



LANDBANK

SERVING THE NATION



ANNUAL REPORT 2021

Responsive Banking through Digitalization

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About the Cover

2021 was another year marked with the continuing prevalence of COVID-19 cases. LANDBANK again stood up to the challenge and enhanced its products and services to provide accessible, convenient, and safe banking solutions centered on balancing service delivery while ensuring the health and safety of its customers. LANDBANK remained steadfast in building on its strengths while responding to changing times as a catalyst for sustainable development.

The cover features the Bank's Digital On-boarding System (DOBS) Mobile and LANDBANKPay – two of the products that were made available to the public in 2021 to support the National Government's digitalization and Ease of Doing Business (EODB) bid as well as the pandemic-related health protocols.



Vision

By 2023, LANDBANK shall be the leading universal bank that promotes inclusive growth, especially in the unbanked and underserved areas, through the delivery of innovative financial products and services powered by digital banking platforms.

Mission

To our Clients and Publics:

We provide accessible and best technology solutions to deliver timely and responsive financial and support services to meet the needs of our clients, especially Small Farmers and Fishers (SFFs), Micro, Small and Medium Enterprises (MSMEs), Countryside Financial Institutions (CFIs), Local Government Units (LGUs) and government agencies, while promoting sustainable development anchored on good governance.

To our Employees:

We are the employer of choice. We develop and nurture talents who exemplify the highest standards of ethics, social responsibility and service excellence. We support diversity and cultivate a healthy work environment with equal opportunity for professional growth and advancement.

Our Corporate Policy

The Vision and Mission Statements of the Land Bank of the Philippines (LANDBANK) embody its strategies and plans for the medium-term 2019-2023. With the identification of its priority sectors and primary partners, the development thrust of LANDBANK remains at the core of its operations. Emphasis was placed on the “unbanked” and “underserved” areas, which are LANDBANK’s primary focus as it promotes inclusive growth.

LANDBANK also commits to leverage on technology in bringing financial and support services to its customers. Similarly, it puts high premium on the growth and development of its human resource, who are the Bank’s primary movers in the pursuit of its mandate and institutional goals.

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 and unhampered financial services across the country.

Business Model and Strategic Objectives

As a policy bank, LANDBANK largely contributes to advancing the socio-economic development agenda of the National Government (NG).

At the core of its operations is its role as a catalyst of sustainable development, responding to the financing requirements not only of small farmers and fishers, but also of local government units, micro, small and medium enterprises, private corporations in strategically important industries, government-owned and controlled corporations, financial institutions, and other sectors that create employment and propel robust economic growth. Through its financing interventions, LANDBANK provides communities with infrastructure and social services that improve people's quality of life. Assisted projects include the construction of farm-to-market roads, hospitals, schools, and housing projects; communication; transportation; provision and connection of households to potable water; and electrification. LANDBANK has also been consistent in incorporating environmental and social commitments toward sustainability.

The Bank is also aggressive in accelerating financial inclusion, bringing the previously unbanked into the formal banking system, thereby promoting a more equitable participation of Filipinos in the growth of the nation.

Alongside its roles as financial intermediary of the NG for the Comprehensive Agrarian Reform Program, and as its depository bank, LANDBANK also serves as the distribution arm of the government's various Social Protection Programs.

Because of its significant role in the economy, LANDBANK strives to strengthen its financial viability and operational agility, while maintaining its competitive advantage. It is the leading government financial institution and is consistently ranked among the top universal banks in the Philippines in terms of assets, deposits, loans and capital.

The Bank's Vision and Mission are the anchors of its strategic objectives:



Socio-economic impact

- Promote inclusive growth by being the catalyst of financial inclusion in the unbanked and underserved areas of the country
- Support National Development Programs including enhancements of the agribusiness value chain, national infrastructure programs, and green and sustainable programs



Financial

- Maintain a strong capital level to support credit growth, expansion and regulatory compliance
- Optimize fund utilization for higher yield while supporting priority programs of Local and National Governments



Stakeholders

- Provide timely, accessible and responsive products and services on multiple platforms and customer touchpoint



Internal Process

- Synergize customer-facing services, work processes and digital platforms to deliver agile and responsive Bank products and services to all stakeholders
- Support agrarian operations through timely processing of land transfer claims



Learning and Growth

- Sustain and nurture a high-performance culture



President's Message

My warmest greetings to the Land Bank of the Philippines (LANDBANK) on the publication of its 2021 Annual Report.

