, maintaining its competitive edge. As the country’s leading government financial institution, LANDBANK consistently ranks among the top universal banks in the Philippines in terms of assets, deposits, loans and capital.

2023

Vision

By 2028, LANDBANK shall be at the forefront of nation building through the promotion of financial inclusion, digital transformation and sustainable development that benefits all Filipinos.

Mission

We are the leading universal bank with a government mandate that provides responsive services beyond banking to all clients, publics, and stakeholders.

Core Values

- Integrity
- Citizen-Centricity
- Proactive Service
- Collaboration
- Social Responsibility

2024

LANDBANK Promise

Empowering Filipinos for a better future

Our Purpose

We provide responsive financial solutions and services for all Filipinos, from countryside to countrywide.

Our Goal

To be the premier financial institution that leads innovation in pursuit of development, inclusion and sustainability.

Our Core Values



Love for Country
Social Responsibility and Citizen-Centricity



Embody Excellence and Ethical Standards
Integrity and Professionalism



Adopt Disruptive Innovations
Innovative Mindset and Collaboration



Delight Customers
Proactive Service and Citizen-Centricity

As approved by the Board of Directors on June 27, 2024.



Socio-Economic Impact

- Accelerate financial inclusion by making financial services accessible and responsive to all sectors of the society (through digitalization)
- Sustain support to the National Government's socio-economic agenda including food security enhancement, better infrastructure, and transition to green and blue economy



Stakeholders

- Cultivate relationships with customers and other 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
- Align efforts to optimize requirements servicing and opportunity discovery for clients and stakeholders



Financial

- Improve profitability from diversified income sources for strong capital and institutional sustainability
- Optimize bank resources for higher returns, while supporting green and other national and local government programs



Internal Process

- Achieve increased productivity, efficiency, and seamless work experience through innovation and adoption of a unified digital platform
- Promote a proactive data culture



Learning and Growth

- Acquire, develop, and engage talent critical for future-ready organizational capabilities
- Foster a culture of collaboration to align policies, processes, and practices into cohesive and secure systems and data flows

Message of the President of the Philippines



In this era of *Bagong Pilipinas* it is crucial to have robust, reliable, and forward-looking institutions that will help us realize our collective goals of national revitalization and transformation. The **Land Bank of the Philippines (LANDBANK)** is a prime example of an institution promoting inclusivity, sustainable development, and digital innovation through its various financial services to our people, especially those working in agriculture and fisheries.

As the LANDBANK publishes its **2023 Annual Report**, I welcome this chance for the organization to showcase its achievements, transformation, partnerships, and contributions to our national agenda. Use this opportunity to reflect on the bank's concerns, potential issues, and areas for improvement, which will surely add wisdom as its officials, employees, and stakeholders continue to champion sustainable development in the countryside.

It is my ardent hope that, through this publication, the men and women who comprise the LANDBANK will be reminded of their immense influence in the lives of many and the prosperity of our nation. May they also exude greater excellence, honesty, efficiency, and pride in their daily operations and future plans, for they are integral to the success of the aspirations of the Filipino people.

Congratulations and may your service continue to usher immense profit for your clients and the entire Philippines.


FERDINAND R. MARCOS, JR

Manila
2024

Chairman's Message



I commend the Land Bank of the Philippines (LANDBANK), under the skillful leadership of President and CEO Lynette V. Ortiz, for continuing its legacy of excellent public service in the year 2023.

LANDBANK has remained committed to its mandate of promoting countryside development and beyond, ensuring the delivery of essential services while upholding its financial viability. This delicate balancing act of fiscal discipline and operational efficiency has been critical in advancing the National Government's inclusive economic agenda.

Apart from serving the growth requirements of the agriculture and other productive sectors, LANDBANK has stood at the forefront of accelerating economic growth through strategic investments. This includes the P50 billion contribution for the Maharlika Investment Fund, which will be used to make profitable investments to spur economic development.

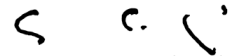
LANDBANK has likewise supported the Bureau of the Treasury in promoting affordable and safe government securities, now made more accessible than ever before for Filipinos here and abroad. By leveraging on digital solutions, the Bank has helped generate significant funds to support the country's development needs and further stimulate growth, while making nation-building an inclusive process.

Furthermore, LANDBANK has been instrumental in driving financial inclusion nationwide. By continuing to expand physical touchpoints, initiating productive local partnerships, and upgrading digital offerings, LANDBANK has widened access to its innovative financial services to all Filipinos, especially the unbanked and underserved.

The commitment of the entire LANDBANK family to the principles of good corporate governance - accountability, transparency, fairness, and responsibility - has not gone unnoticed. In 2022, LANDBANK garnered the highest rating for corporate governance from the Governance Commission for GOCCs (GCG), which serves as a benchmark for all GOCCs. This recognition speaks volumes about LANDBANK's brand of service.

As your Chairman, I look forward to LANDBANK's continued growth and transformation towards helping achieve financial empowerment and freedom for every Filipino. May you continue to explore and offer innovative, timely, and efficient solutions for responsive public service delivery.

Congratulations and cheers to 60 meaningful years of serving the nation!


BENJAMIN E. DIOKNO
Secretary of Finance
Chairman, Land Bank of the Philippines



The year 2023 stands out as another momentous chapter in LANDBANK's storied legacy. We have collectively celebrated six decades of dedicated service marked by unprecedented milestones that have fortified LANDBANK as a stalwart institution at the forefront of the banking landscape.

In this pivotal year, we embarked on a bold journey of transformation and disruption. By revisiting and refining our processes, embracing new strategies, and expanding our product suite, we have made LANDBANK more agile, dynamic and relevant. This transformation has further fueled our mission of empowering communities, fostering financial inclusion, and advancing sustainable growth across the archipelago.

Solid Financial Performance

LANDBANK achieved a historic milestone net income in 2023 of P41.7 billion, recording the first time that our earnings surpassed the P40-billion mark. This translates to a substantial 42% expansion from P29.3 billion in 2022, driven by strong revenues from loans and investments alongside prudent cost management. The Bank's assets climbed 4.5% to P3.3 trillion, with deposit base growing 4.7% to P2.9 trillion. The Bank also maintains a stable and robust capital position, with year-end capital jumping to P278.2 billion for a 26% year-on-year growth on the back of strong profitability.

Expanded Reach and Accessibility

In our relentless pursuit of financial inclusion, we made bold strides to bring banking services closer to underserved communities. This includes seamlessly integrating physical and digital banking to expand our reach and increase accessibility to banking services among Filipinos. We successfully expanded our physical network to an additional 128 municipalities, of which 53 were classified as unbanked. This translates to raising LANDBANK's nationwide presence to 88%, covering 1,437 out of 1,634 cities and municipalities. In line with growing customer demand for digital banking, LANDBANK facilitated a total of 92.9 million in volume of transactions amounting to P8.8 trillion across our digital banking channels, representing year-on-year growths of 48% and 42%, respectively.

"LANDBANK's commitment to advancing countryside development has remained steadfast, with outstanding loans to the entire agricultural value chain and rural development surging to P694.5 billion as of end-2023."

Empowering the Agriculture Sector

LANDBANK's commitment to advancing countryside development has remained steadfast, with outstanding loans to the entire agricultural value chain and rural development surging to P694.5 billion as of end-2023. This represents almost half (47.15%) of the Bank's total loan portfolio dedicated to finance agriculture and fisheries production, sustainable projects, and public rural infrastructure, among others, in compliance with Republic Act No. 11901, otherwise known as "The Agriculture, Fisheries and Rural Development Financing Enhancement Act of 2022."

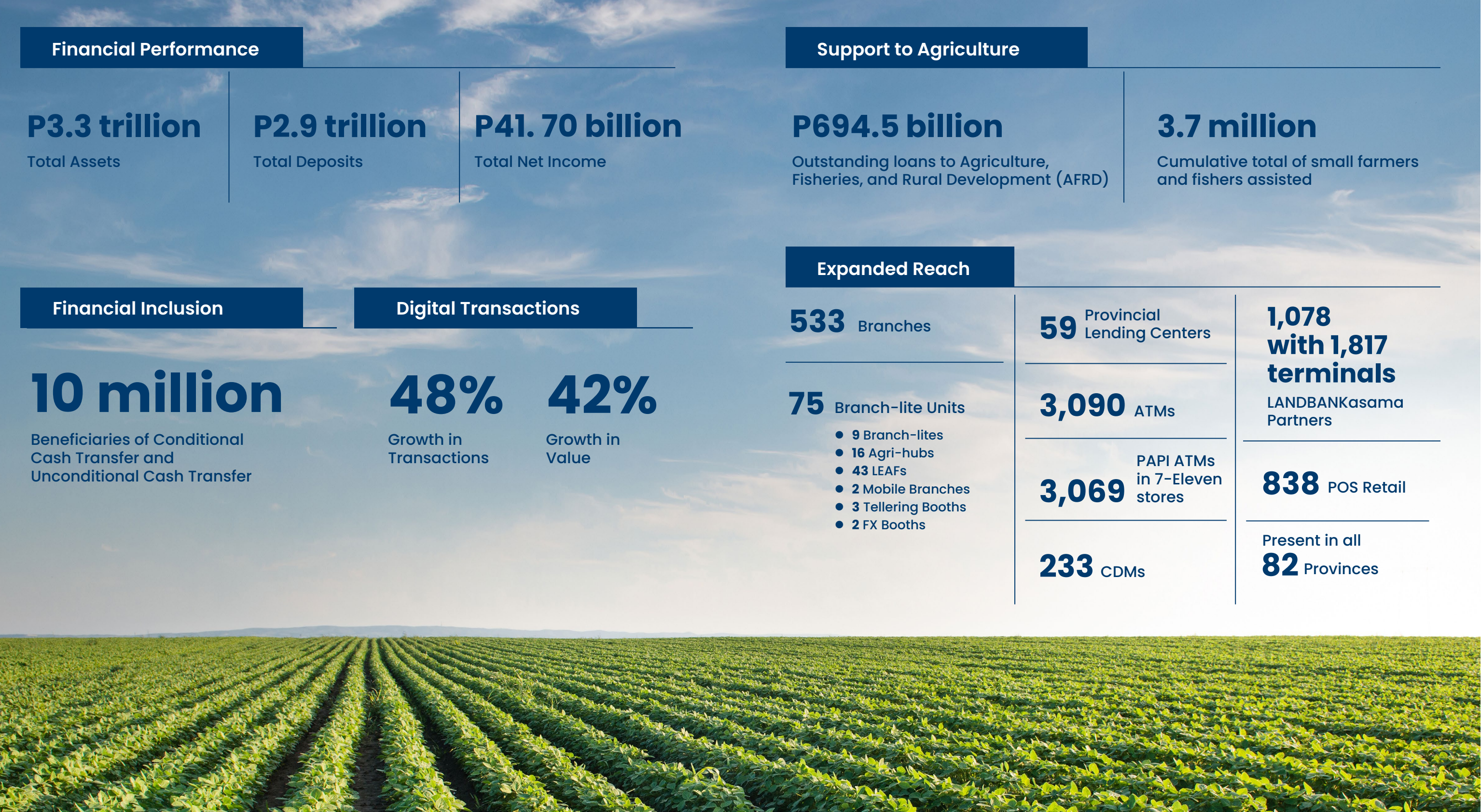
Steadfast Commitment to Nation-Building

In consonance with our development mandate, we stand shoulder-to-shoulder with the National Government in advancing economic growth and social welfare. We remitted to the Bureau of the Treasury (BTr) P50-billion worth of investment to the Maharlika Investment Fund (MIF), the first Philippine sovereign wealth fund aimed at boosting the country's economy. To support the country's most vulnerable sectors, LANDBANK successfully facilitated the distribution of P117.2 billion in cash aid to over 10 million Conditional and Targeted Cash Transfer (CCT/TCT) program beneficiaries of the Department of Social Welfare and Development (DSWD). The Bank also disbursed P1.5 billion in fuel subsidies to over 570,000 public utility vehicle drivers and operators affected by rising fuel costs.

A Resounding Validation of Excellence

LANDBANK's dedication to service excellence has been duly recognized through various awards and citations. This includes receiving for the very first time the highest rating for corporate governance from the Governance Commission for GOCCs (GCG), underscoring our commitment to accountability, transparency, and responsibility. Additionally, LANDBANK has been recognized as one of the best brands in the country by Kantar Philippines, reaffirming our position as a leading and trusted financial institution. These recognitions and many more received in 2023 inspire us to double our efforts, to push boundaries, and to develop innovative solutions for the public that we serve. As we continue our journey of transformation, we embrace the idea of disrupting the status quo to innovate and improve. LANDBANK will remain committed to seeking new ways to enhance operational efficiency and deliver a more competitive range of products, aligned with our promise to provide excellent service to our customers. With the trust and support of our stakeholders, we are poised to write new chapters of success and make a lasting difference towards building a more promising future for the country and for all Filipinos.

LYNETTE V. ORTIZ
LANDBANK President & CEO



2023 AWARDS & RECOGNITIONS



**ONE OF THE TOP-RANKING
GOCCs IN CY 2022 PERFORMANCE
SCORECARD FOR GOCCs**

Governance Commission for
GOCCs (GCG)



**ONE OF THE TOP-RANKING
GOCCs IN CY 2022 CORPORATE
GOVERNANCE FOR GOCCs**

Governance Commission for
GOCCs (GCG)



**DEVELOPMENT AWARDS 2023 -
MERIT AWARD: FINANCIAL INCLUSION
(PROJECT: ONLINE DEPOSIT-ACCOUNT
OPENING AND PURCHASE OF
RETAIL TREASURY BONDS)**

Association of Development Financing
Institutions in Asia and the Pacific
(ADFIAP)



**DEVELOPMENT AWARDS 2023 -
WINNER: ENVIRONMENTAL
DEVELOPMENT (PROJECT: CLEAN
DEVELOPMENT MECHANISM ON
ANIMAL WASTE MANAGEMENT)**

Association of Development Financing
Institutions in Asia and the Pacific
(ADFIAP)



**CIRCLE OF EXCELLENCE:
SUSTAINABILITY COMPANY
OF THE YEAR**

Asia CEO Awards



**THE PRESIDENTIAL
LINGKOD BAYAN AWARD -
DIGITAL ONBOARDING SYSTEM**

Civil Service Commission



**NATIONAL CAMPAIGN INITIATIVE
OF THE YEAR (SERVING THE
NATION CAMPAIGN)**

GovMedia Awards



**FIRST RUNNER UP -
2022 BANK CHAMPIONS IN
DIGITAL PAYMENTS & FINANCIAL
INCLUSION INITIATIVES**

Bankers Institute
of the Philippines, Inc. (BAIPHIL)



**ASIA'S BEST EMPLOYER
BRAND AWARD**

Employer Branding Institute (EBI)



**2023 BEST BANKS
PHILIPPINES**

KANTAR Philippines



CITATIONS RECEIVED

Bangko Sentral
ng Pilipinas (BSP)

2023 Outstanding BSP
Stakeholders Appreciation
Ceremonies

Bureau of the Treasury

Recognizes LANDBANK as a
GSED-Market Marker for 2024
for its invaluable support to
the National Government's
fundraising activities and
the development of a robust
financially inclusive local
government securities market

Philippine Daily Inquirer

Philippines' Best Customer
Service 2023

Philippines' Best Employers
2024

Securities and Exchange
Commission (SEC)

Plaque of Recognition for
the invaluable support to
the supervision of the SEC
to be the premier investor
champion and catalyst of
deep, broad, and inclusive
capital markets and more
empowered business sector

Securities and Exchange
Commission (SEC)

For LANDBANK's invaluable
support to the SEC in pursuing
Supervision of enabling the
Philippine capital markets and
business sector to be among
the best in the Southeast
Asian Region

Social Security System
(SSS)

2023 Balik ng Bayan Awards
- Special Citation

PAG-IBIG

Excellence Award - for having
the highest amount collected
under PAG-IBIG Fund's
Electronic Submission of
Remittance Schedule (eSRS)
among Bank partners for the
year 2022

Excellence Award - for
having the highest number of
transactions under PAG-IBIG
Fund's Electronic Submission
of Remittance Schedule
(eSRS) among Bank partners
for the year 2022

Plaque of Appreciation as one
of PAG-IBIG's top employers
in the National Capital Region
for the first half of 2023.

City of Manila

Gawad Manileño 2023 -
Natatanging Tagapagbayad
ng buwis para sa Real
Property

Gawad Manileño 2023 -
Natatanging Tagapagbayad
ng buwis para sa Negosyo

Philippine Navy

Philippine Navy Stakeholders
Recognition Awards 2023

Performance Highlights



Performance Highlights:
Socio Economic Impact

LANDBANK further expands its commitment to inclusive growth and sustainability with the passing and implementation of the law on agriculture, fisheries and rural development (AFRD) under Republic Act No. 11901. AFRD financing is defined as “loans and investments to finance activities that shall enhance productivity and increase the income of an agricultural and fisheries household, thereby promoting productivity and competitiveness as well as sustainable development of rural communities”.

Under the new law, banks are provided with “greater flexibility” in allocating the combined 25% mandatory credit quota to a range of borrowers in the agriculture, fisheries, and agrarian reform sectors.

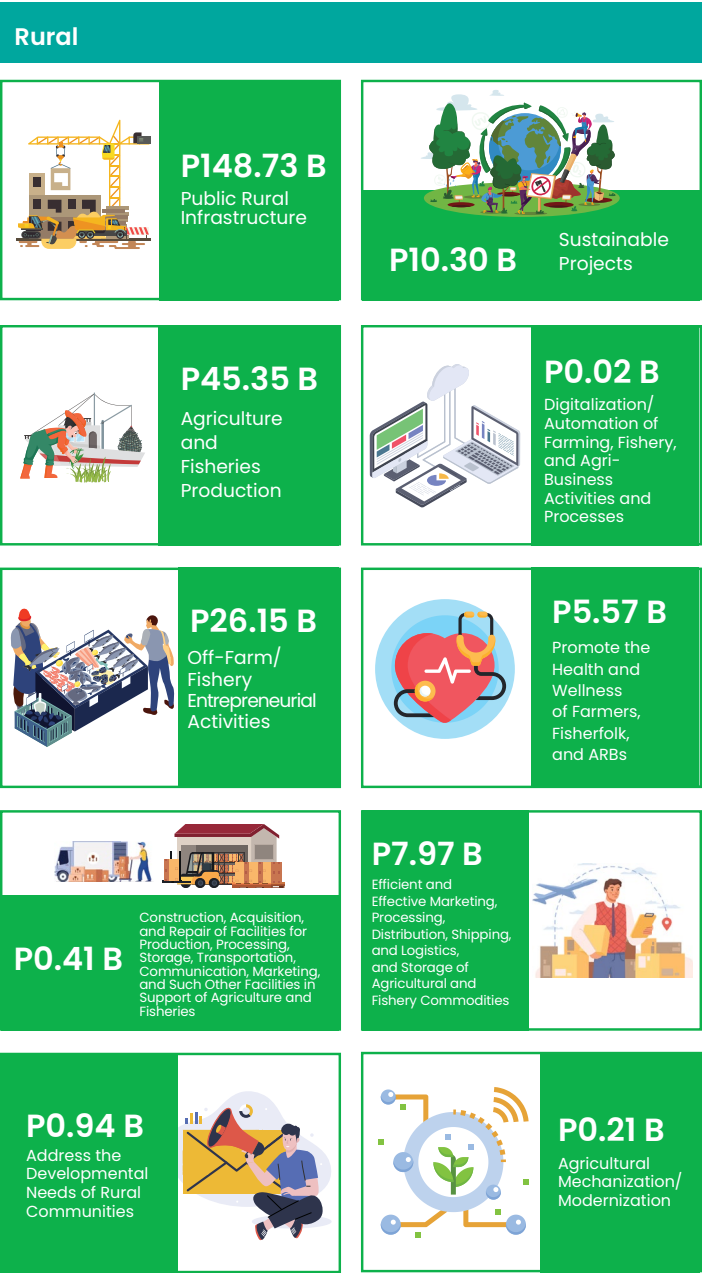
Banks may comply with the mandatory credit requirement through the following modes: actual extension of loans to rural community beneficiaries – gross of allowance for credit losses – for purposes of financing AFRD activities; purchase of eligible loans; and purchase of eligible securities gross of allowance for credit losses but net of unamortized premium or discount.

The law provides LANDBANK the opportunity to foster higher growth and sustainability of agriculture, fisheries and rural development in the country.

LANDBANK posted a total of P694.51 billion in outstanding loans directed towards agriculture and rural development as of Dec. 31, 2023.

- LANDBANK remains committed to advancing the country’s agricultural sector through a holistic approach. The Bank channeled funds to the following:
- Public rural infrastructure – **P148.73 billion**
 - Agriculture and fisheries production including processing of fisheries and agri-based products and farm inputs – **P45.35 billion**
 - Off-farm/Fishery entrepreneurial activities – **P26.15 billion**
 - Sustainable projects – **P10.30 billion**
 - Efficient and effective marketing, processing, distribution, shipping and logistics, and storage of agricultural and fishery commodities, including related financial and management information systems – **P7.97 billion**

Other AFRD financing supported mechanization, commodities, essential facilities, capacity-building, and projects promoting the health and wellness of farmers, fishers, and Agrarian Reform Beneficiaries.



Performance Highlights:
Socio Economic Impact

Lending Programs

PROGRAMS	HIGHLIGHTS
Countryside Financial Institutions – Rehabilitation and Support to Typhoon Odette-Affected Areas (CFI-RESTORE) Lending Program	LANDBANK helps eligible CFIs adversely affected by Typhoon Odette to recover from losses brought about by the catastrophe, through the provision of a term loan facility and restructuring of existing loan accounts. As of Dec. 31, 2023, cumulative loan releases amounted to P53.67 million to two borrowers.
Digitalization of Countryside Financial Institutions (DIGI-CFI) Lending Program	Financial assistance to CFIs in digitizing their banking operations to provide more responsive and innovative products and services to their clients. As of Dec. 31, 2023, cumulative loan releases amounted to P46.29 million to one borrower.
Consolidation of Business Operations and Support for Primary Cooperatives through Federations (COOP-FEDERATION) Lending Program	The Program will cater to secondary and tertiary cooperatives to finance any enterprise which complements, augments or supplements but does not conflict, compete or supplant the business or economic activities of its primary coop members.
Market Stallholder-Vendors Electronic (MSEL) Lending Program	The MSEL Lending Program aims to provide credit assistance via retail lending to stallholder-vendors of markets and commercial centers for their working capital requirement at a non-usurious rate.
Anti-Bill Shock Lending Program	Short term loan facility for electric distribution companies to supplement working capital fund allowing consumers to pay in installment the incremental increases in electricity consumption without passing the borrowing cost to consumers.

PROGRAMS	HIGHLIGHTS
TOURISM (TOURist Infrastructures and Services Mobilization) Lending Program	LANDBANK launched the TOURist Infrastructures and Services Mobilization (TOURISM) Lending Program in January 2023 to provide financial assistance to tourism enterprises accredited by the Department of Tourism (DOT) to improve their infrastructure, enhance services, and advance digitalization through the Bank’s loan facilities. In the Program’s first year of implementation, the Bank approved a total of P690 million in loans for six tourism projects in six different provinces. LANDBANK seeks to strengthen its partnership with DOT in order to reach out to more enterprises in the tourism sector.

Compliance to the IRR on Socialized Credit to Qualified Agrarian Reform Beneficiaries, Small Farmers and Fisherfolk including:

1. Allocated Funds (5% of the Bank’s regular loan portfolio): P55,455.00 million
2. Approved Loans: P153.35 million
3. Loan Releases: P189.81 million
4. Outstanding Balance: P90.93 million
5. Number of Borrowers: 18
6. Number of Beneficiaries: 5,919

Agricultural Expansion Credit Programs

PROGRAMS	HIGHLIGHTS
Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) Project	As of Dec. 31, 2023, the Bank has extended sub-loans amounting to P3,220.95 million, with 492 loan accounts in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and Conflict-Affected Areas in Mindanao (CAAM), which generated a total agribusiness investment of P2,616 million, and 249 jobs, and benefitted 4,525 women.

Performance Highlights:
Socio Economic Impact

PROGRAMS	HIGHLIGHTS
Agricultural Credit Support Project (ACSP)	ACSP is a JICA-funded project aimed at increasing investments, creating new job opportunities, and improving agricultural productivity in rural areas. As of Dec. 31, 2023, the bank has lent a total of P5,533.98 million, with 468 borrowers. The program has generated P 6,247.15 million in agricultural investments and 6,296 jobs.
Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program	From 2018 to 2023, the Bank, in partnership with DA, has directly lent a total of P11,908.345 million, with 79,545 loan accounts. Pursuant to the mandate of Republic Act 10848 (ACEF Extension Law) that “projects funded shall be beneficial to most, not only selected firms or groups...”, 99% of the borrowers under the program are small farmers and fishers in 16 regions and 76 provinces.
Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF) Program	Under the Expanded Rice Credit Assistance of the Rice Competitiveness Enhancement Fund (ERCA-RCEF) of the Rice Tariffication Law, the Bank has extended credit assistance of P2,474.44 million to 14,860 rice farmers and 263 cooperatives to improve their productivity as of Dec. 31, 2023.
Coconut Farmers and Industry Development (CFID) Lending Program	This Program makes use of the Coconut Farmers and Industry Trust Fund, which was created under the Republic Act No. 11524, to provide credit assistance to coconut farmers and their organizations – particularly the poor and marginalized – to attain increased incomes, alleviate poverty, and achieve social equality. As of Dec. 31, 2023, the Bank extended loans to 21 coconut farmers and cooperatives with a cumulative amount of PP69.22 million.
Farm Tourism Financing Program	In response to the mandate of the Farm Tourism Law Development Act of 2016 (Republic Act 10816), the Bank launched in June 2018, the Farm Tourism Lending Program which aims to assist farm tourism operators to develop farm tourism camps or activities that allow visitors to enjoy farming or fishing experience through education, recreation or leisure. As of Dec. 31, 2023, the Bank has lent P13.65 million to two farm tourism operators.

PROGRAMS	HIGHLIGHTS
Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)	SCP-SIDA aims to promote and support the productivity improvement programs to boost sugarcane production and increase the incomes of farmers/planters and farm workers. Total funds being managed by LANDBANK amounted to P869.06 million. Committed/ allocated funds have already reached 107% of program funds including reflows and interest collections. As of Dec. 31, 2023, the Bank has extended credit assistance of P804.64 million to 3,146 individual sugarcane farmers, P28.14 million to 6 block farms and P47.68 million to 4 farm service providers.
Sikat Saka Program	Launched in 2016, the Sikat Saka Program is a special lending program of LANDBANK and DA, which provides direct credit assistance and other support services to small palay and corn farmers with the objectives of increasing the farmers’ productivity and income. As of Dec. 31, 2023, cumulative loan releases amounted to P16.21 billion benefitting more than 18,000 small farmers.
Accessible Funds for Delivery to Agrarian Reform Beneficiaries (AFFORD ARBs) Program	Jointly implemented by LANDBANK and the Department of Agrarian Reform (DAR) since 2019, AFFORD ARBs Program provides direct credit assistance to small farmers, particularly ARBs who are engaged in the production of rice, corn and high-value crops. The loan can also be used for the acquisition of small farm implements (i.e., small hand tractors, power-tiller, etc.) Under the program, DAR endorses to LANDBANK the eligible ARB-borrowers and mobilizes them to attend loan orientation and financial literacy seminars to ensure that ARBs are equipped with the basic knowledge to manage their finances and learn about farm planning and budgeting. As of Dec. 31, 2023, cumulative loan releases to more than 3,500 ARBs amounted to P739.24 million.

Performance Highlights:
Socio Economic Impact

PROGRAMS	HIGHLIGHTS
Survival and Recovery Assistance Lending Program (SURE Aid Program)	SURE Aid Program was launched by LANDBANK and the Department of Agriculture-Agricultural Credit Policy Council (DA-ACPC) to provide a one-time loan assistance to rice farmers whose incomes were affected by the drop in the price of palay in 2019, either through direct lending or through service conduits (farmer's cooperatives and associations). DA-ACPC provided a P2.52 billion fund for on-lending to eligible borrowers. As of Dec. 31, 2023, cumulative loan releases amounted to P2.51 billion benefitting more than 165,000 rice farmers.
Agrarian Production Credit Program (APCP)	APCP is a program tie-up among the Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR), Agricultural Credit Policy Council (ACPC) and LANDBANK which offers a flexible credit facility to Farmers' Cooperatives and Associations, otherwise known as the Agrarian Reform Beneficiary Organizations (ARBOs), that are not yet qualified to borrow under the regular lending window of the Bank. It is a transitory credit window which aims to mainstream the ARBOs to the regular lending window of the Bank and other formal financial institutions within the prescribed period. DAR and DENR mobilize and capacitate the ARBOs and their members to make them credit eligible and creditworthy borrowers. Cumulative loan releases to 886 ARBOs as of Dec. 31, 2023 reached P11.21 billion benefitting around 69,000 small farmer/ARB members.

PROGRAMS	HIGHLIGHTS
Socialized Credit Facility to Qualified Agrarian Reform Beneficiaries (ARBs) and Small Farmers and Fisherfolk (SFFs) through Qualified Partner Financial Institutions (PFIs)	The Program was developed by LANDBANK in 2020 in compliance with the Republic Act No. 10878 which mandates the Bank to allocate at least 5% of its regular loan portfolio for socialized credit to qualified ARBs and SFFs through qualified conduits or partner financial institutions, thereby expanding the Bank's outreach to the agricultural sector. As of Dec. 31, 2023, cumulative loan releases amounted to P189.81 million to 18 cooperatives benefitting 5,919 farmer-members.
Upland Southern Mindanao-Credit and Institutional Building Program (USM-CIBP)	A successor program of Upland Development Program-Rural Finance Services (UDP-RFS) USM-CIBP is a program tie-up between LANDBANK and DA-ACPC which provides institutional capacity building and credit services to organization/institutions serving the upland areas of Southern Mindanao, particularly in the identified USM-CIBP areas. The program focuses on strengthening the beneficiary organizations through a package of training, coaching and mentoring, systems installations and other institutional building activities to conform with the accreditation criteria of LANDBANK. As a support component, credit is provided by LANDBANK to beneficiary organizations that are not yet accredited under the regular lending window of the Bank but with a viable project of micro-finance schemes. As of Dec. 31, 2023, LANDBANK extended P14.79 million loans to six cooperatives.
Empowering Barangays in Remote Areas Through Credit and Enterprises (EMBRACE)	A credit program designed to assist individual borrowers in unserved areas in line with the Government's thrust for financial inclusion and in pursuit of the Bank's mandate particularly the farmers, fishers, and agri-entrepreneurs. It aims to mainstream the target clients to the regular lending window of the Bank As of Dec. 31, 2023, the Program has assisted 82 small farmers and fishers/SMEs with total loan releases amounting to P46.27 million.

Performance Highlights:
Socio Economic Impact

PROGRAMS	HIGHLIGHTS
Enhanced Partnership Against Hunger and Poverty (EPAHP) Lending Program	The lending program aims to (a) provide credit assistance to qualified Community-Based Organizations (CBOs) in support of the government’s effort to help mitigate hunger, ensure food and nutrition security, and reduce poverty in urban and rural communities including the marginalized ones; and (b) encourage community participation in government contracts through the provision of credit services to qualified organizations for the said community to be able to service the needs of participating government agencies in the EPAHP. As of Dec. 31, 2023, LANDBANK has released P69.49 million loan to 16 CBOs with 2,295 member beneficiaries in the province of Batangas. The loan was used to finance the CBO’s egg-supply contract with the Department of Education’s School-Based Feeding Program.
Coconut Production and Processing (Coco-Financing) Program	The Coconut Production and Processing Financing (Coco-Financing) Program was launched in March 2015 to provide credit assistance to coconut industry stakeholders, particularly coconut farmers. It finances projects including planting or replanting, rehabilitation, fertilization and processing of coconut and its by-products. As of Dec. 31, 2023, the program has cumulatively released P20.94 billion in loans that supported a total of 181 borrowers and 2,710 coconut farmer-beneficiaries.
Sugarcane Financing Program	The Program is designed to provide credit assistance to sugar planters, millers, traders and farmer’s cooperatives in support to the industry’s thrust to increase productivity from 55 to 75 ton cane per hectare thru modern farming technology and farm mechanization. As of Dec. 31, 2023, the program has cumulatively released P18.74 billion for 224 borrowers.

PROGRAMS	HIGHLIGHTS
Sulong Saka or High Value Crops Financing Program	A revitalized financing program which was launched in Dec. 2019 to promote wider crop diversification, particularly for high-value crops such as abaca, bamboo, banana, cacao, cassava, citrus fruits, coffee, mango, oil palm, onion, pineapple, rubber, tomato, vegetables, among others. As of Dec. 31, 2023, the Program has cumulatively released a total of P47.72 billion in loans. A significant portion of these loans were released to support projects in the production of vegetables followed by oil palm, followed by pineapple, banana and rubber. A total of 1,107 borrowers from 73 provinces across the country have availed of the Program.
Sustainable Aquaculture Lending Program (SALP)	To expand the Bank’s support for the aquaculture sector, it launched in Oct. 2019 the Sustainable Aquaculture Lending Program (SALP) or Pags asakang Pantubig, which is a program for fisheries targeted at institutional buyers and processing or canning companies linked with small fishers and MSMEs as growers or suppliers. A sub-program under SALP is the partnership of the Bank with BFAR where financial and technical support are provided to target beneficiaries to develop/improve their economic activities and increased utilization of Mariculture Parks. As of Dec. 31, 2023, the Program has cumulatively released P6.95 billion in loans that supported a total of 86 borrowers.
Palay at Mais ng Lalawigan Lending Program	PALay aLay sa Magsasaka ng Lalawigan or PALAY ng Lalawigan Lending Program was jointly launched by LANDBANK and the DA in Oct. 2019 to assist municipal, city and provincial local government units (LGUs) purchase the palay produced by local farmers to help cushion the effects of the drop in the farm gate price of in the regions. It also aims to supplement the procurement activities that will be undertaken by the National Food Authority (NFA). Under the Program, participating LGUs shall adopt a business module whereby they will operate an economic enterprise partnership with other LGUs and farmers’ cooperatives and associations. Under this scheme, they will buy the palay produced by local farmers and sell/supply palay and corn in the market/government entities, such as government hospitals, jails and other entities. The LGUs could also enter into a milling arrangement with the affected rice and corn millers, construct a milling facility of their own or lease a milling facility. In Dec. 2020, the Program was expanded/amended to include corn buying and other corn-related activities was renamed to Palay at Mais ng Lalawigan Lending Program. As of Dec. 31, 2023, the Bank approved P2.944 billion loans to four LGUs of which P115 million was released to two LGUs benefitting 1,817 palay farmers.

Performance Highlights:
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PROGRAMS	HIGHLIGHTS
Poultry Lending Program	LANDBANK launched its Poultry Lending Program in April 2015 in view of the growth in demand, both in the domestic and export market and to help promote sustainable, competitive and self-sufficient poultry production. The program finances among others the construction of climate-controlled poultry buildings including associated modern equipment for more efficient poultry farming. As of Dec. 31, 2023, 446 borrowers have been assisted by the program with a total loan release of P35.43 billion.
Special Window and Interim Support to Nurture Hog Enterprises (SWINE) Program	The new Lending Program was launched during the signing of the Memorandum of Agreement (MOA) between former Agriculture Secretary William Dar and former LANDBANK President and CEO Cecilia Borromeo on March 17, 2021. The Bank allocated P30 billion to support the local hog industry amid threats from the African swine fever (ASF) and help increase local production and mitigate potential deficit of pork supply in the country. The loan facility shall be made available for commercial and semi-commercial hog raisers registered as cooperatives or farmers’ associations, small and medium enterprises (SMEs), and large enterprises or corporations. As of Dec. 31, 2023, 36 borrowers have been assisted by the program with a cumulative release of P6,800.16 million.
Expanded SURE Aid and Recovery Project (SURE Aid COVID-19)	Towards the end of 2020, LANDBANK and the Department of Agriculture-Agricultural Credit Policy Council (DA-ACPC) forged a MOA for the implementation of SURE Aid COVID-19 to finance the emergency and production capital requirements of small farmers and fishers whose sources of livelihood and income are affected by the COVID-19 pandemic, thereby helping them regain the capacity to continue their agricultural activities and contribute to sustained food production. DA-ACPC provided a P1 billion fund for a one-time credit assistance to around 40,000 eligible small farmers and fishers (SFFs) endorsed by the Regional Offices of DA and Bureau of Fisheries and Aquatic Resources.As of Dec. 31, 2023, total loans disbursed to more than 39,0000 SFFs amounted to P979.69 million.

PROGRAMS	HIGHLIGHTS
Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) Window III Program Extension	The Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) whose implementation commenced in CY 1996 is a joint program between the Department of Agrarian Reform (DAR) and the Land Bank of the Philippines which provides credit assistance to Agrarian Reform Beneficiaries (ARBs) (and household members) through their respective organizations to support their crop production, agri-enterprise and livelihood projects. The program covering a 10-year duration has an approved program fund amounting to P355 million. As the first DAR-LANDBANK credit assistance support program, CAP-PBD is coupled with support along institutional, enterprise and capacity development activities for the intended program beneficiaries. Within the program’s on-ground implementation from CY 1996-2006, CAP-PBD was able to respond to the credit requirements of 156 Agrarian Reform Beneficiaries Organizations (ARBOs) with 210 qualified projects engaged by 8,275 program availers. The total funds availed within the period amounts to P302.53 million. CAP-PBD was extended for another 10-year period, from CY 2006-2016. It was subsequently renamed as CAP-PBD Window III with an approved funding requirement amounting to P233 million. Given the clamor of more ARBs who are in need of credit support to be served, CAP-PBD Window III has been extended for another two years from March 15, 2018 until March 15, 2020 and renamed as CAP-PBD Window III Program Extension. Furthermore, the CAP-PBD Window III Program Extension has been extended for another three years from March 16, 2020 to March 15, 2023. From March 16, 2020 to Dec. 31, 2023 , total loan releases to 48 Farmers’ Associations and Cooperatives reached P165.98 million benefitting more than 3,200 ARB members.
Accelerated Loans for Empowered, Resilient, and Transformed Agrarian Reform Beneficiary Organizations (ALERT ARBOS) Program	A credit program to provide accessible, adequate, timely, and affordable loans to eligible ARBOs and their member-ARBs for the purpose of financing their individual or communal agriculture and fisheries activities, agri- and fishery-based enterprises, and other agri-related projects. The program is being implemented in partnership with the Department of Agriculture (DA), Department of Agrarian Reform (DAR), Department of Environment and Natural Resources (DENR) and Agricultural Credit Policy Council (ACPC). As of Dec. 31, 2023, 65 ARBO-borrowers have been assisted by the program with a cumulative released of P209.61 million, benefitting more than 3,700 ARBs and ARB-household members
Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (E-ARISE-ARBs) Program	The program has been jointly implemented by the Department of Agrarian Reform (DAR) and LANDBANK since 2018. It provides a contingent credit facility to Agrarian Reform Beneficiary Cooperatives and Farmers’ Associations, otherwise known as the Agrarian Reform Beneficiary Organizations (ARBO), which and/or whose members were adversely affected by natural calamities/disasters, pest and diseases and viral infections/outbreaks. As of Dec. 31, 2023, 110 calamity-affected ARBO-borrowers have been assisted by the program with a cumulative release of P123.19 million, benefitting more than 3,200 ARBs and ARB-household members.

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A. Other Lending Programs

PROGRAMS	HIGHLIGHTS
Restoration and Invigoration Package for a Self-Sufficient Economy towards Self-Sufficient Economy towards UPgrowth for Local Government Units (RISE UP LGUs) Lending Program	RISE UP LGUs Lending Program is a sub-program under LANDBANK’s Local Government Unit Lending Program which was developed by LANDBANK in July 2020 to support LGUs respond to the effects of COVID-19 pandemic and implement their recovery plan aimed at reviving the local economy. The Bank allocated P150 billion funds under the program for on-lending to eligible municipal, city and provincial LGUs. Pursuant to Section 10 (v) of the Republic Act (RA) No. 11494, or the Bayanihan to Recover as One Act, the National Government (NG) provided a P1.0 billion interest subsidy fund (ISF) to subsidize the payment of interest of eligible existing and new loans of LGUs obtained with the Bank consistent with the Implementing Guidelines of Section 10 (v) of RA 11494 that was approved by the Secretary of the Department of Finance. As of Dec. 31, 2023, loan releases to 375 LGUs amounted to P63.493 billion. On the other hand, 359 LGUs have availed of ISF amounting to P1 billion.
Municipal Development Fund (MDF) Lending Program	Section 4 (ttt) of the Republic Act (RA) No. 11494, also known as the “Bayanihan to Recover as One Act” provides that any unutilized or unreleased balance in the Municipal Development Fund Office (MDFO) created under Presidential Decree No. 1914 including investments and undrawn portions of all loans shall be considered to have their purpose abandoned, and the remaining assets of MDFO shall be immediately transferred to LANDBANK. All such unspent, unutilized, unreleased, or undrawn funds shall be utilized and appropriated for loans and borrowings of the Local Government Units (LGU). The MDF Lending Program (EO No. 019, s. 2021) was launched on Feb. 10, 2021, to provide financing to COVID-19 response and recovery interventions and mechanisms of LGUs to accelerate the recovery and bolster the resiliency of the Philippine economy. Particularly, it aims to support the LGUs’ program, plan, and activities that are geared towards the recovery from the local pandemic. As of Dec. 31, 2023, the Bank approved P517.28 million to 9 LGUs of which P9 million had been released to one LGU.

PROGRAMS	HIGHLIGHTS
BALIK-LOOB Lending Program (For Former Rebels and Former Violent Extremists)	On July 7, 2021, the Bank amended its Lending Program for Former Rebels (FR) to include Former Violent Extremists (FVE) and re-launched it as the BALIK-LOOB Lending Program (EO No. 068, s. 2021) in support of the National Government’s Enhanced Comprehensive Local Integration Program (E-CLIP), which aims to assist FRs and FVEs who expressed their desire to abandon armed struggle and become productive members of society. These FRs include members of the Communist Party of the Philippines, New People’s Army, and National Democratic Front. Those FVEs include members of the Abu Sayyaf Group, Maute Group, Dawlah Islamiyah, Bangsamoro Islamic Freedom Fighter, Turaife Group, etc. The Program aims to complement the E-CLIP by providing (a) credit assistance for FRs and FVEs’ small businesses and agri-enterprise projects and (b) reintegrate FRs and FVEs to the economic mainstream and show Government’s sincere support to them. As of Dec. 31, 2023, LANDBANK has released loans to 19 FR borrowers amounting to P2.17 million. Projects financed are agri-enterprises such as growing of root crops, palay and livestock production plus small businesses, namely retail sale of fruits/vegetables and ready-to-wear clothing, sari-sari store, and retail of tricycle side-car manufacturing.
LANDBANK ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program.	A support program to the Private Education Sector. The Program aims to provide credit fund to Private/non-DepEd high schools, Private Technical-Vocational and Education Training (TVET) Institutions and Private Higher Education Institutions (HEIs) such as colleges and universities in providing continuing education to their students by allowing the students under enroll now pay later scheme. As of Dec. 31, 2023, the Bank has approved a total of P923.997 million loans to 26 schools with releases of P676.87 million and outstanding balance of P288.54 million.

Performance Highlights:
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PROGRAM	HIGHLIGHTS
LANDBANK Interim REhabilitation Support to Cushion Unfavorably affected Enterprises by COVID 19 (I RESCUE) Lending Program	A support program for the MSMEs, Cooperatives, MFIs and Large Enterprises which are affected by the economic impact of the COVID-19 pandemic to the country. The Program will provide interim measures through provision of additional funds and loan restructuring under more flexible terms and conditions. As of Dec. 31, 2023, the Bank has approved a total of P47,570.66 million loans to 899 borrowers with releases of P43,649.71 million and outstanding balance of P33,650.56 million.
Overseas Filipino Workers Reintegration Program (OFW-RP)	A program tie-up between LANDBANK and the Overseas Workers Welfare Administration (OWWA) to encourage OFWs to engage in business as an alternative to overseas employment through credit assistance. The Bank has set aside P1 billion of its internal fund to finance the Program. As of Dec. 31, 2023, the Bank has approved a total of P2,583.32 million loans to 1,472 borrowers with releases of P2,534.04 million and outstanding balance of P344.56 million.
Innovation and Technology (I-Tech) Lending Program	The I-Tech Lending Program is a partnership program of the Bank with the Department of Science and Technology – Technology Application and Promotion Institute (DOST-TAPI) which aims to support the commercial production of patented Filipino inventions, utility models, and/or industrial designs to help the country progress using technology and innovations. The Program supports the RA 7459 also known as the Inventors and Invention Incentives Act of the Philippines which established the Inventions Guarantee Fund (IGF) that finances and guarantees any loan assistance related to patented Filipino inventions/innovations. As of Dec. 31, 2023, the Bank has approved a total of P35.35 million loans to six borrowers with releases of P30.35 million and outstanding balance of P12.48 million.

PROGRAM	HIGHLIGHTS
Sustainable Multi-dimensional Approach using Revolutionized Technologies (SMART) in City Development Lending Program.	A credit program which aims to provide financial support to cities, highly urbanized LGUs, Small and Medium Enterprises (SMEs), Corporations, Cooperatives, Non-Government Organizations (NGOs), Government-Owned and Controlled Corporations (GOCCs) and viable enterprises for the development and adoption of digital infrastructures and applications with the use of cutting edge technologies like Internet of Things (IOT), robotics/automation and Artificial Intelligence aimed at improving the quality of live living in the city or highly urbanized LGUs and in attaining environmental sustainability and making the city economically competitive. As of Dec. 31, 2023, the Bank approved P70 million in loans to one borrower, which is now fully paid.
Credit Facility for State Universities and Colleges (SUCs)	A credit facility for qualified State Universities and Colleges (SUCs) which supports their intention for infrastructure expansion, fixed asset acquisition and other income generating/agri-related program and projects. As of Dec. 31, 2023, the Bank has approved a total of P47 million loans to two borrowers with releases of P36.90 million and outstanding balance of P16.87 million. A credit program that provides assistance to qualified players in the franchising industry, particularly the franchisees and franchisors. As of Dec. 31, 2023, the Bank has assisted one borrower with an approved amount of P12.96 million, with release of P12.96 million and outstanding balance of P12.63 million.
Franchising Lending Program	A credit program that provides assistance to qualified players in the franchising industry, particularly the franchisees and franchisors. As of Dec. 31, 2023, the Bank has assisted one borrower with an approved amount of P12.96 million, with release of P12.96 million and outstanding balance of P12.63 million.

Performance Highlights:
Socio Economic Impact

PROGRAM	HIGHLIGHTS
LGU Lending Program	This LANDBANK’s LGU Lending Program is specifically intended to provide credit assistance to LGUs to wholly or partially finance their developmental projects that are included in their approved Annual Investment Plan (AIP). The projects to be financed should also be eligible for appropriation from the 20% Development Fund of the LGU’s annual National Tax Allotment (NTA) as provided for by the DILG-DBM-DOF Joint Memorandum Circular No. 01 issued on Nov. 04, 2020. This Program has become one of the Bank’s biggest lending products and is a staple as far as Bank’s lending business is concerned. LGU is also the least risky sector to have business dealings with. As of Dec. 31, 2023, total approved loans stood at P239.51 billion, with 143.91 billion cumulative releases to 729 LGU-borrowers and outstanding balance amounting to P109.22 billion..
BUILDERS (Bringing Urbanization and Innovation thru LANDBANK’s Diverse Engineering Resource Support) Program	BUILDERS Lending Program was created as LANDBANK’s response to the needs of contractors who were unable to secure credit lines from other financial institutions for their working capital requirements to start and finish awarded contracts of infrastructure projects due to lack of properties that can be used as Real Estate Mortgage (REM) for collateral. The Program seeks to enable contractors which are bereft of properties for collateral, gain access credit from LANDBANK by presenting live contracts or Purchase Orders from Government Agencies as collateral instead, in addition to minimal REM requirement. Since its implementation in 2014, the BUILDERS Program has financed many contractors for their working capital requirements to start and finish various government and private sector projects, as part of the Bank’s important contribution to the country’s economic growth and development, and supports the National Government’s BUILD, BUILD, BUILD Program. The Program experienced high portfolio growth due to the increased demand since its implementation year until 2019. However, this trend was cut short in the early part of 2020, when the COVID-19 pandemic hit and construction business in the country stood still. The Program’s performance slowly recovered by 2021 continuing up to the present. By the end of 2023, the approved amount was P76.63 billion in loans, benefitting 532 account-projects of contractor-borrowers.

PROGRAM	HIGHLIGHTS
LANDBANK CARES (Calamity Assistance and Rehabilitation Support) Program	The LANDBANK CARES Program was created ready to assist our clients in times of calamity, supporting the government’s continuing effort to restore economic and social activities and accessibility in affected areas. In providing timely and appropriate financial support to the affected communities and businesses at concessional terms, the Program aims to fast-track recovery, restore economic, social activities and accessibility of basic services to the severely affected areas caused by natural and man-made disasters, thus bringing the Bank to the forefront on recovery and reconstruction of calamity affected areas, pursuant to its corporate responsibilities. The Program’s implementing guidelines were initially issued on Nov. 8, 2013, the same day that Typhoon Yolanda made its first landfall, bringing devastation to several provinces in central Philippines. The rehabilitation and recovery effort that followed resulted in most of the loans under the Program being approved and released. As of end 2023, P7.82 billion worth of loans have been approved. The Program has provided financial assistance to 177 existing borrowers: 89 MSMEs, 27 LGUs, 25 cooperatives, 21 SFFs, 19 individuals, seven large corporations, two financing institutions and a rural bank.
H ₂ OPE (Water Program for Everyone)	The H₂OPE (Water Program for Everyone) is LANDBANK’s unified program for the water and sanitation sector to make the Bank’s lending operations more responsive/relevant to the current needs of the sector through its two sub-programs: Water Utilities Financing sub-program aims to capture a sizeable number of qualified players in the water and sanitation industry in bringing in sustainable 24/7 piped, clean and safe water to at least 85% of the total population of Filipinos. The Program is also available to a wider range of eligible water and sanitation projects, starting from the conceptual water development, new/start-up system, system expansion/development, repair/rehabilitation, acquisition of facilities/machineries/equipment, building of capacity/efficiency, assistance to emergency purposes and up to watershed/water resources management.

Performance Highlights:
Socio Economic Impact

PROGRAM	HIGHLIGHTS
H ₂ OPE (Water Program for Everyone)	STP for Manila Bay, a sub-program of H₂OPE, was created in support of President Rodrigo Duterte’s Administrative Order No. 16 creating the Manila Bay Task Force with vested powers and functions to complete rehabilitation, restoration, and conservation of Manila Bay. The Sub-Program aims to provide financing for the construction/development of decentralized individual sewerage treatment plants, sewage/septage management technology/ equipment, landfill and material recovery facility or rehabilitation/expansion of existing sewage/septage treatment plant/ system, landfill and material recovery facility proposed by privately owned or government owned entities located onshore or offshore which were identified by Department of Environment and Natural Resources (DENR) as contributors to the pollution of Manila Bay. Since Program implementation in late 2014, the Bank has provided financing to 30 borrowers, comprised of water districts, LGU-managed water utilities, cooperative-managed water utilities, and private enterprises, with total approved amount of P5.62 billion in loans as of Dec. 31, 2023.
HOME (Housing Opportunities Made Easy) Program	The HOME Program is the LANDBANK’s support to the government efforts to address the growing housing backlog in the country which requires both financing buyers of residential units and developers of said residential units. It offers the following facilities: - The EASY Home Loan helps the borrower buy or construct his/her dream home. It also allows existing homeowners to refinance their current and existing home loans from other banks, financing firms or from developer’s in-house financing. - The Developers’ End-Buyers Financing Tie-up helps the borrower buy a home through an accredited developer. It also helps developers grow their business by financing their client’s home acquisition, after an accreditation process. - The Bahay para sa Bagong Bayani (3B) is a special lending program designed for Overseas Filipino Workers (OFWs), it allows OFWs to acquire, build or renovate their own homes at relaxed and flexible terms.

PROGRAM	HIGHLIGHTS
HOME (Housing Opportunities Made Easy) Program	Housing Projects Developers provides financing to housing project developers in the construction of residential condominium buildings, residential subdivisions, integrated community housing projects as well as commercial and office spaces, sports/health, amusement/entertainment and environmental protection facilities as part of the integrated housing projects. As of Dec. 31, 2023, total approved loans amounted to P88.68 billion, with P86.97 billion cumulative releases to 25,842 borrowers and outstanding balance of P67.13 billion.
I-STUDY (Interim Students Loan for Tuitions Towards Upliftment of Education for the Development of Youth) Lending Program	The program aims to provide financial assistance to parents/benefactors who have been adversely affected by the economic crisis brought about by COVID-19 pandemic. This assistance is intended to help those with repayment capacity, enabling them to send their children to school by financing tuition fees. Additionally, the program provides aid in acquiring gadgets necessary for the online educational learning system. The Program was launched in 2020, up until the school year 2022–2023, but is subject to evaluation for any further program extension. As of Dec 31, 2023, the approved amount was P4.69 million, with cumulative releases at P4.35 million and an outstanding balance of P2.23 million. 63 students/parents were able to avail of the program.
Public Transport Financing Program	The Public Transport Financing Program is LANDBANK’s umbrella program for the transportation sector consisting of SPEED PUV for Jeepney Modernization, FERRY Boat for inter-island shipping, the support program called TRANSPORT to empower business-related expansion activities jeepney and boat operators and the MVIC Program to modernize the vehicle inspection facilities prior to annual vehicle registration. As of Dec. 31, 2023, total approved loans for the Program reached P8,614.42 million with P7,209.87 million released amount and outstanding balance of P5,974.04 million.

Performance Highlights: Socio Economic Impact

PROGRAM	HIGHLIGHTS
SPEED-PUV or Special Package for Environment-friendly and Efficiently-Driven Public Utility Vehicles	LANDBANK Special Package for Environment-friendly and Efficiently-Driven Public Utility Vehicles or SPEED-PUV aims to expand financial support in providing adequate, effective and efficient transport facilities in modern Public Utility Vehicles by providing loan for the acquisition of modern jeepneys. SPEED PUV has approved loans amounting to P8,155.35 million, 168 transport entities. This is equivalent to 3,230 units operating in 257 routes. Total releases reached P6,949.16 million.
Ferry Boat Inclusive Financing Program	Ferry Boat Inclusive Financing Program promotes financial inclusivity by providing financial assistance for the acquisition of modern, safe and efficient ferry boats. Existing projects under the program now ply routes in Masbate, Guimaras and Boracay ferrying passengers using fiberglass-hulled boats. With P323.26 million in approved loans to finance 39 vessels, the Ferry Boat Program is expected to contribute to a safer naval travel in the country.
LANDBANK TerRain And Naval Special Program On Reliable means of Transport or TRANSPORT Financing Program	LANDBANK TerRain And Naval Special Program On Reliable means of Transport or TRANSPORT Financing Program provides transport entities with financial assistance to expand their operations with allied businesses. A total of P1.80 million was extended to 2 transport cooperatives to augment their working capital as of Dec. 31, 2023.
Lending Program for Motor Vehicle Inspection Centers (MVIC)	Lending Program for Motor Vehicle Inspection Centers (MVIC) supports the government's effort in enforcing the standards for transport safety and efficiency by financing the establishment of reliable, up-to-date and adequately equipped Motor Vehicles Inspection Center. Four SMEs have approved loans amounting to P134 million for the construction of facilities and acquisition of equipment for the establishment of MVICs.

PROGRAM	HIGHLIGHTS
LANDBANK Renewable and Efficient ALternative (REAL) Energy Financing Program	LANDBANK Renewable and Efficient ALternative (REAL) Energy Financing Program is the banner program for credit facilities that are focused on renewable energy and energy efficiency sectors. As of Dec. 31, 2023, approved loans on RE total P64,295.67 million in technologies such as solar, wind, geothermal, biomass, biogas and hydro. Financed projects have the capacity to produce 2,877.98 megawatts of electricity.
Renewable Energy Lending Program (RE)	Renewable Energy Lending Program provides financing to renewable energy projects and support the national government's thrust of promoting RE development, utilization and commercialization, and accelerating investments in the energy sector. As of Dec. 31, 2023, approved loans on RE total P64,121.71 million in technologies such as Solar, Wind, Geothermal, Biomass, Biogas and Hydro. Financed projects have the capacity to produce 2,876.27 megawatts of electricity.
Go Green Inclusive Financing for SMEs and LGUs Program (GO GREEN)	Go Green Inclusive Financing for SMEs and LGUs Program (GO GREEN) capitalizes on the viability of providing accessible financing packages for energy efficient solutions for businesses, households and the government. As of the year ending 2023, Go Green has approved P173.96 million worth of projects that are capable of generating the equivalent of 1.70 megawatts of electricity for clients' own use in their businesses.

Performance Highlights:
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PROGRAM	HIGHLIGHTS
BRinging Inclusive Growth in every Household Through National Electrification Support Services Lending Program or BRIGHTNESS	BRinging Inclusive Growth in every Household Through National Electrification Support Services Lending Program or BRIGHTNESS recognizes the need to expand further the energy access of barangays to spur growth and generate more economic activities in the countryside. By providing credit to electric cooperatives, rural electrification is promoted ensuring quality, reliability, security and affordability of electric power nationwide BRIGHTNESS has approved loan amounting to P13,285.02 million to both electric cooperatives and private distributors as of Dec. 31, 2023. Total connections served through BRIGHTNESS reached 4.67 million during the same period.
Emerging Female-Initiated Livelihood and Investment Projects via INclusive financing to Accelerate entrepreneurial growth or Emerging FILIPINA Lending Program	LANDBANK launched the Emerging FILIPINA Lending Program on Sept. 22, 2021, as part of the Bank's commitment to serve MSMEs and as a government financial institution with a thrust to serve the Nation. The Emerging FILIPINA Lending Program provides credit to women pursuing business ventures such as traditional trade, thriving e-commerce business, or food services activities, among others. The Program also includes providing appropriate capacity building training with the goal of further enhancing the management, marketing, production, accounting, financial, as well as info-tech skills of women in businesses. LANDBANK's provision of training is in collaboration with LCDFI and training providers such as TESDA and DTI. LANDBANK has initially set aside P1 billion under the Program to fund Working Capital, requirement for Confirmed Purchase Order/Letter of Credit, Construction/Renovation of building/facilities related to business operations; and Rediscounting and/or On-lending activities. Registered MSMEs (Single Proprietorship, Partnership, Corporation or Cooperative) with majority of ownership belonging to women, or majority of top management (inclusive of the CEO), are eligible to borrow up to 85% of actual need or project cost. Term loans for working capital have a five-year repayment period, while loans for fixed asset acquisition or construction/renovation of building facilities related to business operations have a 10-year repayment period, with a one-year grace period on the principal repayment. The interest rate will be 5% per year fixed for three years. As of Dec. 31, 2023, LANDBANK had approved P300 million total loans for women-led enterprises in 11 provinces in the country.

PROGRAM	HIGHLIGHTS
Receivables Financing Program for PhilHealth arrearages under the Bank's Health PLUS Lending Program	This new sub-program aims to provide interim financing support to PhilHealth-accredited Institutional Health Care Providers (IHCPs), as per mandate of the Republic Act No. 11494 also known as Bayanihan to Recover as One Act. The Bank set aside P2.5 billion of its internal fund to finance the Program. As of Dec. 31, 2021 no availment was made under the Program. The Health PLUS Program, in general, is a credit program for the health sector to improve access of the populace to quality and updated medical health goods and services. As of Dec. 31, 2023, the Bank has approved a total of P41,496.75 million loans to 151 borrowers with releases of P26,339.46 million and outstanding balance of P19,935.18 million.
Bridge Financing for Junior High School's ESC Program under K-12 Bridge Financing Program.	This sub-program was designed to provide timely bridge/short-term financing to participating non-DepEd schools while awaiting disbursement of government subsidy under the Department of Education's (DepEd) Education Service Contracting (ESC) Program. The Program is a sub-lending program of the K-12 Bridge Financing Program of the Bank which bridge finances the receivables Junior and Senior High Schools while awaiting DepEd's payments. As of Dec. 31, 2023, the Bank has approved a total of P5,231.649 million loans to 133 borrowers with releases of P3,590.67 million and outstanding balance of P477.86 million.
National Assistance Towards Initiating Opportunities to Entities Amidst Social and Economic Reverses which Visibly Entail Shockwaves to Business (NATION SERVES) Lending Program	To provide credit to industries affected by the Ukraine-Russia crisis and other events that disrupt economic activities. The program ran from April 07, 2022, to April 07, 2023, and will be extended under LANDBANK CARES+. As of Dec. 31, 2023, the Bank has approved a total of P2,762.14 million loans to 6 borrowers with releases of P2,667.79 million and outstanding balance of P1,598.96 million.

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PROGRAM	HIGHLIGHTS
Tertiary System (TES) Lending Program (sub-program under BRIGHT ED) / BRIDging the Financing Gap on Subsidized High School and Tertiary Education (BRIGHT ED) Lending Program	Aims to consolidate all bridge financing programs of the Bank for the Education Sector in one umbrella program. Added/included bridge financing to participating Higher Education Institutions (HEIs) under CHED-UniFAST’s Tertiary Education Subsidy Program. As of Dec. 31, 2023, the Bank has approved a total of P119.50 million loans to 5 borrowers with releases of P153.50 million and outstanding balance of P50.50 million.
Lending Program for Bus Modernization [sub-program under Public Transport Financing Program]	This is a new financing window that is being offered by the Bank for borrowers’ the acquisition of modern public utility buses.

B. Support for Agricultural Programs

PROGRAM	NARRATIVE REPORT
Agricultural Guarantee Fund Pool (AGFP)	The Agricultural Guarantee Fund Pool (AGFP) is a credit guarantee program initiated by the DA that consists of a pool of contributions from various participating GOCCs and GFIs. In support of the National Government’s agricultural programs, AGFP was set up to encourage financial institutions and other credit conduits to lend to small farmers. From 2012 to Dec. 2023, the cumulative AGFP guaranteed loans reached P14.47 billion, through which 127,663 farmers benefited covering 332,082 hectares of farmland. For the year 2023, the guarantee coverage amounted to P1.23 billion benefiting 10,000 farmers covering 25,963 hectares.

PROGRAM	NARRATIVE REPORT
Credit Surety Fund (CSF)	Aimed to increase the creditworthiness of MSMEs, cooperatives, and non-government organizations (NGOs), the Bangko Sentral ng Pilipinas developed the Credit Surety Fund (CSF) as a credit enhancement scheme for the sector. The CSF generated from contributions of well-capitalized and well-managed cooperatives or NGOs, LGUs, GFIs, Industrial Guarantee and Loan Fund (IGLF) and other institutions or government agencies serves as security for the loans of qualified borrowers of the CSF Cooperative. As of Dec. 31, 2023, the cumulative CSF covered loans reached P6.2 billion, which benefited 91,704 farmers, 248 cooperatives and 34 MSMEs. Total releases during the year amounted to P627.57 million.

C. Others

PROGRAM	NARRATIVE REPORT
Carbon Finance Support Facility (CFSF)	The Carbon Finance Support Facility (CFSF) is a program for climate change mitigation, offering financing and assistance to piggery and sanitary landfill projects in order to generate carbon credits under the Clean Development Mechanism (CDM) Program of the United Nations Framework Convention on Climate Change (UNFCCC). In response to the worldwide challenge of reducing impacts of global warming and climate change, implementation of methane recovery initiatives and programs eligible under the CDM emerged as one of the “flexibility mechanisms” of the Kyoto Protocol convention of 1997. This has allowed for industrialized nations to purchase carbon credits from developing countries with projects that reduce greenhouse gas (GHG) emissions, to achieve the emission targets of participating industrialized nations. Through the CFSF, LANDBANK was able to introduce and support projects with CDM-eligibility potentials, which lead to GHG emission reductions, and providing incentives through generation of additional revenue in the form of carbon credits. As of Dec. 31, 2020, LANDBANK has enrolled 25 piggery farms with animal waste-to-energy projects and two proponents with landfill gas-to-energy projects, which are the two biggest landfills serving Metro Manila. LANDBANK, through the Environmental Program Management Department (EPMD), serves as the Coordinating and Managing Entity (CME) for the following CDM Program of Activities (PoA) which were developed and registered with the UNFCCC, with assistance from the World Bank (WB): CDM PoA 6707 – Landfill gas recovery and combustion with renewable energy generation from sanitary landfill sites; and CDM PoA 5979 – Methane recovery and combustion with renewable energy generation from anaerobic animal manure management systems.

Performance Highlights:
Socio Economic Impact

PROGRAM	NARRATIVE REPORT		
	As the CME, LANDBANK sells carbon credits earned by registered projects to the WB, on behalf of Spain, Sweden, and Norway. Payment proceeds generated by the projects from selling Certified Emission Reductions (CERs) may be used as an additional source of loan repayment/security. The table below shows the amounts of CERs issued by the UNFCCC-CDM Program based in Bonn, Germany to LANDBANK’s CFSF and subsequently delivered to WB pursuant to the Emission Reduction Purchase Agreements between LANDBANK and WB, as of end of 2023.		
Carbon Finance Support Facility (CFSF)			
	PoA5979 (Animal Waste) – SCF*	5,968	5,849
	PoA5979 (Animal Waste)	179,448	175,858
	PoA6707 (Sanitary Landfill)	448,557	439,856
	CDM 1258 (Pangea Standalone)	341,797	334,961
	TOTAL	975,770	956,524
	The 956,524 CERs delivered represent 82.86% of contracted deliverables to WB for piggery and landfill PoAs (combined). * SCF – Spanish Carbon Fund		
LANDBANK Green Climate Fund (GCF) Financing Program	The LANDBANK Green Climate Fund (GCF) Financing Program is a climate finance program for climate change adaptation and mitigation projects. As the country’s first GCF Direct Access Entity (DAE), climate financing is made available as grants and loans for climate action projects in the Philippines through direct project funding and/or on-lending/blending with the Bank’s internal funds or crowd-in with other funds. The GCF is a financial mechanism under the UNFCCC which helps fund climate finance investment in low-emission, climate-resilient development through mitigation and adaptation projects and programs in developing countries with a goal of keeping the temperature increase on our home planet below 1.5°C. Thus, LANDBANK works hand-in-hand with project proponents, the National Designated Authority (NDA), and the GCF in developing low-emission and climate-resilient projects. With LANDBANK’s accreditation as DAE in Oct. 2018, its first project is the Multi-Hazard Impact Based Forecasting-Early Warning System (MHIBFEWS) which was approved by the GCF Board in Nov. 2019. The Project is the recipient of USD 10 million grant		

PROGRAM	NARRATIVE REPORT
LANDBANK Green Climate Fund (GCF) Financing Program	(with no loan component) from the GCF for implementation of activities led by DOST-PAGASA and eight other Project Executing Entities. The Project Funded Activity Agreement (FAA) was jointly signed by LANDBANK and the GCF in Dec. 2021 and become effective in April 2022. Having complied with the Conditions Precedent (CPs) to the 1st Disbursement of GCF Funds per FAA, LANDBANK received the first tranche of GCF Funds in February 2023 amounting to USD 3.2 Million. With the support of LANDBANK, the National Project Management Office (NPMO) and the Project Executing Entities conducted preliminary activities to start project implementation such as the establishment of coordination mechanisms, conduct of the National Project Launching, Kick-Off and Stakeholder Engagements, the approval of Year 1 Work and Financial Plan (W&FP) and Project Procurement Management Plan (PPMP), and, development of the Year 2 W&FP and PPMP.
	LANDBANK has a total of eight projects in its pipeline that are under development. Project Concept Notes (PCNs) covering the agriculture, health, transport, energy, forestry, flood management/water resource and fishery sectors which comprise the Bank's updated List of Pipeline Projects for GCF. Two PCNs (one in agriculture sector and one in Flood Management) have been approved by the GCF Investment Committee and are slated to conduct Project Preparation Facility (PPF) activities; five PCNs are in the process of completion of replies to comments raised by the GCF Task Teams review.
	LANDBANK also has a GCF Readiness Support project as a Delivery Partner (DP) after it was tapped by the then NDA-the Climate Change Commission (CCC) for the Climate Resilient Recovery (CRR) Project. This project aims to support effects of the pandemic by developing three (3) vital PCNs on Food Security, Employment & Green Jobs, and Green Recovery Projects. LANDBANK has downloaded the amount of USD 195,000 as grant for the implementation of the CRR Project. GCF also approved the Readiness and Preparatory Support Programme "Readiness Support for the Implementation of the Integrated Results Management Framework (IRMF) for Land Bank of the Philippines." With funding under this Readiness Support, it is expected that LANDBANK staff will be capacitated in determining the mitigation, adaptation, paradigm shifting, and enabling environment potential of current and future GCF projects.

Performance Highlights:
Socio Economic Impact

PROGRAM	NARRATIVE REPORT
Climate SAFE (Special Adaptation Facility for the Ecosystem) Program	LANDBANK’s Climate SAFE (Special Adaptation Facility for the Ecosystem) Lending Program aims to support the government in the implementation of RA 9729 or the “Climate Change Act of 2009” and R.A. No. 10174 or the establishment of the People’s Survival Fund (PSF). The Bank fully supports RA 9729 and has the lending program focused on climate change adaptation and resiliency, such as climate resilient agriculture and greenhouse farming system. The Philippines is exposed to various climate risks which include super typhoons, sea level rise, flooding, landslides, storm surges, heavy rains, rising temperatures, and drought. Given the high vulnerability of the Philippines to climatic hazards, the government is working to prioritize actions for mainstreaming adaptation and disaster risk management, with the aim of improving community resilience to the hazards brought by climate change. The Climate SAFE Lending Program complements the financing requirements of eligible borrowers mostly LGUs for their adaptation projects; and provides additional services such as technical assistance, and/or grant sourcing assistance for LGUs and other eligible borrowers, making the Program a preferential financing package. LANDBANK aims to promote blended finance through the Climate SAFE Program for climate change adaptation projects with funding from the Green Climate Fund (GCF) and the PSF. As of Dec. 31, 2023, the Bank has approved a total of P10,453.42 million loans to four borrowers with releases of P11,285.92 million and outstanding balance of P206.36 million.

PROGRAM	NARRATIVE REPORT
Implementation of the Environmental and Social Safeguards Policy Relative to Credit Delivery	LANDBANK’s Enhanced Environmental and Social Safeguards Policy Relative to Credit Delivery is an internal lending operations policy covering all Bank-financed projects to be environmentally sound and compliant with applicable environmental and social laws and regulations. This reflects the Bank’s commitment to its corporate mission of promoting sustainable development anchored on good governance. From Credit Policy Issuances (CPI) Nos. 2004-02 and 2009-002, the implementation of Environmental and Social Assessment (ESA) were further improved and expanded through the issuance of Executive Order (EO) No. 058 on Sept. 29, 2022 entitled “Enhanced Environmental and Social Safeguards Policy Relative to Credit Delivery”, superseding EO 098 s. 2020. The issuance of EO No. 058 s. 2022 strengthens the policy’s support/alignment with the BSP Circular 1085, s. 2020, on Sustainable Finance Framework issued on April 29, 2020 and the BSP Circular 1128 s. 2021 on Environmental and Social Risk Management (ESRM) Framework issued on Oct. 26, 2021, where all banks are required to implement the Sustainable Finance through the integration of environmental, social and governance principles into the Bank’s financial products, services and business decisions to provide lasting benefit for both clients and society while reducing pressures on the environment. Also, this made LANDBANK ahead in the implementation of the requirements of BSP Circular 1128 s. 2021 or the Environmental and Social Risk Management System (ESRMS) for banks. With the emerging local and global developments on sustainability and the BSP’s directives to adopt a system in response to evolving climate and environmental & social (E&S) risks, the major highlights of the policy amendments are as follows: • Gives more emphasis on the project/project site’s sensitivity and vulnerability to climate change; • Focuses more on physical and climate hazards, noting that these are the primary risks that pose impact and threat to global economy based on the global risk analysis; and • Updates the systems and methods; parameters of reporting in terms of identification, assessment, mitigation, monitoring of environmental, climate change and social risks, as well as E&S benefits of projects financed by the Bank. For CY 2023, EPMD accomplished a total of 862 E&S project assessments or 109% of its annual target and 25% increase from previous year’s number of projects assessed. This was done through a rationalized method of ESA via online/remote assessment or through actual site visits. Thus, 7,353 project assessments have been made since ESA implementation in 2004. Sustained implementation of ESA on Bank-financed projects has provided greater awareness to Bank clients on the importance of E&S safeguards and encouraged them to comply with the basic E&S laws and regulations applicable to their respective projects and implement various best practices in E&S management.

Performance Highlights:
Socio Economic Impact

Sustainability

LANDBANK Sustainable Finance Framework

Guided by the BSP Circular No. 1085 on the Sustainable Finance Framework, as amended by BSP Circular No. 1128 on the Environmental and Social Risk Management (ESRM) Framework and BSP Circular No. 1149 on the Guidelines on the Integration of Sustainability Principles in Investment Activities of Banks, LANDBANK actively pursued its programs and initiatives to further strengthen the promotion of sustainable finance as an integral component of its lending and investment activities and overall banking operations.

Accomplishments for the Year

The LANDBANK Sustainable Finance Framework (LSFF) Roadmap 2022-2023 crafted by the Project Working Team in 2022, highlights the sustainability goal of the Bank that is "to promote sustainable development in nation building by integrating environmental, social and sustainability principles into the Bank's business decisions and operations anchored on good governance in support of the Philippine Development Plan, the BSP Guiding Principles and the UN Sustainable Development Goals." The LSFF Roadmap strongly aligns with the country's aspirations expressed in the enhanced Philippine Development Plan (2023-2028), the Philippine Sustainable Finance Roadmap and BSP's Guiding Principles which correlates with the United Nations' Sustainable Development Goals (SDGs). It also defines the Bank's five specific sustainability objectives that correspond to the regulatory requirements of BSP Circular No. 1085 and are supported by various activities and initiatives to achieve the overall sustainable finance goal, namely:

- A. Creating the Bank programs/policies that promote sustainable finance;
- B. Managing environmental and social risks;
- C. Delivering responsive sustainable finance products and services;
- D. Communicating the Bank's sustainability agenda; and
- E. Ensuring adherence to sustainability standards, principles and best practices.

In 2023, the Bank has accomplished the following activities and projects in accordance with the Bank's Transition Plan and the LSFF Roadmap:

- A. Creating the Bank programs and policies that promote sustainable finance
 - Sustainable finance was incorporated in the Bank's strategic objectives as explicitly stated in the LANDBANK Strategy Map and Performance Scorecards for 2023 and 2024.
 - The updated Corporate Governance Manual of the Bank incorporating the provisions of BSP Circular No. 1085 on the governance role of the LANDBANK Board in the implementation of the Bank's sustainability agenda was undertaken.
 - The Bank has issued the "Guidelines on the Implementation of Negative/Exclusion List for LANDBANK Financing and Investment Activities Consistent with the Sustainable Finance Framework" under Executive Order No. 007 series of 2023 last Feb. 01, 2023. The policy provides the list of projects/activities excluded from financing and/or investment which serves as a basis or guide for exclusion of specific activities that are environmentally harmful, socially undesirable and not aligned with public interests and do not benefit the common good.
 - The Bank issued a policy containing the "Guidelines on the Transition Policy on Coal-Fired Power Plant Financing and Investment" last Dec. 10, 2023. The guidelines cover the financing of the existing and operational coal-fired power generation facilities or projects that meet the set parameters stated under DOE Memorandum dated Dec. 22, 2020 that is anchored towards a sustainable and optimal energy mix.
 - The Bank's investment policy was aligned with the requirements of BSP Circular No. 1149 by incorporating sustainability principles as one of the criteria for investment evaluation with the "Revised Investment Policy Guidelines and Strategy of the Bank" and the revised Investment Plan and Corporate Bonds Assessment Form.
 - The Bank issued E.O. 058, series of 2022 on the Enhanced Environmental and Social Safeguards Policy relative to Credit Delivery to strengthen the existing guidelines on environmental and social (E&S) due diligence, specifically on validation and assessment and ensure continuing alignment and compliance in the BSP Circulars 1085 and 1128.
- B. Managing environmental and social risks
 - The Bank's audit and compliance policies and programs by expanding scope/coverage to include LSFF and assessment of adherence to LSFF policies of Bank Units.
 - The Bank's existing Risk Management Manuals were updated particularly Volume 1 on the Risk Governance Framework; Volume 3 on the Credit Risk Management Manual; and Volume 4 on the Operational Risk Management Manual. The updated Risk Management Manuals shall provide the Environmental and Social Risk Management System (ESRMS) guidelines on the identification, assessment, monitoring, and mitigation of the Bank's risk exposures based on the BSP Circular No. 1128 on the establishment of the Credit Risk Management System and the Operational Risk Management System. Other enhancements made include the incorporation of E&S risks as well as physical and transition risks in the risk universe, and as part of Pillar 2 risks including its materiality threshold for the 2023 Internal Capital Adequacy Assessment Process (ICAAP) Document.
 - The Bank effectively implemented its Environmental and Social Safeguards Policy relative to Credit Delivery wherein all 862 financed projects that were assessed in 2023 complied with the basic E&S laws and standards. No Cease-and-Desist Order was issued by the Department of Environment and Natural Resources (DENR) for any violation.
 - The Procurement Department issued an additional 50 Technical Specifications Sheets with green parameters to be used for the procurement of office supplies, equipment, office furniture and fixtures relative to the Green Public Procurement.
 - To ensure employees' safety and wellness through the regulation and circulation of good quality air as part of the air conditioning system and generate an estimated 10 to 20% energy savings for the Bank, four new air handling units (AHUs) with low-toxicity and acceptable ozone depleting refrigerant were installed at the ground floor and second floor of the LANDBANK Plaza. This is also in compliance with the DENR Administrative Order No. 2013-25 on the Revised Regulations on the Chemical Control for Ozone Depleting Substances. For other energy efficiency projects, the procurement process has already begun during the year for the upgrading of the Building Management System and Phase 2 of the AHU replacement project with a target of 25 units.
- C. Delivering responsive sustainable finance products and services
 - The Bank continuously implemented the eight existing lending programs which were identified to directly support sustainable finance with a total portfolio of P117.67 billion as of year-end 2023, as follows:
 - Renewal Energy (RE) Lending Program – In support of the Renewable Energy Act of 2018 promoting the development, utilization, and commercialization of renewable energy sources, the LANDBANK RE Lending Program caters to projects such as hydropower, ocean, solar, wind, biofuel, biomass, geothermal, and other RE projects. The estimated annual carbon dioxide emission reduction contributed by the financed projects under the program totaled to 10.93 million metric tons.
 - LANDBANK Go Green – This is the Bank's support program to the National Government's policy of reducing electricity consumption by promoting the use of energy-efficient solutions. The total power generated by the financed project is 1.705 MW, sufficient to meet the power consumption needs of about 682 to 1,705 households.
 - LANDBANK Public Transport Financing Programs such as the Special Package for Environment-Friendly and Efficiently-Driven Public Utility Vehicle (SPEED PUV Program), LANDBANK Ferry Boat Inclusive Financing Program, LANDBANK TeRRain And Naval Special Program On Reliable means of Transport (TRANSPORT) and Lending Program for Motor Vehicle Inspection Centers (MVIC) – These programs aim to expand the Bank's financial support in providing adequate, effective and efficient transport facilities. The contribution to annual carbon dioxide emission reduction of the 3,320 financed vehicles under the SPEED PUV Program is estimated at 13,857 to 25,815 metric tons as of December 2023.
 - Water Program for Everyone (H2OPE) – H2OPE is LANDBANK's unified program for the water and sanitation sectors to respond to the current needs for water system development and distribution, expansion, and rehabilitation. 20 water districts, five LGU-managed, two coop-managed water utility services, two large corporations and one MSME availed of the Program as of December 2023.

Performance Highlights:
Socio Economic Impact

- 5. Housing Opportunities Made Easy (HOME) Program – The HOME Program is LANDBANK’s support program to the government efforts in addressing the growing housing backlog in the country. As of December 2023, the Bank has assisted a total of 25,838 individual borrowers/households and four real estate developers under this Program.
 - 6. LANDBANK CARES (Calamity Assistance and Rehabilitation Support) Program – This rehabilitation assistance program provides financing support to all sectors located in officially declared natural and man-made calamities and disaster areas in the country. The Program provided reconstruction and rehabilitation support to 177 borrowers as of December 2023.
 - 7. Health Plus (Progressive Lending for Upgraded Services) Program – This credit program for the health sector aims to improve access of the public to quality and updated medical health goods and services. As of year-end 2023, the Program assisted 134 private hospitals/health care facilities, clinics, pharmacy, and 17 public hospitals/health care facilities.
- For the total loan releases for each lending program, please refer to page 14-43.
- As the country’s Direct Access Entity of the Green Climate Fund (GCF), LANDBANK played a major role in the approval of the USD10 million grant Multi-Hazard Impact Based Forecasting-Early Warning System (MH-IBF-EWS) which was declared as “effective” last April 2022 by the GCF. This is the first GCF-approved climate adaption project in the Philippines which marks a shift from the traditional hazard-based to an impact-based forecasting and early warning system. It aims for the country to adopt a nationwide system by actively engaging people to take pre-emptive measures that will better manage or reduce their risk exposures to extreme weather disturbances. The identified disaster-prone communities that will initially benefit from the project include the Barangays of Tuguegarao City (Cagayan), Legazpi City (Albay), Palo (Leyte) and New Bataan (Davao de Oro). Ultimately, the project shall mainstream the climate-risk information and MH-IBF-EWS development policy and planning, investment programming and resilience planning at the national and local levels and institutionalize people-centered MH-IBF-EWS in the Philippines. The project implementation for the period 2022 to 2027 will be led by PAGASA with eight other Project Executing Entities.
 - The Bank continuously promoted and monitored the utilization of the Bank’s digital platforms, such as the mobile banking app, internet banking facilities and remittance system, among others. The use of digital technology in its daily operations enables the Bank to improve its sustainability efforts in a manner that will help reduce environmental impact through digitization of its processes, on top of increasing operational efficiencies and lowering production costs.
 - D. Communicating the Bank’s sustainability agenda
 - LANDBANK’s Annual Report is aligned with the Global Reporting Initiative (GRI) standards and includes a special section on the Bank’s sustainable finance framework.
 - To enhance the competency of relevant Bank personnel in adopting GRI Standards as the reporting framework, select staff members participated in the “Sustainability Strategy and Reporting Training Course” organized by the Institute of Corporate Directors in February 2022. Additionally, in March 2023, three Bank personnel attended the “Embracing Changes in Sustainability Reporting” webinar hosted by Business for Sustainable Development (BSD).
 - In compliance with BSP Circular No. 1186, series of 2023, “Amendments to the Guidelines on Disclosures to the Public,” this annual report is being made available in digital copies – through displays with QR codes in the Bank’s Head Office and field units, as well as on the LANDBANK website.
 - To promote LANDBANK’s sustainable finance agenda to external stakeholders, various articles for multimedia coverage about the Bank’s sustainability-aligned investments and initiatives were released. These include the P20 billion loan extended to ACEN Corporation to help expand the country’s mix of renewal energy.
 - Supplementing the Bank’s information dissemination efforts, press releases and feature articles were released to the media. Moreover, targeted social media content specifically highlights the Bank’s sustainability initiatives were also developed.
 - The Bank considered LSFF in the Office Performance Commitment and Review (OPCR) of all Bank Units starting PY 2022 to ensure employees’ awareness of the Bank’s sustainability agenda and encourage their participation in the identified LSFF-aligned activities.

- There were six nationwide briefing sessions held to all Sectors which incorporated the LSFF briefing to communicate the Bank’s sustainability agenda.
- Since 2022, the Bank has conducted Sustainability and Sustainable Finance related training programs participated by a total of 12,884 personnel.
- E. Ensuring adherence to sustainability standards, principles and best practices
 - To contribute to the country’s goal of reducing greenhouse gas emissions and help in the transition to a low carbon economy, the Bank embarked on several energy efficient projects to boost carbon dioxide emission reduction while generating energy savings.
 - The Certification International Philippines, Inc. (CIPI) conferred LANDBANK with the certification for ISO 9001:2015 – Quality Management System (QMS) on Dec. 21, 2023 covering the LANDBANK Plaza and 39 Field Unit Sites.
 - Hybrid audit engagements were completed that included the assessment of LSFF-related activities.
 - The Bank conducted quarterly compliance testing of Bank Units on their LSFF-aligned deliverables to ensure continuing adherence and compliance with regulatory issuances on sustainable finance.

Moving Forward to Strengthen Sustainability Programs and Other Initiatives

As sustainable finance is considered a continuing commitment of LANDBANK as manifested in its sustainability goal, the Bank shall actively pursue initiatives and programs with special focus on the promotion and development of a Program on the Blue Economy, alongside existing sustainable finance-aligned lending programs. The Bank shall also endeavor to develop new programs and enhance existing ones that will further promote sustainable development of the agriculture and agri-industry sectors to contribute to the National Government’s goal of food security for the country.

The Bank’s project on the installation of solar power panels at the LANDBANK Plaza, Antipolo Warehouse and 112 Field Units and Corporate Centers in various locations across the country is expected to contribute 9,139.30 metric tons in CO2 emission reduction for the period 2023 to 2028.

Various Bank-initiated Programs are expected to reduce carbon dioxide emissions and contribute to the country’s commitment of 75% reduction in greenhouse gas emissions by 2030 in the agriculture, industry, transport, and energy sectors which are the significant sources of carbon dioxide emissions.

Other projects to be continuously undertaken to ensure alignment with regulatory requirements and the Bank’s sustainability agenda include the enhancements of ESRMS processes and procedures and additional items to be given green technical specifications under the Green Public Procurement. The Bank also aims to monitor and evaluate its sustainability programs by identifying the applicable set of result indicators on sustainable development output/outcomes that will be used as baseline indicators and will be included in reporting to the Management and LANDBANK Board of the E&S impacts of Bank-financed projects.

Environmental and Social Risk

LANDBANK acknowledges the utmost importance of effectively managing environmental and social risks while advancing its vision to be a catalyst for national development, benefiting all Filipinos. The Bank’s dedication to financial inclusion, digital transformation, and sustainable development is integral to its obligation to protect environmental and social welfare.

In its continuous effort to enhance the Bank’s capital assessment framework, Environmental and Social Risk (ESR) assessment was incorporated into the 2023 Internal Capital Adequacy Assessment Process. This strategic enhancement underscores LANDBANK’s commitment to sustainable finance practices and responsible banking.

Aligned with its sustainability objectives, the Bank integrates the identification, measurement, mitigation, monitoring, and reporting of ESR within its established risk management framework. These risks are systematically identified, measured, controlled, monitored, and reported through the utilization of existing risk management tools, policies, and programs. This comprehensive approach encompasses various business processes, ensuring robust management of ESR while supporting our commitment to sustainability.

- 1. Credit risk management
- 2. Business continuity management
- 3. Environmental social safeguards relative to credit delivery
- 4. Environmental management system
- 5. Procurement management
- 6. Digitalization of banking services
- 7. Employee health and safety
- 8. Other risk management policies

Performance Highlights:
Socio Economic Impact

The Bank’s breakdown of its ESR exposure as of December 2023 is provided below:

Major Industry Classification per PSIC	Outstanding Loans	% Outstanding Loans to GLP
Agriculture, Forestry, and Fishing	8,478.33	0.58%
Financial and Insurance Activities	8,050.30	0.55%
Electricity, Gas, Steam and Air Conditioning Supply	4,004.55	0.27%
Wholesale and Retail Trade	3,555.67	0.24%
Transportation and Storage	2,311.59	0.16%
Other Service Activities	1,702.52	0.12%
Administrative and Support Service Activities	1,114.91	0.08%
Manufacturing	841.59	0.06%
Education	552.55	0.04%
Construction	205.76	0.01%
Real Estate Activities	197.76	0.01%
Accommodation and Food Service Activities	188.47	0.01%
Professional, Scientific, and Technical Activities	138.11	0.01%
Total	31,342.11	2.13%
GLP	1,472,815.26	

Notes:
Industries with impact to the Environment composition:

- 1. Loan Portfolio at Risk Vulnerable to Climate Hazards - LANDBANK loan exposures and borrowers’ location were mapped based on geographic locations vulnerable to identified major disaster. (i.e. Typhoon, El Niño, Earthquake, Volcanic Eruption.)
- 2. Adverse impact to environment and society – Industries that include certain activities/projects that bring the following:
- Environmentally harmful/risky
- Socially undesirable activities/impacts
- Not aligned with public interests or do not benefit common good or public services

The common environmental and social risks associated with the Bank’s customers’ business activities are the following:

- Environmental Risks include pollution, climate change, resource depletion, biodiversity loss and land contamination.
- Social Risks include labor practices, community relations, supply chain ethics, product safety and human rights violations.

Below are the impacts of ESR to the Bank:

Impact	Remarks
Financial Impact	- Force Majeure – Environmental disturbances and natural calamities such as earthquakes, floods, typhoons, and fire may result in physical loss or damages to the properties of the clients, which may affect their business operations, thus affecting their repayment with the Bank. - Biodiversity Loss – It has an indirect impact by affecting economic performance, asset values, and sustainability of operations. - Environmental Requirements – Unavailed approved loans due to the client’s failure to secure the required environmental requirements (i.e., Environmental Compliance Certificate) from the DENR. - Non-Compliance with the Environmental and Social Practices – This will affect the client’s cash flow, ability to operate, or the ability to grow their business. - Financial Pressure – E&S issues can create financial pressures on a client, which may reduce the value of the business or ability to service a loan, resulting in the loan being restructured or written off (in the case of a borrowing client).
Legal Impact	- Fines and Penalties – The client’s failure to abide by various environmental regulations can result in fines and penalties from regulatory bodies. - Halt of Operations – Suspension of operations by regulators or due to an accident or fire. - Damages – Arising from legal liability for damage to the environment, human health, or property (e.g., compensation claims)
Reputational Impact	- Adverse News – Intangible and tangible outcomes from adverse news against the Bank borrower’s company or its products (i.e., shipping illegal products, company suspension, and violations). - Lack of Workers—There is a labor shortage and low recruitment due to a poor reputation (e.g., poorly compensated personnel). - Plans for the Business – No sustainable succession plan and mid-term outlook for the business will disable the overall growth and will further affect the reputation of the organization. - Data Privacy and Security: Cyber Threats—The risk of fraud may cause the Bank to lose capital and customers’ trust. Damage to the Bank’s reputation can make it more difficult to attract deposits or business in the future. - Involvement in E&S Incidents—The Bank borrower may face negative media and stakeholder attention, which may cause the loss of retail and/or business customers and even impact its market value.

In the current fiscal year, the banking industry has faced increasing challenges from emerging environmental and social risks, significantly impacting operational strategies and stakeholder relationships. Greenwashing practices among financed entities pose reputational risks as stakeholder’s demand transparency in sustainability claims. Heightened regulatory scrutiny on environmental assertions requires rigorous due diligence to ensure compliance and mitigate risks.

Additionally, depletion of natural resources and biodiversity loss present challenges to credit and investment strategies. Sectors reliant on natural resources face heightened risks amidst regulatory changes and ecosystem degradation. Adhering to evolving environmental regulations is critical for maintaining market integrity.

Performance Highlights:
Socio Economic Impact

To navigate these challenges, the industry is enhancing due diligence processes by integrating robust environmental, social, and governance (ESG) criteria into decisions. Transparent disclosure of ESG risks enhances stakeholder confidence and ensures regulatory compliance. Collaborative efforts with peers and regulators are establishing best practices and promoting sustainable finance initiatives. Investments in ESG expertise and technology strengthen our ability to manage risks and enhance long-term resilience for stakeholders.

Stakeholder Engagement and Material Topics

At the heart of LANDBANK’s operations is its commitment to fulfill the needs and requirements of its stakeholders – both external and internal stakeholders.

LANDBANK establishes clear communication with its stakeholders through various channels from traditional channels of face-to-face meetings and written surveys to more modern channels of online platforms for videoconferencing, online surveys, and telephone interviews. These platforms ascertain that the voices of their stakeholders are heard.

The table shows their key concerns and the Bank’s response.

Stakeholder Engagement

Employees	Mode of Engagement: Trainings, surveys, consultation meetings, teleconsultations, telephone calls/SMS	
	Frequency: Continuous	
	Key Concerns and Expectations: Health and safety, labor management relations, benefits, employee training and education, work-life balance	The Bank’s Response: HR Policy, grievance machinery system to note employee concerns, trainings, promotions, provision of safe working conditions, employee benefits or compensation packages, coaching, proper succession planning
Clients	Mode of Engagement: Customer Care, Third-Party Consultant/Consulting Firm, Customer Satisfaction Surveys, Consultation Meetings and Capability Building	
	Frequency: Need-based interactions	
	Key Concerns and Expectations: Improvement of online banking services, efficient customer service, responsiveness of products and services to customer’s needs, competitive interest rates, complaints handling, improvement of communications channel/ announcement, human rights, security and trustworthiness of the Bank in handling/managing clients’ money	The Bank’s Response: Product and service development, client data protection, ease of doing business, customer service, LGU Focal Teams and engagement plans, sound banking practices

Subsidiaries	Mode of Engagement: Consultation meetings, emails	
	Frequency: Need-based interactions	
	Key Concerns and Expectations: Community engagement, capacity building, impact assessments	The Bank’s Response: Need-based interactions
Regulatory Bodies	Mode of Engagement: Consultation meetings, emails	
	Frequency: Continuous	
	Key Concerns and Expectations: Compliance with applications, policies, regulations, laws, and mandates, risk, impacts, opportunities and business continuity, corporate governance	The Bank’s Response: Compliance with regulatory standards, risk management, corporate governance structure, ethical business practices, performing as per mandates
Partners	Mode of Engagement: Financial statements, annual reporting, shareholder/investor meetings, consultation meetings, contractual agreements	
	Frequency: Need-based interactions	
	Key Concerns and Expectations: Compliance, corporate governance, accomplishment of agreed deliverables	The Bank’s Response: Annual reporting, financial statements, disclosures, sustainability reporting, risk management and business continuity strategies, ethical business practices, delivery of Bank’s commitments
CSR Beneficiaries	Mode of Engagement: Field visits and interactions	
	Frequency: Need-based interactions	
	Key Concerns and Expectations: Community engagement	The Bank’s Response: Community development to include support to livelihood, education, capacity building, disaster response and donations to relevant advocacies
Suppliers	Mode of Engagement: Contracts, emails, phone calls	
	Frequency: Need-based interactions	
	Key Concerns and Expectations: Compliance, accomplishment of agreed deliverables	The Bank’s Response: Government regulations, ethical procurement, delivery of Bank’s commitments

Performance Highlights: Socio Economic Impact

Material Topics¹

Social

Human Resources

LANDBANK puts a premium on the most important resources in the organization – its human resources. As part of ensuring a highly able and competitive workforce, LANDBANK undertakes various initiatives to uphold stringent labor laws and regulations, augment its employment benefits and compensations, cultivate its employees through training and development, and ensure a safe and secure workplace.

For a full disclosure on the Bank’s Human Resource, please go to pages 80–109.

Contribution to Local Communities

Through the LCDFI, in addition to its standard goods and services, LANDBANK also offers capacity-building programs on management and technical training to assist cooperatives in growing.

The Bank continues to steadfastly support local communities’ growth and development, fostering business development, enhancing financial literacy, and generating opportunities for sustainable livelihood.

Please go to the Corporate Social Responsibility section on page 55. for more detailed information.

Environment

Environmental Management System (EMS/IMS) for internal operations

LANDBANK implements its Environmental Management System (EMS) with ISO 14001:2015 certification under the Bank’s Integrated Management System (IMS). This ensures that bank operations are aligned with the ISO standard, allowing the Bank to systematically manage its environmental responsibilities including resource use and compliance to existing environmental regulations. Additional information is available in page 78.

Environmental and Social Due Diligence (ESDD) for loan client

LANDBANK regularly checks and monitors the compliance of Bank-financed projects to environmental and social safeguards through implementation of EO No. 58 s. 2022, Enhanced Environmental and Social Safeguards Policy relative to Credit Delivery. Environmental and social assessments (ESA) are conducted on Bank-financed projects from loan approval and release until the project is fully paid, in alignment with the Bank’s commitment to its corporate mission of promoting sustainable development anchored on good governance.

More details are available in pages 39–43.

