



REPUBLIC OF THE PHILIPPINES  
DEPARTMENT OF BUDGET AND MANAGEMENT  
GENERAL SOLANO STREET, SAN MIGUEL, MANILA  
**CORPORATE OPERATING BUDGET**  
Fiscal Year 2024

**TO: LAND BANK OF THE PHILIPPINES (LBP)**

LBP's Corporate Operating Budget (COB) for FY 2024 per approved LBP Board Resolution No. 23-773 dated November 23, 2023, among others, submitted pursuant to Section 6 of Executive Order (EO) No. 518, series of 1979 and Section 19, Chapter 3, Book VI of EO No. 292, series of 1987, is hereby approved for a total amount of **ONE TRILLION ONE HUNDRED FOURTEEN BILLION SEVEN HUNDRED SEVENTY MILLION TWO HUNDRED NINETY-NINE THOUSAND PESOS ONLY (P1,114,770,299,000.00)**, details of which are shown below:

PARTICULARS	Amount in Thousand Pesos						TOTAL APPROVED LEVEL
	LBP-Parent			LBP-Subsidiaries d/			
	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	PROPOSAL (a)	APPROVED (b)	VARIANCE (c=b-a)	
<b>TOTAL SOURCES</b>	<b>P 1,060,379,587</b>	<b>P 1,060,379,587</b>	<b>P -</b>	<b>P 1,862,760,027</b>	<b>P 1,862,760,027</b>	<b>P -</b>	<b>P 2,923,139,614</b>
Corporate Funds	1,060,379,587	1,060,379,587	-	1,862,760,027	1,862,760,027	-	2,923,139,614
<b>TOTAL USES</b>	<b>P 377,884,374</b>	<b>P 377,740,304</b>	<b>P (144,070)</b>	<b>P 737,030,495</b>	<b>P 737,029,995</b>	<b>P (500)</b>	<b>P 1,114,770,299</b>
Personnel Services (PS)	26,164,760	26,020,690	a/ (144,070)	148,968,421	148,967,921	(500) e/	174,988,611
Maintenance & Other Operating Expenses (MOOE)	85,510,000	85,510,000	b/ -	108,055,174	108,055,174	-	193,565,174
Capital Outlays (CO)	266,209,614	266,209,614	c/ -	480,006,900	480,006,900	-	746,216,514
<b>Excess</b>	<b>P 682,495,213</b>	<b>P 682,639,283</b>	<b>P (144,070)</b>	<b>P 1,125,729,532</b>	<b>P 1,125,730,032</b>	<b>P (500)</b>	<b>P 1,808,369,315</b>

**Footnotes:**

- a/ The approved PS level of the LBP-Parent considers the Bank's adoption of the Compensation and Position Classification System (CPCS) per Governance Commission for Government-Owned or Controlled Corporations (GCG) approval dated May 10, 2022. The said CPCS approval expressly authorizes the LBP to implement Category 3 Salary Structure for its 14,201 positions based on their CPCS Job Grade equivalent, pursuant to Executive Order No. 150 dated October 1, 2021, its implementing rules and regulations, and corresponding CPCS circulars for each PS item. The variance of **P144.070 Million** pertains to the allocation of Service Recognition Incentive (SRI) for FY 2024 which is found to have no legal basis.
- b/ The approved MOOE level is computed considering the LBP-Parent's absorptive capacity, i.e., historical budget utilization rates (BURs) of the three (3) immediately preceding years, applying the year with the highest BUR to determine FY 2023 MOOE level, and the latest report on expenditures of the current year and the doable programs, activities and projects of the LBP until the end of the year.
- c/ The approved CO level of LBP-Parent considers the implementation-readiness of the projects and activities under the respective CO items which are expected to be completed within the year as certified by the LBP.
- d/ Pursuant to Section 16 of EO No. 518, shown below are the details of the approved COB of LBP's subsidiaries:

**SOURCES**

Particulars	Amounts in Thousand Pesos
Land Bank Countryside Development Foundation, Inc. (LCDFI)	72,461
LBP Resources and Development Corporation (LBRDC)	1,394,245,000
LBP Insurance Brokerage, Inc. (LIBI)	458,142,363
Overseas Filipino Bank (OFB)	1,297,477
LBP Leasing and Finance Corporation (LBP LLFC)	6,230,297
UCPB Leasing and Finance Corporation (ULFC)	1,273,469
UCPB Savings Bank (USB)	1,498,960
<b>Total SOURCES</b>	<b>1,862,760,027</b>

**USES**

Particulars	Amounts in Thousand Pesos			
	PS	MOOE	CO	TOTAL
Land Bank Countryside Development Foundation, Inc. (LCDFI)	24,776	47,719	250	72,745
LBP Resources and Development Corporation (LBRDC)	85,957,354	50,157,125	28,430,000	164,544,479
LBP Insurance Brokerage, Inc. (LIBI)	62,234,776	57,088,095	448,633,433	567,956,304
Overseas Filipino Bank (OFB)	34,014	165,766	1,568,000	1,767,780
LBP Leasing and Finance Corporation (LBP LLFC)	118,637	124,445	9,856	252,938
UCPB Leasing and Finance Corporation (ULFC)	42,570	25,648	1,108,515	1,176,733
UCPB Savings Bank (USB)	555,794	446,376	256,846	1,259,016
<b>Total USES</b>	<b>148,967,921</b>	<b>108,055,174</b>	<b>480,006,900</b>	<b>737,029,995</b>

- e/ The variance of P500,000.00 to LCDFI pertains to the provision of SRI for FY 2024 which is found to have no legal basis.

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

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

- All expenditures, whether for current operating expenditures or for COs, shall be made within the limits of available funds realized from corporate receipts, authorized corporate borrowings and NG budgetary support either in the form of subsidy, equity or loans outlay.
- Any increase in the approved principal COB in the course of the budget year, as may be warranted by additional corporate receipts, shall require the submission of a supplemental COB to cover the additional expenditures.
- This approval shall not be construed as an authorization for specific expenditure items under PS which requires prior approval by the Office of the President (OP). **Disbursements for PS shall strictly observe pertinent compensation laws, rules and regulations**, including EO Nos. 7 and 24 dated September 8, 2010 and February 10, 2011, respectively and EO No. 150 for Government-Owned or Controlled Corporations (GOCCs) covered by RA No. 10149. Such expenditures shall also be subject to relevant conditions under the GPs of the annual General Appropriations Act (GAA) or any specific law or approval of the President of the Philippines and/or Secretary of Budget and Management or the Governance Commission for GOCCs, as the case may be.
- Disbursements for Extraordinary and Miscellaneous Expenses shall be subject to the provisions of CPCS Circular No. 2021-013 while the other MOOE expenditures shall be subject to the relevant provisions of the annual GAA, among others.
- For equipment outlays included in the Annual Procurement Program that require specific clearance/approval from the agencies concerned, the same shall be secured before acquisition thereof (e.g., OP/Department of Budget and Management/Supervising Department for the purchase of MV, if any, in accordance with the provisions of the Budget Circular No. 2022-01 dated February 11, 2022 [Omnibus Guidelines on the Acquisition, Use, Rental, and Replacement of Motor Vehicles], RA No. 9184 (Government Procurement Reform Act) and its Implementing Rules and Regulations, among others).

**TO: LAND BANK OF THE PHILIPPINES (LBP)**

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

**Recommending Approval:**

for:  Digitally signed by Elena P. Vispo

**ELENA REGINA S. BRILLANTES**

Director, BMB-C

Date: \_\_\_\_\_

**Approved by:**

  
**AMENA E. PANGANDAMAN**  
Secretary, BMB

**COB No. C4-24-0063**

**08 MAY 2024**

Date: \_\_\_\_\_

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

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

**The Resident Auditor**  
COA - LBP