With all the difficulties brought by the COVID-19 pandemic to our society, every contribution to the recovery and betterment of our people is very much appreciated. It is thus a great feat for institutions like the LANDBANK to provide support to various sectors on top of continuing the delivery of its basic services.

As chronicled in this publication, LANDBANK has been one of such reliable institutions to offer sustainable programs and services to those who needed them the most. It is therefore only right to recognize the dedication and passion of its officials and employees in making LANDBANK a stronghold during such a difficult time.

I hope that all your accomplishments and challenges in 2021 will encourage everyone to remain hungry for excellence and innovation as you help bring positive change in the lives of Filipinos and turn our nation into a more inclusive and prosperous one.

Congratulations on a job well done. Mabuhay ang LANDBANK!

A handwritten signature in black ink, appearing to read "Rodrigo Duterte".

RODRIGO ROA DUTERTE

MANILA

May 2022



COVID-19 continued to stir the nation in 2021. But LANDBANK remained a strong force in advancing the country's return to normalcy and plans for a full economic recovery.

The year also emphasized LANDBANK's role that transcends its mandate of supporting agriculture. The breadth of its contributions to the economy is evident on key sectors it assists. This is why the Duterte administration ensured that LANDBANK has the financial strength to fulfill the expanded role. The capital infusions received by the Bank since 2015 amounted to P41.82 billion, which is more than three times the P11.97 billion paid-up capital in 2015. The robust infusions reinforced LANDBANK's strength to support the National Government's development agenda.

The Bank persisted in delivering support to its mandated and priority sectors with its loan portfolio reaching P835.27 billion in 2021. A cumulative total of 3.24 million farmers and fishers were given assistance in 2021, breaching the 3 million-mark from 2.67 million in 2020. This exceeded the target committed to the President of the Philippines of three million farmers and fishers assisted by 2022.

I am pleased that the Bank maintained a steady financial growth, posting a net income of P24.96 billion in 2021 which surpassed its annual target of P19.73 billion. Its total assets also stood at P2.59 trillion against the P2.41 trillion target.

Likewise, the Bank's deposit grew to P2.27 trillion in 2021, a P173.78 billion increase from the P2.09 trillion in 2020. Its capital base also rose to P219.61 billion, 24.76% from P176.03 billion the previous year.

Chairman's Message

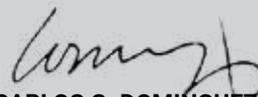
At the same time, LANDBANK forged ahead with enhancing its digital banking services to deliver safe, secured, and convenient banking solutions to reach more clients. In 2021, LANDBANK saw continued growth in the utilization of its existing digital banking channels, expanding by 19% in number of transactions and 46% growth rate in the amount.

I am also proud to report that LANDBANK on-boarded 7.2 million unbanked registrants to the Philippine Identification System (PhilSys) in line with its objective to reach and serve more Filipinos through its co-location strategy with the Philippine Statistics Authority (PSA) in hundreds of registration centers nationwide.

Robust and prudently governed, LANDBANK has served as a reliable conduit of the National Government for delivering other services to Filipinos, especially to the vulnerable sectors amid the pandemic with its expanding physical network.

To support the government's efforts to raise much-needed financing for development projects and the pandemic response, LANDBANK was tapped again by the Bureau of the Treasury for its various bond offerings in 2021. It generated combined total online sales of P20.2 million, P77.2 million, and P0.3 million for Retail Treasury Bonds 25 (RTB-25), Retail Treasury Bonds 26 (RTB-26), and Retail Dollar Bonds, respectively.

With these contributions to the various areas of our economy, LANDBANK is more than capable to assist our government in steering the country towards a more inclusive growth and development.



CARLOS G. DOMINGUEZ

Secretary of Finance

Chairman, Land Bank of the Philippines



LANDBANK

SERVING THE NATION

Serving the nation through resilient and responsive banking

In 2021, LANDBANK was steadfast in its mandate of providing sustainable and inclusive development to key and vulnerable sectors in support of the National Government's development agenda. The Bank remained focused on contributing to economic recovery efforts while harnessing digital technologies to bring banking closer to Filipinos, especially the unbanked and underserved.

Reigniting hope

As the pandemic raged on, it was of utmost importance to provide solid and reliable support to the National Government's social protection and amelioration programs to ensure that people were given the crucial financial aid they needed to weather the crisis.