Initiatives on Sustainable Finance

In line with the Bank’s thrust to promote a culture of excellence and commit to quality and environmental sustainability, the Bank crafted the Board-approved LSFF Roadmap 2022–2023, which highlights the sustainability goals of the Bank.

For a more detailed disclosure on the LANDBANK Sustainable Finance Framework, please go to in pages 44–50.

Governance

Corporate Governance

LANDBANK is led by a solid governance framework and structure that are linked to its long- and short-term institutional targets. In the course of its activities, the Bank faithfully upholds its core values in the work its does by adhering to ethical standards and remaining accountable to its clients and stakeholders.

Please see the Corporate Governance section on pages 126–127. for further disclosure on the subject.

Compliance

LANDBANK guarantees that all internal company activities follow all applicable laws, rules, and regulations, as well as its Code of Conduct and sound policies and best practices. The Compliance Management Group (CMG) manages the execution of the Compliance Risk Management System, which recognizes and mitigates compliance risks that might negatively impact the Bank’s franchise value.

For further disclosure on CMG’s role, please go to in pages 162–165.

Economic Performance

LANDBANK capped off 2023 with a stellar financial and operational performance, with a record growth in net income and assets. During the year, the Bank was driven to take on a more prominent role at the forefront of nation-building.

For detailed disclosure on the Bank’s financial highlights, please go to in pages 56–63.

Development Impact of LANDBANK Loans

In line with its commitment to uplift the lives of the Filipino people, LANDBANK continues to expand its loan portfolio to its diversified clients of individuals, small and medium enterprises, large businesses, government agencies, and local government units, as well as small farmers and fishers, their cooperatives, and agribusinesses.

As a policy bank, the Bank consistently supports the National Government’s development initiatives, redounding to the advancement of local communities.

For more information on this, please see the Pursuit of Mandate and Support to National Development Programs section on in pages 14–43.

Audit

Internal audits assist in ensuring that the provision of Internal audits assist in ensuring that the provision of accurate and timely financial reporting by evaluating an organization’s internal controls, which include accounting procedures and corporate governance. They also guarantee that business units follow the rules and regulations. The IAG reports to the Board Audit and Compliance Committee.

The IAG audits the business units’ compliance with the sustainability policies and E&S risk management principles, as well as the strength and continued relevance of the policies.

Please see in page 115 for further information about the Bank’s internal audit.

Procurement

LANDBANK recognizes the significance of developing trust with its suppliers and partners. Following the Government Procurement Act, also known as Republic Act (RA) 9184, “An Act Providing for the Modernization, Standardization, and Regulation of the Government’s Procurement Activities and for Other Purposes,” the Bank streamlines its processes and conducts a fair selection among local suppliers, manufacturers, and producers.

Under the Green Public Procurement Framework, the Bank defined green technical requirements for several common-use and non-common-use products and equipment that business units use in their transactions. To limit the Bank’s use of ecologically hazardous goods and services, it put in the pipeline additional items it planned to examine under the green technical requirements.

Code of Conduct

LANDBANK, as a GFI, is directed by the BSP to conduct its affairs with high degree of integrity by prescribing corporate values, code of conduct and other standards of appropriate behavior that shall be exhibited by its Board of Directors, Senior Management and other employees.

For a full disclosure on the Bank’s Code of Conduct, please go to page 108.

¹ The Bank’s materiality process is iterative.

Performance Highlights:
Socio Economic Impact

Customer Service

LANDBANK continues to strive to further strengthen its relationship and establish trust by delivering their expectations and attending to their concerns. To ensure that its services can meet the ever-evolving needs of its customers, the Bank is also constantly developing and improving its products and services, as well as expanding and enhancing its physical networks and digital banking channels. At the same time, proper health and safety measures are implemented in LANDBANK’s premises to provide a safe and secure environment for customers.

Product Responsibility

By exceeding customer expectations and incorporating their demands into LANDBANK’s value chain, the Bank demonstrates how much it appreciates their confidence. Additionally, it utilizes core banking procedures to enhance its delivery channels while maintaining transparency, enhancing its IT infrastructure, encouraging long-term alliances, and praising excellent work.

Customer Privacy

Customer Privacy is a vital part of the Bank’s development strategy. LANDBANK emphasizes its strong commitment in data privacy among its employees. It educates its employees on the importance of upholding the customers’ trust that they would protect their confidential information.

The Compliance Management Group, Legal Services Group, and other authorized Bank units are responsible for handling customer privacy, evaluating rules and regulations, putting plans into

practice, establishing internal controls to safeguard customer data, and ensure that these data are not compromised. LANDBANK’s data privacy is also guided by the Data Privacy Act.

Customer Satisfaction

LANDBANK continuously improves its products and services to satisfy the needs and requirements of its clients. To ascertain that their concerns and expectations are met, LANDBANK effectively monitors client satisfaction through nationwide surveys, help desks, direct queries and complaints, and feedback from consultation meetings.

The LANDBANK Customer Care Department under the Corporate Affairs Group oversees the Bank’s customer support, which includes a 24/7 helpline, email, and social media platforms to address customers’ inquiries and concerns.

For additional information on the Bank’s customer care center, please visit pages 70–71.

Corporate Social Responsibility

Iskolar ng LANDBANK Program

Launched on Feb. 14, 2023, LANDBANK goes beyond banking through the “Iskolar ng LANDBANK” Program to empower deserving students coming from the country’s 60 poorest provinces.

Focusing on the children and grandchildren of farmers and fishers, and agrarian reform beneficiaries, with excellent academic records, the Program aims to bridge the financial gap for the next generation of leaders in the agricultural sector.

It carries the theme: “600@60: Developing Scholars and Nurturing Talents Towards Serving the Nation,” representing the Bank’s target of 600 scholar graduates—which includes

graduates from the Bank’s previous scholarship program—in celebration of LANDBANK’s 60th anniversary.

The Program initially supports 60 scholars from State Universities and Colleges (SUCs) in the identified provinces. Each scholar is provided a stipend of P100,000 per year to cover allowance and expenses for books, clothing, other course requirements, plus special cash incentives for scholars who will graduate with honors.

The program also offers on-the-job training (OJT) opportunities within LANDBANK branches and partner institutions. They will also be given employment preference in the Bank upon graduation.

The “Iskolar ng LANDBANK” Program is jointly managed by LANDBANK and the LANDBANK Countryside Development Foundation, Inc. (LCDFI), the Bank’s corporate foundation.



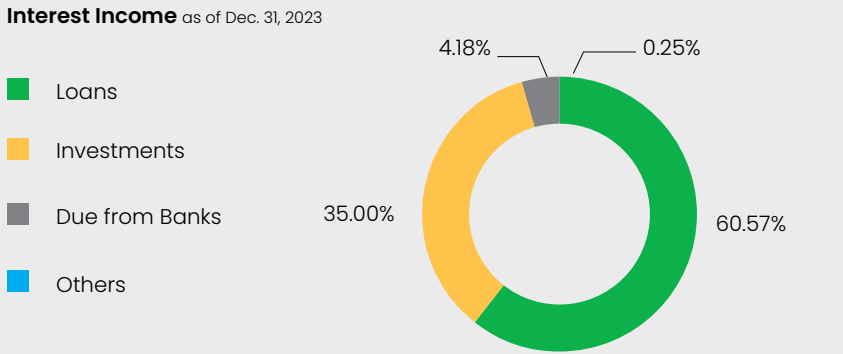
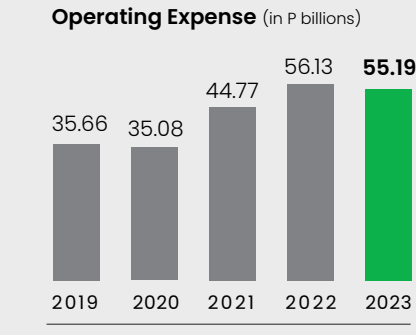
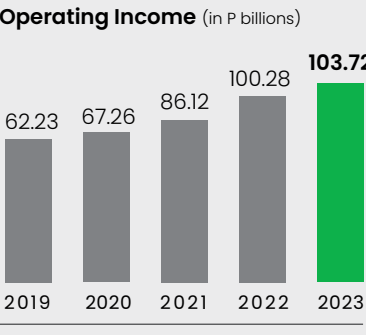
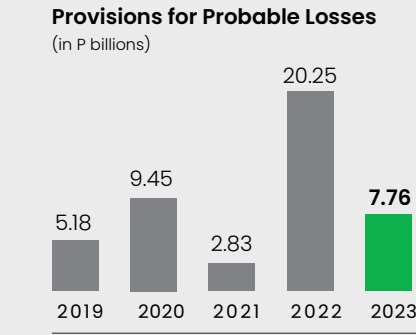
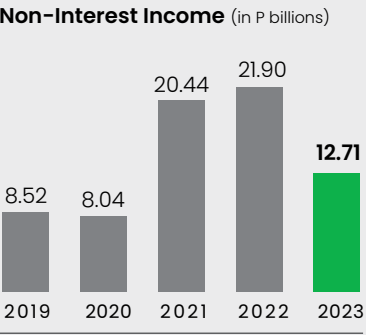
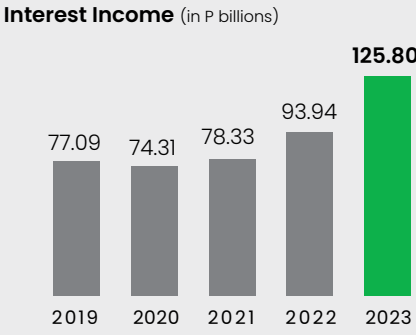
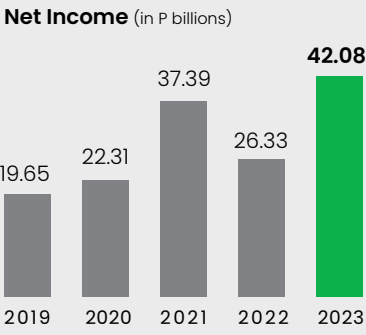
Performance Highlights:
Financial

Results of Operation

LANDBANK delivered another milestone performance in 2023 post COVID-19 pandemic, amidst rising inflation and major geopolitical conflicts. The Bank achieved its highest net income of P42.08 billion, which surpassed its previous year's net income of P26.33 billion by 60%. The milestone performance is due to the higher revenue generated in all its core businesses combined with prudent expense management.

Interest income improved to P125.80 billion, 34% higher than the previous year with income from loans as the primary contributor at P76.20 billion or 61% of the total interest income. The income contribution from loans increased by 6% from 55% the previous year mainly due to a higher loan portfolio. The Bank has a sizable investment portfolio that contributed P44.02 billion interest income corresponding to 35% of the total interest income.

Operating income sustained its expansion to P103.72 billion mainly due to the higher interest income from loans and investments. In contrast, effective management of expenses resulted in the decline of operating expenses to P55.19 billion, which is 2% lower than the previous year.



Financial Summary/Financial Highlights (In P millions)				
	Group ¹		Parent	
	2023	2022 as Restated	2023	2022 as Restated
Profitability				
Total Net Interest Income	91,008.78	78,377.64	89,600.96	76,964.10
Total Non-Interest Income	12,714.39	21,898.70	11,165.70	23,498.44
Total Non-Interest Expenses	55,189.26	56,134.70	52,841.26	53,692.00
Pre-provision Profit	48,533.91	44,141.64	47,925.40	46,770.54
Provision for Credit/Impairment Losses/Income	6,458.45	17,808.57	6,227.59	17,465.86
Net Income	42,075.46	26,333.07	41,697.81	29,304.68
Attributable to:				
Equity of the Parent Bank	42,074.64	26,332.15		
Non-Controlling Interests	0.82	0.92		
	42,075.46	26,333.07		
Selected Balance Sheet Data				
Liquid Assets	1,732,710.95	1,948,769.94	1,726,760.63	1,943,518.66
Gross Loans	1,493,247.65	1,192,894.02	1,475,969.63	1,175,436.27
Total Assets	3,301,493.80	3,159,241.56	3,278,810.95	3,137,826.84
Deposits	2,896,748.40	2,767,321.05	2,882,399.39	2,753,618.78
Total Equity	281,909.07	223,820.10	278,154.86	220,157.39
Selected Ratios				
Return on Equity (ROE)	16.64%	11.46%	16.74%	13.35%
Return on Assets (ROA)	1.30%	0.86%	1.30%	1.02%
CET 1 capital ratio	15.54%	13.93%	15.46%	13.90%
Tier 1 capital ratio	15.54%	13.93%	15.46%	13.90%
Capital Adequacy Ratio	16.43%	14.46%	16.35%	14.44%
BASEL III Leverage Ratio	6.94%	5.79%	6.78%	5.67%
Net Stable Funding Ratio	151.13%	159.43%	151.22%	159.82%
Liquidity Coverage Ratio	191.88%	212.06%	192.03%	212.20%
Others				
Cash dividends declared			-	8,449.27

Performance Highlights:
Financial

Financial Condition

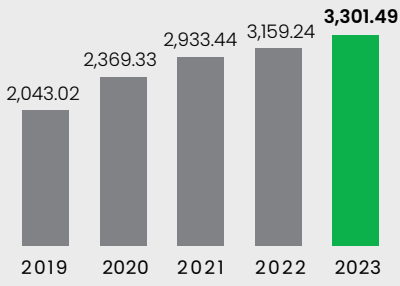
The Bank sustained its asset growth which stood at its highest level so far at P3.30 trillion due to continued expansion of loan and investment portfolios, deposits, and capital.

The investment portfolio remains healthy at P1.26 trillion or slightly down by P45.56 billion as more funds were deployed to lending resulting in a considerable 25% growth in gross loan portfolio to P1.49 trillion or an increase of P300.36 billion in 2023.

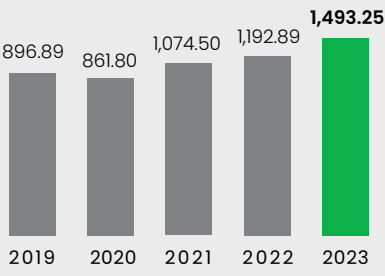
The investment portfolio combined with the net loan portfolio comprises 82% of the Bank's total assets in 2023.

Deposit liabilities reached P2.90 trillion in 2023, supported by government deposits as the primary depository Bank of the National Government (NG). The government deposits comprised about 64% of the Bank's total deposits while the remaining 36% were from private depositors.

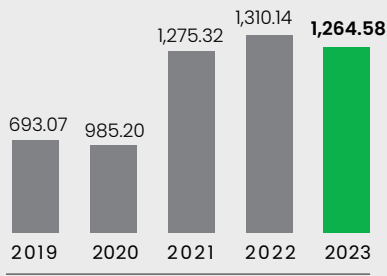
Total Assets (in P billions)



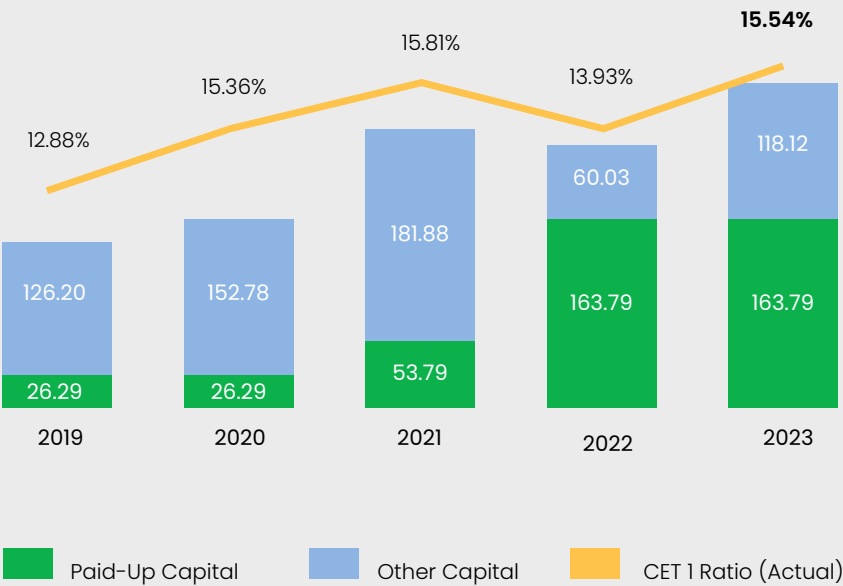
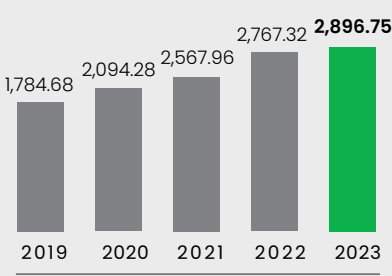
Gross Loan Portfolio (in P billions)



Investments - Net (in P billions)



Deposit Liabilities (in P billions)



Capital and Capital Ratios

The Bank's capital grew to P281.91 billion which is 26% or P58.09 billion higher than the previous year. This is due to the P42.08 billion net income and unrealized gains recorded for the year. This resulted in the improvement of CET 1 ratio to 15.54% from 13.93% in 2022.

Dividend Policy

Over the years, the Bank has remitted a significant amount of its capital as cash dividends to the government in compliance with R.A. No. 7656 or the Dividend Law. However, the Bank regularly requests dividend relief or adjustment of dividend rates as permitted under the revised IRR to preserve and strengthen its capital and ensure compliance with regulatory capital requirements. The request for relief was made by the Bank in 2023 for its 2022 net earnings wherein the Bank was favorably granted 0% dividend rate by virtue of Executive Order No. 43, series of 2023.

For 2023 net earnings and in support of the NG initiatives of ensuring the country's economic growth and development, the Bank remitted to the NG a P32.12 billion cash dividend on April 30, 2024 representing 50% of the Bank's 2023 net earnings.

Consistent with Basel III and BSP requirements, contained in the following table below are the details and composition of the Bank's comparative common equity tier 1 (CET1) capital, regulatory deductions, and total qualifying capital for 2022 and 2023 (except for the ratios, all amounts are in P millions).

Description	GROUP ¹		PARENT	
	2023	2022	2023	2022
Tier 1 Capital				
Common Equity Tier (CET) 1 Capital				
- Paid-up Common Stock	163,787.71	163,787.71	163,787.71	163,787.71
- Retained Earnings	60,323.09	28,825.65	60,348.06	28,825.65
- Undivided Profits	40,719.01	30,954.14	40,268.03	30,058.08
- Other Comprehensive Income	2,364.18	(12,080.42)	2,364.18	(12,080.42)
- Minority interest in subsidiary banks which are less than wholly owned	54.84	51.67	-	-
Sub-Total - Tier 1 Capital	267,248.83	211,538.75	266,767.98	210,591.02
Regulatory Adjustments to CET 1 Capital				
a. Unsecured DOSRI Loans	72.75	-	67.18	-
b. Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries	0.01	13.79	2,037.76	-
c. Deferred Income Tax	4,398.14	4,433.56	3,473.32	3,477.07
d. Other Intangible Assets	1,665.90	1,975.13	1,612.26	1,922.62

Performance Highlights:
Financial

Description	GROUP ¹		PARENT	
	2023	2022	2023	2022
e. Investments in equity of unconsolidated subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for solo basis only and as applicable)	-	-	6,076.57	5,670.98
f. Investments in equity of unconsolidated subsidiary securities dealers/brokers and insurance companies after deducting related goodwill, if any (for both solo and consolidated bases and as applicable)	1,620.67	1,471.88	1,687.41	1,549.60
g. Significant minority investments (10%-50% of voting stock) in banks and quasi-banks, and other financial allied undertakings after deducting related goodwill, if any (for both solo and consolidated bases)	117.56	121.78	117.56	121.78
h. Minority investments (below 10% of voting stock) in subsidiary banks and quasi-banks, and other financial allied undertakings (excluding subsidiary securities dealers/brokers and insurance companies), after deducting related goodwill, if any (for both solo and consolidated bases)	3,760.83	716.57	3,465.33	467.26
i. Other equity investments in non-financial allied undertakings and non-allied undertakings	21,032.75	16,114.38	20,879.16	15,940.74
Total	32,668.61	24,847.09	39,416.55	29,150.05
Net CET 1 Capital	234,580.22	186,691.66	227,351.43	181,440.97
Additional Tier 1 Capital	-	-	-	-
Total Tier 1 Capital	234,580.22	186,691.66	227,351.43	181,440.97
Tier 2 Capital	13,345.59	7,205.93	13,144.41	7,044.92
- General Loan Loss Provision				

Description	GROUP ¹		PARENT	
	2023	2022	2023	2022
Total Tier 2 Capital	13,345.59	7,205.93	13,144.41	7,044.92
Total Qualifying Capital	247,925.81	193,897.59	240,495.84	188,485.89

¹Consolidated with Subsidiaries

Due to the substantial net income and unrealized gains recognized in 2023, the Group’s total CET 1 and qualifying capitals increased by more than 25% which is parallel to the Bank’s capital movement.

The full reconciliation of all regulatory capital elements back to the balance sheet in the audited financial statements are as follows (amount in P millions):

Account Description	GROUP ¹					
	2023			2022		
				As Restated		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Paid-up common stock	163,787.71	-	163,787.71	163,787.71	-	163,787.71
Paid-in Surplus		101.10	101.10		101.10	101.10
Retained earnings	60,323.09	13,216.89	73,539.98	28,825.65	16,605.89	45,431.54
Revaluation Increment		61.20	61.20		61.20	61.20
Undivided profits	40,719.01	1,355.64	42,074.65	30,954.14	(4,621.99)	26,332.15
Other Comprehensive Income						
Net unrealized gains or losses on AFS securities	2,349.08	(43.19)	2,305.89	(12,254.25)	78.56	(12,175.69)
Remeasurement of retirement benefit obligation		(38.92)	(38.92)		(14.99)	(14.99)
Currency Translation Difference and Others	15.10	2.43	17.53	173.83	63.90	237.73
Minority interest in subsidiary banks which are less than wholly owned	54.84	5.09	59.93	51.67	7.69	59.36
Deductions	(32,668.61)	32,668.61	-	(24,847.09)	24,847.09	-
Tier 1 (CET 1) capital /Total equity	234,580.22	47,328.85	281,909.07	186,691.66	37,128.45	223,820.11
Tier 2 Capital	13,345.59	(13,345.59)	-	7,205.93	(7,205.93)	-
Total Qualifying Capital /Total equity	247,925.81	33,983.26	281,909.07	193,897.59	39,571.16	223,820.11

¹Consolidated with Subsidiaries

Performance Highlights:
Financial

Account Description	PARENT					
	2023			2022		
				As Restated		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Paid-up common stock	163,787.71	–	163,787.71	163,787.71	–	163,787.71
Paid-in Surplus		101.10	101.10		101.10	101.10
Retained earnings	60,348.06	9,974.14	70,322.20	28,825.65	10,140.81	38,966.46
Undivided profits	40,268.03	1,429.78	41,697.81	30,058.08	(753.39)	24,304.69
Other Comprehensive Income						
Net unrealized gains or losses on AFS securities	2,349.08	(111.80)	2,237.28	(12,254.25)	14.16	(12,240.09)
Currency Translation Difference and Others	15.10	(6.34)	8.76	173.83	63.69	237.52
Deductions	(39,416.55)	39,416.55	–	(29,150.05)	29,150.05	–
Tier 1 (CET 1) capital/Total equity	227,351.43	50,803.43	278,154.86	181,440.97	38,716.42	220,157.39
Tier 2 Capital	13,144.41	(13,144.41)	–	7,044.92	(7,044.92)	–
Total Qualifying Capital/Total equity	240,495.84	37,659.02	278,154.86	188,485.89	31,671.50	220,157.39

Detailed breakdown of comparative 2022 and 2023 risk-weighted assets (RWA) are shown in the table next page.

	GROUP		PARENT	
	2023	2022	2023	2022
Risk-Weighted Assets				
Credit Risk-Weighted Assets				
RW On-Balance Sheet Assets	1,231,884.75	1,096,915.36	1,212,000.79	1,079,285.68
RW Off-Balance Sheet Assets	102,123.94	83,103.43	101,888.74	82,901.09
Counterparty RW Assets in the Banking Books	–	6,115.78	–	6,115.78
Counterparty RW Assets in the Trading Books	550.97	1,340.77	550.97	1,340.77
	1,334,559.66	1,187,475.34	1,314,440.50	1,169,643.32
Less: Gen. Loan Loss Provision (in excess of the amount permitted in Tier 1 Capital)	458.30	–	459.79	–
Total Credit Risk-Weighted Assets	1,334,101.36	1,187,475.34	1,313,980.71	1,169,643.32
Market Risk-Weighted Assets				
Interest Rate Exposure	2,679.27	1,932.45	2,619.66	1,885.87
Equity Exposure	1,913.14	–	1,913.14	–
Foreign Exchange Exposure	5,237.79	5,436.84	5,237.79	5,436.84
Options	7,805.30	9,179.34	7,805.30	9,179.34
Total Market Risk-Weighted Assets	17,635.50	16,548.63	17,575.89	16,502.05
Total Operational Risk-Weighted Assets	157,440.43	136,547.98	139,216.28	119,434.85
Total Risk-Weighted Assets	1,509,177.29	1,340,571.95	1,470,772.88	1,305,580.22

The Group’s RWA rose by 13% in 2023 to P1.51 trillion due to considerable increases in credit and operational RWAs as a result of significant expansion in loans and revenues

	GROUP		PARENT	
	2023	2022	2023	2022
CET 1 Ratio	15.54%	13.93%	15.46%	13.90%
Capital Conservation Buffer	9.54%	7.93%	9.46%	7.90%
Tier 1 Capital Ratio	15.54%	13.93%	15.46%	13.90%
Risk-Based Capital Adequacy Ratio (CAR)	16.43%	14.46%	16.35%	14.44%

Nonetheless, the increase in RWA is not enough to hinder the improvement in Bank’s CET 1 ratio which rose to 15.54% in 2023 from 13.93% the previous year. The CAR of the Group likewise went up to 16.43% from 14.46% in 2022. The capital ratios remain comfortably above the BSP requirements for CET1 ratio and CAR, and competitive with its peer banks and the industry.

Performance Highlights:
Stakeholders



Delivery Channels

Physical Touchpoints

As of Dec. 31, 2023, LANDBANK was present in 1,437 local government units (LGUs), constituting 87.9% of the total 1,634 LGUs. Throughout 2023, LANDBANK expanded its presence by establishing touchpoints in an additional 128 LGUs through the installation of Automated Teller Machines (ATMs) or by onboarding Agent Banking Partners (ABPs).

a. Branch and Branch-lite Units

LANDBANK is present in all of the country’s 82 provinces. As of year-end 2023, total branch network reached 608 from 683 as of year-end 2022 or a decrease of 11%.

381 branches and BLUs are in Luzon, 104 in Visayas, and 123 in Mindanao regions.

- i. Branch
The rationalization of branches following the acquisition of UCPB led to the closure of 78 former UCPB branches in 2023. Despite this consolidation, LANDBANK expanded its network by opening three new branches in Monkayo, Davao de Oro; Lupon, Davao Oriental; and Burauen, Leyte. Additionally, General Santos (Gaisano) Branch relocated to Davao City and was renamed as Calinan Branch.

- ii. LANDBANK Easy Access Facility
The LANDBANK Easy Access Facility (LEAF) in Monkayo was upgraded to a full-fledged branch in 2023, making the total number of LEAFs to 43 from 44 in 2022.
- iii. Mobile Branch, Telling Booth, FX Booth
Two LANDBANK Mobile Branches continue to serve communities with limited access to banking services including areas affected by calamities and unbanked and underserved areas. These two Mobile Branches are under Legazpi and Bajada (Davao) mother branches.

Meanwhile, three Telling Booths and two FX Booths also remain to service the banking needs of clients.

- b. Automated Teller Machine
LANDBANK continues to expand its touchpoints, enabling all bank clients to conduct basic financial and non-financial transactions independently, without assistance from a bank teller or representative. As of year-end 2023, there are 3,090 LANDBANK ATMs nationwide, reflecting a 3% increase from the previous year’s total of 2,997 ATMs. Most of these ATMs are in Luzon, comprising 1,780 units, followed by Mindanao with 703 ATMs, and Visayas with 607 ATMs.

In May 2022, LANDBANK entered into an ATM Branding Agreement with Pito AxM Platform, Inc. (PAPI), the operator of 7-Eleven ATMs in the Philippines. As of December 2023, LANDBANK cardholders may already transact free-of-charge from 3,069 7-Eleven ATMs in the country.

- c. Cash Deposit Machine
Eleven new sites were installed with Cash Deposit Machines (CDMs) in 2023, bringing the total number of CDMs to 233.
- d. LANDBANKasama
Through its LANDBANKasama Partners, LANDBANK steadily broadens and deepens its geographic reach while offering fundamental banking services like cash-in, cash-out, fund transfers, bill payment, and balance inquiries in underserved, unbanked, and remote areas, particularly the Geographically Isolated and Disadvantaged Areas (GIDAs).

To further support the financial inclusion advocacy program of the national government, the Bank introduced the LANDBANKasama on Nov. 7, 2023 as its rebranded Agent Banking Program that intensifies its commitment in promoting collaboration among local players towards expanding financial inclusion.

LANDBANK was able to expand its banking services to 12 unbanked locations in the country in 2023, with the addition of 105 new LANDBANKasama Partners.

- e. Point-of-Sale
POS Retail is a collection facility that allows cardholders to pay for the goods purchased and/or services rendered by the merchant.

Performance Highlights: Stakeholders

Digital Banking Platforms

1. **Point-of-Sale**
To further boost the utilization of cashless transactions for the purchase of goods and services by the cardholders, LANDBANK consistently provides a convenient and secure payment channel using clients' debit and/or credit cards. A total of 838 terminals have been installed in over 425 merchants at the end of December 2023. The Bank has recorded a total of 2.64 million transactions amounting to P17.96 billion.
2. **LANDBANKasama**
As of year-end 2023, there are 1,817 deployed POS Terminals to 1,078 LANDBANKasama Partners capable of processing cash-in, cash-out, fund transfer, bills payment and balance inquiry transactions. The Bank's LANDBANKasama Partners have successfully processed 3.6 million transactions with a value of P16.45 billion. LANDBANK continues to expand its reach, providing financial and banking services to its clients including communities in GIDAs.



Digital Banking Facilities

1. **Mobile Banking Application**
LANDBANK Mobile Banking Application (MBA) gives users easy access to a diverse range of monetary and non-monetary services offered by LANDBANK, including quick balance, account opening through DOBS Mobile, fund transfer via QR code to any LANDBANK account and PESONet or InstaPay to other banks, view Unit Investment Trust Fund (UITF) portfolio and place subscription orders to LANDBANK UITF, bill payment, and investing in Retail Treasury Bonds. All of these features are accessible through smartphones, wherever clients are, at any time.

Generally, monetary and non-monetary transactions increased by 27% from the 2022 volume of 123.58 million to 155.96 million in 2023. Consistently, the value of transactions grew by 41% from P224.79 billion in 2022 to P316.83 billion in 2023.
2. **iAccess**
LANDBANK iAccess is an internet banking facility designed for retail clients that offers a convenient way to perform their financial and non-financial transactions. iAccess users can enjoy electronic fund transfer, bills payment, checkbook requisition, view account balances and account statements among others.

A total of 4.38 million transactions were processed in 2023 with a total value of P18.35 billion. In the same year, the iAccess Users-base increased by 542,273 bringing the total number of users to 2,448,246.
3. **weAccess**
LANDBANK weAccess is an internet banking facility developed for the Bank's Institutional clients, both private corporations and government entities. It allows clients to make banking transactions online such as view, print and/or download bank statements; fund transfer; bills payment; auto debit/ auto credit; ATM payroll; fund sweeping; ACIC file upload, EC NOW access; loan profile and account maintenance to name a few.

For the year-end 2023, weAccess recorded 17.8 million transactions amounting to P952.14 billion. The Bank has successfully onboarded additional 20,147 institutions weAccess facility.
4. **LANDBANK Link.BizPortal**
LANDBANK Link.BizPortal is an electronic payment system that enables users to make small- and large-value payments to public and private merchants anytime and from any location. Other features of the system include fees, dues, and charges.

This is consistent with the national government's push toward digitalization through the acceptance of digital payments for government collections. As highlighted in Executive Order No. 170, "Adoption of Digital Payments for Government Disbursement and Collections," these include promoting the efficient delivery of government services, speeding up transactions, increasing revenue, and lowering the risk of graft and corruption.

In addition to government-affiliated merchants addition to government-affiliated merchants, the payment gateway also offers access to private institutions such as hospitals, schools, businesses, associations, and electric cooperatives.

A variety of payment methods are available through Link. BizPortal, including eWallets, participating banks for BancNet Online, LANDBANK and OFBank accounts, PCHC Paygate, and over-the-counter (OTC) cash payments, credit, debit, and prepaid cards bearing the Visa, MasterCard, and JCB brands can be accepted, both domestically and internationally.

Link.BizPortal registered an increase of 33% in terms of transaction volume from P5.76 million in 2022 to P7.65 million in 2023 with a slight decrease in value from P11.6 billion to P11.48 billion. Enrolled merchants grew by 35% or additional of 476 new merchants from the existing 1,136 to 1,590, respectively.

Of the Top 10 Merchants, seven come from government organizations: the Department of Migrant Workers (formerly POEA), the Philippine National Police, the Bureau of Internal Revenue, the Philippine Health Insurance Corporation, the Professional Regulation Commission, the Overseas Workers Welfare Administrations, and the Philippine Charity Sweepstakes Office – NCR. Three come from the private sector: Xenpay Inc., Occidental Mindoro Electric Cooperative, and DragonPay.

5. **Electronic Tax Payment System (eTPS)**
LANDBANK continues to implement the e-Tax Payment System (eTPS) in support of the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) allowing enrolled taxpayers to file and pay their taxes electronically. At the end of 2023, transaction value rose by 15% from P116.45 billion in 2022 to P134.02 billion with transaction volume of 473,200 and 538,125, respectively.
6. **Electronic Modified Disbursement System (eMDS)**
LANDBANK Electronic Modified Disbursement System (eMDS) provides a straight-through processing of the Modified Disbursement Scheme transactions where the National Government Agencies initiate and process its own transaction without the intervention of the branch.

Through eMDS, the agencies can perform a wide range of MDS transactions, such as real time viewing of available account balance and details of each of their own enrolled LANDBANK MDS sub account; fund transfer from an MDS sub account to an enrolled MDS sub account; create, load, maintain, inquire and re-process advice of checks issued and cancelled; and settle obligations to internal creditors among others.

For the year-end 2023, eMDS was able to process 3.22 million transactions with a total value of P2.95 billion.

7. **LANDBANK Bulk Credit System (LBCS)**
LANDBANK Bulk Credit System is a web-based application for institutional clients where they can easily and conveniently perform electronic batch crediting or fund transfer to LANDBANK and Non-LANDBANK destination accounts including the e-Money Issuers of their intended recipients.

A total of 7.14 million transactions were processed in the LBCS with a total value of P67.86 billion. This is a 296% rise from 2022's transactions of 1.8 million and an increase in value to P67.86 billion from P28.54 billion.

8. **LANDBANK Remittance System (LBRS)**
The Bank's remittance service, i-Easy Padala runs on a web-based remittance application platform called LBRS which is an e-banking innovation from LANDBANK. It facilitates a fast and secure way of sending the hard-earned money of our Overseas Filipinos (OFs) to their beneficiaries on a near real time basis wherever they may be. Through the Bank's, foreign remittance company partners who have access to the LBRS, remittances of OFs are credited to LANDBANK and other bank accounts, can be picked-up at any LANDBANK branch or can be delivered right at the doorstep of OF beneficiaries.

In 2023, LBRS generated a total value of P4,329.38 billion for 3.31 million transactions.

9. **CheckWriter.biz**
The LANDBANK CheckWriter.biz is an online check disbursement service offered to government and private institutions. It facilitates the automatic printing of check details and payment details, invoice or voucher information which eliminates the tedious and manual process of check preparation as well as the signing through the use of digital signatures of authorized signatories.
10. **PDC.biz**
Through the online platform PDC.biz, enrolled clients can assign LANDBANK the task of holding their Post-Dated Checks (PDCs) for deposit to accounts specified by the client when the value date of the check falls due. Online clients can also browse, download, or print the PDC status. Clients can also get the PDC status online and view, download, or print it.

Performance Highlights: Stakeholders

Collection and Disbursement Services for the National Government

LANDBANK, through the Government Programs Support Department (GPSD), remained in the forefront to support the National Government’s special programs. It worked hand in hand with agencies such as the Department of Social Welfare and Development (DSWD), Department of Agriculture (DA), Land Transportation Franchising and Regulatory Board (LTFRB), and Department of Transportation (DOTr) to assist in the implementation of the Conditional Cash Transfer, Rice Competitiveness Enhancement Fund-Rice Farmer Financial Assistance, Service Contracting Program, Resettlement Action Plan Entitlement Distribution Mechanism, Fuel Subsidy Program, and Targeted Cash Transfer Program, which aims to benefit the marginalized sectors of the country, particularly poor households, public utility vehicle/jeepney operators/drivers and small rice farmers.

1. Conditional Cash Transfer Program

The Conditional Cash Transfer (CCT) Program is a national poverty reduction strategy and a human capital investment program that provides conditional cash transfer to poor households to improve the health, nutrition, and education aspect of their lives. The program is anchored on the paradigm of breaking the intergenerational cycle of poverty by keeping children in school and healthy.

The provision of cash grants is based on compliance by the beneficiaries with the program conditionalities.

In partnership with the DSWD, LANDBANK continues to deliver timely financial assistance as it released P99.99 billion in cash grants through LANDBANK Cash Cards that benefitted 4.4 million CCT beneficiaries (poor households with children aged 18 years old and below) in CY 2023.

Through the LANDBANK Cash Cards, beneficiaries receive their government subsidy in a timely, safe, and convenient manner. They can withdraw from LANDBANK’s ATMs, partner cash-out agents, as well as ATMs of BancNet-member banks nationwide, and use their cards for cashless transactions through point-of-sale (POS) machines.

2. Service Contracting Program

The Service Contracting Program (SCP) is being undertaken in line with Bayanihan to Recover as One Act to ensure efficient, safe and, financially viable operations of public transportation under these unusual circumstances wherein the government will provide to PUV operators/drivers performance-based subsidy based on vehicle-kilometers travelled and compliance with agreed performance indicators.

The Program provides cash assistance to PUV operators to offer free rides to frontline healthcare workers and the general public.

In view of the success of the SCP – Phase I under the Republic Act (RA) No. 11494 (Bayanihan to Recover as One Act) and SCP – Phase II (under the 2021 General Appropriations Act or RA No. 11518), the SCP – Phase III (under the 2022 General Appropriations Act or RA No. 11639) was implemented (starting March 2022 to September 2022), which covers PUV operators such as but not limited to PUBs and UV Express, enrolled and participated in the program.

The SCP – Phase III was then extended starting October 2022 with an additional P1.4 billion program funds and was able to disburse a total of P332.16 million to 475 operators in CY 2023.

3. Fuel Subsidy Program

The Fuel Subsidy Program (FSP) aims to provide fuel subsidy to public transport stakeholders (legitimate PUJs and Filcabs franchise holders) pursuant to Tax Reform for Acceleration and Inclusion (TRAIN) Law or RA No. 10963, in support of their operations in view of the impact of the recent surge in fuel prices.

LANDBANK in close collaboration with the DOTr and LTFRB, focused on the immediate delivery of fuel subsidies to transport stakeholders for their unhampered deployment.

In view of the success of the FSP – Phase I and FSP – Phase II under RA No. 11639 otherwise known as the General Appropriations Act (GAA) 2022, the FSP – Phase III (under the Republic Act No. 11936 otherwise known as the General Appropriations Act (GAA) of 2023) was implemented starting September 2023 which covers PUJs, Filcabs, UV Express units,

minibuses, buses, shuttle services, taxis, Transport Network Vehicle Service (TNVS), delivery services, tricycles, tourist transport services and school transport services. FSP – Phase II was able to disburse a total amount of P347.83 million to 344,901 operators/drivers and FSP – Phase III was able to disburse a total amount of P1.18 billion to 227,651 operators/drivers in CY 2023.

4. Rice Competitiveness Enhancement Fund – Rice Farmer Financial Assistance Program

The Rice Competitiveness Enhancement Fund – Rice Farmer Financial Assistance (RCEF-RFFA) Program intends to provide unconditional cash assistance amounting to P5,000 to registered palay farmers with landholdings of two hectares and below, in line with the ongoing implementation of the Rice Tariffication Law (RTL).

LANDBANK facilitated the crediting of cash grants through the existing LANDBANK cash cards of farmer-beneficiaries, as well as through the Interventions Monitoring Card (IMC) developed in partnership with DA that served as both an identification and cash card.

In CY 2023, a total of P748.93 million cash assistance was credited to the existing cash cards of 149,786 farmer beneficiaries of the program.

LANDBANK continues to strengthen its partnership with the DA to deliver intensified support to palay farmers.

5. Resettlement Action Plan (RAP) Entitlement Distribution Mechanism

The project pertains to a provision of cash entitlements to individuals who will be affected by the North-South Commuter Railway Extension (NSCR-Ex) Project, which requires the acquisition of Right-of-Way (ROW) being implemented by the DOTr and the Philippine National

Railways (PNR). This is in compliance with the requirements under the ADB Safeguard Policy Statement and the JICA Guidelines for Environmental and Social Considerations (collectively, International Social Safeguards).

To facilitate the timely, orderly and transparent distribution of the Cash Entitlements, the RAP Entitlement Distribution Mechanism was established, which shall be effective until all eligible Project-Affected Persons (PAPs) receive their Cash Entitlement, with LANDBANK as the distribution agent

In CY 2023, a total of P198.37 million cash entitlements were released to 38 PAPs.

6. Targeted Cash Transfer Program

Targeted Cash Transfer (TCT) Program intends to provide financial assistance amounting to a total of P3,000 for six months or from April to September 2022 to the bottom 50% Filipino households or approximately 12.4 million households, in order to mitigate the effects of the increase in fuel prices and other commodities, subject to availability of funds.

The beneficiary households include some low-income households who were previously beneficiaries under the Pantawid Pamilyang Pilipino Program (4Ps), beneficiaries under the UCT Program stipulated under RA No. 10963 or the TRAIN Law, which may include beneficiaries of the Social Pension Program and household in the database of the Listahanan or National Household Targeting System for Poverty Reduction (NHTS-PR) or other data sources as applicable, provided that they fall within the first to fifth national income decile.

In CY 2023, a total of P17.25 billion cash assistance was credited to the existing cash cards of 9,370,633 beneficiaries of the Program.

Performance Highlights: Stakeholders



Client Satisfaction Measurement

As a policy for quality, LANDBANK continuously measures its ability to deliver quality products and services to effectively address the needs and meet the expectations of its clients. Thus, for 2023, LANDBANK conducted an in-house Client Satisfaction Measurement (CSM) survey among its different customer segments such as depositors and clients of the Bank's lending, trust, treasury, investment banking and agrarian services units.

In 2023, LANDBANK's CSM Survey gathered 50,198 respondents thru SMILES, an in-house developed web-based application that generated unique QR codes as the key portal enabling all clients to access the CSM survey forms of branches/customer facing units, pen and paper surveys and telephone surveys. The result of the 2023 CSM Survey showed an overall satisfaction rating of 98.10% and an overall score of 97.89%. The 2023 CSM Survey results

were submitted to the LANDBANK Management Committee and Board of Directors as part of the Bank's commitment to listen to the voice of its customers and in compliance of the Bank with the performance agreement and client satisfaction measurement required by the Governance Commission for GOCCs (GCG) and the Anti-Red Tape Authority (ARTA), respectively.

Customer Care

The LANDBANK Customer Care Department (CuCD) is operational 24/7 and works in line with the Bank's continuing efforts to comply with the Financial Consumer Protection Circular of the BSP, specifically its requirement of a Consumer Assistance Management System (CAMS). In 2023, CuCD received more than 1 million inquiries, requests, and incident reports from customers. It is equivalent to an 18% decrease from the previous year's volume of almost 1.3 million.

Period	Calls Received	Email	Social Media	Total
2019	459,026	258,650	67,365	785,041
2020	513,184	478,243	162,909	1,154,336
2021	516,592	395,517	186,445	1,098,554
2022	566,134	466,679	238,738	1,271,551
2023	399,896	472,782	173,519	1,046,197

Majority or **86.46% (904,613)** of the total volume of customer concerns that CuCD received in **2023** were inquiries, followed by incidents or complaints with 7.45%, and requests with the remaining 6.09%.

Breakdown According to Type				
Year	Inquiries	Request	Incidents	Total
2019	687,405	72,726	24,910	785,041
2020	1,073,268	59,477	21,591	1,154,336
2021	1,003,792	65,516	29,246	1,098,554
2022	1,160,142	65,147	46,262	1,271,551
2023	904,613	63,676	77,908	1,046,197

Complaints Management

For the year 2023, a total of 78,414 were recorded from different channels. 99% or 77,683 were received through LANDBANK channels – CuCD, branches and other field units. The remaining 1% or 731 complaints were coursed through regulatory bodies. BSP and 8888 Citizens' Complaint Hotline are the top external channels of complaints. They received 336 and 328 complaints, respectively.

Top concern for 2023 is undispensed withdrawal using LANDBANK ATMs with 17,926 complaints received; followed by unposted/delayed fund transfer 16,443; and 11,830 reports of undispensed withdrawal using other Bank's ATMs. As of Dec. 31, 2023, the Bank maintains low percentage of complaints compared to the total transaction volume with less than 0.1%.

The Bank's resolution rate is at 98%.

Total Number of Complaints and Transactions as of Dec. 31, 2023

Concern	No. of Complaints	No. of Transactions	Complaints versus total Transactions
Undispensed Withdrawal (LANDBANK ATM)	17,926	108,795,964	0.02%
Delayed/Unposted Fund Transfer	16,443	38,353,443	0.04%
Undispensed Withdrawal (Other Bank's ATM)	11,830	66,020,406	0.02%

Financial Consumer Protection

LANDBANK, as a BSP-Supervised Financial Institution (BSFI), consistently adheres to the laws and regulations on Financial Consumer Protection (FCP) aimed at protecting consumers in the financial marketplace. The issuance of BSP Circular No. 1160, or Financial Consumer Protection to Implement Republic Act No. 11765, otherwise known as the “Financial Products and Services Consumer Protection Act”, series of 2022, provides an enabling policy to ensure that appropriate mechanisms are in place to “protect the interests of financial consumers under the conditions of transparency, fair and sound market conduct and effective handling of Financial Consumer disputes aligned with the global best practices.”

In compliance with the said Circular, LANDBANK has institutionalized consumer protection and has provided an environment which enables financial consumers to receive appropriate information that will help them make informed decisions, protect them from unfair or deceptive practices, and provide access to recourse mechanisms for complaint handling and dispute resolution.

The continuous support and cooperation of all LANDBANK personnel, from the Management down to the individual employees and stakeholders, have helped the Bank maintain efficient delivery of relevant products and services to its financial clients, especially during the past two years of the pandemic.

A. Oversight Function / Roles and Responsibilities

The LANDBANK Board

The LANDBANK Board continues to be primarily responsible in approving and monitoring the implementation as well as updating of the Bank’s FCP policies, programs, processes, systems and practices, the Consumer Protection Risk Management System (CPRMS), and the Consumer Assistance Management System (CAMS) mechanisms.

The detailed responsibilities of the LANDBANK Board include the following:

- 1. Approve the CPRMS and CAMS that take into consideration the BvSFI’s business model, market, product lines, and relationships with third parties that may give rise to risks to financial consumers;
- 2. Promote a culture of ethical behavior and ensure adherence to the standards and all relevant laws and regulations;

- 3. Provide adequate resources and adopt policies to effectively implement training and competency requirements for officers and personnel, authorized representatives or any other parties acting on behalf of the BSFI;
- 4. Approve a policy on remuneration and compensation packages structured to encourage responsible business conduct, fair treatment and avoidance/mitigation of conflicts of interest and performance review which includes provisions for incentives on positive reviews/assessment that could also serve as basis for renewal of contract of third-party service providers;
- 5. Approve product oversight and governance mechanisms designed to ensure that financial products or services meet the needs of Financial Consumers in target markets or market segments, as well as universal products which are simple to access so as not to exclude vulnerable groups;
- 6. Adopt a policy on the imposition of any fees and/or charges of the BSFI’s financial product or service which shall include among others, the basis and quantitative support for the setting of the fees/charges and rationalization of the fee structure or amount;
- 7. Approve and periodically review a Code of Conduct applicable to all BSFI directors, officers, staff and third-party agents. The Board shall define the BSFI’s corporate culture and values; and
- 8. Review periodically the implementation and effectiveness of the CPRMS, including how findings are reported and whether the audit mechanisms are in place to enable adequate oversight, and put in place a regular mechanism to review the relevance of the CPRMS in case of changes in the BSI’s business model and/or operating environment.

The Senior Management

The Senior Management is responsible for aligning the LANDBANK Board-approved financial consumer protection policies, related programs, systems, practices, and risk management systems across all Bank operations.

In this regard, the Senior Management shall:

- 1. Ensure that approved CPRMS and CAM policies and procedures are clearly documented, properly understood, and appropriately implemented across all levels and business units;

- 2. Establish an effective monitoring and management information system to regularly measure, aggregate, and analyze consumer related issues to determine the level of consumer protection risk;
- 3. Ascertain weaknesses in consumer protection practices or consumer protection emerging risks are addressed, and corrective actions are taken in a timely manner;
- 4. Ensure observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit; and
- 5. Ensure that adequate information and actions taken are reported to the Board on a regular basis in terms of the measurement of FCP-related risks, reports from the CAMS, compliance with the Standards and requirements, as well as other material FCP-related developments that will impact the BSI’s Financial Consumers.

B. Consumer Protection Risk Management System

BSP Circular No. 1160, s. of 2022 requires the integration of the Consumer Protection Risk Management System (CPRMS) in the enterprise-wide risk management processes and risk governance framework. As part of the bank wide risk management system, the CPRMS serves as a tool for the identification and assessment, monitoring and reporting, and control and mitigation of consumer protection risks inherent to LANDBANK’s operations, processes, products, programs, services, electronic banking channels, systems and other activities including outsourcing. In this way, risks are properly identified and managed.

On April 26, 2023, the updated LANDBANK CPRMS was presented to and approved by the Risk Oversight Committee (RiskCom) per Resolution No. 2023(04)098.

C. Consumer Assistance Management System

The Customer Care Department (CuCD) under the Corporate Affairs Group (CAG), oversees and manages the LANDBANK Consumer Assistance Management System (CAMS). Through the CAMS, the Bank aims to further enhance and strengthen its thrust in providing excellent customer service by proper handling of inquiries, concerns, requests, or complaints as well as the continuous improvement in service delivery. To efficiently implement the CAMS, CuCD:

- 1. Receives, acknowledges, documents, and provides feedback to customer inquiries and complaints received from various internal and external channels, such as

LANDBANK Phone Access, LANDBANK electronic mail, BSP Consumer Affairs, 8888 Citizens’ Complaint Hotline, etc.;

- a. Consolidates all complaints reports received from customer touch points which include CuCD, branches, lending centers, social media channels, and other customer-facing units of the Bank. CuCD also provides analysis of the complaints data which resolutions and recommendations are being presented to the ManCom by the Head of CAG.

D. Gap Analysis

As part of the transitory provisions of BSP Circular No. 1160, s. of 2022, or the “Regulations on Financial Consumer Protection to implement Republic Act No. 11765”, LANDBANK is required to perform a gap analysis of LANDBANK’s current CPRMS, FCPAM, and other related financial consumer protection practices vis-à-vis the provisions of the Circular, and consequently, propose an action plan therefor.

Thus, in 2023, LANDBANK conducted comprehensive gap analyses on its existing financial consumer protection practices, including the (1) assessment and alignment of policies and procedures with the Circular, (2) review of the adequacy and transparency of the communication channels and disclosures provided to LANDBANK customers, (3) evaluation of the efficiency and effectiveness of LANDBANK’s complaint resolution mechanism, and (4) examination of the measures in place to safeguard data privacy, enhance cybersecurity resilience, and protect of consumer assets against fraud and misuse.

Accordingly, the corresponding action plans and strategies to fill the identified gaps and enhance financial consumer protection – as approved by the LANDBANK Board – were recommended to the appropriate units, subject to continuous monitoring of their implementation.

E. Consumer Protection Training Program

In compliance with the BSP Circular on Consumer Awareness and in ensuring that LANDBANK personnel are equipped with appropriate knowledge and skills to enable them to respond to the constantly changing needs and demands of the Bank’s financial consumers, the Organization Development Department (ODD), as the Bank’s training arm, takes the lead in undertaking learning and development (L&D) initiatives and in determining the required competency interventions.

In 2023, ODD conducted Consumer Awareness-related L&D programs to various Bank personnel who have direct contact to the Bank’s financial consumers. For more information on these L&D programs, turn to pages 84-92.

Performance Highlights: Internal Process



Technology Management Group

The LANDBANK Technology Management Group (TMG) is a major contributor in the pursuit of the Bank’s digital transformation. TMG delivers digital infrastructure for the effective adoption/implementation of new technologies and Information Technology (IT) initiatives.

Having considered the demands of automation and process improvement, TMG has undertaken organizational restructuring to better service both the internal and external customers of the Bank.

Likewise, TMG has implemented 12 IT projects in 2023, which automated and streamlined the processes, and improved the customer experience. It has also continuously strengthened its cybersecurity defenses to effectively counter the evolving threats of the digital landscape.

Below are the Information Technology Support and Bank Processes Automation Projects implemented in 2023, as well as the IT Initiatives for 2024.

A. IT Projects and Initiatives Implemented in 2023

PROJECT / INITIATIVE	DESCRIPTION	IMPLEMENTATION DATE
A. IT PROJECTS		
1. ATM Monitoring Solution	Provide comprehensive data, reports and analysis of all ATM and CDM terminals	Jan. 31, 2023 (Pilot) May 23, 2023 (Bankwide)
2. IT System Enhancements for Products and Services of the former UCPB that were adopted by the Bank – Internet Payment Gatewayfor ICTSI	Adoption of former UCPB products and services to provide smooth, uninterrupted, continuous and customer-centric service to former UCPB clients and existing LANDBANK customers	Feb. 28, 2023
3. Systematics Upgrade – Phase 3	Configuration of features to address regulatory requirements and process improvement	April 28, 2023

PROJECT / INITIATIVE	DESCRIPTION	IMPLEMENTATION DATE
4. Automation of Revenue and Expense Summary – Phase 1	Automate the preparation of revenue and expense summary for the account profitability earnings of lending activities	June 30, 2023
5. Legal Information Management System on M365	Facility for tracking of legal cases, legal opinions rendered, lawyer performance monitoring and other legal related activities	July 13, 2023
6. LANDBANK Teller System – Module 1	Development of the Bank’s new Teller System with features such as deposit and withdrawal transactions and capturing of AMLA required information	Sept. 18, 2023
7. Expected Credit Loss (ECL) Calculation System (ECS)	Central repository of data for the calculation of ECL for the Bank’s credit exposures	Feb. 16, 2023
8. E-statement of Securities Account (eSSA)	Handle the processing and the electronic distribution of the Statement of Account (SOAs) to investors	March 3, 2023
9. New Fixed Asset System (NFAS)	Centralized web-based application that serves as a Subsidiary Ledger (SL) for Fixed Assets (FA) and as a data reference for the conduct of periodic physical inventory	May 8, 2023
10. Time Entry System (TIMES)	Browser based application, enabling Outsourced Manpower Services Providers (OMSP) to input time and attendance data for the Outsource Manpower Services (OMS)	Oct. 18, 2023
11. New Secomaster System (NSMS)	Web-based application that generates/computes bank security codes for outgoing transactions, authenticates security code for incoming transactions/messages and checks transaction legitimacy	Nov. 16, 2023
12. Employee Benefit Trust System (EBTS)	Automate the calculation of employee retirement/ separation pay and tax due as well as calculation of loan component against employee benefit trust	Dec. 7, 2023

Performance Highlights:
Internal Process

PROJECT / INITIATIVE	DESCRIPTION	IMPLEMENTATION DATE
B. IT INITIATIVES		
IT Infrastructure, Network and Security	Acquisition and implementation of the following:	
	a. Cybersecurity	
	1. Attack Surface Solution	Feb. 9, 2023
	2. Network Detention and Response	Feb. 28, 2023
	b. Hardware	
	1. Servers for database and operating system	June 16, 2023
	2. Storage for Mainframe, Database, OS and Backup	Sept. 14, 2023
	3. Network and IT Security Devices and Solutions	May 12, 2023

B. IT Projects and Initiatives Ongoing In 2024

PROJECT / INITIATIVE	DESCRIPTION
A. IT PROJECTS	
1. VOCALINK (InstaPay 2.0 ISO 200022)	Enable the Bank to comply with the ISO20022 Standards of InstaPay 2.0 as well as provide ISO20022 compliant fund transfer facility to OFBank
2. Project Agila	Led by an intersectoral project team of the BSP covering the major critical areas in operating Central Bank Digital Currency (CBDC)
3. Consumer Loans Origination System (CLOS)	Enhance the existing CLOS for processing/packaging of consumer loans
4. LANDBANK Teller System - Module 2	Cover the development of the Bank's new Teller System with features such as payment collection and other miscellaneous transactions
5. LANDBANK Remittance Management System	Focus on cross-border incoming and outgoing remittances and subsequent redistribution
6. New Subsidiary Ledger System	Facilitate the bank-wide data entry and SL updating for all covered accounts
7. New Building Management System	Automate the LANDBANK Plaza main building facilities and various equipment
8. Enterprise Procurement Management System	Cover automation of the end-to-end procurement process
9. Expanded Account Number	Expand the account number from the existing 10-digit to 14-digit to address the increasing number of branches and customers of the Bank

PROJECT / INITIATIVE	DESCRIPTION
A. IT PROJECTS	
10. Operational Risk Management System	Automate the Operational Risk Management activities and tools
11. Contact Center System	Integrate various communication channels (i.e. phone, email, and social media) to support the customer service operations of the Bank.
12. Upgrade of Anti-Money Laundering System (AMLS) and Enterprise Fraud Management System (EFMS)	Comply with various BSP Circulars and regulatory requirements and implement a real-time fraud monitoring and detection system and integration of the two systems
B. IT INITIATIVES	
1. Shared Cyber-Security Solution	Renewal of the Shared Cyber Defense Solution with LANDBANK as lead agency in the procurement
2. Mainframe Upgrade	Mainframe Server Upgrade for the Production and Disaster Recovery Site
3. New Service Desk Tool	Replacement of existing helpdesk system
4. MS Outlook/Exchange as official email system	Replacement of Lotus Notes to Outlook/Exchange as an official email system

C. Information Technology (IT) Projects and Initiatives for 2024

PROJECT / INITIATIVE	DESCRIPTION
1. Sanction Screening Tool	Strengthen the Bank's capability to improve the accuracy of its sanction screening process and minimize false positives
2. Automated Revenue and Expense Summary Phase 2	Automate the preparation of revenue and expense summary specifically to monitor the profitability of earnings on a per Bank unit basis.
3. Automated Teller Machine (ATM) Switch and Card Management System (CMS) Replacement	Replace the existing system to provide additional functionalities and ensure continuous support to the Bank's ATM and digital banking operations
4. Trust Banking System (TBS) Project	Fully integrated financial application system designed to automate the front and back- office of trust operations that will handle Trust services
5. New Human Resource Information System	Cover the development of a fully integrated HRIS solution that provides a single platform for HR operations
6. Digital Retail Lending System	Integration of existing bank's loan systems to handle seamless end-to-end online loan applications to loan release for consumer loan products
7. Queueing Management System	Streamline and digitalize the over-the- counter (OTC) transactions in the branches, with leverage on data analytics, to enhance the customer experience and delight our customers

Performance Highlights:
Internal Process

Integrated Management System

LANDBANK started the implementation of the Integrated Management System (IMS) in 2019. The Bank's IMS is composed of the Quality Management System (QMS; ISO 9001) and other management systems that the Bank subscribes [e.g., Environmental Management System (EMS; ISO 14001), Information Security Management System (ISO 27001), and the Occupational Safety & Health Management System (ISO 45001)].

The Bank's IMS defines a framework consistent with international standards and maintains its implementation in the performance of employees' duties and the Bank's daily operations. In 2019, the Bank was conferred its IMS certification by the Certification International Philippines, Inc. (CIPI) as the Third-Party Certifying Body (TPCB).

In 2023, the CIPI was again engaged as the TPCB and conducted Stage 1 – Certification Audit (Document Review) and Stage 2 – Implementation Audit. The audit results showed the Bank's compliance with ISO 9001:2015 QMS, resulting in another conferment for the Bank on IMS.

LANDBANK's continued certification to the ISO 9001:2015 QMS is among its 2023 performance commitments to the Governance Commission for GOCCs as follows:

- a. Conduct 2023 Internal IMS Assessment based on IMS Assessment Plan (5%); and
- b. Facilitate Certification of the Bank's QMS (2.5%)

True to its commitment, LANDBANK's IMS-related achievements in 2023 are the following:

- a. Complied with GCG performance commitment to implement and maintain QMS certification as posted in the Bank's transparency seal;
- b. Conducted 11 IMS Cascading and six QMS Coaching Sessions (attended by 1,537 participants and with 628 participants, respectively, from various Bank units);
- c. Conducted IMS Assessments of 16 Head Office (HO) Units and two cross-functional processes involving 15 Field Units (FUs), and 37 FU sites involving 75 units;
- d. Conducted preparation and coaching sessions for the covered sites for Stage 1 and Stage 2 Certification Audits;
- e. Facilitated Stages 1 and 2 QMS Audits, covering the LANDBANK Plaza and 10 field unit sites composed of 20 units for Stage 1 and, the LANDBANK Plaza and 29 field unit sites composed of 79 units for Stage 2; and
- f. Enhanced the guidelines on the EMS Good Practices (Executive Order No. 17 s. 2023).



Ease of Doing Business

Relative to the issuance of Republic Act No. 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, LANDBANK formulated its Citizen's Charter. The Charter provides the detailed processes on how to avail the Bank's services, comprehensive list of requirements, fees and charges to be paid, expected turnaround time, as well as the personnel-in-charge of the processing and delivery of service, thus deterring graft and corrupt practices.

LANDBANK created a Committee on Anti-Red Tape (CART) in compliance with the Anti-Red Tape Authority (ARTA) Memorandum Circular (MC) No. 2020-07 and further amended by ARTA MC No. 2023-08. The CART is responsible for ensuring that the Bank receives, responds, and complies with the requirements of Republic Act No. 11032, its implementing rules

and regulations, and subsequent issuances by ARTA, such as the conduct of reengineering of systems and procedures, compliance cost analysis, time and motion studies and evaluation and improvement of all Bank services, among others.

Further, as part of the Bank's commitment to provide quality service, promote continuous process improvement, and ensure alignment of processes with the Bank's policies, the organizational changes, goals and objectives, services and enhancements to certain products and services, including the respective requirements and fees to be paid, as applicable, were updated. Such changes were reflected in LANDBANK's Citizen's Charter, which was issued and submitted to ARTA in February, March and December 2023, and posted in LANDBANK's offices, website, and other information billboards.

Performance Highlights:
Learning and Growth



Distribution of Regular Employees by Geographical Location			
Region	Female	Male	Total
1 – NCR	3,175	1,759	4,934
2 – CAR	121	54	175
3 – Ilocos Region	336	135	471
4 – Cagayan Valley	304	160	464
5 – Central Luzon	659	245	904
6 – CALABARZON	727	284	1,011
7 – MIMAROPA	178	75	253
8 – Bicol Region	328	138	466
9 – Western Visayas	473	163	636
10 – Central Visayas	425	185	610
11 – Eastern Visayas	241	87	328
12 – Zamboanga Peninsula	196	111	307
13 – Northern Mindanao	338	177	515
14 – Davao Region	292	150	442
15 – SOCCSKSARGEN	290	149	439
16 – BARMM	79	46	125
17 – Caraga	150	56	206
Grand Total	8,312	3,974	12,286

Distribution of Regular Employees by Age Group			
Age Group	Female	Male	Total
25 and below	484	152	636
26 to 35	3,937	1,804	5,741
36 to 45	1,414	746	2,160
46 to 49	557	237	794
50 to 55	1,000	492	1,492
56 to 59	673	350	1,023
60 and above	247	193	440
Grand Total	8,312	3,974	12,286

2023 New Hires (included in the total number of regular employees)			
Age Group	Female	Male	Total
25 and below	106	37	143
26 to 35	231	142	373
36 to 45	11	21	32
46 to 49	3	4	7
50 to 55	1	13	14
56 to 59	1	5	6
60 and above	1	2	3
Grand Total	354	224	578

Performance Highlights:
Learning and Growth

2022 New Hires (included in the total number of regular employees)

Age Group	Female	Male	Total
25 and below	558	180	738
26 to 35	1,257	574	1,831
36 to 45	324	202	526
46 to 49	90	39	129
50 to 55	125	76	201
56 to 59	39	29	68
60 and above	25	16	41
Grand Total	2,418	1,116	3,534

2023 Separated Employees (excluded in the total number of regular employees)

Region	Female	Male	Total
1 – NCR	311	146	457
2 – CAR	5	3	8
3 – Ilocos Region	16	9	25
4 – Cagayan Valley	11	8	19
5 – Central Luzon	56	23	79
6 – CALABARZON	68	29	97
7 – MIMAROPA	11	4	15
8 – Bicol Region	11	5	16
9 – Western Visayas	15	7	22
10 – Central Visayas	20	13	33
11 – Eastern Visayas	7	9	16
12 – Zamboanga Peninsula	6	11	17
13 – Northern Mindanao	20	10	30
14 – Davao Region	9	5	14
15 – SOCCSKSARGEN	5	6	11
16 – BARMM	2	1	3
17 – Caraga	3	1	4
Grand Total	576	290	866

Age Group	Female	Male	Total
25 and below	47	17	64
26 to 35	298	131	429
36 to 45	87	55	142
46 to 49	24	8	32
50 to 55	47	12	59
56 to 59	23	16	39
60 and above	50	51	101
Grand Total	576	290	866

Turnover Rate 2023	7.04%
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2022 Separated Employees

Region	Female	Male	Total
1 – NCR	222	114	336
2 – CAR	5	3	8
3 – Ilocos Region	16	3	19
4 – Cagayan Valley	7	5	12
5 – Central Luzon	31	10	41
6 – CALABARZON	26	14	40
7 – MIMAROPA	7	2	9
8 – Bicol Region	9	7	16
9 – Western Visayas	15	9	24
10 – Central Visayas	39	15	54
11 – Eastern Visayas	4	2	6
12 – Zamboanga Peninsula	4	3	7
13 – Northern Mindanao	15	8	23
14 – Davao Region	18	11	29
15 – SOCCSKSARGEN	9	2	11
16 – BARMM	1	3	4
17 – Caraga	7	3	10
Grand Total	435	214	649

Age Group	Female	Male	Total
25 and below	39	12	51
26 to 35	224	94	318
36 to 45	71	40	111
46 to 49	30	6	36
50 to 55	38	24	62
56 to 59	17	19	36
60 and above	16	19	35
Grand Total	435	214	649

Turnover Rate 2022	5.35%
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Talent Acquisition

Recruitment and Selection Process

Understanding the importance of human capital for a dynamic and competitive business, LANDBANK places a high value on hiring qualified candidates who can advance their careers and contribute to the success of the company to fill available positions that offer career growth opportunities to its personnel. Organizations may guarantee, attract and retain top personnel by adhering to a methodical and well-structured process.

The LANDBANK’s Recruitment, Selection, and Placement (RSP) system aims to meet its talent requirements through focused

sourcing, employer branding initiatives, strategic headcount management, competency- and values-based evaluations, and employer branding.

The Fit and Proper Rule of the Bangko Sentral ng Pilipinas (BSP), the Governance Commission for GOCCs (GCG), and other regulatory bodies, in addition to the Civil Service Commission’s (CSC) Omnibus Rules on Appointments and Other Human Resource Actions (ORAOHRA), which state that all appointments in the civil service shall be made only on the basis of merit and fitness, to be determined by a thorough vetting process, are adhered to by LANDBANK, as a Government Financial Institution (GFI).

Performance Highlights: Learning and Growth

In addition, LANDBANK respects the Equal Employment Opportunity Principle (EEO) in all its human resource systems, excluding any discriminatory and arbitrary classifications based on age, height, weight, disability, gender, ethnicity, religion, race, color, or political affiliation.

The Bank makes the most of the following sourcing avenues and continually explores new trends and tactics for hiring that are relevant to its operations:

- 1. LANDBANK Website Online Careers Page
- 2. Various Online Job Portals and Professional Networking Sites (i.e., Jobstreet Free Government Page and LinkedIn)
- 3. CSC Publication of Vacant Positions
- 4. LANDBANK Official Facebook Page
- 5. Institutional partnerships and campus recruitment
- 6. Employee referrals
- 7. Employment of Next-of-Kin
- 8. Student Training Programs

To guarantee that the tasks and responsibilities of the positions are performed competently and effectively, individuals are chosen based on their qualifications. Alongside with the CSC rules, the Bank has established RSP policies and practices. All applicants take the LANDBANK Online Pre-Employment Exam to ensure the competence and effective performance of tasks of the talents engaged by the Bank while the Supervisory Assessment is added to the evaluation of applications for Supervisory positions. Officers also go through an Executive Profiling Assessment, which consists of behavioral interviews covering a variety of topics, including personality traits, emotional intelligence, managerial abilities, integrity, mental capacity, and risk profile. To ensure that the values of candidates being hired are in line with the Bank's Core Values, the LANDBANK Core Values Suitability Test was included in the LANDBANK Pre-Employment Assessment in 2021 in addition to the previously stated assessments.

The candidate will go through a series of interviews with the Personnel Administration Department (PAD), Head(s) of the hiring unit, and, if required, the Head of Human Resource Management Group (HRMG), after the exam's favorable outcome on the pre-employment assessment. When the proposing unit sends a qualified applicant for a position, PAD assesses them based on the position's Qualification Standards and the Bank's hiring guidelines. All candidates for hiring must additionally submit Background Investigation and Credit Information Reports as well as the results of a fit-to-work medical assessment.

LANDBANK's Selection Board I (SB I) and Selection Board II (SB II) are deliberating on the ultimate selection of all recommended and eligible candidates, whether for employment, promotion, or any other personnel movement. All proposed candidates are endorsed to the LANDBANK Board of Directors for approval following a favorable decision by the SB.

The Bank hired a total of 578 new employees who succeeded the stringent pre-employment examination and evaluations in 2023 out of 5,543 initially qualified applications for employment. Additionally, 3,082 applicants underwent the Pre-Employment Exams, with a 48.31% pass rate.

Talent Development

Learning and Development (L&D) are integral to the success of any organization, serving as catalysts for continuous improvement and adaptability. By investing in the enhancement of knowledge and skills of its workforce, an organization ensures increased productivity, employee engagement, and innovation.

LANDBANK, through its Organization Development Department (ODD), provides L&D programs for all its employees, regardless of their rank, color, age, religion, political belief or affiliation, gender, ethnicity, or disability. These L&D programs are tailored to enhance competencies, covering knowledge, skills, and attitude, with the goal of fostering continual performance improvement.

The need to meet the current landscape and realign the structure and functions of the ODD led to the creation of the LANDBANK Learning Institute (LI) and the Culture and Competency Management Unit (CCMU).

Employee Learning and Development



SUSTAINABLE

RESPONSIVE

ADAPTABLE

LANDBANK Learning Institute

The LANDBANK Learning Institute (LI) supports the Bank's commitment to building a high-performing organizational culture and future-ready workforce.

The LI positions itself as a key arm of the Bank in ensuring the realization of the Bank's commitment to continuously develop competent Landbankers equipped with the Bank's core values: integrity, citizen-centricity, proactive service, collaboration, social responsibility, and dedication to deliver excellent service to its clients, and to contribute to the Bank's mandate of serving the nation.

With its value proposition of "Cultivation of the LANDBANK Talents for a Future Ready Workforce," LI offers relevant and sustainable competency-based blended learning interventions focusing on the following key areas: Core, Functional, and Leadership Competencies.

The Institute is further comprised of 3 centers of excellence:

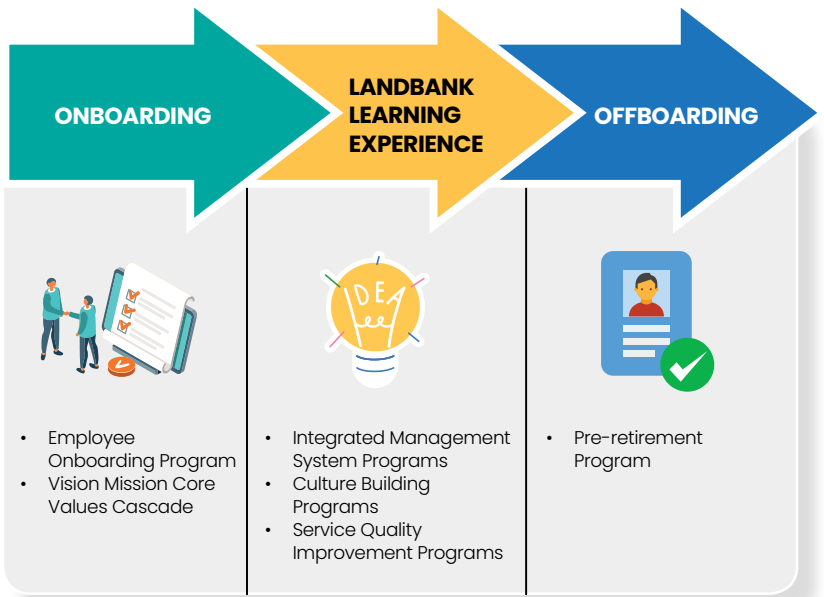
- Center for Organizational Excellence (COre)
- Center for Operational and Technical Excellence (COTE)
- Center for Leadership Excellence (CLE)

Center for Organizational Excellence (COre)	Center for Operational and Technical Excellence (COTE)	Center for Leadership Excellence (CLE)
• Employee Onboarding • LANDBANK Learning Experience • Employee Offboarding • Other Organizational Related Programs	• Digital Transformation (Dx) Learning Programs • Bank Operations Management • Functional Competencies • Professional and Technical Development • Regulatory Requirement • Professional Advancement Programs • Other Operational Courses for the Bank's Support Units • Professional Certifications Program	• Supervisory Courses • Operational Leadership Programs • Adaptive and Resonant Leadership Programs • Other Development Programs for High Performers and Identified Potential Successors

Each Center of Excellence addresses specific learning needs to strengthen employees' organizational excellence through implementation of programs.

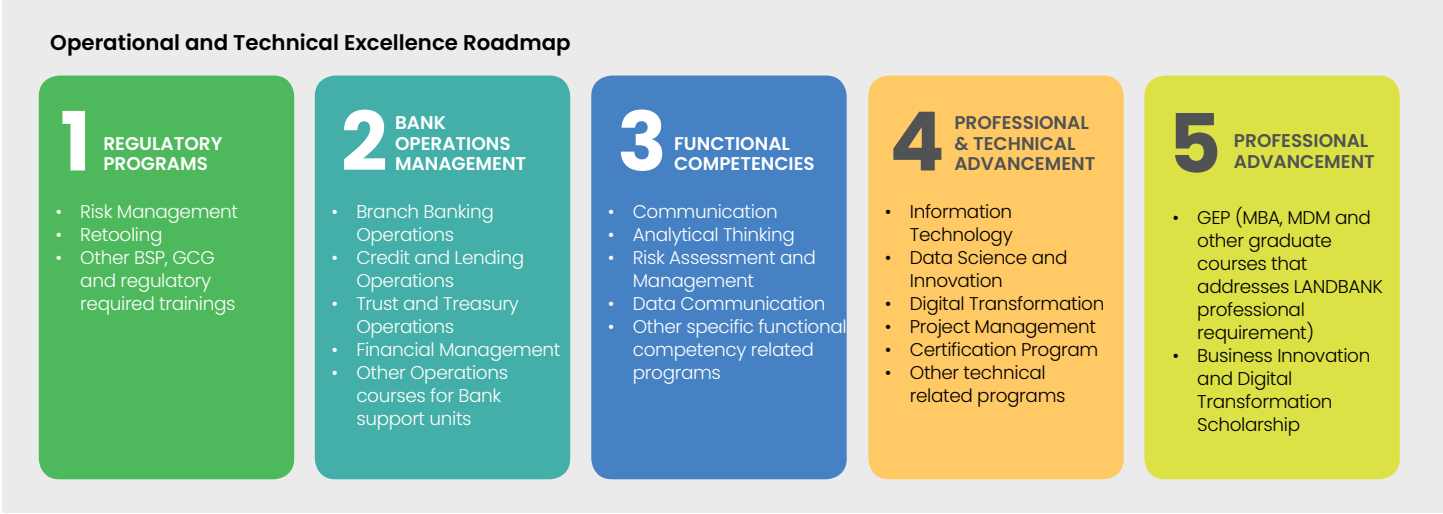
Center for Organizational Excellence

COre aims to strengthen organizational excellence through the implementation of programs that address learning needs on the following:



Performance Highlights:
Learning and Growth

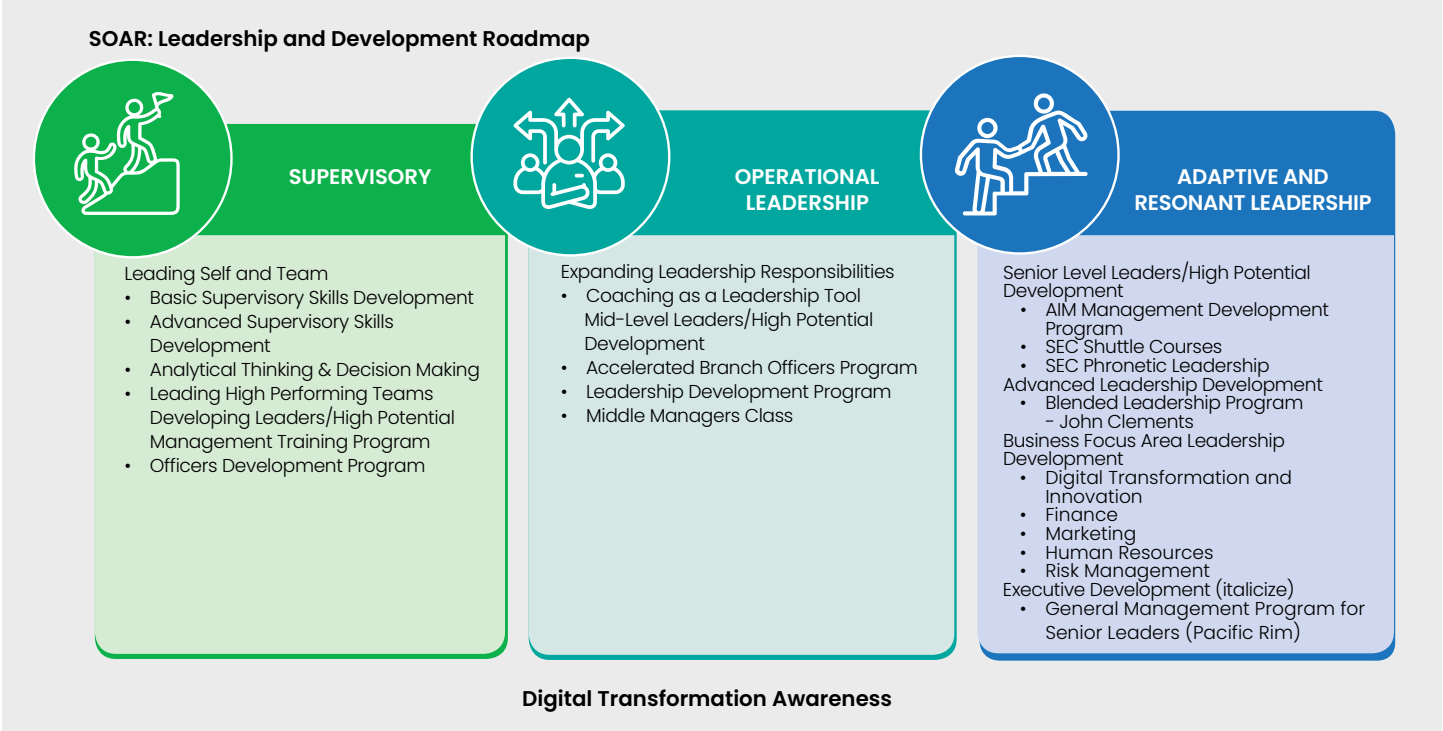
Center for Operational and Technical Excellence



COTE aims to strengthen the Bank employees’ operational and technical competencies through the design and implementation of programs that address learning needs on Bank Operations Management, Functional Competencies, Professional and Technical Development, Regulatory Requirement and Professional Advancement.

Center for Leadership Excellence

CLE aims to strengthen leadership skills and capabilities to become effective leaders in the organization through the design and implementation of leadership development Road Map SOAR.



Employees Trained

In 2023, 12,105 or 98.53% of the total workforce population were able to participate in various L&D programs being offered by the Bank. A total of 11,173 employees were able to attend three or more L&D Programs.

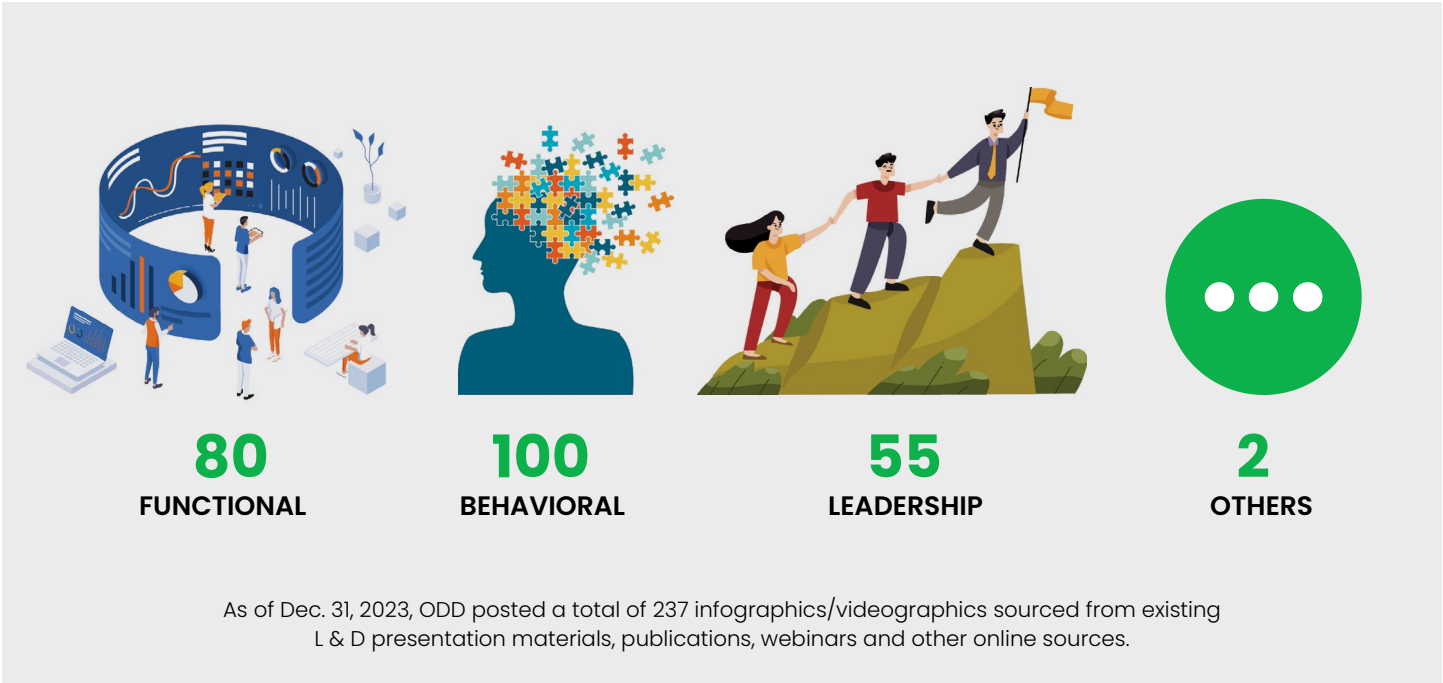
In terms of gender distribution, 3,918 were male regular employees while 8,187 were female regular employees, thus, a 1:2 ratio.

L&D Modes

240 or 59% of the total 810 courses booked were conducted through webinars, 160 or 39% via classroom, and 10 or 2% were offered via LEAP.

Learning Curve at Workplace by Meta

As of Dec. 31, 2023, the ODD posted a total of 237 Infographics/videographics on functional, behavioral, leadership and other disciplines. Data for the posted materials sourced from existing L&D presentation resources, publications, webinars, and other online sources.



Performance Highlights:
Learning and Growth

LANDBANK E-Learning Access Portal

LANDBANK e-Learning Access Portal (LEAP) is a web-based portal where an e-learning course can be created and accessed using a bank intranet-connected device. A self-paced learning platform, which aims to accommodate multiple learning styles, allows a greater number of employee trainees to participate across the country, and minimizes cost. In 2023, a total of 10 courses were administered to the Bank employees via LEAP.

L&D Programs

As LANDBANK strives for a high-performance culture, the ODD through its L&D Programs and Interventions continues to support LANDBANK's commitment to further strengthen its workforce, develop its employees through a learning culture and keep its employees highly motivated to continuously serve the public.

Culture Building Programs

The Bank promotes Culture Building Programs such as Personal Finance Management, Filipino Sign Language Awareness, and Gender and Development intended to inculcate a culture of financial literacy, gender sensitivity, diversity, and inclusivity.

Team Building Activities were participated in by Bank employees to foster a collaborative culture among the different Bank units.

An Organization Climate Survey (OCS) was administered bank-wide in October 2023 with the aim of assessing LANDBANK's current organizational climate and identifying areas of employee satisfaction and improvement, including perceptions and opinions of employees regarding various aspects of work environment and experience.

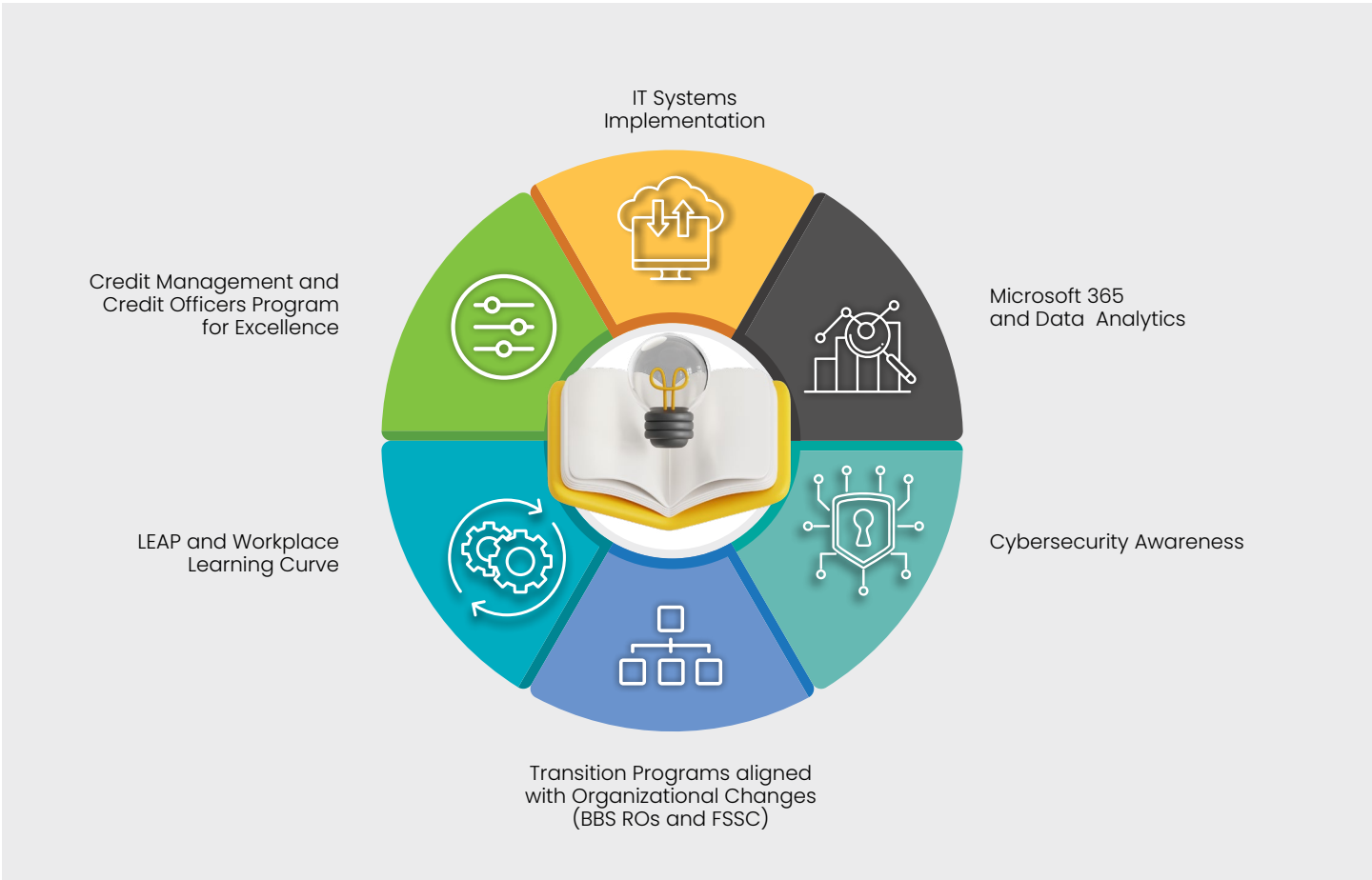
Upskilling and Re-skilling

To develop the competencies of our employees and improve in their current roles and functions, the Bank provides opportunities to upskill and re-skill for the acquisition and learning of new knowledge and skills.

Digital Transformation Skills Program

Bank employees participated in various digital transformation skills programs designed to orient and familiarize employees on digital transformation, which are essential to better understand customers, prepare for disruptive trends, modernize workstreams, and scale outcomes - ultimately supporting a more proactive, resilient organization.

- ACL Analytics
- Activate Enterprise Mobility and Security
- Advanced MS Power BI
- ASP.net
- Building Your Cybersecurity Program
- Cash Management Solutions
- CI CLS Retooling
- CISCO Email Cloud Security
- Cloud Workspace and Data Analytics
- Collateral Management System and Symbols Re-tooling
- CompTIA
- Crash Course on Data Analytics
- Data and AI Adoption Workshop
- DevOps Foundation
- Executive Education Programme in Digital Transformation
- Fintech
- Implementing and Administering CISCO Solutions (200-301 CCNA)
- Intro to Data Science in Python
- Information Security Management Webinar
- LANDBANK Telling System
- LEAP Course on Cybersecurity
- LOS Retooling
- M365 RMT
- Modified Disbursement System (MDS)
- NDLS Data Analytics Retooling
- Oracle PL/SQL
- PCIDSS
- PHILSys Summit
- Python Programming
- Refresher Course on Credit and Prepaid Cards Products and Services
- Rootcon Hacking
- SQL
- Testing of ImpactSF Analyzer Workshop
- VB.NET
- Windows Server Administration
- WorkshoPlus - Microsoft 365 Security and Compliance: Security Center



Leadership Development Programs

As part of the Bank's major initiatives in pursuit of Human Capital Development, various leadership development programs are continuously being conducted by the Bank to ensure readiness of successors to key positions as part of the Bank's succession strategy.

In November 2023, the Leadership Development Program (LDP) Batch 17 commenced with 30 LANDBANK officers as participants. A total of 57 LANDBANK officers belonging to LDP Batches 15 and 16 completed the classroom academic requirements of the program in December 2023.

Cognizant of the challenges posed by our aging workforce, the ODD designed and conducted the first batch of the Accelerated Branch Officers Program (ABOP), to prepare the Bank's high potential Branch Operations Officers (BOOs) to assume higher responsibilities in the future. The Program aims to equip them with the skills and capabilities necessary to step into the Managers' roles when need arises. 29 BOOs graduated from the program on Nov. 24, 2023.

LANDBANK actively participates in the Public Management Development Program (PMDP) of the Development Academy of the Philippines. In March 2023, one scholar graduated from the Middle Managers Class (MCC) Batch 28 and two scholars graduated from the Senior Executives Class (SEC) Batch 11. In the same year, two Bank officers participated in MMC Batches 31 and 32, and one Bank officer joined the SEC Batch 12.

GROWing NxtGen Leaders: A Mentoring Program

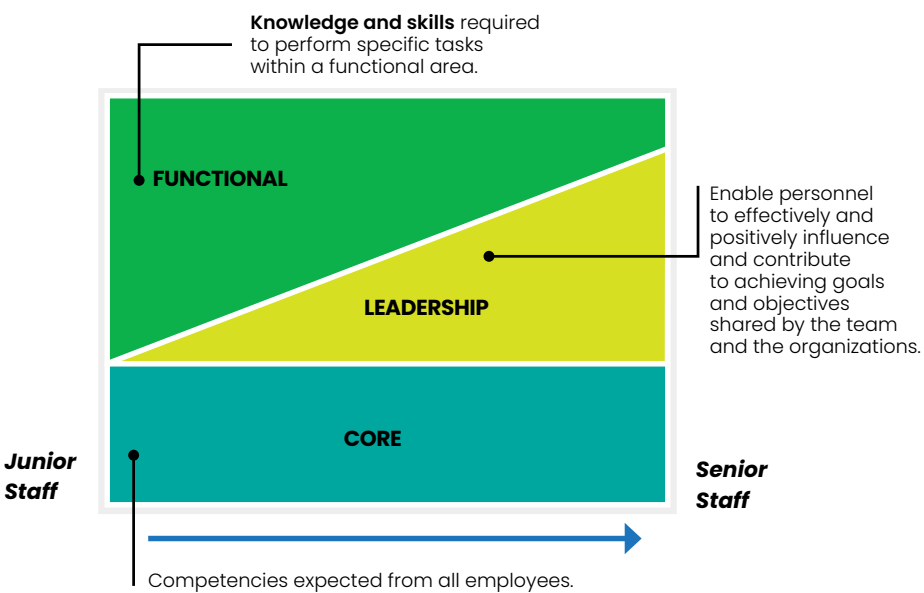


The 3rd Batch of the Bank's GROWing NxtGen Leaders took off with participation of a total of 29 Mentors and 59 Mentees. As in previous batches, the Mentoring Program aims to broaden leadership competencies of mentees and ensure their readiness to assume higher responsibilities.

As a way of "paying it forward", majority of this batch's Mentors were previous Mentees, distributed as follows:



Performance Highlights:
Learning and Growth



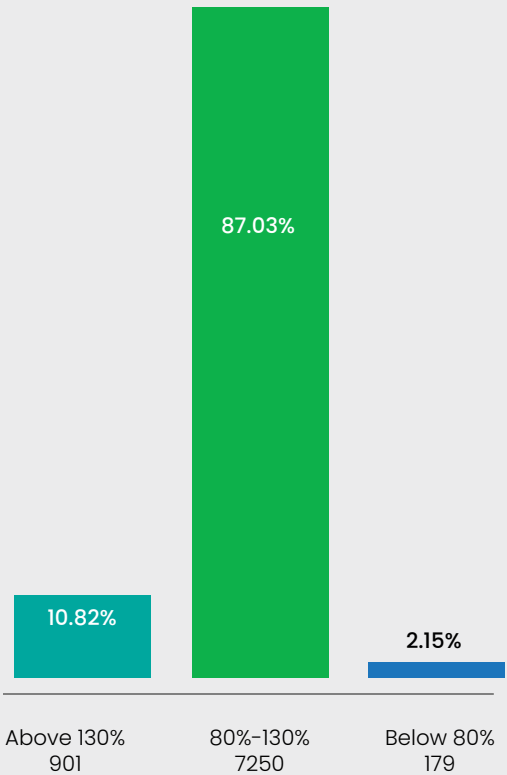
Lending Operations was the most discussed topic for technical skills while Decision Making and Strategic Management top the leadership skills. The most used mode of mentoring was through chat and personal messages.

Competency Model Enhancement
In consideration of the many organizational changes being continually implemented aimed at achieving greater efficiency and aligning processes with the new goals based on the Bank's Medium-Term Plan, the Competency Model Enhancement initiative seeks to review the Position Competency Profile (PCP). This includes focus on the critical positions identified within the organization, with the objective of updating their knowledge and skills requirements and rationalizing proficiency levels based on job functions and deliverables.

LANDBANK was able to attain a 100% completion rate involving 8,330 eligible employees during the online Competency Assessment administered from Oct. 16, 2023 to Dec. 16, 2023. This resulted in an overall baseline competency level of 106.82%. The assessment also revealed that:

- 10.82% constituting 901 assessed ratees scored above 130%, thus may be considered as high potential/successors.
- 87.03% or 7,250 assessed ratees scored 80% to 130% or those meeting the standard competency level with no or minimal gaps identified.
- 2.15% or 179 assessed ratees who scored below 80% will be prioritized for focused monitoring and closing of gaps.

2023 Competency Assessment Results

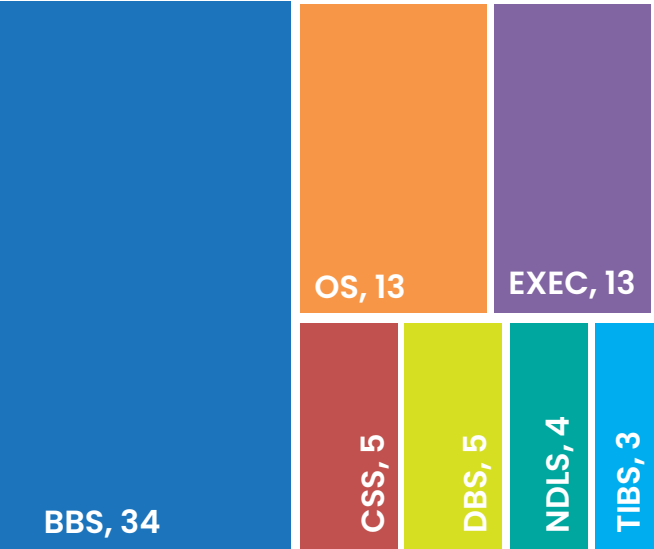


Graduate Education Program (GEP)
The Bank's scholarship program provides opportunities for its employees to pursue studies in fields relevant to the Bank's operations.

Of the **75** Active Scholars, 59 or 79% of the scholars are pursuing master's in business administration.

Degree	No. of Scholars
Master in Business Administration	59
Juris Doctor	4
Master of Management major in Business Management	4
Bachelor of Laws	2
Master in Computational Finance	2
Master in Management major in Public Administration	2
Master in Developmental Management	1
Master of Science in Data Science	1
Grand Total	75

The Branch Banking Sector (BBS) has the highest grantees of GEP with **34** or 45% of the active scholars.



Leadership Competencies
People Development
Strategic Focus
Team Cohesiveness
Change Agility

Core Competencies
Integrity
Citizen-Centricity
Proactive Service
Collaboration
Social Responsibility

Functional Competencies – Knowledge
Knowledge of specific policies and guidelines
Market/Customer-related Knowledge
Knowledge of Tools and Other Resources
Data Management and Analytics

Functional Competencies – Skills
2.1. Analytical Thinking
2.2. Change Management
2.3. Computer/Systems Navigation
2.4. Database/Online Systems Administration
2.5. Data/File Management
2.6. Development/Design
2.7. Facilitation
2.8. Financial Management
2.9. Fraud Detection
2.10. Implementation of Batch Processing

Functional Competencies – Skills
2.11. Liquidity Management
2.12. Management Reporting
2.13. Monitoring and Evaluation
2.14. Occupational Health and Safety Assessment
2.15. Oral Communication
2.16. Patient Care
2.17. Planning and Organizing
2.18. Portfolio Management
2.19. Problem Solving/Decision Making

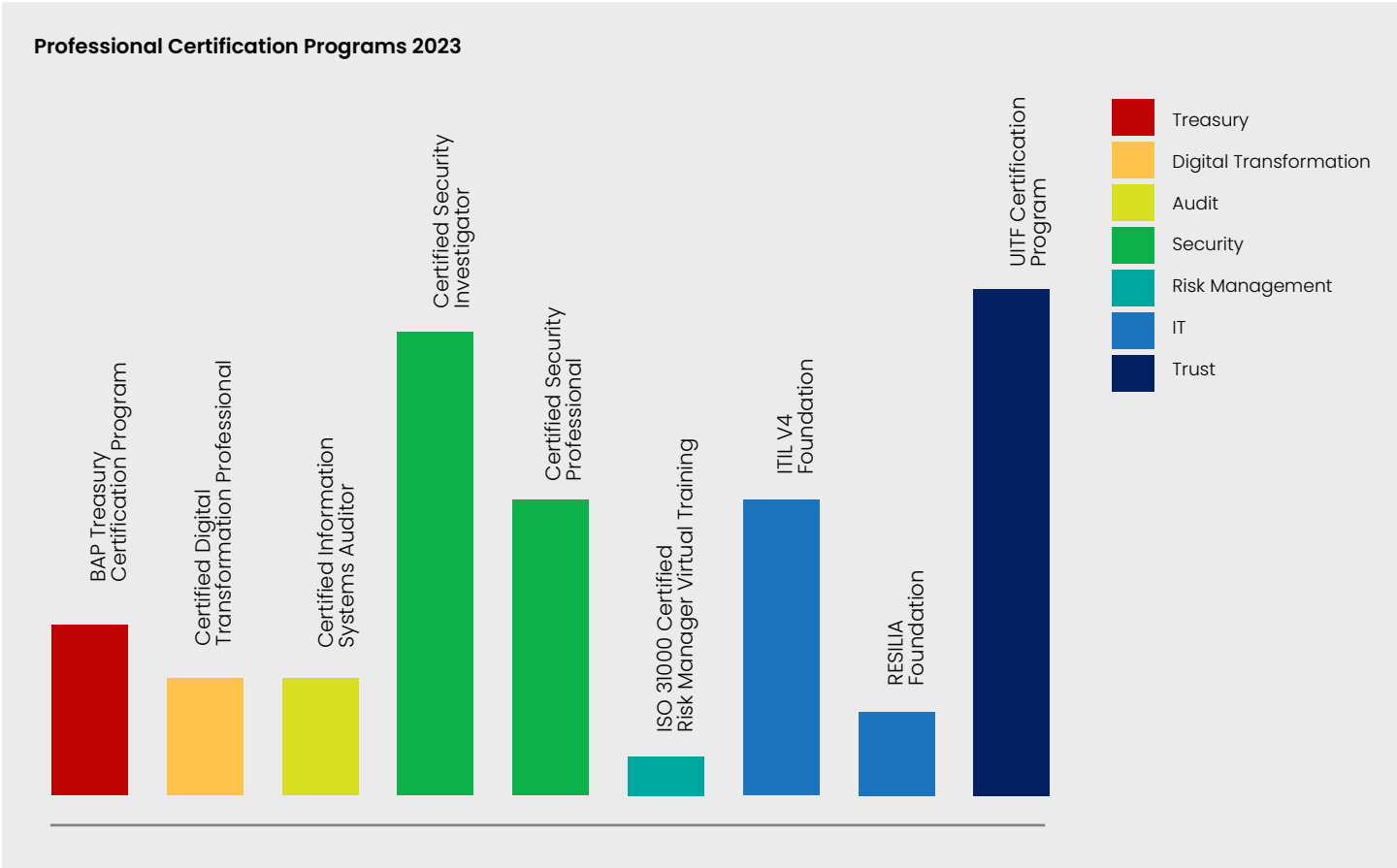
Functional Competencies – Skills
2.20. Programming
2.21. Project Management
2.22. Psychological Support Delivery
2.23. Risk Assessment and Management
2.24. Sales
2.25. Software Testing
2.26. Trading/Investing
2.27. Visual Communication
2.28. Written Communication

Performance Highlights:
Learning and Growth

Professional Certifications

A total of 19 Bank employees participated in professional certification programs in specialized areas aligned with international best practices.

ITIL 4 Foundation with Certification Exam	106th BAP Treasury Certification Program	Agile Project Management
Relevant Field: IT	Relevant Field: Treasury	Relevant Field: Project Mgt.
Oct. 18–20, 2023 Number of availers: 5	Nov. 6–23, 2023 Number of availers: 2	Nov. 6–8, 2023 Number of availers: 3
Nov. & Dec. 29–30, 2023 Number of availers: 5		Nov. 22–24, 2023 Number of availers: 4



Orientation and Education Program for Board of Directors

Name	L&D Programs Attended	Start Date	End Date	Training Hours	Provider
President Lynette V. Ortiz	2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	09/07/2023	09/08/2023	16	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	8	BAIPHIL
	Financial Literacy Sessions for OFW	10/12/2023	10/16/2023	120	Philippine Embassy in Rome, Italy
Dir. Nancy D. Irlanda	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Technology Governance for Directors	07/26/2023	07/27/2023	4	Institute of Corporate Directors, Inc.
	2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	09/07/2023	09/08/2023	16	LANDBANK
Dir. David D. Erro	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Corporate Governance Orientation Program (CGOP)	06/06/2023	06/07/2023	8	Institute of Corporate Directors, Inc.
	CGOP for Government-Owned and Controlled Corporations (GOCCs)	06/08/2023	06/09/2023	8	Institute of Corporate Directors, Inc.
	2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	09/07/2023	09/08/2023	16	LANDBANK
	MCLE Program for the 8th Compliance Period	12/11/2023	12/14/2023	37	OGCC-PAGCLAW
Dir. Virginia N. Orogó	Corporate Governance Orientation Program (CGOP)	06/06/2023	06/07/2023	8	Institute of Corporate Directors, Inc.
	CGOP for Government-Owned and Controlled Corporations (GOCCs)	06/08/2023	06/09/2023	8	Institute of Corporate Directors, Inc.
	2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	09/07/2023	09/08/2023	16	LANDBANK
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
DTOP Erwin D. Sta. Ana	2023 Joint Learning Session of the Audit and Compliance Committee and Risk Oversight Committee	09/07/2023	09/08/2023	16	LANDBANK
President Cecilia Cayosa Borromeo	46th ADFIAP Annual Meetings	05/15/2023	05/17/2023	24	ADFIAP

Performance Highlights: Learning and Growth

Orientation and Education Program for Senior Management

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Liduvino S. Geron Executive Vice President Branch Banking Sector	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Lorayes, Alex A. Executive Vice President Corporate Services Sector	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Bornas, Alan V. Executive Vice President Operations Sector	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	20th ITIP Annual National Conf & Leaders Th	11/09/2023	11/10/2023	13	ITIP
	32nd BAIPHIL Convention	3/10/2023	3/12/2023	24	BAIPHIL
Halog, Carel D. Executive Vice President Treasury & Investment Banking Sector	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	2023 Joint General Membership Meeting	11/07/2023	11/07/2023	2	TOAP
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Lim, Sylvia C. Senior Vice President Central Luzon Branches Group	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Leyba, Camilo C. Senior Vice President East Mindanao Branches Group	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Kalabud, Khurshid U. Senior Vice President East Visayas Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Turla, Ma. Belma T. Senior Vice President North Luzon Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	AML Retooling	11/25/2023	11/25/2023	8	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Villafranca, Marilou L. Senior Vice President North NCR Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Monteloyola, Ramon R. Senior Vice President South NCR Branches Group	Branch Retooling for officers	08/19/2023	08/19/2023	8	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Ferolino, Althon C. Senior Vice President Southeast Luzon Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Valdivia, Ma. Cielito D. Senior Vice President Southwest Luzon Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Complaints Management Training	7/06/2023	7/06/2023	8	LANDBANK
Bandiola, Delma O. Senior Vice President West Visayas Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	AML Retooling	11/11/2023	11/11/2023	8	LANDBANK
	Branch Retooling for officers	10/28/2023	10/28/2023	8	LANDBANK
Vallada, Joselito B. Senior Vice President Human Resource Management Group	OGCC-PAGCLAW: MCLE Program 8th Compliance	12/11/2023	12/14/2023	41	OGCC
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	60th PMAP Annual Conference	10/25/2023	10/27/2023	16	PMAP
	Public Sector HR Symposium	09/26/2023	09/27/2023	16	CSC
	Landbank Procurement Procedures	09/20/2023	09/20/2023	8	LANDBANK

Performance Highlights:
Learning and Growth

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Martin, Leila C. Senior Vice President Digital Banking Sector	Singapore Fintech Festival	11/14/2023	11/16/2023	72	Monetary Authority of Singapore
	Financial Literacy Session for OFWs	10/10/2023	10/16/2023	168	Bureau of Treasury
	Landbank Procurement Procedures	09/20/2023	09/20/2023	8	LANDBANK
Villanueva, Catherine Rowena B.	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
Senior Vice President Corporate Affairs Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	2023 Refresher Training on AML	12 12 2023	12 12 2023	8	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	2nd GCF Integrity Forum	09/13/2023	09/15/2023	72	GCF
	2023 JLS: Audit/Compliance/Risk Oversight	9/07/2023	9/08/2023	18	LANDBANK
	Banks Internal Audit Conference 2023	06/30/2023	06/30/2023	9.5	IIAP
Carreon, Maria Edelwina D. Senior Vice President Internal Audit Group	Workshop: Preparation & Evidence Build-Up	06/27/2023	06/29/2023	11.5	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Maintaining & Auditing Internal Controls	5/06/2023	5/06/2023	8	BAIPHIL
	Sustainability in Finance	04/21/2023	05/19/2023	45	PICPA
	Future-Proof Your Businesses	3/07/2023	3/07/2023	4	IIAP
Montesa, Randolph L. Senior Vice President Strategic Initiatives Office	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Financial Literacy Session for OFWs	10/10/2023	10/16/2023	168	Bureau of Treasury
	Financial Literacy Sessions	9/09/2023	09/13/2023	120	Bureau of Treasury
Racela, Lizette Margaret Mary J. Senior Vice President Strategic Initiatives Office	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
Pangilinan, Elcid C. Senior Vice President Strategy and Knowledge Management Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Dashboard Crash Course for SKMG Exec	04/18/2023	04/18/2023	4	LANDBANK

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Tamayo, Emellie V. Senior Vice President Asset Recovery Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Tesorero, Lucila E. Senior Vice President Corporate Banking Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Conde, Charlotte I. Senior Vice President Mindanao Lending Group	Integrated Management System Cascade	5/04/2023	5/04/2023	4	LANDBANK
	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	PowerTrends 2023	2/08/2023	2/09/2023	16	Leverage International
Burgos, Ma. Celeste A. Senior Vice President National Development Lending Sector	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Monje, Filipina B. Senior Vice President Northern & Central Luzon Lending Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Digital Banking Products and Services	03/17/2023	03/17/2023	3	LANDBANK
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Banking Operations Course	03/30/2023	03/31/2023	14	LANDBANK
Galang, Winston Rochel L. Senior Vice President Banking Operations Group	32nd BAIPHIL Convention	3/10/2023	3/12/2023	24	BAIPHIL
Capa, Reynaldo C. Senior Vice President Banking Services Group	RA NO. 9184 & Its 2016 Revised IRR	04/17/2023	04/19/2023	24	LANDBANK

Performance Highlights:
Learning and Growth

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Bautista, Annalene M. Senior Vice President Controllershship Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	AGAP Annual Convention-Seminar	10/18/2023	10/21/2023	24	AGAP
	2023 GACPA Accountancy Week Celebration	07/20/2023	07/20/2023	8	GACPA
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	44TH GACPA Annual National Convention	05/24/2023	05/26/2023	18	GACPA
	32nd BAIPHIL Convention	3/10/2023	3/12/2023	24	BAIPHIL
Abitona, Alden F. Senior Vice President Technology Management Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	20TH ITIP Annual National Conf & Leaders Th	11/09/2023	11/10/2023	13	ITIP
	Cybersecurity Awareness & Assessment	07/14/2023	07/15/2023	13	Trends & Technologies, Inc.
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
Bongolan, Gonzalo Benjamin A. Senior Vice President Investment Banking Group	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Financial Literacy Sessions	9/09/2023	09/13/2023	120	Bureau of Treasury
	2023 Ph Economic & Financial Literacy	07/14/2023	07/14/2023	8	Bureau of Treasury
	Financial Literacy Sessions	7/10/2023	7/10/2023	8	Bureau of Treasury
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Financial Literacy Sessions	01/21/2023	01/26/2023	48	Bureau of Treasury
Cañonero, Vivian M. First Vice President West Visayas Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	AML Retooling	11/11/2023	11/11/2023	8	LANDBANK
	Branch Retooling for Officers	10/28/2023	10/28/2023	8	LANDBANK
	Bancassurance Product Orientation	10/17/2023	11 10 2023	6	LANDBANK
	Capacity Building Session on Data Analysis & Report Writing	5/09/2023	5/09/2023	4	LANDBANK

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Hio Jr., Emmanuel G. First Vice President Facilities and Engineering Services Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	48th PSTD National Convention	09/20/2023	09/22/2023	24	PSTD
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Ra No. 9184 & Its 2016 Revised IRR	04/17/2023	04/19/2023	24	LANDBANK
Manucom, Ma. Elenita N. First Vice President Customer Acquisition & Partnership Group	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
	2023 Refresher Training on AML	12 12 2023	12 12 2023	8	LANDBANK
	Agile Project Management	11/22/2023	11/24/2023	12	SAS Management
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	20th ITIP Annual National Conf & Leaders Th	11 09 2023	11 10 2023	13	ITIP
	Ph Identity Summit & National Convention	09/26/2023	09/28/2023	24	PSA
	Mentoring & Coaching for Leaders	06/21/2023	06/22/2023	16	CICP
Dayo, Grace Ofelia Lovely V. First Vice President Digital Solutions & Product Management Group	Anti-Sexual Harassment & Safe Spaces Act	06/15/2023	06/15/2023	8	PMAP
	Integrated Management System Cascade	04/26/2023	04/26/2023	4	LANDBANK
	Self-Disruption in Banking Series Phils.	04/13/2023	04/13/2023	8.25	The Digital Banker
	Updates on Anti-Money Laundering Act	12 01 2023	12 01 2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	20th ITIP Annual National Conf & Leaders Th	11/09/2023	11/10/2023	13	ITIP
	Ph Identity Summit & National Convention	09/26/2023	09/28/2023	24	PSA
	Basics of Credit Management	05/20/2023	05/20/2023	6.5	LANDBANK
	Leadership in the Digital Era	2/08/2023	2/10/2023	16	CSI

Performance Highlights:
Learning and Growth

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Cabañes, Cesar S. First Vice President Compliance Management Group	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	2023 JLS: Audit/Compliance/Risk Oversight	9/07/2023	9/08/2023	18	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	AML/CTF Transaction Monitoring	04/27/2023	04/27/2023	7.5	Fintelekt Advisory Services
	BSP Cir 1160 Requirements on FCP	03/31/2023	03/31/2023	3	ABCOMP
	ABCOMP Conference 2023	02/21/2023	02/21/2023	8	ABCOMP
Sacro, Roderick P. First Vice President Legal Services Group	OGCC-PAGCLAW: MCLE Program 8th Compliance	12/11/2023	12/14/2023	41	OGCC
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	OGCC Legal Summit	05/17/2023	05/17/2023	5	OGCC
Carrillo, Amelita H. First Vice President Risk Management Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	2023 JLS: Audit/Compliance/Risk Oversight	9/07/2023	9/08/2023	18	LANDBANK
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Ph Going Forward: Global Macro Overview	04/25/2023	04/25/2023	3.83	S&P Global
Cuevas, Kristine Marie G. First Vice President Strategic Initiatives office	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
Almazar, Lolita M. First Vice President Trust Banking Group	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	2023 Joint General Membership Meeting	11/07/2023	11/07/2023	2	TOAP
	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
Lunaria, Cielito H. First Vice President Consumer Lending Group	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK

Executive officer/Senior Manager	L&D Program/s Attended	Start Date	End Date	Training Hours	Provider
Masacupan, Adelfa R. First Vice President Asset and Liability Management Group	Crisis Management	12/13/2023	12/13/2023	8	Inquirer Academy
	Updates on Anti-Money Laundering Act	12 01 2023	12 01 2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Hedge Accounting	06/14/2023	06/14/2023	3	MMAP
	Ra No. 9184 & Its 2016 Revised IRR	04/17/2023	04/19/2023	24	LANDBANK
Titar, Ma. Francia O. First Vice President Financial Markets Group	2023 Refresher Training on AML	12/12/2023	12/12/2023	8	LANDBANK
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	2023 Joint General Membership Meeting	11/07/2023	11/07/2023	2	TOAP
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Hedge Accounting	06/14/2023	06/14/2023	3	MMAP
	BSP Cir 1120: Amendment-Open Fx Position	5/11/2023	5/11/2023	2	BAIPHIL
Pacio, Lina K Vice President West Mindanao Branches Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
Pascua, Marife Lynn O. Vice President Agrarian & Property Valuation Services Group	OGCC-PAGCLAW: MCLE Program 8th Compliance	12/11/2023	12/14/2023	41	OGCC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Ra No. 9184 & Its 2016 Revised IRR	04/17/2023	04/19/2023	24	LANDBANK
	Crafting Job Descriptions and KRAs	01/31/2023	01/31/2023	3	LANDBANK
Martinez, Esperanza N. Vice President SME Mid-Market Lending Group	Updates on Anti-Money Laundering Act	12/01/2023	12/01/2023	2	AMLC
	Basic Course on Corporate Governance	11/15/2023	11/15/2023	7	BAIPHIL
	Vision, Mission & Core Values Training	06/21/2023	06/21/2023	2	LANDBANK
	Climate Finance Access and Mobilization	03/20/2023	03/23/2023	26.5	UNFCCC

Performance Highlights: Learning and Growth

Compensation and Benefits

Remuneration Policy
LANDBANK adopts the Compensation and Position Classification System (CPCS) basic salary rates to all its employees as authorized to implement by the GCG effective Oct. 5, 2021.

The existing allowances, benefits, and incentives (ABIs) granted by LANDBANK to its employees were already aligned with the authorized ABIs of the CPCS, however, the applicable rates or amounts of these ABIs shall be limited to those provided under the CPCS.

Remuneration Policy for Executive Officers/Senior Management

LANDBANK’s senior officers are entitled to monetary and non-monetary benefits, fringe benefits, incentives, recognition and rewards for meeting performance targets or goals. The compensation package consists of basic salaries, standard allowances, benefits and incentives like Personnel Economic and Relief Allowance, Clothing Allowance, Mid-Year Bonus, Year End Bonus and Cash Gift. Specific purpose allowances and benefits, i.e., Representation Allowance and Transportation Allowance, per diem, honoraria, etc., are also given to senior officers under specific conditions related to the actual performance of work at prescribed rates.

Awards and incentives are also granted to senior officers through the grant of the annual Performance-Based Bonus (PBB), Productivity Enhancement Incentive (PEI), Collective Negotiation Agreement (CNA) Incentive, and Program on Awards and Incentives for Service Excellence (PRAISE) which are linked to organizational and individual performance.

LANDBANK’s Remuneration Policy likewise includes indirect compensation which is regulated under existing laws like the Bank’s share to Government System Insurance Service (GSIS), PhilHealth, Pag-IBIG, Department of Budget and Management, Provident Fund, various leave benefits authorized by the CSC and related executive orders as may be issued by the President of the Republic of the Philippines.

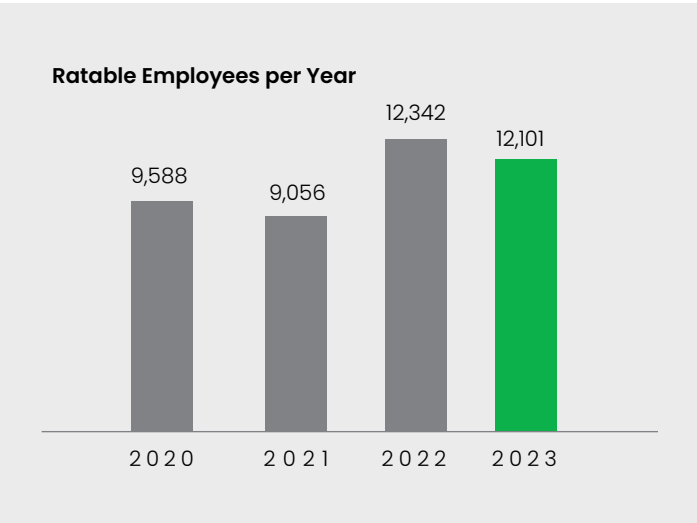
Performance Management

The LANDBANK Strategic Performance Management System (SPMS) is one way to validate and objectively measure workplace productivity. The overall performance is expressed in the outputs of the workforce. The Bank’s productivity established organizational growth despite the adjustments brought by the COVID-19 pandemic. Results-based measures focus on specific accomplishments or direct outcomes of employee’s work.

The SPMS ensures adherence to the principles of merit, fitness and equality and in which ratings are based on actual accomplishments and competencies to perform the duties and responsibilities of the position. The policy was adopted as reflected in the revised Implementing Guidelines through LANDBANK Administrative Order No. 072, series of 2018, which is pursuant to CSC MC No. 6, series of 2012 and CSC Resolution No. 1200481. LANDBANK observes the EEO in rating employees regardless of gender, age, civil status, disability, religion, ethnicity, political affiliation, tenure or any prejudicial basis of classification.

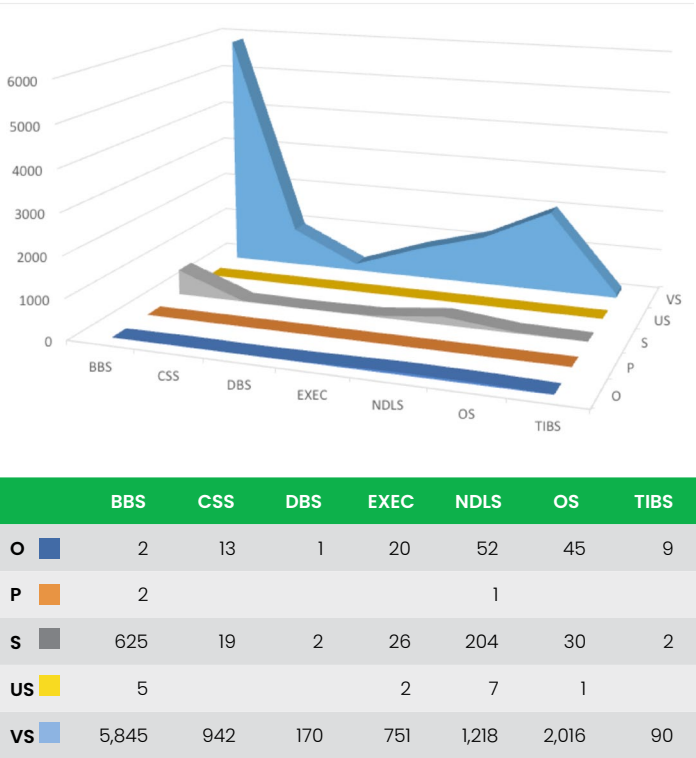
The phases in the SPMS Cycle include alignment of performance goals to the organization’s performance scorecard and objectives, clear delineation of rater’s and ratee’s roles, and information system to support performance monitoring. The guidelines cover all full-time Bank officers and staff, whether permanent, temporary or coterminus and all the Bank Units, subject to the full performance management cycle, which includes Performance Planning and Commitment, Performance Monitoring and Coaching, Performance Review and Evaluation, and Performance Rewarding and Development Planning.

For Performance Year (PY) 2023, organizational accomplishments are attributable to 12,101 ratable employees of the Bank.



The total ratable employees from PY 2020 to 2023 increased by 26.21% due to the recent merger of the bank with UCPB which was effective after 2021. Until PY 2022, additional merger business continuity manpower has been required and absorbed for operational needs and to meet work volume demands.

Performance Rating per Sector for PY 2023



The performance ratings for PY 2023 across sectors have been consistent with the overall outcome, with the majority of ratings falling under the “Very Satisfactory” category, accounting for 88.17% of the total ratable employee population. The trend in performance across LBP sectors follows the same pattern, as shown in the table above.

Employee Health, Safety and Well-Being

LANDBANK regards its human resources as its most valuable assets and undertakes various initiatives to ensure the optimum health, safety and well-being of its employees. The Bank has implemented new and reviewed existing policies and has been extending occupational health and safety services not only for the benefit of our organic employees but for other members of the workforce as well.

The Bank adopted a framework for promoting employee wellness that utilized a holistic approach and considered the various dimensions of health – physical, mental, social, spiritual. The LANDBANK Employee Wellness Program aims for the attainment of optimal health and well-being and work-life effectiveness in

a healthy and safe work environment where employees co-exist harmoniously, leading to engagement, work productivity, and a good quality of life aligned with one’s personal mission or purpose.

Wellness@Work, LANDBANK’s occupational safety and health (OSH) program, seeks to promote both physical and mental health by controlling identified workplace health and safety hazards in order to reduce risks and prevent occupational diseases and workplace accidents, guided by the Occupational Safety and Health Standards for the Public Sector as prescribed by the CSC, Department of Health (DOH) and Department of Labor and Employment (DOLE) Joint Memorandum Circular No. 01, series of 2020, and other applicable laws and regulations. Spearheading the implementation of this program is the Safety and Health Committee composed of representatives from the Management and the Land Bank of the Philippines Employees Association (LBPEA), various operating sectors of the Bank, as well as from units which can contribute to the advancement of OSH in the organization who were briefed on the basic OSH concepts and the current status of the Bank’s OSH performance and compliance.

The LANDBANK Medical Clinic, in partnership with the employees’ Health Maintenance Organization (HMO), Medicard Philippines, Inc., continues to render OSH medical services for onsite workers at the Bank’s headquarters in Malate, Manila to 2,292 medical consultations via face-to-face consults and telemedicine in 2023.

Pre-employment/placement medical evaluation of applicants were conducted for 511 proposed hires to ensure their proper job placement and fitness to work as required by the Civil Service Commission. Said applicants were also subjected to drug testing and to psychological assessment as part of the Bank’s Drug-free Workplace and Psychological Resilience Program, respectively.

As the restrictions of COVID-19 protocols became less strict, the Flu Vaccination Program 2023 was implemented to a wider area, benefitting 3,330 employees from the Head Office, NCR branches and selected branches from Rizal, Cavite, Bulacan and Laguna.

In compliance with anti-drug laws and policies covering government employees, an accomplishment report for calendar year 2023 was submitted to the Dangerous Drugs Board. Mandatory Random Drug Testing resumed last July 2023. A total of seven Random Drug Testing runs were conducted for Head Office-based employees with 791 employees successfully tested.

Mental health has prominently become a global issue especially during the pandemic. LANDBANK has been providing psychological support (e.g., post-traumatic stress debriefing, mental health support sessions, access to psychological counseling services) even prior to the COVID-19 pandemic, and in 2023, the LANDBANK Wellness Line enabled access of 12 employees for counseling with a mental health professional.

Performance Highlights: Learning and Growth

A total of eight case reports of work-related injuries were received for the year and were provided support through the Rehabilitation Privilege. Ninety-five women who underwent gynecologic procedures were granted special leave privileges under the Magna Carta of Women. Also, eight employees were evaluated for Loss of Life and Disability Benefits.

Gender and Development

Major Steps in Gender Mainstreaming

RA No. 9710 or the Magna Carta of Women (MCW) mandates all government offices, including government-owned and controlled corporations (GOCCs) and GFIs such as LANDBANK, to adopt gender mainstreaming as a strategy for implementing the law and attaining its objectives. The Bank observes four focus areas to in enhancing its mainstreaming initiatives: 1) continued capability building of lending personnel on Harmonized Gender and Development Guidelines (HGDG) on Project Development, Implementation, Monitoring and Evaluation; 2) institutionalization of the use of HGDG during the program phase of upcoming programs and projects of LANDBANK; 3) institutionalization of the collection of sex-disaggregated data for the Bank's gender and development (GAD) database; and 4) sectoral undertaking of GAD Mainstreaming Program.

In 2023, the LANDBANK Sectoral GAD Mainstreaming initiatives continued with the conduct of several batches of Gender Sensitivity Training (GST). One of the plans for program enhancement is the conduct of a trainer's training program aimed at creating an internal GST resource pool that continues to train the rest of the LANDBANK population on gender sensitivity.

LANDBANK's GAD Agenda and Strategic Plan has been drafted to ensure the institution's compliance with the requirements of RA No. 9710.

Protection of Employees against Gender-Based Sexual Harassment

LANDBANK supports the implementation of RA No. 11313, The Safe Spaces Act, through zero-tolerance of gender-based sexual harassment in the workplace and other public areas as well as the Administrative Rules on Sexual Harassment Cases. An information campaign was undertaken with the use of the Bank's established communication channels (i.e., LBP Notes, i-Notes and Workplace by Facebook, bulletin boards, online learning sessions) to educate employees on the relevant provisions of The Safe Spaces Act, to effectively prevent incidences of sexual harassment, and to maintain a safe and secure workplace.

LANDBANK has an existing and functioning Committee on Decorum and Investigation (CODI) that investigates sexual harassment cases in the workplace in compliance with pertinent laws, rules and regulations.

GAD Advocacy Activities

Various activities were participated in and initiated by LANDBANK in support of the National Women's Month Celebration in March 2023, with the theme: "DigitALL: Innovation and Technology for Gender Equality. SVP Leila C. Martin, Head of Digital Banking Sector, served as one of the resource speakers of the Women Inspiring Women Forum entitled, "Empowering Women: Stories of Women for Women."

The Bank also adopted other activities recommended by the Philippine Commission on Women such as "Purple Wednesdays", wearing of purple-colored outfit on Wednesday, to signify support for women's empowerment and gender equality. Likewise, LANDBANK actively participated in the GAD activities of its parent agency, the Department of Finance, together with the bureaus and agencies attached to the said department. Frequently Asked Questions on GAD were posted to spread awareness and education on the basic and foundational concepts of GAD.

LANDBANK supports the call to advance women's rights and gender equality and end discrimination against women. A video captioned as The I-March for Women Campaign was shared through Workplace by Meta showing HR women employees sharing their personal experiences in handling multiple burdens of work and family life. The activity highlighted the empowerment of women as active contributors and prime movers of development.

The Bank made key sponsorship of the Philippine Philharmonic Orchestra (PPO) 38th Concert Season Series VII on March 17, 2023 titled "Metamorphosis" at the Metropolitan Theater, Manila. The concert series, which features Dr. Beverly Shangkuan-Cheng, the President of the Philippine Choral Directors Association, is part of the activities of the Cultural Center of the Philippines (CCP).

LANDBANK Day Care Center

Since 2005, a worksite daycare center for employees' children ages 3 to 4.11 years old has been operating to assist employees in maintaining a work-life balance and help resolve GAD issues related to childcare and parenting. The LANDBANK Day Care Center (LBDCC) implements a 10-month Early Childhood Care and Development (ECCD) Program accredited by the Department of Social Welfare and Development with an outstanding rating of 5-star or Level 3 compliance.

The LBDCC provides early childhood care and development rather than academic modules patterned after the programs laid down by the ECCD Council. Beginning Sept. 4, 2023, the LBDCC reopened and resumed its face-to-face classes for PY 2023-2024, with 25 enrollees/pupils benefiting 30 employee-parents. For PY 2023-2024, all parents of LBDCC pupils are based in the Head Office.

LANDBANK Lactation Station

LANDBANK has always been a strong advocate of exclusive breastfeeding and has since been recognized by the DOH as a "Mother-Baby Friendly Workplace." On Jan. 23, 2023, the DOH renewed the Bank's Mother-Baby Friendly Workplace Certification which will remain valid until Jan. 23, 2025.

In celebration of the "National Breastfeeding Month" in August 2023, a webinar on breastfeeding titled, "Let's Make Breastfeeding + Work, Work!" was facilitated by Ma. Ines Av. Fernandez, Executive Director of *Arugaan*, with a total of 194 attendees.

The LANDBANK Lactation Station is located on the 9th Floor with six cubicles, where nursing employees can express and store their breast milk in a clean and sanitary environment while stationed in the workplace. Thirty active users of the LANDBANK Lactation Station were recorded as of December 2023.

Administration of Leave Benefits under the Magna Carta of Women, Maternity and Paternity Leave, and 10 day Leave RA 9292

LANDBANK granted 89 (Women's Special Leave) female employee-beneficiaries with a total of 2,135 working days or an equivalent amount of P7.739 million in leave benefits under the Magna Carta of Women in 2023. The Magna Carta of Women entitles a covered female employee leave benefits of up to two months with full pay based on her gross monthly compensation. The Bank also granted a total of 17 days leave under the RA 9262, Anti-Violence Against Women and Their Children Law, for two employees amounting to P55,977.85.

A total of 536 LANDBANK female employees availed of the 105-Day Expanded Maternity Leave paid at 100% of their daily salary credit or for a total amount of P66.55 million equivalent to 26,989 working days of maternity leave. Also, 119 LANDBANK male employees availed of Paternity Leave benefits which totaled to 800 working days or an equivalent amount of P2.38 million.

Employee Services

Relief and Disaster Assistance (RDA) Program

In accordance with LANDBANK EO No. 028, series of 2015, as amended by LANDBANK EO No. 61, series of 2017, Guidelines on the Implementation of the Relief and Disaster Assistance (RDA) Program, a total of P1.08 million financial assistance was granted by the Bank through its Relief and Disaster Assistance Fund (RDAF) in 2023 to 125 personnel whose residential houses were damaged by various calamities and disasters, namely: Typhoons "Paeng," "Egay," "Falcon," earthquakes, and flash floods during the year.

The RDA Program has been institutionalized since 1991 to alleviate the condition of eligible Bank personnel and other beneficiaries who are adversely affected by disasters/calamities. Qualified Bank personnel may be granted with RDAP's Emergency

Relief Assistance (ERA) to address the need for essential relief commodities (e.g., food packs and drinking water) and/or Financial Assistance (FA) to help beneficiaries in the repair of their residential house, which were damaged due to calamities/disasters.

HMO Enrollment

The Bank has been providing assistance to employees in their voluntary acquisition of HMO plan with their current HMO to ensure continued health care coverage especially in times of need. In 2023, a total of 17,993 employees and their dependents were provided assistance for their individual HMO enrollments.

COVID-19 Vaccination in Partnership with Manila Local Government Unit

To further boost the availment of COVID-19 Vaccines of employees and Contract of Service (COS) personnel based at the Head Office and nearby units, LANDBANK forged a partnership with the Local Government of Manila for the administration of COVID-19 booster doses. A total of 899 vaccines were covered by two vaccination activities (623 vaccines on June 2, 2023, and 276 vaccines on June 23, 2023) for the 1st and 2nd doses of booster shots.

Monitoring of COVID-19 Vaccination of Workforce
As of December 2023, a total of 12,463, or 99% of LANDBANK employees and 4,258 or 97% of its contract of service employees were fully vaccinated.

Employee Shuttle Buses

On Sept. 5, 2023, LANDBANK launched two additional shuttle buses for the two new routes, i.e., Las Piñas and Fairview. This is in addition to the existing four shuttle buses traveling to and from the Head Office and nearby locations in Bulacan, Cavite, Laguna and Rizal. The expansion of the number of shuttle buses and corresponding routes aims to provide ease, convenience and safety to the Bank's employees in going to and coming home from the office considering the current high volume of vehicular traffic and other environmental conditions. Further, it aims to contribute to the reduction of carbon footprint resulting from lesser utilization of personal vehicles as well as reduce the transportation expenses of employees considering the rising fuel prices.

Employee Engagement

Employee Volunteerism

LANDBANK actively promoted volunteerism initiatives which were allowed during the pandemic in different areas nationwide. In 2023, the Bank was able to generate 22,730 Volunteer Hours from 1,707 employee volunteers with an average participation rate of 14% which is equivalent to eight average hours per engaged employee.

Performance Highlights: Learning and Growth

The bloodletting campaign has become an integral part of the Bank’s Corporate Social Responsibility and employee wellness initiatives, in partnership with the Philippine Red Cross (PRC) to accommodate the growing demand of blood supply in times of calamity. Moreover, it provides Bank personnel with opportunities for sharing with others something as valuable as life-saving blood. Upon the resumption of the activity in 2022, after a two-year hiatus due to COVID-19 pandemic, a total of 209,250 ml of blood was collected from 465 donors (inclusive of repeat donors) during the two runs of blood donation drives – 97,200 ml from 216 donors in March 2023 and 112,050 from 249 donors in July 2023.

In September 2023, LANDBANK launched a campaign in support of the Annual *Brigada Eskwela* Program of the Department of Education (DepEd) in partnership with the Manuel Araullo High School, UN Avenue, Manila. The total fund donation of P267,676 was used for the purchase and donation of 14 units of 55-inch smart television sets to Manuel Araullo High School. For this, LANDBANK was conferred/recognized as the top partner institution for the School’s Annual Brigada Eskwela Program.

Other volunteer initiatives conducted nationwide included *Brigada Eskwela* in partnership with various schools, tree planting, blood donation, coastal clean-up drive and feeding program.

The Annual “Share-A-Gift” Program in partnership with the Manila LGU was conducted on Dec. 9, 2023 benefitting a total of 500 families of street children in selected communities identified by the Manila Department of Social Welfare.

ComPassion Projects: Fostering Social Impact and Community Empowerment

On Nov. 28, 2023, the Career Executive Service Board in commemoration of its 50th Founding Anniversary, inspired by their theme: “Celebrating a Stronger Career Executive Service- 50 Years and Beyond,” recognized the Bank’s various ComPassion Projects. Guided by the principles of compassion, empathy, and empowerment, the following programs have made a tangible ripple effect on the lives of our employees, and individuals/families across various sectors of society. ComPassion Projects that were lauded by the CESB included the LANDBANK Shuttle Services, “Lolo at Lola, Pamilya, Buo ang Saya (Grandparents Appreciation Day *volunteerific* activity of the Bank’s West Mindanao Branches Group), and the Bank’s partnership with the DepEd’s Brigada Eskwela 2023.



By empowering communities, fostering resilience, and driving positive change, these ComPassion Projects exemplify LANDBANK’s commitment to corporate social responsibility and community development. As we move forward, LANDBANK remains dedicated to making a lasting difference in the lives of those we serve and building a brighter, more inclusive future for all.

Officers’ Night

The Officers’ Night was held on July 31, 2023, dubbed as “Harmony,” at the LANDBANK Plaza to enable Bank Officers to unwind and recharge after a hard day’s work. This is in Celebration of “International Friendship Day.”

Pride Month Celebration

LANDBANK, as an institution which supports diversity and inclusion, and cultivates a healthy work environment with equal opportunity for our employees’ professional growth and advancement, celebrates Pride Month for the members of the LGBTQIA (Lesbian, Gay, Bisexual, Transgender, Queer, Intersex, and Asexual) Community.

On June 28, 2023, LANDBANK held the “Wear Your Color” Campaign where employees and service partners were allowed to wear any colors of the rainbow to show the Bank’s support to members and advocates of the LGBTQIA+ Community. A virtual learning session entitled, “Lahat Kasali,” an introduction to SOGIE (Sexual Orientation, Gender Identity Expression) was conducted on June 30, 2023 and facilitated by Ms. Maricel C. Aguilar, National Program Analyst of UN Women, Peace and Security. The learning session was participated in by 116 employees.

Fiestahan and Paskuhan sa LANDBANK

The first ever Fiestahan sa LANDBANK was held as part of the Bank’s 60th Anniversary on Aug. 8, 2023. LANDBANK employees and business partners (including outsourced personnel) got their share of snacks of famous Filipino street food.

In line with the Fiestahan activity is the Fiesta-Themed Floor Decorating Contest. Each floor in the LANDBANK Plaza decorated a chosen area a la barrio fiesta creating a festive mood in the Bank’s premises. This activity was held from Aug. 8 to 31, 2023. Three floors emerged as winners as they showcased their most festive entries.

Another new event, Paskuhan sa LANDBANK, was held on Dec. 22, 2023, which was conceptualized to add merriment to the celebration of Christmas by Bank employees and our service partners through partaking in simple food such as street foods and traditional Filipino *kakanin*. The activity provided an opportunity for employees, clients and partners to come together and strengthen bonds during these most festive occasions. Towards the end of the year, the Paskuhan is also the Bank’s concrete way of showing its appreciation for the women and men who have been working productively in the service of the nation throughout the year.

Search for Pusong Bayaning Landbanker

The Search for Pusong Bayaning Landbanker is an awards mechanism of the Bank’s PRAISE which is aimed at recognizing employees whose heroic acts of public service or exceptional or extraordinary contributions promote the Bank’s mission, commitment to the Code of Conduct, corporate values and uphold RA 6713. It is composed of two award categories, Parangal Para sa Kabayanihan and Parangal Para sa Huwarang Serbisyo Publiko, which are conferred in individual and group sub-categories. The Search is an internal mechanism for building LANDBANK’s pool of exemplars who will be considered for possible nomination to the annual Search for Outstanding Government Workers of the CSC Honor Awards Program (HAP).

For 2023, three Landbankers were recognized under the Parangal Para sa Kabayanihan – Group Category.

2023 Search for Outstanding Government Workers of the CSC Honor Awards Program

In March 2023, LANDBANK’s Digital Onboarding System (DOBS) Team was recognized as a National Awardee of the 2022 CSC Honor Awards Program (HAP) – Presidential Lingkod Bayan Award Group Category. The DOBS is an innovative platform which allows customers to conveniently and safely open a savings account without visiting a branch. The innovation forms part of the Bank’s aggressive drive to enhance operational efficiency and improve client servicing in the branches.

In the same year, LANDBANK’s Agent Banking Program Team and Ms. Rosalyn I. Reyes of Bongao Branch hurdled through the regional level awards for the 2023 CSC HAP Presidential Lingkod Bayan Award and Dangal ng Bayan Award, respectively. The national awardees of the 2023 CSC HAP will be declared in February 2024 by the President of the Philippines.

Collective Negotiation Agreement

Now on its second year of implementation, the 7th Collective Negotiation Agreement (CNA) between the Management panel and the LBPEA panel, played vital role in forming a healthy work environment with equal opportunity for professional growth and development.

The CNA embodies the provisions relating to the engagement of efforts of the Bank and its employees in accomplishing performance targets and attaining efficiency through cost-cutting measures and systems improvement, as well as their commitment to adopt measures that promote productivity, efficiency and economy in the Bank’s operations and achievement of performance targets, as one of the requirements for the grant of the CNA Incentive. The signing of the CNA affirms the shared commitment to strengthen the productive bond between the Management and the whole LANDBANK team. This also represents collaborative efforts to support employees with the necessary tools, work arrangements and continuous career growth.

The 7th CNA is set to expire in May 2024 with the provision of an allowable period for both panels to commence negotiations to forge a new CNA.

Succession Policy

Through succession planning, LANDBANK guarantees the preparedness of successors for crucial and key leadership roles within the Bank for the continuation of its business operations.

Every year, the following procedures are followed in succession planning: (a) identification of key positions within the organization; (b) determination of adequate qualification and competency standards are determined for these positions; (c) potential successors are evaluated against the standards; (d) candidates in the succession pool are mapped out; and (e) development programs are designed and implemented to guarantee and continuously monitor potential successors’ readiness to take on the duties and responsibilities of the position.

Performance Highlights: Learning and Growth

Prominent training initiatives designed to assist the Bank's succession planning endeavors including the Leadership Development Program (MLDP) and the GROWing NxtGen Leaders, the Bank's Mentoring Program, which aims to create a highly skilled and qualified management pool.

Retirement Policy

LANDBANK's Retirement Program is in compliance with the appropriate rules and regulations issued by various regulatory bodies. These regulations support lengthy tenures resulting in capable and experienced senior personnel who have dedicated their lives and career to LANDBANK's mandate.

To improve overall work productivity, provide flexibility and retain key personnel, the Bank implements the retirement program for government employees as mandated by the GSIS. The GSIS offers optional and mandatory retirement schemes covered by applicable retirement laws. This personnel movement across LANDBANK has encouraged the development and growth for its next set of leaders.

In July 2023, to create new opportunities, infuse new blood, and achieve cost efficiency and savings in its manpower budget, LANDBANK offered an Early Retirement Incentive Program (ERIP). The ERIP is a mechanism to incentivize the voluntary early retirement of tenured employees or those suffering from incapacitating, debilitating or critical illnesses/medical conditions with known actual or potential impact on work productivity.

The separation incentive pay rates are in accordance with the rates provided under the Executive Order No. 150, Approving the Compensation and Position Classification System (CPCS) and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, which was approved by the President of the Philippines in 2021.

Governance Policies and Mechanisms

Code of Conduct

LANDBANK, as a GFI, is directed by the BSP to conduct its affairs with high degree of integrity by prescribing corporate values, code of conduct and other standards of appropriate behavior that shall be exhibited by its Board of Directors, Senior Management and employees. As a Public Office, all employees of the Bank are bound by RA 6713 or the Code of Conduct and Ethical Standards for Public Officials and Employees. The Bank's Code of Conduct serves as a guide to its employees including the Board of Directors in conducting themselves in a manner that will merit and inspire public trust and confidence consistent with the Bank's core values and principles.

January of each year marks LANDBANK's Code of Conduct Month with the theme, "I Live By The Code." The Code of Conduct Month is celebrated through cascading sessions facilitated by the respective Bank units, virtual games and the Mobile Phone Photography Contest which depict one's awareness and appreciation of the scope, and audio-visual and posters of the Code which were posted on the HR Advisory Group in Workplace by Meta.

No Gift Policy

As a GFI, LANDBANK adheres to the general rule in public office that solicitation and acceptance of gifts and donations are strictly prohibited. Disposition of solicitations, gifts or donations may be made directly by the recipient (individual or unit) or through disposition by the Employee Relations Department.

Internal Whistleblowing and Reporting

LANDBANK's Internal Whistleblowing and Reporting policy incorporates its internal mechanisms and external regulatory channel for reporting unethical or unlawful behavior. Complaints or grievances coursed through regulatory channels such as the CSC's Contact Center ng Bayan and the Office of the President of the Philippines' 8888 Citizen Complaint Hotline, the GCG website/phone lines/email and the LANDBANK's Ethics Hotline and designated Bank Units are among the channels for elevating employee related complaints and grievances. The policies and procedures of the Bank's internal whistleblowing and reporting mechanism are posted on the Bank's official website.

Conflict of Interest

LANDBANK employees shall discharge their functions, duties, and responsibilities with integrity and fidelity at all times to devoid of any conflict of interest. They shall conduct their own financial or personal affairs in a prudent manner and shall avoid financial situations that could reflect unfavorably on themselves, the Bank or its clients. Internal mechanisms are in place to ensure awareness on the adverse impact of conflict of interest.

The No Gift Policy, Internal Whistleblowing and Reporting and Conflict of Interest are among the various scopes of the Code of Conduct for LANDBANK Employees and Board of Directors that are regularly cascaded to Landbankers including its newly hired employees.

Financial Consumer Protection

Consumer Protection L&D Programs

The Bank, through the Organization Development Department (ODD), conducts consumer protection related training that aims to better equip LANDBANK personnel with the required knowledge and skills to better address the needs and welfare of the Bank's Financial Consumers. The said programs also promote a culture of ethical behavior among the Bank's workforce geared towards a consumer protection mindset as an integral part of quality service extended to various clients.

In 2023, the ODD conducted the following Consumer Awareness-related L&D Programs for Bank personnel who have direct contact with the Bank's financial consumers:

	PROGRAM	PARTICIPANTS
Branch Banking	Bank Products and Services	Various Bank Personnel
	Counterfeit Detection and Knowing your Money	Branches Personnel
	Bank Frauds and Forgery Detection	Branches Personnel
	ATM/CDM Balancing and Complaints Handling	Branches Personnel
	Branch Operations	Branches Personnel
Communication	Clearing Operations	Branches Personnel
	Effective Written Communication	Various Bank Personnel
	Effective Oral Communication	
	Professional Business Presentation and Platform Skills	
Compliance Management	Crisis Management	Various Bank Personnel
	Anti-Money Laundering	
	Basic Credit Management	
	Advanced Credit Management	
	Sustainability and Sustainable Finance	
Credit Management	Account Officers' Summit	Lending Personnel
	Lending Programs	
	Complaints Management	
Customer Service	Cultivating Impact: Embracing our Vision, Mission, and Core Values	Various Bank Personnel
	Breach Response and Cybersecurity	
Risk Management	Cyber Security Essentials	Various Bank Personnel
	Information Security Management	
	Risk Management	
Treasury	Treasury Certification Program	Treasury Personnel
	Asset Liability Management	Various Bank Personnel
	Business of Treasury	
	Capital Markets and Fixed Income	

In compliance with FCP requirements aimed at ensuring fair and responsible treatment of customers and mitigating consumer risks, the ODD, as the Bank's training arm, re-designed the Customer Service training program to incorporate the enhanced Service Steps. Said program, underwent a successful pilot as an integral module of the Accelerated Branch Officers Program (ABOP) aptly titled "Cultivating Impact: Embracing our Vision, Mission, and Core Values."

In collaboration with the Customer Care Department of the Corporate Affairs Group, the ODD started the conduct of the Complaints Management Training which aims to equip LANDBANK personnel with skills necessary for effective complaints handling/management to improve customer service and foster customer advocacy. Four batches were conducted in June and July 2023 with a total of 135 participants composed of Branch Heads and officers.

Furthermore, ODD posted enhanced learning materials on Basic Filipino Sign Language through the Learning Curve page in Workplace by Meta, as part of its awareness campaign to introduce sign language and promote basic modes of communication. Said learning material was disseminated and made available to all Bank units and personnel.

Performance Highlights: Other Sectoral Accomplishments

In 2023, LANDBANK continued to lead the nation’s financial sector, achieving key milestones that underscore its commitment to governance, operational excellence, and nationwide impact:

- **Strengthened Governance and Accountability:** Attained a 99.57% rating in the Bank-wide Performance Scorecard, meeting all performance commitments set by the Governance Commission for Government-Owned or Controlled Corporations (GCG).
- **Nationwide Expansion:** Expanded its footprint to 1,437 cities and municipalities, representing 88% of all Local Government Units (LGUs), further increasing access to financial services across the country.
- **Strategic Collaborations:** Advanced the government’s financial inclusion and social protection programs by aligning with Congress, BSP, DSWD, DOTr and other key agencies.
- **Financial Stability:** LANDBANK’s continued strong financial stability provided for the ability to contribute P50 billion to the Maharlika Investment Corporation, reflecting the institution’s sustained strength and support for national economic objectives.
- **Institutional Excellence:** Enhanced operational efficiency and service quality by implementing internationally recognized management systems, ensuring compliance with global standards.

Branch Banking Sector

The Branch Banking Sector (BBS), as the customer-facing unit of LANDBANK, took various initiatives to increase deposit generation and further develop the Bank’s deposit-related banking services.

Deposits

Through the lead of BBS, LANDBANK achieved a remarkable increase in its deposit base, with growth across all depositor categories.

For the detailed discussion on the Bank’s sustained expansion in deposits, please turn to pages 57–58.

Salary Loans

BBS continued to facilitate the provision of financial windows to augment the financial needs of the government and private sector employees, particularly through the Bank’s salary loan facilities.

Salary loans steadily grew by an average of 15% for the last four years. For 2023, it posted a 21% increase in Loan portfolio from P39.45 billion to P47.91 billion. Outstanding loans benefited 230,565 personnel of government and private institutions.

LANDBANK’s policies on its salary loans are continuously being reviewed to be more responsive to the growing demand for this loan.

Touchpoints

True to its vision to promote inclusive growth especially in the unbanked and unserved areas, BBS gives priority to expanding the Bank’s touchpoints, delivery channels and linkages to be able to reach and serve more Filipinos across the country and around the globe.

For the detailed discussion on the Bank’s touchpoints, please turn to pages 64–65.

Bancassurance

The accomplishments in 2023 signify a successful transition in the new business segment, building upon the foundation established in 2022 when BSP granted LANDBANK the bancassurance license. During this period, approximately 27,000 insurance policies were issued, totaling a premium of P446 million and generating P82 million in bank service fees.

Additionally, significant initiatives were undertaken by BBS to further enhance the Bank’s services and offerings. The development of an insurance product package for electronic salary loans and the initiation of system enhancements to include Bancassurance as an insurance provider will expand the Bank’s portfolio and improve accessibility to insurance solutions for clients. These strategic moves will enable the Bank to cater to a broader range of client needs, enhancing customer satisfaction and loyalty.

Moreover, the implementation of incentive programs to enhance referrals from business units not only boosted engagement, but also fostered a culture of collaboration and teamwork within the Bank.

Furthermore, the introduction of the Cover Note Program has played a vital role in assisting lending units in providing comprehensive insurance coverage for consumer loan borrowers. This initiative not only streamlined process, but also ensured that clients receive the necessary insurance protection, contributing to their financial well-being and peace of mind.

Aligned with the commitment to sustainability, paperless processing arrangements with partners were introduced and implemented. This initiative not only optimizes partnerships but also contributes to the national government’s efforts to rationalize operations in a more sustainable manner.

Overall, these achievements demonstrate the Sector’s commitment to excellence, innovation, and strategic partnerships, completing the Bank’s array of products, from deposits and loans to investments and now protection. This contributes to LANDBANK’s continued growth and success while ensuring clients’ financial security.

Other Initiatives

LANDBANK Telling System Project

The LANDBANK Telling System (LBTS) will be used by the bank tellers to better serve customers and carry out over-the-counter transactions quickly and efficiently. The LBTS is a browser based solution aligned with emerging technology features.

The LBTS carries the functionalities of the existing Consumer Terminal (CT), with enhanced features and capability to interface with various systems of the bank. It also provides vault and cash management capabilities.

Queueing Management System Project

The Queueing Management System (QMS) Project aims to streamline processes at LANDBANK branches by allowing clients to encode necessary transaction information and queuing them at appropriate serving associates. Further phases of the QMS Project will allow pre-registration of clients for over-the-counter transactions through gadgets and other channels among others.

BBS targets to conduct Phase 1 by the last quarter of 2024, and the other phases until the third quarter of 2025.

Corporate Services Sector

The Corporate Services Sector (CSS) at LANDBANK provides a wide range of essential services, including human resources management, facilities and engineering, procurement, agrarian services, property valuation, credit information services, bank security, and the operation of the employees’ Provident Fund. In 2023, CSS achieved several key accomplishments.

Human Resource Management Group (HRMG)

In 2023, HRMG prioritized talent acquisition, employee development, and well-being. The bank successfully hired 578 new employees and offered learning and development programs to nearly all of its workforce (98.53%). LANDBANK also demonstrated its commitment to employee well-being by introducing two new shuttle bus routes, enhancing convenience, safety, and sustainability while reducing costs.

Facilities and Engineering Services Group (FESG)

The Facilities and Engineering Services Group (FESG) administers the Bank’s facilities and properties in the Head Office and NCR. It is also in charge of the transportation, architectural and engineering requirements of the Bank.

In 2023, the FESG completed the following: construction/fit-out of six (6) new branches and one (1) new lending center; relocation of eight (8) field units; and renovation of seventeen (17) field units.

Program Valuation and Field Operations Group (PVFOG)

The PVFOG (formerly Agrarian Services Group or ASG) was created in 2023 pursuant to Board Resolution No. 23-015 dated 12 January 2023, and approved/confirmed by the Governance Commission for GOCCs (GCG) under GCG Memorandum Order No. 202403 dated 22 January 2024. It handles the appraisal and credit investigation (CI) functions nationwide, facility and property management at the field level, supervises the Pollution Control Officers (PCOs), extends engineering support to affected units in times of disasters and calamities, processes land transfer claims for landholdings acquired under the agrarian reform program, and represents the Bank during Congressional hearings and other related fora.

For the year 2023, PVFOG completed 22,591 requests for appraisal and allied services, 57,552 requests for credit investigation and validated 9,470 sub-promissory notes. As support to DAR and other agrarian stakeholders, it processed and approved 1,153 land transfer claims amounting to P1.4 Billion. It also supervised the performance of pollution control functions over 560 sites to ensure compliance by all Bank units with applicable laws, rules and regulations and covenants that the Bank subscribes to, and provided support services to field units to preserve their buildings’ structural integrity, and ensure their efficient and unhampered operations.

PVFOG also participated during Congressional hearings on the crafting of Republic Act 11953 (New Agrarian Emancipation Act), and was instrumental in the timely crafting of the law’s Implementing Rules and Regulations. In addition, it is also in the forefront of the Bank’s efforts to secure sufficient funding from the DAR for payment of land transfer claims.

Provident Fund (PFD)

In 2023, the Provident Fund achieved a net income of P754.2 million. It also provided loans totaling P249.66 million to 4,161 members through its Milestone 60 Loan Facility. Additionally, the Special Financial Support Package assisted 11,984 members with a total of P65.324 million in financial aid.

Performance Highlights: Other Sectoral Accomplishments

Procurement Department (PROCD)

In 2023, PROCD efficiently processed 99% of procurement requisitions, resulting in contracts worth P6.691 billion, achieving a 12% savings compared to the approved budget. The department also successfully processed all requisitions for obsolete property disposal, exceeding the minimum bid price by 65%.

Bids and Award Committee Secretariats

The HOBAC Secretariat Unit facilitated the procurement of major projects, including security services, banking-related services, and civil works. It also assisted in procuring the Two (2) Shared Cyber Defense Solution (Lot 2), a joint government project.

The Information and Communication Technology (ICTBAC) Secretariat unit was established in October 2023, ISEC processed 49 ICT procurement contracts worth P812.3 million in the last quarter of the year. These contracts support the Bank’s digital transformation.

Security Department (SD)

The Security Department conducted 607 security surveys and inspections, resolved 3,225 cyber fraud investigations, and completed 159 fact-finding and background investigations in 2023.

Digital Banking Sector

The Digital Banking Sector (DBS) continues to position LANDBANK as a forward-looking institution that meets the evolving needs of its mandated customers, contributes to national development goals and plays a pivotal role in the digital transformation of the financial services sector.

With Filipinos embracing digital banking at an unprecedented rate primarily due to the growing awareness of the benefits of digital banking, such as convenience, security, and cost savings, the Bank processed 303.32M monetary and non-monetary transactions amounting to P3.15 trillion across the various digital banking channels (iAccess, weAccess, Mobile Banking App, eMDS, Link.BizPortal, LBOS, LBRS, eTPS and LANDBANKPay). This translates to an income of P822.77 million.

Utilization of cashless transactions for the purchase of goods and services was also further amplified resulting to increase in usage and income. LANDBANK was able to install a total of 838 Point-of Sale (POS) terminals to over 425 merchants which generated 2.64 million transactions with value of P17.96 billion by end of 2023.

National Development Lending Sector

The National Development Lending Sector (NDLS) is responsible for administering the Bank’s lending activities. The Sector provides responsive and timely credit assistance and other interventions to the Bank’s priority and mandated sectors. These sectors include small farmers and fishers, agrarian reform beneficiaries through direct lending or through their organizations/associations, micro and small enterprises, agri- and aqua-related businesses, as well as large corporates with projects aligned with National Government priorities. These initiatives focus on nation-building with the ultimate goal of promoting inclusive growth and improving the quality of life, especially in the countryside.

The NDLS sustained its efforts to deepen and widen client coverage nationwide and ended the year with a total of 60 Lending Centers / Units strategically located in the various islands of the Philippines.

By the end of 2023 the NDLS Total Portfolio reached P1.10 trillion with significant contributions from major loans to the agricultural sector totaling P254.09 billion and the loans for projects supporting government programs which amounted to P789.98 billion. These loans represent 24% and 76% respectively, of the Bank’s loans to the Priority Sectors.

The Sector has likewise remained true to its commitment to nation building by responding to the needs of LGUs. The support for their growth and development translated to granting of credit facilities to 1,253 LGUs comprising 67 provinces, 126 cities and 1,060 Municipalities by the end of 2023.

Driven by the directive to intensify its lending activities to support sustainable growth, the NDLS pursued the Implementation of innovative lending programs such as the BUILDERS Lending Program, HEALTH-Plus Lending Program, Renewable Energy Lending Program, SPEED-PUV, H2OPE Water Program for Everyone, CARES and LANDBANK Go Green, among others, to secure broader based growth and sustainable progress for its priority sector.

Operations Sector

The Operations Sector (OS) undertakes the provision of bank wide operational support including accounting services and development and implementation of information technology system-related infrastructure. The OS is comprised of four groups namely the Banking Operations Group (BOG), the Banking Services Group (BSG), the Controllershship Group (CG), and the Technology Management Group (TMG).

The Banking Operations Group (BOG) oversees the international trade, non-trade and foreign currency transactions, maintains the loans subsidiary ledgers, billing and collection functions related to lending operations, and processes inward and outward remittances both for foreign and domestic transactions.

In 2023, BOG has provided support with the implementation of the following:

- 1. Automated application of payment in Commercial and Trade Finance System (Symbols/TFS) through Automatic Debit Arrangement (ADA)**
In support of the Bank’s directive to promote digitized processes for an efficient banking operation, automated application of payment in Symbols Loan System via Automatic Debit Arrangement (ADA) has been implemented.
- 2. Online acceptance of loan & trade transaction payments via internet banking platforms (weAccess/iAccess)**
As of December 2023, payments via weAccess and iAccess platforms are now able to generate hand-off files for automatic application to borrowers’ loan accounts.
- 3. Commercial Loans System Enhancement (Symbols/CMS)**
To cater the migration of more than 70,000 vehicle and real estate loan accounts of former UCPB for the retail banking operations, Symbols Loan System reached the Users Acceptance Testing (UAT) stage for the implementation of the automatic application of payments through ADA and weAccess.
- 4. Process enhancements to minimize “due to/due from” booking** Full implementation on the acceptance of payments through the Bank’s online facilities has minimized the float items for reconciliation of on-coll payments in the IBTOLS-Due from HO/Branches.

The Banking Services Group (BSG) provides critical support to all Branches on the settlement and centralized processing of inward and outward clearing checks, conversion of specimen signature cards to electronic data, cash servicing, processing of Notice of Cash Allocation (NCA), collections and remittances. Further,

BSG also handles the processing and settlement of all interbank ATM and other digital banking transactions, client complaints, and centralized in-house card production.

BSG’s major accomplishments in 2023 are as follows:

- 1. Retooling of branches personnel via webinar/LANDBANK’s E-Learning Access Portal (LEAP)

- 2. Electronic transmission of other bank’s disputed transactions for validation of LBP acquiring branches as implemented in January 2023

The Controllershship Group (CG) oversees the general accounting of bank transactions, preparation of the Bank’s financial statements and reports for management, regulatory agencies and supervising entities, preparation, control and monitoring of corporate operating budget, processing of disbursements and settlements, management of the Bank’s tax position and inter-office floats, accounting and monitoring of LANDBANK administered Agrarian Reform Fund and management of various accounting systems.

In 2023, CG has increased its operational efficiency through:

- 1. Elimination of callbacking in Accounting Centers (ACs), which was implemented in January 2023.
- 2. Centralized preparation of regulatory and management reports including Consolidated Daily Report of Condition (CDRC) in April 2023, Total Credits Report (TCR) in June 2023, and BRM-Capital Adequacy Ratio (BRM-CAR) in September 2023.
- 3. Consolidation of Field Accounting Support which reduced the number of ACs from 72 to 65 as of end of Year 2023.
- 4. Centralized booking of payroll transactions for all rank-and-file personnel to streamline processes and enhance accuracy.
- 5. Online payment solutions for suppliers and service providers through various electronic platforms to enhance efficiency.
- 6. Implementation of an Enhanced/New Fixed Assets System to improve system reliability and accelerate processing time.
- 7. Electronic sending of Bank clients’ Statement of Securities Account to ensure timely and secure delivery.

The Technology Management Group (TMG) is a major contributor in the pursuit of the Bank’s digital transformation. TMG delivers digital infrastructure for the effective adoption/ implementation of new technologies and IT initiatives.

Having considered the demands of automation and process improvement, TMG has undertaken organizational restructuring to better service both the internal and external customers of the Bank.

Performance Highlights: Other Sectoral Accomplishments

Likewise, TMG has implemented IT projects in 2023, which automated and streamlined the Bank’s processes. These involved both the development of new applications and enhancement of existing systems resulting to improved customer experience in the following:

- Automated Telling Machine (ATM) Monitoring Solution – Provide comprehensive analysis and reporting of ATMs and Cash Deposit Machines (CDM)
- Deposit System Upgrade – enhancement of features to address regulatory requirements and improve process
- Revenue and Expense Summary – Automate the preparation of revenue and expense summary for the account profitability earnings of lending activities
- Legal Information Management System – Management of legal cases, legal opinions rendered, lawyer performance monitoring and other legal related activities
- Telling System – system enhancement to add new features such as deposit and withdrawal transactions and capturing of Anti-Money Laundering (AML) required information
- Expected Credit Loss (ECL) Calculation System (ECS) – Central repository of data for the calculation of ECL for the Bank’s credit exposures
- E-statement of Securities Account (eSSA)–Handle the processing and the electronic distribution of the Statement of Account (SOAs) to investors
- New Fixed Asset System (NFAS) –Centralized web-based application forthe management of fixed assets
- Time Entry System (TIMES) – Browser based application for the inputting of time and attendance data
- New Secomaster System (NSMS) – Wed-based application for the generation and authentication of bank security codes
- Employee Benefit Trust System (EBTS) – Automate the calculation of employee retirement/ separation pay and tax

Treasury and Investment Banking Sector

In 2023, the Treasury and Investment Banking Sector (TIBS) undertook the following major initiatives:

Major investment banking deals

Retail Treasury Bonds 29

In support of the National Government’s fund-raising activities, LANDBANK through the Investment Banking Group (IBG) acted as the Lead Issue Manager for the 29th Tranche of the Bureau of Treasury’s (BTR) 5.5-year Retail Treasury Bonds (RTBs) issued on Feb. 22, 2023. The National Government raised P283.71 billion, of which P252.04 billion was new money, while P31.67 billion came

from the Exchange Offer. Proceeds of this investment instrument helped fund the country’s development plans for agriculture, infrastructure, education, and healthcare systems, among others. LANDBANK contributed P22.18 billion out of the total issue size.

LANDBANK, in collaboration with the Development Bank of the Philippines, Overseas Filipino Bank, and BTr, conducted online roadshows in over 30 countries and face-to-face sessions in Japan, Germany, and England, which were attended by Overseas Filipinos. Face-to-face local roadshows were also held in Metro Manila and eight other provinces in collaboration with the Joint Issue Managers.

Retail Dollar Bonds 2

LANDBANK also took on the pivotal role of Lead Issue Manager for the 2nd Tranche of the BTr’s 5.5-year Retail Dollar Bonds (RDBs), issued in October 2023. This initiative successfully garnered \$1.26 billion for the national coffers, with LANDBANK’s significant participation amounting to \$294.18 million, constituting 23.31% of the total raised. These funds play a crucial role in advancing the country’s development aspirations across key sectors, fostering progress and resilience in the nation’s socio-economic landscape.

Tokenized Treasury Bonds

LANDBANK served as an Issue Manager in the BTr’s launch of the Philippines’ first-ever Tokenized Treasury Bonds (TTBs) with a total issue size of P15 billion. TTBs are one-year fixed-rate government securities offered to Qualified Institutional Buyers and issued in the form of digital tokens maintained in the BTr’s Distributed Ledger Technology (DLT) Registry, which runs in parallel with the NRoSS. The maiden issuance of TTBs provided a proof of concept and served as a starting point of the National Government’s broader agenda of democratizing investments through digital transformation.

Power Sector Assets and Liabilities Management

LANDBANK acted as one of the Joint Mandated Lead Arrangers and Lenders for the Power Sector Assets and Liabilities Management (PSALM) Corporation’s P43 billion Syndicated Loan Facility. The proceeds are used to augment PSALM’s working capital requirements and to refinance its existing liabilities.

ASA Philippines

LANDBANK participated as one of the Mandated Lead Arrangers and Bookrunners in the ASA Philippines Foundation, Inc.’s issuance of P5 billion 5-year fixed rate corporate notes – the first gender bond issuance in the country. The proceeds are used to fund ASA Phils’ working capital and its lending business, which caters to women as their principal borrowers. ASA’s gender bond has been certified by the Second Party Opinion provider DNV with technical support from the Asian Development Bank.

Other notable IB deals and transactions in 2023 were:

1. NAIAX – The NAIA Expressway Project connects EDSA to NAIA Terminals 1 and 2 and CAVITEX. It aims to improve motorists’ travel experience by reducing the traffic congestion within the airport’s vicinity. LANDBANK participated with P753.91 million in the P5.95 billion 7.5-year Syndicated Loan Facility.
2. San Miguel Corporation – Series 2 Preferred Shares – LANDBANK played a crucial role as a Joint Lead Underwriter and Bookrunner, contributing P3 billion to the P34 billion issuance. The funds raised from this offering were allocated towards several critical objectives, including the repayment of Peso-denominated short-term loan facilities, the final redemption and payment of Series B Bonds and Series H Bonds, as well as further investments in the Company’s Airport and airport-related projects. Additionally, the proceeds were earmarked for various general corporate purposes, ensuring sustained growth and stability across the Company’s operations.
3. GMR Megawide Cebu Airport Corporation (GMCAC) – LANDBANK contributed P2.5 billion to GMCAC’S P27.3 billion Senior Secured Term Loan Facility. The proceeds from this facility served two primary purposes: firstly, to refinance outstanding PHP and USD denominated loans owed to existing lenders under the original loan, and secondly, to fulfill various general corporate needs. The genesis of this transaction was spurred by the acquisition of shares in GMCAC by the Aboitiz Group, underscoring LANDBANK’s strategic involvement in facilitating pivotal financial undertakings in response to significant market developments.
4. Advantage Concrete – LANDBANK acted as one of the Mandated Lead Arrangers and Bookrunners in Advantage Concrete Industries Corporation’s P37.23 billion 12-year Senior Term Loan Facility for the construction of an integrated cement manufacturing line with cement production capacity of 3.8 million tons per year in Calatagan, Batangas.

Management of Bank Investments

The Bank’s investment portfolio was lower by P44.67 billion or 3.43% from P1,304.16 billion in 2022 to P1,259.49 billion in 2023 due to higher loan demand. Despite the lower investment portfolio, the Bank improved its income from investment by P5.89 billion or 14.51% from P40.60 billion in 2022 to P46.49 billion in 2023. This was achieved by maintaining a short investment duration and

favoring higher HTC allocation in view of the rising market yields. By managing our investment portfolio, we were to improve and strengthen our capital position by more than P7 billion which translates to around P77 billion in additional loanable funds.

Internal Audit Group

In 2023, the Internal Audit Group (IAG) completed a total of 569 audit engagements or 111% accomplishment of its target of 511 engagements, composed of 553 business units, application systems, and processes including the independent validation of the ICAAP document and Recovery Plan, review of risk measurement models, outsourced systems, and system development advisories while the remaining 16 comprise the audit of non-System Development Life Cycle projects, Business Continuity Management Plan, Information Security Program Review, Related Party Transactions, Emergency Drills, and IT Drills. In addition to these regular audit engagements, IAG also conducted 78 special audit engagements of former UCPB Branches upon their conversion. Likewise, IAG performed confirmation of balances of private deposit accounts, salary loans, and regular loans.

IAG has also undergone an External Quality Assessment (EQA), a requirement under BSP Circular No. 871 series of 2015 and Standard 131 of the International Standards for the Professional Practice of Internal Auditing. The assessment was conducted by Isla Lipana & Co., a member firm of the PricewaterhouseCoopers (PwC) where IAG obtained a “Generally Conforms” overall assessment, the highest rating an internal audit function could receive for this type of assessment. This was the third time that IAG underwent the EQA which consistently obtained a “Generally Conforms” overall assessment.

In close coordination with the Technology Management Group, IAG initiated projects towards the automation of the majority of audit activities.

IAG also served as the Secretariat to the Board-level Audit and Compliance Committee and to the management-level Accountability Assessment Committee.

Legal Services Group

Legal Services Group (LSG) has done a remarkable job of supporting the major business initiatives of the Bank by fulfilling its mandate in providing legal services to all the operating units.

Performance Highlights:
Other Sectoral Accomplishments

Trust Banking Group

In 2023, Trust Banking Group’s (TBG) Asset Under Management (AUM) reached P571 billion and was able to attain 104.03% of its net income target. These accomplishments enabled TBG to maintain its position as the fourth largest trust entity based on AUM. Along with these achievements, the LANDBANK Medium Term Bond Fund was recognized by the CFA Society of the Philippines as the Best Managed Fund for 2023.

In the same year, TBG expanded its Personal Equity and Retirement Account – Unit Investment Trust Fund (PERA-UITF) offering in the PERA digital platform through the addition of the LANDBANK PERA Money Market Fund. The LANDBANK PERA Money Market Fund is an additional fund that complements the existing LANDBANK PERA Bond Fund. This initiative is in support of the government’s thrust to promote savings and investment for retirement among Filipinos.

Further, the Employee Benefit Trust Tool for the Employee Benefit Trust was implemented in December 2023. This system development makes the processing of transactions more efficient by automatically calculating an employee’s retirement/ separation pay, and taxes due.

Compliance Management Group

Compliance Management Group (CMG) continuously performs its functions in accordance with the Manual of Regulations for Banks (MORB) Section 161, overseeing the implementation of the Bank’s Compliance Risk Management System, which is designed to identify and mitigate compliance risks that may erode the franchise value of the Bank such as risks of regulatory sanctions, material financial loss or loss to reputation that the Bank may suffer, as a result of its failure to comply with laws, rules, regulations, related self-regulatory organization standards, and codes of conduct applicable to its activities.

The said risks may also arise from failure to manage conflict of interest, treat customers fairly, or effectively manage risks arising from money laundering and terrorist financing activities.

CMG is headed by a Chief Compliance Officer (CCO) who functionally reports to the LANDBANK Board of Directors through the Audit and Compliance Committee (ACCom). It has two departments, namely: Regulatory Compliance Department (RCD) and Anti-Money Laundering Department (AMLDD), which are responsible for overseeing the implementation of the Bank’s Compliance Program and Money Laundering and Terrorist Financing Prevention Program (MTPP), respectively.

The CMG facilitated effective management of compliance risk as it discussed and reported to the Bank’s ACCom, keeping it informed of the relevant laws, rules and standards. Periodic reporting primarily included, among others, the results of compliance testing conducted and review of Bank’s internal policies, rules and guidelines aimed to assess their appropriateness and compliance with the regulatory requirements.

Risk Management Group

In a fast-changing financial environment, maintaining robust risk management practices is essential for the stability and growth of the Bank. Over the past year, the Risk Management Group (RMG) has implemented several strategic initiatives aimed at enhancing the Bank’s risk management framework, improving operational resilience, and fostering a strong risk culture across the organization. The accomplishments mentioned below highlight the key measures RMG has undertaken to achieve these goals, reflecting its commitment to excellence and proactive risk management.

Major Accomplishments

1. Provided the Management and the Board of regular risk insights through the implementation of Risk Profiling and Assessment Report
2. Improved the frequency of Expected Credit Loss calculation and write-off
3. Successfully conducted the Enterprise-wide Business Continuity Plan and Disaster Recovery Plan Testing
4. Reduction in man-hours by streamlining the Business Impact Analysis for Field Units performing homogeneous functions
5. Introduced improvements in the preparation and submission of the 2023 Internal Capital Adequacy Assessment Process (ICAAP) and Recovery Plan documents to BSP:
 - Introduced sustainability risk measures, thresholds, and relevant capital projections in the ICAAP document.
 - Expanded qualitative and quantitative triggers were also incorporate in the Recovery Plan to make it more robust.
6. Successfully completed all testing activities for Enterprise IT Security Risk, encompassing Vulnerability Assessment and Penetration Testing, ensuring comprehensive evaluation and enhancement of security protocols and risk mitigation strategies.
7. Conducted risk awareness initiatives to foster a strong appreciation for the Bank’s risk culture, enhancing overall understanding and commitment to effective risk management across the Bank

8. Sought Management and Board approval of ORMS
9. Sought Management and Board’s final approval of 2023 limit

Other Accomplishments

1. Regularly delivered detailed risk profile updates to the ALCO, ILC, ManCom, and RiskCom, enhancing informed decision-making and reinforcing the Bank’s commitment to robust risk governance.
2. Ensured adherence to market risk and liquidity risk limits by delivering daily and monthly reports to Treasury and the Management, thereby strengthening risk oversight and strategic decision-making processes, reinforcing its position in the competitive market.
3. Ensured timely compliance of the Bank to BSP Circular No. 1150, series of 2022 titled Prudential Framework for Large Exposures Monitoring Threshold. Created a major Portfolio Economic Interdependence template for Lending Units to streamline the data acquisition process for all counterparties linked by Economic interdependence relationship to an individually significant accounts.
4. Reviewed and provided inputs/assessments to numerous Bank guidelines, procedures, products, services, and outsourcing arrangements.
5. Provided secretariat functions for the following committees:
 - ICAAP Technical Committee
 - RiskCom
 - ILC



Looking ahead to 2024, LANDBANK is poised to maintain innovation as a core strategy in serving and empowering customers. The Bank will continue to enhance service delivery, embrace change, and introduce new solutions aimed at meeting the financial needs of our diverse and growing client base. Through strategic initiatives, LANDBANK will focus on offering responsive and meaningful banking services across its digital and physical platforms.

Enhancing Products and Services

In 2024, LANDBANK aims to develop and launch innovative products designed to improve customer experience across rural and urban areas. The focus will be on expanding financial access nationwide, delivering faster services, and ensuring seamless branch banking and digital experiences.

Additionally, the Bank will broaden its digital footprint to align with its financial inclusion goals. Key initiatives in 2024 will include increasing digital touchpoints, supporting the National Government’s digital collection and disbursement programs, enhancing systems for cashless and cardless transactions, and introducing new products on digital platforms. Efforts will also be made to raise customer awareness on measures to safeguard their accounts and transactions, further embedding a secure and customer-friendly digital culture.

In its lending operations, LANDBANK remains focused in supporting the agriculture, fisheries and rural development sectors and in promoting sustainability by advancing environmental and social development initiatives across diverse client segments. These efforts will foster both ecological and economic growth. In 2024, the Bank will continue to leverage digital innovation to streamline its lending processes, enhance accessibility, reduce processing times, and ensure a seamless and user-friendly experience for borrowers, aligned with its financial inclusion goals.

Optimizing Income and Profitability

In 2024, LANDBANK will focus on optimizing its income streams by refining its strategies and strengthening key areas of its operations. The Bank aims to adopt a holistic approach to ensure sustainable profitability across its diverse business lines.

To support these goals, LANDBANK will address client needs in securities trading and foreign exchange transactions, focusing on sound asset allocation, diversified investments, and maintaining liquidity to support long-term loan growth. The Bank will continue to be proactive in identifying opportunities to expand fee-based income. These efforts will be aligned with the Bank’s role in financing high-impact national projects in collaboration with the NG.

Supporting the Business

LANDBANK strives to build a resilient and efficient organization that consistently delivers quality service to its customers. The Bank focuses on enhancing human resource management which includes promoting employee health and well-being through wellness programs, health checks, improved internal communications, and fostering greater employee engagement.

In safeguarding the Bank’s facilities, disaster preparedness remains a key priority. LANDBANK will continue to implement necessary measures to strengthen its branches and ensure operational resilience during emergencies, focusing on response and recovery capabilities to minimize disruptions.

Bank-wide operational support will continue to be enhanced through improvements in information technology infrastructure. Several IT initiatives are focused on delivering digital infrastructure upgrades, further streamlining processes and enhancing operational efficiency.

To enhance cyber resilience, LANDBANK will implement strategy leveraging on artificial intelligence and data analytics that can help identify anomalies in customer behavior, prevent fraud in real-time, and raise the cyber resilience quotient of the bank.

Revitalizing Brand Identity

In 2024, LANDBANK intends to undertake a comprehensive brand refresh initiative designed to strengthen its connection with clients and stakeholders. This initiative will focus on aligning the Bank’s identity with its evolving role in the financial sector and reinforcing its commitment to delivering value-driven services.

As part of this brand revitalization, LANDBANK will revamp its vision, mission, goals, and core values to reflect its customer-centric approach and its dedication to national development. These changes will support the Bank’s objective to provide responsive and accessible financial services while maintaining its leadership in fostering financial inclusion and sustainability.

The brand refresh will also involve a concerted effort to enhance stakeholder engagement and customer experience. By reinforcing its values and refining its identity, LANDBANK will ensure its brand remains relevant and dynamic, positioned to meet the future needs of its clients in a rapidly changing financial environment.

Through these initiatives, LANDBANK will solidify its place as a trusted partner in both the public and private sectors, continuing to play a pivotal role in driving inclusive growth and financial empowerment across the country.

60th ANNIVERSARY

LANDBANK

DIAMOND AWARDEES

LANDBANK DIAMOND AWARDEES 2023

As part of the Bank's Diamond Anniversary, the Bank conferred the Distinguished Initiators and Movers of National Development (DIAMOND) Awards to select stakeholders in various economic sectors for demonstrating the positive impact of the Bank's products and services in their operations

OUTSTANDING LOAN CLIENTS



Outstanding Non-Agri-based SME
Mr. Porfirio Porciuncula Mina



Outstanding Agri-based SME
Sps. Marcelina and Salvador Cabaero



Outstanding Partner in Water Development/Distribution
Leyte Metropolitan Water District



Outstanding Partner in Renewable Energy
Green Innovation for Tomorrow Corporation



Outstanding Partner in Socialized Housing Development
Fiesta Communities Incorporated



Outstanding Agrarian Reform Beneficiaries' Cooperatives
Dolefil Agrarian Reform Beneficiaries Cooperative



Outstanding Non-Agri-based Cooperative
ACDI Multi-Purpose Cooperative



Outstanding Agri-based Cooperative
Lamac Multi-Purpose Cooperative



Outstanding Partner in Renewable Energy
Green Innovation for Tomorrow Corporation



Outstanding Partner in Agribusiness
Biotech Farms, Inc.



Outstanding Agrarian Reform Beneficiaries' Cooperatives
Goodyear Agrarian Reform Beneficiaries Multi-Purpose Cooperative (GARBEMCO)

OUTSTANDING PARTNERS IN FUND MANAGEMENT



Bureau of the Treasury



San Miguel Group of Companies



Oceanagold (Philippines) Inc.



Peninsula Electric Cooperative, Inc.



JM Maligaya Group of Companies



Metro Retail Stores Group Inc.



ECJ Negros Farms ARB Cooperative



Ulticon Builders, Inc.



WCS Construction Inc.

OUTSTANDING DIGITAL BANKING CLIENTS AND PARTNERS



Top Remittance Partner through LBRS (Local)
Mastercard Transaction Services
(Philippines) Inc.

Top in Link.BizPortal Utilization
Philippine National Police

Top in eMDS Utilization
Department of Education

Top in weAccess Utilization
Department of Education



Top Remittance Partner through LBRS
(International)
Western Union

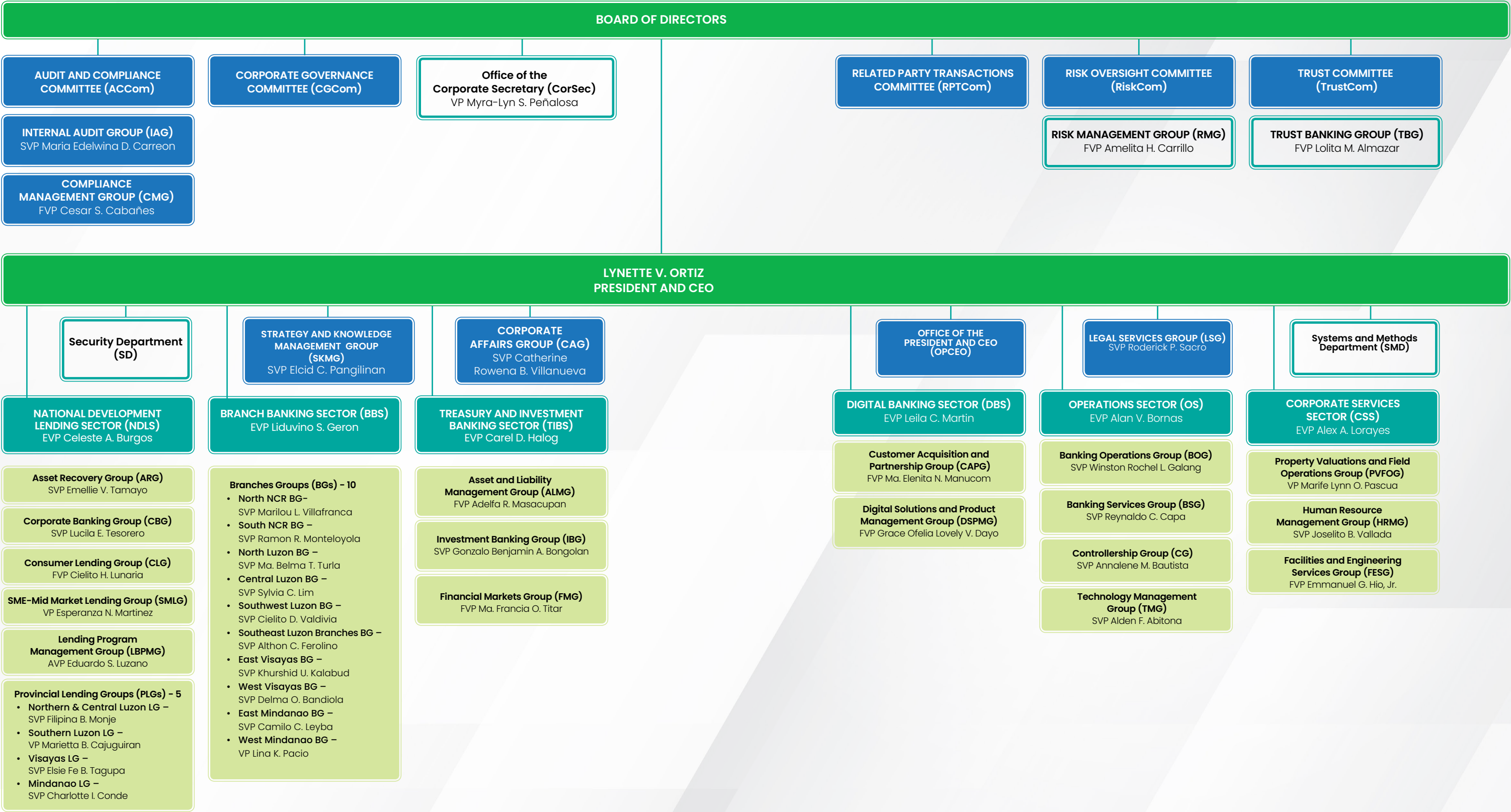
ABOUT THE TROPHIES

Welded brass fashioned as mangroves, each with six leaves and six roots, adorn hard wood blocks in these art pieces by sculptor Ferdinand Cacio. Crafted especially in commemoration of LANDBANK’s 60th anniversary, these are the trophies conferred to outstanding clients and partners through the Distinguished Initiators and Movers of National Development or DIAMOND Awards. They are fitting representations of the Bank’s six decades, grounded on its mission and ever supportive of the growth and transformation of these organizations and individuals. Their relationship with LANDBANK stand on solid footing, strengthened by our common goal of making a difference on the lives of the people and country we serve.



Corporate Governance

LAND BANK OF THE PHILIPPINES
Organizational Structure
As of Dec. 31, 2023



Overall Corporate Governance Structure and Practices

LANDBANK is fully compliant with the provisions of the Code of Corporate Governance.

LANDBANK’s corporate governance is reflected in its organizational structure that defines a governance hierarchy led from top by the Board of Directors and its delegated duties and responsibilities through the five (5) Board-level Committees namely, (1) the Corporate Governance Committee, (2) the Audit and Compliance Committee, (3) the Risk Oversight Committee, (4) the Trust Committee, and (5) Related Party Transactions Committee. These five committees are ably supported by independent Bank units — Internal Audit Group, Risk Management Group, Trust Banking Group and Compliance Management Group — which perform specific functions for the said Committees. These independent units report directly to the Board but are administratively supervised by the President and CEO. The Office of the Corporate Secretary (CorSec) provides logistical and secretarial support to the LANDBANK Board, the Corporate Governance Committee and the Related Party Transactions Committee.

The Board of Directors

Board’s Overall Responsibility

The LANDBANK Board of Directors assumes certain responsibilities to the Bank’s various stakeholders: the Bank itself; its stockholder; the National Government; its clients; its management and employees; the regulators; the deposit insurer; and the public at large. These stakeholders have the right to expect that the institution is being managed in a prudent and sound manner. The Board of Directors is primarily responsible for the approval and oversight of the implementation of the Bank’s strategic objectives, risk strategy, corporate governance and corporate values. It is also responsible for the monitoring and oversight of the performance of senior management as the latter manages the day-to-day affairs of LANDBANK.

The LANDBANK Board sets the overall policies and strategic directions of the Bank, which serve as the guide of management and operating units in the day-to-day operations. Moreover, the LANDBANK Board provides the oversight functions in the overall Bank performance, and champions good corporate governance by strong adherence to ethical standards and compliance with legal, institutional and regulatory requirements. The Board also ensures that the Bank remains accountable to its various stakeholders.

- All Members of the Board of Directors are expected to abide by the following:
- a. Remain fit and proper for the position for the duration of his/her term;
 - b. Conduct fair business transactions with the Bank and to ensure that personal interest does not bias board decisions;
 - c. Act honestly and in good faith, with loyalty and in the best interest of the institution, its stockholders, regardless of the amount of their stockholdings, and other stakeholders such as its depositors, investors, borrowers, other clients and general public;
 - d. Devote time and attention necessary to properly discharge his/her duties and responsibilities;
 - e. Act judiciously. Before deciding on any matter brought before the Board of Directors, every Director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary;
 - f. Contribute significantly to the decision-making process of the Board. Directors should actively participate and exercise objective independent judgment on corporate affairs requiring the decision or approval of such board;
 - g. Exercise independent judgment. A Director shall view each problem or situation objectively. When a disagreement with others occurs, he/she should carefully evaluate the situation and state his/her position. He/She should not be afraid to take a position even though it might be unpopular. Corollary, he/she shall support plans and ideas that he/she thinks are beneficial to the institution;
 - h. Have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of the LANDBANK Charter and by-laws, the requirements of the BSP, and the pertinent government agencies;
 - i. Observe confidentiality. A Director should observe the confidentiality of non-public information acquired by reason of his/her position as Director. He/She shall not disclose any information to any other person without the authority of the Board;
 - j. Ensure the continuing soundness, effectiveness and adequacy of the Bank’s control environment;

- k. A Director or Officer shall not solicit, nor accept, directly or indirectly, any gift, gratuity, favor, entertainment, loan or anything of monetary value (“Gift”) from any person where such Gift: (a) would be illegal or in violation of law; (b) is part of an attempt or agreement to do anything in return; (c) has a value beyond what is normal and customary in the Bank’s business; (d) is being made to influence the member of Board’s, or Officers’ actions as such; or (e) could create the appearance of a conflict of interest; and,
- l. Attend orientation and training. A Director shall have an adequate orientation process and continuous development and education regarding the Bank’s operations.

Description of the Roles and Contribution of Executive, Non-executive and Independent Directors, and of the Chairperson of the Board

1. Chairperson of the Board of Directors (Non-executive)

Being the leader of the board, the Chairperson shall be responsible for the efficient functioning of the Board. He makes certain that the meeting’s agenda focuses on strategic matters, including the overall risk appetite of the corporation, taking into account the developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations and ensures that the Board sufficiently challenges and inquires on the reports submitted and on the representations made by Management.

2. Vice-Chairperson (Executive Director)

The Vice-Chairperson of the Board of Directors is the Bank’s President and CEO. The President of the Philippines issues two appointment letters to the LANDBANK President and CEO – one appoints him/her as the Bank’s Head of Agency while the other appoints him/her as one of the Bank’s appointive directors.

In the absence of the Chairperson of the Board, the Vice-Chairperson presides over the meetings of the Board.

The Vice-Chairperson is the sole executive director among the nine members of the LANDBANK Board of Directors.

3. Non-Executive Directors

The non-executive directors shall perform the duties and responsibilities of a director as prescribed by the LANDBANK Charter, BSP MORB, GCG rules and regulations, and other laws and issuances as may be applicable. In addition, the Board consisting of the non-executive directors has disciplinary powers over the President and may remove the latter for cause.

4. Independent Directors

The Board of Directors appoints/nominates the independent directors from among the appointive directors, seeking thereafter the confirmation of such nomination by the Monetary Board. For 2023, the independent directors were Nancy D. Irlanda, David D. Erro, and Virginia N. Orogo.

In the nomination of an independent director, the Board of Directors ensures that the nominee will be able to devote sufficient time to effectively carry out his/her duties and responsibilities.

Board Composition and Structure (and Diagram)

The positions of Chairperson of the Board, and President and CEO, are held by two different persons. The Chairperson of the Board as of Dec. 31, 2023 is Sec. Benjamin E. Diokno, Secretary of the Department of Finance, while the President and CEO is Lynette V. Ortiz, who is also the Vice-Chairperson.