The Bank served as a strong and reliable partner to various government agencies in providing safety nets to the most vulnerable sectors. With the Department of Social Welfare and Development (DSWD), LANDBANK disbursed P123.74 billion in cash grants to 4.4 million Conditional Cash Transfer (CCT) program beneficiaries; and P9.9 billion to over 2.8 million Unconditional Cash Transfer (UCT) program beneficiaries.

LANDBANK also played a critical role in delivering P0.2 billion to 40,271 individual beneficiaries, displaced workers and OFWs, and PUV operators under RA 11469 or Bayanihan to Heal as One Act and RA 11494 or Bayanihan to Recover as One Act. Of this amount, P155.1 million were distributed under Bayanihan 2 while P0.3 million were given under the auspices of SAP-LTFRB.

Among the most hardly-hit by the pandemic is the transportation sector, and LANDBANK forged ahead with assisting government programs that support it. The Bank distributed P6,500 cash subsidy to 145,667 of 178,244 target PUV Operators-beneficiaries as well as P4,500 cash subsidy to 4,658 of 14,610 additional target Tourist Transport Operator-beneficiaries. A total of P2.018 billion in loans was approved to 53 borrowers through the SPEED PUV Program. Furthermore, P49.84 million in government subsidies were released to 20 beneficiaries.

Meanwhile, other lending facilities that LANDBANK created in the previous year amid the pandemic, specifically to respond to the needs of Local Government Units (LGUs), small and medium enterprises (SMEs), bus operators, private schools, as well as parents of students extended total funds that reached P204.5 billion, with P127.82 billion in approved loans.

Rebuilding with partner government agencies

Rebuilding our economy is a whole-of-government effort and LANDBANK has been consistently an ally to various agencies in advancing programs intended to benefit the country.

Financial inclusion efforts of the National Government were complemented by the Bank's vigorous on-boarding of unbanked registrants to the Philippine Identification System (PhilSys). By co-locating with the Philippine Statistics Authority in hundreds of registration centers nationwide, and in collaboration with our agent banking partners, partner LGUs, and service contract workers, LANDBANK brought millions of unbanked and underserved Filipinos into the formal banking sector.

President's Report

To build a more resilient and modernized transport system that will provide safer and more efficient vehicles for the commuters' benefit, LANDBANK partnered with the Department of Transportation (DOTr) in its various programs, including the Automated Fare Collection System (AFCS), which will enable commuters to make contactless payments in public transport vehicles.

For a more timely, safe and convenient release of stipends, LANDBANK joined forces with CHED-UniFAST to issue LANDBANK Prepaid Cards to 400,000 student-grantees of the Tertiary Education Subsidy Program.

LANDBANK also continued to support the Bureau of the Treasury (BTr) in its bond offerings in 2021, for RTB-25, RTB-26, and RDBs. We raised funding for government programs through the traditional over-the-counter placement of investments, as well as via the LANDBANK Mobile Banking App, OFBank Mobile Banking App, and the RTB Online Ordering Facility, which was developed by LANDBANK.

Reinforcing agricultural support

We did all these without losing sight of LANDBANK's primary mandate to serve the agricultural sector and facilitate its growth and development. We remain unwavering and true to this commitment, especially at this time when small farmers and fishers, agrarian reform beneficiaries, small and medium enterprises, and LGUs with agri-aqua projects require much-needed assistance. We also continued to expand our partnership with the Department of Agriculture and the Department of Agrarian Reform by administering their lending programs.

As of end-2021, agricultural loans amounted to P247.9 billion, achieving 98.57% of the Bank's year-end target of P251.5 billion. The 20 poorest provinces also greatly benefited from loans amounting to P43.62 billion or 107.44% of the year-end target.

Reaching out to more Filipinos

As the leading government bank catering to a wide range of clients, LANDBANK has to strengthen our physical presence while expanding in the digital sphere. In 2021, we continued establishing field units, resulting in a bigger network of 418 branches, 71 branch-lite units, and 58 lending centers.

A total of 131 new Agent Banking Partners (ABPs) were on-boarded in 146 new sites, and two existing ABPs in 20 new sites. By the end of 2021, LANDBANK has a total of 216 ABPs and 672 POS Cash Out partners.