- | | |
|--|----------------------------|
| • Secretary of Finance | - Chairperson (Ex Officio) |
| • LANDBANK President and CEO | - Vice-Chairperson |
| • Secretary of Agrarian Reform | - Ex Officio Member |
| • Secretary of Labor and Employment | - Ex Officio Member |
| • Secretary of Agriculture | - Ex Officio Member |
| • Two members appointed by the President of the Philippines representing the Agrarian Reform Beneficiaries | |
| • Two members appointed by the President of the Philippines representing the Private Sector | |

Changes in the Membership of the LANDBANK Board of Directors for CY 2023

Atty. David D. Erro assumed the position as Acting Member of the LANDBANK Board representing the Agrarian Reform Beneficiaries on Feb. 27, 2023, vice Mr. Virgilio De Vera Robes. A new appointment letter was issued by the President of the Philippines dated July 3, 2023, designating Atty. Erro as Member of the LANDBANK Board representing the Agrarian Reform Beneficiaries to serve the term of office beginning July 1, 2023 to June 30, 2024.

Ms. Virginia N. Orogo assumed the position as Acting Member of the LANDBANK Board representing the Agrarian Reform Beneficiaries on Feb. 27, 2023, vice Atty. Jaime L. Miralles.

Ms. Lynette V. Ortiz assumed the position as Vice-Chairperson and Acting President and CEO on May 24, 2023, vice Ms. Cecilia C. Borromeo.

Mr. Francisco P. Tiu Laurel, Jr. assumed the position of Department of Agriculture Secretary on Nov. 5, 2023, vice President Ferdinand R. Marcos, Jr.

Composition of the LANDBANK Board of Directors as of Dec. 31, 2023:

Benjamin E. Diokno
Ex Officio Chairperson
Secretary, Dept. of Finance
Non-Executive Director
Assumed on June 30, 2022
Tenure: 1 Year and 6 Months

Lynette V. Ortiz
Vice-Chairperson
President and Chief Executive Officer
Executive Director
Assumed on May 24, 2023
Tenure: 7 Months

Francisco P. Tiu Laurel, Jr.
Ex Officio Member
Secretary, Dept. of Agriculture
Non-Executive Director
Assumed on Nov. 5, 2023
Tenure: 2 Months

Conrado M. Estrella III
Ex Officio Member
Secretary, Dept. of Agrarian Reform
Non-Executive Director
Assumed on June 30, 2022
Tenure: 1 Year and 6 Months

Bienvenido E. Laguesma
Ex Officio Member
Secretary, Dept. of Labor and Employment
Non-Executive Director
Assumed on June 30, 2022
Tenure: 1 Year and 6 Months

David D. Erro
Member
Representative, Agrarian Reform Beneficiaries
Non-Executive Director
Assumed on Feb. 27, 2023
Tenure: 10 Months

Virginia N. Orogo
Member
Representative, Agrarian Reform Beneficiaries
Non-Executive Director
Assumed on Feb. 27, 2023
Tenure: 10 Months

Nancy D. Irlanda
Member
Representative, Private Sector Representative
Non-Executive Director
Assumed on Sept. 25 2018
Tenure: 5 Years and 3 Months

Selection Process for the Board

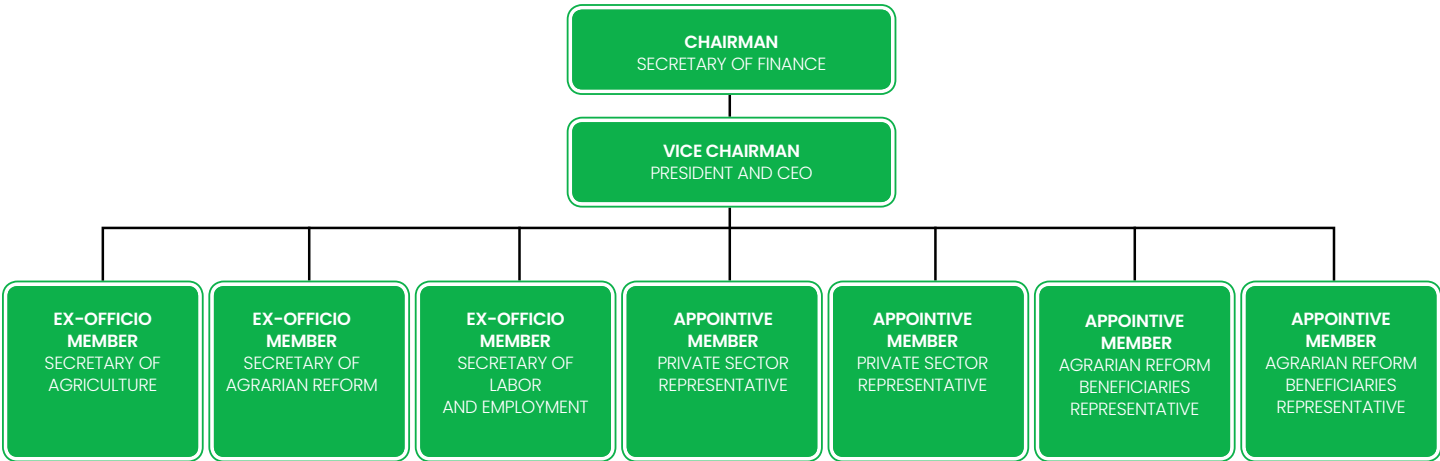
Under Sec. 15 of R.A. No. 10149 (An Act to Promote Financial Viability and Fiscal Discipline in Government-Owned and Controlled (GOCCs) and to Strengthen the Role of the State in its Governance and Management to Make them More Responsive to the Needs of Public Interest and for Other Purposes), all appointive directors of the Bank are appointed by the President of the Philippines from a shortlist prepared by the GCG, which includes only nominees who meet the Fit and Proper Rule and such other qualifications which the GCG may determine.

The would-be President and CEO shall meet the requirements under the Fit and Proper Rule, and needs appointment from the President of the Philippines into the Governing Board of the Bank. The President shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause.

Board Qualifications and Trainings

Pursuant to R.A. 8791, R.A. 10149, BSP Manual of Regulations for Banks, the LANDBANK Charter, GCG Memorandum Circular No. 2012-07, and other pertinent laws and regulations, the following are the qualifications of the LANDBANK Board of Directors:

- No person shall be elected or appointed director of the Bank unless he/she is a natural born citizen of the Philippines, not less than 35 years of age, of good moral character, and has attained proficiency, expertise and recognized competence in one or more of the following: banking, finance, economics, law, agriculture, agrarian reform, and business management. Provided further, that no director, stakeholder or employee of any other bank shall be eligible for election or appointment as member of the Board of Directors of the Bank.
- For an appointive director, he/she must have a college degree with at least five years of relevant work experience, except for a sectoral representative who only needs to be a bona fide member of the indicated sector of the association being represented as provided for in the Charter or By-Laws.
- He/She must have attended a special seminar on corporate governance for Board of Directors conducted or accredited by the BSP.
- An appointive director must have attended or will attend within three months from the date of appointment, a special seminar on public corporate governance for directors conducted by the GCG or any individual or entity accredited by the GCG.
- He/She must be fit and proper for the position of a director of the Bank. In determining whether a position is fit and proper for the position of a director, the following matters must be considered:
 - Integrity/probity;
 - Physical/mental fitness;
 - Competence;
 - Relevant education/financial literacy/training;
 - Diligence; and
 - Knowledge/experience.



All members of the LANDBANK Board, including the President and CEO, as well as the appointive directors in subsidiaries and affiliates shall be qualified by the Fit and Proper Rule issued by the GCG approved by the President of the Philippines, including any future amendments and revisions thereof.

The foregoing qualifications for directors shall be in addition to those required or prescribed under R.A. No. 8791 and other existing applicable laws and regulations.

The Bank monitors the annual continuing training program of the Directors to make certain that they are continuously informed of the developments in the business and regulatory environments, including emerging risks relevant to the Bank.

The Bank conducts an Orientation Program for first-time directors. The Office of the Corporate Secretary, Strategy and Knowledge Management Group, Compliance Management Group, Internal Audit Group, Risk Management Group, Human Resource Management Group, Trust Banking Group, Lending Support Department, and the secretariats of Board-Level Committees, conduct orientation meetings. The following is the procedure for the conduct of the orientation program for new directors upon their assumption:

The CorSec:

1. Schedules the orientation meeting with the Board of Directors and Management;
2. Facilitates the orientation program to give an overview of the Bank, functions of the Board-level Committees, their roles as members of the Board-level Committees; allowances, benefits and incentives of the Directors; and
3. Provides documents such as the LANDBANK Quick Guide for Ex Officio Directors and the BSP Requirements pursuant to Section 137 of the MORB.

Performance and Evaluation

As the Bank’s corporate governance focuses on the role of the Board of Directors, an assessment tool is vital for evaluating the Board’s performance. Initially developed by the Institute of Corporate Directors (ICD) and further improved by the respective committees, performance rating sheets are disseminated yearly to evaluate the performance of the Board and the Board-level Committees. The results are then submitted annually to the Corporate Governance Committee in a duly constituted meeting.

The Bank encourages the continuous education of the directors. One of the results of the performance evaluation is the identification of the direction of the policy for the continuing education of the directors, in order to address certain areas of concern in the performance of the directors, if any.

The rating scale for each item is from 1 to 5 (5 being the highest) and the total points are rated from 0% to 100% (95% – 100.00% as Superior, 85% – 94.99% as Ideal and 80% – 84.99% as Acceptable). There are 69 items in the Board rating instrument and 38 items in the Individual Rating of Board Members.

The results of the Performance Rating System of the Board and Board-level Committees for CY 2023 were discussed and noted by the Corporate Governance Committee in a meeting held on Feb. 05, 2024 (CGCom Resolution Nos. 24-020 to 24-025).

Another performance evaluation tool for directors is the internet-based Performance Evaluation for Directors (iPED) System, which was developed by GCG to increase the level of confidentiality and security in the information being given by the directors. The Director Performance Review (DPR), one of the components of the Performance Evaluation for Directors in the GOCC Sector, appraises the performance of individual members of the GOCC Governing Board. The DPR Forms are being accomplished and submitted by each director directly to the GCG through the iPED System.

Remuneration and Incentive Policy for LANDBANK Board of Directors

The current Allowances, Benefits and Incentives (ABI) are governed by the guidelines issued by regulatory agencies and adopted by the Bank’s Board.

The ABIs of the LANDBANK Board are guided by EO No. 24, series of 2011 “Prescribing Rules to Govern the Compensation of Members of the Board of Directors/Trustees in GOCCs including GFIs”, issued by then President Benigno Aquino III, and by GOCC Circulars (1) MC2016-01-Compensation Framework for GOCC Governing Boards and (2) Reissued MC 2012-02-Revised Interim Rules on Per Diem and Other Entitlements of Members of the Governing Boards of GOCCs covered by RA No.10149.

The Bank’s Corporate Secretary oversees the implementation of the ABIs of LANDBANK’s appointive directors. The director’s attendance and actual performance in their designated committees are reported on a regular basis to the Bank’s Board.

List of Major Stockholders

LANDBANK is wholly owned by the National Government.

Retirement and Succession Policy

The Charter of the Bank to the contrary notwithstanding, the compensation, per diems, allowances and incentives of the Appointive Directors shall be determined by the GCG, using as a reference, among others, EO No. 24, dated Feb. 10, 2011. Directors shall not be entitled to retirement benefits acting as such.

Retirement Age:

Board of Directors	Senior Management
N/A	Under Section 4.2, Republic Act No. 7641, the Compulsory Retirement age is 65 years old

Term of Office of Board of Directors:

Under GCG Memorandum Circular No. 2012-04 (re-issued), any provision in the charters of each GOCC to the contrary notwithstanding, the term of office of each Appointive Director shall be for one year, unless sooner removed for cause; provided, however, that the Appointive Director shall continue to hold office until his/her successor is appointed.

Board Meetings and Attendance

The schedule of the meetings of the Board of Directors for CY 2023 was agreed upon during the Board meeting held on Dec. 18, 2022. There are at least two meetings scheduled per month, held on every second and fourth Wednesdays of each month, for a targeted total number of 24 meetings per year. Changes to the schedule may be made to adjust to holidays, availability of quorum or to align with the schedules of the Chairperson/ Presiding Officer. Special meetings are also convened when necessary. As much as practicable, materials for the Board meeting are sent to the members of the Board at least three business days before the Board meeting.

Vice President Atty. Myra-Lyn S. Peñalosa, who possesses an extensive knowledge on laws, rules and regulations concerning corporate governance of the Bank, is the Corporate Secretary from January to December 2023.

For calendar year 2023, the Board of Directors was able to meet 24 times or 100% of the scheduled meetings.

Moreover, excluding the President & CEO, the non-executive directors and the heads of Internal Audit Group, Risk Management Group, Compliance Management Group and the Resident COA Representative were able to meet separately on Dec. 22, 2023, in compliance with the BSP and GCG requirements.

Director’s Attendance to Board and Board-Level Committee Meetings (CY 2023)

Name of Directors	Board Meeting (24 Meetings)			Audit and Compliance Committee (12 Meetings)		Risk Oversight Committee (14 Meetings)		Trust Committee (4 Meetings)		Related Party Transactions Committee (7 Meetings)	
	Attended	%	%	Attended	%	Attended	%	Attended	%	Attended	%
1 Benjamin E. Diokno	22	91.67	–	N/A	–	14	100.00	4	100.00	N/A	–
2 Conrado M. Estrella	22	91.67	–	N/A	–	N/A	–	3	75.00	N/A	–
3 Bienvenido E. Laguesma	24	100.00	–	N/A	–	N/A	–	4	100.00	N/A	–
4 Francisco P. Tiu Laurel Jr. ^{/1}	4 out of 4 ^{/7}	100.00	–	N/A	–	1 out of 1 ^{/7}	100.00	N/A	–	N/A	
5 Lynette V. Ortiz ^{/2}	15 out of 15	100.00	–	N/A	–	N/A	–	3 out of 3	100.00	N/A	–
6 Nancy D. Irlanda	23 out of 23 ^{/8}	100.00	100.00	N/A	–	14	100.00	4	100.00	6 out of 6 ^{/8}	100.00
7 Virginia N. Orogó ^{/3}	20 out of 20	100.00	100.00	10 out of 10	100.00	12 out of 12	100.00	N/A	–	5 out of 5	100.00
8 David D. Erro ^{/3}	20 out of 20	100.00	100.00	10 out of 10	100.00	N/A	–	N/A	–	5 out of 5	100.00
9 Ferdinand R. Marcos Jr. ^{/4}	14 out of 18 ^{/9}	73.68	–	N/A		5 out of 7 ^{/10}	71.43	N/A	–	N/A	–
10 Cecilia C. Borromeo ^{/5}	9 out of 9	100.00	–	N/A		N/A	–	1 out of 1	100.00	N/A	–
11 Virgilio D. Robes ^{/6}	4 out of 4	100.00	100.00	2 out of 2	100.00	N/A	–	N/A	–	2 out of 2	100.00
12 Jaime L. Miralles ^{/6}	4 out of 4	100.00	100.00	2 out of 2	100.00	2 out of 2	100.00	N/A	–	2 out of 2	100.00
Total Number of Meetings Held During the Year : 67											

^{/8} On Official Business (OB) on January 12, 2023
^{/2} Assumed the position effective May 24, 2023
^{/3} Assumed the position effective February 27, 2023
^{/4} Term ended effective November 4, 2023
^{/5} Term ended effective May 23, 2023
^{/6} Term ended effective February 26, 2023
^{/7} On Official Business (OB) on December 6, 2023
^{/8} On Official Business (OB) on January 12, 2023
^{/9} On Official Business (OB) on June 29, 2023
^{/10} On Official Business (OB) on February 22, March 15, June 13, June 29 and September 27, 2023

Board Materials

The Board Agenda focuses on strategic matters involving stakeholder interests, including discussions on risk appetite, key governance, and operational concerns. The materials of the meeting (i.e., memo/letter-proposals and/or presentation materials) must be forwarded to the members of the Board at least three working days before the date of the meeting. This ensures that the members have before them accurate information in order to arrive at intelligent decisions on matters that require their appropriate action.

Board-Level Committees Including Membership and Functions (as of Dec. 31, 2023)

Audit and Compliance Committee (AC Com)

Duties and Functions

The Audit and Compliance Committee’s primary purpose is to provide assistance to the LANDBANK Board of Directors in fulfilling its oversight responsibilities specifically:

- 1. For Internal Audit and Internal Control:
 - a. To oversee Senior Management in establishing and maintaining an adequate, effective and efficient internal control framework;
 - b. To ensure that systems and processes are designed to provide assurance in areas including reporting, monitoring compliance with laws, regulations and internal policies, efficiency and effectiveness of operations, and safeguarding of assets; and
 - c. To oversee the internal audit function
- 2. For Compliance:
 - a. To oversee the implementation of the Bank’s Compliance Program;
 - b. To ensure that oversight on the Bank’s Anti-Money Laundering and Combating the Terrorism and Proliferation Financing (AML/CTPF) compliance management is adequate; and
 - c. To oversee the compliance management function

The following are the accomplishments of the AC Com regarding its functional supervision:

- A. Internal Audit
 - Approved the following:
 - Revisions in the Internal Audit Group (IAG) Charter
 - 2023 review of the AC Com Charter
 - 2023 IAG Plans and Programs
 - 2023 Revised Audit Plans of Assurance and Special Engagements Unit (ASEU), Field Operations Audit Department (FOAD) I and II, Head Office Audit Department (HOAD), and Information Systems Audit Department (ISAD)
 - Audit Policy and Procedures for the Witnessing of Forced Opening of Safety Deposit Boxes
 - Amendment in the Policy for the Selection of Next Type of Audit for Exemplary Units
 - Policies and Procedures in the Handling of Confirmation of Loan Balances and Other Credit Accommodations
 - Revised Audit Procedures on AML
 - Audit Procedures on E-Banking Channels and Mobile Banking Application
 - Guidelines in Handling of Significant Errors and Omissions in the Final Audit Report
 - Audit Procedure Template for Information Technology General Controls
 - Audit Policy and Procedures on E-Banking Channels – i-Access and Mobile Banking Application
 - Heat Map for High Risk Activities for Focused Audit
 - Proposed Audit Rating for Related Party Transactions (RPT)
 - Proposed Changes in Audit Approach and Reporting re: Integrated Audit of Field Legal Services Department, Area Legal Units, and Field Legal Services
 - Proposed Risk Scoring System of Loan Operations Management Department (LOMD) and Loan Operations Field Units (LOFUs)
 - Proposed Replacement of Audit of Quality and Innovation Management Department by Back-up Site Testing
 - Proposed Risk Scoring and Audit Rating Systems for Risk Models and Frameworks
 - Revised Audit Procedures on Financial Consumer Protection
 - Changes in the Audit Plan of FOAD II for CY 2023

- Confirmed IAG’s Management-approved budget for CY 2023
- Noted the following:
 - IAG’s 2023 Declaration of Organizational Independence and various periodic reports, such as: (a) 2022 Overall Internal Audit Opinion, (b) 2022 Internal Quality Assessment Review, (c) Accomplishment Reports, (d) Results of 2022 Audit Client Satisfaction Survey, (e) Major findings for the month, (f) Long outstanding findings, (g) Outstanding Major findings, (h) ASEU and ISAD Reports on Long Outstanding Findings for Overseas Filipino Bank, (i) Outstanding Audit Issues, (j) Common and Recurring Findings for 2022, (k) Status of Recommendations on Special Audit Engagements, (l) Reports on Accounts with Freeze Order, (m) Report on the Validated Accounts with Freeze Order, SEC Advisories and Negative Media Report, (n) Report on the Validation of Alerts generated by the Enterprise Fraud Management System, (o) Report on Audit Observations related to Turn Around Time, (p) Results of Confirmation of Loan Balances, (q) Results of the Independent Validation of the 2022 Internal Capital Adequacy Assessment Process and Recovery Plan; and (r) Employee Relations Department 2022 Report on Whistleblowing
 - LANDBANK Financial Reporting Framework
 - Revised Service Level Agreement of IAG and Compliance Management Group (CMG)
 - Presentation of action plans of units that failed the Risk-Based Internal Audit
 - Presentation of Internal Control-related initiatives of: (a) Office of the PCEO and the Board of Directors, (b) Treasury and Investment Banking Sector, (d) Branch Banking Sector, (e) Operations Sector, and (f) Digital Banking Sector
 - Accomplishment Reports and Plans and Programs of: (a) LBP Leasing and Finance Corporation – Internal Audit and Compliance, (b) UCPB Leasing and Finance Corporation – Internal Audit, and (c) UCPB Savings – Internal Audit
 - Minutes of Meetings and Accomplishment Reports of the Accountability Assessment Committee
 - AC Com reports, such as: (a) Accomplishment Report, (b) Results of Performance Rating for CY 2022, and (c) Attendance Report for CY 2022

B. Compliance

- Approved the following:
 - 2023 CMG Plans and Programs
 - 2023 Anti-Money Laundering and Counter-Terrorism Financing (AML/CTPF) Compliance Testing Plan
 - 2023 Regulatory Compliance Department Compliance Testing Plan
 - Additions/Enhancements to AML/CTPF Compliance Testing Program
 - Updated Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual
 - Recommended Action Plans to address noted areas for improvement re: Results of 2023 Money Laundering/Terrorist Financing/Proliferation Financing Institutional Risk Assessment
 - Addendum to the 2023 AML/CTPF Compliance Testing Plan
 - LANDBANK Compliance Manual – Updated as of Sept. 30, 2023
 - Trust Compliance Manual – Updated as of Sept. 30, 2023
- Confirmed CMG’s Management-approved budget for 2023
- Noted the following:
 - CMG’s Accomplishment Report for 2022 and 1st semester 2023
 - CMG’s Report on the Results of 2023 Money Laundering/Terrorist Financing/ Proliferation Financing Institutional Risk Assessment
 - Various management and compliance reports, such as: (a) Results of Independent and Periodic Compliance Testing, (b) Report on Fines and Penalties, (c) Report on Crimes and Losses, (d) Regulations Issued and Results of Pre-testing, and (e) Negative Media Reports
 - CMG’s Status Updates on LANDBANK’s Response to BSP Report of Examination
 - CMG’s Update on BSP Comments and Observations on Thematic Review of Terms and Conditions of Product and Service Agreements and Bank’s Responses
 - CMG’s updates on compliance with Freeze Orders
 - Identification and Freezing of Materially Linked Accounts
 - CMG’s Monitoring Reports on Money Service Businesses, Casinos, Offshore Gaming Operations (OGO), OGO-Service Providers, and Online Gaming Businesses
 - CMG’s Monitoring of Action Plan and Status of Implementation on COA AAR for CY 2021 and Prior Years Audit Recommendations
 - Minutes of Meetings of the AML Committee

Corporate Governance

The AC Com members have undergone briefing/orientation on the following topics as part of their continuing education: (a) Sanctions Screening; (b) Key Factors to Success; (c) Cybersecurity Risks; (d) Strategic Transformation of Internal Audit Practices; (e) IAG, RMG, and CMG Structure and Functions; and (f) LANDBANK Financial Reporting Framework.

This committee is composed of:

Chairperson	Director David D. Erro
Vice-Chairperson	Director Virginia N. Orogo
Member	-

The Committee shall meet at least once a month. They held a total of 12 meetings in 2023.

Risk Oversight Committee (RiskCom)

Duties and Functions:

The RiskCom shall be primarily responsible for:

1. Fulfilling statutory, fiduciary and regulatory responsibilities.
2. It shall advise the Board of Directors, of the overall current and future risk appetite, oversee senior management’s adherence to the risk appetite statement.
3. Ensure alignment of risk management objectives with overall business strategies and performance goals.
4. Report on the state of the risk culture of the Bank by developing and overseeing the risk management programs of the Bank which include the following:
 - a. Oversee the Bank’s risk management framework.
 - b. Oversee adherence to risk appetite.
 - c. Oversee the risk management function and approval of proposals regarding the Bank’s enterprisewide policies, procedures and adoption of best practices relative to asset and liability management, credit, market, interest rate, liquidity and business operations risks, among others.
 - d. Ensuring compliance to written policies and procedures relating to the management of risks throughout the Bank.
5. Responsible for the appointment/selection, remuneration, and dismissal of the Chief Risk Officer (CRO). It shall also ensure that the risk management function has adequate resources and effectively oversee the risk-taking activities of the Bank.
6. Oversee the continuing education program to enhance its members’ understanding of relevant regulatory and banking industry issues.

The RiskCom is composed of the following:

Chairperson	Director Virginia N. Orogo
Vice-Chairperson	Deputy Treasurer Erwin D. Sta. Ana (Representative of Treasurer Sharon P. Almanza, Alternate of DOF Secretary Benjamin E. Diokno)
Member/Independent Director	Director Nancy D. Irlanda
Member/Ex Officio Director	Usec. Mercedita A. Sombilla (Alternate of Secretary Francisco P. Tiu Laurel, Jr.)

RiskCom meets at least once a month and held a total of 14 meetings in 2023 including two Special Risk Com meetings for the approval of 2023 LANDBANK Internal Capital Adequacy Assessment (ICAAP) and Recovery Plan documents.

The Committee has evaluated and approved 25 Risk Management policies and guidelines and has reviewed for notation/confirmation 180 regular and 23 Ad Hoc RM reports, and issued 228 RiskCom Resolutions.

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

Treasury-related RM (Market, Liquidity, IRRBB, and Counterparty Credit)
• Updated Risk Management Framework for Treasury Risk • Guidelines on Treasury Risk Limit – Setting • Guidelines on Behavioral Analysis and Backtesting of Non-Maturing Deposits Withdrawal Pattern • Foreign Exchange Net Open Position Value-at-Risk Limit Second Adjustment for 2023 • Guidelines On Credit Risk Reporting for Treasury Exposures • Treasury Risk Limits Recalibration 2023 • Liquidity Contingency Plan – Version 10
Credit RM
• Proposed Enhancements in the CRES Scoring Facilities – New/Improved Business Rules
Operational RM
• RM Maturity Level Assessment • ERM Implementation Plan for LBP Subsidiaries • Performance Appraisal of LBP Subsidiaries • Revised Consumer Protection Risk Management System • Enterprise-wide Business Continuity Plan and Disaster Recovery Plan Testing • Proposed Consolidation of Risk Management Oversight Reports on Human Resource-Related Risk • Pandemic Response Plan • IT Systems Prioritization List for 2024 • Operational Risk Threshold • 2023 Risk Dictionary

Information Security and Technology RM
• Risk Assessment of Digital Financial Channels • Server and Disk Utilization – Trend Analysis, Early Warning Indicator, and Key Risk Indicator • Revised Key Performance Indicators, Early Warning Indicators, and Key Risk Indicators
Other Items Approved by RISKCOM
• LANDBANK’S 2023 ICAAP Document • 2023 Recovery Plan Document • Bank’s Overall Risk Rating Based on the Identified Top Key Risk Indicators • Adoption of New KRIs for IT Risk, Including Updates in Key Risk Indicator Thresholds and Key Risk Indicator Weights • Revision of Investment Policy Guidelines and Strategy of the Bank • Key Risk Indicators for Operational Risk • Information Security Risk Assessment of MS Outlook • Exchange in Schedule of RiskCom with AC Com • New Agenda Outline of RiskCom • BDO Trust Deposit

The overall 2023 performance rating of RiskCom is 99.25% or Superior based on the parameters: Function and Responsibilities, Structure, Process and Performance.

Trust Committee (TrustCom)

The Trust Committee is primarily responsible for overseeing the fiduciary activities of the Trust Banking Group (TBG) and directly reports to the Board. In discharging its function, it shall:

Duties and Functions:

1. Ensure that fiduciary activities are conducted in accordance with applicable laws, rules and regulations, and prudent practices;
2. Ensures that policies and procedures that translate the Board’s objectives and risk tolerance into prudent operating standards are in place and continue to be relevant, comprehensive and effective;
3. Monitors the implementation of stringent controls for the prudent management of fiduciary assets and its appropriate administration; maintaining adequate books, records and files for each account;

4. Oversees the implementation of the risk management framework and ensure that internal controls are in place relative to the fiduciary activities;
5. Adopt an appropriate organizational structure/staffing pattern and operating budget that shall enable TBG to efficiently carry out its functions and ensure proper and continuous training for its officers and personnel considering the growing sophistication and complexity in trust business and changes in the financial market environment;
6. Oversees and evaluates the performance of the Trust Officer and of the Trust operations with regard to business objectives and strategies, compliance and risk monitoring and management, requiring periodic reports on the different areas of responsibility;
7. Requires the review of trust and other fiduciary accounts at least once every three years or as needed depending on the nature of the account, to determine the advisability of retaining or disposing of the trust or fiduciary assets and whether the account is being managed in accordance with the instrument creating the trust or other fiduciary relationship. For this purpose, the TrustCom shall meet whenever necessary and keep minutes of its actions and make periodic reports thereon to the Board;
8. Reviews reports submitted by internal and external auditors and regulatory agencies, and deliberate on major exceptions or non-compliance with existing laws, rules and regulations, policies and procedures and act on appropriate recommendations;
9. Ensures that the TBG is taking appropriate measures to address all regulatory requirements under applicable laws, rules and regulations and that plans and actions are taken to correct reported conditions and accomplish satisfactory disposition of findings;
10. Reviews and approves the plans and program of activities of TBG; and
11. Regularly report to the Board on matters arising from fiduciary activities.

This Committee is composed of:

Chairperson	DAR Secretary Conrado M. Estrella III (Alternate: Undersecretary Napoleon U. Galit)
Vice-Chairperson	DOF Secretary Benjamin E. Diokno (Alternate: Deputy Treasurer Sharon P. Almanza/ Deputy Treasurer Erwin D. Sta. Ana)
Members	President and CEO Lynette V. Ortiz
	DOLE Secretary Bienvenido E. Laguesma (Alternate: USec. Benedicto Ernesto R. Bitonio, Jr./ASec. Lennard Constantine C. Serrano)
	Director Nancy D. Irlanda
	First Vice President and Trust Officer Lolita M. Almazar

The Committee shall meet at least once every quarter or more frequently as the circumstances dictate. For 2023, the Committee held a total of 4 meetings.

The Committee was able to deliberate on and pass 48 resolutions on important transactions and actions of the TBG.

Corporate Governance Committee (CG Com)

Duties and Functions:

The Corporate Governance Committee has the following duties and functions:

- 1. Reviews and recommend the organizational structure of the Bank and its units;
- 2. Reviews and evaluate the qualification standards for all positions in the Bank;
- 3. Reviews and recommend the selection/promotion of the officers as endorsed by the Selection Board II;
- 4. Ensures the Board's effectiveness and due observance of corporate governance principles and guidelines;

- 5. Oversees the periodic performance evaluation of the Board and its committees and executive management;
- 6. Conducts an annual self-evaluation of its performance;
- 7. Decides whether or not a director is able to and has been adequately carrying out his/her duties as director bearing in mind the director's contribution and performance (e.g. competence, candor, attendance, preparedness and participation);
- 8. Adopts, proposes and recommends to the Board such internal guidelines to address the competing time commitments encountered when directors and other Bank officers serve on multiple boards;
- 9. Studies and recommends to the Board such policies regarding the continuing education of the Directors, assignment to Board Committees, succession planning for the senior officers and their remuneration commensurate with corporate and individual performance;
- 10. Decides the manner by which the Board's performance may be evaluated and proposes objective performance criteria to be approved by the Board;
- 11. Studies and recommends policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms; and
- 12. Promotes transparency and operational responsibility and accountability in a manner consistent with the Bank's vision, mission, strategic intent and operating values.

The Committee is composed of:

Chairperson	Director Nancy D. Irlanda
Vice-Chairperson	Director David D. Erro
Member	Director Virginia N. Orogo

The Committee shall meet at least quarterly or as often as it is considered necessary and appropriate. In 2023, they held a total of six meetings and adopted 35 resolutions, which tackled the Results of the Performance Rating System, Updated Manual on Corporate Governance, Organizational Changes, Transfer of

Reporting Lines, Establishment of Lending Centers, Early Retirement Incentive Program and Promotions of Senior Officers.

Related Party Transactions Committee (RPT Com)

Duties and Functions:

- 1. Evaluates on an ongoing basis existing relations between and among businesses and counterparties to ensure that:
 - a. All related parties are continuously identified and recorded;
 - b. All material related party transactions are vetted, recorded, and monitored;
 - c. All pertinent changes in relationships with counterparties are monitored and captured; and
 - d. All related parties, related party transactions, and changes in relationships with counterparties are reflected in relevant reports submitted to the Board and regulators/supervisors;
- 2. Evaluates all material related party transactions to ensure that these transactions are not undertaken on more favorable economic terms when compared to similar transactions with non-related parties under similar circumstances and that no Bank resources are misappropriated or misapplied, and to determine any potential risk issues that may arise as a result or in connection with the transaction;
- 3. Ensures that appropriate disclosure is made, and/or information is provided to regulating and supervising authorities relating to the Bank's RPT exposures, and policies on conflicts of interest or potential conflicts of interest;
- 4. Reports to the Board on a quarterly basis the status and aggregate exposures to each related party as well as the total amount of exposures to all related parties;
- 5. Ensures that related parties transactions, including write-off of exposures, are subject to periodic independent review or audit process;
- 6. Oversees the implementation of the system for identifying, monitoring, measuring, controlling, and reporting related party transactions, including the periodic review of the Bank's RPT policies and procedures;

- 7. Performs other activities which the Committee deems appropriate as necessary and desirable for the performance of its duties and functions under its Charter, as well such other responsibilities which the Board may assign to the Committee from time to time;
- 8. Submits a regular report to the Board of Directors its activities, issues and related recommendations;
- 9. Obtains necessary training needed to enhance the committee members' understanding/competence;
- 10. Reviews and updates the RPT Com Charter at least annually or whenever there are significant changes, and endorse the same to the Board for approval; and
- 11. Conducts annual self-assessment of the Committee's performance including its effectiveness and compliance with the RPT Com Charter.

This committee is composed of:

Chairperson	Director Nancy D. Irlanda
Vice-Chairperson	Director Virginia N. Orogo
Member	Director David D. Erro

The Committee shall meet at least four times a year. They were able to hold a total of seven meetings in 2023.

For the year 2023, the RPT Com and other appropriate approving authorities/committees vetted and deliberated seven loan transactions, 10 procurement transactions, five donations, and four other transactions.

The LANDBANK Board has:

- 1. Approved four reports on Material RPTs;
- 2. Confirmed four reports on Non-Material RPTs; and
- 3. Noted four reports on status and aggregate exposures on related parties.

Policies and procedures for managing conflicts of interest or potential conflicts of interest

Related Party Transactions (RPTs) are transactions or dealings with Related Parties (RPs) of the Bank, including its trust department, regardless of whether or not a price is charged. It covers all types of transactions (on-and off-balance sheet transactions) with directors, officers, stockholders, and their related interests (DOSRI) and their Closed Family Members (CFMs) or juridical entity.

Corporate Governance

At LANDBANK, RPTs in general are allowed, provided these are done on an arm’s length basis to avoid abuses and transactions that are disadvantageous to the Bank, as well as to ensure that RPTs are handled in a prudent manner with integrity. The LANDBANK Board exercises rigorous and appropriate overall governance and controls on RPTs by issuing Board-approved policies such as Executive Order No. 112, Series of 2019, Guidelines on the Bank’s RPTs.

Related Party Transactions (and Table as of Dec. 31, 2023)

List of Material Related Party Transactions (Off-Balance Sheet Commitment) For the year 2023			
Name of Counterparty	Relationship Between Parties	Type of Transaction	Commitment Others- Outstanding Balance
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Service Level Agreement for the Iskolar ng LANDBANK Program	Not Applicable
Securities and Exchange Commission	Government Agency/ Regulator	Donation of Bank-owned UCPB Furniture, Fixtures and Office Equipment	Not Applicable
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Revised Service Level Agreement for Iskolar ng LANDBANK Program (ILP)	Not Applicable
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Donation for LCDFI’s Programs for 2023	Not Applicable
Overseas Filipino Bank	Subsidiary	Master Service Agreement between LANDBANK and Overseas Filipino Bank	Not Applicable
Overseas Filipino Bank	Subsidiary	LBP Sponsorship Agreement for OFBank’s Direct Participation in Instapay	Not Applicable
LBP Resources and Development Corporation	Subsidiary	Contract for Building Construction/Renovation/Fit-out Project of LANDBANK Offices	Not Applicable
LBP Resources and Development Corporation	Subsidiary	Contract for Office Building Construction/Relocation of LANDBANK Office	Not Applicable
Aggregate Balance of Material RPTs for the year 2023			₱ -

Material Related Party Transactions (with individual and aggregate balances) LAND BANK OF THE PHILIPPINES 050020 For the year 2023					
Name of	Relationship	Nature of Transaction	Amount	Outstanding Balance as of Dec. 31, 2023	Individual Balance as of Dec. 31, 2023
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Service Level Agreement for the Iskolar ng LANDBANK Program	P128,000,000.00	P6,000,000.00 funded to the Iskolar ng LANDBANK Trust Account (as of Dec. 15, 2023) Remaining approved budget: P122,000.000.00	
Securities and Exchange Commission	Government Agency/ Regulator	Donation of Bank-owned UCPB Furniture, Fixtures and Office Equipment	Total Appraised Value of Booked Fixed Assets - P2,865,172.00	Completed - Received the signed Certificate of Donation on July 3, 2023	
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Revised Service Level Agreement for Iskolar ng LANDBANK Program (ILP)	P128,000,000.00	P6,000,000.00 funded to the Iskolar ng LANDBANK Trust Account (as of Dec. 15, 2023) Remaining approved budget: P122,000.000.00	
LANDBANK Countryside Development Foundation, Inc.	Subsidiary	Donation for LCDFI's Programs for 2023	P39,000,000.00	Donated P19.5 million, awaiting disbursement request from LCDFI to process the remaining donation for CY 2023	
Overseas Filipino Bank	Subsidiary	Master Service Agreement between LANDBANK and Overseas Filipino Bank	P45,660,000.00	Awaiting Payment	
Overseas Filipino Bank	Subsidiary	LBP Sponsorship Agreement for OFBank’s Direct Participation in Instapay	P20,000,000.00 (daily Instapay volume limit)	OFBank has not yet signed/approved the sponsorship agreement as of Dec. 31, 2023	
LBP Resources and Development Corporation	Subsidiary	Contract for Building Construction/Renovation/Fit-out Project of LANDBANK Offices	P157,218,806.00	1. Corporate Center - For Issuance of Notice to Proceed (NTP). 2. Office Building - For Legal Sufficiency	
LBP Resources and Development Corporation	Subsidiary	Contract for Office Building Construction/Relocation of LANDBANK Office	P94,878,335.00	On-Going Application of Building Permit	
Aggregate Balance of Material RPTs for the year 2023 ₱					

Code of Conduct for Directors

The Code of Conduct for LANDBANK Directors (the “Code”) is written:

- 1. To provide guidance for all Directors to enable them to conduct themselves in a manner that will merit and inspire public trust and confidence consistent with LANDBANK’s core values of social responsibility, trust, excellence and professionalism; and at all times be accountable to the people, serve them with utmost responsibility, integrity, loyalty and efficiency, act with patriotism and justice, and lead modest lives;
- 2. To comply with Section 3(3) of the Bangko Sentral ng Pilipinas (BSP) Circular No. 283, series of 2001 which states in part:

“x x x To conduct the affairs of the institution with high degree of integrity x x x the Board of Directors should prescribe corporate values, codes of conduct and other standards of appropriate behavior for itself, the senior management and other employees x x x”

- 3. To comply with the requirements of the Governance Commission for GOCCs (GCG) requiring the implementation of a Code of Conduct for Directors.

Each Director shall sign and submit a Code of Conduct Compliance Certificate to the Office of the Corporate Secretary. Incumbent Directors shall submit the Code of Conduct Compliance Certificate within thirty (30) calendar days from receipt of the Code, and thereafter, within the month of January of each year.

Audit

The structure of the internal audit and compliance functions includes their roles, mandate/authority, and reporting processes.

To ensure independence, the Internal Audit Group (IAG) reports functionally to the Board delegated Audit and Compliance Committee (AC Com) and administratively to the President and CEO.

Pursuant to Special Order No. 552 series of 2023, IAG underwent reorganization specifically the splitting of Field Operations Audit Department (FOAD) to FOAD I and FOAD II, and the Head Office and Systems Technology Audit Department to Head Office Audit Department and Information Systems Audit Department. The splitting aims to improve operational efficiency and effectiveness in handling various functions and geographical location due to the increase in the auditable units as a result of the LANDBANK and UCPB merger and various reorganizations within the Bank.

IAG plays a key role in assisting the LANDBANK Board, through the AC Com, in the discharge of its corporate governance responsibilities (1) by performing an independent and objective evaluation/assessment of management controls and operations performance, including technology risk management processes and IT controls; and (2) by determining the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations. It covers an appraisal of the plan of organization and all the coordinated methods and measures, in order to recommend courses of action on matters relating to operations and management controls. Moreover, in compliance with international standards, internal auditing also adds value to LANDBANK’s operation by evaluating its risk management and governance processes.

As provided for in the IAG Charter, with strict accountability for confidentiality and safeguarding records and information, IAG is authorized to have unrestricted access to any Bank documents, records, properties, personnel, and information technology assets pertinent to carrying out an engagement, and is relatedly authorized to require any personnel of the audited units to supply information and/or explanation as needed; and have discussions with any personnel of the auditable units during reasonable office time.

The results of its assurance services, consulting services, special/ fraud audits and other services aim to draw attention to any breakdown in internal control or significant issues so that (1) remedial action may be undertaken; (2) improvements in procedures and systems to prevent waste, extravagance and fraud are recommended; and (3) appropriate system of controls and other accounting and operational matters are advised. IAG also provides periodic reports on the internal audit activity’s purpose, authority, and responsibility, as well as performance relative to its plan including significant risk exposures and control issues, fraud risks, governance issues, and other matters needed or requested.

IAG is also responsible for reporting to Senior Management and the AC Com on the internal audit activity’s Quality Assurance and Improvement Program, including results of internal assessments (both ongoing and periodic) and external assessments conducted at least every year and every five years, respectively, including the status of compliance on the agreed corrective actions/plans on unresolved audit issues.

The review process adopted by the Board to ensure effectiveness and adequacy of the internal control system

The AC Com’s primary purpose is to provide assistance to the LANDBANK Board in fulfilling its oversight responsibilities over the Bank’s reporting policies, practices and control, internal and external audit functions.

IAG reports to the AC Com the results of its assurance services, consulting services, special/fraud audits, and other services to ensure that Senior Management is taking necessary corrective actions in a timely manner to address any weakness, non-compliance with policies, laws and regulations, and other issues identified by auditors.

The AC Com holds its meetings at least once a month to ensure the effectiveness and adequacy of the internal control system and that risks are properly managed. On top of the discussion and notation of the regular reports of the IAG and the Compliance Management Group, the Committee also deliberates on various issues and concerns related to the Bank’s existing internal controls, potential breaches and vulnerabilities, and recommends ways and measures to strengthen internal controls and manage risks. The business units that fail in the audit are also required to present to the AC Com the status/action taken on audit’s recommendations to address internal control breaches or related plans.

The minutes of the meetings of the AC Com are confirmed by the LANDBANK Board.

The AC Com held 12 meetings in 2023 with registered 100% attendance by its members.

The Committee is composed of the following:
Dir. Atty. Jaime L. Miralles (Vice-Chairman until March 7, 2023)
Dir. Virgilio DV. Robes (Member until March 7, 2023)
Dir. Atty. David D. Erro (Chairman effective March 8, 2023)
Dir. Virginia N. Orogo (Vice-Chairman effective March 8, 2023)

Risk Management

Philosophy and Culture

Risk Management (RM) goes hand-in-hand on co-equal footing with LANDBANK’s business strategy. The Bank has adequate RM framework, policies, and internal controls. The RM systems, processes and procedures are continuously reviewed and updated with the guidance and active participation of the LANDBANK Board, Risk Oversight Committee (RiskCom) and Senior Management.

The Bank’s core RM philosophy is to balance risk and reward by maximizing business opportunities, operating within the risk threshold and minimizing losses beyond its appetite. RM is also embedded in all the business processes of the Bank and it ascertains that risk-taking is commensurate with its risk appetite.

The Bank’s RM completes the triumvirate of audit and compliance functions which focus on the risk controls of the Bank. Together with internal audit and compliance, the synergy of the three functions provides credence to the role of the Bank’s corporate governance in implementing an effective RM framework.

Results of audit engagements disclosed that the Bank’s overall internal control, risk management, and compliance processes provide reasonable assurance that the operating objectives are met in the areas of: (1) efficiency and effectiveness of operations; (2) reliability, timeliness, and transparency of internal and external information; and (3) compliance with laws, regulations, bank policies, and contracts.

LANDBANK’s RM approach is governed by the Board-approved Risk Governance Framework, which is anchored on the Bank’s mission, vision and strategic objectives. LANDBANK’s implementation of the Risk Governance Framework with defined pro-active RM departs from the silo approach. Thus, RM is implemented cross-functionally across the entire organization with active participation of the LANDBANK Board, Senior Management and all business units (BUs) of the Bank including the LANDBANK Subsidiaries and Foundation (LSFs). Risk Management is implemented in three levels namely strategic, portfolio and transactional levels.

At the Strategic Level, the LANDBANK Board through the RiskCom and Senior Management, are actively involved in an enterprise-wide RM oversight which involves formulation and approval of RM framework, policies and strategies, internal controls, and RM system as well as the annual review thereof. The LANDBANK Board and Senior Management are also involved in an organizational-wide risk monitoring which is used as basis for decision-making and review of LANDBANK’s controls/mitigating measures (operational, financial and compliance control) and RM system.

At the Portfolio Level, the Groups and Departments oversee the implementation of policies and processes and monitor possible breaches. Risk Management Group (RMG) recommends policies, processes and revisions based on risk reports submitted by the risk-taking BUs to address risk occurrences that cannot be solved at the level of the risk-taking BUs.

At the Transactional Level, the Authorized Risk Takers (ARTs) who act as the first line of defense are involved in the actual implementation of risk policies and procedures. The ARTs embrace the continuous management of risk events and immediately escalate policy breaches, procedural infractions and related risk occurrences that cannot be solved at their level to the Department or Group Heads.

Risk Governance Framework

RM involves the oversight function covering risk identification, assessment, measurement, control, monitoring and reporting of risks inherent in all activities of the Bank. RMG, as an independent unit, performs the oversight function for all major risk areas (credit, market, operational, compliance, interest rate in the banking book, counterparty credit, liquidity, reputation, strategic, subsidiaries, trust operations, information technology, related party transactions risk, among others) of the Bank. RMG reports functionally to the RiskCom and administratively to the President and Chief Executive Officer (CEO) of LANDBANK.

- The Volume 1 Risk Governance Framework Manual highlights the following:
- Identification of new/emerging risks in the Bank’s Risk Universe and Risk Dictionary (i.e., Environmental and Social Risk, Physical Risk, Transition Risk)
 - Duties and responsibilities of all key players in managing Environmental and Social Risk which covers sustainability principles
 - RM implementation Framework
 - Management of Environmental and Social Risk in all the elements of the Bank’s RM Framework as follows:
 - Active and appropriate Board and Senior Management oversight
 - Adequate risk management policies and infrastructure
 - Appropriate Risk Identification, Risk Measurement and Evaluation, Risk Control and Risk Monitoring
 - Comprehensive internal risk controls and independent audit
 - Active participation and communication of Authorized Risk Takers / Business Units
 - Integrated Risk Management Strategies

Subsidiaries Risk Management

Part of the Bank’s Risk Governance Framework involves managing risks residing in LSFs.

The Bank provides RM oversight to LSFs acknowledging that their operations also bear impact on the Bank’s financial statements. It monitors and reports risk exposures of the LSFs through the submission of consolidated financial reports.

RM oversight to the LSFs is also an essential component of corporate governance of LANDBANK, which ensures an integrated perspective of risk exposures, both at disaggregated and aggregated level. It is a means of improving the Bank’s business and services on a group-wide activity that involves LANDBANK as Parent Bank and its eight wholly owned Subsidiaries and Foundation in the pursuit of its business goals and objectives:

1. Overseas Filipino Bank (OFBank)
2. LBP Leasing and Finance Corporation (LLFC)
3. LBP Insurance Brokerage, Incorporated (LIBI)
4. LBP Resources and Development Corporation (LBRDC)
5. LBP Countryside Development Foundation, Incorporated (LCDFI)
6. UCPB Savings Bank (USB)
7. UCPB Leasing and Finance Corporation (ULFC)
8. LANDBANK Securities, Incorporated (LSI)

RM Program for Subsidiaries (RMPS)

The RMPS includes relevant methodologies, processes and tools which guide the LSFs in implementing a robust RM on a group-wide basis. It embodies the respective RM Framework of the LSFs, which covers the following:

1. RM Policy, Structure, Roles and Responsibilities
2. Risk Management Approaches
3. The Enterprise Risk Management Approach
4. Risk Management Culture Development in LANDBANK Subsidiaries

The RMPS enables LANDBANK as Parent Bank to strengthen its RM oversight on its eight subsidiaries which covers identification of material risk exposures residing in the LSFs, facilitating impact assessment of said risks and monitoring actions taken by LSFs to mitigate these risks. Risk issues escalated/reported to the Subsidiaries Risk Oversight Committee by the LSF’s respective RM function is likewise being escalated/reported to the LANDBANK RiskCom for reference/recommendation as part of RM oversight.

RMPS implementation enables the LSFs to mirror the RM Framework and policies of LANDBANK as their Parent Bank, i n compliance with the Bangko Sentral ng Pilipinas (BSP) Circular No. 971 dated Aug. 22, 2017 “Guidelines on Risk Governance”. The RMPS also takes into consideration the diversity of LSF’s mandate, nature of business operations, structure, risk appetite and other variables.

Pursuant to BSP Circular 900 s. 2016 or "Guidelines in Operational Risk Management" and as part of the LANDBANK’s RM oversight to LSFs, the Bank maintains and regularly updates the Subsidiaries Operational Risk and Loss Database, which includes the data on operational risk events based on the Basel II Operational Risk Events categories as follows:

1. Internal Fraud
2. External Fraud
3. Employment Practices & Workplace Safety
4. Damage to Physical Assets
5. Business Disruption & Systems Failures
6. Execution, Delivery & Process Management
7. Clients, Products and Business Practice
8. Other risk events not classified under the Basel II category, i.e., Environmental & Social Risk, Violation of Data Privacy Act (DPA) RA 10173

Said database includes relevant information on the risk events encountered by the LSFs and its relative amounts of actual losses, potential losses or near misses and mitigating measures.

Internal Capital Adequacy Assessment Process

LANDBANK as one of the major players in the banking industry annually conducts a thorough and comprehensive Internal Capital Adequacy Assessment Process (ICAAP) to determine the quality and adequacy of its capital, given the existing risk exposures as well as future risks arising from growth, new markets and expansion of the product portfolio.

To align with the local and global best practices, the LANDBANK Board and Senior Management performed collaborative governance and provided directions to enhance the ICAAP development and RM processes, and to strengthen the capital position of the Bank with the following enhancements:

- Updated the following:
 - Risk Appetite Statement
 - Materiality Threshold for Pillar 1 and 2 risks
 - Early Warning Indicators and triggers as required by the BSP

Risk Management

- Qualitative and quantitative Bank-wide stress testing of Pillar 1 and Pillar 2 Risks
- Included Market Outlook section to provide forecasted expectations for how well the economy will perform during the year
- Conducted enterprise-wide stress testing to provide severe scenarios that encompass all underlying risks and their interrelationships, potentially impacting both the Bank's capital and liquidity

Internal Capital Adequacy Assessment Process Culture

The ICAAP is embedded in the Bank's operating philosophy and has been cascaded down to the BU level, forming an integral part of the Bank's risk management process. This process enables the LANDBANK Board and Senior Management to assess all the risks that are inherent in the daily activities of the BUs on a continuing basis.

All BUs of the Bank are aware of the corresponding capital charge for the losses that could arise from any transaction or business they undertake. In monitoring the efficient performance of the BUs across the organization in risk management and capital utilization, the Bank adopts a rigorous escalation and thorough monitoring process via regular reports on actual losses versus estimated losses for each risk category established in the ICAAP.

Strengthening Capital Planning

For 2023, LANDBANK's capital was strong and sufficient to deliver its mandated services and to cover the risks inherent in its operations. Under the most probable scenario, the Bank estimated the 2023 year-end Common Equity Tier (CET) 1 ratio at 15.11%.

As of Dec. 31, 2023, LANDBANK's consolidated CET1 ratio and Basel III Leverage Ratio (BLR) stood at 15.54% and 6.94%, respectively. The Bank's ratios are well within the regulatory limits.

LANDBANK's General Policy on Capital Planning was enhanced to establish capital levels that will adequately support the Bank's vision and ensure continued compliance with the evolving capital and capital ratio requirements of the BSP.

LANDBANK always maintains a strong capital base to boost customer confidence, enhance competitiveness, ensure stability, and sustain long-term growth and viability. As such, the Bank continues to adhere with BSP's policies, rules and more specifically, comply with regulatory requirements on capital structure and capital adequacy.

The major initiatives to achieve strong capital are as follows:

- Improve profitability from more diversified income sources for strong capital and institutional sustainability
 - Maintain healthy net interest margins of loans and investments
 - Increase the transaction volume from digital channels
 - Cost reduction measures through process optimization
- Constant review and rebalancing of the Bank's loan and investment portfolios to maximize returns from its risk-taking activities
- Optimize bank resources for higher returns, while supporting green, national and local government programs
 - Improve Loans-to-Deposit Ratio (LDR) to optimize fund utilization
 - Growth in loans to renewables, local government units and priority sectors
 - Reduction of Non-Performing Loans (NPL) and ROP

The Bank shall likewise continue to vigorously preserve capital to sustain developmental pursuit and service its mandated clients while maintaining acceptable Return on Equity (ROE) comparable with the average ROE of the industry.

The Bank strictly manages its income-generating assets by managing the Risk Weighted Assets via diversification of loan portfolio, review of loans/provision of reserves in a timely manner, compliance with regulatory ratios, internal limits and risk appetite, strict monitoring of clean large exposures and Directors, Officers, Stockholders and Their Related Interest (DOSRI) loans and timely calibration of credit and market risk measurement tools.

Credit Risk Management

Credit risk arises from the failure of a counterparty to meet the terms of any contract with the Bank. Credit risk is not limited to the loan portfolio but is found in all the Bank's activities where success depends on counterparty, issuer, or borrower performance. It arises any time the Bank's funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. The Bank considers its loan portfolio as the major source of credit risk. However, other sources of credit risk exist throughout the activities of the Bank, including the banking and trading books and On- and Off-Balance Sheet transactions.

Maximum Credit Risk Exposure

The table below shows LANDBANK's maximum exposure to credit risk, before and after considering eligible collateral held or other credit enhancements.

On-Balance Sheet (BS) Items	2023 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Cash on Hand	55,462	55,462	-	-	-	-	-	55,462
Checks & Other Cash Items (COCI)	17	-	17	-	-	-	-	17
Due from Bangko Sentral ng Pilipinas (BSP)	410,033	410,033	-	-	-	-	-	410,033
Due from Other Banks	7,310	-	186	7,108	-	16	-	7,310
Debt Securities Designated at FVTPL	16	-	-	-	-	16	-	16
Other Financial Assets Mandatorily Measured at FVPL	1,111	-	-	-	-	1,111	-	1,111
Financial Assets at FVOCI	456,972	384,611	3,039	67,279	-	2,042	-	456,972
Debt Securities at Amortized Cost	763,738	737,520	6,242	18,401	-	1,574	-	763,738
Loans & Receivables	1,094,520	-	11,558	30,342	69,925	948,576	34,118	1,094,520
1. Interbank Loans Receivables	73,932	-	11,246	12,196	-	50,468	23	73,932
2. Loans & Receivables - Others	1,020,588	-	313	18,146	69,925	898,109	34,095	1,020,588
a. Non-defaulted exposures								-
a.1. Sovereign Exposures	-	-	-	-	-	-	-	-
a.2. LGUs and Public Sector Entities	104,642	-	-	-	-	104,642	-	104,642
a.3. Government Corporation	1,800	-	-	-	-	1,800	-	1,800
a.4. Corporates	723,335	-	-	-	-	723,335	-	723,335
a.5. Microfinance/Small and Medium Enterprises	70,993	-	313	-	69,925	553	202	70,993
a.6. Loans to individuals for Housing Purposes	20,262	-	-	18,146	-	2,116	-	20,262
a.7 Loans to Individuals	60,821	-	-	-	-	60,821	-	60,821
b. Defaulted Exposures								-
b.1. Housing Loans	4,841	-	-	-	-	4,841	-	4,841
b.2. Other than Housing Loans	33,894	-	-	-	-	-	33,894	33,894
Other Loans and Receivables	250,322	250,322	-	-	-	-	-	250,322
Sales Contract Receivable (SCR)	1,708	-	-	-	-	536	1,172	1,708
Real & Other Properties Acquired (ROPA)	12,501	-	-	-	-	-	12,501	12,501
Total Exposures Excluding Other Assets	3,053,710	1,837,949	21,042	123,131	69,925	953,873	47,791	3,053,710
Other Assets	88,070	257	-	-	-	87,813	-	88,070

Risk Management

On-Balance Sheet (BS) Items	2023 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Total Exposures, Including Other Assets	3,141,780	1,838,206	21,042	123,131	69,925	1,041,685	47,791	3,141,780
Total On-BS RWA not covered by CRM	-	-	4,208	61,565	52,444	1,041,685	71,686	1,231,589
Total On-BS RWA covered by CRM	-	-	17	279	-	-	-	296
Total On-BS RWA	-	-	4,225	61,844	52,444	1,041,685	71,686	1,231,885

1/ Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions

Off-BS Items	2023 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
A. Direct credit substitutes	3,525	-	-	50	-	3,476	-	3,525
Risk-weighted amount	-	-	-	25	-	3,476	-	3,501
B. Transaction-related contingencies	95,393	-	-	-	-	95,393	-	95,393
Risk-weighted amount	-	-	-	-	-	95,393	-	95,393
C. Trade-related contingencies	5,267	-	-	4,073	-	1,194	-	5,267
Risk-weighted amount	-	-	-	2,037	-	1,194	-	3,231
D. Other commitments								-
Risk-weighted amount	-	-	-	-	-	-	-	-
Total Off-BS Exposures	104,185	-	-	4,123	-	100,062	-	102,124
Counterparty RWA In the Trading Book	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Exchange Rate Contracts	2,787	2,223	-	26	-	538	-	551
Risk-weighted amount	-	-	-	13	-	538	-	551
TOTAL	2,787	2,223	-	26	-	538	-	551
Less: General Loan Loss Provision (in excess of the amount permitted to be included in Tier 2)								458
TOTAL	106,972	2,223	4,225	65,993	52,444	1,142,286	71,686	1,334,101
CEA: Credit Equivalent Amount	CRM: Credit Risk Mitigant		RWA: Risk Weighted Assets		CRWA: Credit Risk Weighted Assets			

Credit Exposures and Credit-Related Commitments

As of Dec. 31, 2023, LANDBANK’s Gross Loans and Receivables (GLR) amounted to P1,094,520 million, net of credit risk mitigation which consists mainly of prime collaterals such as deposit holdout, government securities (GS) and sovereign guarantees. Majority of the exposures are Corporates, followed by Local Government Units (LGUs)/Public Sector Entities/Government Corporations and Small and Medium Enterprises (MSMEs), which stood at P723,335 million (66.09%), P106,442 million (9.72%) and P70,993 million (6.49%), respectively. The Bank also holds substantial receivables from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions amounting to P250,322 million.

On the other hand, the Bank has P104,185 million outstanding Off-Balance Sheet Exposures. These exposures are mainly composed of general guarantees of indebtedness (e.g., financial standby letters of credit – domestic and foreign), performance bonds and warranties related to particular transactions, and contingencies arising from the movement of goods and trust transactions. Outstanding derivative exposures are mainly over-the-counter foreign exchange option contracts.

The Bank’s Total Credit RWA amounted to P1,334,101 million which represents 88.40% of the Bank’s Aggregate RWA of P1,509,177 million.

Management of Credit Risk

Credit RM aims to adequately manage the risk of financial loss arising from the failure of borrowers or counterparties to settle their obligations in accordance with the terms and conditions of the duly approved contractual agreement.

This involves the identification, measurement and monitoring of actual or potential losses and the implementation of appropriate measures, including the setting up of applicable limits to keep credit risk exposures within the Bank’s risk appetite or the acceptable level of credit risk that it is willing to accept in pursuit of its lending plans and programs.

The Bank also manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and the correlation of credit risk with other risks. The effective management of credit risk is a critical component of a comprehensive approach to RM and essential to the long-term success of the Bank.

The Bank manages credit risk through a structured framework duly approved by the LANDBANK Board that sets out policies and procedures covering the identification, measurement, control, and monitoring of credit risk. Accordingly, approval of credit application goes through prescribed loan approving levels which, depending on the transaction or amount of loan applied,

could be elevated to the Credit Committee, Management-level Committee, the Investment and Loan Committee (ILC), and up to the LANDBANK Board, whenever applicable. The approval process also covers proposed remedial actions aimed at helping problem accounts regain normal operations. The Bank has put in place a comprehensive set of credit policies through the issuance of Credit Manuals, Credit Policy Issuances (CPIs) and Credit Bulletins (CBs). As the Bank’s middle office for credit risk, the Credit Risk Management Department handles credit risk oversight, risk measurement and risk rating of borrowers.

To effectively monitor and maintain the quality of its loan portfolio, the Bank conducts the Expected Credit Loss (ECL) calculation to assure proper loan classification and setting-up of valuation reserves. As of Dec. 31, 2023, the Bank’s net Non-Performing Loan (NPL) stood at P36,407.61 million or 2.47% of the total loan portfolio of P1,472,815.26 million.

Credit Risk Rating

LANDBANK’s Credit Risk Engine System (CRES) serves as the main platform for the automated development of statistically-based credit rating models which will be used to conduct credit ratings of borrowers to help determine their creditworthiness. The Bank undertakes continuing development and implementation of the CRES scoring facility to provide support to its ongoing initiatives for the adoption of applicable banking regulations and global best practices and approaches in Credit Risk Management.

The Bank has developed and implemented the following statistical-based credit scoring models using CRES:

- Application Scoring Model for Individual Home Buyers
- Application Scoring Model for Salary Loan Availers
- Behavioral Scoring Model for LGUs
- Behavioral Scoring Model for MSMEs
- Behavioral Scoring Model for Large Enterprise
- Behavioral Scoring Model for Cooperatives
- Application Scoring Model for Credit Card
- Behavioral Scoring Model for Partner Financial Institutions (PFIs)

On the other hand, the Bank uses an internally developed expert-based credit rating system for Universal Banks, Commercial Banks, and Offshore Banks.

Credit Risk Monitoring

The Bank has continuously adopted a formal reporting system for the LANDBANK Board and Senior Management to be able to monitor the credit quality of individual and loan portfolios using asset quality indicators such as past-due ratio, NPL ratio, level of non-performing assets, coverage ratio, concentration risk. Clean large exposures, breaches in regulatory and internal limits, potential credit risk, restructured loans, government accounts, exposures to the real estate sector, adverse news, credit

Risk Management

migration, large exposure/single borrowers limit, DOSRI Loans, Related Party Transactions, Expected Credit Loss (ECL) calculation, ROPA, PFIs, and compliance with Uniform Stress Testing and Real Estate Stress Test (REST) are intensively monitored by the ILC and the RiskCom. The recovery of written-off accounts is also on the radar of the LANDBANK Board, RiskCom and Senior Management.

Collateral and Other Credit Enhancements

The Bank adopts cash flow lending principles and collateral is not the primary factor in granting credit. The required amount and type of collateral and other credit enhancements to mitigate credit exposures depend primarily on the results of the holistic and prudent credit assessment. When needed, the Bank diligently evaluates the enforceability, realizable value, and marketability of offered collaterals. The Bank’s Credit Manual and CPIs provide guidelines on the acceptability of loan collateral and maximum valuation for each type of collateral.

The primary collaterals accepted are Holdout on Deposits, Government Securities, Real Estate Mortgage and Chattel Mortgage. The Bank also accepts government guarantees, cross suretyship from corporations and other eligible guarantees. In the case of agricultural and agriculture-related loans that are vulnerable to the effects of climate and weather disturbances, borrowers are encouraged to avail of crop insurance guarantees and other insurance mechanisms to shield them from these risks.

Credit Stress Test

LANDBANK regularly conducts stress testing of individual large exposure and its loan portfolio taking into account plausible risk events with a high probability of occurrence. Utilizing such scenarios with documented assumptions, tests are done to determine the magnitude of impact on the Bank’s loan portfolio, on the Credit RWA, and finally on the Common Equity Tier 1 (CET1) Ratio. Stress testing also includes prescribed regulatory tests such as Uniform Stress Testing and REST. Likewise, various loan portfolio assessments and reviews are conducted to determine the impact of a certain event and government regulation on the Bank’s loan portfolio, past due ratio and CET 1. Results of the stress testing, together with the action plans, are escalated to the ILC and RiskCom.

Market Risk Management

Market Risk Management Framework

LANDBANK is exposed to market risks in both its trading and non-trading banking activities. The Bank assumes market risk in market making and position taking in government securities and other debt instruments, equity, Foreign Exchange (FX) and other securities, as well as, in derivatives or financial instruments that derive their values from price, price fluctuations and price

expectations of an underlying instrument (e.g., share, bond, FX or index). The Bank’s exposure on derivatives is currently limited to currency swaps and currency forwards to manage FX exposure. The Bank is also exposed to derivatives that are embedded in some financial contracts, although these are relatively insignificant in volume.

The Bank uses a combination of risk sensitivities, Value-at-Risk (VaR), stress testing, CET1 ratio and capital metrics to manage market risks and establish limits. The LANDBANK Board, RiskCom and the Asset and Liability Committee (ALCO), define and set the various market risk limits for each trading portfolio. The Treasury and Investment Banking Sector (TIBS), particularly the Financial Markets Group (FMG) which manages the Bank’s trading units as well as the Asset and Liability Management Group (ALMG) which manages the liquidity and reserve positions, conducts risk-taking activities within limits and ensures that breaches are escalated to the Senior Management for appropriate action.

A loss alert is activated whenever losses during a specified period equal or exceed specified level. The Bank controls and minimizes the losses that may be incurred in daily trading activities through the VaR and Stop Loss limits. Positions are monitored daily to ensure that these are maintained within established position limits to control losses. Position limits are subordinated to VaR and Stop Loss limits. Modified Duration is used to identify the interest rate sensitivity of the Bond Portfolio of the Bank. In the same way, certain subsidiaries of the Bank independently quantify and manage their respective market risk exposures by maintaining their respective system and processes in place.

Market Risk Weighted Assets

As of Dec. 31, 2023, the LANDBANK’s Total Market RWA stood at P17,635 million, broken down as follows:

In P million	
PARTICULARS	Amount
Interest Rate Exposure	2,679
Equity Exposure	1,913
FX Exposure	5,238
Options	7,805
Total Market RWA	17,635

The Total Market RWA represents 1.17% of the Bank’s Aggregate RWA of P1,509,177 million.

Managing Market Risk Components

Market Risk is associated with earnings arising from changes in interest rate, FX rates, equity and in their implied volatilities. Market risk arises in trading as well as non-trading portfolios.

The Bank manages the following key market risk components using its internal risk mitigation techniques:

1. Interest Rate Risk in the Trading Book
Interest Rate Risk represents exposures to instruments whose values vary with the level or volatility of interest rates as a result of market making and portfolio taking. LANDBANK continues to manage interest rate risk in trading activities through factor sensitivities and the use of VaR and stress testing. Peso-denominated Debt Securities (Peso Debt) and Foreign-denominated Debt Securities (FS) are subject to daily mark-to-market and controlled through market risk limits.
2. Equity Price Risk Management
LANDBANK is exposed to equity price risk resulting from changes in the levels of volatility of equity prices, which in turn affect the value of equity securities and impacts on profit and loss of the Bank. Equities are subject to daily mark-to-market and controlled through market risk limits.
3. FX Risk Management
Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in FX rates. Using the Philippine peso as the functional currency, the Bank monitors daily the currency positions to ensure that these are within established limits.

Market Risk Measurement and Validation Tools

1. Value-at-Risk (VaR)
VaR is a statistical approach for measuring the potential variability of trading revenue. It is used to measure market risk in the trading book under normal conditions, estimating the potential range of loss in the market value of the trading portfolio, over a one-day period, at 99% confidence level, assuming a static portfolio.

The Bank uses the Historical Simulation Model in computing VaR of Equities, FS, Peso Debt, and FX trading portfolios as well as FX Net Open Position which is acceptable to BSP. Moreover, the Bank continuously pursues initiatives to improve its processes.

The VaR both at portfolio and across portfolio level are monitored. Daily VaR calculations are compared against VaR limits which is the monetary amount of risk deemed tolerable by the Management. The Bank also determines Diversified VaR that takes into account the diversification effect in which all losses in all securities in a portfolio are imperfectly correlated.

2. Stress Test
RM models have recently become the main focus of RM efforts in the banking industry where banking activities are exposed to changes in the fair value of financial instruments. However, the Bank believes that the statistical models alone do not provide a reliable method of monitoring and controlling risk because these models (while relatively sophisticated) have several known limitations, at the same time, do not incorporate the potential loss caused by very unusual market events. Thus, the VaR process is complemented by Stress Testing to measure this potential risk.

Stress Test is a RM tool used to determine the impact on earnings and capital of market movements considered “extreme”, i.e., beyond “normal” occurrence. The Bank utilizes Stress Tests to estimate possible losses which the VaR does not capture.

The Bank’s Market Risk Stress Test analyzes the impact of major risks that emerge out of the different scenarios, considering adverse and probable risk events, on activities related to Treasury’s trading and investment portfolios. This seeks to establish how far the Bank can absorb certain levels of stress, to explore the events that could cause a significant impact to the Bank and to assess its vulnerabilities and capability to deal with shocks such as price risk, interest rate risk, and FX risk.

3. Model Validation

a. Back-Test
LANDBANK adopts back-testing as the basic technique in verifying the quality of risk measures used by comparing actual trading results with model-generated risk measures.

Under the back-testing process, an exception occurs if mark-to-market (MTM) and trading loss exceeds the result of the model-generated risk measure. The number of exceptions is noted and the model is classified into one of the three zones as follows:

Risk Management

Zone Classification	Number of Exceptions
Safe/Green zone	zero to four exceptions
Non-conclusive/Yellow zone	five to nine exceptions
Problematic/Red zone	10 or more exceptions

Back-testing results are presented to the ALCO and the RiskCom which examine the actual performance of portfolios against VaR measures to assess model accuracy and to enhance the risk estimation process in general.

- b. Model Review
- Risk models used in managing market risk are subjected to model review being done by the Risk Modeling and Quantitative Analytics Unit (RMQAU) of Market and Liquidity Risk Management Department (MLRMD). On the other hand, Internal Audit Group (IAG) is tasked to do model audit of RM models.

Liquidity Risk Management

Liquidity Risk Management Framework

The Bank’s liquidity RM process is consistent with its general RM framework covering risk identification, measurement, monitoring and control. The policies and procedures that govern liquidity RM are reviewed and endorsed on a regular basis by ALCO and RiskCom for approval of the LANDBANK Board of Directors. The liquidity policy of the Bank is to always maintain fund availability and hence, to be in a position to meet all of its obligations, in the normal course of business.

The Bank considers liquidity risk based on market and funding liquidity risk perspectives. Trading or market liquidity risk refers to the inability to unwind positions created from market, exchanges, and counterparties due to temporary or permanent factors. It is the risk that the Bank cannot easily offset or eliminate a position at the market price because of inadequate market depth or through market disruption.

Funding liquidity risk is the risk that the Bank will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Bank. Funding liquidity risk is being monitored and controlled through the classification of maturities of assets and liabilities over time bands and across functional currencies as reflected in the Liquidity Gap Report (LGR).

The LANDBANK Board exercises oversight through RiskCom and has delegated the responsibility of managing the overall liquidity of the Bank to ALCO. ALCO and TIBS are responsible for the daily implementation and monitoring of relevant variables affecting the Bank’s liquidity position. ALCO reviews the assets and liabilities position on a regular basis and, in coordination with TIBS, recommends measures to promote diversification of its liabilities according to source, instrument and currency to minimize liquidity risks resulting from concentration in funding sources.

RMG, through MLRMD, is responsible for the oversight monitoring of the Bank’s liquidity risk positions and ensures that reports on the Bank’s current risk are prepared and provided to ALCO and RiskCom in a timely manner.

The Bank performs a comprehensive liquidity risk measurement and control using the LGR, covering the bank-wide balance sheet, as a tool. Risk models used in liquidity RM are subjected to independent model validation as conducted by MLRMD – RMQAU and model audit by the IAG.

Liquidity Risk Measurement

The Bank manages the liquidity risk using the following tools:

1. Liquidity Gap Report
- The Bank conducts liquidity gap analysis using the LGR. This risk measurement tool is used in identifying the current liquidity position and the Bank’s ability to meet future funding needs. It categorizes balance sheet items according to cash flows from the Bank’s assets and liabilities to determine any future mismatch such as long-term assets growing faster than long term liabilities.

MLRMD reports RBU (Peso and Foreign Exchange (FX) Regular), Foreign Currency Deposit Unit (FCDU), and Solo (Parent) LGR on a monthly basis to ALCO and RiskCom, respectively. Parent and Financial Allied Subsidiaries LGR is reported on a quarterly basis.

- The following behavioral assumptions are used in measuring the Bank’s liquidity gap:
- Non-Maturing Deposits (NMDs): Using historical balances of NMD accounts, a behavioral analysis is conducted to determine the rate of deposit outflow per time bucket. The calculated deposit run-off rates are the basis for the withdrawal pattern or actual behavior of NMDs.

- Term Deposits (TDs): TDs were bucketed based on maturity with run-off assumption on the balance sheet. A behavioral analysis is conducted to approximate the early termination rate based on historical deposit data. The early termination rate is used to estimate the amount of deposit that will be withdrawn before its maturity.
- Fixed Rate Loans: A behavioral analysis is conducted to estimate the percentage of loan balance that is likely to repay before the due date.
- Drawing Pattern of Credit Lines and Credit Cards: A behavioral analysis conducted to capture and estimate the drawing pattern for credit cards and credit line products.

As of Dec. 31, 2023, the Bank has in its possession a comfortable level of highly liquid assets and identified fund sources to cover for liquidity risk that may arise in the earlier tenor buckets. Most assets (particularly loans and investments) have long term maturities.

The Bank has established guidelines for liquidity risk limit setting to enable it to properly and prudently manage and control liquidity risk, consistent with the nature and complexity of its business activities, overall level of risk and its risk appetite.

The Maximum Cumulative Outflow (MCO) limit set by the LANDBANK Board is one of the tools used to manage and control the liquidity risk in the Bank’s gap report. MCO limits put a cap on the total amount of negative gaps in the ‘1 day to 1 year’ time buckets.

2. Liquidity Stress Test
- The Bank conducts regular stress testing and scenario analysis to further assess the Bank’s vulnerability to liquidity risk. This activity supplements the risk models used by the Bank which simulates various probable to worst-case scenarios happening in the industry that would affect LANDBANK. The following are the stress testing conducted by the Bank:
- Liquidity Stress Test/Scenario Analysis
 - FX Regular Stress Test
 - FCDU Stress Test
3. Liquidity Coverage Ratio (LCR)
- The LCR is reported monthly to BSP to ensure that the Bank maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) to meet liquidity needs for a 30 calendar-day liquidity stress scenario.

The Bank computes the LCR using the BSP prescribed formula:

LCR =

Stock of HQLA

Total Net Cash Outflow over the next 30 calendar days

Where:
HQLA – Refer to assets that can be converted easily and immediately into cash at little or no loss of value in private markets to meet the Bank’s liquidity needs during times of stress.

Total Net Cash Outflows – Pertains to the sum of the stressed outflow amounts less the sum of the stressed inflow amounts, with the inflow amounts limited to 75% of outflow amounts.

PARTICULARS	December 31 (in P million)	
	2023	2022
High Quality Liquid Assets	1,888,272	1,813,654
Total Net Cash Outflows	983,301	854,680
LCR	192.03%	212.20%

As of Dec. 31, 2023, the Bank’s LCR is higher than the 100% minimum requirement for the CY 2023.

Interest Rate Risk in the Banking Book

Interest Rate Risk in the Banking Book Management Framework

Interest Rate Risk in the Banking Book (IRRBB) is the current and prospective risk to earnings and capital arising from adverse movements in interest rates that affect banking book positions. LANDBANK’s IRRBB arises from the core banking activities. The main source of this type of IRRBB is gap risk which arises from timing differences in the maturity (for fixed rate) and re-pricing (for floating rate) of the Bank assets, liabilities and off-balance-sheet positions.

The Bank manages IRRBB based on approved policies and procedures. LANDBANK uses Re-pricing Gap/Earning-at-Risk (EaR) and Economic Value of Equity-at-Risk (EVEaR) to analyze the impact of changes in interest rates to both future earnings and net worth.

The Bank has established guidelines for IRRBB limit setting. To control re-pricing risk, a limit has been set on the EaR, putting a cap on the magnitude of re-pricing gap in the balance sheet. The EaR limit defines the maximum level of loss in net interest income (NII) due to changes in interest rates. Breaching this limit would require adjustments to be made in the balance sheet profile of the Bank. RMG-MLRMD recommends interest rate limits in coordination with ALMG and is approved by the ALCO, RiskCom, and the LANDBANK Board. On the economic value-based measure, the Bank compares the Equity level under various rate scenarios to the Equity at a base (or current) level to track change from base scenario.

The LANDBANK Board defines the Bank’s risk appetite and approves business strategies relative to the management of IRRBB. It delegates to ALCO the establishment and management of the Bank’s IRRBB position. The ALCO decides and allocates resources to manage IRRBB within the risk appetite set by the Bank. The TIBS ensures that ALCO’s decisions pertaining to the management of structural IRRBB are implemented.

IAG is tasked to do model audit of Risk Management (RM) models. The conduct involves the review and evaluation of the effectiveness of the system and, where necessary, ensures that appropriate revisions or enhancements to internal controls are made.

In addition, model validation is also being done by the RMQAU of MLRMD to check for any enhancements or calibrations needed to the models.

To date, the Bank does not engage in hedging transactions.

Interest Rate Risk in the Banking Book Measurement Models

- The two complementary measures of the potential impact of IRRBB are as follows:
- 1. Earnings-Based Measure: The Bank uses the EaR to estimate changes in net interest income under a variety of interest rate scenarios over a 12-month horizon. As of Dec. 31, 2023, the NII impact of change in interest rates amounted to P30,777.34 million.
 - 2. Economic Value-Based Measure: The Bank uses the EVEaR to assess the impact of changes in interest rates over the remaining life of its assets, liabilities and off-balance sheet items. As of Dec. 31, 2023, the EVEaR impact of change in interest rates amounted to P9,872.22 million.

Both measures are assessed to determine the full scope of the Bank’s IRRBB exposure. Moreover, IRRBB is not managed in isolation. IRRBB measurement systems are integrated into the Bank’s general risk measurement system and results from models are interpreted in coordination with other risks.

The interest rate risk exposures of the Bank are measured and reported to the ALCO and RiskCom on a monthly basis. Parent and Subsidiary EaR and EVEaR are prepared on a quarterly basis.

Key Behavioral and Modelling Assumptions

Behavioral assumptions enable the Bank to analyze how an instrument’s actual maturity or re-pricing may vary from its contractual terms because of behavioral options. LANDBANK has established the following behavioral and modeling assumptions in the quantification of IRRBB:

- 1. **Current Account and Savings Account (CASA) Repayment**
Behavioral assumptions for deposits that have no specific maturity/re-pricing date such as Non-Maturing Deposits (NMDs) can be a major determinant of IRRBB exposures under the economic value and earnings-based measures. To determine the actual behavior of NMDs, the Bank analyzed its deposits for the past 10 years to estimate the proportion of core (stable) and non-core (non-stable) deposits.
- 2. **Term Deposits subject to Early Termination**
A behavioral analysis to estimate the amount of term deposits that will be withdrawn before its maturity.
- 3. **Fixed Rate Loans subject to Prepayment**
A behavioral analysis to estimate the percentage of loan balances that is likely to repay before the due date.
- 4. **Drawing Pattern of Credit Lines and Credit Cards**
Behavioral methodology to capture and estimate the drawing pattern for credit cards and credit line products.

Interest Rate Shocks and Stress Scenarios

The Bank has a wide range of static interest rate shocks consisting of parallel and non-parallel shifts in the yield curve including but not limited to the Market Outlook of the LANDBANKEconomist, interest rate volatility for the past 10 years and standardized rate shocks prescribed under Basel Committee on Banking Supervision (BCBS) framework on IRRBB.

The Bank conducts Interest Rate Stress Testing using EaR and EVEaR. Results of scenario analysis help the Bank focus on coming up with contingency measures to reduce the impact of IRRBB.

Credit Risk on Investments

The Bank adopts a forward-looking Expected Credit Loss (ECL) parameter-based estimation approach as an impairment approach, as prescribed by PFRS 9. ECL Assessment shall be applied to the following treasury exposures:

- a. Investments in debt instruments that are measured at amortized cost;
- b. Investments in debt instruments that are measured at fair value through other comprehensive income (FVOCI); and
- c. Due from BSP and due from other banks.

To measure the ECL, initial assessment is first done on a per security basis to assess its level of credit risk. The estimated ECL per instrument is based on credit losses that result from possible default events within the next 12 months if there is no significant increase of credit risk (SICR) since initial recognition or with low credit risk. Otherwise, credit losses that result from all possible default events over the expected life of a financial instrument are considered in the ECL calculation.

Assessment of ECL for Treasury Exposures

The Bank segmented its credit exposures for purposes of ECL calculation according to groups that share similar credit risk characteristics with the objective of facilitating an analysis that is designed to identify significant increases in credit risk on a timely basis. The segmentation is by instrument type, product terms and conditions, and industry/market segment. Treasury exposures are segmented into Due from BSP and Securities Purchased under Resell Agreements (SPURA), Due from Other Banks (DFOB), FVOCI Debt Investments, and Financial Assets at Amortized Cost. Assessment is conducted on a per security basis to determine its level of credit risk.

Moreover, the Bank conducts an assessment to determine whether a financial instrument is subject to 12-Month or Lifetime ECL. Financial instruments under treasury are deemed to have a significant increase in credit risk if 1) Rating downgraded from investment grade to speculative/non-investment grade or 2) Rating downgraded by at least two rating grades.

Treasury Exposures are considered in default upon occurrence of the following:

- a. If a credit obligation is considered non-performing;
- b. If a borrower has been placed in bankruptcy, has been found insolvent, or has ceased operations;
- c. If the bank sells a credit obligation at a material credit-related loss; or
- d. If a credit obligation of a borrower/obligor is considered to be in default, all credit obligations of the borrower/obligor with the same bank shall also be considered to be in default.

A. Staging Assessment

Treasury exposures shall be classified into the following stages:

STAGE	CHARACTERISTICS	ECL ASSESSMENT
Stage 1	Credit exposures with no significant increase in credit risk since initial recognition, with low credit risk, or with external credit rating of investment grade	12-MONTH
Stage 2	Credit exposures with significant increase in credit risk since initial recognition as follows: 1. exposures with external credit rating downgraded from investment grade to speculative/non-investment grade; or 2. exposures with risk ratings downgraded by at least two rating grades	LIFETIME
Stage 3	Credit exposures with objective evidence of impairment or has defaulted	LIFETIME

B. ECL Parameters and Methodologies

- The ECL is determined by the following parameters:
- 1. Exposure at Default (EAD) is defined as the total credit exposure to a counterparty at the time of default. LANDBANK used outstanding balances of credit exposures as of cut-off date plus accrued interest receivables.
 - 2. Probability of Default (PD) is the likelihood that the counterparty will default over a certain time horizon. It does not depend on the transaction but on the counterparty’s characteristics. The Bank follows the following hierarchy to estimate the PD:

Risk Management

- a.

Internal Credit Risk Rating – PD is estimated based on issuer/borrower rating grade produced by internal rating models.
- b.

External Credit Risk Rating – PD is based on issue/issuer rating grade provided by external ratings agencies such as Moody’s, S&P, and Fitch. PD Estimation already incorporates any Forward-Looking Overlays.
- c.

External Credit Rating for Benchmark/Comparable Companies – PD is based on issuer rating grade of benchmark or comparable companies. The methodology used in determining the ratings of benchmark companies is either based on Bloomberg peers or industry average.
- d.

Credit Default Swaps Spread Curves
3.

Loss Given Default (LGD) is the assigned loss estimate when a counterparty has defaulted, after all recoveries are considered. It depends on the transaction, not on the counterparty. It is computed as one less recovery rate. LGD estimation for treasury exposures follows the same hierarchy used for PD estimation.

Investments in peso-denominated debt securities issued by the Philippine Government or BSP are considered to have low credit risk and carry zero ECL.

Credit Risk Exposures

The Bank is guided by its investment policy in its treasury activities. The Bank uses credit ratings provided by external rating agencies like Moody’s, Standard & Poor (S&P), Fitch, or other reputable rating agencies. The following indicates the level of credit quality for each rating agencies and its relevant external rating:

Rating Agency	Rating Grade	External Rating									
Moody’s	Investment	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
	Speculative	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca-C
	Default	SD	D								
Standard & Poor	Investment	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	Speculative	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC
	Default	SD	D								
Fitch	Investment	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	Speculative	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC
	Default	SD	D								

LANDBANK considers instruments that are rated ‘investment grade’ to have low credit risk.

The Bank’s exposure classified as Stage 1, Stage 2, and Stage 3 amounted to P1,756.20 billion, P0.76 billion, and P0.69 billion, respectively. The table below presents the Bank’s exposure for 2023 and 2022:

INVESTMENTS (In P Millions)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2023	2022	2023	2022	2023	2022		2022
Due from BSP and SPURA	527,994.56	294,208.20	527,994.56	294,208.20	-	-		-
Repo-Cash Margin	-	262.48	-	262.48	-	-		-
Due from Other Banks	14,122.22	14,243.65	14,121.57	14,243.00	0.65	0.65		-
Interbank Loans and Receivables	19,925.86	15,980.46	19,925.86	15,980.46	-	-		-
FVOCI debt investments	437,421.30	450,134.14	436,665.45	448,452.50	755.85	1,681.64		-
HTC investments	758,183.28	818,372.87	757,488.74	816,642.17	-	1,036.16		694.54
TOTAL	1,757,647.22	1,593,201.80	1,756,196.18	1,589,788.81	756.50	2,718.45		694.54

Risk Management

The calculated ECL for Treasury Exposures as of September 2023 increased from P740.83 million to P801.70 million. The table shows the computed ECL for 2023 and 2022:

INVESTMENTS (In Thousand P)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2023	2022	2023	2022	2023	2022	2023	2022
Due from BSP and SPURA	-	-	-	-	-	-	-	-
Due from Other Banks & IBLR	5,775.61	4,847.42	5,772.94	4,845.30	2.67	2.12	-	-
Due from Foreign Banks	4,902.85	3,968.29	4,902.85	3,968.29	-	-	-	-
Due from Local Banks and Fls	830.83	816.59	828.16	814.47	2.67	2.12	-	-
Repo-Cash Margin	-	20.91	-	20.91	-	-	-	-
Inter-bank loan and receivables	41.93	41.63	41.93	41.63	-	-	-	-
FVOCI debt investments	56,137.53	17,964.43	53,570.65	7,987.13	2,566.88	9,977.30	-	-
Local Debt Securities	-	-	-	-	-	-	-	-
Foreign Debt Securities	44,485.94	-	44,485.94	-	-	-	-	-
Private Securities	11,651.59	17,964.43	9,084.71	7,987.13	2,566.88	9,977.30	-	-
HTC investments	739,788.71	718,018.76	45,244.89	17,056.49	-	6,418.45	694,543.82	694,543.82
Local Debt Securities	-	-	-	-	-	-	-	-
Foreign Debt Securities	16,379.54	-	16,379.54	-	-	-	-	-
Private Securities								
Local	721,688.07	712,980.79	27,144.25	12,949.64	-	5,487.33	694,543.82	694,543.82
Foreign	1,721.10	5,037.97	1,721.10	4,106.85	-	931.12	-	-
TOTAL	801,701.85	740,830.61	104,588.48	29,888.92	2,569.55	16,397.87	694,543.82	694,543.82

Operational Risk Management

The Operational Risk Management (ORM) system of the Bank underwent a thorough review and validation to ensure adherence with BSP MORB 146 (Circular 900) Operational Risk Management (ORM), BSP MORB 149 (Circular 951) Business Continuity Management (BCM), BSP MORB 148 (Circular 808) IT Risk Management, BSP MORB 153 (Circular 1085) Sustainable Finance Framework and other operational risk-related regulations.

The ORM frameworks aim to establish and implement risk management strategies and best practices to effectively address and manage operational risk that are embedded in the day-to-day operations of the Bank. These ORM frameworks were found to be substantially compliant to the minimum requirements of the BSP.

The risk management culture of the Bank is further reinforced with the conduct of risk awareness cascading and sharing sessions on Risk Governance Framework, ORM, BCM, IT and Information Security. Dissemination of operational risk management programs are clearly communicated through continued briefings and seminars using various channels and platforms available in the Bank. Intensive workshops and technical working group discussion reinforces the awareness and learning avenues conducted to all employees of the Bank and LSFs for them to effectively perform their duties in managing operational risks.

The ORM function is strengthened with the hiring, training, coaching, mentoring, movement, and promotion of ORM personnel. Major ORM programs for the year involved enhancement of ORM manuals, frameworks, policies, and tools.

The Bank has a BCM Program which is compliant with BSP MORB 149 and aligned with the ISO 22301:2019 (Business Continuity Management System). The BCM Framework emphasizes the Bank’s BCM Governance and Process. BCM tools are continuously enhanced to conform to regulations and industry best practices.

As part of the Bank’s BCM process, the Bank conducts annual Business Impact Analysis (BIA) and Business Continuity Risk Assessment (BCRA) to prioritize risks and implement corresponding controls and identify and prioritize the Bank’s most critical functions and IT systems in case of disruptions. Also, Business Continuity Plan (BCP) components are being reviewed, updated and tested annually to ensure validity and effectiveness of the Plans.

The Bank ensures that business and risk management activities, including the operational risk management function, are carried out by adequate and qualified staff with the necessary experience, technical capabilities, and competence. The Bank

supports the continuing education of officers and staff of RMG through the certification programs where employees were licensed as Certified Risk Analysts (CRAs), Certified Risk Manager (CRM) and Bank Risk Management certification exams of Asian Institute of Chartered Banks (AICB).

Embedding of ORM across the institution is manifested with the BUs becoming aware of the specific operational risks they are confronted with. Taking a proactive stance in managing and escalating breaches as soon as they occur strengthens governance and enhances the oversight of these risks. BUs and LSFs conduct risk self-assessment using various RM tools to quantify and qualitatively assess potential operational losses which serve as their dashboard in monitoring operational risk. RMG regularly monitors and escalates to Senior Management and RiskCom the results of ORM processes.

Operational Risk Exposure

LANDBANK currently uses the Basic Indicator Approach (BIA) for calculating the capital charge for operational risk under Pillar 1. The formula is based on the average Gross Revenues of the Bank for the last three years to calculate the Operational Risk Weighted Assets (ORWA). As of Dec. 31, 2023, the Bank’s Total ORWA using the Basic Indicator Approach was P157.44 billion or 10.43% of the Bank’s Aggregate Risk Weighted Assets (RWA) of P1,509.18 billion. With the sustained Gross Revenues of the Bank relative to its expanding business operations, ORWA is expected to increase annually.

LANDBANK is firm in its resolve to fortify its operational risk management system including the development of an internal economic capital measurement model to better capture the Bank’s operational vulnerabilities and be able to provide more reliable support for the overall strategic objectives of the Bank.

The simulation conducted by the Bank for 2023 using its historical loss data resulted in a lower operational capital charge by P3.89 billion and P11.41 billion using the Standardized Measurement Approach (SMA) and Advanced Measurement Approach (AMA)-based Internal Capital Assessment (ICA), respectively, compared to the computed operational capital charge of P15.74 billion using the BIA.

Results of these capital exercises further ratify that the actual operational risk of the Bank is much lower than what it currently charges for its Pillar 1 capital as both models have consistently resulted in lower figures than the BIA. The lower capital charge will allow LANDBANK to lend more to its mandated sector, especially to small farmers and fishers, micro, small and medium enterprises, countryside financial institutions and local government units.

Consumer Protection Risk Management System

In compliance with BSP Circular 1160 – “Regulations on Financial Consumer Protection (FCP) to Implement RA No. 11765, Otherwise Known as the “Financial Products and Services Consumer Protection Act (FCPA)”, LANDBANK continues to update the Consumer Protection Risk Management System (CPRMS) as part of its enterprise-wide risk management system. It identifies, measures, monitors, and controls consumer protection risk inherent in the delivery of financial services to the general public. The Bank ensures to readily assist customers’ needs and concerns across all channels and guarantee consumer protection practices, address and prevent or mitigate identified or associated risk of financial harm to the Bank and its clientele (depositors, borrowers, and other clients).

As part of the oversight function on CPRMS, RMG ensures that board-approved CPRMS policies and procedures are in place, complaints management is strictly implemented, escalation of CPRMS-related issues is within the set timeline and training of Bank personnel are undertaken. Periodic reports are submitted to the Management Committee and the Risk Oversight Committee. RMG also conducts risk assessment of new, modified, or expanded products, programs, services, electronic banking channels, processes and other activities, including outsourcing from third party service providers to deliver quality service and protect LANDBANK’S clients.

The CPRMS Oversight Framework is aligned with and adheres to the Financial Consumer Protection Standards of Conduct prescribed under BSP Circular 11765, to cover (1) Disclosure and Transparency; (2) Protection of Client Information; (3) Fair Treatment; (4) Effective Recourse; and (5) Protection

of Consumer Assets against Fraud and Misuse. LANDBANK understands that financial literacy and inclusion begins with responsive and excellent customer service. The Bank is committed to protecting our customers’ rights as consumers of financial products and services. To protect clients’ information, RMG implements a bank-wide risk management program to manage information security risk and data privacy. The CPRMS is also subject to audit and compliance testing.

Information Security and Technology Risk Management

Information is one of the important assets of the Bank, and preserving the confidentiality, integrity, and availability of information assets is one of the essential responsibilities of the Bank to uphold the trust of its clients and stakeholders.

The Bank employs a holistic approach to information security and technology risk management through implementation and continuous enhancement of organizational, technical, and physical controls aligned with strategic objectives, business processes, legal and regulatory requirements, global standards, and industry best practices.

To keep abreast with the evolving threat landscape and efforts towards digital transformation, the Bank continuously improves its security posture through the following:

1. Adoption of global standards and industry best practices on information security and technology management
 - Swift Customer Security Controls Framework (CSCF)
 - Payment Card Industry Data Security Standards (PCI DSS)

- International Organization for Standardization (ISO)
 - National Institute of Standards and Technology (NIST)
 - Control Objectives for for Information Technologies (COBIT)
2. Formulation, development, review, updating, and issuance of documented policies and procedures to guide employees and other stakeholders on the Bank’s security controls, practices, and measures, aligned with legal and regulatory requirements, covering various domains
 - Information Security Policy Framework
 - Information Security Program
 - Information Security Strategic Plan
 - Information Systems Strategic Plan
 - Cyber Resilience Plan
 - IT Disaster Recovery Plan
 - Acceptable Use Policy
 - Guidelines on the Management of Information Assets
 - Implementing Guidelines of various IT systems and applications
 - Manual of Operations
3. Conduct of assessments and reviews by internal and external parties to measure the Bank’s security posture
 - Internal Vulnerability Assessment
 - Enterprise Information Technology Security Risk Assessment
 - Cybersecurity Maturity Assessment
 - Information Security Program Review
 - Business Continuity Management Review
 - System/Application Audit Review
 - Compliance Testing

4. Development and periodic measurement of key performance and risk indicators on information security, IT, and cyber security management
5. Facilitation of campaigns to promote risk management culture and intensify awareness on information security, IT security, cyber security, and data privacy for Bank employees, third-party service providers, clients, and the public through various activities, methodologies, and channels, including official social media accounts and conduct of simulation and testing exercises
6. Subscription to threat intelligence feeds, monitoring services, and other reputable sources to keep abreast with the threat landscape, attack vectors, and trends on information security, IT security, and cybersecurity
7. Employment of tools, devices, and solutions to identify, assess, measure, control, mitigate, monitor, and report risks associated with the use and management of information and technology resources
8. Implementation of multi-layered network security systems, deployment of solutions and subscription to third-party services for a highly-redundant and secured IT infrastructure
9. Continuous upgrading of IT infrastructure and electronic/digital banking channels

In 2023, the Bank continued to demonstrate its commitment to effective compliance management by implementing a range of measures, policies, assessment tools, and process enhancements. These initiatives have been instrumental in identifying and mitigating compliance risks associated with regulatory sanctions, thereby safeguarding the Bank from substantial financial losses and protecting its reputation. Over the years, the Bank's adherence to relevant laws, rules, and regulations has significantly bolstered its compliance management framework and elevated its corporate governance practices.