Account opening and updating of bank information via the LANDBANK Digital On-boarding System (DOBS) continued to provide a safe and convenient alternative to customers. Since 2018, 2.12 million accounts were opened through DOBS, of which 857,352 were opened in 2021.

As for our digital banking channels, the LANDBANK Mobile Banking Application posted the highest volume of transactions at 103.82 million amounting to P172.39 billion. Other digital banking channels likewise showed increased utilization, providing convenience, accessibility, and security in a time of uncertainty.

Reinvigorating the Bank's most important resource

We could not have done all these without Landbankers, the Bank's most valuable resource. We strengthened our training and development programs to hone and cultivate talent, develop future leaders, and foster career growth and development. We equipped them with foundational and technical skills to build well-rounded and smart professionals who fully understand the demands and rigors of genuine service to our key development sectors. Through these comprehensive and holistic programs, we hope to raise Landbankers with a genuine heart for service.

Rising above adversity

LANDBANK squarely faced the challenges brought by the pandemic because our vision and purpose are crystal clear – to remain strong and true to our commitment to serving the nation. As we gear up for what lies ahead, I am confident that this institution – with nearly 60 years in the banking industry – will be at the forefront of promoting financial inclusion and spurring economic growth and development across all sectors.



CECILIA C. BORROMEO
President and CEO



LANDBANK

2021 IN REVIEW

As of end-December 2021



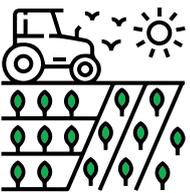
P2.27 T
Total deposits

P2.59 T
Total assets

P24.96 B
Net Income

P219.61 B
Capital

Support to Agriculture



P247.9 B
Total loans to agriculture

P 209.1 B
Loans to other players in the agri-business value chain

P38.8 B
Loans to small farmers and fishers, cooperatives, and farmers associations



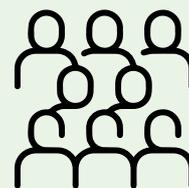
3.24 M
Cumulative farmers and fishers assisted

Support to National Government Programs

Financial Inclusion



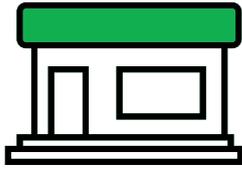
7.2 M
PhilSys registrants onboarded



4.4 M
CCT beneficiaries

P123.7 B
Amount disbursed

Our Touchpoints



418 Branches
71 Branch-Lite Units



58
Lending Centers



2,513 ATMs
222 CDMs



1,426*
POS Cash Out
Machines



888*
Agent
Banking
Partners



2
Mobile
Branch
Units

*Cumulative total of Agent Banking Partners (ABP) with/eligible full-suite Agent Banking services and ABPs with POS Cash Out service

Digital Banking

Major LANDBANK e-banking channels



136.33 M
Total volume
of transactions

P2.45 T
Total transactions

Awards and Recognitions

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

Merit Award for Outstanding Development Project for Local Economic Development

Asia CEO Awards

Most Innovative Company of the Year
Most Sustainable Company of the Year

International Finance Awards

Best Lending Platform - Philippines

Investment House Association of the Philippines (IHAP)

Best Fixed Income Deal (Small-Mid Cap) Award
Best Project Finance Deal Award (Large Cap)

City Government of Manila

Top Taxpayer of the City of Manila (Araw ng Maynila)

Philippine Social Media Awards

Brand Star Awards

Philippine Society for Industrial Security (PSIS)

Plaque of Appreciation

LServe Corporation, Inc.

Outstanding Client Partner





Pursuit of Mandate and Support to National Development Programs

LANDBANK, as the biggest Government-Owned or Controlled Corporation (GOCC) and the second largest bank in the Philippines in terms of assets and deposits, plays a significant role in carrying out the goals of the National Government (NG). It aligns its programs to the NG's priority programs which are considered vital in promoting development and expanding financial inclusion.

As a Government Financial Institution, LANDBANK directs its financial and support services to its mandated and priority sectors. Its mandated sectors are the small farmers and fishers, while priority sectors include Micro, Small, and Medium Enterprises (MSMEs), Countryside Financial Institutions (CFIs), Local Government Units (LGUs) and other government entities, communications, transportation, housing, education, healthcare, environmental-related projects, tourism, utilities and livelihood/ salary loans.

In 2021, LANDBANK's total loans to its mandated and priority sectors reached P835.27 billion, representing 94.9% of the Bank's total loan portfolio.



P835.27 B

Total Loans
to Mandated and
Priority Sectors;
94.9% of the Bank's
total loan portfolio

LOANS TO AGRICULTURE

To contribute to the country's economic recovery, LANDBANK extended assistance to the mandated sectors, and other sectors that are considered productive. The Bank also provided support towards the rehabilitation of heavily affected sectors of the pandemic.

LANDBANK's loans to agriculture saw a 4.3% increase from P237.7 billion in 2020 to P247.9 billion in 2021. This comprises loans to small farmers, fishers, cooperatives, and farmers associations with P38.8 billion or 4.4% outstanding balance and loans to other players in the agri-business value chain with P209.1 billion or 23.7% percent outstanding balance.

In collaboration with the Department of Agriculture, various programs continue to address the needs of small farmers and fishers in the country:

1. Agricultural Competitiveness Enhancement Fund (ACEF)

- aims to increase productivity of small-scale farmers and fishers and their cooperatives and associations, and MSMEs. In 2021, cumulative releases under this program totaled P6.6 billion benefiting 51,632 farmers and fishers.

2. Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)

- for individual sugarcane farmers and block farms. Loan released amounted to P0.5 billion directed towards 7,499 beneficiaries for the same period.

3. Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF)

- implemented in line with the Rice Tariffication Law wherein LANDBANK released P1.4 billion in loans to 34,175 farmers.

4. Survival and Recovery Assistance Program for Rice Farmers Program (SURE Aid)

- extends credit assistance to small farmers affected by the drop in palay prices. Under the program, P2.5 billion in loans was released to extend immediate financial assistance to 165,963 farmers nationwide.

5. Survival and Recovery Assistance COVID-19 (SURE Aid)

- released a total of P0.9 billion with 37,367 farmers assisted.



Meanwhile, in partnership with the Department of Agrarian Reform (DAR), LANDBANK continuously offered the Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) to address the financing requirements of newly accessing Agrarian Reform Beneficiaries Organizations (ARBOs) and the existing CAP-PBD borrowers for agricultural production and other livelihood or agri-enterprise projects. Cumulative releases for this facility reached P0.7 billion with 10,170 beneficiaries.

Consistent with the NG's thrust to alleviate poverty, the Bank also extended loans amounting to P43.6 billion to the 20 poorest provinces across the country as identified by the Philippine Statistics Authority.



P43.6 B

Total Loans to
20 poorest provinces
as identified by the
Philippine Statistics
Authority

LOANS SUPPORTING OTHER NATIONAL GOVERNMENT PRIORITY PROGRAMS

As a policy bank, LANDBANK supports the expanded developmental concerns of the National Government (NG) as embodied in the Philippine Development Plan 2017-2022. This is in recognition that for countryside development to happen, the ancillary sectors such as the micro, small and medium enterprises (MSMEs) need to be developed and supported as well. The MSMEs increase commerce, help move the local economy, and generate jobs. LANDBANK also extends financial assistance to key business requirements such as logistics – transport and communication, utilities – water and power, tourism, and other societal needs such as education, hospital and housing.

By the end of 2021, the Bank's total outstanding loans for other NG priority programs stood at P587.3 billion, which is 66.7% of LANDBANK's total loans to all sectors.

Loans for MSMEs

LANDBANK provided strong financial support to micro, small and medium enterprises (MSMEs) nationwide as this sector represents the backbone of the Philippine economy. With 99% of business establishments in the country considered as MSMEs, the sector generates the biggest employment and contributes significantly to the country's total output. LANDBANK channels its microfinance loans to different microfinance institutions and extends SME loans directly to the borrowers.

To help microenterprises, LANDBANK channeled its funds through various conduits such as cooperatives, rural banks, non-government organizations and microfinance institutions. On the other hand, financial assistance to SMEs was provided directly to SME-borrowers, cooperatives, and financial institutions.

By year-end 2021, LANDBANK's outstanding loans to MSMEs, including those engaged in other sectors – transportation, housing, education, communication, etc., – reached P53.2 billion, which is equivalent to 6.1% of its total loans to all sectors.



LANDBANK also extended financial assistance for livelihood projects and business ventures of qualified fixed income earners in the government and private sectors. The Bank's outstanding livelihood loans reached P70.3 billion as of Dec. 31, 2021.