The Bank and its subsidiaries have their compliance management functions under the Compliance Management Group (CMG), in alignment with the LANDBANK Centralized Compliance Management Framework (CCMF). This framework establishes essential principles and standards for overseeing compliance management activities, emphasizing the following key components:

1. The Compliance Manual and Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual

- a. The Compliance Manual serves as a foundational document outlining the Bank's risk-based Compliance Program. It delineates planned activities, including the identification and assessment of new laws, rules, and regulations, fostering constructive relationships with regulatory agencies and Business Units (BUs), conducting communication and training sessions for Bank personnel on regulatory and compliance matters, implementing compliance monitoring and testing procedures, and providing regular reports to Senior Management and the Board of Directors of the Bank and its subsidiaries. This proactive approach enables Bank personnel to stay informed about the latest laws, rules, regulations, and other regulatory updates relevant to the Bank's operations. Updates to the Compliance Manual were approved by the Bank's Board of Directors in December 2023.
- b. The MTPP Manual embodies a comprehensive set of risk-based operating policies and procedures designed to uphold high ethical and professional standards and prevent the Bank from being exploited for money

laundering, terrorist financing, or proliferation financing activities. The manual outlines stringent measures aimed at mitigating these risks effectively. Updates to the MTPP Manual were approved by the Bank's Board of Directors in October 2023.

2. Identification and Assessment of Compliance Risk, Monitoring Compliance and Reporting

The CMG plays a crucial role in identifying and assessing compliance risks associated with various laws, rules, and regulations, including those related to Anti-Money Laundering/Countering Terrorism and Proliferation Financing (AML/CTPF), as well as other areas susceptible to compliance risks.

To ensure effective communication and understanding of regulatory requirements, CMG disseminates pertinent information through compliance bulletins. These bulletins serve as a means to inform and update personnel on new regulatory mandates, facilitating their compliance efforts. Furthermore, CMG monitors and validates the actions taken or the planned compliance measures to maintain regulatory adherence.

In order to verify and uphold compliance standards, CMG employs diverse compliance testing approaches, such as AML/CTPF Compliance Testing (ACT), tailored to address the identified regulatory risks. Pre-testing procedures are conducted to assess the initial actions taken or action plans devised for the implementation of new regulatory directives. Additionally, periodic testing is carried out on a regular basis to ensure ongoing compliance with existing laws, rules, and regulations. A detailed review of areas or activities exposed to high compliance risk is conducted to enhance the Bank's overall compliance framework and mitigate potential vulnerabilities.

Through these comprehensive measures and practices, CMG demonstrates the Bank's commitment to proactive compliance management and regulatory adherence, safeguarding its operations and reputation while upholding the highest regulatory standards.

CMG's Anti-Money Laundering Department (AMLDD) diligently reviews and submits Covered Transaction Reports (CTRs) and Suspicious Transaction Reports (STRs), respectively, to the Anti-Money Laundering Council (AMLC) while also overseeing system-generated transaction alerts to enhance the Bank's anti-money laundering efforts.

The Chief Compliance Officer (CCO) plays a pivotal role in the Bank's compliance structure. The CCO reports directly to the Bank's Anti-Money Laundering Committee (AMLCom), Management Committee (ManCom), and Board of Directors through the Audit and Compliance Committee (ACCom). Additionally, the CCO directly provides reports to Senior Management, the Board of Directors, and relevant Board-level Committees of subsidiaries. These reports encompass a wide range of critical information, including updates on new laws, rules, and regulations pertinent to business operations, results of compliance testing and corresponding corrective actions, the general status of regulatory compliance for the Bank and its subsidiaries, areas of vulnerability in compliance, emerging regulatory risks, and updates on compliance with directives from the Bangko Sentral ng Pilipinas (BSP) and Commission on Audit (COA) audit observations and recommendations.

By maintaining robust reporting mechanisms and ensuring effective communication at all levels of the organization, the Bank reinforces its commitment to regulatory compliance, risk management, and governance excellence.

3. Training and Communication

To foster a culture of compliance throughout the organization, CMG implements tailored training programs aimed at enhancing employees' understanding of regulatory compliance. Virtual training sessions are regularly conducted to heighten awareness of the Bank's inherent risks and to underscore each employee's role in mitigating these risks effectively.

In addition to training initiatives, CMG issues compliance advisories, bulletins, and compliance nuggets—concise and informative pieces on key regulations, including those related to AML/CTPF. These materials are distributed to both the Bank and its subsidiaries as needed, ensuring that personnel stay informed and up-to-date on essential

regulatory requirements. The AML/CTPF training materials are continuously reviewed and updated to guarantee that all staff members are well-versed in the latest regulatory developments.

The Compliance Function Database serves as a centralized repository of regulations accessible to Bank employees, regularly updated to provide the most current information. To fortify relationships with BUs, regular meetings are held with designated Compliance Coordinators (CCs), offering advisory services and guidance on managing compliance issues. Furthermore, CMG actively engages in various committees and Technical Working Groups, contributing to the formulation of guidelines for implementing regulations and enhancing overall compliance practices.

By proactively engaging in training, communication, and collaboration initiatives, CMG reinforces the Bank's commitment to compliance excellence, ensuring that all employees are equipped to uphold regulatory standards and mitigate risks effectively.

4. Constructive Working Relationship with Various Regulatory Agencies

The Bank, through the CMG, upholds a collaborative and constructive partnership with a diverse range of regulatory agencies. Through open and transparent communication channels, frequent dialogues, and consultative sessions, the Bank has fostered a robust and enduring relationship with regulatory bodies. These engagements serve as avenues to address specific regulatory concerns, clarify ambiguities in regulations, and build mutual understanding and cooperation.

Documents, information, and ad hoc reports requested by regulatory agencies are meticulously coordinated with the relevant BUs, ensuring alignment and accuracy. The Bank closely monitors the timely submission of these requested materials, demonstrating a commitment to responsiveness and compliance with regulatory obligations. By proactively engaging in these interactions and ensuring effective coordination with internal stakeholders, the Bank reinforces its dedication to regulatory compliance and meet regulatory agency expectations.

AML Governance and Culture

LANDBANK upholds robust risk management policies and practices that effectively identify, assess, monitor, mitigate, and manage Money Laundering, Terrorist Financing, and Proliferation Financing (ML/TF/PF) risks.

The four areas of sound risk management practices are:

1. Board and Senior Management Oversight

The Board of Directors assumes a pivotal role in overseeing business risk management and is ultimately accountable for ensuring the efficient implementation of the compliance system. Specifically, the Board of Directors is tasked with approving the compliance system, defining a comprehensive compliance framework for the Bank, and ensuring prompt resolution of compliance issues. Senior Management plays a crucial role in executing the company’s strategy, overseeing day-to-day operations, and ensuring the effective implementation of the compliance system. They report to the Board of Directors and are responsible for executing the policies and procedures established by the Board, ensuring alignment with the Bank’s strategic objectives and regulatory requirements. This structure ensures a strong governance framework and promotes accountability at all levels of the organization.

2. Money Laundering and Terrorist Financing Prevention Program (MTPP)

The MTPP comprises a comprehensive set of policies and procedures covering various aspects such as customer identification, transaction monitoring, alert investigation, covered and suspicious transaction reporting, record keeping, retention, training programs, ACT program, and internal audit program. These provisions are systematically implemented across the Bank’s branches, offices, and subsidiaries, ensuring a consistent approach to anti-money laundering and counter-terrorist financing practices.

The MTPP documentation is available on a group-wide basis through the Integrated Documents and Reports Archival and Retrieval System (IDRARS). This centralized repository facilitates easy access, viewing, and downloading of the MTPP materials, providing all Bank employees with clear guidance on the Bank’s AML/CTPF policies and procedures. By making these resources readily accessible, the Bank reinforces its commitment to promoting a culture of compliance and ensuring that employees are well-informed and equipped to adhere to regulatory requirements effectively.

3. Monitoring and Reporting Tools/Management Information System

The Bank has implemented a comprehensive approach to monitoring customer transactions, utilizing both manual and electronic systems. As part of the Bank’s internal processes, BUs, including subsidiaries, regularly review customer transactions by examining transaction monitoring reports, KYC documents, and transaction records. The goal is to identify any unusual transaction patterns or red flags that may indicate potential suspicious activity, prompting further investigation.

In particular, transactions are monitored through the AML System, a sophisticated web-based analytics platform. This system automatically generates CTRs, aggregates customer transactions across multiple accounts, and provides transaction alerts for review. These alerts help in identifying potential red flags that may necessitate the reporting of suspicious transactions to the AMLC.

Additionally, the Bank leverages on Audit Command Language (ACL) for data extraction and analysis. This tool is instrumental in detecting, preventing, and managing risks associated with fraud, money laundering, and terrorism financing in remittance transactions.

By employing a combination of advanced technologies and diligent monitoring processes, the Bank is committed to maintaining the integrity of its operations and safeguarding against financial crimes.

4. Internal Control and Audit

Audit findings and observations pertaining to AML/CTPF are included in the Audit Reports on BUs that are issued to the Board through the ACCom and Senior Management. These reports serve as a valuable tool for identifying areas of improvement and enhancing the bank’s overall AML/CTPF compliance framework.

Furthermore, the IAG communicates these findings to the AMLD for ongoing monitoring of corrective actions and reporting to the AMLCom. This collaborative approach ensures that identified issues are addressed promptly and that appropriate measures are implemented to strengthen the Bank’s AML/CTPF controls.

By maintaining a robust internal audit function and fostering effective communication channels between various stakeholders, the Bank demonstrates its commitment to upholding high standards of integrity and compliance in the realm of financial crime prevention.

5. Sustainable Finance Framework

CMG plays a crucial role as one of the lead Bank units for the LANDBANK Sustainable Finance Framework (LSFF). One of its key responsibilities is to conduct periodic compliance testing on a quarterly basis through monitoring of the progress status of action plans of BUs concerned and validation and evaluation of activities taken in terms of compliance with LSFF regulatory requirements.

The results of these compliance tests are reported to the relevant stakeholders to provide insights into the Bank’s compliance status and identify areas for improvement. CMG collaborates closely with the Internal Audit Group (IAG) to review the Bank’s policies and practices related to compliance testing and the audit of Bank Units’ adherence to Environmental and Social Risk Management standards.

The scope of the compliance testing encompasses various aspects, including the Board-approved LSFF Roadmap 2022-2023. This plan aims to ensure the implementation and attainment of deliverables as defined in the LSFF Roadmap’s sustainability goals, objectives and targets.

By actively engaging in compliance testing and audit activities, CMG and IAG contribute to strengthening the Bank’s commitment to sustainable finance and responsible banking practices. Their collaborative efforts help ensure that the Bank operates in alignment with regulatory requirements and best practices in environmental and social risk management.

Our Leaders:
Board of Directors



Benjamin E. Diokno
Chairperson
Secretary, Department of Finance



Lynette V. Ortiz
Vice Chairperson
President & Chief Executive Officer



Conrado M. Estrella III
Secretary
Department of Agrarian Reform



Atty. David D. Erro
Representative
Agrarian Reform Beneficiaries Sector



Francisco P. Tiu Laurel, Jr.
Secretary
Department of Agriculture



Bienvenido E. Laguesma
Secretary
Department of Labor & Employment



Virginia N. Orogo
Representative
Agrarian Reform Beneficiaries Sector



Nancy D. Irlanda
Representative
Private Sector

Our Leaders:
Alternate Board Members



Sharon P. Almanza
Treasurer of the Philippines
Bureau of the Treasury



Erwin D. Sta Ana
Deputy Treasurer
Bureau of the Treasury



Mercedita A. Sombilla
Undersecretary
Department of Agriculture



Liduvino S. Geron
Executive Vice President
Branch Banking Sector



Alex A. Lorayes
Executive Vice President
Corporate Services Sector



Alan V. Bornas
Executive Vice President
Operations Sector



**Benedicto Ernesto
R. Bitonio, Jr.**
Undersecretary
Department of Labor and Employment



**Atty. Lennard Constantine
C. Serrano**
Assistant Secretary
Department of Labor and Employment



Napoleon U. Galit
Undersecretary
Department of Agrarian Reform



Carel D. Halog
Executive Vice President
Treasury & Investment Banking Sector



Ma. Celeste A. Burgos
Senior Vice President
National Development Lending Sector



Leila C. Martin
Senior Vice President
Digital Banking Sector

Our Leaders:
Management Team

Our Leaders: Branch Banking Sector



Marilou L. Villafranca
Senior Vice President
North NCR Branches Group



Ramon R. Monteloyola
Senior Vice President
South NCR Branches Group



Ma. Belma T. Turla
Senior Vice President
North Luzon Branches Group



Sylvia C. Lim
Senior Vice President
Central Luzon Branches Group



Ma. Cielito D. Valdivia
Senior Vice President
Southwest Luzon Branches Group



Althon C. Ferolino
Senior Vice President
Southeast Luzon Branches Group



Khurshid U. Kalabud
Senior Vice President
East Visayas Branches Group



Delma O. Bandiola
Senior Vice President
West Visayas Branches Group



Camilo C. Leyba
Senior Vice President
East Mindanao Branches Group



Lina K. Pacio
Vice President
West Mindanao Branches Group

Our Leaders: Corporate Services Sector



Joselito B. Vallada
Senior Vice President
Human Resource Management Group



Marife Lynn O. Pascua
Vice President
Agrarian and Property Valuation Services Group



Emmanuel G. Hio, Jr.
First Vice President
Facilities and Engineering Services Group

Digital Banking Sector



Ma. Elenita N. Manucom
First Vice President
Customer Acquisition and Partnership Group



Grace Ofelia Lovely V. Dayo
First Vice President
Digital Solutions and Product Management Group

Our Leaders:
National Development Lending Sector



Filipina B. Monje
Senior Vice President
Northern and Central Luzon
Lending Group



Marietta B. Cajuguiran
Vice President
Southern Luzon Lending Group



Elsie Fe B. Tagupa
Senior Vice President
Visayas Lending Group



Charlotte I. Conde
Senior Vice President
Mindanao Lending Group



Emellie V. Tamayo
Senior Vice President
Asset Recovery Group



Lucila E. Tesorero
Senior Vice President
Corporate Banking Group

Our Leaders:
National Development Lending Sector



Cielito H. Lunaria
First Vice President
Consumer Lending Group



Edgardo S. Luzano
Assistant Vice President
Lending Program
Management Group



Esperanza N. Martinez
Vice President
SME Mid-Market Lending Group

Operations Sector



Annalene M. Bautista
Senior Vice President
Controllershship Group



Reynaldo C. Capa
Senior Vice President
Banking Services Group



Winston Rochel L. Galang
Senior Vice President
Banking Operations Group



Alden F. Abitona
Senior Vice President
Technology Management Group

Our Leaders:
Treasury and Investment Banking Sector



Gonzalo Benjamin A. Bongolan
Senior Vice President
Investment Banking Group



Ma. Francia O. Titar
First Vice President
Financial Markets Group



Adelfa R. Masacupan
First Vice President
Asset & Liability Management Group

Our Leaders:
Units under Office of the President and Board of Directors



Ma. Edelwina D. Carreon
Senior Vice President
Internal Audit Group



Lolita M. Almazar
First Vice President
Trust Banking Group



Roderick P. Sacro
First Vice President
Legal Services Group

Units under Office of the President and Board of Directors



Elcid C. Pangilinan
Senior Vice President
Strategy & Knowledge Management Group



Catherine Rowena B. Villanueva
Senior Vice President
Corporate Affairs Group
(Starting Oct. 23, 2023)



Vivian M. Cañonero
First Vice President
Corporate Affairs Group
(Until Sep. 30, 2023)
West Visayas Branches Group
(As of Oct. 2, 2023)



Cesar S. Cabañes
First Vice President
Compliance Management Group



Amelita H. Carrillo
First Vice President
Risk Management Group

Our Leaders:
Board of Directors Profile

as of Dec. 31, 2023

Benjamin E. Diokno
Chairperson
Secretary, Department of Finance

75 years old, Filipino

Benjamin E. Diokno is the current Secretary of Finance. He leads the economic team in pursuit of three broad development goals: reduce the deficit-to-GDP ratio to pre-pandemic rates, achieve upper middle-income country status by 2028, and bring down poverty incidence to single digits by the end of the President's term.

He previously served as Governor of the Bangko Sentral ng Pilipinas (BSP). During the time of his leadership, the BSP was among the first central banks in the world to respond to the pandemic and deploy decisive measures to cushion the adverse impact of the pandemic and pave the road to recovery.

In 2022, he was named Global and Asia-Pacific Central Banker of the year by The Banker, an international finance publication, in recognition of his leadership of the BSP through the global health crisis and his modernization agenda for the Philippines' banking system.

Prior to his appointment as BSP chief, he served as Budget Secretary under three presidents where he pursued an expansionary fiscal policy to finance investments in human capital development and public infrastructure.

Secretary Diokno obtained his Bachelor's degree in Public Administration (1968) and Master's degrees in Public Administration (1970) and Economics (1974) at the University of the Philippines. He completed his M.A. in Political Economy (1976) from the Johns Hopkins University in Baltimore, Maryland, USA and Ph.D. in Economics (1981) from the Maxwell School of Citizenship and Public Affairs, Syracuse University in New York, USA. In 2017, he received an honorary Doctor of Laws degree from the University of the Philippines—the highest academic rank and honor conferred by the University.

Lynette V. Ortiz
Vice Chairperson
President and Chief Executive Officer

60 years old, Filipino

Ms. Ortiz is the 11th President and CEO of LANDBANK. She has over 30 years of experience in banking and finance as she held various senior roles in Risk Management, Treasury, Corporate Finance and Capital Markets in foreign and local institutions.

Prior to her appointment, she served as the first Filipino CEO of Standard Chartered Bank (SCB) Philippines, where she led strategies to grow the local franchise across the various client segments and deliver sustainable financial performance. She also spearheaded several landmark transactions in both domestic and international capital markets for Philippine and ASEAN issuers.

She also holds the position of First Vice President in the Board of the Bankers Association of the Philippines (BAP), and is also a member of the BAP Executive Committee.

As a strong advocate for diversity and inclusion, Ms. Ortiz was named United Nations 2021 Philippine Women's Empowerment Principles Awards Champion for Leadership Commitment.

Ms. Ortiz obtained a bachelor's degree in Economics from the University of Philippines Diliman, where she graduated Cum Laude. She also took a master's degree in Finance and Investment from the City University of New York, Baruch College.

Francisco P. Tiu Laurel, Jr.
Secretary
Department of Agriculture

56 years old, Filipino

Mr. Tiu Laurel took on the mantle of Secretary of Agriculture in November 2023. Prior to his appointment, he led various agricultural and fishery organizations, including the Confederation of the Philippine Tuna Industry, Inc.; Processing Sector-Bangus Council of the Philippines; World Tuna Purse Seine Organization; and the Inter-Island Deep Sea Fishing Organization. He also served as the President of the Agusan Power Corporation and led the family-owned Frabelle Fishing Corporation, a deep-sea fishing company operating in the Asia-Pacific Region.

Bienvenido E. Laguesma
Secretary
Department of Labor and Employment

73 years old, Filipino

Mr. Laguesma takes on the role of the current Secretary of the Department of Labor and Employment (DOLE). He has a long track record of championing the welfare of Filipino workers as he served the Labor Department in various capacities for over 25 years. He was appointed as Labor Secretary in 1998 under Pres. Estrada's administration and as Commissioner under the Social Security Commission during the administration of the late President Benigno Aquino III.

He obtained a bachelor's degree in Political Science from the Lyceum of the Philippines University. He also graduated with a bachelor's degree in Law from the Ateneo de Manila University. Apart from this, he pursued post-graduate studies on Career Executive Service and Public Sector Administration from the Development Academy of the Philippines and Royal Institute of Public Administration in London, respectively.

Conrado M. Estrella III
Secretary
Department of Agrarian Reform

63 years old, Filipino

Mr. Estrella, who was appointed by President Ferdinand 'Bongbong' Marcos Jr. as the new Secretary of the Department of Agrarian Reform (DAR), is known for his support for farmers. He served as Pangasinan's provincial board member and became the youngest lawmaker in the House of Representatives in 1987. He represented Pangasinan's 6th District from 1987 to 1995 and from 2001 to 2010. From 2013 to 2022, Mr. Estrella served as the ABONO Party-List's representative and furthered the cause of farmers. When he served as Deputy Speaker of the House of Representatives, the notable bills that he filed include measures to enhance farmers' climate resilience, improve financing for farmers and fishers and establish "instructional gardening programs" in all elementary and secondary schools in the Philippines.

He spearheaded the enactment of the New Agrarian Emancipation Act (RA 11953) signed into law by PBBM on July 7, 2023 that condoned all agrarian debt of farmer beneficiaries to provide them more resources to increase their farm productivity.

Under Secretary Estrella's leadership, the DAR and the LANDBANK Board of Directors approved the landmark Joint Administrative Order providing the implementing rules and regulations (IRR) for Executive Order No. 4 Series of 2022, which declares a moratorium on the payment of land amortization and interests for agrarian reform beneficiaries (ARBs) who received agricultural land under the Comprehensive Agrarian Reform Program (CARP).

Atty. David D. Erro
Representative
Agrarian Reform Beneficiaries Sector

56 years old, Filipino

Atty. Erro serves as a representative of Agrarian Reform Beneficiaries in LANDBANK. A renowned expert in agrarian reform and land matters, he was previously the Undersecretary of the Department of Agrarian Reform (DAR) in 2016 and OIC-Secretary until the end of the Duterte Administration.

He completed his bachelor's degree in Political Science from the University of the Philippines-Manila and pursued a bachelor's degree in Law at San Beda College before earning his Law degree from Far Eastern University. He also passed the Bar Examinations in 2002.

Virginia N. Orogo
Representative
Agrarian Reform Beneficiaries Sector

67 years old, Filipino

Ms. Orogo currently sits in the LANDBANK Board as a representative of the Agrarian Reform Beneficiaries. Championing the marginalized and disadvantaged sectors, she previously served as the Department of Agrarian Reform's Undersecretary for the Foreign Assisted and Special Project Office as well as the Policy, Planning, and Research Office.

Prior to this, she was designated as the Department of Social Welfare and Development's Acting Secretary in 2018 and Undersecretary from 2017 to 2018, leading the implementation of the country's Conditional Cash Transfer (CCT) Program and Unconditional Cash Transfer (UCT) Program. She also spearheaded the Kumustahanan aimed at updating the listing of 4.9million families included in the Pantawid Pamilyang Pilipino Program (4Ps).

Ms. Orogo has a bachelor's degree in Social Work from La Concordia College and a diploma in Social Work from the University of the Philippines.

Our Leaders:
Board of Directors Profile

as of Dec. 31, 2023

Nancy D. Irlanda
Representative
Private Sector

54 years old, Filipino

Ms. Irlanda is the first female Appointive Independent Director in the LANDBANK Board of Directors. She brings a well-rounded and market-oriented perspective to her role as Private Sector Representative, and has been a staunch advocate of digital transformation and data analytics to bring about financial inclusivity.

Her pursuit of corporate governance has resulted in more robust loan policies that safeguard the people's money, as well as the environment.

As a news anchor, she made her early mark specializing in business and the economy at the ABS-CBN News Channel (ANC), where she also anchored and produced mainstream and political news and current affairs.

Apart from her work in media, she is also a former consultant with Petron Corporation, and worked in both cash and relationship management at Citibank. As an Economics graduate of the University of the Philippines Diliman, she was conferred the Dean's Medal and the award for Best Thesis for a co-authored work published in the Philippine Review of Economics and Business. She has served as moderator for highly-specialized events including Bangko Sentral ng Pilipinas' CEO Forum, Management Association of the Philippines' International CEO Conference, Internet and Mobile Marketing Association of the Philippines' Digital Congress, and the Semiconductor and Electronics Industries in the Philippines' CEO Conference.

She also serves as Chairperson of the Committees on Corporate Governance and Related Party Transactions and Member of the Risk Oversight and Trust Committees.

Alternate Members of the Board

Sharon P. Almanza
Treasurer of the Philippines
Bureau of the Treasury

46 years old, Filipino

Ms. Almanza is the current Treasuer of the Philippines. Prior to her appointment, she served as Deputy Treasurer of the Bureau of the Treasury and was seconded to the World Bank Group from 2021 to 2023 as the Alternate Executive Director and Senior Advisor for the Constituency of Brazil, Colombia, Dominican Republic, Ecuador, Haiti, Panama, Philippines, Suriname, and Trinidad & Tobago. Before entering the BTr, she held various positions in the Department of Finance.

She received her Bachelor of Science Degree in Economics at the University of the Philippines Dilaman. She later took up Masters in Public Policy at the Hitotsubashi University in Tokyo, Japan.

Erwin D. Sta Ana
Deputy Treasurer
Bureau of the Treasury

41 years old, Filipino

Mr. Sta. Ana started his career in the Bureau of the Treasury as Deputy Treasurer in 2015. He is handling various services such as Liability Management Service, Management Information Systems Service, and Regional Operations. Prior to this, he held various positions in the Philippine Deposit Insurance Corporation and the Department of Finance. He is a lawyer and a graduate of the Arellano University School of Law. He took up a bachelor of science degree in Economics at the University of the Philippines Diliman.

Mercedita A. Sombilla
Undersecretary
Department of Agriculture

69 years old, Filipino

Ms. Sombilla is the current Undersecretary for Policy, Planning, and Regulations of the Department of Agriculture. Among her responsibilities include promulgating rules and regulations consistent with the Department's policies, supporting policy formulation for domestic agriculture and fishery, and overseeing the Food Safety Act.

Apart from this role, she also serves as a Director under the National Economic and Development Authority, providing guidance in the implementation of projects and research studies. It is also under this institution where she previously held various positions such as Undersecretary from 2020 to 2022 and Assistant Secretary from 2017 to 2022.

Prior to reengaging in public service, she was a full time researcher who took on posts in international agencies such as DGE Ministry of Agriculture in Indonesia, Department of Agriculture in Malaysia, and International Food Policy Research Institute (IFPRI) in the USA.

Ms. Sombilla completed her bachelor's degree in Mathematics and master's degree in Economics from the University of the Philippines in Diliman. Meanwhile, she obtained a doctor's degree in Agricultural and Applied Economics from the University of Minnesota, USA.

Benedicto Ernesto R. Bitonio, Jr.
Undersecretary
Department of Labor and Employment

62 years old, Filipino

Mr. Bitonio currently serves as the Undersecretary of the Department of Labor and Employment. Prior to his appointment in 2022, he held various positions including the Executive Vice President at the Development Bank of the Philippines, Chairman at the National Labor Relation Commission, and Assistant Secretary and Director at the Department of Labor and Employment, and Head Executive Secretary of the Department of Labor and Employment, among others.

Mr. Bitonio completed his bachelor's degree in Arts and Laws from the University of the Philippines. He also holds a master's degree in Public Management from the National University of Singapore Kennedy School of Government, Harvard University. He obtained his bar license in 1989.

Atty. Lennard Constantine C. Serrano
Assistant Secretary
Department of Labor and Employment

38 years old, Filipino

Atty. Serrano serves as Assistant Sectrary of the Department of Labor and Employment since July 2022. He also taught Labor Law at Manuel L. Quezon School of Law from 2021 to 2023. Prior to his work at DOLE, he was a Managing Partner at Serrano Law Office, a Senior Associate at Batino Tan Talon Cacao Espinsa Law Office, a Defense Legislative Liaison Specialist at the Office of Undersecretaru for Defense Policy in Department of National Defense, and a Paralegal at Sto. Tomas and Serrano Law Offices.

Atty. Serrano earned his Juris Doctor degree from San Beda College, Manila, in March 2014, where he was recognized on the Semestral Honor Roll during his fourth year. He holds a Bachelor of Arts in Management Economics from Ateneo de Manila University, where he completed his studies in 2007. His earlier education was also completed at Ateneo de Manila University, including high school and grade school.

Napoleon U. Galit
Undersecretary
Department of Agrarian Reform

71 years old, Filipino

Mr. Galit was appointed as Undersecretary of the Department of Agrarian Reform in 2022 under the Marcos administration. Prior to his appointment as such, he was a Senior Managing Partner of Galit Law Firm, where his experience and expertise focused primarily on land disputes and escrow accounts, including but not limited to foreclosure of collaterals, their remedies, and its dispositions within the five-year limitation – from the date of consolidation under the General Banking Law, R.A. 8791.

Mr. Galit graduated from the Manuel L. Quezon University with a bachelor's degree in Commerce, and completed his bachelor's degree in Law (LL.B.) degree at the University of Manila. He became a Member of the Philippine Bar in 1994.

Our Leaders:

Management Team & Group Heads Profile

as of Dec. 31, 2023

Management Team

Liduvino S. Geron
Executive Vice President
Branch Banking Sector

59 years old, Filipino

EVP Geron is equipped with over 29 years of experience in various areas of banking, particularly in branch banking, strategic planning, and lending. He joined LANDBANK as a Management Trainee in 1994 and rose from the ranks, later on heading various bank units such as the Visayas Branches Group, Lending Program Management Group, Credit Policy Department, Agricultural and Development Lending Sector, and the Branch Banking Sector. He was also assigned as Officer-in-Charge (OIC) of the United Coconut Planters Bank, which merged with LANDBANK in 2022. He earned a bachelor’s degree in Agricultural Engineering from the University of the Philippines Los Baños and a master’s degree in Systems Agriculture from the University of Western Sydney.

Alex A. Lorayes
Executive Vice President
Corporate Services Sector

61 years old, Filipino

EVP Lorayes has been with LANDBANK for more than three decades, serving in various capacities before being appointed as Head of the Corporate Services Sector. He joined the Bank as a Project Analyst in 1988 and gained experience through his work in agrarian operations, lending and credit management, and branch banking operations. He is a licensed Environmental Planner, Real Estate Consultant, Civil Engineer and Geodetic Engineer. He earned his bachelor’s degree in Civil Engineering and master’s degree in Business Administration and Financial Management from the Divine Word College of Legazpi, where he also served as a Lecturer before joining LANDBANK.

Alan V. Bornas
Executive Vice President
Operations Sector

57 years old, Filipino

EVP Bornas has over three decades of experience in managing and responding to the technical and operational needs of LANDBANK. At present, he heads the Operations Sector in further improving the Bank’s technology and operations. He joined LANDBANK in 1989 as a Technical Specialist and handled various management positions that allowed him to lead the improvement of the Bank’s customer service and business through automation and information technology. He obtained a bachelor’s degree in Computer Science from the University of the Philippines Diliman and completed the Pacific Rim Bankers Executive Banking Course at the University of Washington in 2012.

Carel D. Halog
Executive Vice President
Treasury and Investment Banking Sector

59 years old, Filipino

With his strong background in corporate finance and investment banking, EVP Halog heads LANDBANK’s Treasury and Investment Banking Sector and is primarily responsible for the overall management of the Bank’s trading and investment units. He also oversees the Bank’s funds, including balance sheet and liquidity and reserve management, and ensures the timely delivery of these funds to support the Bank’s business requirements. A licensed Treasury Professional, he has been with LANDBANK for 36 years and has led various units including the Bank’s financial markets, investment banking, and treasury groups.

EVP Halog has a Master’s degree in Business Administration from the De La Salle University and completed the Ateneo Graduate School of Business Management Development Program. He is also a licensed Geodetic Engineer and a state scholar from the Mines & Geo-Sciences Bureau – his first employer.

Ma. Celeste A. Burgos
Senior Vice President
National Development Lending Sector

59 years old, Filipino

SVP Burgos joined LANDBANK in 1986. She has been in the service for more than three decades. She has handled loan accounts belonging to Top 1,000 corporations, mid-sized companies, GOCCs/government agencies, LGUs, financial institutions and cooperatives. She has efficiently headed the Mindanao Lending Group, Northern and Central Luzon Lending Group and the Corporate Banking Group where she was responsible for supervising, coordinating and overseeing the Group’s general credit operations. As head of the National Development Lending Sector, SVP Burgos is in charge of directing, planning and overseeing governance of the strategies and operations of all the lending groups under the sector.

SVP Burgos earned her bachelor’s degree in Commerce from the St. Paul College Manila and earned her master’s degree in Business Administration at the Pamantasan ng Lungsod ng Maynila. She is a Certified Public Accountant and a corporate banking professional, equipped with knowledge gained thru the China-Philippines Cooperation Program in Beijing, Zhuhai and Guangzhou, China and the International Study Program on Rural Banking and Finance in Massey University in New Zealand.

Leila C. Martin
Senior Vice President
Digital Banking Sector

62 years old, Filipino

SVP Martin has over forty years of banking experience and skills that have merited her with awards on the fields of audit management, branch banking operation, and project management. She joined the Bank in 1982 as a clerk under the Land Transfer Operations Department and worked her way up the corporate ladder, leading various branches, departments, and groups. In 2019, she was appointed as the President and CEO of OFBank, where she facilitated the development of the OFBank Mobile Banking Application. She returned to LANDBANK in 2023 as the head of the Digital Banking Sector.

SVP Martin obtained her bachelor’s degree in Mass Communication from the Pamantasan ng Lungsod ng Maynila and post graduate degree in Business Administration from Colegio de San Juan de Letran. She also attended a rural banking course in Japan and took up International Study on Rural Banking and Finance at the Massey University in New Zealand.

Group Heads

Branch Banking Sector

Marilou L. Villafranca
Senior Vice President
North NCR Branches Group

55 years old, Filipino

SVP Villafranca has served LANDBANK for more than 30 years and currently heads the North NCR Branches Group. She joined the Bank in 1992 as a cashier under the Customer Development Office and handled various positions including heading various branches and the Southeast Luzon Branches Group. She obtained her bachelor’s degree in Philosophy from the University of Santo Tomas and her master’s degree in Development Management from the Asian Institute of Management.

Ramon R. Monteloyola
Senior Vice President
South NCR Branches Group

62 years old, Filipino

SVP Monteloyola joined the Bank in 1983 as a clerk in the Branch Banking Department and worked in various positions before leading the branches and regional offices. Before he was designated to lead the South NCR Branches Group, he headed the Southern Luzon and Bicol Branches Group, East Visayas Branches Group and Central Luzon Branches Group. He earned his bachelor’s degree in Accountancy from the Polytechnic University of the Philippines and finished his master’s degree in Business Administration at the College of the Holy Spirit Manila. He is a Certified Public Accountant.

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as of Dec. 31, 2023

Ma. Belma T. Turla
Senior Vice President
North Luzon Branches Group

56 years old, Filipino

SVP Turla joined the Bank in 1989 as an accounting clerk at the Quezon City Branch and climbed her way up the corporate ladder as she took on supervisory roles in various branches. With over three decades of banking experience, she currently heads the North Luzon Branches Group. She completed her bachelor's degree in Commerce at the University of Nueva Caceres and her master's degree in Business Administration at the Philippine School of Business Administration. She is a CPA.

Sylvia C. Lim
Senior Vice President
Central Luzon Branches Group

56 years old, Filipino

SVP Lim is a homegrown Landbanker, with a career spanning over three decades. She started as a new accounts clerk at the South Harbor Extension Office in 1987. She handled different positions and managed various branches and lending centers before being appointed as Central Luzon Branches Group Head. She earned a bachelor's degree in Commerce from Manuel L. Quezon University and a master's degree in Business Administration from the Columban College Graduate School.

Ma. Cielito D. Valdivia
Senior Vice President
Southwest Luzon Branches Group

59 years old, Filipino

SVP Valdivia joined the Bank in 1987 as a teller in Sta. Cruz, Laguna Branch and worked her way up to become the head of the Southwest Luzon Branches Group. Before joining LANDBANK, she served as a High School Teacher at Liceo De Paete and a Research Assistant at the Forest Research Institute. She earned her bachelor's degree in Agricultural Economics from the University of the Philippines Los Baños.

Althon C. Ferolino
Senior Vice President
Southeast Luzon Branches Group

57 years old, Filipino

SVP Ferolino joined LANDBANK in 1991 starting as a field operations analyst at the Lanao Del Sur Field Office. Before his appointment as head of Southeast Luzon Branches Group, he led various branches before heading the Electronic Products Department (EPD), Central Luzon and West Visayas Branches Groups.

Prior to his work at LANDBANK, SVP Ferolino worked as a development officer at the National Irrigation Administration and as an instructor at the Mindanao State University and Iligan Medical Center Colleges. He earned his bachelor's degree in Political Science from the Mindanao State University. He also earned units for a bachelor's degree in Law at the same university. He completed his master's degree in Business Administration at the Laguna College of Business and Arts.

Khurshid U. Kalabud
Senior Vice President
East Visayas Branches Group

55 years old, Filipino

SVP Kalabud joined the Bank in 1990 as a field operations analyst at the Jolo Field Office. He took on different positions and led various lending centers and branches in Mindanao under East Mindanao and West Mindanao Branches Groups before he headed the East Visayas Branches Group.

Prior to LANDBANK, he worked as a radio announcer in DXMM Sulu, Tawi-Tawi Broadcasting Foundation, as well as a broadcast program producer, and announcer at the Bureau of Broadcast Services. He holds a bachelor's degree in Commerce from the Notre Dame of Jolo College and earned MBA units from the Western Mindanao State University before completing his master's degree in Public Administration at the Sulu State College.

Delma O. Bandiola
Senior Vice President
West Visayas Branches Group

53 years old, Filipino

SVP Bandiola joined LANDBANK in 1992 as an accounting clerk at the Cash Department. She took on different positions and consecutively led various branches and groups in North NCR before being appointed as head of the West Visayas Branches Group. She earned a bachelor's degree in Commerce from the St. Anthony's College and a master's degree in Business Administration from the Pamantasan ng Lungsod ng Maynila. She is a CPA.

Camilo C. Leyba
Senior Vice President
East Mindanao Branches Group

61 years old, Filipino

SVP Leyba joined LANDBANK in 1984 as an emergency accounting clerk at the Davao Branch. He rose from the ranks and led various branches and lending centers in Mindanao, and the West Visayas Branches Group before being appointed as the head of the East Mindanao Branches Group. SVP Leyba earned a bachelor's degree in Commerce and a master's degree in Business Administration from the Ateneo de Davao University. He is a CPA.

Lina K. Pacio
Vice President
West Mindanao Branches Group

60 years old, Filipino

VP Pacio has served the Bank for over 35 years, starting as a clerk at the Davao City Field Office then handling various positions before heading branches in Mindanao and currently the West Mindanao Branches Group. She earned undergraduate and master's degrees in Business Administration from Silliman University. She also graduated with a bachelor's degree in Law from Misamis University.

Corporate Services Sector

Joselito B. Vallada
Senior Vice President
Human Resource Management Group

52 years old, Filipino

SVP Atty. Vallada joined the Bank in 2003 as a legal officer, gaining experience in the Administrative Legal and Litigation Department. He was appointed as Head of the Personnel Administration Department before his current position as Head of the Human Resource Management Group. Prior to joining LANDBANK, he practiced law as an associate in various law offices. He graduated with a bachelor's degree in Economics from the University of the Philippines Los Baños and a bachelor's degree in Law from Manuel L. Quezon University.

Marife Lynn O. Pascua
Vice President
Agrarian and Property Valuation Services Group

56 years old, Filipino

VP Atty. Pascua joined LANDBANK in 2005 as a Legal Officer in the CARP Legal Services Department before handling several positions and eventually heading the Land Transfer Processing Department and Agrarian Support Department. She currently heads the Agrarian Services Group. Prior to joining LANDBANK, she worked as a legislative officer in the Philippine Senate and a court attorney in the Office of Presiding Justice Minita C. Nazario. She also handled several positions in the Municipality of Candon, Ilocos Sur. She earned a bachelor of science degree in Biology from the University of Northern Philippines and a bachelor's degree in Law from the Pamantasan ng Lungsod ng Maynila.

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as of Dec. 31, 2023

Emmanuel G. Hio, Jr.
First Vice President
Facilities and Engineering Services Group

51 years old, Filipino

FVP Hio joined the Bank in 1994 as a Human Resource Management Officer, gaining experience in Personnel Administration before being appointed as Head of the Organization Development Department. He currently heads the Facilities and Engineering Services Group. He has a Philosophy Degree from the De La Salle University where he also became a faculty member. He earned a master's degree in Business Administration from the College of the Holy Spirit Manila.

Digital Banking Sector

Ma. Elenita N. Manucom
First Vice President
Customer Acquisition and Partnership Group

56 years old, Filipino

FVP Manucom started her career in LANDBANK as a bookkeeper in Intramuros Branch in 1989. She rose from the ranks and has consecutively headed various branches in Metro Manila. She also served as the head of North NCRBG Cluster B prior to leading the Customer Acquisition and Partnership Group. She is a CPA who has earned her bachelor's degree in Commerce and master's degree in Business Administration from the University of Santo Tomas.

Grace Ofelia Lovely V. Dayo
First Vice President
Digital Solutions and Product Management Group

51 years old, Filipino

FVP Dayo became part of the LANDBANK in 1998 after taking on the position of LBPSC Programmer under the Bank's Application Systems Department. She gained greater experience under the Enterprise Systems Department before serving as information officer, bank executive officer, and department head of the Retail Banking Systems Department. Currently, she is leading the Digital Solutions and Product Management Group. She completed her bachelor's degree in Secondary Education from the University of the Philippines Diliman.

National Development Lending Sector

Filipina B. Monje
Senior Vice President
Northern and Central Luzon Lending Group

62 years old, Filipino

SVP Monje has served the Bank for 40 years, joining the Bank in 1983 as an accounting clerk in Urdaneta Branch. She served as a department manager of various LANDBANK branches and lending centers in North and Central Luzon before heading the South Luzon Lending Group and serving as OIC of the Agricultural and Development Lending Sector. She currently heads the Northern and Central Luzon Lending Group. She graduated with a bachelor's degree in Commerce from Luzon Colleges. She earned bachelor's degree units in Law from Northwestern College, units leading to a master's degree in Business Management from La Sallette College, and masteral units in Business Administration from the De La Salle University. She is a CPA.

Marietta B. Cajuguiran
Vice President
Southern Luzon Lending Group

58 years old, Filipino

VP Cajuguiran joined the Bank in 1988 as a new accounts clerk at the Cash Department. She took on different positions including account management specialist and accounts officer at the Account Management Department. She also led the SME-MID-Market Lending Department and Corporate Banking Group before becoming the Head of the Southern Luzon Lending Group. VP Cajuguiran graduated with a bachelor's degree in Business Administration, major in Accounting, from the University of the East. She also obtained a master's degree in Business Administration from the Pamantasan ng Makati.

Elsie Fe B. Tagupa
Senior Vice President
Visayas Lending Group

63 years old, Filipino

SVP Tagupa started her professional career with LANDBANK in 1983 as a clerk at the Bicol/Visayas Regional Office. With over 40 years in public service, she led various field units before heading lending centers in Cebu and Negros. She currently heads the Visayas Lending Group. SVP Tagupa finished her bachelor's degree in Commerce from Fatima College of Camiguin. She earned master's degree units in Business Management from the University of San Jose Recoletos and graduated with a master's degree in Business Administration from the College of the Holy Spirit Manila.

Charlotte I. Conde
Senior Vice President
Mindanao Lending Group

58 years old, Filipino

SVP Conde has served the Bank for 35 years, starting as an accounting clerk in the Davao del Norte Field Office in 1988 before being promoted to various positions and eventually heading a number of branches and lending centers in Mindanao. She currently heads the Mindanao Lending Group. SVP Conde graduated with a BS Accountancy degree from the Ateneo de Davao University and earned her master's degree in Business Administration from the University of the Immaculate Conception Davao City. She is a CPA.

Emellie V. Tamayo
Senior Vice President
Asset Recovery Group

56 years old, Filipino

SVP Tamayo joined LANDBANK as a management and audit officer of the Management and Operations Audit Department in 1989. She took on different positions, heading the Financial Asset Department, Loan Recovery Department and Lending Program Management Group. Currently, she is serving as the head of the Asset Recovery Group. Prior to LANDBANK, she worked as a junior auditor at Sycip, Gorres, Velayo and Company. SVP Tamayo earned a bachelor's degree in Business Administration from the Philippine School of Business Administration and a master's degree in Business Administration from the College of the Holy Spirit-Manila. She is a CPA.

Lucila E. Tesorero
Senior Vice President
Corporate Banking Group

60 years old, Filipino

SVP Tesorero started her professional career with LANDBANK in 1985 as an emergency clerk of the Loans Legal Action Office. She took on different positions and consecutively led various departments and groups including the Fund Sourcing Department, Public Sector Department, Corporate Banking Department, Program Lending Group, and Southern Luzon Lending Group. She is currently the head of Corporate Banking Group. SVP Tesorero completed her bachelor's degree in Agricultural Economics at the University of the Philippines-Los Baños. She completed her master's degree in Business Administration at the College of the Holy Spirit Manila.

Cielito H. Lunaria
First Vice President
Consumer Lending Group

60 years old, Filipino

FVP Lunaria joined LANDBANK in 1994 as a chief accounts management specialist in the Program Lending Department. She was assigned to various departments before heading the Financial Institutions Department. Currently, she leads the Retail and Mid-Market Lending Group. Prior to joining LANDBANK, she worked as a Junior Processing Engineer and Sales Engineer in other companies. She is a certified Chemical Engineer who obtained her bachelor's degree in Chemical Engineering from the Mapua Institute of Technology and a bachelor's degree in Law from the Far Eastern University.

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Edgardo S. Luzano
Assistant Vice President
Lending Program Management Group

64 years old, Filipino

AVP Luzano began his career with the National Food Authority before joining LANDBANK as an Executive Assistant in the Office of the President in 1992. He later advanced to the position of Bank Executive Officer, serving in both the Farmer’s Livelihood Assistance Group and the Program Management Department. Drawing on his leadership experience, he subsequently headed the Development Assistance Department and then the Program Management Department. In 2023, with the rank of Assistant Vice President, he became the head of the Lending Program Management Group. He holds a bachelor’s degree in Agricultural Engineering from the Gregorio Araneta University Foundation and a master’s degree in Development Management from the Asian Institute of Management.

Esperanza N. Martinez
Vice President
SME Mid-Market Lending Group

56 years old, Filipino

VP Martinez has over 32 years in service in LANDBANK, starting as a bookkeeper at the Provident Fund Office. Prior to her appointment as the head of the Lending Program Management Group, she served as an accounts officer at the SME-MID-Market Lending Department and Corporate Banking Department, and accounts manager at the Public Sector Department. She completed her bachelor’s degree in Business Administration, major in Accounting, from the Pamantasan ng Lungsod ng Maynila.

Operations Sector

Annalene M. Bautista
Senior Vice President
Controllershship Group

60 years old, Filipino

SVP Bautista has been with LANDBANK for the last 38 years, taking on different positions and leading various branches, departments and groups before being appointed as head of the Controllershship Group. She is a CPA who completed her bachelor’s degree in Accountancy at the Polytechnic University of the Philippines and her master’s degree in Business Administration at the Philippine Christian University. She also earned her master’s degree in Risk and Insurance Management from the De La Salle University – Manila.

Reynaldo C. Capa
Senior Vice President
Banking Services Group

60 years old, Filipino

SVP Capa has over 36 years in service in LANDBANK, starting as a clearing/distributing clerk at the Cash Department in 1988. He worked in various areas before heading the Central Clearing Department and currently, the Banking Services Group. He graduated with a bachelor’s degree in Business Administration major in Accounting from the University of the East and a master’s degree in Business Administration from Las Piñas College.

Winston Rochel L. Galang
Senior Vice President
Banking Operations Group

60 years old, Filipino

SVP Galang joined LANDBANK in 1990 and has handled various positions such as head of the Project Management and Engineering Department and Property Valuation and Credit Information Department. He currently heads the Banking Operations Group. He completed his bachelor’s degree in Civil Engineering at the Mapua Institute of Technology.

Alden F. Abitona
Senior Vice President
Technology Management Group

53 years old, Filipino

SVP Abitona is a homegrown Landbanker with a career spanning over three decades. He started as a clerk at the Rural Banking Group in 1991 and obtained experience from the various roles he took under the Technology Department, Data Center and Network Operations Department and Data Center Management Department. He currently heads the Technology Management Group. He earned his bachelor’s degree in Electronics and Communication Engineering from the Polytechnic University of the Philippines and earned MBA units from the University of Santo Tomas.

Treasury and Investment Banking Sector

Gonzalo Benjamin A. Bongolan
Senior Vice President
Investment Banking Group

58 years old, Filipino

SVP Bongolan joined the Bank in 2018 as the head of the Investment Banking Group. Prior to LANDBANK, he was the Vice President for Philippine Commercial Capital, Inc., Assistant Vice President for the PCCI Securities Brokers Corp. and held management positions in Belson-Prime East Asia Capital, First Metro Investment Corp. and Home Guaranty Corporation. He also worked as a Senior Economist at the Banque Nationale de Paris-Prime East and likewise served as a Legislative Staff Officer in the House of Representatives. He has bachelor’s and Master’s degrees in Economics from the University of the Philippines School of Economics where he has also worked as a teaching fellow.

Ma. Francia O. Titar
First Vice President
Financial Markets Group

53 years old, Filipino

FVP Titar has dedicated over 30 years to LANDBANK, beginning her career as a clerk in the Treasury Services Department in 1992. Throughout her tenure, she has advanced through various roles, eventually leading Domestic Currency Department, the Capital Markets Trading Department and the Asset and Liability Management Group. She currently heads the Financial Markets Group. She holds a bachelor’s degree in Business Management from the Polytechnic University of the Philippines.

Adelfa R. Masacupan
First Vice President
Asset and Liability Management Group

50 years old, Filipino

FVP Masacupan joined the Bank in 2003 and worked in various positions before heading the FX Sales and Hedging Solutions Department, and Liquidity and Reserve Management Department. She currently heads the Asset and Liability Management Group. She is a Certified Treasury Professional and a Licensed Fixed Income Market Salesman. Prior to working in LANDBANK, she worked as a legislative staff officer at the Office of Senator Heherson Alvarez and a researcher at the Department of Environment and Natural Resources. She graduated with a bachelor’s degree in Mass Communication from the University of the Philippines Diliman cum laude and a master’s degree in Business Administration from the De La Salle University (silver medal). FVP Masacupan is also a product of the Bank’s Management Development Program and Leadership Development Program, which she both topped in 2009 and 2016, respectively.

Our Leaders:

Management Team & Group Heads Profile

as of Dec. 31, 2023

Units under Office of the President and Board of Directors

Elcid C. Pangilinan
Senior Vice President
Strategy and Knowledge Management Group

55 years old, Filipino

SVP Pangilinan joined LANDBANK in 1995 as Bank Executive Officer at the Economics and Policy Studies Department and now leads the Strategy and Knowledge Management Group. His previous engagements were with various international organizations such as the United States Agency for International Development, the Millennium Challenge Account–Philippines, and the United Nations Development Programme. His passion as a development professional also includes 30 years of government service in the Department of Education and the Office of the President’s Presidential Management Staff under the administration of President Corazon C. Aquino.

Currently, he holds active membership and leadership roles in the government as a Member of the CITEM Board of Governors, UCPB Leasing and Finance Corp Board, and LANDBANK Securities Inc. Board, and in non–government entities as President of Chevening Alumni Foundation of the Philippines, Inc. Immediate Past President of the Hubert H. Humphrey Alumni Association, as well as the British Alumni Association.

He earned his bachelor’s degree in Behavioral Science from the De La Salle University and his masteral degree in Economics from the London School of Economics in the United Kingdom.

Catherine Rowena B. Villanueva
Senior Vice President
Corporate Affairs Group
(Starting Oct. 23, 2023)

52 years old, Filipino

SVP Villanueva has more than 30 years of experience in marketing, advertising, and public relations. Prior to joining the Bank as Vice President in 2012, she first gained experience from taking on various roles under Slimmers World International and Citibank, N.A., Philippines. She climbed the corporate ladder of the Bank and now serves as Senior Vice President and head of the Corporate Affairs Group. She earned her bachelor’s degree in Journalism from the University of Santo Tomas.

Vivian M. Cañonero
First Vice President
Corporate Affairs Group
(From Sept.1, 2020 to Sept. 30, 2023)

59 years old, Filipino

FVP Cañonero has served LANDBANK for over 27 years, joining the Bank in 1996 as Division Chief at the Branch Administration Office and eventually heading various lending centers. She headed the LANDBANK Corporate Affairs Group from Sept. 2020 to Sept. 2023, and took charge of the Bank’s communication and customer service programs. After her stint at CAG, she was assigned to head the LANDBANK West Visayas Branches Group. Prior to joining LANDBANK, she worked in various positions including as Chief Accountant, Finance Officer and Comptroller at the AFC Agribusiness Corporation and AFC Fertilizer and Chemicals, Inc. She has a bachelor’s degree in Business Management major in Accounting and a master’s degree in Management major in Business Management from the University of the Philippines–Visayas. She is a Certified Public Accountant.

Ma. Edelwina D. Carreon
Senior Vice President
Internal Audit Group

63 years old, Filipino

SVP Carreon has over 35 years of service in LANDBANK, having started as a project assistant at the Rural Banking Audit Department in 1988. She gained experience in various areas of audit before heading the Countryside Financial Institutions Audit Department 2 and 3, Loans Implementation Department and Loans Operations Management Department. She currently heads the Internal Audit Group. She has a bachelor’s degree in Commerce major in Accounting from the University of Santo Tomas and a master’s degree in Business Administration from De La Salle University.

Lolita M. Almazar
First Vice President
Trust Banking Group

59 years old, Filipino

FVP Almazar started her career in LANDBANK in 1986 as an emergency records clerk at the Accounts Management Department. She handled various positions before heading several branches and areas in the NCR. She was then appointed to lead the Investment Sales and Distribution Department before her current position as head of the Trust Banking Group. She has a bachelor’s degree in Commerce major in Business Administration from the University of Santo Tomas and a master’s degree in Business Administration from the Philippine Women’s University.

Roderick P. Sacro
First Vice President
Legal Services Group

51 years old, Filipino

FVP Atty. Sacro is a CPA–lawyer who heads the Legal Services Group. He joined LANDBANK in 1995, gaining experience in Management and Operations Audit, Treasury Operations, Litigation, and Risk Management before heading the Litigation Department, and Asset Recovery Group. Prior to LANDBANK, he worked in various positions in PCI Bank and ALC Group of Companies. He has a bachelor’s degree in Accountancy from St. Louis University, a bachelor’s degree in Law from the Arellano University Law School, and a master’s degree in Business Administration from the Ateneo de Manila University.

Cesar S. Cabañes
First Vice President
Compliance Management Group

49 years old, Filipino

FVP Atty. Cabañes started his career with LANDBANK in 2003 as a legal officer at the Banking Legal Services Department. He rose from the ranks in the department before becoming its Head in 2016. FVP Cabañes was later assigned as the Officer–in–Charge of the Legal Services Group and was appointed as the Head of the Compliance Management Group in 2022. He graduated with a bachelor’s degree in Classical Studies from the University of Santo Tomas. He also earned units from the Ateneo de Manila University before completing his bachelor’s degree in Law from the Arellano University.

Amelita H. Carrillo
First Vice President
Risk Management Group

43 years old, Filipino

FVP Carrillo joined LANDBANK upon the merger of the Bank and the former United Coconut Planters Bank (UCPB) in March 2022. She gained her expertise in risk management by serving as Risk Officer in various banks including the Malayan Bank Savings and Mortgage Bank, Export and Industry Bank, and Philippine Business Bank; head of Risk in Accion International and Bridge Philippines Investment; and Market and Liquidity Risk Department in UCPB. She graduated from the University of Santo Tomas with a bachelor’s degree in Mathematics.

Our Leaders:
Senior Officers Profile

as of Dec. 31, 2023

Branch Banking Sector

Cañonero, Vivian M.
First Vice President
West Visayas Branches Group

Coronel, Rossana S.
Relationship Officer
Pasong Tamo Branch

Cruz, Mary Lilian M.
Relationship Officer
Robinson’s Galleria Branch

Macapagal, Mylene B.
Relationship Officer
Pasig Capitol Branch

Burgos Jr., Francisco E.
Vice President
U.N. Avenue (Arroceros) Branch

Paranial, Virgilio C.
Vice President
Buendia Branch

Aquino, Renato R.
Vice President
Intramuros Branch

Rapanut, Elenita C.
Vice President
Branch Banking Support Department

Alabat, Abdulkadil A.
Vice President
Cotabato, Maguindanao Branch

Dela Cruz, Jose B.
Vice President
San Pedro, Davao City Branch

Bisnar, Vivian P.
Vice President
Plaza Independencia Branch

Masa, Nardo M.
Vice President
Southeast Luzon Branches Group

Lavilla, Aurelia M.
Vice President
Systems Implementation Department

Lluch, Anthony Evan A.
Vice President
Quezon Avenue Branch

Corporate Services Sector

Reyes, Alwin I.
Vice President
Procurement Department

Basbacio, Ramilito R.
Vice President
Property Valuation Services Department

Sotelo, Rose Marie E.
Vice President
Corporate Services Sector

Patio, Mira Leah B.
Vice President
Employee Relations Department

Arizabal, May D.
Vice President
Personnel Administration Department

Sapitula, Romulo E.
Vice President
Security Department

Gopico, Ma. Luisa S.
Vice President
Merger Business Continuity Team (MBCT)

Digital Banking Sector

Balassu, Ma. Elena A.
Vice President
Remittance Marketing and
Management Department

Justiniano, Emelyn M.
Vice President
Digital Products Marketing Department 1

Andarino, Reo S.
Vice President
Digital Banking Support Department

Executive Sector

Peñalosa, Myra-Lyn S.
Corporate Secretary
Office of the Corporate Secretary

Cuevas, Kristine Marie G.
First Vice President
Strategic Initiatives Office

Montesa, Randolph L.
Senior Vice President
Strategic Initiatives Office

Racela, Lizette Margaret Mary J.
Senior Vice President
Strategic Initiatives Office

Cortez, Marjorie R.
Vice President
Enterprise Data Management Department

Mercado, Viemerey E.
Vice President
Lending Operations Audit Department

Daraman, Sandra May C.
Vice President
Corporate Planning & Strategy
Management Department

Dinglasan, Dennis P.
Vice President
Field Legal Services Department

Sabino Jr., Mario S.
Vice President
Trust Account Management Department

Tolentino, Nikkolas Lorenzo Domingo G.
Vice President
Strategic Initiatives Office

National Development
Lending Sector

Aringo, Teresita S.
Vice President
Lending Support Department

Santos, Rolando G.
Vice President
Pampanga Lending Center

Bayangos, Bernardo B.
Vice President
Cagayan Lending Center

Calibuso, Jesse J.
Vice President
Cavite Lending Center

Jimenez, Ranilo B.
Vice President
Bulacan Lending Center

Bisnar, Allan R.
Vice President
Cebu South Lending Center

Aurellana Jr., Leonardo D.
Vice President
Microfinance Institutions Department

Reyes Jr., Eduardo N.
Vice President
Nueva Ecija Lending Center

Brosas, Emma M.
Vice President
Corporate Banking Department I

Lagapa Jr., Eulalio G.
Vice President
Cebu North Lending Center

Faune, Jose Enedicto G.
Vice President
Davao Lending Center

Arco, Jimmy P.
Vice President
Cagayan De Oro Lending Center

Japitana, Eden B.
Vice President
General Santos Lending Center

Bocato, Maria Aurora R.
Vice President
National Development Lending Sector

Operations Sector

Pornuevo, Lani U.
Vice President
Loan Operations Management
Department

Sazon Jr., Enrique L.
Vice President
Network Operations Department

Bien, Reynaldo Michael R.
Vice President
Financial Accounting Department

Berones, Rosanna F.
Vice President
Electronic Banking Systems Department

Tam, Rosemarie A.
Vice President
IT-Project Management Department

Tempongko, Janette L.
Vice President
Retail Banking Systems Department

Treasury And Investment
Banking Sector

Sacramento, Ivy C.
Vice President
Balance Sheet Management Department

Dimaano, Emmanuel G.
Vice President
Capital Markets Trading Department

Products & Services



Deposit Products

Regular Passbook Savings Account

An interest-bearing peso account with a minimum initial deposit and required monthly Average Daily Balance (ADB) of P10,000, which requires presentation of a passbook for deposit and withdrawal transaction.

Savings Account with ATM Access

An interest-bearing peso savings account wherein deposit transactions are made over-the-counter (OTC) or through the cash deposit machine (CDM) during official banking hours/days. Withdrawals may be done OTC or at any LANDBANK ATM and other ATMs with BancNet and Visa* logo. Cashless purchases may also be done online* and through any Point-of-Sale (POS) terminal of partner merchants from department stores, supermarkets and accredited establishments bearing the BancNet and Visa logo.

**applicable to LANDBANK Visa Debit Card only.*

Easy Savings Plus (ESP) Account

A premium savings account, with a minimum initial deposit of P20,000, which offers higher interest rates than a regular savings account and are tiered based on ADB levels.

Regular Current Account

A non-interest-bearing peso account, also known as Checking or Demand Deposit Account, wherein deposits are made OTC and withdrawals are made through the issuance of a check.

Current Account with ATM Access

A non-interest bearing peso checking account wherein deposit transactions are made OTC during official banking hours/days or via CDM. Withdrawals may be done either through the issuance of a check, or OTC. ATM withdrawals may also be made at any LANDBANK ATM and other ATMs with BancNet and Visa* logo. Cashless purchases may also be done online* and through any POS terminal of partner merchants from department stores, supermarkets and accredited establishments bearing the BancNet and Visa logo.

**applicable to LANDBANK Visa Debit Card only.*

Peso Earning Access & Sure Yield (EASY) Check

An interest-bearing peso checking account (IBCA), with a minimum initial deposit of P10,000 for individual customers, P20,000 for private institutional customers, and P30,000 for government customers. Deposits are made OTC while withdrawals are made through issuance of a check.

Peso Earning Access & Sure Yield (EASY) Check with ATM Access

An interest-bearing peso checking account wherein deposit transactions are made OTC or via CDM during official banking hours/days. Withdrawals may be done either through the issuance of a check or OTC. ATM withdrawals may also be made at any LANDBANK ATM and other ATMs with BancNet and Visa* logo. Cashless purchases may also be done online* and through any POS terminal

of partner merchants from department stores, supermarkets and accredited establishments bearing the BancNet and Visa logo.

**applicable to LANDBANK Visa Debit Card only.*

Regular Peso Time Deposit

A specific amount of funds in peso which earns interest at a predetermined competitive rate for a fixed period of time/term with a “Certificate of Time Deposit” (CTD) as proof of deposit. This is offered to individuals and institutions with peso denominated funds which may be locked-in for at least 30 days.

High Yield Savings Account (HYSA)

A peso account wherein funds of a specific amount are given predetermined competitive rates for a fixed term. Passbook also serves as a proof of deposit. HYSA accounts are offered to institutional customers only.

Auto-Save Deposit Account

A payroll-linked savings account for payroll account holders whereby a minimum of P100 is automatically debited from the payroll account and credited to the Auto-Save account every payday.

LANDBANK Perang Inimpok Savings Option (PISO) Account

An ATM Basic Deposit Account (BDA) with an initial deposit of P1, no minimum maintaining balance, requires at least P2,000 to earn interest and with a maximum outstanding balance of P50,000 at any given time.

LANDBANK OptiSaver Account

A premium savings account for individual customers with minimum initial deposit of P50,000, and offers higher tiered interest rates up to 4.00% based on ADB.

US Dollar Savings Account

An interest-bearing dollar savings account with a minimum initial deposit of USD100 for individual customers and USD1,000 for institutional customers which requires presentation of a passbook for deposit and withdrawal transactions.

US Dollar Time Deposit

A specific amount of funds in US Dollar which earns interest at a predetermined competitive rate for a fixed period of time/term (minimum of 30 days) with a “Certificate of Time Deposit” (CTD) as proof of deposit.

Easy US Dollar Pension

A deposit account whereby the monthly pension/benefit of pensioners/beneficiaries of various US Federal agencies residing in the Philippines is directly credited to their savings account maintained with LANDBANK. The US pensioner/beneficiary has the option to open either an individual Peso Savings Account or individual Dollar Savings Account.

High Yield US Dollar Time Deposit (HYUSD TD)

A special time deposit account, with a minimum initial deposit of USD2,000 for a two-year term, and USD10,000 for a three-year term, which earns a much higher interest than a regular time deposit account.

Digital Banking Products

iAccess (Retail Internet Banking Facility)

The LANDBANK iAccess is a retail internet banking facility that allows individual clients with enrolled savings ATM, regular current, and current accounts with ATM access to enjoy the convenience of secure online banking services anytime and anywhere. It offers banking services such as fund transfers to own account and nominated third-party accounts, as well as fund transfers to any PESONet and InstaPay participating banks or e-wallet issuers, bills payment to over 90 billers, checkbook request, account balance and transaction history, lost or stolen card reporting and check status inquiry.

weAccess

(Institutional Internet Banking Facility)

The LANDBANK weAccess is the Bank’s internet banking facility for institutional clients which allows private and

government entities with enrolled regular savings, current, and high yield savings accounts to manage their transactions online. Furthermore, it enables customers to pay bills, process ATM payroll, reorder checkbooks, sweep funds, and facilitate automatic debit and credit. It also allows them to transfer funds to their account or another LANDBANK account, or with any PESONet and InstaPay participating bank or e-money issuer. Non-financial transactions available in weAccess include account summary or transaction details, report viewing, institutional loan, and ACIC File Upload. The weAccess employs secured encryption, VeriSign digital verification, and two-factor authentication during log-in and authorization of select financial transactions to ensure that transactions and data are protected from online threats.

Electronic Modified Disbursement System (eMDS)

The LANDBANK’s eMDS is a secured internet banking facility developed for the Bank’s National Government Agencies (NGAs) that allows them to do selected MDS transactions online. It also aims to streamline the tedious and costly processing of MDS transactions and eliminate the physical transmission of required documents. The eMDS covers transactions such as the transmission of ACIC, processing of payment of accounts payable to creditors, fund allocation transfers initiated and approved by the government agency, and checkbook requisition.

Mobile Banking Application (MBA)

The MBA is one of the Bank’s popular digital banking channels providing retail clients with convenient access to a wide array of financial and non-financial transactions through their smartphones anytime, anywhere.

By downloading the MBA from the Google Play or App Store, clients can enjoy mobile banking services such as balance and transaction history of deposits, cash card, prepaid and credit card accounts, opening of savings account and USD

deposit account, purchase of Retail Dollar Bond (RDB) and Retail Treasury Bond (RTB), checkbook request, cardless withdrawal, intra-bank and inter-bank fund transfers, bills payment to over 130 merchant billers, locking or unlocking of ATM card transactions through Mobilock, Foreign Exchange and Unit Investment Trust Fund rates inquiry, and LANDBANK ATM and Branch locator.

Digital Onboarding System (DOBS)

DOBS is a web application which aims to reduce account opening time and simplify the account enrollment process. The system allows immediate capturing and validation of the customer’s information and enables easy retrieval of information from its digital records, making LANDBANK compliant in the requirements on data quality by various regulatory bodies.

Digital Onboarding System (DOBS) Corporate Payroll Facility

The Corporate Payroll Facility (CPF) of the DOBS was designed to accommodate the enrollment to the payroll accounts of the personnel, employees, beneficiaries or regular creditors of an institution/agency. The DOBS-CPF front-end application is accessible by the institutional agency. Access to DOBS-CPF back-end application is also granted to the authorized personnel of the institutional agency for the Know-Your-Client procedures, review and authentication of the information provided by the account enrollee prior the submission of the application to the Branch of Account thru the DOBS.

iEasy Padala

LANDBANK Remittance System (LBRS) or Easy Padala is a web-based remittance system that is able to process incoming and outgoing remittances 24/7, ensuring a fast and secure way for OFWs to send their hard-earned money through the Bank’s remittance partners present in various countries. It allows beneficiaries to receive remittances through their local bank accounts or simply cash out through LANDBANK’s payout agents nationwide.



Electronic Salary Loan (eSL)

eSL offers a facility for eligible employees of government agencies and private institutions to apply for a salary loan, inquire loan details, view payment history, and conduct loan payment through the LANDBANK MBA.

CheckWriter.biz

CheckWriter.biz is an online check disbursement service offered to agencies and institutions for convenient check request preparation and processing of check payments to third parties. It also allows the viewing and downloading of online reports to facilitate monitoring and reconciliation of check payments.

Post-dated Check (PDC) Warehousing Facility (PDC.biz)

PDC.biz is an online facility that complements the Post-Dated Check (PDC) Warehousing Facility where agencies/ institutions and individual customers can view, download, or print the status of their PDCs.

LANDBANK Bulk Credit System (LBCS)

LBCS is a web-based application where institutional clients can perform electronic batch crediting or fund transfer to its intended recipients (e.g., constituents, members, pensioners, investors, borrowers, beneficiaries, creditors, etc.). The system shall connect to the Philippine Electronic Fund Transfer (EFT) System and Operations Network (PESONet) platform for the batch crediting of accounts to other local banks.

Automated Fare Collection System (AFCS)

The AFCS is an automated and modernized fare collection system in the Philippines for the greater convenience and safety of the passengers and public drivers by initiating the use of contactless fare payment.

Digital Payment and Collections Services

LANDBANK Link.BizPortal

The LANDBANK Link.BizPortal is a web-based digital payment channel designed to accept payments of fees, dues and charges from customers of enrolled government and private merchants. Customers can use their LANDBANK or OFBank ATM Cards/Visa Debit Cards, LANDBANK Mastercard Prepaid Card, BancNet Member Bank ATM/Debit Cards, PCHC Paygate, OTC cash payment and eWallets.

Electronic Tax Payment System (eTPS)

eTPS is LANDBANK’s proprietary channel under the Electronic Filing and Payment System (eFPS) of the Bureau of Internal Revenue (BIR). With eFPS, transmission of tax returns including attachments, if any, and payment of taxes due to the government are made over the internet through the BIR website. The taxpayer is provided a paperless tax filing experience including the convenience of paying taxes online through an internet banking service via debit of an enrolled bank account.

BOC PAS6-Electronic Payment System (PAS6 – EPS)

The Payment Application Secure Version 6 (PAS6) – Electronic Payment System (PAS6-EPS) is an electronic payment channel that can be accessed by importers to pay for their custom fees and duties. LANDBANK’s participation in the PAS6 of the Bureau of Customs (BOC), offers customers a convenient online payment channel that is available seven days a week, including holidays, except during scheduled system maintenance.

Card Products

LANDBANK Debit Cards

The LANDBANK Debit Card is a payment card linked to a deposit account. It has two main types: (1) the ATM Regular Card and (2) the LANDBANK VISA Debit Card.

The LANDBANK Regular ATM Card can be used locally for ATM withdrawals and Point-of-Sale (POS) purchases. Deposit transactions can also be done through the Cash Deposit Machine (CDM) while withdrawals can be done via ATMs nationwide 24/7 and through the accredited LANDBANK Agent Banking Partners (ABPs) and POS Cash-Out merchants nationwide.

The LANDBANK VISA Debit Card is an enhanced version of the LANDBANK ATM Regular Card which enables its cardholders to transact in VISA-accepting ATMs worldwide, shop online, pay bills, pay for purchases via POS or mobile, mail order/telephone order (MOTO), and receive overseas remittance through the VISA partners.

LANDBANK Prepaid Cards

The LANDBANK Prepaid Card is a stored value payment card which is not linked to any deposit account. It has two main types: (1) the LANDBANK Cash Card and (2) the LANDBANK Mastercard Prepaid Card.

The LANDBANK Cash Card can be used locally for ATM withdrawals, fund transfer, POS purchases, bills payment and prepaid reload. As a transaction account, it can be re-loaded individually via OTC at LANDBANK Branches, CDMs, and accredited ABPs. It can also receive funds as a destination account of fund transfers via LANDBANK ATMs and other Bank’s ATM, MBA, iAccess, remittances via the LBRS, and through InstaPay.

The LANDBANK Mastercard Prepaid Card can be used in all LANDBANK ATMs nationwide and all Mastercard-accepting ATMs, POS, and e-commerce worldwide. Funds can be loaded or withdrawn at all LANDBANK Branches and accredited ABP. Cardholders can also pay their bills through the ABPs and transfer funds using the LANDBANK MBA and LANDBANKPay.

FCDU Products and Services

Clearing of FX Check Deposited in an FCDU account via Cash Letter Service

FX Checks drawn against a US-based bank are cleared with the US Federal reserve through the bank’s designated collecting banks.

Clearing of FX Check Drawn Against a Local Bank via Collection Letter Service

FX Checks drawn against local bank are cleared directly with the drawee bank.

Deposit via FX Check

Authorized LANDBANK branches accept the following foreign instrument for deposit to an FCDU account:

- **Bank Drafts** are negotiable instruments issued by a foreign or local bank and drawn against said bank’s demand deposit account with a foreign correspondent bank.
- **Money Orders** are negotiable instruments issued by a bank in the form of a money order drawn against its depository bank or themselves.
- **Personal Checks** are negotiable instruments issued by an individual drawn against his/her demand deposit account with a foreign bank.

Deposit via FX Currencies

Authorized LANDBANK branches accept bills/notes and coins of eligible LANDBANK FCDU deposit to an FCDU account maintained with the Bank.

Deposit from Incoming Foreign Remittance

LANDBANK credits the proceeds of an incoming remittance from any foreign bank coursed through LANDBANK’s foreign depository banks.

Incoming Local Remittance PDDTS via GSRT mode/EOD Netting

Incoming local remittance pertains to an incoming fund transfer from a participating local bank of the Philippine Domestic Dollar Transfer System (PDDTS)

- Gross Settlement Real Time (GSRT)/End-of-Day (EOD) Netting mode for credit to a LANDBANK FCDU account.

Withdrawal Transaction from an FCDU Account via Foreign Currency Demand Draft

Foreign currency denominated bank draft drawn against LANDBANK’s foreign depository bank.

Withdrawals via FX currencies

Authorized LANDBANK branches services withdrawals in foreign bills/notes drawn against an FCDU deposit account.

Via Outgoing Foreign Electronic Fund Transfer (EFT)

Transfer of FCDU deposits from LANDBANK to any beneficiary living outside of the Philippines.

Via Outgoing PDDTS – GSRT Mode

Transfer of US dollar funds from LANDBANK to any beneficiary maintaining an FCDU account with a participating local bank.

Withdrawals via Philippine Peso

Authorized LANDBANK branches services withdrawals from an FCDU deposit account where proceeds shall be converted into Philippine Peso.

Outright Purchase of FX currencies

Refers to buying of foreign currency denominated bills/notes and coins.

Outright purchase of FX instruments

- **Via Bank Draft**
Negotiable instruments purchased by customers and issued by the bank that are drawn against the Bank’s demand deposit account with a foreign correspondent bank.
- **Company Check**
Negotiable instruments issued by a company/firm to their customer and drawn against their demand deposit account with foreign bank.
- **Via “On US” Checks**
Negotiable instruments issued by an FX bank and drawn against LANDBANK’s USD maintained either in



LANDBANK’s USD account, FX bank’s USD account with LANDBANK or FX bank’s peso account with LANDBANK.

- **Personal Checks**
A negotiable instrument issued by an individual drawn against his/her demand deposit account with a foreign bank.

Sale of FX through Demand Draft

Refers to negotiable instruments purchased by a customer drawn against LANDBANK’s demand deposit account with a foreign correspondent/depository bank.

Sale of FX through Telegraphic Transfer

Refers to sale of USD or any third currency to a customer funded by one of our LANDBANK’s FX depository banks, for transmittal to the customer’s beneficiary.



Incoming Foreign Remittance from any Foreign Bank

LANDBANK receives incoming remittances from any foreign bank that are coursed through LANDBANK’s foreign correspondent and/or depository banks.

Incoming Local Remittance through PDDTS/GSRT/EOD Netting/RTGS/PESONET

Incoming local remittance pertains to incoming fund transfers from a participating Philippine Domestic Dollar Transfer System (PDDTS) – Gross Settlement Real Time (GSRT)/EOD Netting, Real Time Gross Settlement (RTGS) and PesoNet Mode for credit to account maintained in a LANDBANK Branch under FCDU or regular account.

Inward Remittances

Inward Remittances received from Remittance Agency Partners (RAPs) via tested/original copy of payment orders/ SWIFT for credit to LANDBANK account payable to a certain beneficiary.

Branch Loan Products

Salary Loans

A salary loan product of the Bank offered to all qualified employees of government corporations and agencies, local government units and private institutions,

including barangay officials, provided the institution/agency maintains a reciprocal business with the Bank.

Loans Against Hold-out on Deposits (LAHOD) or Assignment of Government Securities

A loan product of the Bank offered to qualified depositors provided the loan is secured by assignment of deposits or government securities, and covered by a Promissory Note with Deed of Assignment (PN with DA).

Ancillary products

Deposit Pick-Up and Cash Delivery Services

Allows the mobilization/transmittal of voluminous cash/check deposits of customers via pick-up/delivery at the customer’s premises through the use of the Bank’s armoured cars and other authorized bank vehicles, provided the customer maintains a reciprocal business with the Bank.

Payroll Services

Offered to government line agencies, GOCCs, LGUs and private corporate entities maintaining reciprocal business with the Bank.

Payroll is effected by debiting the total payroll amount from the customer institutional account and crediting to each of the individual ATM accounts of employees on payroll date.

Safety Deposit Box

Boxes which are rented to select customers of the Bank for the purpose of keeping their asset valuables and important documents

Demand Draft

Are negotiable instruments sold by a bank to a customer and drawn against said bank’s demand deposit account with other depository banks.

Manager’s Check

Are negotiable instruments which are being sold by LANDBANK to customers. Manager’s Check may be presented for encashment/deposit to any LANDBANK branch or deposited to any bank subject to one day clearing.

LANDBANK Gift Check

Is a peso-denominated check which works just like a Manager’s Check. It is offered to customers as an alternative form of gift which is as good as cash. The check may be deposited or encashed at any LANDBANK branch, and may also be deposited in other banks subject to existing check clearing policies and procedures.

Sale and Purchase of Foreign Currency Notes

Sale/purchase of foreign currency notes to/from a customer.

Note: USD may be bought and sold at all branches.

Clearing of Foreign Currency Checks

Foreign Currency Checks received from the depositor and sent as collection items and credited to the deposit account once cleared.

Agrarian Services

Land Transfer Claim Processing

Processing, valuation/revaluation/ adjustment, and approval of land transfer claims involving compensable private agricultural lands covered by the various agrarian reform laws, to wit:

- **Presidential Decree (PD) No. 27**
Decreeing the Emancipation of Tenants from the Bondage of the Soil, Transferring to Them the Ownership of the Land They Till and Providing the Instruments and Mechanisms Therefore
- **Executive Order (EO) No. 228**
Declaring Full Land Ownership to Qualified Farmer Beneficiaries Covered by PD No. 27, Determining the Value of Remaining Unvalued Rice/ Corn lands and Providing the Manner of Payment by the Farmer Beneficiary and Mode of Compensation to the Landowner
- **Republic Act (RA) No. 6657**
Comprehensive Agrarian Reform Law of 1988
- **Republic Act (RA) No. 9700**
An Act Strengthening the Comprehensive Agrarian Reform Program (CARP), Extending the Acquisition and Distribution of All Agricultural Lands, Instituting Necessary Reforms, Amending for the Purpose Certain Provisions of RA No. 6657, Otherwise Known as the Comprehensive Agrarian Reform Law of 1988, as Amended

Land Transfer Payment

Processing, approval, and payment to landowners for land transfer claims in the form of cash and Agrarian Reform (AR) Bonds

Bond Interest and Maturities Payment

Processing, approval, and payment of maturities and interest due to the bondholders of 10-year AR Bonds and 25-year LANDBANK Bonds

For 10-year AR Bonds, 10% of the face value of the bond matures every year up to the 10th year. Interest is based on the outstanding principal balance of the AR Bond aligned with the applicable 91-day Treasury Bill rates, computed every six months from the date of issuance until the 10th year. For 25-Year LANDBANK Bonds, full redemption/payment at face value of the bond is made on its maturity date, including accrued interest computed at 6% per annum, tax free.

Bond Servicing Transactions

Processing, approval, and issuance of new replacement AR Bonds upon request of the bondholder for the following transactions:

- **Assignment**
Transfer from an inscribed bearer bond to named assignee/s
- **Conversion**
Change of the inscribed bond to a bearer bond and vice versa
- **Exchange`**
Issuance of one bond by consolidating two or more bonds and vice versa
- **Replacement**
Issuance of a new AR bond in lieu of lost, destroyed, or mutilated bond

Issuance of Certification of Outstanding AR Bond

Certification that the AR Bond is still outstanding and is not among those included in the list of bonds with adverse claims

Issuance of Certificate of Full Payment/ Release of Real Estate Mortgage (CFP/ ROREM)

The CFP/ROREM is issued to ARBs with Agrarian Reform Receivables (ARR) accounts with fully-paid land amortizations/obligations to the National Government as of the effectivity of RA 11953 or the New Agrarian Emancipation Act.

Moratorium in the Payment of ARB Accounts

A suspension on the payment of the principal obligation and interest of the amortization payable by ARBs under

the Agrarian Reform Program. EO No. 40, series of 2023 provides an extension of the moratorium period for two years, or until Sept. 13, 2025, for ARBs which were not covered by condonation under RA 11953.

Automated Collection of Loan Amortization from ARBs

The Portable Agrarian Reform Collection System (PARCS) is a custom-designed solution which is utilized in the automated collection of loan amortizations under the Bank’s Digital Lending System (DLS).

Lending Programs

Agricultural Lending Programs

- **Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program**
A credit window created pursuant to RA No. 10848 or the ACEF Extension Law which aims to help increase the productivity of farmers and fishers and their cooperatives, associations, and micro and small enterprises by providing financial assistance for the purchase of farm inputs and acquisition and establishment of agricultural production and processing facilities, and for farm improvement with minimal documentary and collateral requirements and interest rate.
- **Coconut Farmers and Industry Development (CFID) Lending Program**
This program aims to provide coconut farmers and their organizations with easy and affordable credit, and increase productive investments and economic activities in the countryside, especially in coconut-producing communities. It also aims to comply with RA No. 11524 known as Coconut Farmers and Industry Trust Fund (CFITF) Act, which created the Coconut Farmers and Industry Trust Fund.

• **Expanded Rice Credit Assistance under Rice Competitiveness Enhancement Fund (ERCA-RCEF) Program**

A credit facility created pursuant to RA No.11203 or the Rice Tariffication Law that aims to help increase the productivity of rice farmers and their cooperatives by providing financial assistance to rice-related projects such as rice production, acquisition and establishment of agricultural production and processing equipment and facilities, and farm improvement.

• **Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)**

A lending program implemented pursuant to RA No. 10659 or the Sugarcane Industry Development Act (SIDA) of 2015 to promote the competitiveness of the local sugarcane industry and increase the incomes of sugarcane farmers/ planters and farm workers through improved productivity and production efficiency.

• **Socialized Credit Facility to Qualified Agrarian Reform Beneficiaries (ARBs) and Small Farmers and Fishers (SFF)** through Qualified Partner Financial Institutions (PFIs) On June 25, 2020, the Monetary Board approved the adoption of the Internal Rules and Regulations (IRR) of R.A. No. 10878 which mandates the development of a direct credit support to ARBs and SFFs. Under this, LANDBANK shall allocate at least 5% of its regular loan portfolio for socialized credit to qualified SFFs and ARBs through qualified conduits. Loans under this socialized credit shall have an interest rate equivalent to not more than 75% of the Bank's prevailing rates to cooperatives provided that these conduits shall have an interest spread rate of not more than 5% to its sub borrowers, excluding reasonable fees and charges, such as but not limited to, crop insurance premiums and guarantee fees that may be imposed.

Thus, LANDBANK launched this program that aims to provide socialized credit facility to qualified SFFs and ARBs through qualified conduits or PFIs.

Agricultural Lending Programs (In Partnership with The National Government)

• **Accelerated Loans for Empowered, Resilient, and Transformed Agrarian Reform Beneficiaries Organizations (ALERT ARBOs) Program**

A joint program of DA, DA-ACPC, DAR, DENR and LANDBANK to provide accessible, adequate, timely, and affordable loans to eligible ARBOs and their member-ARBs for the purpose of financing their individual or communal agriculture and fisheries activities, agri- and fishery-based enterprises, and other agri-related projects.

• **Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (E-ARISEARBs) Program**

A joint program of DAR and LANDBANK which provides a contingent credit facility to ARBs, cooperatives and farmers' associations, otherwise known as Agrarian Reform Beneficiaries Organizations (ARBOs), which and whose members were adversely affected by natural calamities/disasters, pest and diseases and viral infections/ outbreaks.

• **Accessible Funds for the Delivery to Agrarian Reform Beneficiaries (AFFORD-ARBs) Program**

An enhanced lending program in partnership with DAR, which caters to individual ARBs for their production of rice, corn and high value crops and acquisition of small farm implements.

• **Enhanced Partnership Against Hunger and Poverty (EPAHP) Lending Program**

A program aimed at providing credit assistance to qualified community-based organizations

in support of the government's effort to address hunger, food and nutrition security, and poverty; and encourage community participation in institutional contracts.

• **LANDBANK-BFAR Partnership for the Promotion and Development of Mariculture Parks**

The partnership between LANDBANK and BFAR promotes mariculture as alternative livelihood including ancillary industries primarily among small fishers but also covers MSMEs and other mariculture park locators and stakeholders. A Fishery Trust Fund of P100 million was provided by BFAR as guarantee fund covering 100% of the unsecured outstanding principal balance of past due loan for all fisheries projects but gives priority to projects financed in mariculture parks including ancillary industries.

• **Masustansyang Inumin Para sa Likas na Kalusugan (MILK)**

A program tie-up of LANDBANK with the DA National Dairy Authority (NDA) that aims to provide financial and technical support to cooperatives and associations, federations, SMEs, large agribusiness enterprises, and rural/cooperative/thrift banks to support dairy production, processing, marketing and other dairy-based economic activities.

• **Palay at Mais ng Lalawigan Lending Program**

A joint program of LANDBANK and the Department of Agriculture (DA) that provides credit assistance to eligible municipal, city and provincial local government units (LGUs) to procure the palay and corn produced by local farmers to ensure the ready and steady/reasonable price of the commodities of farmers.

The program aims to continue providing credit facility for LGUs to support their palay and corn procurement, that in a way will (1) serve as safety net for low prices of these commodities, which is the original objective of the programs,

as well as (2) provide a ready market for rice and corn to support the Government's thrusts for food security and self-sufficiency.

• **Rural Agro-Enterprise Partnership for Inclusive Development (RAPID) and Growth Credit Facility (RAPID Growth Credit Facility)**

A collaborative undertaking by the Bank and DTI that aims to increase the income of small farmers and unemployed rural men and women, initially in selected provinces of Region 8 and Mindanao. The market-driven and value chain-based RAPID intends to provide strategic business development interventions on cacao, coffee, coconut, and processed fruits and nuts farming, from nursery operation, production, processing to marketing.

In-House Agricultural Lending Programs

• **Agri-Mechanization Financing Program**

The Program provides credit assistance to promote mechanization of production and post-production processes from planting-harvesting-processing to increase efficiency, reduce postharvest losses and lower cost of production.

• **Climate Resilient Agriculture Financing Program**

A program that promotes climate change adaptation initiatives towards climate resilient agriculture.

• **Coconut Production and Processing Financing (Coco-Financing) Program**

A program that provides credit assistance to coconut industry stakeholders engaged in production and processing.

• **Commercial Fishing Vessel Financing Program**

A program aimed at providing credit assistance to commercial fishing operators in acquiring vs for domestic or overseas use in consonance with the policy of the government to liberalize vessel acquisitions.



• **Consolidation of Business Operations and Support for Primary Cooperatives thru Federations (COOPFEDERATION) Lending Program**

This program provides credit assistance to Cooperative Federations duly registered with the Cooperative Development Authority for the management of their income generating projects and for the provision of technical, marketing, and capacity building services among their primary coop-members.

• **Empowering Barangays In Remote Areas through Credit and Enterprises (EMBRACE)**

A program designed to assist individual borrowers in unserved areas in line with the Government's thrust for financial inclusion and in pursuit of the Bank's mandate.

• **Farm Tourism Financing Program** Pursuant to RA 10816 or Farm Tourism Development Act, the program aims to promote farm tourism, which is the practice of attracting visitors and tourists to farm areas for production, educational and recreational purposes involving any agricultural or fishery-based operation and/or a venue for outdoor recreation and accessible family outings.

• **Financing Program for Greenhouse Farming System**

A program which extends support to the financial requirements of farmers' organizations and other agri-entrepreneurs in their shift towards the modern farming system through the adoption of greenhouse technology.

• **Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) Project**

An official development assistance (ODA) program that provides credit and technical assistance to cooperatives, SMEs, large agribusiness enterprises, and CFIs in the BARMM and other conflict-affected areas in Mindanao, through the promotion of value-chain, increase in agribusiness investments and generation of jobs.

• **Poultry Lending Program**

A program that primarily supports the poultry industry stakeholders through financing among others the construction of climate-controlled poultry buildings including associated modern equipment for more efficient poultry farming and help promote sustainable, competitive and self-sufficient poultry production.



- **Sugarcane Financing Program**
A program which provides credit assistance to sugar industry stakeholders along the sugarcane value chain.
- **Sulong Saka Program**
A program that extends credit assistance to various qualified stakeholders to support their crop diversification, particularly for high-value crops such as abaca, bamboo, banana, cacao, cassava, citrus fruits, coffee, mango, oil palm, onion, pineapple, rubber, tomato, vegetables, among others.
- **Sustainable Aquaculture Lending Program (SALP)**
A program which caters to fisheries anchored on institutional buyers or processing/canning companies linked with small fishers, micro, small and medium enterprises (MSMEs) as growers or suppliers.
- **Special Window and Interim Support to Nurture Hog Enterprises (SWINE) Program**
A program to support the local hog industry amid threats from the African swine fever (ASF) and help increase local production and mitigate potential deficit of pork supply.

- **Young Entrepreneurs from School to Agriculture Program (Yes! To Agriculture Program or YESAP)**
A program that promotes agri-entrepreneurship among the youth through the provision of credit support. It also aims to encourage enterprising young individuals to prioritize farming and agribusiness enterprise.

Housing and Mortgage Programs

- **Housing and Opportunities Made Easy (HOME) Loan Program**
The LANDBANK HOME Loan Program is a lending program that caters to both homebuyers and home developers:
- **Easy Home Loan (EHL) Program**
EHL Program allows individual home buyers to purchase residential units or house and lot, the construction of a residential building on a lot owned by the borrower or to refinance current and existing home loans from other banks, financing firms or developers' in-house financing.

Developer's End Buyers Financing Tie-up

This program allows clients to buy their homes through an accredited developer. It also allows developers to grow their business by supporting their clients' home acquisition after an accreditation process.

Bahay sa Bagong Bayani (3B) Program

A special lending program for Overseas Filipino Workers (OFWs) which allows them to purchase townhouse, condominium unit, lot, house and lot or construction/ improvement of residential building on a lot owned by the borrower or to refinance current and existing home loans from other banks, financing firms or developers' in-house financing.

Housing Project Developers Financing

This is a financing program that allows real estate developers to access credit for the development of purely residential subdivision, condominium buildings and integrated housing communities. It also allows financing for the working capital requirements of developers.

- **Mortgage Loan**
A credit facility available for eligible clients to make use of their real estate property as loan security to a multi-purpose loan from the Bank.

Salary Loan

- **Electronic Salary Loan (eSL)**
An electronic-based salary loan product of LANDBANK that offers eligible employees of government agencies and private institutions with a facility to apply for a salary loan, inquire loan details, view payment history, and conduct loan payment through LANDBANK's electronic banking channels such as the Mobile Banking Application (MBA) and receive notifications through SMS or email.

Programs for Partner Financial Institutions

- **Countryside Financial Institutions Enhancement Program 2020 Calamity Assistance Program (CFP-2020 CAP)**
A program jointly implemented by the Bank with the Bangko Sentral ng Pilipinas and the Philippine Deposit Insurance Corporation that aims to assist eligible Countryside Financial Institutions (CFIs) adversely affected by natural calamities and man-made disasters, pests and diseases, viral infections/outbreak; and enhance and sustain CFI's long-term viability.
- **Partner Financial Institutions-Additional Credit for Countryside Outreach and Rural Development (PFI-ACCORD) Program**
A program that provides short-term loans to eligible partner financial institutions (PFIs) such as cooperatives, rural/cooperative/thrift banks and non-government organizations with legal personality to borrow to augment their credit funds for lending activities to small farmers and fishers, micro, small and medium enterprises, and agri-business enterprises.
- **Countryside Financial Institutions – Rehabilitation and Support to Typhoon Odette-Affected Areas (CFI-RESTORE) Lending Program**
A lending program to help eligible CFIs adversely affected by Typhoon Odette through the provision of a term loan facility and restructuring of existing loan accounts.
- **Digitalization of Countryside Financial Institutions (DIGI-CFI) Lending Program**
Financial assistance to CFIs in digitizing their banking operations to improve efficiency and provide more responsive and innovative products and services to their clients.

Rehabilitation Programs

- **Calamity Assistance and Rehabilitation Support (CARES) Program**
A rehabilitation assistance program for various existing and new customers for them to recover from the destruction brought about by calamities. The Program is available within two years from the date the area is declared under the state of calamity by the Office of the President or by the Local Government Unit.
- **Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 (I-RESCUE) Lending Program**
A support program for the MSMEs, cooperatives, MFIs, and large enterprises that are affected by the economic impact of the COVID-19 pandemic through provision of additional funds and loan restructuring under more flexible terms and conditions.

Infrastructure Development Programs

- **Bringing Urbanization and Innovations Thru LANDBANK's Diverse Engineering Resources Support (BUILDERS) Program**
LANDBANK's contribution to the Public-Private Partnership program of the National Government that provides contractors the needed working fund in ensuring completion of awarded projects and/or pursuing expansion of existing businesses.
- **Lending Program for Economic Zone Developers**
A credit facility for developers of economic zones.
- **Local Government Unit (LGUs) Lending Program**
A loan program that aims to provide LGUs with credit facilities to finance local infrastructure and other socio-economic development projects in accordance with the approved local development plan and public investment program.

- **Restoration and Invigoration Package for a Self-Sufficient Economy towards Upgrowth for LGUs (RISE UP LGUs) Lending Program**
RISE UP LGUs aims to support the LGUs in responding to the effects of COVID-19 pandemic and implement their economic recovery plan to revive the local economy.
- **Local Government Unit – Multi-Developmental Financing (LGU-MDF) Support Program**
A lending program that aims to consolidate the various lending windows of MDFO, rationalized with the Bank's existing program for LGUs. The program provides financing to LGU programs, plans, and activities that are geared towards the recovery from the COVID-19 pandemic.
- **Sustainable Multi-dimensional Approach using Revolutionized Technologies (SMART) in City Development Lending Program**
A credit program of LANDBANK which aims to finance project proposals in this age and era of the 4th industrial revolution. Projects that will make living in an urban area or cities convenient and safe using and adopting cutting-edge technologies like internet of things (IOT), robotics/ automation and Artificial Intelligence.

Power/Water/Health Sector Development And Environment Protection Programs

- **Bringing Inclusive Growth in Every Household through National Electrification Support Services (BRIGHTNESS)**
A financing assistance to qualified electric cooperatives and wholesale power aggregators that complements RA No. 9136 otherwise known as the Electric Power Industry Reform Act of 2001 (EPIRA Law) which promotes rural electrification that would ensure quality, reliability, security and affordability of supply of electric power nationwide.