P53.2 B

Outstanding
loans to MSMEs

Loans for Utilities

Among the priority programs of the National Government, the utilities sector took the biggest share in terms of financial assistance from the Bank. Loans to utilities include projects in power generation and distribution, gas exploration and water. These projects are vital in the operation and expansion of various industries in the country.

In 2021, outstanding loans for the utilities sector reached P157.5 billion representing 17.9% of the Bank's loans to all sectors.



P157.5 B

Loans to
Utilities Sector

Loans for Socialized, Low-cost and Medium-cost Housing

Over the years, LANDBANK has supported the housing program of the National Government in providing decent housing at affordable cost. More specifically, LANDBANK extends financial assistance for housing projects classified as socialized, low-cost and medium-cost.

Socialized housing ranges from P400,000 and below per unit; low-cost housing from more than P400,000 to P3 million; and medium-cost housing from more than P3 million to P4 million.

In 2021, outstanding loans to the housing sector reached P73.5 billion or 8.4% of the Bank's loans to all sectors.



P73.5 B

Loans to
Housing Sector

Loans for Logistics – Transportation and Communication

LANDBANK also financed projects in the transportation and communication sectors, which are vital in the efficient delivery of goods and services. The projects included the modernization of public transportation facilities and improvement of connectivity in the country through the modernization and upgrading of telecommunication systems.

As of Dec. 31, 2021, the outstanding loans to the transportation sectors reached P76.9 billion or 8.7% of the Bank's total loans to all sectors. Meanwhile, loans to the communication sector stood at P68.8 billion, representing 7.8% of the Bank's loans to all sectors.



P145.7 B

Outstanding loans to
Transportation and
Communications
Sector

Loans for Education

To help provide good and quality education in the country, LANDBANK extended loans for the construction, maintenance and upgrading of educational facilities and equipment. Total outstanding loans in the education sector stood at P10.4 billion as of Dec. 31, 2021.



P10.4 B

Loans to
Education Sector

Loans for Health Care

LANDBANK also financed the construction of hospitals, clinics and other health-related facilities to improve the delivery of health care services. In 2021, outstanding loans to health care reached P29.7 billion or 3.4% of LANDBANK's loans to all sectors.



P29.7 B

Loans to
Health Care Services

Loans for Environment-related projects

LANDBANK supports the government's thrust to adapt to and mitigate the effects of global warming by extending loans that enhance the environment, harness the potential of renewable and alternative energy resources and promote climate change adaptation. Among the projects the Bank financed were for the construction of flood control systems, waste management and recovery facilities, sewerage treatment plants, and hydro-electric power plants and production of biofuel.

LANDBANK also pursues a sustainable finance framework by integrating environmental criteria in its financial products. As of Dec. 31, 2021, outstanding loans to environment-related projects reached P11.1 billion.



P11.1 B

Loans to
Environment-Related
Projects

Loans for Tourism

In support of the development of the tourism industry in the country, LANDBANK provided loans for the construction of hotels, resorts, amusement and theme parks and other tourism-related facilities.

In 2021, outstanding loans for the tourism sector reached P36.0 billion or 4.1% of the LANDBANK's total loans to all sectors.



P36.0 B

Loans to
Tourism Sector

Development Impact of LANDBANK Lending Programs

Development Projects	2021	Total (2011-2021)
Farm-to-Market Roads (in kilometers)	302,652	23,825,545
Number of Hospital Buildings ¹	33	239
Additional Hospital Beds ²	1,954	20,153
No. of School Buildings ¹	9	788
Additional Classrooms ²	96	6,146
New Households Connected with Potable Water	18,303	2,063,599
Additional KWh Produced/Year	27,713,970	5,749,894,555

¹ Includes new and renovated buildings

² Both for new and renovated buildings

New Lending Programs in 2021

The Bank created and implemented new and responsive lending programs that significantly aided the whole-of-government approach by assisting the country's various economic sectors. To mitigate the pandemic's negative effects and aid in the revival of businesses, particularly small-scale enterprises and other vulnerable sectors, the Bank developed the following credit assistance programs to offer low interest rates and flexible terms and conditions:

Municipal Development Fund (MDF) Lending Program

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 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 pandemic.

BALIK-LOOB Lending Program (For Former Rebels and Former Violent Extremists)

On July 7, 2021, the Bank amended its Lending Program for Former Rebels (FRs) to include Former Violent Extremists (FVE) and re-launched it as the BALIK-LOOB Lending Program in support to 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.