- **REAL Energy Lending Program**
A program that provides financing to renewable energy(RE)/energy-efficient projects and supports the National Government’s thrust of promoting RE development, utilization and commercialization, and accelerating investments in the energy sector.
- **H2OPE (Water Program for Everyone)**
A loan program that enables the Bank to capture a sizable number of qualified players in the water and sanitation industry in bringing in sustainable 24/7 piped, clean and safe water to the Filipino people.
- **Solutions in Terminating Pollution (STP) for Manila Bay**
A synergistic program to help restore cleanliness of the country’s capital harbor and proper sanitation of the surrounding waterways in support of the thrusts of the Manila Bay Task Force created under Administrative Order No. 16 and mandated to enforce and take charge of overall rehabilitation and management of sustaining the Manila Bay.
- **Climate Safe Program (Special Adaptation Facility for the Ecosystem)**
The program aims to provide financing to all climate change adaptation projects, including those approved in the LGU development or investment plan or Local Climate Change Action Plan. Projects or activities in the Business Continuity Plan of private sector entities are also eligible to this program.
- **Carbon Finance Support Facility**
This program for climate change mitigation offers financing and technical assistance to piggery, sanitary landfill, and mini-hydro projects in order to generate carbon credits. LANDBANK has two active UNFCCC-registered Program of Activities (PoA):

PoA for Animal Waste (Piggery)
This involves the introduction of a biodigester/methane recovery system in the management of wastewater of piggeries that usually use open anaerobic systems. Through the

construction of a biodigester/ methane recovery system, the GHG emissions of the piggery are captured, flared and/or used in power generation.

PoA for Landfill Gas Recovery
The program encourages LGUs and private operators to set up sanitary landfills in compliance with RA No. 9003 and further promote the construction of landfill gas management facilities. In this way, the PoA will reduce GHG emission from methane compared to the emission that would have occurred in the absence of the landfill gas management facilities. Hence, additional benefits in the form of revenues from carbon credits and power generation are achieved.

Business Development and Entrepreneurial Credit Programs

- **Access of Small Entrepreneurs to Sound Lending Opportunities (ASENSO)**
In support of the National SME Development Plan, GFIs collaborated to design a uniform lending program to meet the funding needs of SMEs. Under the unified lending program, the participating GFIs shall apply simplified and standardized lending procedures and guidelines (e.g., loan purpose, fee structures, interest rates, application forms, financial ratios, and other lending parameters) for evaluating the loan applications of SMEs. To adapt to the financing needs of SMEs, short-term loans payable in one year and long-term loans payable up to five years are available under the program. The unified lending scheme is in addition to the existing financial services of the participating GFIs.
- **Franchising Lending Program**
The program extends credit assistance to qualified players in the franchising industry, particularly the franchisees and franchisors.

- **Health-PLUS Program**
A loan program which aims to provide credit assistance to government units, medical colleges/ universities and private medical and health goods/ services providers mandated to and engaged in the delivery of healthcare goods and services.
- **Innovation & Technology Lending Program (I-TECH)**
A program in partnership with the Technology Application and Promotion Institute (TAPI) that aims to support Filipino innovation and the technology sector through providing funds for the commercial production of patented Filipino inventions.
- **BALIK-LOOB Lending Program**
A program in support of the National Government’s Enhanced Comprehensive Local Integration Program (E-CLIP) that aims to provide credit assistance to former rebels and former violent extremists for their small businesses and agri-enterprise projects.
- **Overseas Filipino Workers (OFW) Reintegration Program**
A program in partnership with the Overseas Workers Welfare Administration (OWWA) that is designed to provide credit and capacity-building support services to OFWs to encourage them to engage in sustainable business activities as an alternative to overseas employment.

- **Public Transport Financing Program**
The result of the rationalization of existing lending programs that would cater to the credit requirements of the public transportation sector.

Special Package for Environment-Friendly and Efficiently-Driven Public Utility Vehicle or (SPEED PUV) Program
A program launched by LANDBANK under the banner of the Public Transport Financing Program to support the National Government’s Public Utility Vehicle Modernization Program (PUVMP) that aims to finance the acquisition of modern

jeepneys for an effective and efficient transportation system for the convenience and safe mobility of the riding public.

LANDBANK Ferry Boat Inclusive Financing Program
A program that aims to promote financial inclusivity in providing financial assistance in the acquisition of modern, safe, and efficient ferry boats.

LANDBANK Terrain and Naval Special Program on Reliable Means of Transport (TRANSPORT)
A financing program that aims to provide transport cooperatives or corporations valuable financing assistance to modernize their facilities, achieve effective fleet management and provide a convenient and safe public conveyance system.

Lending Program for Motor Vehicle Inspection Centers (MVIC)
A program that supports the National Government’s effort in enforcing the standards for transport safety and efficiency by financing the establishment of a reliable, up-to-date, and adequately equipped Motor Vehicles Inspection Center.

Interim REhabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 for Better Urban Services (I-RESCUE BUS) Lending Progra
A program that aims to provide financing to Public Utility Bus (PUB) operators for the acquisition of modern PUBs

Credit Programs For Educational Support

- **Access to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program**
A support program to the private education sector which aims to provide credit fund to private/non-DepEd high schools, Private Technical-

Vocational and Education Training (TVET) Institutions and Private Higher Education Institutions (HEIs) such as colleges and universities for the continuing education of their students by allowing them to enroll under a “study now, pay later” scheme.

- **Lending Program for State Universities and Colleges**
A lending program that makes credit available to qualified state universities and colleges (SUCs) with classification levels II, III, and IV to enable them to support infrastructure expansion and other income-generating and agri-related programs and projects.
- **Interim Students’ Loan for Tuitions towards Upliftment of Education for the Development of the Youth (I-STUDY) Lending Program**
This program aims to provide financial assistance to help parents adversely affected by the economic crisis brought about by the pandemic, to send their children to school by financing tuition fee requirements and gadgets needed as aids in the online learning system.
- **K-12 Bridge Financing Program of LANDBANK**
LANDBANK’s bridge financing facility in support of schools participating in the DepEd’s Educational Service Contracting (ESC) and Senior High School Voucher Program (SHS-VP) for the implementation of the K to 12 Program.

International Trade Service

Export

- **Advice of Export Letter of Credit (LC)/ Amendment**
Foreign LC opened in favor of an exporter received by LANDBANK through, SWIFT, mail confirmation, or other local commercial banks; Export LC can be used as collateral for pre-export financing. Export Packing Credit Line (EPCL) enables the exporter to have additional working capital to manufacture export goods.



- **Export Collections/Outward Bills for Collection (OBC)**
These are exporter's draft/documents which are not outrightly purchased awaiting receipt of a foreign bank credit advice or clearing of dollar drafts such as:

- Documents with discrepancies (if under LC);
- Documents which are sent directly to the buyer by the exporter and awaiting payment from the foreign bank through T/T;
- Dollar draft/check presented by the exporter representing export-related transactions
- Documents to be sent on a collection basis as instructed by the exporter.

- **Export Bills Purchased (EBP)**
Credit accommodation extended to an exporter wherein the exporter's draft/shipping documents under LC, DP, or DA and other modes of payment are purchased directly/outright by the Bank before receipt of a foreign bank's credit advice.

- **Collection of Documentary Stamp Fees**
LANDBANK acts as the collecting/remitting bank of the documentary stamp (DST) fees imposed by the Bureau of Customs (BOC) on goods exported by the clients. Client exporter shall be enrolled in the BOC Payment Application System (PASS 6) by submitting the required documents to the LANDBANK branch where the client maintains his or her deposit account. Settlement of BOC DST and service fees are made by debiting the exporter's LANDBANK account upon receipt of data from PCHC through PASS 6.

- **Inward Remittances**
These are incoming telegraphic transfers representing export proceeds remitted by the exporter's buyer and credited to LANDBANK's account with the foreign bank. LANDBANK acts only as receiver or channel of payment.

Import

- **Opening or Issuance Foreign Commercial Letter of Credit (LC)**
Bank issuance of LC charged to the importer's credit line or paid in cash for the full amount of the LC in favor of the exporter. The LC authorizes the exporter to claim payments provided all of the terms and conditions of the LC are complied with. The LC ensures payment to the exporter for the goods delivered or services performed. On the part of the importer, LC ensures that the terms and conditions agreed upon are complied with before payment is made.
- **Opening or Issuance of Domestic Commercial LC**
Bank issuance charged to the client or local buyer's credit line or paid in cash in favor of the local seller. It authorizes the local seller to claim payments provided that all the terms and conditions of the LC are complied with. The LC ensures payment to the local seller for the goods delivered or services performed. On the part of the local buyer, the LC ensures that the terms and conditions of the credit are complied with before payment is made.
- **Opening or Issuance of Standby LC (Foreign and Domestic)**
An undertaking issued by the Bank on behalf of its client wherein payment will be made to the beneficiary if the client does not make good of his or her obligation.
- **Issuance of Guarantee (against Foreign Bank Counter-Guarantee)**
A guarantee issued by the Bank in favor of a local beneficiary against a foreign correspondent bank counter-guarantee which the latter issued on behalf of their customer.
- **Issuance of Shipping Guarantee/Advance Release**
Shipping guarantee issued by the Bank to the shipping line requesting the release of goods to the importer pending receipt of the original Bill of Lading/Airway Bill. The shipping guarantee issued should be canceled

upon the importer's receipt of the original Bill of Lading/Airway Bill.

- **Processing of Commercial LC Amendment (Foreign & Domestic)**
Changes in LC terms and conditions such as:
 - Increase/decrease in LC amount;
 - Extension of expiry/shipment date; and
 - Documents required/terms and conditions may be amended as requested by the client and confirmation of beneficiary as applicable.
- **Processing of Import Bills (IB)**
Examination of shipping documents received from foreign banks to ascertain if all terms and conditions of the foreign commercial LC are complied with. Shipping documents booked under Import Bills already paid and/or converted to Trust Receipt (TR) will be forwarded to the importer to enable them to release goods from the shipping line and/or cancel shipping guarantee. Simultaneously, a payment authorization is sent to the foreign bank if documents were communicated on a collection basis.
- **Processing of Domestic Bills (DB)**
Examination of documents presented to the Bank by a local seller to ascertain if all the terms and conditions of the domestic commercial LC are complied with before payments or acceptance is made. Documents booked under domestic bills may be paid outright or converted to TR upon request of buyers/clients.
- **Processing of Trust Receipts (TR)**
A credit accommodation granted to importers that allows them to pay Domestic or Import Bills at a future date as agreed upon. LANDBANK is vested with the title or legal ownership of the goods although the importer has physical possession of the same.
- **Processing of Documents Against Payment (D/P)**
A mode of payment for a non-LC transaction whereby the original shipping documents are received from the seller or exporter's bank

with the instruction to release these documents to the buyer or importer only upon the outright payment of collection proceeds. Client's availment of D/P can be charged against the importer's credit line.

- **Processing of Documents Against Acceptance (D/A)**
A mode of payment for a non-LC transaction whereby the original shipping documents are received from the seller or exporter's bank with the instruction to release these documents to the buyer or importer only upon their acceptance to pay collection proceeds at a specific future date. Client's availment of D/A can be charged against the importer's credit line.
- **Processing of Open Account (O/A)**
A mode of payment for a non-LC transaction wherein the shipping documents are sent and released by the seller or exporter directly to the buyer or importer without coursing the documents through the Bank upon the importer's promise to pay at some future date after shipment. Client's availment of O/A can be charged against the importer's credit line.
- **Processing of Direct Remittance – Imports (DRI)**
A mode of payment for a non-LC transaction wherein the shipping documents are sent and released by the seller/exporter directly to the buyer/importer without coursing the documents through the Bank upon the importer's promise to pay at a future date after shipment. Payment should be made within 29 calendar days from the date of the Bill of Lading/Airway Bill.
- **Processing of Advance Import Payments (AIP)**
A mode of payment for a non-LC transaction wherein the payment is sent by the buyer or importer in advance to the seller or exporter through the banks prior to the shipment of the goods and receipt of the shipping documents.

- **Collection of Import Duties**
The Bank acts as a collecting or remitting bank for the advance and final duties imposed by the BOC on the goods imported by the client. The client importer shall be enrolled in the BOC PASS 6 by submitting the required documents to the LANDBANK branch where he maintains his deposit account. Settlement of Advance or Final duties and service fees are made by debiting the importer's LANDBANK account upon receipt of data from PCHC through PASS 6.

- **Unit Investment Trust Fund (UITF)**
UITFs are open-ended pooled trust funds that are invested collectively in a diversified portfolio approved by the Bangko Sentral ng Pilipinas (BSP). UITFs offer a simple, more convenient, and less time-consuming method of investing in a diversified portfolio. It is affordable and is the best investment vehicle to participate in diverse financial markets.

LANDBANK Money Market FundtIIV
A conservative fund suitable for financial objectives with an investment horizon of one year or less. The fund aims to provide high liquidity, decent returns, and minimal risk on the invested capital, from placements in short-term investments.

LANDBANK Cash Management Fund
A more affordable moderate fund intended for clients with an investment horizon of one to three years. The fund offers investors an affordable and relatively liquid investment that can provide higher potential income from placements in short-term fixed-income securities and special bank deposits.

Trust Products and Services

Trust Arrangements
A type of fiduciary relationship whereby legal title to funds and/or properties of the Trustor is transferred to LANDBANK Trust Banking Group (TBG), subject to an equitable obligation to administer, hold, and manage such funds and/or properties for the use, benefit, or advantage of the trustor or other designated beneficiaries.



LANDBANK Money Market Plus Fund

A moderate fund intended for clients with an investment horizon of one to three years. The fund offers investors a relatively liquid investment while providing potentially higher income from a portfolio of short-term bonds and fixed-income securities.

LANDBANK Medium-Term Bond Fund

A moderate fund that is ideal for investors with an investment horizon of three to five years. The fund aims to achieve income by investing in a diversified portfolio of marketable peso-denominated fixed-income instruments with medium-term tenors which may provide a potentially higher return than a traditional deposit product.

LANDBANK Bond Fund

A moderate fund suitable for financial objectives with an investment horizon of three to five years. The fund aims to generate a steady stream of income through a diversified portfolio of tradable peso-denominated fixed-income investments with longer tenors such as government securities, corporate bonds, and special bank deposits.

LANDBANK Growth Fund

An aggressive fund intended for financial objectives with an investment horizon of five to seven years. The fund aims to generate capital growth while maintaining a steady stream of income through a combination of investments in tradable fixed-income securities and up to 60% of the fund in peso-denominated listed equities.

LANDBANK Balanced Fund

An aggressive fund that is suitable for investment objectives with an investment horizon of five to seven years. The fund seeks to provide its participants with long-term capital appreciation and income by investing in a diversified portfolio of fixed-income securities and up to 80% of

the fund in peso-denominated listed equities.

LANDBANK High-Dividend Equity Fund

An aggressive fund intended for investors with an investment horizon of five to seven years. The fund aims to achieve growth through long-term appreciation and dividend income by investing in a portfolio of listed equities of Philippine companies that offer dividend payouts.

LANDBANK Equity Fund

An aggressive fund intended for clients whose investment horizon is greater than five years. The fund aims to achieve returns at par with its benchmark and attain long-term capital growth through investments in a diversified portfolio of peso-denominated listed equities.

LANDBANK Blue-Chip Equity Fund

An aggressive fund intended for long-term investment objectives with an investment horizon of five to seven years. The fund seeks to provide investors with long-term capital growth by investing in the top 50 exchange-listed securities based on market capitalization on the Philippine Stock Exchange (PSE).

LANDBANK Alpha Equity Fund

An aggressive fund intended for clients with an investment horizon of five to seven years. The fund seeks to outperform its benchmark and provide investors with long-term capital growth by actively investing in a diversified holding of equities listed on the Philippines Stock Exchange (PSE).

LANDBANK US \$ Money Market Fund

A US dollar-denominated conservative fund ideal for investors with an investment horizon of less than a year. The fund seeks to provide capital preservation and potentially higher income for its participants through investments in high-quality and credit-worthy short-term

dollar-denominated fixed-income instruments.

LANDBANK Global \$ Fund

A moderate US-dollar-denominated fund that is suitable for clients with an investment horizon of three to five years. The fund aims to generate relatively higher income through investments in dollar-denominated fixed-income securities issued by the National Government and by local companies.

Personal Equity & Retirement Account – Unit Investment Trust Funds (PERA-UITFs)

PERA-UITFs are open-ended pooled funds that are invested collectively in a diversified portfolio of investment products associated with the Contributor’s investment and risk profile, and/or the age of near retirement.

- **LANDBANK PERA Money Market Fund**
A conservative PERA-accredited fund that aims to provide high liquidity and decent returns from short-term and flexible investments with minimal risk on capital.
- **LANDBANK PERA Bond Fund**
A moderate PERA-accredited fund that aims to generate a moderate steady stream of income through investments in a diversified portfolio of peso-denominated fixed-income securities.

UITF Facilities¹

- **LANDBANK UITF Auto-Invest Facility**
An option that allows clients to automatically contribute to their existing UITF account by authorizing TBG to debit their nominated LANDBANK deposit account and purchase additional units regularly for as low as Php1,000.00 per quarter.
- **LANDBANK i-Invest**
An online investment platform for LANDBANK UITFs accessible through the LANDBANK Mobile Banking App.

The facility allows clients to:

- Enroll their existing LANDBANK UITF account;
- View the latest status of their UITF portfolio; and
- Subscribe/Add to their existing UITF investment

Individual Trust Accounts

Refers to trust arrangements established by a natural person, typically for the disposition of assets to designated beneficiaries and the settlement of the estate of the deceased. These trust accounts are established during the lifetime of the individual and are managed by a trustee, such as TBG.

Individual Trust Accounts offer a range of benefits, including asset protection, tax efficiency, and professional management. They can be used to manage a variety of assets, including cash, stocks, bonds, and real estate, and can be tailored to meet the specific needs and goals of the individual.

The trustee is responsible for managing the assets in accordance with the terms of the trust agreement and ensuring that the assets are distributed to the designated beneficiaries upon the death of the individual. The trustee is also responsible for filing tax returns and ensuring that the trust account complies with all relevant laws and regulations.

- **Personal Management Trust (PMT)**
A type of arrangement that allows individuals to preserve or earn from their assets for their current needs or future use. It is a trust agreement established between the trustor and TBG during the trustor’s lifetime to provide for their financial needs and/or designated beneficiaries.

The PMT is an ideal solution for individuals who want to ensure that their assets are managed effectively and efficiently. It provides a flexible and customizable approach to managing wealth and can be tailored

to the specific needs and goals of the trustor.

Under the PMT, TBG acts as the trustee and is responsible for managing the assets following the terms of the trust agreement. The trustor retains control over the assets during their lifetime and can make changes to the trust agreement as needed.

The PMT offers a range of benefits, including professional asset management, tax efficiency, and asset protection. It allows individuals to preserve their wealth for their own financial needs or the benefit of their designated beneficiaries, such as their children or grandchildren.

- **Personal Retirement Trust Account (PRTA)**
A type of trust arrangement established between a client and TBG during the client’s lifetime. The PRTA allows the client to place assets in the trust account, which will be managed by TBG with the objective of catering to the client’s financial needs during retirement.

The PRTA provides a flexible and customizable approach to retirement planning, allowing clients to tailor their retirement savings to their specific needs and goals. It offers professional asset management and can be used to invest in a variety of financial instruments, including stocks, bonds, and mutual funds.

By placing their assets in the PRTA, clients can benefit from tax advantages and protection against potential creditors. The trust account also allows clients to pass on their retirement savings to their designated beneficiaries, such as their spouse or children.

- **Life Insurance Trust**
Is an arrangement where TBG is appointed as the trustee to collect the proceeds of a life insurance policy upon the death of the insured



and distribute the proceeds to the designated beneficiaries stated in the trust agreement.

The purpose of a Life Insurance Trust is to provide a means of managing the proceeds of a life insurance policy in a way that is tax-efficient and ensures that the proceeds are distributed to the intended beneficiaries in a timely and appropriate manner. By establishing a trust, the proceeds of the life insurance policy are not subject to probate, which can result in delays and additional expenses.

As the trustee, TBG is responsible for managing the assets of the trust and ensuring that the proceeds are distributed to the beneficiaries per the terms of the trust agreement. The trustee is also responsible for filing tax returns and ensuring that the trust complies with all relevant laws and regulations.



Institutional Trust Accounts

Institutional Trust Accounts refer to trust arrangements where the trustor is a juridical entity (i.e., but not limited to corporations, institutions, organizations) or incorporated funds (i.e., retirement funds, pension funds, etc.).

- Employee Benefit

This refers to trust arrangements established to hold the assets of an employee benefit plan wherein the beneficiaries are the employees of the corporation or institution.

Defined Benefit Retirement Plan (Gratuity Plan)

A retirement benefit program in which an employer promises to pay its employees a specific and predetermined benefit upon retirement. The benefit is typically calculated based on the employee's length of service and final salary. To ensure that the company can meet its obligation to its retired employees, an actuarial valuation is conducted to estimate how much funds the company should contribute or set aside. This valuation takes into

account various factors, such as the employee's age, salary, and life expectancy, as well as investment returns and inflation rates.

One key feature of a Defined Benefit Retirement Plan is that the company is the sole contributor to the fund. Employees do not have the option to contribute to the plan. This means that the company bears the financial risk of ensuring that there are sufficient funds to meet its retirement benefit obligations to its employees.

Defined Contribution Retirement Plan (Provident Plan)

A type of retirement benefit program in which both the employer and employee contribute to a retirement fund. The amount of retirement benefit that the employee receives is determined by the contributions made to the plan.

Contributions to the Defined Contribution Retirement Plan are typically based on a specific amount or a percentage of the employee's salary. The employer may specify a

matching contribution, up to a certain limit, to encourage employees to save for retirement. This plan does not require an actuarial valuation, as the retirement benefit is based on the contributions made by both the employer and employee.

However, under Philippine law (RA No. 7641), if the employer's contributions are not sufficient to provide the minimum retirement benefit required by law, the employer will need to top up the employee's retirement benefit to meet the legal requirement.

One advantage of a Defined Contribution Retirement Plan is that it allows employees to take control of their retirement savings and decide how much to contribute to the fund. This can give employees greater flexibility and control over their retirement planning. Additionally, the employer's contributions can help employees build a larger retirement nest egg over time.

Hybrid Retirement Plan

A type of retirement benefit program that combines features of both Defined Benefit and Defined Contribution plans. It is designed to offer employees a more flexible and personalized approach to retirement planning.

In a Hybrid Plan, employees have the option to participate in both a Defined Benefit Plan (Gratuity Plan), which is based on an actuarial valuation and a Defined Contribution Plan (Provident Plan), in which both the employer and employee contribute to the fund.

The Defined Benefit portion of the Hybrid Plan typically provides a fixed retirement benefit based on the employee's length of service and final salary. The Defined Contribution portion allows employees to contribute a percentage of their salary to a retirement savings account, and

employers may also offer matching contributions. This provides employees with the opportunity to receive a guaranteed retirement benefit while also being able to save and invest for their retirement.

Hybrid Plans are also registered with the Bureau of Internal Revenue (BIR) for tax exemption approval and certification. This ensures that the plan meets all legal requirements and provides employees with the necessary tax benefits.

- Pre-Need Accounts

Refer to trust arrangements established by pre-need companies in compliance with regulatory requirements to maintain trust accounts for their activities. These trust accounts are established to ensure that the pre-need company can fulfill its obligations to its customers and provide the promised services and benefits.

Pre-need companies typically offer a range of products and services, including educational plans, pension plans, and life insurance policies. By establishing trust accounts, these companies can ensure that they have sufficient funds to meet their obligations to their customers and that these funds are managed in a secure and transparent manner.

The trustee, such as TBG, is responsible for managing the trust account following the terms of the trust agreement and ensuring that the funds are used only for the purposes specified. The trustee is also responsible for maintaining accurate records of all transactions and providing regular reports to the pre-need company and regulatory authorities.

Other Fiduciary Services

These types of arrangements require TBG to act as the depository of the assets and properties that shall manage the same per the provisions of the agreement.

- Legislated and Quasi-Judicial Trust Services

This refers to trust arrangements mandated by law, executive order, a court, or other government regulatory agency, such as in cases of, but not limited to receivership, receiving/custodianship arrangements for Initial Public Offerings (IPOs), rights, or offerings.

- Corporate Fiduciary Account

Mortgage Trust Indenture (MTI)

An arrangement where TBG holds a pool of properties, real estate, and/or chattel mortgages on behalf of creditors. Mortgage Participation Certificates are issued to represent the proportionate share of creditors on the collateral pool. As the trustee, TBG acts as an intermediary between the borrower and the creditors, as well as among the creditors themselves, in the administration of the loan agreement and the mortgaged properties.

The purpose of an MTI is to provide a means for creditors to invest in a pool of mortgages secured by real estate or other assets. By pooling their resources, creditors can achieve a more diversified portfolio of assets, which can help to reduce risk. The Mortgage Participation Certificates represent the creditors' proportionate share in the pool of assets and provide a means for them to earn a return on their investment.

As the trustee, TBG is responsible for managing the assets of the trust and ensuring that the terms of the loan agreement are followed. This includes collecting payments from the borrower, distributing payments to the creditors, and administering the mortgaged properties.

Facility and Loan/Paying Agency

A service provided by TBG where it acts as an intermediary between the borrower/issuer and a syndicate

of lenders/noteholders. The agency is appointed as a facility agent to centralize the monitoring and administration of the loan/notes facility. It ensures that payments due under the facility are settled promptly, reports are submitted as stipulated in the agreement, and the terms and conditions of the agreement are faithfully complied with by all parties. In addition, TBG may also serve as a paying agent to ensure the disbursement of periodic interest to creditors/lenders.

- Escrow Agency

TBG acts as a third and impartial party to intervene or hold escrow contracts involving money, securities, property titles, or documents. Its role is to secure faithful compliance by either or both parties with the terms of the contract. This service provides security and protection for the parties involved in the transaction, ensuring that the terms and conditions of the agreement are fully met before the release of the assets or funds held in escrow.

DMW Escrow

A mandated escrow arrangement for recruitment and employment agencies of land-based Overseas Filipino Workers (OFW) and seafarers. The DMW requires that all overseas employment agencies set up an Escrow account with an accredited reputable bank and deliver to the Escrow agent an amount of at least P1.5 million. This ensures that funds are set aside by the manning/recruitment agency in case of any disputes between the agency and the OFW, and for any eventuality of garnishment. The DMW Escrow is based on the 2023 DMW Rules and Regulations Governing the Recruitment and Employment of Land-based Overseas Filipino Workers, and the 2016 POEA Rules and Regulations Governing the Recruitment and Employment of Seafarers .

Capital Gains (BIR) Escrow

A type of escrow arrangement governed by BIR Revenue Regulation No. 13-99, as amended by BIR Regulation No. 14-00. It pertains to the exemption of certain individuals from the capital gains tax on the sale, exchange, or disposition of their Principal Residence. Under this arrangement, a Filipino citizen who has sold their Principal Residence (house and lot) may set up an Escrow with the BIR and deposit the amount equivalent to the capital gains tax derived from the sale, exchange, or disposition of their Principal Residence with the Escrow Agent or Authorized Agent Bank (AAB). The seller has a maximum of 18 months from the date of the sale or disposition to acquire or construct a new Principal residence using the proceeds from the sale, exchange, or disposition of their old Principal Residence. Once the seller provides proof of acquisition/ construction and clearance from the BIR, the Escrow Agent/AAB shall release the deposited amount to the Seller/Transferor.

Buy and Sell (Procurement)/Loan Releases Escrow

This is usually resorted to in a Deed of Conditional Sale, Contract to Sell, or Long-term purchase agreements. The buyer or seller delivers certain assets, and documents to the Escrow agent as specified in the contract or upon fulfillment of the contract or service. Release of funds, securities, legal documents or TCTs/CCTs will only be triggered upon fulfillment of the conditions of the contract or service by either or both parties to the agreement.

Escrow Services for Funds/Assets under Dispute of Ownership

A type of escrow arrangement that is typically used when there is a dispute over the ownership of certain assets or funds. This arrangement is usually

initiated either by a court order or by the mutual agreement of all parties involved.

Under this arrangement, the disputed funds or assets are set aside and held by an Escrow Agent until a final decision is made by a competent body regarding the rightful owner of the assets. Alternatively, the funds or assets may be released to all parties based on final instructions agreed upon by all parties involved. This type of escrow arrangement can be applied in various situations, such as in government BOT/PPP projects and procurement, disputes over inheritance, tax refunds, and other similar circumstances.

Other escrow arrangements required by regulations such as, but not limited to, DHSUD escrows, HDMF/ NHMFC collection arrangements, Sinking Funds (RB/CRB), DENR escrows, outsourcing projects, government projects/programs, E.Os, grants and loan agreements depending on the need of the clients.

For non-standard escrow arrangements that may require complicated and specialized monitoring and coordination, contracts/arrangements will have to be reviewed by a legal officer to ensure compliance to rules and regulations as well as capacity and capability of the Escrow agent to perform its duties.

Third-Party Securities Custody and Registry Services

As a custodian, the bank's Third-Party Custodianship and Registry Department (TCRD) enters into a written agreement with clients to hold securities and facilitates the receipt and delivery of securities based on clients' instructions.

As a registrar, TCRD establishes and maintains an official record of all registered holders of a corporate

or bank issuance as designated or appointed by the issuer. This includes maintaining accurate and up-to-date records of the names, addresses, and shareholdings of each registered shareholder. TCRD also provides various other services related to securities registration, such as processing transfers, issuing new certificates, and handling dividend payments.

Personal Equity & Retirement Account- Cash Custodianship

The Bank, through its Third-Party Custodianship and Registry Department (TCRD), acts as PERA Cash Custodian to the Contributor's PERA pursuant to RA No. 9505 of 2008 (PERA Law). TCRD shall oversee the receipt, acknowledgment, and release of all funds in connection with PERA.

Safekeeping Services

TBG provides a complete range of custody and safekeeping solutions to meet the client's objectives. TBG receives, safe keeps, delivers, records, and preserves the properties consisting of non-marketable securities, titles, and other documents placed under safekeeping and delivers the same, upon instruction by the client.

Agency - Investment Management Services/Portfolio Management (Peso Or Us Dollar Denominated)

Are arrangements where TBG manages the funds or assets of clients based on their investment objectives, risk profiles, and liquidity requirements. TBG acts as an investment/portfolio manager with the primary goal of preserving capital, optimizing risk, and ensuring liquidity. TBG prudently assesses and evaluates various types of investments, such as bank deposits, government securities, corporate bonds, equities, UITFs, mutual funds, and other alternative investments, to suit the client's requirements and risk appetite.

The investment management/portfolio management arrangement can be directional, where prior consent from the client is required before any decision is made, or discretionary, where the TBG is given full authority to invest the fund based on pre-agreed investment guidelines.

TBG's investment decisions are made after considering market trends, economic indicators, and the client's investment objectives, among others, to ensure that the client's funds are managed optimally.

Special Purpose Trust

TBG acts as an independent party to a special purpose trust (SPT) that holds undivided ownership interest in a segregated or identifiable pool of assets or receivables.

These assets or receivables are sold or transferred to TBG for management, after which TBG will sell securities backed by the assets to investors. The cash flows generated by the underlying assets are then transferred to investors.

This arrangement is commonly used for securitization transactions, where the SPT is established to purchase and manage a pool of receivables or assets, and TBG acts as the administrator of the SPT. TBG ensures that the interests of the investors and the SPT are protected and that the terms of the securitization transaction are complied with.

Treasury Products

Government Securities (GS)

Government Securities are debt instruments issued by the Republic of the Philippines via the Bureau of the Treasury to finance public expenditures. GS are scripless securities and are registered under the National Registry of Scripless Securities (NRoSS) system of the Bureau of the Treasury.

Corporate Securities

Corporate securities are medium to long-term debt instruments issued by public or private corporations to finance their operations. They are not deposit products and are, hence, not covered by PDIC. They offer fixed coupon rates and provide higher yields compared to deposit products. These corporate securities may include senior unsecured bonds/ corporate notes and subordinated notes.

LANDBANK Issues Bank Bonds

Bank Bonds are fixed-income securities with stated interest rates and fixed dates for interest and principal payments.

Investment Banking

Debt and Equity Underwriting

Underwriting is the service of guaranteeing the sale of bonds, stocks, or other forms of securities. The underwriter assures the issuer that the funds will be raised through a firm underwriting commitment. Under a firm commitment, the underwriter is required to take-up the unsubscribed or unsold portion of the securities. Thus, a good underwriter must have strong marketing capabilities for the sale of securities and strong financial resources to deliver on its underwriting commitment in the event of under subscription.

Financial Advisory

Financial advisory is the service of providing sound advice to clients who want to explore various options for raising funds. Normally, borrowers or issuers hire financial advisors to assist in structuring or packaging the terms of financing required, i.e., amount, tenor, rates, and the like.

Loan Arrangement

Loan arrangement is the service of assisting borrowers raise funds via traditional bank debt financing. Loans may be tapped solely from LANDBANK or a syndicate of lenders led by LANDBANK (i.e., syndicated loan)

Privatization

Privatization covers financial advisory, arrangement, and underwriting services for various Government agencies which intend to raise funds via disposition of assets or shares. The role of the advisor is to render advice on the appropriate mode of disposition to be applied, such as (a) straight sale or auction of assets, (b) sale to strategic or financial investors, and (c) initial public offering (IPO). LANDBANK, as the lead underwriter, may guarantee the distribution of shares for privatizations, among others.

Project Finance

Project Finance is a loan arrangement involving a specific project, separate and distinct entity from the project sponsor. Under this type of deal, the collateral is limited to the project assets and lenders have limited recourse to project sponsors. The sponsors are almost isolated from the obligations of the project. Its cash flows are mainly from revenues of the project.

Mergers and Acquisitions

Mergers and Acquisitions is the purchase by a company of another company with the eventual consolidation of the two companies into one entity. The role of investment bankers is normally in the valuation of the target companies arranging and financing of the acquisition

Foundation and Subsidiaries



LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.

The LANDBANK Countryside Development Foundation, Inc. (LCDFI) is a non-stock, non-profit corporate foundation of LANDBANK, established in March 1983 as a non-governmental organization (NGO).

In 2013, it was classified by the Governance Commission for GOCCs (GCG) as a government-owned and controlled corporation (GOCC), and as such, LCDFI endeavors to comply with all pertinent rules and regulations governing GOCCs and government entities.

Through the conduct of capacity building programs for LANDBANK Borrowing Cooperatives and MSMEs under the LCDFI's Capacity Building Program (CBP), the Foundation embodies LANDBANK's commitment to spur development in the countryside particularly among its priority sectors, namely: small farmers and fishers, agrarian reform beneficiaries (ARBs), Countryside Financial Institutions (CFIs), Micro, Small and Medium Enterprises (MSMEs), and Overseas Filipino Workers (OFWs).

In response to the initiative of LANDBANK to promote inclusive growth, especially in the unbanked areas, the Financial Literacy Program (FLP) was adopted by LCDFI in 2020. It is a two-pronged approach to inclusive growth as ensured by (1) the Banks' innovation of financial products and services through digitization and (2) engaging in a "whole-of-nation" approach to financial inclusion. The Bangko Sentral ng Pilipinas (BSP) defines an "unbanked municipality" as those without a banking presence and financial access points. The FLP was designed to introduce key financial concepts and products to small farmers, fishers, and farm laborers located in unbanked municipalities across the Philippines. The unbanked municipalities under the Landbank Foundation are located in regions 1, 2, 4A, 4B, 5, 7, 8, 9, 10, 11, 12, 13, CAR, and BARMM.

Partnership is the key element and cornerstone of the Program. The FLP involves partnerships designed to provide training and developmental interventions by identified government institutions using a fund created for such purpose and tapping networks/linkages with partner agencies/institutions to improve farmers' financial management skills and create "agripreneurship" or improve cooperative's capacity to deliver quality services to its membership, positively impacting to their business performance. The Program is geared to contribute to increased and stable household incomes and improved access to economic, social, and financial services.

Additionally, LCDFI managed the Iskolar ng LANDBANK Program (ILP) established by LANDBANK in 2023 to support dependents of

agrarian reform beneficiaries, small farmers, and fisherfolk which will help provide a responsive and flexible scholarship program to ensure varied employment opportunities upon graduation and to promote awareness among the youth of the need to improve the lives of their families and communities, and allow them to contribute to nation-building and in serving the nation.



LBP INSURANCE BROKERAGE, INC.

The LBP Insurance Brokerage, Inc. (LBI) was organized as a wholly owned subsidiary of LANDBANK on Oct. 22, 1981 under Securities and Exchange Commission (SEC) Registration No. 105764. On May 16, 1983, its Articles of Incorporation was amended increasing the number of Directors of the Board from 9 to 11. This was further amended on Oct. 17, 1994 increasing LBI's Authorized Capital Stock from P20,000,000 to P300,000,000 and revising its secondary purpose.

It was created primarily for the purpose of engaging in the business of general insurance brokerage management and consultancy, particularly as follows:

- To act as Insurance Broker for life, health, accident, motor car, casualty, surety and fidelity, marine cargo and hull, comprehensive liability insurance and other insurance coverage allied with an incident to the above-mentioned lines.
- To engage in management and consultancy work on insurance and in this connection, to hold, own, purchase, acquire, underwrite, obtain participation in and manage the business of any corporation, partnership or equity.



LBP LEASING AND FINANCE CORPORATION

LBP Leasing and Finance Corporation (LLFC) was established on March 17, 1983, to complement the services of LANDBANK by making available various leasing and financial facilities. It supports priority sectors in the acquisition of equipment and other capital assets as well as in providing working capital requirements which allows them to expand, upgrade or modernize their operations. LLFC also provides property leases to National Government Agencies (NGAs) and Government-Owned and Controlled Corporations (GOCCs) to help them acquire building and/or permanent office space to improve the delivery of their services. Moreover, LLFC also offers special leasing and financing programs to support government initiatives consistent with the national development plan.



OVERSEAS FILIPINO BANK

The Overseas Filipino Bank (OFBank), established in 2017, is a pioneering digital bank and a subsidiary of LANDBANK. It caters specifically to the unique financial needs of Overseas Filipinos (OFs). As the first branchless bank in the country, OFBank leverages the cutting-edge technology of its parent bank to provide seamless banking services without the need for physical branches. This innovative approach allows OFBank to offer a wide range of financial products and services, including remittances, savings, and investments, directly through its digital platform. With a focus on accessibility and convenience, OFBank aims to enhance the financial inclusion of Overseas Filipino Workers and their families. As the first licensed digital bank in the country, OFBank sets a new standard in the Philippine banking industry, highlighting the potential of digital transformation in financial services.



LBP RESOURCES AND DEVELOPMENT CORPORATION

LBP Resources and Development Corporation (LBRDC) is a subsidiary of LANDBANK and a government-owned and controlled corporation (GOCC). LBRDC provides a comprehensive range of services supporting LANDBANK, Government Financial Institutions (GFIs), other GOCCs, and National Government Agencies (NGAs), offering a holistic solution encompassing construction, property management, manpower, and appraisal. LBRDC is accredited by the Philippine Contractors Accreditation Board and specializes in infrastructure development. It serves government agencies and institutions with a range of amenities, such as LANDBANK branches and ATM booths. Notably, LBRDC is also a developer and operator of the Special Economic Zone. The Company's commitment to adapting to client's needs and enhancing operational efficiency underscores its dedication to facilitating business success.



LANDBANK SECURITIES, INC.

LANDBANK Securities, Inc. (formerly UCPB Securities) is the wholly-owned stock brokerage subsidiary of the Land Bank of the Philippines. Established in 1990 as one of the pioneers in the industry, the company has since operated as a key member of the Philippine Stock Exchange. Known for its commitment to customer satisfaction, LANDBANK Securities has earned a reputation in the country's financial landscape. This reputation is upheld by a dedicated team of seasoned stock brokers and research analysts.

In pursuit of the government's digitization efforts, the Company has remained compliant with the mandates of the government and its regulators, continuously streamlining its processes to promote wider financial inclusivity, particularly in the equities market, and operational efficiency. As LANDBANK Securities continues to stay rooted to its mission of enriching the lives of Filipinos through financial literacy amidst technological advances, the Company has reached out to LANDBANK's branches, Government-owned and controlled corporations (GOCCs), universities, and private businesses to conduct regular stock market seminars through face-to-face and webinar formats. In 2023, the group achieved two important milestones: (1) a website migration from www.ucpbsec.com to www.landbanksec.com, to reflect the completion of the UCPB and LANDBANK merger, and (2) the company's rebranding efforts to carry out the mission of LANDBANK.



UCPB LEASING AND FINANCE CORPORATION

UCPB Leasing and Finance Corporation (ULFC) is a wholly owned subsidiary of LANDBANK, registered with the SEC since 1989. In March 2022, ULFC became part of LANDBANK following the merger between LANDBANK and United Coconut Planters Bank (UCPB). Specializing in financial services, ULFC offers tailored products such as Financial Leases, Amortized Commercial Loans, and Receivable Discounting, catering to the needs of small and medium enterprises.



UCPB SAVINGS BANK

UCPB Savings Bank (USB) started its operations on Oct. 18, 1962 as a result of mergers of several savings and loans associations, thrift banks, and rural banks. It now has 63 branches and branch-lites located mostly in rural areas nationwide. True to its vision "to be the Bank of choice in the communities it serves and be a catalyst for financial inclusion," USB offers a wide range of deposit and loan products, and services that suit the financial needs of its customers. Now, as a subsidiary of LANDBANK, it aims to complement its parent bank's mandate of serving the nation. It shall remain solid, standing firm to its commitment of "Kasama Mo" in the communities it serves.

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Global Reporting Initiative (GRI)
Content Index

GRI Standard	Disclosures	Page number(s), direct answers, and/or URLs
Stakeholder Engagement		
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102-41	Collective bargaining agreements	107
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103-1	Explanation of the material topic and its boundary	Page 53 – Economic Performance
103-2	The management approach and its components	Page 56-63 – Performance Highlights: Financial
103-3	Evaluation of the management approach	Page 56-63 – Performance Highlights: Financial
GRI 201: Economic Performance		
201-1	Direct economic value generated and distributed	Page 56-63 – Performance Highlights: Financial
201-2	Financial implications and other risks and opportunities due to climate change	47-50
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Market Presence		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Page 52 – Social
103-2	The management approach and its components	Pages 115 – Management and Bank Investments; Pages 150-152 – Market Risk Management
103-3	Evaluation of the management approach	Page 115 – Internal Audit Group; Pages 150-152 – Market Risk Management
GRI 202: Market Presence		
202-1	Ratios of standard entry level wage by gender compared to local minimum wage	None reported during this period

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Global Reporting Initiative (GRI)
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GRI Standard	Disclosures	Page number(s), direct answers, and/or URLs
202-2	Proportion of senior management hired from the local community	Page 166-191 - LANDBANK Leaders
Indirect Economic Impact		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Pages 14-15 - Socio Economic Impact
103-2	The management approach and its components	Pages 16-43 - Lending Programs; Pages 64-73 - Stakeholders
103-3	Evaluation of the management approach	Pages 70-71 - Client Satisfaction Measurement and Customer Care
GRI 203: Indirect Economic Impacts		
203-1	Infrastructure investments and services supported	Pages 8-9 - Coverpage; Pages 14-15 - Socio Economic Impact
203-1	Significant indirect economic impacts	Pages 8-9 - Coverpage; Pages 14-15 - Socio Economic Impact
Anti-Corruption		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Page 52-54 - Governance
103-2	The management approach and its components	Page 108 - Governance Policies and Mechanisms; Pages 66-67 - LANDBANK LINK.BIZPORTAL
103-3	Evaluation of the management approach	Pages 162-165 - Compliance Mangement
GRI 205: Anti-Corruption		
205-1	Operations assessed for risk-related corruption	Page 108 - Governance Policies and Mechanisms; Pages 66-67 - LANDBANK LINK.BIZPORTAL
205-2	Communication and training about anti-corruption policies and procedures	Pages 80-101 - Learning and Growth

GRI Standard	Disclosures	Page number(s), direct answers, and/or URLs
Biodiversity		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Pages 47-49 - Environmental and Social Risk
103-2	The management approach and its components	Page 47 - Environmental and Social Risk
103-3	Evaluation of the management approach	Page 165 - Sustainable Finance Framework (Compliance Mangement)
GRI 304: Biodiversity		
304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	None reported during this period
304-2	Significant impacts of activities, products, and services on biodiversity	Pages 47-49 - Environmental and Social Risk; Financial Impact.
304-3	Habitats protected and restored	Page 106 - tree planting (Employee Volunteerism)
Environmental Compliance		
GRI 103: Management Approach		
103-1	Explanation of the material topic and its boundary	Page 52 - Material Topic on Environment
103-2	The management approach and its components	Page 78 - Integrated Management System; Pages 44-47 - LANDBANK Sustainable Finance Framework; Page 43 - Implementation of the Environmental and Social Safeguards Policy Relative to Credit Delivery.
103-3	Evaluation of the management approach	Page 165 - Sustainable Finance Framework (Compliance Mangement)
GRI 307: Environmental Compliance		
307-1	Non-compliance with environmental laws and regulations	Pages 47-49 - Environmental a nd Social Risk

Financial Statements



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Corporate Government Audit Sector
Cluster I – Banking and Credit

INDEPENDENT AUDITOR’S REPORT

The Board of Directors
Land Bank of the Philippines
Manila City

Report on the Audit of Financial Statements

Opinion

We have audited the financial statements of the Land Bank of the Philippines and its subsidiaries (the Group), and of Land Bank of the Philippines (the Parent), which comprise the statements of financial position as at December 31, 2023 and 2022, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and of the Parent as at December 31, 2023 and 2022, and their financial performance and their cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Group and of the Parent Bank in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note 2.1 to the financial statements, which states that the financial statements have been prepared in accordance with the PFRSs/Philippine Accounting Standards (PAS), except for the specific provision of PFRS 9 on recognition of modification gain/loss in profit or loss when modification does not result in the derecognition of a financial asset, in adherence with the Bangko Sentral ng Pilipinas (BSP) Financial Reporting Package. The impact on the financial statements of the Parent’s

approach to amortize rather than recognize outright gain or loss is discussed in Note 2.5.1a. Our opinion is not modified in respect of this matter.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Group’s and the Parent’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group and the Parent or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group’s and the Parent’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group’s and the Parent Bank’s internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Parent Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and the Parent Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under the Revenue Regulations No. 15-2010 in Note 27 and BSP Circular No. 1074 in Note 39 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and the BSP, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of the Parent and has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, the supplementary information is fairly stated in all material respects, in relation to the basic financial statements taken as a whole.

COMMISSION ON AUDIT


MARIE FRANCES HAZEL S. ACEBEDO
Supervising Auditor

June 28, 2024

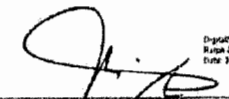
The management of **Land Bank of the Philippines and Subsidiaries (the Group)** and the **Land Bank of the Philippines (the Parent)** is responsible for the preparation and fair presentation of the financial statements including the schedules attached therein, for the years ended December 31, 2023 and 2022 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

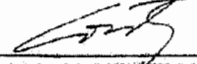
In preparing the financial statements, management is responsible for assessing the Group's and Parent's ability to continue as a going concern, disclosing, as applicable matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so.

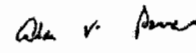
The Board of Directors is responsible for overseeing the Group's and the Parent's financial reporting process.

The Board of Directors reviews and approves the financial statements including the schedules attached therein, and submits the same to the regulators, creditors and other users.

The Commission on Audit has audited the financial statements of the Group and of the Parent in accordance with the International Standards of Supreme Audit Institutions, and its report to the Board of Directors has expressed its opinion on the fairness of presentation upon completion of such audit.


RALPH G. RECTO
Chairman of the Board


MA. LYNETTE V. ORTIZ
President and Chief Executive Officer


ALAN V. BORNAS
Executive Vice President/Head, Operations Sector

Signed this _____ day of _____ 2024



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Dr. J. Quintos Sts., Makati, Manila, Philippines 1004

Statements of Financial Position
Dec. 31, 2023 and 2022
(In Philippine Peso)

	NOTE	GROUP		PARENT	
		2023	2022	2023	2022
			As Restated		As Restated
ASSETS					
Cash and other cash items	6	49,021,210,950	51,093,909,679	48,115,983,089	50,440,553,932
Due from Bangko Sentral ng Pilipinas	7	411,367,040,708	568,924,698,774	409,447,208,215	566,640,049,889
Due from other banks	8	7,738,260,460	18,608,577,727	9,562,385,261	20,501,057,254
Interbank loans receivable	9	23,441,446,813	14,674,497,972	23,441,446,813	14,674,497,972
Securities purchased under agreements to resell	10	250,322,322,646	29,199,764,104	249,736,154,774	28,747,260,222
Fair value thru profit or loss	11	20,656,974,270	19,069,167,492	20,457,050,174	18,924,595,398
Fair value thru other comprehensive income	12	479,034,781,224	442,211,398,690	477,448,302,967	441,449,432,840
Hold to collect - net	13	764,892,685,505	848,862,188,560	761,729,696,422	845,562,971,634
Loans and receivables - net	14 & 21	1,179,434,486,013	1,104,484,511,820	1,161,240,746,144	1,086,589,291,047
Investments in subsidiaries	15	0	0	5,654,367,708	5,654,367,708
Investment property - net	16	14,212,036,694	13,708,019,525	13,046,580,412	12,537,068,242
Property and equipment - net	17	11,379,341,237	10,711,794,544	10,466,497,954	10,105,321,811
Right-Of-Use Assets	18	2,941,545,933	3,452,684,007	2,261,330,481	2,779,552,148
Non-current assets held for sale		944,813,733	938,382,076	930,784,098	915,525,537
Other intangible assets - net	19	1,476,973,551	1,992,566,249	1,409,317,016	1,927,797,415
Other assets - net	20	67,113,654,272	17,678,369,828	67,308,283,645	17,623,076,032
Deferred income tax	26	17,516,223,159	13,631,032,309	16,554,816,270	12,754,419,707
TOTAL ASSETS		3,301,493,797,168	3,159,241,563,356	3,278,810,951,443	3,137,826,838,787
LIABILITIES AND EQUITY					
Liabilities					
Deposit liabilities	22	2,896,748,397,914	2,767,321,049,139	2,882,399,391,632	2,753,618,779,979
Bills payable	23	15,829,033,783	33,488,882,866	13,614,450,450	31,593,982,866
Bonds payable	24	4,672,721,488	4,543,923,875	4,672,721,488	4,543,923,875
Derivative liabilities		11,936,320	8,570,935	11,936,320	8,570,935
Finance Lease Payment Payable	18	3,008,996,482	3,570,025,965	2,676,326,982	3,300,342,892
Treasurer's, Manager's and Cashier's checks		2,668,403,475	3,669,797,857	2,614,624,377	3,617,829,923
Payment order payable		99,096,244	280,519,967	99,096,244	280,519,967
Marginal deposits		765,690,633	177,973,762	765,690,633	177,973,762
Cash letters of credit		20,540,019,166	18,192,335,451	20,540,019,166	18,192,335,451
Other liabilities	25	75,240,432,068	104,168,378,800	73,261,834,677	102,335,191,105
Total Liabilities		3,019,584,727,573	2,935,421,458,617	3,000,656,091,969	2,917,669,450,755
Equity					
Common stock	34	163,787,711,308	163,787,711,308	163,787,711,308	163,787,711,308
Paid-in surplus		101,098,220	101,098,220	101,098,220	101,098,220
Retained earnings free		58,188,683,026	29,947,894,645	56,780,824,653	25,425,089,320
Retained earnings reserve		15,351,295,444	15,483,642,214	13,541,374,740	13,541,374,740
Undivided profits		42,074,646,450	26,332,148,035	41,697,815,954	29,304,684,759
Revaluation increment		61,200,000	61,200,000	0	0
Other Comprehensive Income					
Net unrealized gains on securities available for sale		2,305,896,446	(12,175,686,352)	2,237,276,268	(12,240,086,455)
Remeasurement of retirement benefit obligation		(38,918,257)	(14,992,553)	0	0
Translation Difference and Others		11,030,705	237,733,085	8,758,331	237,516,140
Others		6,500,000			
Minority Interest		59,926,253	59,356,137	0	
Total Equity		281,909,069,595	223,820,104,739	278,154,859,474	220,157,388,032
TOTAL LIABILITIES AND EQUITY		3,301,493,797,168	3,159,241,563,356	3,278,810,951,443	3,137,826,838,787

The Notes on pages 233 to 331 form part of these financial statements.

Statements of Comprehensive Income
For the years ended Dec. 31, 2023 and 2022
(In Philippine Peso)

		GROUP		PARENT	
	NOTE	2023	2022 As Restated	2023	2022 As Restated
INTEREST INCOME					
Loans		76,202,803,047	51,642,282,701	74,947,148,058	50,509,917,546
Investments	(a)	44,024,864,302	39,070,866,036	43,821,401,428	38,941,341,949
Due from Bangko Sentral ng Pilipinas		5,020,206,992	2,840,780,038	4,945,755,318	2,763,129,865
Deposit in banks		240,068,331	59,069,882	293,076,877	75,274,540
Others		312,013,680	331,987,669	139,492,957	173,428,441
		125,799,956,352	93,944,986,326	124,146,874,638	92,463,092,341
INTEREST EXPENSE					
Deposit liabilities		32,965,773,110	13,588,808,848	32,739,615,027	13,461,189,046
Borrowed funds		1,084,796,561	1,098,095,454	949,545,327	1,027,101,193
Bonds payable		679,313,029	754,506,176	679,313,029	754,506,176
Finance Lease Payment Payable		61,293,237	69,151,629	177,438,022	199,404,154
Others		0	56,787,510	0	56,787,510
		34,791,175,937	15,567,349,617	34,545,911,405	15,498,988,079
NET INTEREST INCOME		91,008,780,415	78,377,636,709	89,600,963,233	76,964,104,262
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES 14 & 21					
		7,760,095,965	20,247,636,893	7,626,454,679	20,038,590,514
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES					
		83,248,684,450	58,129,999,816	81,974,508,554	56,925,513,748
OTHER OPERATING INCOME					
Dividends		1,112,340,311	1,064,512,946	1,103,857,293	1,054,950,998
Fees and commission		4,471,923,734	4,219,972,611	3,961,665,576	3,581,723,151
Foreign exchange gains from revaluation		250,332,851	3,253,600,885	250,332,855	3,253,601,208
Gain from dealings in foreign currency		703,592,766	764,555,867	703,592,766	764,555,867
Gain from sale/redemption/reclass of non-trading of FA and Liab	35(b)	606,869	43,922,381	0	43,380,681
Gain on financial assets at fair value thru profit or loss	35(c)	1,322,380,256	0	1,318,736,329	0
Gain on financial assets & liabilities designated at FV thru P/L	35(d)	26,992,658	0	26,899,333	0
Miscellaneous income	35	4,826,222,411	12,552,138,023	3,800,611,624	14,800,228,296
		12,714,391,856	21,898,702,713	11,165,695,776	23,498,440,201
OTHER OPERATING EXPENSES					
Compensation and fringe benefits		22,403,745,265	19,464,173,291	21,149,541,332	18,728,610,307
Taxes and licenses		8,653,783,187	7,548,801,825	8,487,658,809	7,381,789,022
Loss on financial assets at fair value thru profit or loss	36(c)	0	3,223,633,191	0	3,218,508,804
Loss on financial assets & liabilities designated at FV thru P/L	36(d)	55,400	31,562,951	0	31,562,951
Depreciation and amortization		3,780,914,495	3,739,787,881	3,636,463,915	3,557,021,459
Rent		378,163,511	1,211,590,245	466,261,910	1,217,474,407
Miscellaneous expenses	37	19,972,597,961	20,915,147,904	19,101,330,290	19,557,028,877
		55,189,259,819	56,134,697,288	52,841,256,256	53,691,995,827
INCOME BEFORE INCOME TAX		40,773,816,487	23,894,005,241	40,298,948,074	26,731,958,122
PROVISION FOR INCOME TAX	25	2,525,072,168	721,720,448	2,400,591,183	573,935,462
INCOME TAX BENEFIT	25	(3,826,719,401)	(3,160,783,429)	(3,799,459,063)	(3,146,662,099)
NET INCOME		42,075,463,720	26,333,068,222	41,697,815,954	29,304,684,759
Attributable to:					
Equity of the Parent Bank		42,074,646,450	26,332,148,035		
Non Controlling Interests		817,270	920,187		
		42,075,463,720	26,333,068,222		
NET INCOME					
		42,075,463,720	26,333,068,222	41,697,815,954	29,304,684,759
OTHER COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX 34					
Items that may not be reclassified to Profit or Loss:					
Change in net unrealized gain/(loss) on equity securities at FVOCI		4,370,559,498	(1,156,101,820)	4,377,016,209	(1,174,821,969)
Remeasurement of retirement benefit obligation		(23,925,704)	(5,434,799)		
Translation adjustment and Others		(226,702,380)	137,815,535	(228,757,809)	136,365,978
Others		6,500,000			
		4,126,431,414	(1,023,721,084)	4,148,258,400	(1,038,455,991)
Items that may be reclassified to Profit or Loss:					
Change in net unrealized gain/(loss) on debt securities at FVOCI		10,111,023,299	(17,622,500,061)	10,100,346,513	(18,124,294,665)
		10,111,023,299	(17,622,500,061)	10,100,346,513	(18,124,294,665)
		14,237,454,713	(18,646,221,145)	14,248,604,913	(19,162,750,656)
Attributable to:					
Equity of the Parent Bank		14,238,022,755	(18,645,900,256)		
Non Controlling Interests		(568,042)	(320,889)		
		14,237,454,713	(18,646,221,145)		
TOTAL OTHER COMPREHENSIVE INCOME FOR THE YEAR					
		56,312,918,433	7,686,847,077	55,946,420,867	10,141,934,103

The Notes on pages 233 to 331 form part of these financial statements.

Statements of Changes in Equity – Group
For the years ended Dec. 31, 2023 and 2022
(In Philippine Peso)

	Common Stock (Note 32) Shares	Amount	Paid-in Surplus	Retained Earnings Free	Retained Earnings Reserve (Note 33)	Undivided Profits	Revaluation Increment	Minority Interest	Other Comprehensive Income (Loss)	TOTAL
Balance, December 31, 2021, as restated	537,907,777	53,790,777,708	101,098,220	48,796,385,195	85,839,433,825	37,389,098,417	61,200,000	2,000,426,471	235,671,877,961	(2,601)
Prior Period Adjustments				(2,601)						
Balance, December 31, 2021, as restated	537,907,777	53,790,777,708	101,098,220	48,796,385,194	85,839,433,825	37,389,098,417	61,200,000	2,000,426,471	235,671,875,360	2,108,481,072
Beg. Balance UCBB Subsidiaries				1,730,586,651	377,924,421				26,332,148,035	(18,258,008,895)
Net income during the year						26,332,148,035				0
Net unrealized gain/loss on securities									(18,258,008,895)	0
Transfer to retained earnings free						(37,389,098,417)				0
Closure of UCBB Subsidiaries				37,389,098,417					(2,000,426,471)	59,356,137
Closure of UCBB Subsidiaries								59,356,137		0
Minority Interest in UCBB Savings Bank										0
Transfer to retained earnings reserve				(93,383,438)	93,383,438					0
Conversion of Unrestricted RE to Paid-up Capital of the Nat'l Gov't, as approved by the Office of the President per memo dtd 02.14.22				(42,816,933,600)						0
Office of RE-Reserve to RE-Free per Bd. Res. No. 22-165	428,169,336	42,816,933,600		67,180,000,000	(67,180,000,000)					0
Conversion of Unrestricted RE to Paid-up Capital of the Nat'l Gov't, per LBP Bd.				67,180,000,000						0
Conversion of Unrestricted RE to Paid-up Capital of the Nat'l Gov't, per LBP Bd.	671,800,000	67,180,000,000								0
Write off of investment accounts booked under FVOCI				(9,688,522)					9,688,522	0
Reversal of depreciation expense on ROPA per Bd. Res. 2022-351				(1,160,908,020)					(135,353,624)	0
FX currency translation for the accrual of ROP payments				135,353,624					(394,927,884)	0
Gain on sale of Equity Investment				394,927,884						0
Revised capitalization threshold for Bank Premises, Furnitures, Fixtures & Equipment per Bd. Res 22-924				(481,394,774)						(481,394,774)
Payment of dividends to the National Government				(8,629,851,170)					(8,629,851,170)	
BIT Audit Tax Deficiency				(1,352,543,454)					(1,352,543,454)	
Revised Reserve General Provision to Related earnings-Free				4,986,855,520	(4,986,855,520)					0
Transfer from UCBB Reserve General Provision				1,339,776,250						1,339,776,250
Reclassification of Gain on UCBB merger				(9,976,940,476)					(9,976,940,476)	0
Currency translation difference and others				(1,921,221,351)					137,815,535	(1,783,405,816)
Prior period adjustments				776,343,562					776,343,562	(5,434,799)
Remeasurement of retirement benefit obligation									(5,434,799)	
Balance, December 31, 2022	1,637,877,113	163,767,711,308	101,098,220	30,118,687,487	15,483,642,214	26,332,148,035	61,200,000	59,356,137	(11,952,945,820)	232,990,277,661
Beg. Balance December 31, 2022, as Restated				(2,601)						(2,601)
Balance, December 31, 2022, as Restated	1,637,877,113	163,767,711,308	101,098,220	30,118,687,487	15,483,642,214	26,332,148,035	61,200,000	59,356,137	(11,952,945,820)	232,990,275,067
Net income for CY 2023						26,332,148,035				26,332,148,035
Transfer of 2022 net income to retained earnings-free						42,074,646,450				42,074,646,450
Payment of Dividend				26,332,148,035						0
Transferred from Retained Earnings Reserve				(244,281,641)						(244,281,641)
Revised capitalization threshold for Bank Premises, Furnitures, Fixtures & Equipment per Bd. Res 22-924				132,414,436						0
FX currency translation for the accrual of ESP payments				(41,759,183)						(41,759,183)
Revised Reserve General Provision to Related earnings-Free per Bd. Res 2021				95,387,884						0
Prior Period Adjustments on Accounting for Leases of former UCBB Branches per Bd Res. 23-352				20,390,437						0
Prior period adjustments on recomputation of former UCBB Leases as required by PFRS 3 per Bd. Res 23-745				(3,989,096)						(3,989,096)
Net unrealized gain/(loss) on securities				(200,253,019)						(200,253,019)
Miscellaneous Liability transferred from former UCBB various legal cases				31,587,187						14,611,861,118
Remeasurement of retirement benefit obligation				2,098,693,438						(23,925,704)
Prior Period Adjustments				74,529,903						2,098,693,438
Currency translation difference										(226,702,379)
Balance, December 31, 2023	1,637,877,113	163,767,711,308	101,098,220	58,188,683,026	15,351,295,444	42,074,646,450	61,200,000	59,926,263	(2,284,908,994)	281,909,068,595

The Notes on pages 233 to 331 form part of these financial statements.

Statements of Changes in Equity – Parent
For the years ended Dec. 31, 2023 and 2022
(In Philippine Peso)

	Common Stock (Note 33) Shares	Amount	Paid-in Surplus	Retained Earnings Free	Retained Earnings Reserve (Note 33)	Undivided Profits	Other Comprehensive Income (Loss) (Note 33)	TOTAL
Balance, December 31, 2021, as restated	537,907,777	53,790,777,708	101,098,220	48,365,915,835	84,368,454,010	24,956,754,124	7,160,180,341	218,743,180,238
Net income for CY 2022						29,304,684,759		29,304,684,759
Transfer of 2021 net income to retained earnings-free								0
Net unrealized gain/(loss) on securities						(24,956,754,124)		0
Conversion of Unrestricted RE to Paid-up Capital of the Nat'l Gov't, as approved by the Office of the President per memo dated 02/14/22	428,169,336	42,816,933,600					(18,778,523,648)	(18,778,523,648)
Transfer of RE-Reserve to RE-Free per Bd. Res. No. 22-165								0
Conversion of Unrestricted RE to Paid-up Capital of the Nat'l Gov't, per LBP Bd. Res. 22-165 dated 03/09/22	671,800,000	67,180,000,000			(67,180,000,000)			0
Transfer from UCPB Reserve General Provision								0
Write off of investment accounts booked under FVOCI					1,339,776,250			1,339,776,250
Reversal of depreciation expense on ROPA per Bd. Res. 2022-351				(9,688,522)			9,688,522	0
Payment of dividends to the National Government per Bd. Res. 22-376				(1,160,908,020)				(1,160,908,020)
FX currency translation for the accrual of ERP payments				(8,449,273,026)				(8,449,273,026)
Gain on sale of Equity Investment				135,353,624				0
Revised capitalization threshold for Bank Premises, Furnitures, Fixtures & Equipment per Bd. Res 22-924				394,927,694				0
Re-appropriation of RE Reserve-General Provision to RE-Free				(481,394,774)				(481,394,774)
Redclassification of gain on UC PB merger				4,986,855,520	(4,986,855,520)			0
Prior Period Adjustments				774,355,174				(1,339,776,250)
Currency translation difference				68,901,351				205,267,329
Balance, December 31, 2022	1,637,877,113	163,877,711,308	101,098,220	25,425,089,320	13,541,374,740	29,304,684,759	(12,002,570,315)	220,157,388,032
Net income for CY 2023						41,697,815,954		41,697,815,954
Transfer of 2022 net income to retained earnings-free								0
Revised capitalization threshold for Bank Premises, Furnitures, Fixtures & Equipment per Bd. Res 22-924				(41,759,183)				(41,759,183)
FX currency translation for the accrual of ERP payments				95,387,884				0
Gain on sale of Equity Investment per BSP Cir. 708 s. 2011				28,390,437				0
Prior Period Adjustments on Accounting for Leases of former UC PB Branches per Bd Res. 23-352				(3,969,096)				(3,969,096)
Prior period adjustments on recomputation of former UC PB Leases as required by PFRS 3 per Bd. Res 23-745				(260,253,019)				(260,253,019)
Net unrealized gain/(loss) on securities						14,601,141,043		14,601,141,043
Management Fee on various program				350,473,307				350,473,307
Miscellaneous Liability transferred from former UC PB various legal cases								0
Prior Period Adjustments				31,587,187				31,587,187
Currency translation difference				1,768,251,802				1,768,251,802
Balance, December 31, 2023	1,637,877,113	163,877,711,308	101,098,220	56,780,824,653	13,541,374,740	41,697,815,954	(228,757,808)	278,154,859,474

The Notes on pages 233 to 331 form part of these financial statements.

Statement of Cash Flows
For the year Dec. 31, 2023
(In Philippine Peso)

	Group		Parent	
	2023	2022 As restated	2023	2022 As restated
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	122,941,320,822	93,383,358,321	121,308,501,637	88,827,721,530
Interest paid	(32,560,038,609)	(14,525,136,329)	(32,367,079,821)	(14,373,023,138)
Fees and commission	4,471,923,734	4,219,972,611	3,961,665,576	3,581,723,151
Gains on Financial Assets & Liab - Fair Value Through Profit or Loss	1,322,380,256	(3,223,633,191)	1,318,736,329	(3,218,508,804)
Gains on Financial Assets & Liabilities Designated at FV Thru P/L	26,937,258	(31,562,951)	26,899,333	(31,562,951)
Gain from dealings in foreign currency	703,592,766	764,555,867	703,592,766	764,555,867
Miscellaneous Income	4,826,222,411	12,552,138,023	3,800,611,624	14,800,228,296
General and administrative expenses	(47,005,454,023)	(46,786,943,472)	(45,037,378,412)	(43,328,022,046)
Operating income/(loss) before changes in operating assets and liabilities	54,726,884,615	46,352,748,879	53,715,549,032	47,023,111,905
Changes in operating assets and liabilities (Increase) Decrease in operating assets	(8,757,986,625)	(3,188,748,375)	(8,757,986,625)	(3,188,748,375)
Interbank Loans Receivable	(1,524,376,094)	13,014,658,348	(1,469,210,759)	12,465,077,133
Fair Value Through Profit or Loss	(80,160,822,003)	(98,087,821,370)	(79,747,785,576)	(240,467,116,544)
Loans and Receivable	510,241,775	0	518,221,667	0
Other Intangible Assets	(211,709,149)	(654,795,893)	(199,869,200)	(1,131,262,058)
Other Assets	(49,451,908,443)	(9,234,120,742)	(49,698,882,457)	(10,756,795,268)
Deferred Income Tax	(3,885,190,850)	(3,936,268,607)	(3,800,396,563)	(6,182,471,982)
Increase (Decrease) in operating liabilities				
Deposit liabilities	129,427,348,775	199,365,570,659	128,780,611,653	485,198,401,250
Derivative Liabilities	3,365,385	(341,064,862)	3,365,385	(340,514,897)
Payment Order Payable	(181,423,723)	19,940,839	(181,423,723)	19,940,839
Marginal Deposits	587,716,871	(335,719,096)	587,716,871	(272,630,615)
Cash Letters of Credit	2,347,683,715	3,971,446,003	2,347,683,715	13,863,000,583
Treasurer's, Manager's & Cashier's Checks	(1,001,394,382)	312,093,443	(1,003,205,546)	1,226,128,213
Other liabilities	(37,909,938,810)	27,437,948,323	(37,729,440,232)	35,225,527,315
Net cash generated from (used in) operations	4,518,491,057	174,695,867,549	3,364,947,642	332,681,647,499
Income taxes paid	(86,300,427)	(73,297,376)	0	0
Net cash generated from (used in) operating activities	4,432,190,630	174,622,570,173	3,364,947,642	332,681,647,499
CASH FLOWS FROM INVESTING ACTIVITIES				
(Additions to)/Disposals of property and equipment	(2,694,626,272)	(4,326,923,331)	(2,362,814,106)	(5,383,759,680)
(Additions to)/Disposals of investment property	(1,543,750,043)	(4,308,536,663)	(1,440,084,627)	(5,555,485,549)
(Additions to)/Disposal of Non-Current Assets Held for Sale	(6,431,657)	4,281,362,986	(15,258,561)	(393,274,582)
Dividends received	1,112,340,311	1,064,512,946	1,103,857,293	1,054,950,998
Gain from investment securities	606,869	43,922,381	0	43,380,681
Decrease (increase) in:				
Fair Value Through Other Comprehensive Income	(22,331,342,539)	155,154,156,039	(21,514,962,429)	114,879,186,185
Hold to Collect	84,226,760,436	(220,960,664,793)	84,090,543,753	(242,373,997,809)
Investment in Subsidiaries	0	0	0	(317,299,617)
Investment in associates	0	121,775,654	0	0
Net cash generated from/(used in) investing activities	58,763,557,105	(68,930,394,781)	59,861,281,323	(138,046,299,373)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid	(240,728,096)	(8,629,651,170)	0	(8,449,273,026)
Capital infusion from National Government	0	109,996,933,600	0	109,996,933,600
Other charges to capital	5,599,365,835	(117,612,538,564)	5,621,751,828	(106,992,358,806)
Increase (decrease) in:				
Bills and acceptances payable	(17,750,601,975)	7,691,965,986	(18,070,285,308)	7,813,822,311
Bonds payable	128,797,613	(4,510,382,779)	128,797,613	(4,510,382,779)
Finance lease payment payable	(561,029,483)	0	(624,015,910)	0
Net cash generated from/ (used in) financing activities	(12,824,196,106)	(13,063,672,927)	(12,943,751,777)	(2,141,258,700)
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS	250,332,851	3,253,600,885	250,332,855	3,253,601,208
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	50,621,884,480	95,882,103,350	50,532,810,043	195,747,690,634
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items	51,093,909,679	54,351,919,143	50,440,553,932	47,435,011,722
Due from Bangko Sentral ng Pilipinas	568,924,698,774	475,030,892,501	566,640,049,889	393,384,744,904
Due from other banks	18,608,577,727	25,918,936,571	20,501,057,254	13,960,454,520
Securities purchased under agreements to resell	29,199,764,104	16,643,098,719	28,747,260,221	15,801,019,516
	667,826,950,284	571,944,846,934	666,328,921,296	470,581,230,662
CASH AND EQUIVALENTS AT END OF YEAR				
Cash and other cash items	49,021,210,950	51,093,909,679	48,115,983,089	50,440,553,932
Due from Bangko Sentral ng Pilipinas	411,367,040,708	568,924,698,774	409,447,208,215	566,640,049,889
Due from other banks	7,738,260,460	18,608,577,727	9,562,385,261	20,501,057,254
Securities purchased under agreements to resell	250,322,322,646	29,199,764,104	249,736,154,774	28,747,260,221
	718,448,834,764	667,826,950,284	716,861,731,339	666,328,921,296

The Notes on pages 233 to 331 form part of these financial statements.

Notes to the Financial Statements
Dec. 31, 2023 and 2022
(All amounts in Philippine Pesos unless otherwise stated)

1. Corporate Information

The Land Bank of the Philippines (“LANDBANK” or “Parent”) is a financial institution wholly-owned by the National Government (NG). The Parent was established in 1963 as the financial intermediary of the Land Reform Program of the government. Later, it became the first universal bank by charter with expanded commercial banking powers to sustain its social mission of spurring countryside development.

The Parent is a depository bank of the government and its various instrumentalities. The Parent services the requirements of the NG, local government units and Government-Owned and Controlled Corporations (GOCCs). As of December 31, 2023, 65 per cent of the deposit portfolio came from the government while the rest came from private depositors.

The Parent and its subsidiaries (Group) are engaged in the business of banking, financing, leasing, real estate, insurance brokering and other related services to personal, commercial, corporate and institutional clients. The Group’s products and services include deposit-taking, lending and related services, treasury and capital market operations, trade services, payments and cash management, and trust services.

The Parent’s principal office of business is located at the LANDBANK Plaza, 1598 M.H. Del Pilar corner Dr. J. Quintos Streets, Malate, Manila.

2. Summary of Material Accounting Policies

2.1 Statement of Compliance

The consolidated financial statements of the Group and of the Parent have been prepared in compliance with the Philippine Financial Reporting Standards (PFRSs) except for the specific provisions of PFRS 9 on the recognition of modification gain or loss in profit or loss when modification does not result in the derecognition of a financial asset in adherence with the Bangko Sentral ng Pilipinas (BSP) Financial Reporting Package.

The accompanying comparative financial statements of the Parent were authorized for issue by the Parent’s Board of Directors on June 26, 2024 while those of the subsidiaries were approved for issue by their respective Board of Directors on various dates.

2.2 Basis of Financial Statements Preparation

The accompanying financial statements have been prepared on a historical cost basis unless stated otherwise.

Notes to Financial Statements
Dec. 31, 2023 and 2022
(All amounts in Philippine Pesos unless otherwise stated)

The financial statements of the Parent include the accounts maintained in the Regular Banking Unit (RBU) and Foreign Currency Deposit Unit (FCDU). The financial statements individually prepared for these units are combined after eliminating inter-unit accounts.

The functional currency of RBU and FCDU is Philippine Peso and United States Dollar (USD), respectively. For financial reporting purposes, FCDU accounts and foreign currency-denominated assets and liabilities in the RBU are translated in Philippine Peso based on the Bankers Association of the Philippines (BAP) closing rate prevailing at end of the year and at the BAP Weighted Average Rate for the year for income and expenses.

The consolidated financial statements are presented in Philippine peso and all values are rounded to the nearest peso except when otherwise indicated.

2.3 Basis of Consolidation

The consolidated financial statements include the financial statements of the Parent and the following subsidiaries:

Name	Country of Incorporation	Principal Activity	% of Ownership		Functional Currency
			2023	2022	
LBP Leasing and Finance Corporation	Philippines	Leasing	100%	100%	Philippine peso
LBP Insurance Brokerage, Inc.	Philippines	Insurance brokerage	100%	100%	Philippine peso
LBP Resources and Development Corporation	Philippines	Real estate	100%	100%	Philippine peso
Masaganang Sakahan, Inc.	Philippines	Trading	100%	100%	Philippine peso
Overseas Filipino Bank, Inc	Philippines	Banking	100%	100%	Philippine peso
UCPB Leasing and Finance Corporation	Philippines	Leasing	100%	100%	Philippine peso
United Foreign Exchange Corporation	Philippines	Trading	100%	100%	Philippine peso
LBP Securities, Inc	Philippines	Trading	100%	100%	Philippine peso
Green Homes Development, Inc	Philippines	Real estate	100%	100%	Philippine peso
UCPB Savings Bank, Inc	Philippines	Banking	97.55%	97.55%	Philippine peso

The consolidated financial statements were prepared using consistent accounting policies for like transactions and other events in similar circumstances. All significant inter-company balances and transactions have been eliminated in consolidation.

Acquisition of the United Coconut Planters Bank (UCPB) as Subsidiary and subsequent merger with LANDBANK

UCPB, a universal bank incorporated in the Philippines on May 10, 1963. On May 2, 2012, a resolution was unanimously approved at a special meeting of stockholders, extending the life of the UCPB for another 50 years from and after May 10, 2013, and for this purpose, amending the UCPB's Articles of Incorporation. On August 14, 2012, the Philippine Securities and Exchange Commission (SEC) approved the extension of the UCPB's corporate life for another 50 years up to 2063.

On June 25, 2021, President Rodrigo R. Duterte signed Executive Order No. 142 entitled, "Approving the Merger of the Land Bank of the Philippines (LANDBANK) and the UCPB, and the Acquisition by the LANDBANK of the Special Preferred Shares of the Philippine Deposit Insurance Corporation (PDIC) in the UCPB."

On September 24, 2021, the Parent acquired 12 billion Special Preferred Shares of UCPB held by the Philippine Deposit Insurance Corporation (PDIC) by issuing a 20-year Certificate of Indebtedness (COI) with face value and fair value of at the time of acquisition amounting

to P12 billion and P4,038,227,868.42, respectively. The issuance of the COI represented 88.91 per cent of the total voting rights in UCPB.

At the acquisition date, the Parent classify/designate the identifiable assets acquired and liabilities assumed as necessary on the basis of the contractual terms, economic conditions, its operating or accounting policies and other pertinent conditions as they exist at the acquisition date.

LANDBANK on boarded a total of 2,343 former UCPB employees; 101 reported in Head Office while majority in the field offices.

Gain on Bargain Purchase

The Group recognized a Gain on Bargain Purchase on acquisition date amounting to P11,999,456,312 while on merger date, the Parent recognized a Gain on Bargain Purchase amounting to P10,511,702,503, representing the excess of the net of the acquisition-date amounts of the identifiable assets acquired and the liabilities assumed over the aggregate of the consideration transferred. The gain is recognized in the Profit/Loss under Miscellaneous Income account.

Gain on Bargain Purchase arising from the acquisition has been recognized as follows:

Fair value (provisional) of identifiable net assets	P18,038,110,651
Non-Controlling Interest, based on their proportionate interest in the recognized amounts of the assets and liabilities	(2,000,426,471)
Consideration transferred	(4,038,227,868)
Gain on bargain purchase	11,999,456,312

Gain on Bargain Purchase arising from the merger has been recognized as follows:

Fair value of identifiable net assets	P15,049,783,205
Consideration transferred (Note 24)	(4,538,080,702)
Gain on bargain purchase	10,511,702,503

Identifiable assets acquired and liabilities assumed

The Parent measured the net identifiable assets acquired and the liabilities assumed on acquisition date at provisional amounts amounting to P18,038,110,651. After the acquisition date, the Parent have reflected adjustments to the provisional amount on new information obtained about facts and circumstances that existed as of the acquisition date and, if known, would have affected the measurement of the amounts recognized as of that date. The measurement period is within one year from acquisition date. The Parent has determined the fair values of UCPB's net identifiable assets and liabilities and the total acquisition/transaction related costs as at acquisition date and merger date. As of the merger date, fair value of the net identifiable assets and liabilities is at P15,049,783,205.

Notes to Financial Statements

Dec. 31, 2023 and 2022

(All amounts in Philippine Pesos unless otherwise stated)

	Amount
<i>Assets Acquired</i>	
Cash on Hand	4,623,651,616
Check and Other Cash Items	27,998,046
Due from BSP	66,892,685,537
Due from Other Banks	11,098,141,249
Investments	49,753,085,192
Loans Receivables	150,358,495,875
Equity Investments	4,069,311,139
Property and Equipment	6,930,274,518
Real and Other Properties Acquired	1,691,476,503
Other Assets	12,062,370,483
	307,507,490,158
<i>Liabilities Assumed</i>	
Deposit Liabilities	269,136,638,741
Other Liabilities	23,321,068,212
	292,457,706,953
Net Assets	15,049,783,205

The Parent measures at the acquisition and merger dates components of non-controlling interests in the acquiree that are present ownership interests and entitle their holders to a proportionate share of the entity’s net assets at provisional amounts. The non-controlling interest at acquisition date stood at 11.09 per cent or P2,000,426,471 while at the merger date, all the non-controlling interests were acquired by the Parent by setting-up accounts payable to the non-controlling shareholders.

The Parent recognized net loss of UCPB amounting to P139,592,917 covering result of operations from the acquisition date included in the statement of comprehensive income for the reporting period, while it recognized a combined entity net income for the current reporting period as though the acquisition date for all business combinations that occurred during the year had been as of the beginning of the annual reporting period amounting to P18,513,178,686.

2.4

Adoption of New and Amended PFRS

The Group and the Parent adopted for the first time the following new PFRS, amendments to PAS or PFRS, interpretation and annual improvements to PFRS, which are mandatorily effective for annual periods beginning on or after January 1, 2023. The application of these amendments had no significant impact on the Group and the Parent’s financial statements.

Amendment to PAS 1 and PFRS Practice Statement 2, Disclosure Initiative – Accounting Policies

The amendments provide guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by:

- Replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies; and
- Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The Group applies the guidance of materiality in disclosing information in the financial statement that could reasonably be expected to influence decisions of the stakeholders. However, information should not be obscured by aggregating or by providing immaterial information. Materiality considerations apply to all parts of the financial statements, and even a standard requires a specific disclosure, materiality considerations do apply.

Amendment to PAS 8, Definition of Accounting Estimates

The amendments introduce a new definition of accounting estimates and clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, the amendments clarify that the effects on an accounting estimate of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period errors.

Amendment to PAS 12, Deferred Tax related to Assets and Liabilities from a Single Transaction

The amendments introduce an exception to the initial recognition exemption in PAS 12, narrowing its scope, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments also clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense).

Standards issued but not yet effective

Pronouncements issued but not yet effective are listed below. Unless otherwise indicated, the Group and the Parent does not expect that the future adoption of the said pronouncements to have a material impact on its consolidated financial statements. The Group and the Parent intends to adopt the following pronouncements when they become effective.

Effective beginning on or after January 1, 2024

PAS 1 (Amendments), Presentation of Financial Statements, Classification of liabilities as current or non-current (effective from January 1, 2024)

The amendments clarify paragraphs 69 to 76 of PAS 1, Presentation of Financial Statements, to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement
- That a right to defer must exist at the end of the reporting period

- That classification is unaffected by the likelihood that an entity will exercise its deferral right
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification

The amendments are effective for annual reporting periods beginning on or after January 1, 2024 and must be applied retrospectively.

PFRS 16 (Amendments), Leases, Lease Liability in a Sale and Leaseback (effective from January 1, 2024)

The amendment to PFRS 16 Leases specifies requirements for seller-lessees to measure the lease liability in a sale and leaseback transaction.

The amendment does not change the accounting for leases unrelated to sale and leaseback transactions.

The amendment applies to annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. Earlier adoption is permitted.

PFRS 17 – Insurance Contracts (effective on or after January 1, 2025)

PFRS 17 is a comprehensive new accounting standard for insurance contracts covering recognition and measurement, presentation and disclosure. Once effective, PFRS 17 will replace PFRS 4, Insurance Contracts. This new standard on insurance contracts applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. A few scope exceptions will apply.

The overall objective of PFRS 17 is to provide an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the requirements in PFRS 4, which are largely based on grandfathering previous local accounting policies, PFRS 17 provides a comprehensive model for insurance contracts, covering all relevant accounting aspects. The core of PFRS 17 is the general model, supplemented by:

- A specific adaptation for contracts with direct participation features (the variable fee approach)
- A simplified approach (the premium allocation approach) mainly for short-duration contracts

On December 15, 2021, the Financial and Sustainability Reporting Standards Council amended the mandatory effective date of PFRS 17 from January 1, 2023 to January 1, 2025, with comparative figures required. This is consistent with Circular Letter No. 2020-62 issued by the Insurance Commission which deferred the implementation of IFRS 17 by two years after its effective date as decided by the International Accounting Standards Board. Early application is permitted.

PAS 21 (Amendments), Lack of Exchangeability (effective on or after January 1, 2025)

The amendments specify how an entity should assess whether a currency is exchangeable and how it should determine a spot exchange rate when exchangeability is lacking.

The amendments are effective for annual reporting periods beginning on or after January 1, 2025. Earlier adoption is permitted and that fact must be disclosed. When applying the amendments, an entity cannot restate comparative information.

2.5 Material Accounting Policies

2.5.1 Financial Instruments

PFRS 9, Financial Instruments

The Group adopted the classification and measurement, impairment and hedge accounting requirements of the standard as follows:

I. Classification and Measurement

a. Debt Financial Assets

Financial assets are measured at Fair Value through Profit or Loss (FVTPL) unless these are measured at Fair Value through Other Comprehensive Income (FVOCI) or at amortized cost. The classification and measurement provisions of PFRS 9 require that all debt financial assets that do not meet the “solely payment of principal and interest” (SPPI) test, including those that contain embedded derivatives, be classified at initial recognition as financial assets at FVTPL. The intent of the SPPI test is to ensure that debt instruments that contain non-basic lending features, such as conversion options and equity linked pay-outs, are measured as financial assets at FVTPL.

For debt financial assets that meet the SPPI test, classification at initial recognition will be determined based on the business model under which these instruments are managed. Debt instruments that are managed on a “hold to collect and for sale” basis will be classified as financial assets measured at FVOCI. Debt instruments that are managed on a “hold to collect” basis will be classified as investment securities at amortized cost.

For those debt financial assets that would otherwise be classified as financial assets at FVOCI or at amortized cost, an irrevocable designation can be made at initial recognition to instead measure the debt instrument as financial asset measured at FVTPL under the fair value option (FVO) if doing so eliminates or significantly reduces an accounting mismatch.

b. Equity Financial Assets

All equity financial assets are required to be measured at initial recognition at FVTPL unless an irrevocable designation is made to classify the instrument as financial asset measured at FVOCI. The FVOCI for equity category results in all realized and unrealized gains and losses being recognized in OCI with no recycling to profit and loss. Only dividends will continue to be recognized in profit and loss. Under PFRS 9, embedded derivatives are no longer separated from a host financial asset. Instead, financial assets are classified based on the business model and their contractual terms.

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c. Financial liabilities

The classification and measurement of financial liabilities remain essentially unchanged from the current PFRS 9 requirements. Changes in fair value of FVO liabilities attributable to changes in own credit risk are to be presented in OCI.

d. Derivatives

Derivatives are initially recognized at fair value and classified as financial assets/liabilities measured at FVTPL under PFRS 9.

II. Expected Credit Loss (ECL) Assessment

ECL Assessment shall be applied to the following exposures:

- a. Loans and receivables measured at amortized cost;
- b. Investments in debt instruments that are measured at amortized cost;
- c. Investments in debt instruments that are measured at FVOCI;
- d. Due from BSP and Due from Other Banks;
- e. Credit commitments and financial guarantee contracts that are not measured at FVTPL; and
- f. Other Financial Assets measured at amortized cost (Accounts Receivables, etc.)

A. Staging Assessment

The Parent’s exposures shall be classified into the following stages:

STAGE	CHARACTERISTICS	ECL ASSESSMENT
Stage 1	credit exposures that are considered "performing" and with no significant increase in credit risk (SICR) since initial recognition or with low credit risk	12 month
Stage 2	credit exposures that are considered "under-performing" or not yet non-performing but with SICR since initial recognition	Lifetime
Stage 3	credit exposures with objective evidence of impairment, these are considered as "non-performing"	Lifetime

Treasury exposures shall be classified into the following stages:

STAGE	CHARACTERISTICS	ECL ASSESSMENT
Stage 1	Credit exposures with no SICR risk since initial recognition, with low credit risk, or with external credit rating of investment grade	12 month
Stage 2	Credit exposures with SICR since initial recognition as follows:	Lifetime

STAGE	CHARACTERISTICS	ECL ASSESSMENT
	1. exposures with external credit rating downgraded from investment grade to speculative/non-investment grade; or 2. exposures with risk ratings downgraded by at least two rating grades	
Stage 3	Credit exposures with objective evidence of impairment or has defaulted	Lifetime

The Parent segmented its credit exposures for purposes of ECL calculation according to groups that share similar credit risk characteristics with the objective of facilitating an analysis that is designed to enable SICR to be identified on a timely basis. The segmentation is by instrument type, product terms and conditions, and industry/market segment. Treasury exposures are segmented into Due from BSP and Securities Purchased under Resell Agreements (SPURA), Due from Other Banks (DFOB), FVOCI Debt Investments, and Financial Assets at Amortized Cost. Assessment is then conducted on a per security basis to determine its level of credit risk.

Moreover, the Parent conducts an assessment to determine whether a financial instrument is subject to 12-Month or Lifetime ECL. Financial instruments under treasury is deemed to have a SICR if 1) Rating downgraded from investment grade to speculative/non-investment grade or 2) Rating downgraded by at least two rating grades.

Treasury Exposures are considered in default upon occurrence of the following:

- 1. If a credit obligation is considered non-performing;
- 2. If a borrower has been placed in bankruptcy, has been found insolvent, or has ceased operations;
- 3. If the Parent sells a credit obligation at a material credit-related loss; or
- 4. If a credit obligation of a borrower/obligor is considered to be in default, all credit obligations of the borrower/obligor with the same bank shall also be considered to be in default.

B. ECL Parameters and Methodologies

The Parent adopts the ECL parameter-based estimation approaches as an impairment methodology and conducts the ECL calculation every quarter (i.e. March, June, September and December of each year). The ECL rate is determined by the following parameters:

- 1. Exposure at Default (EAD) is defined as the total credit exposure to a borrower or counterparty at the time of default. Parent used outstanding balances of credit exposures as of cut-off date plus accrued interest receivables.
- 2. Probability of Default (PD) is the likelihood that the counterparty will default over a certain time horizon. It does not depend on the transaction but rather, on the counterparty’s characteristics. The Parent follows the following hierarchy to estimate the PD:

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- a.

Internal Credit Risk Rating - PD is estimated based on issuer/borrower rating grade produced by internal rating models adopted from the methodology for Loans.
- b.

External Credit Risk Rating - PD is based on issue/issuer rating grade provided by external ratings agencies such as Moody's, S&P, and Fitch. Moody's rating scale for external ratings is primarily used. For issuers with no rating from Moody's, ratings from other external credit rating agencies (e.g. S&P, Fitch) are extracted and these ratings are then mapped to Moody's rating scale. PD is then assigned corresponding to the external credit rating of the issue/issuer as provided by Moody's average cumulative default rates and recovery rates study. For exposures with maturity of less than one year, the PD is adjusted to reflect the actual term of exposures. PD Estimation already incorporates any Forward-Looking Overlays.
- c.

External Credit Rating for Benchmark/Comparable Companies - PD is based on issuer rating grade of benchmark or comparable companies. The methodology used in determining the ratings of benchmark companies is either of the following:

 - Based on Bloomberg peers where Parent uses the equivalent ratings of the comparable companies sourced from the Relative Valuation function in Bloomberg; and
 - Based on Industry average where the Parent uses the industry average credit rating where the issuer belongs.

The external ratings of the comparable companies are mapped to Moody's rating scale. PDs are assigned corresponding to the external credit ratings of the issuer as provided by Moody's average cumulative default rates and recovery rates study. The average PD of the comparable companies is used as the forward-looking PD rate for the issuer company.
- d.

Credit Default Swaps Spread Curves
3.

Loss Given Default (LGD) is the assigned loss estimate when a counterparty has defaulted, after all recoveries are taken into account. LGD depends on the transaction, not on the counterparty. It is computed as one (1) less recovery rate. LGD estimation for treasury exposures follows the same hierarchy used for PD estimation.
4.

Forward-Looking Overlay

The Parent recognizes that while historical loss experience and recent economic conditions are a reasonable starting point for ECL analysis, these factors are not, by themselves, sufficient bases to determine the appropriate level of aggregate loss provision. Accordingly, the Parent considers any current factors that are likely to cause credit losses to differ from historical loss experience, including changes in the following:

- Lending policies and procedures, including underwriting standards and collection, charge-off, and recovery practices;
- International, national, and local economic and business conditions and developments, including the condition of various market segment;
- Trend volume and severity of past due loans and loans graded as low quality, as well as trends in the volume of impaired loans, troubled debt restructuring and other loan modifications;
- The experience, ability, and depth of lending management and staff;
- Changes related to new market segment and products;
- Quality of the Parent's loan review system and the degree of oversight by Senior Management and BOD;
- The existence and effect of any concentrations of credit, and charges in the level of such concentrations; and
- Credit risk profile of the portfolio as a whole, as well as the effect of external factors such as competition and legal and regulatory requirements on the level estimated credit losses in the Parent's current portfolio.

The Parent incorporated forward-looking overlay adjustment to the portfolio PD. Regression analysis is used to analyze the effects of movement of relevant macroeconomic and portfolio-specific factors to the portfolio PD. Prudent assumptions are explained in building the regression model. Experienced credit judgement is used within the following constraints:

- Experienced credit judgments shall be subject to established policies and procedure;
- With approved and documented analytical framework for assessing loan quality applied consistently over time;
- Estimates shall be based on reasonable and verifiable assumptions and supported by adequate documentation; and
- Assumptions concerning the impact on borrowers of changes in general economic activity, both favorable and unfavorable, shall be made with sufficient prudence.

This forward-looking overlay adjustment, with reasonable, established, and verifiable assumptions, is incorporated in the ECL estimation.

The use of 12-month forecasts suggest that regression models should be performed annually. This is to ensure timely recognition of the Parent's view on the macroeconomic conditions, both internationally and locally, to be applied in ECL calculation. In addition, changes in lending policies and procedures, legal and regulatory requirements, and new market products occurring within the year shall be noted by the Parent because these may affect the ECL calculation.

Investments in peso-denominated debt securities issued by the Philippine Government or BSP are considered to have low credit risk and carries zero ECL.

Parent's assessment of ECL on loans and other non-loan related accounts are disclosed in Note 40.

Foreign currency translation

Transactions and balances

The books of accounts of the RBU are maintained in Philippine Peso, while those of the FCDU are maintained in USD. For financial reporting purposes, the foreign currency-denominated monetary assets and liabilities in the RBU are translated in Philippine Peso based on the BAP closing rate prevailing at the statement of financial position date and foreign-currency denominated income and expenses at the prevailing exchange rate on date of transaction. Foreign exchange differences arising from revaluation and translation of RBU denominated assets and liabilities are credited to or charged against operations in the year in which the rates change.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined.

FCDU assets and liabilities of the Parent are translated in the Philippine Peso at BAP closing rate prevailing at the statements of financial position date, and its income and expenses are translated at BAP weighted average rate for the year. Exchange difference arising on translation to the presentation currency are recorded to "Translation Adjustment and Others" in the Equity. Upon disposal of the FCDU or actual remittance of FCDU profits to RBU, the cumulative amount of translation adjustments in the equity is recognized in the statement of comprehensive income.

Date of recognition

Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date - the date that an asset is delivered to or by the Group. Securities transactions are also recognized on settlement date basis. Derivatives and equity securities are recognized on trade date basis. Deposits, amounts due to banks and customers and loans are recognized when cash is received by the Group or advanced to the borrowers.

Initial recognition of financial instruments

Financial assets are measured at FVTPL unless these are measured at FVOCI or at amortized cost. Financial liabilities are classified as either financial liabilities at FVTPL or financial liabilities at amortized cost.

The classification of financial assets depends on the contractual terms and the business model for managing the financial assets. Subsequent to initial recognition, the Group may reclassify its financial assets only when there is a change in its business model for managing these financial assets. Reclassification of financial liabilities is not allowed.

The Group first assesses the contractual terms of financial assets to identify whether they pass the contractual cash flow test (SPPI test). For the purpose of the SPPI test, principal is defined as the fair value of the financial assets at initial recognition and may change over the life of the financial asset. The most significant elements of interest within a lending arrangement are typically the consideration for the time value of money and credit risk. In

contrast, contractual terms that introduce a more than insignificant exposure to risks or volatility in the contractual cash flows that are unrelated to a basic lending arrangement do not give rise to contractual cash flows that are SPPI. In such cases, the financial asset is required to be measured at FVTPL. Only financial assets that pass the SPPI test are eligible to be measured at FVOCI or at amortized cost.

a. Financial Assets at FVTPL

Financial assets at FVTPL include financial assets held for trading, financial assets designated upon initial recognition at FVTPL, or financial assets mandatorily required to be measured at fair value. Financial assets are classified as held for trading if they are acquired for the purpose of selling or repurchasing in the near term.