As of Dec. 31, 2021, LANDBANK has released loans to 15 FR borrowers amounting to P1.0 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.

Special Window and Interim Support to Nurture Hog Enterprises (SWINE) Lending Program

The lending program was launched during the signing of the Memorandum of Agreement (MOA) between Agriculture Secretary William Dar and 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, 2021, 19 borrowers have been assisted by the Program with a total approved loan of P2.36 billion.

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) launched SURE Aid COVID-19 to finance the emergency and production capital requirements of small farmers and fishers whose sources of livelihood are affected by the pandemic.

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. From January to December 2021, total loans disbursed to 37,367 SFFs amounted to P933.87 million.

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 Bayanihan to Recover as One Act. The Bank set aside P2.5 billion of its internal fund to finance 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, 2021, the Bank has approved a total of P67.12 billion loans to 184 borrowers with releases of P36.74 billion and outstanding balance of P22.11 billion.

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 of Junior and Senior High Schools while awaiting DepEd's payments.

As of Dec. 31, 2021, the Bank has approved a total of P3.59 billion loans to 109 borrowers with releases of P1.97 billion and outstanding balance of P340.40 million.

Agricultural Expansion Credit Programs

Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST)

As of Dec. 31, 2021, the Bank has extended sub-loans amounting to P1.65 billion, with 240 loan accounts in Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and Conflict-Affected Areas in Mindanao (CAAM), which generated a total agribusiness investment of P2.62 billion, and 249 jobs, and benefited 4,525 women.

Agricultural Credit Support Project (ACSP)

In partnership with the Japan International Cooperation Agency (JICA), the Bank has lent a total of P4.99 billion to 452 borrowers with 18,333 beneficiaries. The Program has generated a total of P6.25 billion in agricultural investments, and 6,296 jobs.

Agricultural Competitiveness Enhancement Fund (ACEF)

From 2018 to 2021, the Bank, in partnership with the Department of Agriculture (DA), has directly lent a total of P6.66 billion, with 51,991 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 74 provinces.

Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF)

Under the ERCA-RCEF of the Rice Tariffication Law, the Bank has extended credit assistance of P1.43 billion to 8,687 rice farmers and cooperatives to improve their productivity.

Farm Tourism Lending 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 to provide financial assistance to boost the farm tourism sector. As of Dec. 31, 2021, the Bank has lent P13.65 million to two farm tourism operators.

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 P624.625 million. Committed/allocated funds have already reached 95% of program funds including reflows and interest collections. As of Dec. 31, 2021, the Bank has extended credit assistance of P435.52 million to 2,265 individual sugarcane farmers, P20.82 million to six block farms and P47.68 million to four 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, 2021, cumulative loan releases amounted to P13.44 billion benefiting 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, 2021, cumulative loan releases to more than 1,700 ARBs amounted to P376 million.

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 P2.53 billion fund for on-lending to eligible borrowers. As of Dec. 31, 2021, cumulative loan releases amounted to P2.52 billion benefiting more than 37,000 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, 2021 reached P10.202 billion benefiting around 69,000 small farmer/ARB members.

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, 2021, total loan releases to three cooperatives amounted to P12.38 million benefiting 312 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 organizations/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, system 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, 2021, LANDBANK extended P14.69 million loans to six cooperatives.

Empowering Barangays in Remote Areas Through Credit and Enterprises (EMBRACE)

In line with the Government's thrust for financial inclusion and in pursuit of the Bank's mandate, EMBRACE aims to mainstream individual borrowers in unserved areas to the regular lending window of the Bank.

As of Dec. 31, 2021, the program has assisted 67 SFFs/SMEs with total loan releases amounting to P27.40 million.

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, 2021, LANDBANK has released P1.05 million loan to one CBO in Batangas with 97 member-beneficiaries to finance its egg-supply contract with DepEd's School-Based Feeding Program.

Coconut Production and Processing (Coco-Financing) Program

The Coco-Financing Program was designed to provide credit assistance to coconut industry stakeholders, particularly coconut farmers for projects such as planting or replanting, rehabilitation, fertilization and processing of coconut and its by-products.

As of Dec. 31, 2021, the program has cumulatively released P8.64 billion in loans that supported a total of 154 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 of the industry's thrust to increase productivity from 55 to 75 tons of cane per hectare through modern farming technology and farm mechanization.