Financial assets with cash flows that are not solely payments of principal and interest are classified and measured at financial assets at FVTPL, irrespective of the business model. Financial assets at FVTPL are carried in the statement of financial position at fair value with net changes in fair value recognized in the statement of comprehensive income.

b. Financial Assets at FVOCI

Financial assets at FVOCI include debt and equity securities. After initial measurement, financial assets at FVOCI are subsequently measured at fair value. The unrealized gains and losses arising from the fair valuation of investment securities at FVOCI are excluded, net of tax, as applicable, from the reported earnings and are recognized in the statement of comprehensive income as 'Net unrealized gains/(losses) on financial assets at FVOCI'.

Debt securities at FVOCI are those that meet both of the following conditions:

- (i) The asset is held within a business model whose objective is to hold the financial assets in order to both collect contractual cash flows and sell financial assets; and
- (ii) The contractual terms of the financial asset give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

The effective yield component (including premium, discounts and directly attributable transaction costs) and foreign exchange restatement of debt securities are reported in the Statement of Comprehensive Income.

Equity securities designated at FVOCI are those that the Group made an irrevocable election at initial recognition to present in OCI the subsequent changes in fair value. Dividends earned on holding equity securities at FVOCI are recognized in the Statement of Comprehensive Income as 'Dividends' when:

- a. the Group's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the entity; and
- c. the amount of the dividend can be measured reliably.

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c. Financial Assets at Amortized Cost

Financial assets at amortized cost are debt financial assets that meet both of the following conditions:

- (i) These are held within a business model whose objective is to hold the financial assets in order to collect contractual cash flows; and
- (ii) The contractual terms give rise on specified dates to cash flows that are SPPI on the outstanding principal amount.

After initial measurement, financial assets at amortized cost are subsequently measured at amortized cost using the effective interest method, less allowance for credit losses. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees that are an integral part of the effective interest rate. The amortization is included in 'Interest Income' in the Statement of Comprehensive Income. Losses arising from credit losses are recognized in 'Provision for impairment, credit and other losses' in the Statement of Comprehensive Income.

d. Loans and receivables, amounts due from BSP and other banks, interbank loans receivable and securities purchased under resale agreements

These are financial assets with fixed or determinable payments and fixed maturities that are not quoted in an active market. They are not entered into with the intention of immediate or short-term resale and are not classified as other financial assets held for trading, designated as FVOCI investments. These are measured at amortized cost.

Determination of fair value

The fair value for financial instruments traded in active markets at the statement of financial position date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. In the absence of an available current bid and asking prices, the price of the most recent transaction is used because it provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.

For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which observable market prices exist, options pricing models and other relevant valuation models.

Derivative Instruments

The Parent enters into derivative contracts such as currency forwards and currency swaps to manage its foreign exchange exposure. These derivative financial instruments are initially recorded at fair value on the date at which the derivative contract is entered into and are subsequently remeasured at fair value. Any gains or losses arising from changes in fair values of derivatives (except those accounted for as accounting hedges) are taken directly to the statement of comprehensive income. Derivatives are carried as assets when the fair value is positive and as liabilities when the fair value is negative. Derivative instruments are booked at its notional amount under contingent account on trade date and subsequently

measured using the mark to forward methods. Any gains/(losses) arising from the market valuation are booked under asset account "Derivatives with positive fair value" if the market valuation is positive and under the liability account "Derivatives with negative fair value" if the market valuation is negative contra foreign exchange gain/(loss) account.

The Parent did not apply hedge accounting treatment for its derivative transactions.

Derecognition of Financial Assets and Liabilities

Financial Assets. A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- the rights to receive cash flows from the asset expired;
- the Group retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or
- the Group has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Group has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Group's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Group could be required to repay.

As practiced, the specific identification method or the "matched deal close-out" is applied in the measurement of realized and unrealized gain or loss on sale of debt securities wherein the book value of the specific deal in the inventory is allocated for the sale.

Financial Liabilities. Derecognition of a financial liability of the Group happens when the obligation under the liability is discharged, cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

2.5.1a Modification of Contractual Cash Flows of Financial Assets

Restructured loans

These are loans and other credit accommodations whose original prescribed terms and conditions have been modified in accordance with a formal restructuring agreement that sets a revised schedule of payments for the purpose of lessening the financial difficulty of the borrower and maximizing collection and realizable economic value on an obligation within a reasonable period of time. The amendment may include, but is not limited to, change in

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principal due, maturity date, interest rate and other charges, collateral, or other terms and conditions.

The Parent recalculates the gross carrying amount of the financial asset which shall include amount of the principal loan and capitalized interest and other charges (CIOC). The increase in the face value of the loan resulting from the CIOC is recognized as Other Deferred Credits (ODC) which shall be amortized/credited to income in compliance with the BSP Financial Reporting Package. While, PFRS 9 – *Financial Instruments* provides that when the contractual cash flows of a financial assets are renegotiated or otherwise modified and renegotiation or modification does not result in the derecognition of that financial asset in accordance with this Standard, an entity shall recalculate the gross carrying amount of the financial asset and shall recognize a modification gain or loss in profit or loss. However, considering the historical probability of collecting restructured loans, and adhering to the accounting principle of revenue recognition and conservatism, the Parent prudently amortizes ODC and credit to income when earned and considerations are received, rather than recognizing it outright which might not accurately reflect the economic reality of the transaction. Furthermore, this will also prevent eventual reversals of previously recognized gain if the borrower defaulted.

As of December 31, 2023

PFRS 9		LANDBANK's Approach	
Financial Position		Financial Position	
<i>Assets</i>		<i>Assets</i>	
Restructured Loan	3,800,135,412	Restructured Loan	3,800,135,412
<i>Equity</i>		<i>Liabilities</i>	
Retained Earnings-Free	3,553,162,284	Other Deferred Credits	3,800,135,412 **
Financial Performance		** Shall be amortized and credited to Interest Income	
<i>Other Income</i>			
Modification Gain	246,973,128		

The Parent’s approach deviated from PFRS 9 regarding the outright recognition of modification gain or loss in the Statement of Comprehensive Income, nevertheless, the Parent ensures that the financial statements were fairly presented and compliant with the applicable PFRSs. As of December 31, 2023, the outstanding balance of ODC is P3.8 billion which is equivalent to 0.3 percent of the total loan portfolio of the Parent.

2.5.1b Offsetting of financial assets and financial liabilities

Offsetting of financial assets and financial liabilities are only made and the net amount are reported in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and the Group intends to either settle on a net basis, or to realize the asset and the liability simultaneously.

2.5.2 Fiduciary Activities

Assets and income arising from fiduciary activities together with related undertakings to return such assets to customers are excluded from the financial statements where the Group acts in a fiduciary capacity such as nominee, trustee or agent.

2.5.3 Subsequent Events

Any post-year-end event that provides additional information about the Group’s position at the statement of financial position date (adjusting event) is reflected in the financial statements. Post-year-end events that are non- adjusting events, if any, are disclosed in the Notes to the Financial Statements, when material.

2.5.4 Impairment of Property and Equipment, Investment Property and Other Resources

At each reporting date, the Group assesses if there is any indication that the property and equipment and investment properties may be impaired.

Where an indicator of impairment exists, the Group makes a formal estimate of recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. Recoverable amount is the higher of an asset’s or cash-generating unit’s fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets.

2.5.5 Investments in Subsidiaries

The Parent’s investments in subsidiaries in which the Parent has control are accounted for under the cost method of accounting in the separate financial statements. These are carried in the statement of financial position at cost less any impairment in value.

2.5.6 Property and Equipment

Property and equipment of the Parent are carried at cost less accumulated depreciation and amortization and any impairment in value. When the assets are sold or retired, their cost and accumulated depreciation and amortization are eliminated from the accounts and any gain or loss resulting from their disposal is recognized in the profit or loss.

The initial cost of property and equipment comprises its purchase price, other expenditures incurred incident to the acquisition and any directly attributable cost of bringing the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance costs, are normally charged to profit and loss in the period in which the costs are incurred.

Subsequent costs pertaining to additions (extensions, enlargement or expansion made to an existing asset) shall be capitalized if it is probable that future economic benefits will flow to the Parent for more than one year, and the costs of such additions, replacements and betterments is at least five per cent of the initial cost but should not be less that the set threshold which is P50,000.00 (*per COA Circular No 2022-004*).

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Depreciation shall start on the month following the date that the asset is ready for use (even if not actually being used), which is when it is in the location and condition necessary for it to be capable of operating in the manner intended by the Parent, as certified by the Property Supply Officer and Department/Unit Head. Depreciation and amortization are calculated on a straight-line basis over the estimated useful life (EUL) of the property and equipment as follows:

	Number of Years
Buildings	10 – 30
Furniture, fixtures and equipment	5 – 10
Leasehold rights	10 - 30*
Transportation equipment	7 – 10

*EUL shall depend on the length of the lease. It shall be the period of the lease or the EUL of the assets, as given, whichever is shorter.

The useful life and depreciation and amortization methods are reviewed periodically to ensure that the period and method of depreciation and amortization are consistent with the expected pattern of economic benefits from items of property and equipment.

2.5.7 Investment Properties

Property acquired by the Group in settlement of loans through foreclosure or dation in payment, and that is not significantly occupied by the Group, is classified as investment property. Investment property comprises land and building.

The Parent applies the cost model in accounting for investment properties. Investment properties are measured initially at cost including transaction costs incurred upon acquisition. An investment property is recognized upon:

- entry of judgment in case of judicial foreclosure;
- execution of the Sheriff’s Certificate of Sale in case of extra-judicial foreclosure; or
- notarization of the Deed of Dacion in case of payment in kind (dacion en pago).

The initial cost of the investment property acquired is determined based on the following order:

- 1st - Fair value of the asset received;
- 2nd - Fair value of the asset given up;
- 3rd - Carrying amount of the asset given up, if the fair values of the assets received and asset given up cannot be determined.

Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and impairment loss. Investment properties are derecognised when they have either been disposed of or when the investment property is permanently withdrawn from use and no future benefit is expected from its disposal. Any gains or losses on derecognition of an investment property are recognized in the profit and loss in the year of derecognition.

Expenditures incurred after the fixed investment properties have been put into operation, such as repairs and maintenance costs, are normally charged to expense in the period in which the costs are incurred.

Depreciation is calculated on a straight-line basis over 10 to 30 years, which is the estimated useful life of the investment properties.

A ten per cent residual value shall be deducted from the initial cost of the investment property before computing the depreciation. Depreciation shall start the month following the date the asset is required or classified as Investment Property.

2.5.8 Non-Current Assets Held for Sale

Non-current assets held for sale (NCAHS) include other properties (chattels, auto and real estate) acquired through repossession or foreclosure that the Group intends to sell within one year from the date of classification as held for sale.

The Group classifies a non-current asset as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. The Group is committed to a plan to sell these foreclosed assets and the assets are actively marketed for sale at a price that is reasonable in relation to their current fair values. The sale is to be expected to qualify as completed sale within one year from date of reclassification to NCAHS; that, a minimum ten per cent refundable earnest money based on the purchase price must be paid by the prospected buyer. In the event that the sale of the asset is extended beyond one year, the extension of the period required to complete the sale does not preclude an asset from being classified as held for sale if the delay is caused by events or circumstances beyond the control of the Group and there is sufficient evidence that the Group remains committed to sell the asset.

Assets classified as held for sale are measured at the lower of their carrying amounts immediately prior to their classification as assets held for sale and their fair value less costs to sell. The cost of assets foreclosed includes the carrying amount of the related loan less allowance for impairment at the time of foreclosure. The Group recognizes an impairment loss for any initial and subsequent write-down of the asset to fair value less cost to sell. Gain for any subsequent increase in fair value less cost to sell of an asset is recognized to the extent of the cumulative impairment loss previously recognized. Assets classified as held for sale are not subject to depreciation or amortization.

2.5.9 Intangible Assets

Computer software

The acquired computer software licenses of the Parent are capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on the basis of the expected useful lives (three to five years) using the straight-line method.

Costs associated with developing or maintaining computer software programs are recognized as an expense as incurred.

2.5.10 Income Taxes

Current taxes of the Parent

The current tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxing authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the statement of financial position date.

Deferred taxes of the Parent

The deferred tax is provided on temporary differences at the statement of financial position date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- a. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of taxable temporary differences associated with investments in subsidiaries, where the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carryforward of unused tax credits from the excess of minimum corporate income tax (MCIT) over the regular income tax, and unused net operating loss carryover (NOLCO), to the extent that it is probable that taxable income will be available against which the deductible temporary differences and carryforward of unused tax credits from MCIT and unused NOLCO can be utilized except:

- a. Where the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries, deferred tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized.

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient future taxable profit will be available to allow all or part of the deferred income tax asset to be utilized. Unrecognized deferred tax assets are reassessed at each statement of financial position date and are recognized to the extent that it has become probable that future taxable income will allow the deferred tax asset to be recovered.

amounting to P300,000.00 or less which shall be booked as “Rent Expense” and recognized on a straight-line basis or another systematic basis over the lease term which includes short-term leases of office spaces, transportation, photocopier and other equipment.

The Group recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

Group is the lessor

Leases in which the Group does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

2.5.13 Provisions

Provisions are recognized when the following criteria were met:

- The Group has a present obligation (legal or constructive) as a result of a past event;
- It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation;
- Any of the following circumstances are present:
 - a. The Group has already filed a Motion for Reconsideration of an adverse decision of the Supreme Court (SC);
 - b. A decision has been rendered against the Group in a case governed by the Rule of Procedure for Small Claims Cases;
 - c. A decision has been rendered against the Group in a case where the governing law or rules expressly provide that the decision is immediately final, executory and unappealable;
 - d. An award has been issued against the Group in a case submitted to arbitration or other alternative modes of dispute resolution where the law, rules and/or submission agreement provide that the award is immediately final, executory and unappealable;
 - e. Other similar or analogous circumstances
- A reliable estimate can be made of the amount of the obligation.

2.5.14 Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements but are disclosed in the notes to the financial statements unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized but are disclosed in the notes to the financial statements when an inflow of economic benefits is probable.

2.5.15 Revenue Recognition

A Revenue from Contract with Customers is recognized to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The consideration promised in a contract with a customer may include fixed amounts, variable amounts, or both.

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PFRS 15 provides a five-step model framework for revenue arising from contracts with customers.

This five-step model is as follows:

- 1. Identify the contract(s) with a customer;
- 2. Identify the performance obligations in the contract;
- 3. Determine the transaction price;
- 4. Allocate the transaction price to the performance obligation in the contract; and
- 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

Under PFRS 15, revenue is recognized when (or as) the entity satisfies a Performance obligation by transferring a promised good or service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of that asset. If an entity transfers control of a good or service over time and, therefore, satisfies a performance obligation and recognizes revenue over time by measuring the progress towards complete satisfaction of that performance obligation. PFRS 15 requires the Group to exercise judgement, taking into account all of the relevant facts and circumstances when applying each step of the model to contracts with their customers. The standard also specifies the accounting for the incremental costs of obtaining a contract and the costs directly related to fulfilling a contract.

The following specific recognition criteria must also be met before revenue is recognized:

Revenues within the scope of PFRS 15

Service charges and penalties

Service charges and penalties of the Parent are recognized only upon collection or accrued when there is reasonable degree of certainty as to its collectability.

Fees and commissions

The Group earns fee and commission income from a diverse range of services it provides to its customers, which are divided into the following two categories:

- a. Fee income earned from services that are provided over time

Fees earned for the provision of services over a period of time are accrued over that period. Commitment fees received to originate a loan are deferred and recognized as an adjustment to the effective interest rate. If the loan commitment expires, the fee is recognized as revenue on expiry.
- b. Fee income from providing transaction services

Fees arising from negotiating or participating in the negotiation of a transaction for a third party, such as underwriting fees, corporate finance fees, and brokerage fees for the arrangement of the acquisition of shares or other securities or the purchase or sale of businesses, are recognized on completion of the underlying transaction. Fees or components of fees that are linked to a certain performance are recognized after fulfilling the corresponding criteria.

Other income

Income from the sale of services of the Group is recognized upon completion of service.

Income from sale of properties is recognized upon completion of earnings process and the collectability of the sales price is reasonably assured under 'Gain/(Loss) on Sale/Derecognition of Asset' in the Statement of Comprehensive Income.

Rewards Program

The Parent's Credit Card Rewards Program is a point-based loyalty program automatically computed by the system and credited to Cardholder's account based on card usage or purchases made by a Cardholder. As approved by the Parent, one point is earned for every P50 pesos purchase charged on the credit card. The points will accumulate and have no expiry however, in accordance with PFRS 15, the peso equivalent of all outstanding Rewards points, net of points allocated to cancelled cards, is booked as Miscellaneous Liability on a monthly basis. The accrued amount for Rewards Program is adjusted when rewards points are redeemed. Currently, redemption is done in the form of rebate to be applied as credit/payment to Cardholder's account based on computed peso equivalent.

The peso value of total Rewards points credited to Cardholders for the month is recognized as Miscellaneous Expense in the Statement of Comprehensive Income while the outstanding balance of contra account is reflected in the Statement of Financial Position under Miscellaneous Liability.

Fees received in connection with the issuance of credit cards are deferred and amortized on a straight-line basis over the period the cardholder is entitled to use the card. Fees are booked to 'Fees and Commission Income – Others' account when they are charged to cardholders.

Revenues outside the scope of PFRS 15

Interest income

The Parent's Interest on interest-bearing financial assets at FVTPL investments are recognized based on the contractual rate. Interest on financial instruments measured at amortized cost and FVOCI are recognized based on the effective interest method of accounting.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and allocating the interest income or interest expense over the relevant period.

Interest is recognized on impaired loans and other financial assets based on the rate used to discount future cash flows to their net present value.

Recovery on charged-off assets

The Parent's income arising from collections on accounts or recoveries from impairment of items previously written off is recognized in the year of recovery.

Dividend income

Dividend income is recognized in profit or loss when:

- a. the Group's right to receive payment of the dividend is established;
- b. it is probable that the economic benefits associated with the dividend will flow to the entity; and
- c. the amount of the dividend can be measured reliably.

Rental income

The Parent's rental income arising on leased premises is accounted for on a straight-line basis over the lease terms on ongoing leases.

2.5.16 Borrowing Costs

Borrowing costs refer to the interest and other costs that the Parent incurred in connection with the borrowing of funds. These costs include interest in bonds payable, bills payable and finance leases which are expensed when incurred.

2.5.17 Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the Group's chief operating decision-maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

In identifying its operating segments, the Parent generally follows the Group's products and service lines as disclosed in Note 5, which represent the main products and services provided by the Group.

Each of these operating segments is managed separately as each of these service lines requires different technologies and other resources as well as marketing approaches. All inter-segment transfers are carried out at arm's length prices.

The measurement policies the Group uses for segment reporting under PFRS 8, Operating Segments, are the same as those used in its consolidated financial statements.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRS requires the Group to make estimates and assumptions that affect the reported amounts of resources, liabilities, income and expenses and disclosure of contingent resources and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Judgments

In the process of applying the Group's accounting policies, the following are the critical judgments, apart from those involving estimations, which have the most significant effect on the amounts recognized in the financial statements:

Leases

Group as Lessor

The Group has entered into commercial property leases on its investment property portfolio and over various owned fixed assets. The Group has determined, based on an evaluation of the terms and conditions of the arrangements (i.e., the lease does not transfer ownership of the asset to the lessee by the end of the lease term, the lessee has no option to purchase the asset at a price that is expected to be sufficiently lower than the fair value at the date the option is exercisable and the lease term is not for the major part of the asset's economic life), that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

Group as Lessee

The Group has entered into lease on premises it uses for its operations. The Group determines the lease term as the non-cancellable term of the lease, together with any periods covered by an option to extend the lease if it is reasonably certain to be exercised, or any periods covered by an option to terminate the lease, if it is reasonably certain not to be exercised.

Extension and termination options

The Group has several lease contracts that include extension and termination options. The Group applies judgment in evaluating whether it is reasonably certain whether or not to exercise the option to renew or terminate the lease. That is, it considers all relevant factors such as leasehold improvements and location that create an economic incentive for it to exercise either the renewal or termination. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to renew or to terminate.

Estimating the Incremental Borrowing Rate for lease liabilities

The Group uses the incremental borrowing rate (IBR) at the lease commencement date in calculating for the present value of lease payments because the interest rate implicit in the lease is not determinable. The IBR for lease liabilities is the rate of interest that the Bank would have to pay to borrow over a similar term, and with a similar security, the funds necessary to obtain an asset of a similar value to the Right of Use (ROU) asset in a similar economic environment.

The carrying values of the Parent's ROU assets and lease liability are disclosed in Note 18.

Impairment of Financial Assets

The Parent adopted ECL model in measuring credit impairment of financial assets in accordance with the provisions of PFRS 9. These financial assets are booked as amortized cost/FVOCI such as:

1. Loans and receivables that are measured at amortized costs;
2. Investments in debt instruments that are measured at amortized cost;
3. Investments in debt instruments that are measured at FVOCI;
4. Credit commitments and financial guarantee contracts that are not measured at FVTPL;
5. Due from BSP and Due from Other Banks; and
6. Other financial assets measured at amortized costs.

To measure the ECL, for financial assets initial assessment is first done on a per security basis to assess its level of credit risk. The estimated ECL per instrument is based on credit losses that result from possible default events within the next 12 months if there is no SICR since initial recognition or with low credit risk. Otherwise, credit losses that result from all possible default events over the expected life of a financial instrument is considered in the ECL calculation.

FVOCI Investments

If an FVOCI investment is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss on that security previously recognized in profit or loss – is removed from equity and recognized in the statement of comprehensive income. If, in a subsequent period, the fair value of a debt instrument classified as FVOCI investment increases and the increase can be objectively related to an event occurring after the impairment loss was recognized in profit or loss, the impairment loss is reversed through the statement of comprehensive income. The carrying values of FVOCI investments for the Group and Parent are P479,034,781,224 and P477,448,302,967 as of December 31, 2023 and P442,211,398,690 and P441,449,432,840 as of December 31, 2022, respectively.

Estimates

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below.

a. Fair value of financial instruments (including derivatives) of the Parent

The fair value of financial instruments that are not quoted in active markets are determined by using generally accepted valuation techniques. Where valuation techniques (for example, models) are used to determine fair values, they are validated and periodically reviewed by the Risk Management Group. All models are reviewed before they are used to ensure that outputs reflect actual data and comparative market prices. To the extent practicable, models use only observable data, however, areas such as credit risk (both own and counterparty), volatilities and correlations require Parent to make estimates. Changes in assumptions about these factors could affect reported fair values of financial instruments.

b. Useful lives of property and equipment

The Group determines the estimated useful lives and related depreciation charges for its property and equipment. The Parent will increase the depreciation charge where useful lives are less than previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned or sold. The carrying values of property and equipment of the Group and the Parent are P11,254,485,706 and P10,341,642,423 as of December 31, 2023 and P10,711,794,544 and P10,105,321,811 as of December 31, 2022, respectively.

c. Allowance for Credit Loss

The measurement of the allowance for ECL on debt financial assets at amortized cost and at FVOCI is an area that requires the use of significant assumptions about the future economic conditions and credit behavior (e.g., likelihood of customers defaulting and the resulting losses).

4. Fair Value Hierarchy

These levels are based on the inputs that are used to determine the fair value and can be summarized in:

- Level 1: quoted prices in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
- Level 3: inputs that are not based on observable market data or unobservable inputs

For assets and liabilities not listed in an active market, the Group uses valuation techniques such as net asset value and investment multiple that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

Valuation Techniques:

1. Government debt securities

Government debt securities are financial instruments issued by sovereign governments and include both long-term bonds and short-term bills with fixed or floating rate interest payments. These instruments are generally highly liquid and traded in active markets resulting in a Level 1 classification. When active market prices are not available, the Parent uses discounted cash flow using bootstrapped rates, in which the Parent classifies those securities as Level 2. The Parent does not have Level 3 government securities where valuation inputs would be unobservable.

2. Corporate Bonds

The Parent uses active market prices when available, or other observable inputs in discounted cash flow models to estimate the corresponding fair value Corporate bonds are generally Level 2 instruments where usually there is no active market to justify Level 1 classification. Par curves are bootstrapped to effectively value the debt security. Reference

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rates/curves include BVAL for Philippine peso-denominated debt securities and US Treasury Curves for US dollar-denominated debt securities. Level 3 instruments are those where significant inputs cannot be referenced to observable data and, therefore, inputs are adjusted for relative tenor and issuer quality.

3. Equity Securities

The majority of equity instruments are actively traded in the Philippine Stock Exchange with readily available active prices on a regular basis. Such instruments are classified as Level 1. Unlisted equity instruments are initially recognized at transaction price and re-measured (to the extent information is available) and valued on a case-to-case and classified as Level 2. Choice of method involves professional judgment and consideration of the facts and circumstances surrounding the measurement. Valuation methodologies used include Net Asset Value, Income Approaches and Valuation Multiples. Equity investments that lack reliable information are valued at cost. Crucial information needed for valuation includes the investee’s Audited Financial Statements and other relevant market data.

4. Loans and receivables at fair value through profit or loss

For loans and receivables designated at FVPL and mandatorily required to be measured at FVPL (those that did not meet the SPPI criteria), a discounted cash flow model is used based on various assumptions, including current and expected future credit losses, market rates of interest, prepayment rates and assumptions regarding market liquidity, where relevant. The element of fair value attributable to the credit risk is calculated by determining the changes in credit spread implicit in the fair value of bonds issued by entities with similar credit characteristics. Classification between Level 2 and Level 3 is determined based on whether the assessment of credit quality is based on observable or unobservable data.

5. Foreign exchange contracts

Foreign exchange contracts include open spot contracts, foreign exchange forward and swap contracts and over-the-counter foreign exchange options. These instruments are valued by either observable foreign exchange rates, observable or calculated forward points and option valuation models. With the exception of contracts where a directly observable rate is available which are disclosed as Level 1, the Parent classifies foreign exchange contracts as Level 2 financial instruments when no unobservable inputs are used for their valuation or the unobservable inputs used are not significant to the measurement (as a whole).

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Parent determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each statement of financial position date. The Parent also determines the policies and procedures for both recurring fair value measurement, such as financial assets and liabilities at FVTPL, and for non-recurring measurement, such as investment properties.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

Assets and Liabilities are valued based on quotes in an active market. In absence of active market quote, the Parent uses various valuation methodologies that maximizes reliance to observable market inputs. Relevant inputs may include the relevant yield curves, industry benchmarks, financial performance and condition of issuer, and other available information.

Valuation methodology to be used shall be agreed upon by the Front, Middle, and Back Office. In some cases, valuation methodology is also agreed upon by other holders of the same asset/liability.

As of December 31, 2023 and 2022, the fair value hierarchy of the Parent’s assets and liabilities are presented below:

As of December 31, 2023					
	Book Value	Level 1 a/	Level 2 b/	Level 3 c/	Total Fair Value
FINANCIAL ASSETS:					
FVTPL	20,371,212,218	17,205,190,097	2,026,913,176	1,139,108,945	20,371,212,218
Debt Securities	16,248,618,327	16,248,618,327	0	0	16,248,618,327
Domestic	14,262,168,171	14,262,168,171	0	0	14,262,168,171
FCDU	1,986,450,156	1,986,450,156	0	0	1,986,450,156
Equity Securities	2,095,680,715	956,571,770	0	1,139,108,945	2,095,680,715
Domestic	984,472,524	956,571,770	0	27,900,754	984,472,524
FX-Reg	1,111,208,191	0	0	1,111,208,191	1,111,208,191
Derivative w/ positive FV	2,026,913,176	0	2,026,913,176	0	2,026,913,176
FX-Reg	210,164,968	0	210,164,968	0	210,164,968
PLFD	1,674,146,261	0	1,674,146,261	0	1,674,146,261
FCDU	142,601,947	0	142,601,947	0	142,601,947
FVOCI	472,049,113,164	462,469,670,142	10,038,131,641	1,725,267,457	474,233,069,240
Debt Securities	461,472,655,026	440,956,911,043	10,038131,641	0	450,995,042,684
Domestic	381,457,545,946	371,886,612,394	3,332,419,575	0	375,219,031,969
FX-Reg	14,668,613,548	14,792,013,374	2,579,434,465	0	14,371,447,839
FCDU	65,346,495,532	57,278,285,275	4,126,277,601	0	61,404,562,876
Equity Securities	10,576,458,138	21,512,759,099	0	1,725,267,457	23,238,026,556
Domestic	7,872,511,379	20,718,539,865	0	772,966,752	21,491,506,617
FX-Reg	2,703,946,759	794,219,234	0	952,300,705	1,746,591,939
HTC	756,187,946,219	725,263,311,038	4,112,770,176	2,498,257,047	731,874,338,261
Debt Securities	756,187,946,219	725,263,311,038	4,112,770,176	2,498,257,047	731,874,338,261
Domestic	723,109,106,404	695,048,898,045	4,112,770,176	22,593,657	699,184,261,878
FX-Reg	14,560,143,343	12,332,736,306	0	1,771,726,785	14,104,463,091

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FCDU	18,518,696,472	17,881,676,687	0	703,936,605	18,585,613,292
Total	1,248,608,271,601	1,204,938,171,277	16,177,814,993	5,362,633,449	1,226,478,619,719
FINANCIAL LIABILITIES:					
Bills Payable	13,614,450,450	0	13,460,078,917	154,371,533	13,614,450,450
BSP Rehabilitation Programs	23,400,825	0	0	23,400,825	23,400,825
Domestic Borrowings (ODA thru BTr)	130,970,708	0	0	130,970,708	130,970,708
Foreign Borrowings/ODA	13,460,078,917	0	13,460,078,917	0	13,460,078,917
Bonds Payable	4,672,721,488	0	4,672,721,488	0	4,672,721,488
Derivative Liabilities	11,936,320	0	11,936,320	0	11,936,320
	18,299,108,258	0	18,144,736,725	154,371,533	18,299,108,258
As of December 31, 2022					
	Book Value	Level 1 a/	Level 2 b/	Level 3 c/	Total Fair Value
FINANCIAL ASSETS:					
FVTPL	18,902,001,459	13,568,165,624	4,210,632,911	1,123,202,924	18,902,001,459
Debt Securities	13,568,165,624	13,568,165,624	0	0	13,568,165,624
Domestic	10,795,034,454	10,795,034,454	0	0	10,795,034,454
FCDU	2,773,131,170	2,773,131,170	0	0	2,773,131,170
Equity Securities	1,123,202,924	0	0	1,123,202,924	1,123,202,924
Domestic	31,262,235	0	0	31,262,235	31,262,235
FX-Reg	1,091,940,689	0	0	1,091,940,689	1,091,940,689
Derivative w/ positive FV	4,210,632,911	0	4,210,632,911	0	4,210,632,911
FX-Reg	1,473,475,579	0	1,473,475,579	0	1,473,475,579
PLFD	2,593,563,842	0	2,593,563,842	0	2,593,563,842
FCDU	143,593,490	0	143,593,490	0	143,593,490
FVOCI	450,498,166,234	426,485,203,201	9,097,592,363	2,657,382,542	438,240,178,106
Debt Securities	441,534,452,086	411,912,221,059	9,097,592,363	0	421,009,813,422
Domestic	353,842,394,719	335,503,574,825	4,217,344,974	0	339,720,919,799
FX-Reg	11,979,944,437	11,027,070,108	176,419,836	0	11,203,489,944
FCDU	75,712,112,930	65,381,576,126	4,703,827,553	0	70,085,403,679
Equity Securities	8,963,714,148	14,572,982,142	0	2,657,382,542	17,230,364,684
Domestic	5,471,507,854	13,855,734,927	0	884,934,335	14,740,669,262
FX-Reg	3,492,206,294	717,247,215	0	1,772,448,207	2,489,695,422

As of December 31, 2022					
HTC	839,980,279,650	776,831,002,102	5,548,985,485	4,417,335,164	786,797,322,751
Debt Securities	839,980,279,650	776,831,002,102	5,548,985,485	4,417,335,164	786,797,322,751
Domestic	788,065,395,690	730,300,436,049	5,548,985,485	26,351,206	735,875,772,740
FX-Reg	20,151,870,535	16,116,999,729	0	3,146,656,441	19,263,656,170
FCDU	31,763,013,425	30,413,566,324	0	1,244,327,517	31,657,893,841
Total	1,309,380,447,343	1,216,884,370,927	18,857,210,759	8,197,920,629	1,243,939,502,315
FINANCIAL LIABILITIES:					
Bills Payable	31,593,982,866	0	31,425,871,026	168,111,840	31,593,982,866
BSP Rehabilitation Programs	24,303,875	0	0	24,303,875	24,303,875
Domestic Borrowings (ODA thru BTr)	143,807,965	0	0	143,807,965	143,807,965
Foreign Borrowings/ODA	15,299,984,049	0	15,299,984,049	0	15,299,984,049
Deposit Substitute-Repurchase Agreement	16,125,886,977	0	16,125,886,977	0	16,125,886,977
Bonds Payable	4,543,923,875	0	4,543,923,875	0	4,543,923,875
Derivative Liabilities	8,570,935	0	8,570,935	0	8,570,935
	36,146,477,676	0	35,978,365,836	168,111,840	36,146,477,676

a/ Level 1 - quoted market price in active markets for identical assets or liabilities
b/ Level 2 - those involving inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (as prices) or indirectly (derived from prices)
c/ Level 3 - those with inputs for the asset or liability that are not based on observable market data (unobservable inputs)

		2023	2022
Financial Assets:			
FVTPL			
Equity Securities			
Domestic	Beginning Balance	31,262,235	32,262,236
Add/ (Deduct):			
Redemption/Payment		(1,636,516)	(1,000,000)
Write-Off		(1,724,959)	
Adjustment/Reconciliation		(6)	0
Domestic	Ending Balance	27,900,754	31,262,236
FX-Reg	Beginning Balance	1,091,940,689	1,029,447,269
Add/ (Deduct):			
Valuation		19,267,502	62,493,420
FX-Reg	Ending Balance	1,111,208,191	1,091,940,689
FVOCI			
Equity Securities			
Domestic	Beginning Balance	884,934,335	1,051,628,754
Add/ (Deduct):			
Valuation		(111,967,531)	342,481,846
Adjustment/Reconciliation		(52)	
Transferred from UCPB		0	51,530,088
Redemption/Payment		0	(555,488,940)
Write-Off		0	(5,217,413)
Domestic	Ending Balance	772,966,752	884,934,335

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Fx-Reg	Beginning Balance	1,772,448,206	2,441,401,387
Add/ (Deduct):			
Valuation		(820,147,501)	(668,953,180)
Fx-Reg	Ending Balance	952,300,705	1,772,448,207

The Parent follows the Fair Value Hierarchy provided by PFRS 13. As a general rule, Assets and Liabilities are valued using Level 1 Inputs. However, for the following cases, a Level 2 or 3 Inputs are used in determining the fair value:

1. No available quote in the market/not traded in market
2. Traded in a market but is not active

The choice of Level 2 or 3 inputs will depend on the next best available data, or if there is any agreement between holders of the same asset/liability as to what fair valuation methodology to be used.

5. Segment Information

Business Segments

The Parent’s operating businesses are recognized and managed separately according to the nature of services provided and the different markets served by each segment representing a strategic business unit. The Parent derives revenues from the following main operating business segments:

(a) Branch Banking Sector (BBS) and Digital Banking Sector (DBS)

These two sectors oversee the operation of the Parent’s branches and ATM networks, which are the primary sales and distribution platforms for products and services. Its primary tasks are to: solicit deposits; cross-sell and distribute all of the Parent’s products and services, as allowed by regulation; generate sales leads for specialized products; and manage customer relationships.

(b) National Development Lending Sector (NDLS)

The NDLS manages the growth of the largest asset of the Parent which is the loan portfolio targeting both consumer loan market and the corporate and institutional loan markets.

(c) Treasury and Investment Banking Sector (TIBS)

The TIBS manages the Parent’s assets and liabilities. TIBS leads the Asset and Liability Committee (ALCO), it recommends the pricing strategy for deposits and loans to ensure that deposit-taking units offer competitive yields to generate the funding requirements of the Parent, and the lending units, in turn, offer rates that will attract the targeted borrowers. In addition, TIBS manages the regulatory reserve requirements of the Parent as well as ensures compliance to required liquidity position. The TIBS also engages in trading of fixed income securities and foreign exchange.

(d) Other Segments

This segment includes other segments that provide support to its core activities. The Parent monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on net income before income tax, which is measured in a manner consistent with that in the statement of comprehensive income. The Parent’s assets producing revenues are located in the Philippines (i.e., one geographical location), therefore, geographical segment information is no longer presented. The Parent has no significant customers which contribute ten per cent or more of the consolidated revenue, net of interest expense. Funds are ordinarily allocated between segments, resulting in funding cost transfers disclosed in operating income. Interest charged for these funds is based on the Parent’s cost of capital. There are no other material items of income or expense between business segments.

PARENT'S STATEMENT OF PERFORMANCE	2023					2022 RESTATED
	BBS	NDLS	TIBS	OTHERS	TOTAL	
Income						
Loans	3,690,815,216	64,196,352,146	3,861,238,262	3,198,742,434	74,947,148,058	50,509,917,546
Investments	-	-	47,190,311,964	-	47,190,311,964	37,147,455,991
FX Profit/(Loss)	276,470,742	55,467,174	283,363,737	338,623,968	953,925,621	4,018,157,075
Others	3,750,785,260	3,176,321,709	5,985,680,089	-691,602,288	12,221,184,770	21,035,930,176
Total Income	7,718,071,218	67,428,141,029	57,320,594,052	2,845,764,114	135,312,570,413	112,711,460,788
Expenses:						
Financial Expenses						
Interest on Deposits	32,739,615,027	-	-	-	32,739,615,027	13,461,189,046
Interest on Borrowed Funds	-	426,940,518	151,636,598	370,968,211	949,545,327	1,027,101,194
Other Financial Costs	154,450,243	7,611,469	251,228	694,438,111	856,751,051	1,010,697,840
Total Financial Expenses	32,894,065,270	434,551,987	151,887,826	1,065,406,322	34,545,911,405	15,498,988,080
Manpower Costs						
Salaries and Wages						
Basic	6,452,690,966	1,638,761,134	162,174,686	5,919,503,800	14,173,130,586	12,996,829,232
Contractual	21,064,235	22,898,845	1,395,553	189,214,416	234,573,049	308,526,316
Fringe Benefits	1,816,685,467	449,329,181	41,377,173	4,933,872,469	7,241,264,290	6,025,348,008
Overtime	136,162,037	7,438,606	377,659	60,805,634	204,783,936	246,942,263
Seminars and Trainings	19,849,509	4,258,963	1,630,048	28,111,062	53,849,582	27,604,309
Total Manpower Costs	8,446,452,214	2,122,686,729	206,955,119	11,131,507,381	21,907,601,443	19,605,250,128
Other Operating Expenses						
Taxes & Insurances	10,770,474,577	4,112,174,246	3,997,551,908	16,241,409	18,896,442,140	18,783,784,393
Fees & Other Charges	649,632,094	25,184,103	102,867,810	1,382,962,675	2,160,646,682	1,757,136,965
Utilities	3,132,143,640	186,712,860	5,153,682	627,738,233	3,951,748,415	4,765,272,536
Business Development	148,754,423	53,975,223	1,599,106	234,435,875	438,764,627	403,281,450

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Information Technology Expenses	159,234,325	155,475	21,521	1,062,395,408	1,221,806,729	1,170,818,400
Litigation/Asset Acquired Expenses	6,841,672	357,035,333	-	70,561,306	434,438,311	280,738,697
Miscellaneous Expenses	-36,035,271	51,029,505	53,811	178,295,950	193,343,995	118,620,044
Provision/Depreciation/Amortization	1,639,787,564	1,373,348,604	644,596	6,850,269,949	9,864,050,713	21,022,885,336
Total Other Operating Expenses	16,470,833,024	6,159,615,349	4,107,892,434	10,422,900,805	37,161,241,612	48,302,537,821
TOTAL COSTS	57,811,350,508	8,716,854,065	4,466,735,379	22,619,814,508	93,614,754,460	83,406,776,029
TOTAL BANK NET INCOME/LOSS	-50,093,279,290	58,711,286,964	52,853,858,673	-19,774,050,393	41,697,815,954	29,304,684,759

6. Cash and Other Cash Items

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Cash on hand	48,641,569,654	49,942,061,031	47,736,341,793	49,288,805,284
Checks and other cash items	16,644,854	32,956,379	16,644,854	32,956,379
Returned checks and other cash items	350,980,491	1,103,187,002	350,980,491	1,103,187,002
Miscellaneous checks and other cash items	11,292	2,800	11,292	2,800
Petty cash fund	11,998,696	15,300,694	11,998,696	15,200,694
Payroll fund	5,963	401,773	5,963	401,773
	49,021,210,950	51,093,909,679	48,115,983,089	50,440,553,932

Cash on hand represents total amount of cash in bank's vault under the custody of the cashier or cash custodian, including notes in the possession of tellers and those kept in automated teller machines (ATM) and the like. Checks and other cash items (COCI) refers to the total amount of checks and other cash items received after the selected clearing cut-off time until the close of the regular banking hours.

7. Due from Bangko Sentral ng Pilipinas

This account represents the Group's demand and special deposits in local currency maintained with BSP to meet reserve requirements and to serve as clearing account for interbank claims consistent with BSP guidelines.

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Due from BSP- Regular-DDA	315,613,538,185	190,997,450,516	315,078,968,654	190,294,744,608
Due from BSP- Regular-ODA	50,400,000,000	336,784,000,000	50,000,000,000	336,200,000,000
Due from BSP- Regular-TDA	45,273,924,176	40,997,000,000	44,289,964,912	40,000,000,000
Due from BSP- Small Enterprises	2,136,312	2,136,312	2,136,312	2,136,312
Due from BSP- Others	8,648,969	8,648,969	8,648,969	8,648,969
Accrued Interest Receivable	68,793,066	135,462,977	67,489,368	134,520,000
	411,367,040,708	568,924,698,774	409,447,208,215	566,640,049,889

8. Due from Other Banks

This account consists of:

	Group		Parent	
	2023	2022 AS Restated	2023	2022
Deposit with local banks	359,158,930	552,040,754	2,145,540,135	2,425,303,594
Deposit with foreign banks	7,384,134,364	18,061,337,232	7,384,134,364	18,061,337,232
Allowance for Credit Losses	(5,038,369)	(4,802,892)	(5,727,480)	(4,802,892)
Accrued Interest Receivable	5,535	5,535	38,444,444	19,222,222
Allowance for Credit Losses	0	(2,902)	(6,202)	(2,902)
	7,738,260,460	18,607,450,435	9,562,385,261	20,501,057,254

The Group maintains nostro accounts on global basis with 20 and 36 foreign depository banks totaling 22 and 37 bank accounts in 2023 and 2022, respectively, the most significant of which are as follows:

2023		2022	
1.	JP Morgan Chase Bank	1.	JP Morgan Chase Bank
2.	Wells Fargo	2.	Deutsche Bank
3.	Standard Chartered Bank, N.Y.	3.	Wells Fargo
4.	Bank of New York	4.	Standard Chartered Bank, N.Y.
5.	Bank of America N.Y.	5.	Clearstream Bank

9. Interbank Loans Receivables

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Foreign Banks	23,421,510,000	14,663,565,000	23,421,510,000	14,663,565,000
Allow. For Credit Losses	0	(41,608)	0	(41,608)
Accrued Interest Receivable	19,936,813	10,974,597	19,936,813	10,974,597
Allow. For Credit Losses	0	(17)	0	(17)
	23,441,446,813	14,674,497,972	23,441,446,813	14,674,497,972

The interbank loans receivable will mature within 30 days from date of investment with range of interest rates at December 31, as follows:

2023		2022	
Foreign	3.73% to 5.50%	0.01% to 4.35%	

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10. Securities Purchased under Agreements to Resell

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Domestic				
Reverse Repurchase-BSP	250,215,976,621	26,536,835,743	249,629,845,744	26,084,420,709
Repo Lending-Private	0	2,650,860,167	0	2,650,860,167
Accrued Interest Receivable	106,346,025	12,068,194	106,309,030	11,979,345
	250,322,322,646	29,199,764,104	249,736,154,774	28,747,260,221

Reverse Repurchase with BSP carry interest rate at 6.39 per cent and 5.50 per cent as at December 31, 2023 and 2022, respectively. Reverse Repurchase with BPI carries an interest rate at seven per cent as at December 31, 2022 while was no outstanding reverse repurchase transaction with private counterparty as of December 31, 2023.

11. Fair Value Thru Profit or Loss (FVTPL)

This consists of:

	Group		Parent	
	2023	2022	2023	2022
Government Securities – Domestic	14,460,766,156	10,795,034,454	14,262,168,171	10,795,034,454
Government Securities – Foreign	1,986,450,156	2,773,131,170	1,986,450,156	2,773,131,170
Private Securities – Domestic	984,472,524	174,694,885	984,472,524	31,262,235
Private Securities – Foreign	1,111,208,191	1,091,940,689	1,111,208,191	1,091,940,689
Derivative with positive fair value	2,026,913,176	4,210,632,911	2,026,913,176	4,210,632,911
Accrued Interest Receivable	87,164,067	23,733,383	85,837,956	22,593,939
	20,656,974,270	19,069,167,492	20,457,050,174	18,924,595,398

The FVTPL financial assets of the Group carry interest rates at December 31 as follows:

	2023		2022	
Domestic	2.38%	To 6.88%	2.38%	to 6.25%
Foreign	0.25%	To 5.95%	1.54%	to 4.19%

FVTPL includes the foreign exchange (FX) Risk Cover of the Parent's borrowings from multilateral agencies amounting to P1,674,146,261 and P2,593,563,842 in 2023 and 2022, respectively, which is treated as a derivative financial instrument per BSP Monetary Board Resolution No. 1063 dated August 14, 2008.

Under a Memorandum of Agreement between the NG (thru the Department of Finance) and the Parent, the former shall guarantee and assume the FX risk relating to foreign currency denominated borrowings from multilateral agencies (i.e. World Bank, Asian Development Bank, JICA, etc.) which are relent in local currencies. The fair value changes on the FX Risk Cover are reported immediately in the statement of comprehensive income. As of December 31, 2023, the outstanding notional amount of the FX Risk Cover amounted to JPY16,373,612,355 and EUR20,828,730.

Prior to 2007, the value of the FX Risk Cover as an option derivative varies on the movement of the foreign exchange rates of the Bills Payable. Beginning 2007, in accordance with

Monetary Board Resolution No. 1063 dated August 14, 2008, the Parent applied the standard option valuation model approach which resulted in a decrease in the derivative asset amounting to P919,417,581 in 2023 and P357,854,118 in 2022.

The derivative with positive fair value comprise of the following:

	2023	2022
FX Risk Cover	1,674,146,261	2,593,563,842
Debt Warrants	142,601,947	143,593,490
Forward Contracts	210,164,968	1,473,475,579
	2,026,913,176	4,210,632,911

The Garman-Kohlhagen valuation model used in pricing the derivative FX Risk Cover was found acceptable by the BSP during the conduct of their on-site validation in 2009.

Financial assets representing the Parent's equity infusions in countryside financial institutions and preference shares in MRTC that are assessed as debt securities but failed the SPPI test are classified as designated at FVTPL.

12. Fair Value Through Other Comprehensive Income (FVOCI)

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Government				
Domestic	373,347,686,506	336,141,217,103	371,886,612,394	335,503,574,825
Foreign	73,626,625,392	78,852,324,548	73,626,625,392	78,852,324,548
Private				
Domestic	24,944,489,782	19,081,409,475	24,823,926,193	18,958,014,237
Foreign	3,895,905,261	4,926,264,496	3,895,905,261	4,926,264,496
Accrued Interest Receivable	3,220,703,025	3,210,245,828	3,215,862,469	3,209,317,494
Allow. For Credit	(628,742)	(62,759)	(628,742)	(62,759)
	479,034,781,224	442,211,398,691	477,448,302,967	441,449,432,841

FVOCI of the Group carry interest rates at December 31 as follows:

	2023		2022	
Domestic	2.38%	To 9.25%	2.38%	To 8.13%
Foreign	0.13%	To 10.63%	0.13%	To 10.63%

In 2023, the Parent disposed equity securities at FVOCI with total carrying value of P187,875,370 and recognized a gain on disposal charged against Retained Earnings of P16,206,861. The Parent sold its investments in equity securities as the target fair value of the listed stocks based on discounted cash flow model has been reached. Likewise, disposition of equity investment in countryside financial institution was made to recover the Parent's matured principal investment.

The net gains or losses on FVOCI equity securities classified as FVOCI amounted to P12,773,367,141 and P8,266,650,534 as of December 31, 2023 and 2022, respectively.

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Domestic – Private securities

i. Manila Electric Company (MERALCO) shares

LANDBANK and SMC Global entered into a Share Purchase Agreement (SPA) on 2 December 2008. Under the SPA, LANDBANK will transfer and convey 46,596,596 MERALCO shares to San Miguel Corporation (SMC) Global for a consideration of P4,193,693,640.00 (priced at P90 per share) and a fixed term interest of P553,847,140.06. The SPA was not implemented because the shares were levied on execution on a just compensation case against LANDBANK.

On 14 December 2011, the Supreme Court (SC) directed MERALCO to reinstate the shares in LANDBANK's name. LANDBANK was only able to recover 38,635,950 shares.

For failure of the Bank to implement the SPA, SMC Global filed before the Regional Trial Court (RTC) a Complaint for Specific Performance and Damages against LANDBANK on 3 July 2014.

On March 18, 2021, the RTC rendered its decision in favor of SMC Global, ordering LANDBANK and other defendants, jointly and severally, to:

1. Immediately implement the Share Purchase Agreement;
2. Pay SMC Global attorney's fees in the amount of P5 million and for damages in the amount of P5 million plus six per cent legal interest from date LANDBANK is adjudged in delay in the implementation of the Share Purchase Agreement until fully paid;
3. Pay the costs of suits.

On April 30, 2021, LANDBANK filed its Notice of Appeal.

LANDBANK filed its Appellant's Brief before the Court of Appeals (CA) on July 27, 2022. On November 3, 2022, the CA rendered its Decision affirming the RTC. LANDBANK filed its Motion for Reconsideration (MR) on December 2, 2022.

On March 20, 2023, the CA rendered a Resolution denying LANDBANK's MR.

On May 26, 2023, LANDBANK filed a Petition for Review on Certiorari before the SC.

On December 11, 2023, the LANDBANK received the SC Resolution denying its appeal.

On December 27, 2023, the LANDBANK filed its Motion for Reconsideration (MR).

To date, the LANDBANK's MR is still pending before the SC. Relatedly, please note that the *LANDBANK v. Suntay* case involving the recovery of the remaining shares is likewise pending before the SC.

ii. Private securities include investment in equity securities which are irrevocably designated at FVOCI as these are held for long-term strategic purpose rather than for trading. These equity securities include listed stocks, shares in recreational clubs, investment in countryside financial institutions (CFI) and other non-marketable equity securities.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the statement of financial position date.

Current tax and deferred tax relating to items recognized directly in equity are recognized in other comprehensive income and not in the Statement of Comprehensive Income.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and deferred taxes relate to the same taxable entity and the same taxation authority.

2.5.11 Employee Benefits

A defined contribution plan is maintained under which the entity pays fixed contributions into a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits relating to employees' service in the current and prior period. The standard requires an entity to recognize contributions to a defined contribution plan when an employee has rendered service in exchange for those contributions.

The Group maintains a defined contribution plan which provides for estimated pension benefits on its contributory retirement plan covering all regular employees.

Early Retirement Incentive Program (ERIP)

A retirement program approved by the Governance Commission for GOCCs (GCG) which aims to incentivize the early retirement of tenured employees or those suffering from incapacitating, debilitating and critical diseases or ailments with known actual or potential adverse impact on productivity and effectivity at work. The effectivity period of ERIP shall be from January 1, 2024 to December 31, 2025 only. As of December 31, 2023, the Parent has accrued expenses for ERIP amounting to P5,973,432,295.

2.5.12 Leases

The Group assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

At the commencement date of the lease, the Group recognizes lease liabilities measured at the present value of total lease payments of the entire lease term. The Group uses the incremental borrowing rate at the lease commencement date in calculating for the present value of lease payments because the interest rate implicit in the lease is not determinable. After the commencement date, the amount of lease liabilities is increased to reflect the interest accretion and reduced for the lease payments made. The carrying amount of lease liabilities is accordingly re-measured if there is a modification, a change in the lease term or a change in the lease payments.

Group is the lessee

The Group applies a single measurement approach for all leases, except for short-term leases which pertains to a lease term of 12 months or less, and leases of low-value assets

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Foreign – Private securities

Metro Rail Transit Corporation (MRTC) preference shares

Total FVOCI accounts of the Parent include investment of US\$19,584,623.61 (P1,091,940,689.38) in MRTC preference shares and US\$31,780,317.76 (P1,771,911,616.71) in Unsecuritized Equity Rental Payments, respectively.

In 2008, the NG, as confirmed through Executive Order No. 855 dated January 18, 2010, instructed LANDBANK and the Development Bank of the Philippines (DBP) to acquire majority interest in MRTC as a result of the recommendation made by the inter-agency Committee tasked to review the MRT III project. In the same year, the LANDBANK Board of Directors approved the purchase of MRTC interests in the form of unsecuritized portion of the Equity Rental Payment (ERP), MRT Bonds, and Preference Shares issued by MRT III Funding Corporation. LANDBANK together with DBP completed its acquisition in May 2009, collectively owning around 80 per cent of MRTC interests. LANDBANK owns approximately 37.77 per cent economic interest in MRTC.

The rental fees are structured in such a way that the initial investment in the MRT III project along with a 15 per cent rate of return is paid to MRTC for 25 years. In other words, the rental fees contain both an income and a return of the initial equity investment in the MRT III project. This is consistent with the definition of Net Economic Return in the Build, Lease and Transfer (BLT) Agreement between the DOTC (now, DOTr) and MRTC. According to the BLT Agreement, Net Economic Return is defined as “the return to be realized by Metro Rail over the life of this Agreement of the amount of its equity investments into Light Rail Transit System (LRTS) Phase I together with 15 per cent per annum thereon, such returns to be computed using standard “internal rate of return” methodology and the same assumptions as were utilized in determining the Rental Fees set forth in table 2 of Annex A-1 on the date hereof...”.

The fact that ownership over the MRT3 project will be transferred to DOTr at a nominal amount of just U.S. \$1.00 at the end of 25 years likewise confirms that the ERPs represent full payment by the DOTr of the investment along with its economic return. As stated in the BLT Agreement, “At the end of the Revenue Period and after Metro Rail and any other intended recipient shall have received from DOTC full payment of all Rental Fees and all other amounts payable by DOTC pursuant to this Agreement, Metro Rail shall transfer to DOTC, free from any lien or encumbrance created by Metro Rail or existing as a result of Metro Rail’s actions, all its title to, and rights and interest in, LRTS Phase I in return for DOTC’s payment to Metro Rail of U.S.\$1.00.”

Following the principle that the ERP’s represent the return of principal and interest, the amortization schedules of LANDBANK for its MRTC investments are computed based on the internal rates of return that would equate the present values of the future ERPs to be received to the purchase costs of these investments.

The acquisition cost, book value and percentage of economic interest in MRTC are as follows:

Table with 4 columns: Description, Acquisition Cost As of December 31, 2023 (In US Dollars), Book Value As of December 31, 2023 (In US Dollars), and Percentage in MRTC. Rows include MRT III Bonds, MRT III Preferred Shares, Securitized ERPs, Unsecuritized ERPs, and a Total row.

The decrease in the investment in unsecuritized ERP was brought about by the refund of US\$1,433,535 (equally shared by the Parent and DBP) received from a third party in 2010. The refund represents cash that was already in the account of the third party, hence this did not affect the LANDBANK’s percentage of economic interest in MRTC. Another refund of US\$1,381,747 was received by the Parent and DBP in early 2011 representing Accrued ERPs.

The Parent’s Accumulated market gains/ (losses) on FVOCI government and private issues amounted to P2,295,754,799 and (P12,250,519,914) as of December 31, 2023 and 2022, respectively.

Outstanding equity securities at FVOCI as of December 31, 2023 and 2022 generated dividends amounting to P1.10 billion and P1.05 billion, respectively for the Parent. Dividends amounting to P0.05 million and P0.01 million were recognized in 2023 and 2022, respectively, for the disposed securities at FVOCI.

Fair Value of FVOCI-Equity Securities as of December 31, 2023, as follows:

Table with 2 columns: FVOCI Equity Securities and Fair Value. Rows include Listed Stocks, Shares in Sports Clubs, Rural Banks, INMES, and a Total row.

Financial assets, or a portion thereof, are derecognised when the contractual rights to receive the cash flows from the assets have expired, or when they have been transferred and either (a) the Parent transfers substantially all the risks and rewards of ownership, or (b) the Parent neither transfers nor retains substantially all the risks and rewards of ownership and the Parent has not retained control.

The Parent enters into transactions where it retains the contractual rights to receive cash flows from assets but assumes a contractual obligation to pay those cash flows to other entities and transfers substantially all of the risks and rewards. These transactions are accounted for as ‘pass through’ transfers that result in derecognition if the Parent:

- Has no obligation to make payments unless it collects equivalent amounts from the assets;
- Is prohibited from selling or pledging the assets; and
- Has an obligation to remit any cash it collects from the assets without material delay.

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Debt securities furnished by the Bank Group under standard repurchase agreements and securities lending and borrowing transactions are not derecognised because the Bank retains substantially all the risks and rewards on the basis of the predetermined repurchase price, and the criteria for derecognition are therefore not met.

As of December 31, 2022, government securities aggregating P18,170,337,471 were used as security for bills payable of the LANDBANK relative of the outstanding repurchase agreement with various foreign banks amounting P16,125,886,977 while there was no outstanding repurchase transaction as of December 31, 2023.

For debt instruments measured at FVOCI, the loss allowance is recognized in other comprehensive income and does not reduce the carrying amount of the financial asset in the statement of financial position.

Loss allowance on FVOCI that has accumulated in the net unrealized gain/(loss) account amounted to P53,320,192 and P17,901,674 as of December 31, 2023 and 2022, respectively.

13. Hold to Collect (HTC)

This account consists of:

	Group		Parent	
	2023	2022 As Restated	2023	2022 As Restated
Government				
Domestic	721,342,226,008	784,936,365,866	718,335,563,155	781,798,711,553
Foreign	29,217,225,485	46,011,832,463	29,217,225,485	46,011,832,463
Private				
Domestic	4,923,978,367	6,422,778,831	4,773,543,249	6,266,684,137
Foreign	3,584,764,330	5,903,051,497	3,584,764,330	5,903,051,497
Allow. For Credit Losses	(730,299,699)	(709,599,758)	(730,249,699)	(709,115,405)
Accrued Interest Receivable	6,563,920,392	6,306,663,011	6,557,979,280	6,300,710,739
Allow. For Credit Losses	(9,129,378)	(8,903,350)	(9,129,378)	(8,903,350)
	764,892,685,505	848,862,188,560	761,729,696,422	845,562,971,634

HTC investments of the Group carry interest rates at December 31 as follows:

	2023			2022		
Domestic	2.38%	to	18.25%	2.38%	to	18.25%
Foreign	0.25%	to	10.63%	0.13%	to	11.63%

14. Loans and Receivables

This account consists of:

	Group		Parent	
	2023	2022 As Restated	2023	2022 As Restated
Interbank loans receivable	50,724,674,862	34,823,016,845	50,724,674,862	34,823,016,845
Allowance for credit losses	(282,580,608)	(161,720,380)	(282,580,608)	(161,720,380)
	50,442,094,254	34,661,296,465	50,442,094,254	34,661,296,465
Loans to Government	207,559,810,661	166,996,728,111	208,909,166,786	168,240,149,593
Allowance for credit losses	(226,308,550)	(13,619,142)	(226,308,550)	(13,619,142)
	207,333,502,111	166,983,108,969	208,682,858,236	168,226,530,451
Agrarian Reform and other				
Agriculture Loans	50,072,135,894	162,708,235,473	49,310,488,142	161,910,457,089
Allowance for credit losses	(103,206,601)	(5,415,396,490)	(8,837,189)	(5,385,139,726)
	49,968,929,293	157,292,838,983	49,301,650,953	156,525,317,363
Microfinance Loans	19,567,938,188	19,556,683,633	19,567,938,109	19,556,683,554
Allowance for credit losses	(1,024,837,727)	(442,409,374)	(1,024,837,648)	(442,409,296)
	18,543,100,461	19,114,274,259	18,543,100,461	19,114,274,258
SME/MSE Loans	64,427,476,964	63,754,060,525	62,825,404,137	61,679,424,211
Allowance for credit losses	(4,960,601,521)	(4,282,967,919)	(4,459,866,742)	(3,402,707,764)
	59,466,875,443	59,471,092,606	58,365,537,395	58,276,716,447
Contract to Sell	19,812,594,326	21,653,257,171	19,076,210,367	20,883,897,564
Allowance for credit losses	(3,605,810,974)	(2,804,931,234)	(3,424,898,318)	(2,619,770,858)
	16,206,783,352	18,848,325,937	15,651,312,049	18,264,126,706
Loans to Private Corporation	706,168,763,297	584,317,906,156	700,282,403,260	578,876,092,420
Allowance for credit losses	(27,089,239,098)	(36,590,765,397)	(25,659,081,244)	(35,389,914,399)
	679,079,524,199	547,727,140,759	674,623,322,016	543,486,178,020
Loans to Individuals for				
Housing Purposes	28,671,747,511	32,009,591,828	25,622,678,418	28,867,295,267
Allowance for credit losses	(3,998,117,602)	(3,346,984,525)	(3,907,355,647)	(3,260,376,990)
	24,673,629,909	28,662,607,303	21,715,322,771	25,606,918,277
Loans to Individual for Personal				
Use	64,526,865,291	59,589,132,159	60,311,832,455	55,468,221,964
Allowance for credit losses	(3,612,068,462)	(1,611,986,784)	(3,328,909,422)	(1,442,810,141)
	60,914,796,829	57,977,145,375	56,982,923,033	54,025,411,823
Loans to Individual for Other				
Purposes	7,816,429,372	3,323,582,780	6,025,748,731	1,421,620,549
Allowance for credit losses	(1,400,736,965)	(123,495,206)	(1,375,838,269)	(62,815,282)
	6,415,692,407	3,200,087,574	4,649,910,462	1,358,805,267
Loans & Receivable-Others-				
non-residents-FCDU	261,731,669	310,567,773	261,731,669	310,567,773
Allowance for credit losses	(48,554,573)	(12,031,852)	(48,554,573)	(12,031,852)
	213,177,096	298,535,921	213,177,096	298,535,921
General loan loss provision	(13,707,093,477)	(7,185,755,438)	(13,604,196,188)	(7,044,924,773)
	1,159,551,011,877	1,087,050,645,184	1,145,567,012,538	1,072,799,132,697
Accrued interest receivable	14,597,657,240	12,088,621,223	14,327,485,313	11,825,132,061
Allowance for credit losses	(1,627,914,055)	(929,052,961)	(1,537,853,603)	(867,987,047)
	12,969,743,185	11,159,568,262	12,789,631,710	10,957,145,014
Accounts receivable	6,634,847,552	3,379,719,696	2,652,082,518	2,256,442,796

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	Group		Parent	
	2023	2022 As Restated	2023	2022 As Restated
Allowance for credit losses	(2,027,956,236)	(1,720,389,015)	(1,438,298,006)	(1,245,130,026)
	4,606,891,316	1,659,330,681	1,213,784,512	1,011,312,770
Sales contract receivable	1,902,918,746	1,939,092,929	1,683,863,790	1,737,645,840
Allowance for credit losses	(200,556,804)	(107,355,745)	(191,283,904)	(99,287,515)
	1,702,361,942	1,831,737,184	1,492,579,886	1,638,358,325
Due from ARF	177,737,498	183,288,712	177,737,498	183,288,712
Lease contract receivable	489,492,873	2,824,360,854	0	0
Allowance for credit losses	(62,752,678)	(224,472,586)	0	0
	426,740,195	2,599,888,268	0	0
	1,179,434,486,013	1,104,484,511,820	1,161,240,746,144	1,086,589,291,047

The Parent’s interest rates on loans in 2023 range from 0.01 to 19.98 per cent for peso denominated loans and from 0.82 to 9.75 per cent for foreign currency denominated loans.

Allowance for credit losses

The details of allowance for credit losses on loans of the Parent are:

	2023	2022 As Restated
Balance, January 1	59,238,240,602	26,694,890,846
Provision	7,598,683,731	19,999,186,313
Write-offs	(577,581,109)	(991,024,350)
Transfers and other adjustments	(8,908,078,826)	13,535,187,793
Balance, December 31	57,351,264,398	59,238,240,602

As of December 31, 2023 and 2022, the breakdown of Gross Loans as to secured and unsecured follows:

	Parent			
	2023		2022	
	Amount	%	Amount	%
Secured loans:				
Guarantee of the Republic of the Philippines	103,609,749,018	8.61	107,506,146,959	9.50
Various guarantees	296,299,765,839	24.63	280,993,365,855	24.82
Various mortgages	344,829,439,868	28.67	303,802,457,987	26.84
	744,738,854,725	61.91	692,301,970,801	61.16
Unsecured loans	458,179,322,211	38.09	439,735,456,027	38.84
Gross loan at amortized cost	1,202,918,276,936	100.00	1,132,037,426,828	100.00

Non-performing loans (NPLs) included in the total loan portfolio of the Parent are presented below as net of specific allowance for credit losses on NPLs in compliance with BSP Circular No. 772 and 941, which amends regulations governing non-performing loans.

	2023	2022
Total NPLs	68,663,266,849	58,723,557,050
Allowance for credit losses	(29,915,596,368)	(18,522,358,922)
Net NPLs	38,747,670,481	40,201,198,128

15. Investment in Subsidiaries

This account consists of the following investments in subsidiaries which are 100 per cent owned by the Parent except for UCPB Savings Bank which is 97.55 per cent owned and are accounted for at cost:

Name	2023	2022
Overseas Filipino Bank, Inc.	2,108,992,000	2,108,992,000
LBP Leasing and Finance Corporation (formerly LBP Leasing Corporation)	310,252,630	310,252,630
LBP Insurance Brokerage, Inc.	52,500,000	52,500,000
LBP Resources and Development Corporation	51,467,436	51,467,436
Masaganang Sakahan, Inc.	24,554,941	24,554,941
UCPB Leasing & Finance Corp.	1,393,465,252	1,393,465,252
UCPB Savings Bank, Inc.	1,981,688,477	1,981,688,477
LBP Securities, Inc. (formerly UCPB Securities, Inc.)	237,550,439	237,550,439
Green Homes Development Inc.	334,831,317	334,831,317
Total	6,495,302,492	6,495,302,492
Allowance for credit losses	(840,934,784)	(840,934,784)
Net	5,654,367,708	5,654,367,708

Overseas Filipino Bank, Inc. (OFBI)

Pursuant to the directive of Malacañang Executive Order (EO) No. 44 dated September 28, 2017, the Parent through Investment and Loan Committee Resolution No. 18-088 and Board Resolution No. 18-119 approved the capital infusion of up to P1,701,000,000 into OFBI. The initial infusion in the amount of P428,992,000 was released on July 06, 2018. Further, the OFBI per Board Resolution No. 2018-73 has approved the increase in Authorized Capital Stock (ACS) amounting P3.5 billion where P3 billion is allocated as common shares and P0.5 billion as preferred shares. The increase in ACS was approved by BSP on July 02, 2019 while the Certificates of Approval of Increase of Capital Stock and Filing of Amended Articles of Incorporated were approved by the Securities and Exchange Commission on March 18, 2021. The same EO directed the Philippine Postal Corporation and Bureau of Treasury to transfer their respective OFBI shares to the Parent at zero value. The shares were transferred in March 2018 and the investment was recorded at zero value based on the fair value of the net assets on acquisition date as determined by a third-party valuation advisor.

In 2022 LANDBANK Board of Directors and as affirmed by the Corporate Secretary dated March 28, 2022, the LANDBANK Board Resolution (LBR) No. 18-886 dated November 13, 2018 superseded the LBR 18-119, and mentioning that the capital infusion of P1,680,000,000 is on top of the P428,992,000 capital infused initially by the Parent last July 06, 2018 or prior to the release of LBR No. 18-886. Acting on the letter of OFBI for the capital infusion plan sent to the Parent and through the instruction of Investment Banking Group (IBG), the remaining balance and final tranche amounting to P407,992,000 was released and booked last May 26, 2022.

United Coconut Planters Bank (UCPB)

In 2021, through Presidential Directive under Executive Order (EO) 142 Series of 2021, the Parent acquired the Philippine Deposit Insurance Corporation’s (PDIC) Special Preferred Shares (SPS) totaling 88.91 per cent in the amount of P4,038,227,868 for the voting shares in the UCPB with total par value of P12 billion.

Following the full acquisition of UCPB and the issuance of COI to PDIC, the same was reversed thru the Parent’s Accounting Transaction Unit on March 02, 2022 for proper consolidation of books.

The resulting full acquisition of UCPB, its subsidiaries namely UCPB Savings Bank, UCPB Leasing and Finance Corporation, UCPB Securities, Inc. and Green Homes Development Inc. were eventually transferred to the Parent and booked last July 18, 2022. All are 100 per cent owned by the Parent except for UCPB Savings Bank which is at 97.55 per cent.

The Parent measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

National Livelihood Development Corporation (NLDC)’s Investment in Northern Foods Corporation (NFC)

- On September 02, 2015 pursuant to Memorandum Order (MO) No. 85 NLDC was abolished and directed that all of its assets and liabilities be transferred to LANDBANK. The liquidation and winding up of NLDC’s operations were undertaken until December 31,2017 and the transfer of its assets and liabilities to LANDBANK was completed on June 29, 2018. NLDC’s investment in NFC totaled to P84,905,000.00 representing 81.21 per cent of ownership of NLDC. The said investment has been fully provided with allowance for credit losses resulting to zero value in the books of NLDC based on the terminal audit report of COA as of December 31, 2017. Hence, the NFC investment was not part of the total assets that was transferred to LANDBANK.
- On December 09, 2020, COA issued an Audit Observation Memorandum (AOM) recommending the recognition of the correct cost of equity investment in NFC, the corresponding allowances for credit losses in the books of LANDBANK and provide the sufficient and required disclosures in the Parent’s financial statements.
- On February 02, 2023, a meeting was conducted attended by representatives from LANDBANK, COA and GCG to discuss the cited COA AOM. In the said meeting LANDBANK emphasized its position on not to book said investment due to its zero value and NFC’s abolition pursuant to MO No. 58 series of 2021 where LANDBANK will eventually request for write-off of this investment. Further, per Section 376-A of the MORB, limits the equity ownership in NFC, a non- allied enterprise to just 35 per cent. However, COA pointed out that in compliance with existing auditing rules, the recording of the subject equity investments in the books of LANDBANK should be made. In view of diverse opinions, LANDBANK, COA and GCG agreed to seek for BSP’s regulatory guidance pertaining to the subject investment.

- On March 10, 2023, LANDBANK wrote BSP requesting for guidance on the recognition of NFC investment in the books of LANDBANK and clarification on the prescribed limit under Section 376-A of the MORB.
- On May 12, 2023, LANDBANK received the response from BSP with the following comments on the matter:
 - BSP agrees with COA to:
 - record the equity investment and the corresponding allowance for credit losses in the books of LANDBANK;
 - provide the required disclosures on the investment in NFC in the Notes to Financial Statements of LANDBANK;
 - cause the transfer of NFC shares of stocks to LANDBANK, subject to compliance with the ceiling under Section 376-A of the Manual of Regulations for Banks (MORB).
 - write-off the equity investment in NFC, subject to compliance with the provision of Section 143 of the MORB, considering the abolition of NFC per MO No. 58 dated December 01, 2021.
 - On compliance with the prescribed ceiling on equity investment, BSP stated that LANDBANK can only acquire 35 per cent of the total equity of NFC and the same should not exceed 35 per cent of NFC’s voting stock. This is pursuant to Section 27 of the General Banking Law (GBL) as implemented by Section 376-A of the MORB.
 - With respect to the remaining 65 per cent of the equity investment of NFC, BSP suggested to refer the same to the Technical Working Group (TWG) which was created to resolve issues on the transfer of equity investment of the defunct NLDC in NFC taking into consideration of the above cited prescribed limit.
- On May 23, 2023, LANDBANK provided copy of the letter from BSP to GCG referring to the TWG the necessary actions to be undertaken relative to the remaining 65 per cent of the equity of NFC.
- LANDBANK’s investment in NFC will be consolidated in the group when the decision/action of the TWG on the issues concerning NLDC’s equity investment in NFC is rendered.
- On January 02, 2024 LANDBANK received the response from GCG thru Disposition and Asset Management Office about the limitation of LANDBANK to acquire only up to 35 per cent of the total equity investment in NFC, informing the bank that they have requested comments from the Department of Finance (DOF) through a letter dated July 28, 2023. However, they have yet to receive a response from the DOF.
- On April 05, 2024, the NFC-TWG issued Resolution No. 2024-01 endorsing the voluntary or involuntary dissolution of the NFC, as may be deemed applicable by the SEC under the Revised Corporation Code.

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16. Investment Property

This account consists of:

Group						
2023			2022 As Restated			
Land	Building	Total	Land	Building	Total	
At Cost						
At January 1	8,693,525,805	10,453,304,050	19,146,829,855	7,452,457,069	7,091,293,791	14,543,750,860
Additions/(Disposals)	267,525,172	83,489,511	351,014,683	3,406,932,144	5,972,012,960	9,378,945,104
Transfers/Adjustment	(8,224,089)	14,308,267	6,084,178	(2,165,863,408)	(2,610,002,701)	(4,775,866,109)
At December 31	8,952,826,888	10,551,101,828	19,503,928,716	8,693,525,805	10,453,304,050	19,146,829,855
Accumulated depreciation						
At January 1	0	4,316,125,724	4,316,125,724	0	3,108,234,211	3,108,234,211
Depreciation	0	685,432,056	685,432,056	0	713,233,071	713,233,071
Transfers/Adjustment	0	(483,139,298)	(483,139,298)	0	494,658,442	494,658,442
Accumulated Depreciation At December 31	0	4,518,418,482	4,518,418,482	0	4,316,125,724	4,316,125,724
Allowance for Losses at December 31	676,094,370	97,379,171	773,473,540	754,211,054	368,473,552	1,122,684,606
Net book value	8,276,732,519	5,935,304,175	14,212,036,694	7,939,314,751	5,768,704,774	13,708,019,525

Parent						
2023			2022 As Restated			
Land	Building	Total	Land	Building	Total	
At Cost						
At January 1	8,074,273,930	9,724,025,451	17,798,299,381	5,202,916,395	4,401,181,582	9,604,097,977
Additions/(Disposals)	232,163,713	112,200,736	344,364,449	2,877,704,785	5,323,917,669	8,201,622,454
Transfers/Adjustment	(6,716,589)	14,308,267	7,591,678	(6,347,250)	(1,073,800)	(7,421,050)
At December 31	8,299,721,054	9,850,534,454	18,150,255,508	8,074,273,930	9,724,025,451	17,798,299,381
Accumulated depreciation						
At January 1	0	4,161,923,573	4,161,923,573	0	1,038,046,863	1,038,046,863
Depreciation	0	656,881,060	656,881,060	0	609,042,753	609,042,753
Transfers/Adjustment	0	(465,052,468)	(465,052,468)	0	2,514,833,957	2,514,833,957
At December 31	0	4,353,752,165	4,353,752,165	0	4,161,923,573	4,161,923,573
Allowance for Losses at December 31	655,765,477	94,157,454	749,922,931	733,551,132	365,756,434	1,099,307,566
Net book value	7,643,955,577	5,402,624,835	13,046,580,412	7,340,722,798	5,196,345,444	12,537,068,242

Investment properties include real estate properties acquired in settlement of loans and receivables.

As of December 31, 2023 and 2022, the carrying value of investment properties still subject to redemption amounted to P45,079,319 and P568,718,439, respectively, for the Parent. Investment properties with on-going cases amounted to P1,828,721,682 and P1,417,601,587 as of December 31, 2023 and 2022, respectively. Properties amounting to P34,947,412 and P96,585,504 as of December 31, 2023 and 2022, respectively, are agricultural lands covered by the government's agrarian reform program.

In 2023 and 2022, the rental income (included under 'Miscellaneous Income' in the statements of comprehensive income) on investment properties, which are leased out under operating leases, amounted to P193,800 and P1,865,432, respectively, for the Parent. In 2023 and 2022, the Parent's direct operating expenses, consisting of depreciation and amortization and repairs and maintenance (included under 'Miscellaneous Expense' in the

statements of comprehensive income) pertaining to investment properties amounted to P656,881,060 and P609,042,753, respectively.

17. Property and Equipment

This account consists of:

GROUP									
	LAND	BUILDING UNDER CONSTRUCTION	BUILDING	LEASEHOLD RIGHTS & IMPROVEMENT	TRANSPORTATION EQUIPMENT	FURNITURE & OFFICE EQUIPMENT	EQUIPMENT UNDER LEASE	OTHERS	2023 2022 (As Restated)
At Cost									
At January 1	2,951,373,859	409,281,528	6,074,706,369	1,725,551,005	680,251,592	9,900,293,610	684,464,069	1,263,091,964	23,689,013,996
Additions	3,139,294	323,555,462	61,086,649	143,691,594	390,494,311	1,263,892,989	298,318,800	272,267,543	2,756,446,642
Disposal Transfers / reclass	0	0	0	(5,418,667)	(59,682,218)	(178,767,179)	(36,158,383)	(5,739,478)	(2,003,276,700)
At December 31	2,957,114,976	762,676,726	6,289,001,819	1,811,675,817	889,853,002	10,684,639,642	942,635,307	1,362,617,458	25,700,214,747
Accumulated Depreciation/ Impairment Loss									
At January 1	0	418,875	3,722,827,523	865,229,632	385,202,536	7,020,201,097	408,308,027	499,870,822	12,902,058,512
Depreciation/ Amortization	0	548,964	261,939,669	154,245,355	(15,582,436)	754,764,131	12,262,017	278,979,352	1,447,157,052
Disposal Transfers / reclass	0	0	0	(7,315,813)	(71,863,957)	(154,081,587)	(31,602,367)	(5,500,682)	(270,364,406)
Impairment Loss	0	0	510,567,809	1,607,590	107,061,326	(261,162,123)	(2,916,723)	(167,002,571)	(459,479,966)
At December 31	0	967,839	4,495,335,001	1,013,766,764	404,817,469	7,359,721,518	386,050,954	537,231,997	14,197,891,542
Allow for Losses	0	0	33,119,258	1,289,797	10,043,043	26,603,718	-	51,926,152	122,981,968
Net Book Value	2,957,114,976	761,708,887	1,760,547,560	796,619,256	474,992,490	3,298,314,406	556,584,353	773,459,309	11,379,341,237

PARENT									
	LAND	BUILDING UNDER CONSTRUCTION	BUILDING	LEASEHOLD RIGHTS & IMPROVEMENT	TRANSPORTATION EQUIPMENT	FURNITURE & OFFICE EQUIPMENT	EQUIPMENT UNDER LEASE	OTHERS	2023 2022 (As Restated)
At Cost									
At January 1	2,810,090,148	403,502,404	5,874,030,230	1,556,021,829	652,655,180	9,564,892,806	415,835,377	1,199,564,798	22,476,592,772
Additions	3,139,294	323,555,462	46,437,406	130,483,091	366,330,686	1,246,703,311	0	264,244,474	2,380,893,724
Disposal Transfers / reclass	0	0	0	(5,418,667)	(58,600,544)	(187,819,365)	0	0	(251,838,576)
At December 31	2,815,831,265	756,897,602	6,073,676,437	1,630,193,838	838,500,362	10,341,819,962	411,846,198	1,296,406,228	24,165,171,892
Accumulated Depreciation/ Impairment Loss									
At January 1	0	0	3,609,158,088	762,966,510	367,762,362	6,732,632,766	371,701,608	452,409,102	12,296,630,436
Depreciation/ Amortization	0	0	253,441,043	130,853,133	(18,810,343)	740,495,853	11,635,231	269,453,447	1,387,068,364
Disposal Transfers / reclass	0	0	0	(7,315,813)	(70,782,284)	(152,493,812)	0	(3,644,924)	(234,236,833)
Impairment Loss	0	0	509,465,462	1,607,590	106,387,047	(251,879,873)	(2,916,723)	(236,034,995)	126,628,508
At December 31	0	0	4,372,064,593	888,111,420	384,556,782	7,068,754,934	380,420,116	482,182,630	13,576,090,475
Allow for Losses	0	0	33,119,258	1,289,797	10,043,043	26,277,800	-	51,853,565	122,583,463
Net Book Value	2,815,831,265	756,897,602	1,668,492,586	740,792,621	443,900,537	3,246,787,228	31,426,082	762,370,033	10,466,497,954

Depreciation and amortization of the Group amounting to P1,447,157,052 and P1,989,477,610 and of the Parent amounting to P1,387,068,364 and P1,672,184,531 in 2023 and 2022, respectively, are included in depreciation and amortization expense in the Statements of Comprehensive Income.

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The Parent's office equipment, furniture and vehicles with carrying amount of P183,231,787 and P55,689,218 in 2023 and 2022, respectively, are temporarily idle. The carrying amounts of properties which are held for disposal are P157,225,958 and P44,829,089 in 2023 and 2022, respectively, while the carrying amount of fully depreciated assets still in use are P5,020,142,513 and P191,716,377 in 2023 and 2022, respectively.

18. Leases

Parent as lessee

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities as of December 31, 2023 for the Parent is as follows:

	Within 1 Year	After 1 Year but not more than 5 Years	More than 5 Years	Total
Finance Charge	191,137,275	290,375,213	90,269,317	571,781,805
Finance Lease Liability	830,777,457	1,440,511,448	405,038,077	2,676,326,982
Lease Payment	1,021,914,732	1,730,886,661	495,307,394	3,248,108,787

As of December 31, 2023, the Parent recognized interest expense on lease liabilities (included in the Statements of Comprehensive Income) amounting to P177,438,022 and rent expense from short-term leases and leases of low-value assets amounting to P466,261,910.

Right-of-use assets as of December 31, 2023 consist of the following:

GROUP	2023			2022
	Cost	Accumulated Depreciation	Net Booked Value	
Building	4,473,812,960	(1,823,089,940)	2,650,723,020	2,996,871,138
Transportation Equipment	399,022,050	(110,707,825)	288,314,225	449,197,163
Office Equipment	0	0	0	729,657
IT Equipment	3,148,633	(639,945)	2,508,688	5,886,049
Total	4,875,983,643	(1,934,437,710)	2,941,545,933	3,452,684,007

PARENT	2023			2022
	Cost	Accumulated Depreciation	Net Booked Value	
Building	3,722,479,911	(1,751,972,343)	1,970,507,568	2,303,300,331
Transportation Equipment	399,022,050	(110,707,825)	288,314,225	453,370,531
Office Equipment	0	0	0	729,657
IT Equipment	3,148,633	(639,945)	2,508,688	22,151,629
Total	4,124,650,594	(1,863,320,113)	2,261,330,481	2,779,552,148

Parent as lessor

The Parent has entered into commercial property leases with various tenants on its investment property portfolio and part of LANDBANK premises. Various lease contracts

include escalation clauses. Rent income from leases is included in the Miscellaneous Income of the Parent and part of Note 35.

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2023 are as follows:

	Within 1 Year	After 1 Year but not more than 5 Years	More than 5 Years	Total
Operating Lease	1,437,290	1,400,067	0	2,837,357

19. Other Intangible Assets

This account consists of:

	Group	Parent	
	2023	2022 As Restated	2023 2022
Balance at the beginning of the year	1,993,239,749	1,770,175,415	1,928,470,915
Additions	302,295,471	1,188,875,875	290,455,522
Disposals	(85,283,940)	(544,040,488)	(85,283,940)
Amortization for the year	(727,361,347)	(421,771,053)	(718,409,099)
Balance at the end of the year	1,482,889,933	1,993,239,749	1,415,233,398
Allow for Losses	(5,916,382)	(673,500)	(5,916,382)
Net book value at end of year	1,476,973,551	1,992,566,249	1,409,317,016

20. Other Assets

This account consists of:

	Group	Parent	
	2023	2022 Restated	2023 2022 Restated
Sundry debits	1,555,930,664	9,659,785,731	1,601,798,662
Prepaid expenses	727,418,216	585,592,932	571,571,093
Documentary stamps	585,519,976	544,771,411	584,825,858
Stationery & supplies on hand	291,008,727	230,749,702	285,490,696
Accounts receivable bank officers & employees-net	112,250,621	176,855,881	111,674,516
Inter-office float items	94,357,507	183,750,297	94,357,507
Deferred Charges	35,705,752	61,380,606	0
Others	63,739,497,490	6,266,125,671	64,086,599,994
Allowance for credit losses	(28,034,681)	(30,642,403)	(28,034,681)
	67,113,654,272	17,678,369,828	67,308,283,645

The Others account under Other Assets includes Miscellaneous Assets, Due from FCDU/RBU-Fx Reg-Clearing account and Shortages.

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21. Allowance for Credit Losses and Impairment Losses

Changes in the allowance for credit losses and impairment losses of the Parent are as follows:

	2023	2022
Balance at beginning of year:		
Interbank Loans Receivables (Note 9)	41,625	0
Loans (Note 14)	59,238,240,602	26,694,890,846
Investments (Note 12, 13 & 15)	1,559,016,298	1,518,586,638
Receivables from customers and Other assets	3,565,964,676	2,934,176,162
Contingent (Note 32)	570,971,538	491,173,088
	64,934,234,739	31,638,826,734
Provisions charged to operations	7,626,454,679	20,038,590,514
Accounts charged off and others	(597,533,069)	(999,848,145)
Transfer/adjustments	(8,244,197,177)	14,256,665,636
	(1,215,275,567)	33,295,408,005
Balance December 31	63,718,959,172	64,934,234,739
Balance at end of year:		
Interbank Loans Receivables (Note 9)	0	41,625
Loans (Note 14)	57,351,264,398	59,238,240,602
Investments (Note 12, 13 & 15)	1,580,942,603	1,559,016,298
Receivables from customers and other assets (Note 8, 9, 14, 16, 17, 19 & 20)	4,197,891,996	3,565,964,676
Contingent (Note 32)	588,860,175	570,971,538
	63,718,959,172	64,934,234,739

With the foregoing level of allowance for credit losses, the Parent believes that it has sufficient allowance to cover any losses that the Parent may incur from the non-collection or non-realization of its loans and receivables and other risk assets.

The account includes provision for credit losses/impairment losses of the Parent as follows:

	2023	2022
Loans (Notes 14)	7,598,683,731	19,999,186,313
Investments	0	31,615,837
Receivables from customers and other assets	27,770,948	7,788,364
Contingent	0	0
	7,626,454,679	20,038,590,514

In 2022, higher set up of provision for loans was provided to cover the past due loan accounts from UCPB and to protect the asset quality of the Parent.

Prior Period Error

The Expected Credit Losses (ECL) model as of September 30, 2022 was not able to reliably measure the probable losses affecting selected loan accounts. The same was not subjected to impairment testing thereby affecting the financial statement for the year ended December 31, 2022. This error was due to inappropriate/inadvertence application of historical loss rates and the exclusion of forward-looking information for these types of accounts as required

under PFRS 9 – Financial Instruments. As a result, the value of the net loans and receivables of these loan accounts and the resulting net income was overstated. The error was corrected by adding supplemental provisions and restating each of the affected financial statement line items for prior period, in accordance with PAS 8.

The following summarize the effects of the restatement on the financial statements for the year ended December 31, 2022.

Statement of Financial Position – Parent

Line Item	As Previously Reported	Adjustment	As Restated
Assets			
Allowance for Credit Loss (Note 14)			
Loans to Private Corp	(21,193,886,295)	(14,196,028,104)	(35,389,914,399)
Accrued Interest Receivable	(1,296,657,178)	428,670,131	(867,987,047)
Accounts Receivable	(1,504,637,828)	259,507,802	(1,245,130,026)
Sales Contract Receivable	(87,927,419)	(11,360,096)	(99,287,515)
General Provision (Note 14)	(10,810,822,225)	3,765,897,452	(7,044,924,773)
Total Adjustment on Asset		(9,753,312,815)	
Liabilities and Equity			
Other Liabilities - Provision for Credit and Impairment Losses (Note 25)	544,101,219	26,870,317	570,971,536
Undivided Profit - Provision for Credit Losses	(10,258,407,382)	(9,780,183,132)	(20,038,590,514)
Total Adjustment on Liabilities and Equity		(9,753,312,815)	

Statement of Comprehensive Income – Parent

Line Item	As Previously Reported	Adjustment	As Restated
Provision for Credit and Impairment Losses	(10,258,407,382)	(9,780,183,132)	(20,038,590,514)
Adjustment on Net Income		(9,780,183,132)	

The correction of this error and the associated restatement of prior period financial statements ensure that the financial statements provide a true and fair view in accordance with PAS 8. The Parent has taken steps to prevent the recurrence of such error in the future periods. Accordingly, the subsequent ECL calculations were conducted and applied in accordance with the Parent’s revised policy in line with PFRS 9, updating the Allowance for Credit Losses for the year ended December 31, 2023.

Due to the complexities involved and the impracticability of effecting the impact on Deferred Tax Assets arising from this restatement, no adjustment has been made in current or prior period. The Parent believes that the impact on Deferred Tax Asset would not be material to the financial statement.

The calculated ECL for Treasury Exposures as of September 2023 increased from P740.83 million to P801.70 million. The table shows the computed ECL for 2023 and 2022:

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INVESTMENTS (In Thousand P)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}
Due from Other Banks & IBLR	5,775.61	4,847.42	5,772.94	4,845.30	2.67	2.12	0	0
Due from Foreign Banks	4,902.85	3,968.29	4,902.85	3,968.29	0	0	0	0
Due from Local Banks and FIs	830.83	816.59	828.16	814.47	2.67	2.12	0	0
Repo-Cash Margin	0	20.91	0	20.91	0	0	0	0
Inter-bank loan and receivables	41.93	41.63	41.93	41.63	0	0	0	0
FVOCI debt investments	56,137.53	17,964.43	53,570.65	7,987.13	2,566.88	9,977.30	0	0
Foreign Debt Securities	44,485.94	0	44,485.94	0	0	0	0	0
Private Securities	11,651.59	17,964.43	9,084.71	7,987.13	2,566.88	9,977.30	0	0
HTC investments	739,788.71	718,018.76	45,244.89	17,056.49	0	6,418.45	694,543.82	694,543.82
Foreign Debt Securities	16,379.54	0	16,379.54	0	0	0	0	0
Private Securities								
Local	721,688.07	712,980.79	27,144.25	12,949.64	0	5,487.33	694,543.82	694,543.82
Foreign	1,721.10	5,037.97	1,721.10	4,106.85	0	931.12	0	0
TOTAL	801,701.85	740,830.61	104,588.48	29,888.92	2,569.55	16,397.87	694,543.82	694,543.82

^{1/} Result for the ECL calculation of Treasury exposures as of September 2023 is the basis for the allowance for 2023

^{2/} Result for the ECL calculation of Treasury exposures as of September 2022 is the basis for the allowance for 2022

The calculated ECL for Loans, Other Exposures and Off-Balance Sheet as of September 2023 increased from ₱52,241.43 million to ₱60,101.92 million. The table shows the computed ECL for 2023 and 2022:

LOANS, OTHER EXPOSURES & OFF-BALANCE SHEET ITEMS (in Millions)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}	2023 ^{1/}	2022 ^{2/}
Loans	57,551.94	50,099.21	12,942.63	10,789.17	11,633.01	7,010.50	32,976.30	32,299.54
Corporates	34,894.31	25,856.05	7,469.95	6,094.49	8,462.46	5,614.33	18,961.90	14,147.23
Financial Institutions	6,716.79	6,382.23	3,568.91	3,007.46	299.65	603.58	2,848.23	2,771.19
Government	1,215.74	1,018.93	1,047.09	892.10	0	9.15	168.65	117.68
Retail Loans	2,244.45	2,104.67	539.34	417.81	62.90	118.52	1,642.21	1,568.34
Others	12,480.65	14,737.33	317.34	377.31	2,808.00	664.92	9,355.31	13,695.10
Other Exposures	1,980.42	1,598.12	15.46	21.65	89.82	401.88	1,875.14	1,174.59
Sales Contract Receivable	397.57	93.91	6.69	5.90	12.30	2.17	378.58	85.84
Accounts Receivable	1,582.85	1,504.21	8.77	15.75	77.52	399.71	1,496.56	1,088.75
Off-Balance Sheet Items	569.56	544.10	569.56	544.10	0	0	0	0
Loan Commitments	523.14	503.47	523.14	503.47	0	0	0	0
Trade and Trust Receipts	24.98	23.48	24.98	23.48	0	0	0	0
Financial Guarantees	21.44	17.15	21.44	17.15	0	0	0	0
TOTAL	60,101.92	52,241.43	13,527.65	11,354.92	11,722.83	7,412.38	34,851.44	33,474.13

^{1/} Result for the ECL calculation of Loans, Other Exposure and Off-Balance Sheets as of September 2023 is the basis for the allowance for 2023

^{2/} Result for the ECL calculation of Loans, Other Exposure and Off-Balance Sheets as of September 2022 is the basis for the allowance for 2022

The increase in the loss allowance during the period was primarily attributed to the expansion of the loan portfolio.

22. Deposit Liabilities

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Domestic				
Demand deposits	1,388,726,395,982	1,369,814,859,810	1,386,348,122,451	1,367,248,584,084
Savings deposits	1,390,366,943,698	1,252,079,860,367	1,383,789,894,612	1,245,155,575,705
Time certificate of deposits	9,056,095,929	24,704,987,879	3,645,152,965	20,492,670,701
	2,788,149,435,609	2,646,599,708,056	2,773,783,170,028	2,632,896,830,490
Foreign				
Savings deposit –FCDU/EFCDU	32,908,187,663	33,343,559,991	32,922,475,819	33,344,168,397
Time certificate of deposit- FCDU/EFCDU	75,690,774,642	87,377,781,092	75,693,745,785	87,377,781,092
	108,598,962,305	120,721,341,083	108,616,221,604	120,721,949,489
	2,896,748,397,914	2,767,321,049,139	2,882,399,391,632	2,753,618,779,979

The Parent's domestic deposit liabilities earn annual fixed interest rates ranging from 0.05 to 4 per cent and 0.05 to 0.75 per cent in 2023 and 2022, respectively. Foreign deposit rates range from 0.03 to 0.50 per cent and from 0.03 to 0.50 per cent in 2023 and 2022, respectively. In 2023 and 2022, P1,860,554,986,870 or 65 per cent and P1,866,335,527,916 or 68 per cent, respectively, of the Parent's deposit portfolio came from the government while the rest came from private depositors.

23. Bills Payable

This account consists of:

	Group		Parent	
	2023	2022	2023	2022
Bangko Sentral ng Pilipinas	23,400,825	24,303,875	23,400,825	24,303,875
Domestic borrowings	2,345,554,041	2,038,707,965	130,970,708	143,807,965
Deposit Substitute-Repurchase Agreement	-	16,125,886,977	-	16,125,886,977
Foreign Borrowings ODA	13,460,078,917	15,299,984,049	13,460,078,917	15,299,984,049
	15,829,033,783	33,488,882,866	13,614,450,450	31,593,982,866

The breakdown of Parent's ODA foreign borrowings are as follows:

Creditor/Funder	2023	2022
World Bank/IBRD	6,340,418,876	7,106,567,736
Asian Development Bank (ADB)	105,517,898	174,994,999
Japan International Cooperation Agency (JICA)	5,740,221,549	6,727,202,525
Kreditanstalt fur Wiederaufbau (KfW)	1,273,920,594	1,291,218,789
	13,460,078,917	15,299,984,049

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The total ODA foreign borrowings of P13,460,078,917 is guaranteed by the NG. Foreign borrowings relent in local currency amounting to P7,693,035,171 are provided with foreign exchange (FX) Risk Cover by the NG. This has historical value of P8,729,514,453. The Parent's foreign borrowings from multilateral and bilateral agencies have maturities ranging from 15 to 40 years.

Interest rates on foreign and domestic borrowings in 2023 range from 0.01 per cent to 6.46 per cent and 4.75 per cent, respectively.

The Parent's Bills Payable is as follows:

Table with 2 columns: Description, Bills Payable. Rows include Balance, Jan 01, 2023 (31,593,982,866), Availments (0), Payments ((17,979,532,416)), and Balance, Dec 31, 2023 (13,614,450,450).

24. Bonds Payable

The Parent issued the following COI to former owners of the UCPB:

- 20-year P12 billion face value COI with interest at a fixed rate of 1.75 per cent per annum based on outstanding balance issued to the PDIC on September 24, 2021, payable annually to mature in 2041, with fair value at the time of acquisition amounting to P4.04 billion computed based on the present value of the instrument discounted using the effective interest rate of 14.93 per cent.

The issuer may, at its sole discretion, make a prepayment on the principal on any Payment Date beginning on the 3rd year from the date of issuance of the COI, and every three years thereafter.

The Issuer warrants and represents that, upon its issuance and until maturity, the COI shall be fully assignable and negotiable, and shall continue to possess the features and terms provided under the Deed of Absolute Sale.

In the event of default in the payment of principal and/or interest in the Payment Date, all the remaining unpaid obligations under the COI, regardless of Payment Schedule, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand and protest or further notice of any kind, all of which are hereby expressly waived by the Issuer. The total outstanding obligation shall be subject to a penalty of 10 per cent per annum from Payment Date until the said obligation shall have been paid in full.

As of December 31, 2023, the principal has an outstanding balance of P11.4 billion.

- 20-year P1.12 billion face value COI with interest at a fixed rate of 1.75 per cent per annum based on outstanding balance issued to the Republic of the Philippines, as represented by the Trust Fund Management Committee (TFMC) on May 25, 2022, payable annually to mature in 2042, with fair value at the time of acquisition amounting to P0.38 billion computed based on the present value of the instrument discounted using the effective interest rate of 14.93 per cent.

The Issuer warrants and represents that, upon its issuance and until maturity, the Certificate shall be fully assignable and negotiable, and shall continue to possess the features and terms provided under the Deed of Absolute Sale.

In the event of default in the payment of principal and/or interest in the Payment Date, all the remaining unpaid obligations under the Certificate, regardless of Payment Schedule, shall be declared to be forthwith due and payable, whereupon all such amounts shall become and be forthwith due and payable without presentment, demand and protest or further notice of any kind, all of which are hereby expressly waived by the Issuer. The total outstanding obligation shall be subject to a penalty of 10 per cent per annum from Payment Date until the said obligation shall have been paid in full.

As of December 31, 2023, the principal has an outstanding balance of P0.39 billion.

The Parent's Bonds Payable is as follows:

Table with 3 columns: Description, 2023, 2022. Rows include Balance, Jan. 01 (Net of Unamortized Discount) (4,543,923,875 / 9,054,306,654), Issuance to ROP (Net of Unamortized Discount) (368,876,754), Amortization payment ((328,028,531) / (5,300,000,000)), Amortization of discount (456,826,144 / 420,740,467), and Balance, Dec. 31 (4,672,721,488 / 4,543,923,875).

25. Other Liabilities

This account consists of:

Table with 5 columns: Description, Group 2023, Group 2022 As Restated, Parent 2023, Parent 2022 As Restated. Rows include Accrued interest, fringe benefits, taxes and other expense payable (18,919,726,497 / 12,717,156,833 / 19,257,893,266 / 12,906,848,125), Other Deferred Credits (3,800,135,412 / 3,553,162,283 / 3,800,135,412 / 3,553,162,283), Accounts payable (33,396,150,747 / 56,394,676,683 / 32,782,598,210 / 55,812,091,073), Due to Agrarian Reform Fund (11,991,941 / 86,454,685 / 11,991,941 / 86,454,685), Sundry credits (2,165,448,917 / 16,148,899,360 / 2,223,130,582 / 16,114,657,915), Unearned income (1,540,997,198 / 1,068,605,911 / 70,659,417 / 86,388,313), Withholding tax payable (826,428,078 / 611,165,375 / 797,967,984 / 588,220,573), Miscellaneous liabilities (8,179,426,530 / 8,516,335,549 / 8,186,247,688 / 8,345,503,883), Provision for estimated credit losses (677,279,202 / 623,923,252 / 588,860,175 / 570,971,538), and Others (5,722,847,546 / 4,447,998,869 / 5,542,350,002 / 4,270,892,717).

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Accounts Payable consists of issuance of e-money by authorized Electronic Money Issuer-Banks (EMI-Banks) and conditional cash transfer to DSWD.

Miscellaneous Liabilities mostly consists of security deposits on leased vehicle.

The Others account include Outstanding Acceptance, Due to Treasury of the Philippines, other taxes and licenses payable, Due from FCDU/RBU-Fx Reg-Clearing account, Overages and Unclaimed Balances.

The Parent's Outstanding Acceptance account is as follows:

Outstanding Acceptance		
Balance, Jan 01, 2023		120,940,163
Availments	356,887,077	
Payments	(447,639,969)	(90,752,892)
Balance, Dec 31, 2023		30,187,271

26. Income and Other Taxes

Under Philippine tax laws, the Regular Banking Unit of the Parent is subject to percentage and other taxes (presented as Taxes and Licenses in the statement of comprehensive income) as well as income taxes. Percentage and other taxes paid consist principally of gross receipts tax and documentary stamp taxes. Income taxes include the corporate income tax and final withholding tax on gross interest income from government securities, deposits and other deposit substitutes. These income taxes and deferred tax benefits are presented in the statement of comprehensive income either Provision for or (Benefit from) Income Tax.

On March 26, 2021, Republic Act No. 11534, or the Corporate Recovery and Tax Incentives for Enterprises (CREATE) Law, was signed into law and amended certain provisions of the National Internal Revenue Code of 1997 effective July 1, 2020. Among major changes brought about by the CREATE Law that are relevant to and considered by the Group and its subsidiaries includes reduced Normal Income Tax (NCIT) rate from 30 per cent to 25 per cent, Minimum Corporate Income Tax (MCIT) rate from two per cent to one per cent and allowable deduction for interest expense is reduced from 33 per cent to 20 per cent of the interest income subjected to final tax. However effective July 1, 2023, the MCIT shall revert to its old rate of two per cent based on the gross income. In computing the MCIT, the gross income shall be divided by 12 months to get the average monthly gross income and apply the rate of one per cent for the period January 1 to June 30, 2023 and two per cent for the period July 1 to December 31, 2023.

Under the Tax Code, as amended, the income tax to be paid by a taxpayer is the higher between the rate at NCIT or the rate at MCIT . For taxable year 2021, the Parent paid its income tax based on NCIT computation since it resulted to a higher tax payable than MCIT computation.

FCDU offshore income (income from non-residents) derived by depository banks under the expanded foreign currency deposit system is exempt from income tax while gross onshore

interest income (income from residents) from foreign currency loans under the Expanded Foreign Currency Deposit System is subject to ten per cent final tax. Interest income derived by resident individual or corporation on deposits with other FCDUs and Offshore Banking Units (OBU) are subject to 15 per cent final tax.

The provision for/ (benefit from) income tax consists of:

	Group		Parent	
	2023	2022	2023	2022
Current:				
Normal/MCIT	2,510,207,772	723,502,772	2,401,528,683	573,935,462
	2,510,207,772	723,502,772	2,401,528,683	573,935,462
Deferred	(3,811,855,005)	(3,162,565,753)	(3,800,396,563)	(3,146,662,099)
Provision for Income Tax	(1,301,647,233)	(2,439,062,981)	(1,398,867,880)	(2,572,726,637)

The reconciliation of the provision for income tax computed at the statutory tax rate to the actual provision is as follows:

	Group		Parent	
	2023	2022	2023	2022
Statutory income tax	8,598,515,411	9,055,953,159	8,488,765,147	8,910,971,840
Additions to (reductions in) income taxes arising from:				
Non-deductible interest expense	3,079,876,854	2,597,076,654	3,079,876,854	2,597,073,886
Other Deductible/Non-deductible Expense	1,437,466,994	888,408,555	1,425,662,049	936,221,865
FCDU Income	(1,291,733,476)	(1,174,210,485)	(1,291,733,476)	(1,174,210,485)
Tax exempt & tax paid income	(13,540,320,248)	(12,927,395,550)	(13,514,657,187)	(12,973,466,539)
Others	414,547,232	(878,895,314)	413,218,733	(869,317,204)
	(1,301,647,233)	(2,439,062,981)	(1,398,867,880)	(2,572,726,637)

The net deferred income tax asset reported by the Parent amounted to P16,554,816,270 and P12,754,419,707 for CY 2023 and 2022, respectively while the subsidiaries recognized deferred tax assets of P961,406,889 and P876,612,602 for CY 2023 and 2022, respectively.

Below are the temporary differences for which deferred tax asset (net of deferred tax liabilities) recognized by the Parent because LANDBANK believes that it is probable that future taxable profits will be available against which the asset can be utilized.

	Parent	
	2023	2022
Deferred tax asset:		
Provision for credit and impairment losses	16,190,507,467	13,639,577,497
Accrued expenses	276,122,536	60,441,770
Loss on fair value thru profit and loss	157,916,353	0
	16,624,546,356	13,700,019,267
Deferred tax liability:		
Gain on fair value thru profit and loss	0	123,933,591
Foreign exchange gain from revaluation	69,730,086	821,665,969
	69,730,086	945,599,560
Net Deferred Tax Asset	16,554,816,270	12,754,419,707

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27. Supplementary Information Required Under Revenue Regulations (RR) Nos. 19-2011 and 15-2010

Supplementary information Under RR No. 19-2011

In addition to the required supplementary information under RR No. 15-2010, on December 9, 2011, the Bureau of Internal Revenue (BIR) issued RR No. 19-2011 (and as further amended by RR No. 2-2014 dated January 24, 2014) which prescribes the new annual income tax forms that will be used for filing effective taxable year 2011. Specifically, companies are required to disclose certain tax information in their respective notes to financial statements. For the taxable year December 31, 2023, the Parent reported the following revenues and expenses for income tax purposes:

Revenues	
Services/operations	69,320,283,090
Non-operating and taxable other income:	
Trading and securities gain	3,520,925,895
Service charges, fees and commissions	3,862,970,272
Income from trust operations	251,111,992
Others	2,095,161,442
Total Revenues	79,050,452,691
Expenses	
Cost of Services:	
Compensation and fringe benefits	10,074,933,764
Others	30,015,314,947
Total Cost of Services	40,090,248,711
Itemized deductions:	
Compensation and fringe benefits	8,223,652,950
Taxes and Licenses	8,306,155,248
Documentary Stamps Used	4,954,069,096
Depreciation and amortizations	1,128,127,638
Security, messengerial and janitorials	1,878,807,276
Information Technology Expenses	1,121,621,625
Bad Debts	45,952,828
Fees and Commission	1,066,864,895
Communications, Light and Water	602,460,893
Litigation/Asset Acquired Expenses	424,213,110
Miscellaneous	56,986,011
Management and professional fees	164,296,060
Office Supplies	77,502,642
Rent	140,746,805
Representation and entertainment	176,512,580
Transportation and Travel	233,984,635
Insurance	170,118,010
Repairs and Maintenance	137,998,751
Donations and Charitable Contributions	63,965,480
Advertising	166,064,319
Fuel and Oil	70,142,421
Freight Expense	91,503,102
Trainings and seminars	30,651,064
Membership Fees and Dues	10,749,666

Directors Fee	5,816,000
Fines, Penalties & Other Charges	5,117,657
Periodicals and Magazines	8,483
Total Itemized Deductions/Expenses	29,354,089,245
Total Expenses	69,444,337,956
Net Taxable Income	9,606,114,735

Supplementary information Under RR No. 15-2010

On November 25, 2010, the BIR issued RR No. 15-2010 to amend certain provisions of RR No. 21-2002 which provides that starting 2010 the notes to financial statements shall include information on taxes, duties and license fees paid or accrued during the taxable year.

In compliance with the requirements of the BIR hereunder are the information on taxes and license fees paid or accrued during the taxable year.

I. The documentary stamp tax (DST) on loan instruments and other transactions subject thereto for the tax period 2023 are as follows:

Documents / transactions	DST Paid
Debt instruments, bonds, certificate of time deposits	7,704,832,020
Original issue of shares of stocks	238,180
Mortgages, pledges, deed of assignments/trust	780,831,950
Foreign bills of exchange, letters of credit	161,690,145
Banks, checks, drafts and telegraphic transfer/others	126,297,162
Acceptance of bills of exchange	60,740,870
On Assignments and renewal of certain instruments	20,142,426
Others	2,261,226
Total DST Paid	8,857,033,979

II. All other taxes, local and national, paid for the tax period 2023:

National	
Percentage taxes (GRT)	7,461,812,764
Fringe benefits tax	0
National taxes	101,149,625
Total National Taxes	7,562,962,389
Local	
Real estate tax	74,425,579
Local business tax	94,381,915
Mayor's Permit/Municipal License/Other Regulatory Fees/License Permit	178,313,708
Other local taxes	11,013,731
Total Local Taxes	358,134,933
Total National and Local Taxes	7,921,097,322

III. The amount of withholding taxes paid/accrued for the year amounted to:

Tax on Compensation and benefits	1,828,449,633
Creditable withholding taxes	564,821,933
Final withholding taxes	4,789,509,974
	7,182,781,540

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IV. Taxes withheld by client on their income payments to the Parent were claimed as tax credits:

Tax Credits against Income Tax	4,834,823,360
Tax Credits against Gross Receipts Tax	337,587,958
	5,172,411,318

28. Retirement Cost

The Parent has separate funded contributory defined contribution retirement plans covering all its officers and regular employees. Under the retirement plans, all concerned officers and employees are entitled to cash benefit after satisfying certain age and service requirements. Total expenses charged against operations in 2023 and 2022 amounted to P581,236,932 and P907,400,462, respectively.

29. Related Party Transactions

In the ordinary course of business, the Parent has loan transactions with certain directors, officers, stockholders and related interests (DOSRI). Existing banking regulations limit the amount of individual loans to DOSRI, 70 per cent of which must be secured by their respective deposits and book value of their respective investments in the Parent. In the aggregate, loans to DOSRI generally should not exceed the respective total unimpaired capital or 15 per cent of total loan portfolio, whichever is lower, of the Parent.

BSP Circular No. 547 dated September 21, 2006 prescribed the DOSRI rules for government borrowings in government-owned or controlled banks. Said circular considered as indirect borrowings of the Republic of the Philippines (ROP), loans, other credit accommodations and guarantees to: (a) Government-Owned and Controlled Corporations (GOCCs); and (b) Corporations where the ROP, its agencies/departments/ bureaus, and/or GOCCs own at least 20 per cent of the subscribed capital stocks.

Total outstanding DOSRI loans of the Parent as of December 31, 2023 amounted to P103,784,548,218 of which P103,597,144,438 are government borrowings covered by BSP Circular No. 547.

The following are the percentage of DOSRI loans:

	2023	2022
Total DOSRI Loans	103,784,548,218	108,987,482,220
Unsecured DOSRI Loans	4,872,473	0
% of DOSRI Loans to Total Loans	7.03%	9.30%
% Unsecured DOSRI to Total DOSRI	0.005%	0
% of Past due DOSRI to Total DOSRI	0	0
% Non-performing DOSRI to Total DOSRI	0.002%	0.001%

The following are the significant transactions of the Parent with related parties:

	2023				2022			
	Key Management Personnel	Subsidiaries	Others (GOCCs, Provident Fund and Rural Banks)	Total	Key Management Personnel	Subsidiaries	Others (GOCCs, Provident Fund and Rural Banks)	Total
Receivable from customers	15,264,281	1,516,768,535	105,316,481,346	106,848,514,162	15,946,273	1,716,373,300	107,727,775,126	109,460,094,699
Other Assets	0	2,119,059,018	0	2,119,059,018	0	2,000,000,000	0	2,000,000,000
Deposit liabilities	0	1,454,278,892	0	1,454,278,892	0	1,365,403,169	0	1,365,403,169
Other liabilities	0	1,243,913,774	0	1,243,913,774	0	1,084,924,683	0	1,084,924,683
	15,264,281	6,334,020,219	105,316,481,346	111,696,705,531	15,946,273	6,166,701,152	107,727,775,126	113,910,422,551

The following are the related party transactions of the Parent with its subsidiaries:

	LLFC	LIBI	LBRDC	MSI	OFBI	ULFC	UFEC	LSI	GHDI	USBI	Total 2023	2022
Due from Other Bank Loans & Receivable	1,177,576,163	3,986,071	194,227,358		2,000,000,000	124,695,190	16,283,753				2,000,000,000	2,000,000,000
Other Assets	72,852,930		18,439,502		46,018,508						137,310,940	
Deposit Liabilities	36,366,014	358,250,140	73,872,498	23,056,160	71,717,395	374,862,775	4,495,556	67,898,174	313,463,218	130,296,962	1,454,278,892	1,365,403,169
Other Liabilities	656,660,267		466,435,362		133,505,908						1,256,601,537	1,084,924,683

	2023	2022
Interest income	139,804,979	60,273,696
Interest expense	(128,775,348)	(138,168,084)
Other income	4,387,356	19,755,385
Other expenses	(165,377,090)	(168,240,628)

Compensation of key management personnel:

	Group		Parent	
	2023	2022	2023	2022
Short-term employee benefits	399,190,225	379,729,447	316,554,159	307,596,098
Post-employment benefits	49,433,684	55,621,749	47,635,314	53,649,606
Other long-term benefits	121,888,114	124,576,499	121,888,114	124,576,499
	570,512,023	559,927,695	486,077,587	485,822,203

Terms and conditions of transactions with related parties:

The Parent’s related party transactions with its subsidiaries as of December 31, 2023 and December 31, 2022 amounted to P111,665,765,846 and to P113,910,422,551, respectively. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2023 and 2022, the Group has not made any provision for doubtful accounts relating to amounts owed by related parties. This assessment is undertaken each financial year through examination of the financial position of the related party and the market in which the related party operates.

30. Trust Operations

The Parent is authorized under its Charter to offer trust services and administer trust funds through its Trust Banking Group. The Parent accepts funds entrusted by clients and

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undertakes as trustee to invest such funds in acceptable securities or other investment outlets. Trust funds or assets under management of the Parent under its trust operations amounted to P571,511,959,260 and P523,578,034,176 as of December 31, 2023 and 2022, respectively.

Summary of Assets under Management is as follows:

	2023 (Unaudited)	2022 (Unaudited)
Special Purpose Trust	56,164,144,197	247,553,879
Other Fiduciary Accounts	462,670,965,436	473,009,584,222
Agency	35,804,958,531	35,258,305,235
Trust	16,871,891,096	15,062,590,840
	571,511,959,260	523,578,034,176

In compliance with the requirements of the General Banking Law, government securities with total face value of P1,900,000,000 in 2023 and P1,350,000,000 in 2022 are deposited with BSP as security for the Parent’s faithful performance of its fiduciary obligation.

31. Derivative Financial Instruments

For Derivative instruments, fair values are estimated based on quoted market prices, prices provided by independent parties or values determined using accepted valuation models with observable inputs.

Freestanding Derivatives

Currency Forwards

As of December 31, 2023, the Parent’s outstanding notional amount of the currency sell forward/swap agreements with maturity of less than nine months amounted to P35,093,745,000 with market value of P34,887,069,846 while currency bought forward amounted to P284,700,000 with a market value of P277,211,630.

Over the Counter Interest Rate Option Contract Bought

As of December 31, 2023, the Parent’s outstanding notional amount of the debt warrants bought to mature on November 29, 2032 amounted to P125,681,691 with market value of P142,601,947.

Foreign Exchange (FX) Risk Cover

The FX Risk Cover on foreign borrowings is a derivative financial instrument per BSP Monetary Board Resolution No. 1063 dated August 14, 2008 and its fair value changes are reported in the statement of comprehensive income. As of December 31, 2023, the Parent’s outstanding notional amount of the FX Risk Cover amounted to JPY16,373,612,355 and EUR20,828,730.

Embedded Derivatives

Embedded Credit Derivatives

For the Parent, this includes credit default swaps embedded in host debt instruments and with credit linkages to reference entities.

Embedded Optionalities in Debt Investments

For the Parent, this includes call, put, extension, and conversion options in debt securities and loan receivables. The embedded call, put and extension options are deemed to be closely related to their host contracts, while the put option embedded in a debt investment is not deemed to be significant.

Embedded Currency Derivatives

The Group has currency derivatives embedded in host non-financial contracts such as lease agreements and purchase orders.

32. Commitments and Contingent Liabilities

In the normal course of business, the Group makes various commitments and incurs certain contingent liabilities which are not presented in the financial statements. The Group does not anticipate material losses from these commitments and contingent liabilities.

The Group is contingently liable for lawsuits or claims filed by third parties which are either pending decision by the courts or under negotiation, the outcome of which is not presently determinable. In the opinion of the Parent and its legal counsel, the eventual liability under these lawsuits or claims, if any, will not have a material effect on the Group’s financial statements.

The following is a summary of various commitments and contingencies at their equivalent peso revalued amounts arising from off-balance sheet items which the Parent has contracted:

	Parent	
	2023	2022
Trust Department accounts	571,511,959,260	523,578,034,176
Commitments	191,500,935,522	154,011,556,154
Standby/commercial letters of credit	25,655,319,482	20,896,524,503
Derivatives	42,995,560,841	47,402,045,748
Outstanding guarantees	2,869,885,338	1,899,078,731
Spot exchange contracts	5,703,110,000	446,040,000
Late deposits received	701,755,727	818,654,800
Outward bills for collection	3,550,499,424	47,115,712
Liability Indemnity Fund	74,950,227	74,950,227
Others	21,326,653,659	20,241,725,136
	865,890,629,479	769,415,725,187

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Other contingent accounts include miscellaneous contingent accounts representing possible obligations of the parent arising from pending court cases.

Municipal Development Fund

Created through Presidential Decree (PD) No. 1914 on 29 March 1984, the Municipal Development Fund (MDF) is a special revolving fund for re-lending to Local Government Units (LGUs). It became an effective mechanism that enabled LGUs to avail of financial assistance from local and international sources for the implementation of various social and economic development projects. The MDF is administered by the Department of Finance (DOF) - Bureau of Local Government Finance (BLGF) and the Department of Public Works and Highways (DPWH) - Central Project Office (CPO).

In order to simplify credit administration and tighten managerial control of the MDF, Executive Order No. 41 was issued on 20 November 1998 creating the Municipal Development Fund Office (MDFO) under DOF.

Section 4 (ttt) of the Republic Act (RA) No. 11494 provides that any unutilized or unreleased balance of the MDF, including investments and undrawn portions of all loans shall be considered to have their purpose abandoned and the remaining assets of MDFO shall be immediately transferred to Parent. These Funds shall be utilized and are hereby automatically appropriated to LGU loans and borrowings from the Government Financial Institutions.

Transfer of the funds was assigned by MDFO to LANDBANK through the executed Deed of Assignment dated December 15, 2020, as follows:

Assets		Amount (in Peso)
Cash in Bank (LANDBANK Account Nos:1772-1007-91 and 1772-1008-05		
Loan Balances assigned to LANDBANK		1,711,657,604.51
Loans Receivable	9,426,900,233.47	
Interest Receivable	84,203,942.90	
Other Receivables	79,293,457.57	9,590,397,633.94
Government Securities (GS)		
Treasury Bills (ISIN PIBL1220B052)	84,615,000.00	
Treasury Bonds (ISIN PIID10261057)	73,407,000.00	158,022,000.00
		11,460,077,238.45

Total Loan Balances assigned to LANDBANK amounting 9,590,397,633.94 were booked as Miscellaneous Contingent Asset (MCA) Account.

Breakdown of MDFO Fund balance amounting to P11,993,421,012.70 as of December 31, 2023 is shown below:

Assets	Amount (in Peso)	Recorded as
Funds in LANDBANK Trust	3,589,009,331.94	
Operating Fund	551,980,086.44	Accounts Payable – Government Entities

Net Loan Balance		
Loans Receivables	7,716,845,992.17	MCA
Interest Receivables	16,828,150.23	MCA
Other Receivables (Penalty)	48,828,628.68	MCA
Other Payables (Excess Payment of LGUs)	(3,478,176.76)	MCA
Government Securities		
Treasury Bonds	73,407,000.00	
		11,993,421,012.70

LANDBANK collects a Management Fee (MF) of three per cent per annum for the administration of the Fund which is booked under Miscellaneous Income. MF is computed every end of semester based on the quarterly average loan balance.

33. Financial Performance

The following basic ratios measure the financial performance of the Parent:

	2023	2022
Net interest margin ratio	3.14%	2.94%
Return on average assets	1.30%	1.02%
Return on average equity	16.74%	13.35%

34. Equity

As of December 31, 2023, the Parent's authorized capital stock consisted of 2 billion common shares with par value of P100 per share totaling P200 billion.

In accordance with Section 3 of Malacañang Executive Order No. 198, series of 2016, the Parent's authorized capital was increased to P200 billion divided into 2 billion common shares with par value of P100 per share. With the increase in par value per share from P10 to P100, the number of shares issued decreased from 1,197,100,000 to 119,710,000.

The Parent's Paid-up capital stood at P163.79 billion equivalent to 1,637,877,113 shares with par value of P100 per share.

On February 28, 2022 and March 9, 2022 the Unrestricted Retained Earnings was converted into Paid-up Capital amounting to P42.82 billion and P67.18 billion, respectively as approved by the LANDBANK Board of Directors per Bd. Res. No. 22-124 and 22-165 dated February 14, 2022 and March 9, 2022, respectively. This is in compliance with Section 42 of Republic Act No. 11232, otherwise known as the Revised Corporation Code of the Philippines, stock corporations are prohibited from retaining surplus profits in excess of 100 per cent of their paid-in capital stock.

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The Retained Earnings- reserves of the Group and the Parent consist of:

	Group		Parent	
	2023	2022	2023	2022
(Amounts in millions)				
Reserve for trust business	5,045.00	5,045.00	5,045.00	5,045.00
Reserve for contingencies	5,102.50	5,102.50	5,002.50	5,002.50
Reserve for PPE and software acquisition	64.98	64.98	0.00	0.00
Reserve for retirement fund and insurance	33.36	33.36	0.00	0.00
Reserve for business expansion	1,330.00	1,330.00	0.00	0.00
Reserve for others	3,775.45	3,907.80	3,493.87	3,493.87
	15,351.29	15,483.64	13,541.37	13,541.37

Retained Earnings Reserve-Others consists of reserve for automation, expansion and retirement.

The following table shows the components of Other Comprehensive Income of the Group and Parent:

	Re-measurement of retirement benefit obligation	Net Unrealized Gain/(loss) on AFS securities	Group	Others	Total
			Translation Adjustment and Others		
Balance, as of January 1, 2023	(14,992,553)	(12,175,686,352)	237,733,085	0	(11,952,945,820)
Increase/(Decrease) in CY 2023	(23,925,704)	14,481,582,798	(226,702,380)	6,500,000	14,237,454,714
Balance, as of December 31, 2023	(38,918,257)	2,305,896,446	11,030,705	6,500,000	2,284,508,894

	Re-measurement of retirement benefit obligation	Net Unrealized Gain/(loss) on AFS securities	Group	Total
			Translation Adjustment and Others	
Balance, as of December 31, 2021	(9,557,754)	6,602,915,529	99,917,550	6,693,275,325
Increase/(Decrease) in CY 2022	(5,434,799)	(18,778,601,881)	137,815,535	(18,646,221,145)
Balance, as of December 31, 2022	(14,992,553)	(12,175,686,352)	237,733,085	(11,952,945,820)

	Net Unrealized Gain/(loss) on AFS securities	Parent	Total
		Translation Adjustment and Others	
Balances, as of January 1, 2023	(12,240,086,455)	237,516,140	(12,002,570,315)
Increase/(Decrease) in CY 2023	14,477,362,723	(228,757,809)	14,248,604,914
Balance, as of December 31, 2023	2,237,276,268	8,758,331	2,246,034,599

	Net Unrealized Gain/(loss) on AFS securities	Parent	Total
		Translation Adjustment and Others	
Balance, as of January 1, 2022	7,059,030,179	101,150,162	7,160,180,341
Increase/(Decrease) in CY 2022	(19,299,116,634)	136,365,978	(19,162,750,656)
Balance, as of December 31, 2022	(12,240,086,455)	237,516,140	(12,002,570,315)

Capital Management

The overall capital management objective of the Group is to create a more efficient capital structure while ensuring compliance with externally imposed capital requirements. All Business Unit of the Group are aware of the corresponding capital charge for the losses that could arise from any transaction or business they undertake.

The Group manages its capital by maintaining strong credit ratings and healthy capital ratios to support its business and sustain its mandate. Adjustments to the Group’s capital structure are made in the light of changes in economic conditions and the risk characteristics of its activities. In order to maintain or adjust the capital structure, the Group may issue capital securities. No changes were made in the objectives, policies and processes from the previous years.

The Parent’s capital was strong and sufficient to deliver its mandated services and to cover the risks inherent in its operations. The Parent maintains a strong capital base at all times to boost customer confidence, enhance competitiveness, ensure stability and sustain long-term growth and viability. The Parent’s policy on Capital Planning was enhanced to establish capital levels that will adequately support the Parent’s vision and its strategic plans and ensure continued compliance with the evolving capital and capital ratio requirements of BSP. Given that internal capital generation through earnings remains as the principal source of the Parent’s capital accumulation, the primary thrust of LANDBANK’s capital planning activities is to maximize its profitability and consequently, attain higher retained earnings.

Regulatory Qualifying Capital

Under existing BSP regulations, the Parent’s compliance with regulatory requirements and ratios is determined based on the amount of the Parent’s unimpaired capital (regulatory net worth) as reported to the BSP.

In addition, the risk-based capital ratio of a Parent, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10 per cent for both stand-alone basis (head office and branches) and consolidated basis (Parent and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and risk-weighted assets are computed based on BSP regulations. Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board (MB) of the BSP.

The Parent adopted BASEL III CAR computation pursuant to BSP Circular No. 781 effective January 31, 2014. FVOCI and FVTPL Equity were included as regulatory adjustments/deduction to Tier 1 capital.

	Group		Parent	
	2023	2022	2023	2022
(Amounts in millions)				
Tier 1 Capital	267,249	211,539	266,768	210,591
Tier 2 Capital	13,346	7,206	13,144	7,045
Less: Required Deductions	32,669	24,847	39,417	29,150
Total Qualifying Capital	247,926	193,898	240,495	188,486
Risk Weighted Assets	1,509,177	1,340,572	1,470,773	1,305,580

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	Group		Parent	
	2023	2022	2023	2022
	(Amounts in millions)			
Common Equity Tier 1 Ratio (CET1)	15.54%	13.93%	15.46%	13.90%
Total Capital Adequacy Ratio (CAR)	16.43%	14.46%	16.35%	14.44%

The regulatory qualifying capital of the Parent consists of Tier 1 (core) capital, which comprises paid-up common stock, retained earnings, current year profit less required deductions such as unsecured credit accommodations to DOSRI, deferred income tax, other intangible assets, equity investments and investment in non-marketable securities. Tier 2 (supplementary) capital includes general loan loss provision.

The BSP thru its letter dated December 23, 2020 granted the Parent regulatory relief in the form of non-deduction of the Parent’s equity investment in MRTC in the computation of its Common Equity Tier 1 (CET1), Capital Adequacy Ratio (CAR) and Basel III Leverage Ratio (BLR) until the maturity of the equity securities on August 14, 2025.

In support of the Bayanihan Law, BSP issued Memorandum No. M-2020-034 reducing the Credit Risk Weight for Loans to Micro-, Small-, and Medium-sized Enterprises (MSMEs) from 75 per cent to 50 per cent until December 31, 2021 and extended until June 30, 2023 per BSP Circular No. 1164 dated January 5, 2023.

The Group has fully complied with the CAR requirement of the BSP.

BASEL III Leverage Ratio

The Parent adopted the Basel III Leverage Ratio (BLR) pursuant to BSP Circular No. 881 and 990 dated May 2015 and January 5, 2018, respectively.

Basel III Leverage Ratio Common Disclosure Template
Summary Comparison of Accounting Assets vs. Leverage Ratio Exposure
As of December 31, 2023
(Amounts in millions)

Item		Leverage Ratio Framework	
		Group	Parent
1.	Total consolidated assets as per published financial statements	3,289,525.430	3,270,171.630
2.	Adjustment for investments in banking, financial, insurance or commercial entities that are consolidated for accounting purposes but outside the scope of regulatory consolidation		
3.	Adjustment for fiduciary assets recognized on the balance sheet pursuant to the operative accounting framework but excluded from the leverage ratio exposure measure		
4.	Adjustments for derivative financial instruments	902.379	902.379
5.	Adjustments for securities financial transactions (i.e., repos and similar secured lending)	0.000	0.000
6.	Adjustments for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	107,174.090	106,938.775
7.	Other adjustments	-18,721.093	-25,668.734
8.	Leverage ratio exposure	3,378,880.806	3,352,344.050

Basel III Leverage Ratio Common Disclosure Template

As of December 31, 2023
(Amounts in millions; Ratios in per cent)

Item		Leverage Ratio Framework	
		Group	Parent
On-balance sheet exposures			
1	On-balance sheet items ^{1/}	3,300,945.619	3,281,891.515
2	Asset amounts deducted in determining Basel III Tier 1 Capital	-32,668.614	-39,416.550
3	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	3,268,277.005	3,242,474.965
Derivative exposures			
4	Replacement Cost associated with all derivatives transactions	2,027.930	2,027.930
5	Add-on amounts for Potential Future Exposure associated with all derivative transactions	902.379	902.379
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the operative accounting framework ^{2/}		
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions) ^{2/}		
8	(Exempted CCP leg of client-cleared trade exposures) ^{2/}		
9	Adjusted effective notional amount of written credit derivatives	0.000	0.000
10	(Adjusted effective offsets and add-on deductions for written credit derivatives)		
11	Total derivative exposures (sum of lines 4 to 10)	2,930.309	2,930.309
Securities financing transaction exposures			
12	Gross SFT assets (with no recognition of netting)	499.401	0.000
13	(Netted amounts of cash payables and cash receivables of gross SFT assets) ^{2/}		
14	CCR exposures for SFT assets	0.000	0.000
15	Agent transaction exposures ^{3/}		
16	Total securities financing transaction exposures (sum of lines 12 to 15)	499.401	0.000
Other off-balance sheet exposures			
17	Off-balance sheet exposure at gross notional amount	250,533.700	248,626.031
18	(Adjustments for conversion to credit equivalent amounts)		
19	Off-balance sheet items	107,174.091	106,938.775
Capital and total exposures			
20	Tier 1 capital	234,580.217	227,351.434
21	Total exposures (sum of lines 3, 11, 16 and 19)	3,378,880.806	3,352,344.050
Leverage ratio			
22	Basel III leverage ratio	6.94%	6.78%

1/ Gross of General Loan Loss Provision (GLLP) and excluding derivatives and SFTs
2/ Not included under the framework
3/ When a bank/non-bank acting as an agent in an SFT provides an indemnity or guarantee to a customer or counterparty for any difference between the value of the security or cash the customer has lent and the value of the collateral the borrower has provided

Non-controlling Interests

This represent the portion of the net assets and profit or loss not attributable to the Group and are presented separately in the statements of income and comprehensive income and within equity in the statements of financial position and changes in equity.

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Prior Period Error

In compliance with PAS 8, the balances of the following accounts were restated to reflect corrections of prior period errors as of and for the year ended December 31, 2022.

Statement of Financial Position – Parent

Line Item	As Previously Reported	Adjustment	As Restated
Assets			
Loans and Receivables - net	1,092,789,441,578	(6,200,150,531)	1,086,589,291,047
Investment Property	12,566,053,420	(28,985,178)	12,537,068,242
Other Assets	23,687,046,951	(6,063,970,919)	17,623,076,032
Total Assets	3,150,119,945,415	(12,293,106,628)	3,137,826,838,787
Liabilities and Equity			
Other Liabilities	108,469,945,621	(2,834,411,624)	105,635,533,997
Total Liabilities	2,920,503,862,379	(2,834,411,624)	2,917,669,450,755
Undivided Profit	38,763,379,763	(9,458,695,004)	29,304,684,759
Total Equity	229,616,083,036	(9,458,695,004)	220,157,388,032
Total Liabilities & Equity	3,150,119,945,415	(12,293,106,628)	3,137,826,838,787

Statement of Comprehensive Income - Parent

Line Item	As Previously Reported	Adjustment	As Restated
Miscellaneous Income	14,478,740,168	321,488,128	14,800,228,296
Provision for Credit and Impairment Losses	10,258,407,382	9,780,183,132	20,038,590,514
Net Income	38,763,379,763	(9,458,695,004)	29,304,684,759

Statement of Changes in Equity – Parent

Line Item	As Previously Reported	Adjustment	As Restated
Capital	229,616,083,036	(9,458,695,004)	220,157,388,032

35. Miscellaneous Income

This account is composed of:

	Group		Parent	
	2023	2022 As Restated	2023	2022 As Restated
Gain from sale/derecognition of non-financial assets	1,780,675,394	3,169,188,066	1,733,717,239	3,094,878,127
Rent income	144,191,288	80,208,412	19,557,070	3,466,916
Miscellaneous income	2,839,166,131	9,188,363,583	1,988,155,095	11,592,139,000
Recovery on charged-off assets	62,189,598	114,377,963	59,182,220	109,744,253
	4,826,222,411	12,552,138,023	3,800,611,624	14,800,228,296

Miscellaneous Income includes recovery on charged off assets, gain on bargain purchase and income on renewal fees, fines and penalties.

36. Investment Income

The Investment Income of the Parent consists of:

a. Interest Income

	2023	2022
FVOCI	13,189,578,490	10,738,421,896
FVTPL	568,769,718	132,442,250
HTC	30,063,053,220	28,070,477,803
	43,821,401,428*	38,941,341,949*

*Interest Income using the effective interest rate method.

b. Gain/(Loss) on Sale/Redemption/Derecognition of Financial Assets and Liabilities for FVOCI amounting to P43,380,681 in CY 2022 while there was no sale in CY 2023.

c. Gain/(Loss) on Financial Assets and Liabilities-FVTPL

	2023	2022
Realized Gain/(Loss) from Sale/Derecognition	1,188,586,680	124,559,815
Unrealized Gain/(Loss)-Mark-to-Market	(601,089,071)	1,055,878,587
Realized Gain/(Loss) from Sale/Derecognition-Derivative-FX	466,163,648	(4,843,361,001)
Realized Gain/(Loss) from Foreign Exchange Transactions		
Derivative	265,075,072	444,413,795
	1,318,736,329	(3,218,508,804)

d. Gain/(Loss) on Financial Assets and Liabilities-DFVTPL

	2023	2022
Gain/(Loss) on Financial Assets and Liabilities-DFVTPL	26,899,334	(31,562,951)

Fees earned from securities brokering, advisory, underwriting, arranging and asset management activities amounted to P170,798,219 and P137,480,509, in 2023 and 2022, respectively. On the other hand, expenses incurred relative to BTr maintenance fees, RTGS and PHILPASS fees amounted to P28,355,463 and P27,198,280 in 2023 and 2022, respectively.

37. Miscellaneous Expenses

This account is composed of:

	Group		Parent	
	2023	2022 As Restated	2023	2022
Finance Charges	336,317	405,144	0	0
Management and other professional fees	207,788,734	246,396,047	164,296,060	188,014,251
Supervision fees	902,636,665	826,398,172	895,278,966	819,563,357
Fines, penalties and other charges	21,497,265	28,317,853	5,117,657	3,018,747
Insurance	5,509,604,276	5,299,497,936	5,456,224,469	5,239,255,424
Fees and commission expense	1,094,588,396	750,155,492	1,085,198,333	733,618,160

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	Group		Parent	
	2023	2022 As Restated	2023	2022
Litigation/asset acquired expenses	462,014,187	317,535,043	434,438,312	280,738,696
Other Expenses	11,774,132,121	13,446,442,217	11,060,776,493	12,292,820,242
	19,972,597,961	20,915,147,904	19,101,330,290	19,557,028,877

Other Expenses mainly include security, clerical, messengerial and janitorial services, information technology expenses, documentary stamps used and other bank expenses.

38. Events After Reporting Period

Dividend Payment to the National Government

RA No. 7656 or the Dividend Law requires GOCCs including Government Financial Institutions to declare and remit cash dividends annually to the NG. On April 30, 2024, the Parent remitted cash dividend of P32,119,045,158 to the NG representing 50 per cent of LANDBANK’s 2023 net earnings as approved by the LANDBANK Board of Directors per Bd. Res. No. 24-201 dated April 11, 2024.

39. Report on the Supplementary Information Required under BSP Circular No. 1074

Supplementary Information Under BSP Circular No. 1074

On January 8, 2020, the Monetary Board approved the amendments to the relevant provisions of the Manual of Regulations for Banks and Manual of Regulations for Foreign Exchange Transactions. Among the provisions is the requirement to include the following additional information to the Audited Financial Statements.

- (1) Basic quantitative indicators of financial performance (Note 33)
- (2) Description of capital instrument issued (Note 34)
- (3) Significant credit exposure as to industry/economic sector (Note 40)
- (4) Breakdown of total loans as to: (i) security (secured, including type of security, and unsecured), and (ii) status (performing and non-performing per product line) (Note 14)
- (5) Information on related party loans (Note 29)
- (6) Secured Liabilities and Assets Pledged as Security

The following are the carrying values of government debt securities pledged and transferred under Securities Sold Under Repurchase Agreement (SSURA) transactions of the Parent:

Particulars	2023		2022	
	Transferred Securities	SSURA	Transferred Securities	SSURA
Investment securities at FVOCI	0	0	18,170,337,471	16,125,886,977

- (7) Nature and amount of contingencies and commitments arising from off-balance sheet items (Note 32)

40. Financial Risk Management

CREDIT RISK MANAGEMENT

Credit risk arises from the failure of a counterparty to meet the terms of any contract with the Parent. Credit risk is not limited to the loan portfolio but is found in all the Parent’s activities where success depends on counterparty, issuer, or borrower performance. It arises any time the Parent’s funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet. The Parent considers its loan portfolio as the major source of credit risk. However, other sources of credit risk exist throughout the activities of the Parent, including the banking and trading books and On- and Off-Balance Sheet transactions.

Maximum Credit Risk Exposure

The table below shows LANDBANK’s maximum exposure to credit risk, before and after considering eligible collateral held or other credit enhancements.

On-Balance Sheet (BS) Items	2023 (In ₱ Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Cash on Hand	55,462	55,462	0	0	0	0	0	55,462
Checks & Other Cash Items (COCI)	17	0	17	0	0	0	0	17
Due from Bangko Sentral ng Pilipinas (BSP)	410,033	410,033	0	0	0	0	0	410,033
Due from Other Banks	7,310	0	186	7,108	0	16	0	7,310
Debt Securities Designated at FVTPL	16	0	0	0	0	16	0	16
Other Financial Assets								
Mandatorily Measured at FVPL	1,111	0	0	0	0	1,111	0	1,111
Financial Assets at FVOCI	456,972	384,612	3,039	67,279	0	2,042	0	456,972
Debt Securities at Amortized Cost	763,738	737,521	6,242	18,401	0	1,574	0	763,738
Loans & Receivables	1,094,520	0	11,559	30,342	69,925	948,575	34,119	1,094,520
1. Interbank Loans Receivables	73,932	0	11,246	12,196	0	50,467	23	73,932
2. Loans & Receivables - Others	1,020,588	0	313	18,146	69,925	898,108	34,096	1,020,588
a. Non-defaulted exposures								0
a.1. Sovereign Exposures	0	0	0	0	0	0	0	0
a.2. LGUs and Public Sector Entities	104,642	0	0	0	0	104,642	0	104,642
a.3. Government Corporation	1,800	0	0	0	0	1,800	0	1,800
a.4. Corporates	723,335	0	0	0	0	723,335	0	723,335

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On-Balance Sheet (BS) Items	2023 (In ₱ Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
a.5. Microfinance/Small and Medium Enterprises	70,993	0	313	0	69,925	553	202	70,993
a.6. Loans to individuals for Housing Purposes	20,262	0	0	18,146	0	2,116	0	20,262
a.7 Loans to Individuals	60,821	0	0	0	0	60,821	0	60,821
b. Defaulted Exposures								-
b.1. Housing Loans	4,841	0	0	0	0	4,841	0	4,841
b.2. Other than Housing Loans	33,894	0	0	0	0	0	33,894	33,894
Other Loans and Receivables ^{1/}	250,322	250,322	0	0	0	0	0	250,322
Sales Contract Receivable (SCR)	1,708	0	0	0	0	536	1,172	1,708
Real & Other Properties Acquired (ROPA)	12,501	0	0	0	0	0	12,501	12,501
Total Exposures Excluding Other Assets	3,053,710	1,837,950	21,043	123,130	69,925	953,870	47,792	3,053,710
Other Assets	88,070	257	0	0	0	87,813	0	88,070
Total Exposures, Including Other Assets	3,141,780	1,838,207	21,043	123,130	69,925	1,041,683	47,792	3,141,780
Total On-BS RWA not covered by CRM	0	0	4,208	61,565	52,444	1,041,685	71,687	1,231,589
Total On-BS RWA covered by CRM	0	0	17	279	0	0	0	296
Total On-BS RWA	0	0	4,225	61,844	52,444	1,041,685	71,687	1,231,885

1/ Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions

Off-BS Items	2023 (In ₱ Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
A. Direct credit substitutes	3,525	0	0	50	0	3,475	0	3,525
Risk-weighted amount	0	0	0	25	0	3,475	0	3,500
B. Transaction-related contingencies	95,393	0	0	0	0	95,393	0	95,393
Risk-weighted amount	0	0	0	0	0	95,393	0	95,393
C. Trade-related contingencies	5,267	0	0	4,073	0	1,194	0	5,267
Risk-weighted amount	0	0	0	2,037	0	1,194	0	3,231
D. Other commitments								0
Risk-weighted amount	0	0	0	0	0	0	0	0
Total Off-BS Exposures	104,185	0	0	4,123	0	100,062	0	104,185
Counterparty RWA In the Trading Book	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Exchange Rate Contracts	2,787	2,223	0	26	0	538	0	2,787
Risk-weighted amount	0	0	0	13	0	538	0	551
TOTAL	2,787	2,223	0	26	0	538	0	2,787

On-Balance Sheet (BS) Items	2023 (In ₱ Millions)							
	CEA	0%	20%	50%	75%	100%	150%	TOTAL
Less: General Loan Loss Provision (in excess of the amount permitted to be included in Tier 2)								458
TOTAL	106,972	2,223	4,225	65,993	52,444	1,142,285	71,687	1,338,339
CEA: Credit Equivalent Amount CRM: Credit Risk Mitigant RWA: Risk Weighted Assets CRWA: Credit Risk Weighted Assets								

Credit Exposures and Credit-Related Commitments

As of December 31, 2023, LANDBANK’s Gross Loans & Receivables (GLR) amounted to P1,094,520 million, net of credit risk mitigation which consists mainly of prime collaterals such as deposit holdout, GS and sovereign guarantees. Majority of the exposures are Corporates, followed by LGUs/Public Sector Entities/Government Corporations and MSMEs which stood at P723,335 million (66.09%), P106,442 million (9.72%) and P70,993 million (6.49%), respectively. The Parent also holds substantial receivables from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions amounting to P250,322 million.

On the other hand, the Parent has P104,185 million outstanding Off-Balance Sheet Exposures. These exposures are mainly composed of general guarantees of indebtedness (e.g., financial standby letters of credit - domestic and foreign), performance bonds and warranties related to particular transactions, and contingencies arising from the movement of goods and trust transactions. Outstanding derivative exposures are mainly over-the-counter foreign exchange option contracts.

The Parent’s Total Credit RWA amounted to P1,334,101 million which represents 88.40 per cent of the Parent’s Aggregate RWA of P1,509,177 million.

Management of Credit Risk

Credit Risk Management aims to adequately manage the risk of financial loss arising from the failure of borrowers or counterparties to settle their obligations in accordance with the terms and conditions of the duly approved contractual agreement.

This involves the identification, measurement and monitoring of actual or potential losses and the implementation of appropriate measures, including the setting up of applicable limits to keep credit risk exposures within the Parent’s risk appetite or the acceptable level of credit risk that it is willing to accept in pursuit of its lending plans and programs.

The Parent also manages the credit risk inherent in the entire portfolio as well as the risk in individual credits or transactions and the correlation of credit risk with other risks. The effective management of credit risk is a critical component of a comprehensive approach to RM and essential to the long-term success of the Parent.

The Parent manages credit risk through a structured framework duly approved by the LANDBANK Board that sets out policies and procedures covering the identification, measurement, control, and monitoring of credit risk. Accordingly, approval of credit application goes through prescribed loan approving levels which, depending on the transaction or amount of loan applied, could be elevated to the Credit Committee a Management-level Committee, the Investment & Loan Committee (ILC) and up to the

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LANDBANK Board, whenever applicable. The approval process also covers proposed remedial actions aimed at helping problem accounts regain normal operations. The Parent has put in place a comprehensive set of credit policies through the issuance of Credit Manuals, Credit Policy Issuances (CPIs) and Credit Bulletins (CBs). As the Parent's middle office for credit risk, the Credit Risk Management Department handles credit risk oversight, risk measurement and risk rating of borrowers.

To effectively monitor and maintain the quality of its loan portfolio, the Parent conducts annual qualitative and impairment reviews to assure proper loan classification and setting-up of valuation reserves. As of December 31, 2023, the Parent's net Non-Performing Loan (NPL) stood at P38,747.67 million or 3.22 per cent of the total loan portfolio of P1,202,918.28 million.

Credit Risk Rating

LANDBANK's Credit Risk Engine System (CRES) serves as the main platform for the automated development of statistically-based credit rating models which will be used to conduct credit ratings of borrowers to help determine their creditworthiness. The Parent undertakes continuing development and implementation of the CRES scoring facility to provide support to its ongoing initiatives for the adoption of applicable banking regulations and global best practices and approaches in Credit Risk Management.

The Parent has developed and implemented the following statistical-based credit scoring models using CRES:

- Application Scoring Model for Individual Home Buyers
- Application Scoring Model for Salary Loan Availers
- Behavioral Scoring Model for LGUs
- Behavioral Scoring Model for MSMEs
- Behavioral Scoring Model for Large Enterprise
- Behavioral Scoring Model for Cooperatives
- Application Scoring Model for Credit Card
- Behavioral Scoring Model for Partner Financial Institutions (PFIs)

On the other hand, the Parent uses an internally developed expert-based credit rating system for Universal Banks, Commercial Banks, and Offshore Banks.

Credit Risk Monitoring

The Parent has continuously adopted a formal reporting system for the LANDBANK Board and Senior Management to be able to monitor the credit quality of individual and loan portfolios using asset quality indicators such as past-due ratio, NPL ratio, level of non-performing assets, coverage ratio, top 100 past due accounts, concentration risk. Clean large exposures, breaches in regulatory and internal limits, potential credit risk, restructured loans, government accounts, exposures to the real estate sector, adverse news, credit migration, large exposure/single borrowers limit, DOSRI Loans, Related Party Transactions, Expected Credit Loss (ECL) calculation, ROPA, PFIs, and compliance with Uniform Stress Testing and Real Estate Stress Test (REST) are intensively monitored by the Asset and Liability Committee (ALCO), ILC and the Risk Oversight Committee (RiskCom). The recovery of

written-off accounts is also on the radar of the LANDBANK Board, RiskCom and Senior Management.

Collateral and Other Credit Enhancements

The Parent adopts cash flow lending principles and collateral is not the primary factor in granting credit. The required amount and type of collateral and other credit enhancements to mitigate credit exposures depend primarily on the results of the holistic and prudent credit assessment. When needed, the Parent diligently evaluates the enforceability, realizable value, and marketability of offered collaterals. The Parent's Credit Manual and CPIs provide guidelines on the acceptability of loan collateral and maximum valuation for each type of collateral.

The primary collaterals accepted are Holdout on Deposits, Government Securities, Real Estate Mortgage and Chattel Mortgage. The Parent also accepts government guarantees, cross suretyship from corporations and other eligible guarantees. In the case of agricultural and agriculture-related loans that are vulnerable to the effects of climate and weather disturbances, borrowers are encouraged to avail of crop insurance guarantees and other insurance mechanisms to shield them from these risks.

Credit Stress Test

LANDBANK regularly conducts stress testing of individual large exposure and its loan portfolio taking into account plausible risk events with a high probability of occurrence. Utilizing such scenarios with documented assumptions, tests are done to determine the magnitude of impact on the Parent's loan portfolio, on the Credit RWA, and finally on the Common Equity Tier 1 (CET1) Ratio. Stress testing also includes prescribed regulatory tests such as Uniform Stress Testing and REST. Likewise, various loan portfolio assessments and reviews are conducted to determine the impact of a certain event and government regulation on the Parent's loan portfolio, past due ratio and CET 1. Results of the stress testing, together with the action plans, are escalated to the ILC and RiskCom.

Risk concentrations of the maximum exposure to credit risk

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographic region, or have similar economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions.

The Parent has established concrete guidelines and procedures relative to managing, monitoring and reporting large exposures and credit risk concentrations in accordance with the rules and regulations issued by the BSP.

As of December 31, 2023, the Parent's qualifying capital covering credit risk is P240.496 billion.

On the other hand, the Parent's Single Borrower's Limit (SBL) is pegged at P4.706 billion for direct lending.

Overall credit risk management oversight is a function of the Board of Directors -level Risk Management (RM) Committee. In general, mitigation measures on credit risks are

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implemented at various levels. However, oversight on credit risk management is vested on the RM Group which is independent from the business function. This is critical in ensuring the integrity and objectivity of the credit risk assessment, pricing, and management process.

The Parent ensures that the credit risks undertaken are commensurate with the risk appetite and the Parent’s capacity to manage such risks. Thus, regular monitoring of both the level of risk and equity capital is undertaken to ensure that even in instances of major credit surprises, the Parent could sustain its operations in spite of the losses incurred and continue to be an efficient financial intermediary for development and institutional financing.

The BSP considers that credit concentration exists when total loan exposure to a particular industry exceeds 30 per cent of total loan portfolio. As of December 31, 2023 and 2022, the Parent does not have credit concentration in any particular industry.

As of December 31, 2023 and 2022, information on the concentration of credit as to industry based on carrying amount is shown below:

Parent				
2023		2022		
		Restated		
Amount	%	Amount	%	
Financial intermediation	149,810,309,637	12	111,872,323,358	10
Agriculture, hunting and forestry	67,303,973,138	6	71,371,746,292	6
Real estate, renting and business activities	163,668,078,624	13	157,991,064,957	14
Public administration and defense	107,577,893,790	9	94,008,596,285	8
Manufacturing	85,161,401,365	7	82,974,066,746	7
Community, social and personal services	12,648,892,552	1	15,707,626,840	1
Electricity, gas and water	164,040,245,280	13	186,893,077,362	16
Wholesale & retail trade, repair of motor vehicles, motorcycles & personal and household goods	105,401,592,018	9	100,830,212,865	9
Transport, storage and communication	41,355,079,332	3	104,387,091,874	9
Construction	103,734,209,939	8	98,843,377,116	9
Private households	60,333,932,854	5	55,466,368,524	5
Hotel and restaurant	19,854,887,578	2	21,192,091,350	2
Others	145,449,290,829	12	45,163,348,260	4
	1,226,339,786,936	100	1,146,700,991,829	100
Allowance for losses	(57,351,264,398)		(59,238,240,602)	
	1,168,988,522,538		1,087,462,751,227	

BASEL III LIQUIDITY COVERAGE RATIO DISCLOSURE (In Single Currency, Absolute Amount)
As of December 31, 2023

Nature of Item	Weighted Amount	
	Group	Parent
A. Total Stock of High-Quality Liquid Assets (After Cap)	1,894,835,659,174.66	1,888,272,336,407.16

A.1 Stock of Level 1 Assets	1,884,146,740,395.15	1,877,587,625,127.65
A.2 Stock of Level 2 Assets	10,688,918,779.51	10,684,711,279.51
A.3 Total Stock of High-Quality Liquid Assets (Before Cap)	1,894,835,659,174.66	1,888,272,336,407.16
A.4 Adjustment for 40% Cap on Level 2 Assets	0.00	0.00
B. Total Net Cash Outflows	987,508,983,947.21	983,301,400,922.91
B.1 Total Expected Cash Outflows	1,086,521,463,150.09	1,082,033,024,668.97
B.2 Total Expected Cash Inflows Before Ceiling	99,012,479,202.88	98,731,623,746.06
B.3 Adjustment for 75% Ceiling on Cash Inflows	0.00	0.00
B.4 Total Expected Cash Inflows After Ceiling	99,012,479,202.88	98,731,623,746.06
C. Liquidity Coverage Ratio	191.88%	192.03%

BASEL III NET STABLE FUNDING RATIO DISCLOSURE (In Single Currency, Absolute Amount)
As of December 31, 2023

Nature of Item	Weighted Amount	
	Group	Parent
A. Available Stable Funding	1,822,333,596,575.65	1,808,662,631,235.66
Capital	280,539,587,443.67	279,912,387,926.07
Retail Deposits	451,871,286,885.82	441,673,683,050.60
Wholesale Deposits	1,071,603,089,900.40	1,069,621,806,695.60
Secured and Unsecured Funding	18,259,920,230.12	17,454,753,563.39
Other Liabilities and Equities	59,712,115.65	0.00
B. Required Stable Funding	1,205,795,507,233.86	1,196,046,289,515.11
NSFR High-Quality Liquid Assets (HQLA)	111,163,467,909.11	111,000,984,297.39
Deposits Held at Other Financial Institutions	5,177,451,020.46	5,137,475,823.91
Performing Loans and Non-HQLA Securities	841,975,438,368.47	833,454,312,592.08
Other Assets	239,174,701,781.18	238,168,145,902.77
Off-Balance Sheet Exposures	8,304,448,154.65	8,285,370,898.95
C. Net Stable Funding Ratio	151.13%	151.22%

Assessment on SICR since Initial Recognition

ECL assessment/provisioning shall cover all financial assets booked as amortized cost/hold to collect (AC/HTC) and fair value through other comprehensive income (FVOCI) such as:

- Loans and receivables, and other financial assets that are measured at AC;
- Investments in debt instruments that are measured at AC/HTC and FVOCI;
- Credit commitments and financial guarantee contracts (e.g., unutilized credit lines, undrawn approved term loans, etc.) that are not measured at fair value through profit or loss (FVPL); and
- Due from BSP and Due from Other Banks.

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The Parent’s exposures shall be classified into three (3) stages as follows:

Stage 1	Credit Exposures that are considered "performing" and with no significant increase in credit risk since initial recognition or with low credit risk
Stage 2	Credit Exposures that are considered "under-performing" or not yet non-performing but with significant increase in credit risk since initial recognition
Stage 3	Credit Exposures with objective evidence of impairment, thus considered as "non-performing"

As a general rule, Staging Assessment and Account Classification for Loans, Sales Contract Receivable and Accounts Receivable (Loan and Non-Loan Related) shall be based on missed payments as follows:

Individually Assessed Loans (for loans with outstanding balance of P10 million and above)

Number of Days Unpaid/with Missed Payment	Account Classification	Stage
For Unsecured Loans and Other Credit Exposures		
31-90 days	Substandard (Underperforming)	2
91-120 days	Substandard (Non-Performing)	3
121-180 days	Doubtful	3
181 days and over	Loss	3
For Secured Loans and Other Credit Exposures		
31-90 days	Substandard (Underperforming)	2
91-365 days	Substandard (Non-Performing)	3
Over a year – 5 years	Doubtful	3
Over 5 years	Loss	3

Collectively Assessed Loans (for exposures other than those subject to individual assessment)

This includes microfinance loans, micro enterprises and small business loans and consumer loans such as salary loans, credit card receivables, auto loans, housing loans, and other consumption loans, and other loan types which fall below P10 million threshold for individual assessment.

Number of Days Unpaid/with Missed Payment	Account Classification	Stage
For Unsecured Loans and Other Credit Exposures		
1-30 days	Especially Mentioned	2
31-60 days/ 1 st restructuring	Substandard	2 (Underperforming) 3 (Non-Performing)
61-90 days	Doubtful	3
91 days and over/ 2 nd restructuring	Loss	3
For Secured Loans and Other Credit Exposures		

31-90 days	Substandard (Underperforming)	2
91-120 days	Substandard (Non-Performing)	3
121-360 days	Doubtful	3
Over 360 days	Loss	3

Staging Assessment for Non-Loan Related A/R shall be as follows:

STAGE	SECURED	UNSECURED
1	0-30 Days Outstanding/Missed Payment	
2	31-360 days Outstanding/ Missed Payment	31-90 Days Outstanding/ Missed Payment
3	More than 360 Days Outstanding/ Missed Payment	More than 90 Days Outstanding/ Missed Payment

- NOTES:
- a. Secured Non-Loan Related A/Rs shall refer to Cash Advance, Agrarian Reform Fund Proclamation # 131, Bank Officers and Employees, Government Entities and Domestic Loan Program
 - b. Unsecured Non-Loan A/Rs shall refer to Various Receivables, and Foreign Currency Deposit Unit (FCDU)/Expanded FCDU.

ACL Adjustment

- Lending Units (LUs)/Treasury Units/Branches shall assess the ACL provided and may propose ACL adjustment, under the following cases:
 - a. There is an objective evidence of impairment; or
 - b. There is an objective evidence of recovery.
- ACL Adjustments shall be made through Specific Impairment Testing (SIT) by calculating the Present Value of Future Cash Flows of the financial asset/investment.
- For Credit Exposures, Account Staging Upgrade to “Pass” shall have one per cent ECL Rate (for GLLP booking) and use of LITS shall be no longer required. Minimum ECL rates for Stage 2 (EM & Substandard) and Stage 3 (Doubtful & Loss) are five per cent and 50 per cent, respectively.

Definition of Default

Under BSP Circular 941, s. 2017, credit obligations are considered non-performing if:

- Loans, investments, receivables, or any financial asset shall be considered non-performing, even without any missed contractual payments, when it is considered impaired under existing accounting standards (i.e., PAS 39/IFRS 9), and/or there is evidence that full repayment of principal and interest is unlikely without foreclosure of collateral, if any;
- Classified as doubtful or loss, in litigation;
- All other loans, even if not considered impaired, shall be considered non-performing if any principal and/or interest are unpaid for more than ninety (90) days from contractual

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- due date (excluding cure period not exceeding 30 days), or accrued interests for more than ninety (90) days have been capitalized, refinanced, or delayed by agreement;
- Microfinance and other small loans with similar credit characteristics shall be considered non-performing after contractual due date or after it has become past due (or on the 11th day if with cure period not exceeding 10 days); and,
- Restructured loans shall be considered non-performing. However, if prior to restructuring, the loans were categorized as performing, such classification shall be retained.

The Parent defined default as:

- If credit obligation is considered non-performing under existing rules and regulations
- If a borrower/obligor has sought or has been placed in bankruptcy, has been found insolvent, or has ceased operations in the case of business
- If the Parent sells a credit obligation at a material credit related loss; i.e., excluding gains and losses due to interest rate movements
- if a credit obligation of a borrower/obligor is considered to be in a default, all credit obligations of the borrower/obligor with the same bank shall also be considered to be in default.

Policy in Writing-Off of Accounts

Accounts shall be written-off from the books only when such accounts have been classified as loss and are justified to be uncollectible after all the efforts have been exerted to collect/recover payment.

Account has become uncollectible due to any of the following reasons:

- Death of the debtor
- Debtor's whereabouts is unknown
- Insolvency, bankruptcy or permanent impairment of debtor's earning capacity; and
- The Parent's right to collect has legally prescribed

Write-off shall be booked only after approval by the Parent's Board of Directors for Non-DOSRI accounts and by the BSP Monetary Board for DOSRI accounts.

A nominal value of P1.00 for each account written-off shall be retained for monitoring purposes. The Parent shall continue to pursue efforts to collect written-off accounts.

Credit Rating and ECL Calculation Process for former UCPB loan accounts

- The LANDBANK credit rating process using the Credit Risk Engine System (CRES) shall be used to rate UCPB borrowers for credit transactions (i.e., line renewals, new/additional loan facilities, credit line/term loan review and other credit transactions).
- The UCPB Expected Credit Loss (ECL) Models and calculation procedures for Auto Loan shall be adopted. CRMD shall conduct assessment of the models and shall propose revisions, if needed.

- LANDBANK parameters, policies and procedures in the ECL calculation shall be used for UCPB loans booked/processed at the UCPB Silverlake-Axis Integrated Banking System (SIBS). ACL adjustments for UCPB loans shall be made through Specific Impairment Testing using the existing guidelines
- Booking Units handling the UCPB SIBS shall provide report to CRMD for calculation of the ECL on a monthly basis. Calculated ECL shall be provided to the Controllershship Group for booking.

CREDIT RISK ON INVESTMENTS

The Parent adopts a forward-looking Expected Credit Loss (ECL) parameter-based estimation approach as an impairment approach, as prescribed by PFRS 9. ECL Assessment shall be applied to the following treasury exposures:

- Investments in debt instruments that are measured at amortized cost;
- Investments in debt instruments that are measured at fair value through other comprehensive income (FVOCI); and
- Due from Bangko Sentral ng Pilipinas and Due from Other Banks.

To measure the Expected Credit Loss, initial assessment is first done on a per security basis to assess its level of credit risk. The estimated ECL per instrument is based on credit losses that result from possible default events within the next twelve months if there is no significant increase of credit risk (SICR) since initial recognition or with low credit risk. Otherwise, credit losses that result from all possible default events over the expected life of a financial instrument is considered in the ECL calculation.

Concentration of Credit Risk

The table shows the concentration of the Parent's treasury exposures by location:

In Million Pesos		
Location	2023	2022
Philippines	1,684,303.55	1,520,976.34
USA	28,654.90	25,237.20
Indonesia	22,325.53	26,407.61
Asia	15,686.24	13,078.61
Europe	6,670.25	7,414.20
Others	6.75	87.85
Total	1,757,647.22	1,593,201.81

Credit Risk Exposures

The Parent is guided by its investment policy in its treasury activities. The Parent uses credit ratings provided by external rating agencies like Moody's, Standard & Poor (S&P), Fitch, or

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other reputable rating agencies. The following indicates the level of credit quality for each rating agencies and its relevant external rating:

Rating Agency	Rating Grade	External Rating									
Moody's	Investment	Aaa	Aa1	Aa2	Aa3	A1	A2	A3	Baa1	Baa2	Baa3
	Speculative	Ba1	Ba2	Ba3	B1	B2	B3	Caa1	Caa2	Caa3	Ca-C
	Default	SD	D								
Standard & Poor	Investment	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	Speculative	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC
	Default	SD	D								
Fitch	Investment	AAA	AA+	AA	AA-	A+	A	A-	BBB+	BBB	BBB-
	Speculative	BB+	BB	BB-	B+	B	B-	CCC+	CCC	CCC-	CC
	Default	SD	D								

LANDBANK considers instruments that are rated ‘investment grade’ to have low credit risk. The tables below present the credit quality of the Parent’s treasury exposure:

INVESTMENTS (As of September 2023)	EXPOSURE-AT-DEFAULT (in P Million)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Due from BSP and SPURA				
External Credit Rating				
Baa2 or equivalent	527,994.56	527,994.56	0	0
Due from Other Banks & IBLR				
Internal Credit Rating				
Prime	4.83	4.83		
High Grade	0.25	0.25		
Watchlist	0.50	0.50		
External Credit Rating				
Aaa or equivalent	5,911.47	5,911.47	0	0
Aa1 or equivalent	150.48	150.48	0	0
Aa2 or equivalent	5,383.81	5,383.81	0	0
Aa3 or equivalent	7,619.72	7,619.72	0	0
A1 or equivalent	12,879.93	12,879.93	0	0
Baa1 or equivalent	0.01	0.01	0	0
Baa2 or equivalent	55.91	55.91	0	0
Baa3 or equivalent	20.22	20.22	0	0
Ba2 or equivalent				
Benchmarking	0.65	0	0.65	0
Baa2 or equivalent	2,018.00	2,018.00	0	0
Unrated	2.30	2.30	0	0

FVOCI debt investments

Internal Credit Rating				
Prime	1,391.10	1,391.10	0	0
High Grade	507.48	507.48	0	0
Watchlist	471.50	471.50	0	0
External Credit Rating				
Aaa or equivalent	4,288.56	4,288.56	0	0
Aa2 or equivalent	265.44	265.44	0	0
A1 or equivalent	274.31	274.31	0	0
A2 or equivalent	552.29	552.29	0	0
Baa1 or equivalent	563.69	563.69		
Baa2 or equivalent	426,782.52	426,782.52	0	0
Benchmarking				
A3 or equivalent	413.67	413.67	0	0
Baa1 or equivalent	1,910.74	1,154.89	755.85	0

HTC investments

Internal Credit Rating				
Prime	712.07	712.07	0	0
High Grade	731.03	731.03	0	0
Good	1,457.73	1,457.73	0	0
Loss	83.74	0	0	83.74
External Credit Rating				
Aaa or equivalent	12,146.73	12,146.73	0	0
Aa2 or equivalent	224.52	224.52	0	0
Aa3 or equivalent	936.92	936.92	0	0
Baa1 or equivalent	553.74	553.74	0	0
Baa2 or equivalent	735,788.61	735,788.61		
Benchmarking				
A3 or equivalent	3,687.84	3,687.84	0	0
Baa1 or equivalent	1,249.55	1,249.55	0	0
Unrated	610.80	0	0	610.80
TOTAL	1,757,647.22	1,756,196.18	756.50	694.54

INVESTMENTS (As of September 2022)	EXPOSURE-AT-DEFAULT (In P million)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Due from BSP and SPURA				
External Credit Rating				
Baa2 or equivalent	294,208.20	294,208.20	0	0
Due from Other Banks, Repo – Cash Margin, & IBLR				
External Credit Rating				
Aaa or equivalent	5,286.02	5,286.02	0	0
Aa1 or equivalent	51.37	51.37	0	0
Aa2 or equivalent	5,195.05	5,195.05	0	0

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INVESTMENTS (As of September 2022)	EXPOSURE-AT-DEFAULT (In P million)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Aa3 or equivalent	9,153.32	9,153.32	0	0
A1 or equivalent	7,773.53	7,773.53	0	0
A2 or equivalent	910.47	910.47	0	0
Baa1 or equivalent	14.19	14.19	0	0
Baa2 or equivalent	55.90	55.90	0	0
Baa3 or equivalent	15.28	15.28	0	0
Ba2 or equivalent	0.65	0	0.65	0
Benchmarking				
Baa1 or equivalent	2,014.11	2,014.11	0	0
Unrated	16.70	16.70	0	0
FVOCI debt investments				
Internal Credit Rating				
Prime	1,219.85	1,219.85	0	0
High Grade	815.53	815.53	0	0
Good	717.27	717.27	0	0
External Credit Rating				
Aaa or equivalent	7,289.40	7,289.40	0	0
Aa2 or equivalent	276.83	276.83	0	0
A1 or equivalent	289.76	289.76	0	0
A2 or equivalent	584.58	584.58	0	0
Baa2 or equivalent	434,765.68	434,765.68	0	0
Benchmarking				
A3 or equivalent	1,378.65	1,378.65	0	0
Baa1 or equivalent	1,101.12	1,101.12	0	0
Baa2 or equivalent	13.83	13.83	0	0
Ba1 or equivalent	916.54	0	916.54	0
B1 or equivalent	765.10	0	765.10	0
HTC investments				
Internal Credit Rating				
High Grade	2,890.84	2,890.84	0	0
Good	1,457.73	1,457.73	0	0
External Credit Rating				
Aaa or equivalent	7,597.54	7,597.54	0	0
Aa2 or equivalent	58.32	58.32	0	0
Aa3 or equivalent	1,849.37	1,849.37	0	0
Baa2 or equivalent	795,686.94	795,686.94	0	0
Benchmarking				
A3 or equivalent	556.50	556.50	0	0

INVESTMENTS (As of September 2022)	EXPOSURE-AT-DEFAULT (In P million)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Baa1 or equivalent	6,383.94	6,383.94	0	0
Baa2 or equivalent	160.99	160.99	0	0
Ba1 or equivalent	951.24	0	951.24	0
Ba3 or equivalent	84.92	0	84.92	0
Unrated	694.54	0	0	694.54
TOTAL	1,593,201.80	1,589,788.81	2,718.45	694.54

As of 30 September 2023, the Parent's total treasury exposure is P1,757.65 billion. Due from BSP and SPURA increased from P294.21 billion to P527.99 billion while Due from Other Banks decreased from P14.24 billion to ₱14.12 billion. The Parent's FVOCI debt and HTC investments decreased from P450.13 billion to P437.21 billion and from P818.37 billion to P758.18 billion, respectively.

The Parent's exposure classified as Stage 1, Stage 2, and Stage 3 amounted to P1,756.20 billion, P0.76 billion, and P0.69 billion, respectively. The table below presents the Parent's exposure for 2023 and 2022:

INVESTMENTS (In Million Pesos)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2023	2022	2023	2022	2023	2022	2023	2022
Due from BSP and SPURA	527,994.56	294,208.20	527,994.56	294,208.20	0	0	0	0
Repo-Cash Margin	0	262.48	0	262.48	0	0	0	0
Due from Other Banks	14,122.22	14,243.65	14,121.57	14,243.00	0.65	0.65	0	0
Interbank Loans and Receivables	19,925.86	15,980.46	19,925.86	15,980.46	0	0	0	0
FVOCI debt investments	437,421.30	450,134.14	436,665.45	448,452.50	755.85	1,681.64	0	0
HTC investments	758,183.28	818,372.87	757,488.74	816,642.17	-	1,036.16	694.54	694.54
TOTAL	1,757,647.22	1,593,201.80	1,756,196.18	1,589,788.81	756.50	2,718.45	694.54	694.5

MARKET RISK MANAGEMENT

Market Risk Management Framework

LANDBANK is exposed to market risks in both its trading and non-trading banking activities. The Parent assumes market risk in market making and position taking in government securities and other debt instruments, equity, Foreign Exchange (FX) and other securities, as well as, in derivatives or financial instruments that derive their values from price, price fluctuations and price expectations of an underlying instrument (e.g., share, bond, FX or index). The Parent's exposure on derivatives is currently limited to currency swaps and currency forwards to manage FX exposure. The Parent is also exposed to derivatives that are embedded in some financial contracts, although, these are relatively insignificant in volume.

The Parent uses a combination of risk sensitivities, Value-at-Risk (VaR), stress testing, Common Equity Tier 1 (CET1) ratio and capital metrics to manage market risks and establish

limits. The LANDBANK Board, RiskCom and the Asset and Liability Committee (ALCO), define and set the various market risk limits for each trading portfolio. The Treasury and Investment Banking Sector (TIBS), particularly the Financial Markets Group (FMG) which manages the Parent's trading units as well as the Asset and Liability Management Group (ALMG) which manages the liquidity and reserve positions, conducts risk-taking activities within limits and ensures that breaches are escalated to the Senior Management for appropriate action.

A management alert is activated whenever losses during a specified period equal or exceed specified management alert level. The Parent controls and minimizes the losses that may be incurred in daily trading activities through the VaR, Management Action Triggers (MATs) and Stop Loss. Positions are monitored on a daily basis to ensure that these are maintained within established position limits to control losses. Position limits are subordinated to MATs, VaR and Stop Loss limits. Macaulay and Modified Duration are used to identify the interest rate sensitivity of the Bond Portfolio of the Parent. In the same way, certain subsidiaries of the Parent independently quantify and manage their respective market risk exposures by maintaining their respective RM system and processes in place.

Market Risk Weighted Assets

As of December 31, 2023, the LANDBANK's Total Market RWA stood at P17,635 million, broken down as follows:

PARTICULARS	AMOUNT (IN MILLIONS)
Interest Rate Exposure	2,679
Equity Exposure	1,913
FX Exposure	5,238
Options	7,805
Total Market RWA	17,635

The Total Market RWA represents 1.17 per cent of the Parent's Aggregate RWA of P1,509,177 million.

Managing Market Risk Components

Market Risk is associated to earnings arising from changes in interest rate, FX rates, equity and in their implied volatilities. Market risk arises in trading as well as non-trading portfolios. The Parent manages the following key market risk components using its internal risk mitigation techniques:

1. Interest Rate Risk in the Trading Book

Interest Rate Risk represents exposures to instruments whose values vary with the level or volatility of interest rates as a result of market making and portfolio taking. LANDBANK continues to manage interest rate risk in trading activities through factor sensitivities and the use of VaR and stress testing. Government Securities (GS) and Foreign Securities

(FS) are subject to daily mark-to-market and controlled through risk limits such as position, VaR, MATs and Stop Loss.

2. Equity Price Risk Management

LANDBANK is exposed to equity price risk resulting from changes in the levels of volatility of equity prices, which in turn affect the value of equity securities and impacts on profit and loss of the Parent. Equities are subject to daily mark-to-market and controlled through risk limits such as position, VaR, MATs and Stop Loss.

3. FX Risk Management

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in FX rates. Using the Philippine peso as the functional currency, the Parent monitors daily the currency positions to ensure that these are within established limits.

Market Risk Measurement and Validation Tools

1. Value-at-Risk (VaR)

VaR is a statistical approach for measuring the potential variability of trading revenue. It is used to measure market risk in the trading book under normal conditions, estimating the potential range of loss in the market value of the trading portfolio, over a one-day period, at 99 per cent confidence level, assuming a static portfolio.

The Parent uses the Historical Simulation Model in computing VaR of Equities, FS, GS and FX trading portfolios as well as FX Net Open Position which is acceptable to BSP. Moreover, the Parent continuously pursues initiatives to improve its processes.

The VaR both at portfolio and across portfolio level are monitored. Daily VaR calculations are compared against VaR limits which is the monetary amount of risk deemed tolerable by the Parent. The Parent also determines Diversified VaR that takes into account the diversification effect in which all losses in all securities in a portfolio are imperfectly correlated.

2. Stress Test

RM models have recently become the main focus of RM efforts in the banking industry where banking activities are exposed to changes in fair value of financial instruments. However, the Parent believes that the statistical models alone do not provide reliable method of monitoring and controlling risk because these models (while relatively sophisticated) have several known limitations, at the same time, do not incorporate the potential loss caused by very unusual market events. Thus, the VaR process is complemented by Stress Testing to measure this potential risk.

Stress Test is a RM tool used to determine the impact on earnings and capital of market movements considered "extreme", i.e., beyond "normal" occurrence. The Parent utilizes Stress Tests to estimate possible losses which the VaR does not capture.

The Parent's Market Risk Stress Test analyzes the impact of major risks that emerge out of the different scenarios, considering adverse and probable risk events, on activities related to Treasury's trading and investment portfolios. This seeks to establish how far the Parent can absorb certain levels of stress, to explore the events that could cause a significant impact to the Parent and to assess its vulnerabilities and capability to deal with shocks such as price risk, interest rate risk, and FX risk.

Results are also simulated in the CET1 Ratio computation to be able to assess its impact said ratio set at 10.25 per cent by BSP for LANDBANK as Domestic Systemically Important Banks (DSIB) for 2022.

3. Model Validation

Back-Test

LANDBANK adopts back-testing as the basic technique in verifying the quality of risk measures used by comparing actual trading results with model-generated risk measures.

Under the back-testing process, exception occurs if mark-to-market (MTM) and trading loss exceeds the result of the model-generated risk measure. The number of exceptions is noted and the model is classified into one of the three zones as follows:

ZONE CLASSIFICATION	NUMBER OF EXCEPTIONS
safe/green zone	zero to four exceptions
non-conclusive/yellow zone	five to nine exceptions
problematic/red zone	10 or more exceptions

Back-testing results are presented to the ALCO and the RiskCom which examine the actual performance of portfolios against VaR measures to assess model accuracy and to enhance the risk estimation process in general.

Model Review

Risk models used in managing market risk are subjected to model review being done by Risk Modeling and Quantitative Analytics Unit (RMQAU) of MLRMD. On the other hand, Internal Audit Group (IAG) is tasked to do model audit of RM models.

LIQUIDITY RISK MANAGEMENT

Liquidity Risk Management Framework

The Parent's liquidity RM process is consistent with its general RM framework covering risk identification, measurement, monitoring and control. The policies and procedures that govern liquidity RM are reviewed and endorsed on a regular basis by ALCO and ROC for approval of the LANDBANK Board of Directors. The liquidity policy of the Parent is to always maintain fund availability and hence, to be in a position to meet all of its obligations, in the normal course of business.

The Parent considers liquidity risk based on market and funding liquidity risk perspectives. Trading or market liquidity risk refers to the inability to unwind positions created from market, exchanges, and counterparties due to temporary or permanent factors. It is the risk that the Parent cannot easily offset or eliminate a position at the market price because of inadequate market depth or through market disruption.

Funding liquidity risk is the risk that the Parent will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the Parent. Funding liquidity risk is being monitored and controlled through the classification of maturities of assets and liabilities over time bands and across functional currencies as reflected in the Liquidity Gap Report (LGR).

The LANDBANK Board exercises oversight through ROC and has delegated the responsibility of managing the overall liquidity of the Parent to the ALCO. The ALCO and the Treasury Investment Banking Sector (TIBS) are responsible for the daily implementation and monitoring of relevant variables affecting the Parent's liquidity position. The ALCO review the assets and liabilities position on a regular basis and, in coordination with the TIBS, recommends measures to promote diversification of its liabilities according to source, instrument and currency to minimize liquidity risks resulting from concentration in funding sources.

The Risk Management Group (RMG), through the Market and Liquidity Risk Management Department (MLRMD) is responsible for the oversight monitoring of the Parent's liquidity risk positions and ensures that reports on the Parent's current risk are prepared and provided to ALCO and ROC in a timely manner.

The Parent performs a comprehensive liquidity risk measurement and control using the LGR, covering the bank-wide balance sheet, as a tool. Risk models used in liquidity RM are subjected to independent model validation as conducted by MLRMD - Risk Modeling & Quantitative Analytics Unit (RMQAU) and model audit by the IAG.

Liquidity Risk Measurement

The Parent manages the liquidity risk using the following tools:

1. **Liquidity Gap Report (LGR)**
The Parent conducts liquidity gap analysis using the LGR. This risk measurement tool is used in identifying the current liquidity position and the Parent's ability to meet future funding needs. It categorizes balance sheet items according to estimated maturities of assets and liabilities to determine any future mismatch such as long-term assets growing faster than long term liabilities.

MLRMD reports RBU (Peso and FX Regular), FCDU, Solo (Parent) LGR on a weekly and monthly basis to ALCO and ROC, respectively. Parent and Subsidiary LGR is reported on a quarterly basis.

The following behavioral assumptions are used in measuring the Parent's liquidity gap:

- **Non-Maturing Deposits:** Using historical balances of NMD accounts, a behavioral analysis is conducted to determine the rate of deposit outflow per time bucket. The

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calculated deposit run-off rates are the basis for the withdrawal pattern or actual behavior of NMDs.

- Term Deposits (TDs): TDs were bucketed based on maturity with run-off assumption on the balance sheet. A behavioral analysis is conducted to approximate the early termination rate and the percentage of deposits that is likely to roll-over based on a historical deposit data. The early termination rate is used to estimate the amount of deposit that will be withdrawn before its maturity.
- Fixed Rate Loans: A behavioral analysis is conducted to estimate the percentage of loan balance that is likely to repay before the due date.
- Drawing Pattern of Credit Lines and Credit Cards: A behavioral model to capture and estimate the drawing pattern for credit cards and credit line products.

As of December 31, 2023, the Parent has in its possession a comfortable level of highly liquid assets and identified fund sources to cover for liquidity risk that may arise in the earlier tenor buckets. Most assets (particularly loans and investments) have long term maturities.

The Parent has established guidelines for liquidity risk limit setting to enable it to properly and prudently manage and control liquidity risk, consistent with the nature and complexity of its business activities, overall level of risk and its risk appetite.

The Maximum Cumulative Outflow (MCO) limit set by the LANDBANK Board is one of the tools used to manage and control the liquidity risk in the Parent's gap report. MCO limits put a cap on the total amount of negative gaps in the '1 day to 1 year' time buckets.

2. Liquidity Stress Test

The Parent conducts regular stress testing and scenario analysis to further assess the Parent's vulnerability to liquidity risk. This activity supplements the risk models used by the Parent which simulates various probable to worst-case scenarios happening in the industry that would affect LANDBANK. The following are the stress testing conducted by the Parent:

- Liquidity Stress Test/Scenario Analysis
- FX Regular Stress Test
- Foreign Currency Deposit Unit (FCDU) Stress Test

3. Liquidity Coverage Ratio (LCR)

The LCR is reported monthly to BSP to ensure that the Parent maintains an adequate level of unencumbered High Quality Liquid Assets (HQLA) to meet liquidity needs for a 30 calendar-day liquidity stress scenario.

The Parent computes the LCR using the BSP prescribed formula:

LCR = (Stock of HQLA) / (Total Net Cash Outflow over the next 30 calendar days)

Where:

HQLA - Refer to assets that can be converted easily and immediately into cash at little or no loss of value in private markets to meet the Parent's liquidity needs during times of stress.

Total Net Cash Outflows - Pertains to the sum of the stressed outflow amounts less the sum of the stressed inflow amounts, with the inflow amounts limited to 75 per cent of outflow amounts.

Table with 3 columns: PARTICULARS, 31 December (In Million Pesos), 2023, 2022. Rows include High Quality Liquid Assets, Total Net Cash Outflows, and LCR.

As of December 31, 2023, the Parent's LCR is higher than the 100 per cent minimum requirement for the CY 2023.

INTEREST RATE RISK IN THE BANKING BOOK

Interest Rate Risk in the Banking Book Management Framework

Interest Rate Risk in the Banking Book (IRRBB) is the current and prospective risk to earnings and capital arising from adverse movements in interest rates that affect banking book positions. LANDBANK's IRRBB arises from the core banking activities. The main source of this type of IRRBB is gap risk which arises from timing differences in the maturity (for fixed rate) and re-pricing (for floating rate) of the Parent assets, liabilities and off-balance-sheet positions.

The Parent manages IRRBB based on approved policies and procedures. LANDBANK uses Re-pricing Gap/Earning-at-Risk (EaR) and Economic Value of Equity-at-Risk (EVEaR) to analyze the impact of changes in interest rates to both future earnings and net worth.

The Parent has established guidelines for IRRBB limit setting. To control re-pricing risk, a limit has been set on the EaR, putting a cap on the magnitude of re-pricing gap in the balance sheet. The EaR limit defines the maximum level of loss in net interest income (NII) due to changes in interest rates. Breaching this limit would require adjustments to be made in the balance sheet profile of the Parent. RMG-MLRMD recommends interest rate limits in coordination with Asset and Liability Management Group (ALMG) and is approved by the ALCO, ROC and the LANDBANK Board. On the economic value-based measure, the Parent compares the Equity level under various rate scenarios to the Equity at a base (or current) level to track change from base scenario.

The LANDBANK Board defines the Parent's risk appetite and approves business strategies relative to the management of IRRBB. It delegates to ALCO the establishment and management of the Parents's IRRBB position. The ALCO decides and allocates resources to manage IRRBB within the risk appetite set by the Parent. The TIBS ensures that ALCO's decisions pertaining to the management of structural IRRBB are implemented.

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IAG is tasked to do model audit of RM models. The conduct involves the review and evaluation of the effectiveness of the system and, where necessary, ensures that appropriate revisions or enhancements to internal controls are made.

In addition, model validation is also being done by the Risk Modeling and Quantitative Analytics Unit (RMQAU) of MLRMD to check for any enhancements or calibrations needed to the models.

To date, the Parent does not engage in hedging transactions.

Interest Rate Risk in the Banking Book Measurement Models

The two complementary measures of the potential impact of IRRBB are as follows:

- 1. Earnings-Based Measure: The Parent uses the EaR to estimate changes in net interest income under a variety of interest rate scenarios over a 12-month horizon. As of December 31, 2023, the NII impact of change in interest rates amounted to P30,777.34 million
- 2. Economic Value-Based Measure: The Parent uses the EVEaR to assess the impact of changes in interest rates over the remaining life of its assets, liabilities and off-balance sheet items. As of December 31, 2023, the EVEaR impact of change in interest rates amounted to P9,872.22 million

Both measures are assessed to determine the full scope of the Parent’s IRRBB exposure. Moreover, IRRBB is not managed in isolation. IRRBB measurement systems are integrated into the Parent’s general risk measurement system and results from models are interpreted in coordination with other risks.

The interest rate risk exposures of the Parent are measured and reported to the ALCO and ROC on a weekly and monthly basis. Parent and Subsidiary EaR and EVEaR are prepared on a quarterly basis.

Key Behavioral and Modelling Assumptions

Behavioral assumptions enable the Parent to analyze how an instrument’s actual maturity or re-pricing may vary from its contractual terms because of behavioral options. LANDBANK has established the following behavioral and modeling assumptions in the quantification of IRRBB:

- 1. Current Account and Savings Account (CASA) Repayment

Behavioral assumptions for deposits that have no specific maturity/re-pricing date such as Non-Maturing Deposits (NMDs) can be a major determinant of IRRBB exposures under the economic value and earnings-based measures. To determine the actual behavior of NMDs, the Parent analyzed its deposits for the past 10 years to estimate the proportion of core (stable) and non-core (non-stable) deposits.

- 2. Term Deposits subject to Early Termination

A behavioral analysis to estimate the amount of term deposits that will be withdrawn before its maturity.

- 3. Fixed Rate Loans subject to Prepayment

A behavioral analysis to estimate the percentage of loan balances that is likely to repay before the due date.

- 4. Drawing Pattern of Credit Lines and Credit Cards

Behavioral methodology to capture and estimates the drawing pattern for credit cards and credit line products.

Interest Rate Shocks and Stress Scenarios

The Parent has a wide range of static interest rate shocks consisting of parallel and non-parallel shifts in the yield curve including but not limited to the Market Outlook of the LANDBANK Economist, interest rate volatility for the past 10 years and standardized rate shocks prescribed under Basel Committee on Banking Supervision (BCBS) framework on IRRBB.

The Parent conducts Interest Rate Stress Testing using EaR and EVEaR. Results of scenario analysis help the Parent focus on coming up with contingency measures to reduce impact of IRRBB.

OPERATIONAL RISK MANAGEMENT

The Operational Risk Management (ORM) system of the Parent underwent a thorough review and validation to ensure adherence with BSP MORB 146 (Circular 900) Operational Risk Management (ORM), BSP MORB 149 (Circular 951) Business Continuity Management (BCM), BSP MORB 148 (Circular 808) IT Risk Management, BSP MORB 153 (Circular 1085) Sustainable Finance Framework and other operational risk-related regulations.

The ORM frameworks aim to establish and implement risk management strategies and best practices to effectively address and manage operational risk that are embedded in the day-to-day operations of the Parent. These ORM frameworks were found to be substantially compliant to the minimum requirements of the BSP.

The risk management culture of the Parent is further reinforced with the conduct of risk awareness cascading and sharing sessions on Risk Governance Framework, ORM, BCM, IT and Information Security. Dissemination of operational risk management programs are clearly communicated through continued briefings and seminars using various channels and platforms available in the Parent. Intensive workshops and technical working group discussion reinforces the awareness and learning avenues conducted to all employees of the Parent and subsidiaries for them to effectively perform their duties in managing operational risks.

The ORM function is strengthened with the hiring, training, coaching, mentoring, movement, and promotion of ORM personnel. Major ORM programs for the year involved enhancement

of ORM manuals, frameworks, policies, and tools.

The Parent has a BCM Program which is compliant with BSP MORB 149 and aligned with the ISO 22301:2012 (Business Continuity Management System). The BCM Framework emphasizes the Parent's BCM Governance and Process. BCM tools are continuously enhanced to conform to regulations and industry best practices.

As part of the Parent's BCM process, the Parent conducts annual Business Impact Analysis (BIA) and Business Continuity Risk Assessment (BCRA) to prioritize risks and implement corresponding controls and identify and prioritize the Parent's most critical functions and IT systems in case of disruptions. Also, Business Continuity Plan (BCP) components are being reviewed, updated and tested annually to ensure validity and effectiveness of the Plans.

Despite the threat of the COVID-19 pandemic, the Parent was able to continuously conduct business and provide services while ensuring the health and safety of personnel and clients. Various emergency preparedness and business continuity measures consistent with the Parent's BCP were implemented. The challenges encountered by business units nationwide and the lessons learned during the unprecedented pandemic were also considered in the review and enhancement of the Parent's BCP called Pandemic Response Plan.

The Parent ensure that business and risk management activities, including the operational risk management function, are carried out by adequate and qualified staff with the necessary experience, technical capabilities, and competence. The Parent supports the continuing education of officers and staff of Risk Management Group (RMG) through the certification programs where employees were licensed as Certified Risk Analysts (CRAs), Certified Risk Manager (CRM) and Bank Risk Management certification exams of Asian Institute of Chartered Banks (AICB).

Embedding of ORM across the institution is manifested with the banking units (BUs) becoming aware of the specific operational risks they are confronted with. Taking a proactive stance in managing and escalating breaches as soon as they occur strengthens governance and enhances the oversight of these risks. BUs and Subsidiaries conduct risk self-assessment using various RM tools to quantify potential operational losses which serve as their dashboard in monitoring operational risk. RMG regularly monitors and escalates to Senior Management and RiskCom the results of ORM processes.

Operational Risk Exposure

LANDBANK currently uses the Basic Indicator Approach (BIA) for calculating the capital charge for operational risk under Pillar 1. The formula is based on the average Gross Revenues of the Parent for the last three years to calculate the Operational Risk Weighted Assets (ORWA). As of 31 December 2023, the Parent's Total ORWA using the Basic Indicator Approach was P157.44 billion or 10.43 per cent of the Parent's Aggregate Risk Weighted Assets (RWA) of P1,509.18 billion. With the sustained Gross Revenues of the Parent relative to its expanding business operations, ORWA is expected to increase annually.

LANDBANK is firm in its resolve to fortify its operational risk management system including the development of an internal economic capital measurement model to better capture the Parent's operational vulnerabilities and be able to provide a more reliable support for the overall strategic objectives of the Parent.

The simulation conducted by the Parent for 2023 using its historical loss data resulted in a lower operational capital charge by P3.89 billion and P11.41 billion using the Standardized Measurement Approach (SMA) and Advanced Measurement Approach (AMA)-based Internal Capital Assessment (ICA), respectively, compared to the computed operational capital charge of P15.74 billion using the BIA.

Results of these capital exercises further ratify that the actual operational risk of the Parent is much lower than what it currently charges for its Pillar 1 capital as both models have consistently resulted in lower figures than the BIA. The lower capital charge will allow LANDBANK to lend more to its mandated sector especially small farmers and fishers, micro, small and medium enterprises, countryside financial institutions and local government units.

CONSUMER PROTECTION RISK MANAGEMENT SYSTEM (CPRMS)

In compliance with BSP Circular 1160 – “Regulations on Financial Consumer Protection (FCP) to Implement RA No. 11765, Otherwise Known as the "Financial Products and Services Consumer Protection Act (FCPA)”, LANDBANK continues to update the Consumer Protection Risk Management System (CPRMS) as part of its enterprise-wide risk management system. It identifies, measures, monitors, and controls consumer protection risk inherent in the delivery of financial services to the general public. The Parent ensures to readily assist customers' needs and concerns across all channels and guarantee consumer protection practices, address and prevent or mitigate identified or associated risk of financial harm to the Parent and its clientele (depositors, borrowers, and other clients).

As part of oversight function on CPRMS, RMG ensures that board-approved CPRMS policies and procedures are in place, complaints management are strictly implemented, escalation of CPRMS-related issues is within the set timeline and training of Parent personnel are undertaken. Periodic reports are submitted to the Management Committee and the Risk Oversight Committee. RMG also conducts risk assessment of new, modified, or expanded products, programs, services, electronic banking channels, processes and other activities, including outsourcing from third party service providers to deliver quality service and protect LANDBANK's clients.

The CPRMS Oversight Framework is aligned with and adheres to the Financial Consumer Protection Standards of Conduct prescribed under BSP Circular 11765, to cover (1) Disclosure and Transparency; (2) Protection of Client Information; (3) Fair Treatment; (4) Effective Recourse; and (5) Protection of Consumer Assets against Fraud and Misuse. LANDBANK understands that financial literacy and inclusion begins with responsive and excellent customer service. The Parent is committed to protect our customers' rights as consumers of financial products and services. To protect clients' information, RMG implements a bank-wide risk management program to manage information security risk and data privacy. The CPRMS is also subject to audit and compliance testing

**Ownership:**

The Land Bank of the Philippines (LANDBANK) is wholly owned by the National Government.

Bank Website:

The LANDBANK website, www.landbank.com, contains a variety of information about the Bank, including its history, products and services, most recent news, career opportunities, as well as the profiles of its key officers, among others.

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