As of Dec. 31, 2021, the program has approved loans of P7.63 billion for 220 borrowers, of which P14.86 billion were cumulatively released.

Sulong Saka or High Value Crops Financing Program

Sulong Saka is a revitalized financing program which was launched in December 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, 2021, the Program has cumulatively released a total of P27.38 billion in loans. A significant portion of these loans were released to support projects in the production of oil palm, followed by banana and other fruits. A total of 1,188 borrowers from 72 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 October 2019 the SALP or Pagsasakang 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 utilization of Mariculture Parks.

As of Dec. 31, 2021, the Program has cumulatively released P6.49 billion in loans that supported a total of 85 borrowers.

Palay at Mais (PALAY) ng Lalawigan Lending Program

PALAY ng Lalawigan Lending Program was jointly launched by LANDBANK and the DA in October 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 palay in the regions. It also aims to supplement the procurement activities that will be undertaken by the National Food Authority (NFA).

In December 2020, the Program was expanded/amended to include corn buying program and other corn-related activities and was renamed to Palay at Mais ng Lalawigan Lending Program.

As of Dec. 31, 2021, the Bank approved P4.28 billion loans to nine LGUs of which P115 million was released to two LGUs benefiting 1,817 palay farmers.

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, 2021, 394 borrowers have been assisted by the program with a total loan release of P26.44 billion.

Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) Window III

The CAP-PBD is a joint program of DAR and LANDBANK aimed at providing credit assistance to agrarian reform beneficiaries' organizations (ARBOs) for crop production, agri-enterprise and livelihood projects. The Program commenced in 1996 and ran for ten years, until 2006. The Program was extended for another ten years from 2006 to 2016 and was renamed as CAP-PBD Window III. Given the clamor of more ARBs for credit support, CAP-PBD Window III was extended twice from March 2018 to March 2020 and from March 2020 to March 2023.

As of Dec. 31, 2021, total loan releases to 126 farmers' associations and cooperatives reached P439.44 million benefiting more than 7,000 ARB members.

Other Lending Programs

Restoration and Invigoration Package for a Self-Sufficient Economy towards UPgrowth for Local Government Units (RISE UP LGUs) Lending Program

RISE UP LGUs Lending Program was developed by the Bank in July 2020 to assist LGUs respond to the effects of the 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, 2021, the Bank approved P96.54 billion to 360 LGUs, of which, P18.12 billion had been released to 211 LGUs. On the other hand, 137 LGUs have availed of ISF amounting to P88.15 million.

LANDBANK ACcess to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program

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 enroll now pay later scheme for students.

As of Dec. 31, 2021, the Bank has approved a total of P914 million loans to 26 schools with releases of P540.52 million and outstanding balance of P511.71 million.

LANDBANK Interim REhabilitation Support to Cushion Unfavorably affected Enterprises by COVID-19 (I-RESCUE) Lending Program

The Program aims to provide interim measures for MSMEs, cooperatives, MFIs and large enterprises affected by the economic impact of the COVID-19 pandemic through the provision of additional funds and loan restructuring under more flexible terms and conditions.

As of Dec. 31, 2021, the Bank has approved a total of P30.37 billion loans to 579 borrowers, with releases of P29.34 billion and outstanding balance of P27.92 billion.

Overseas Filipino Workers Reintegration Program (OFW-RP)

With a funding of P1 billion from LANDBANK, this program tie-up with the Overseas Workers Welfare Administration (OWWA) is aimed at providing credit assistance to encourage OFWs to engage in business as an alternative to overseas employment.

As of Dec. 31, 2021, the Bank has approved a total of P2.52 billion loans to 1,226 borrowers, with releases of P2.32 billion and outstanding balance of P410.79 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 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, 2021, the Bank has approved a total of P25.55 million loans to five borrowers, with releases of P20.55 million and outstanding balance of P8.85 million.

Sustainable Multi-dimensional Approach using Revolutionized Technologies (SMART) in City Development Lending Program

This is 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 living in the city or highly urbanized LGUs and in attaining environmental sustainability and making the city economically competitive.

As of Dec. 31, 2021, the Bank has assisted one borrower with an approved amount of P70.00 million, with release of P70.00 million and outstanding balance of P70.00 million.

SME Credit Facility

It is a credit support program to MSMEs to start or expand their existing business.

For the year 2021 alone, the Bank released a total of P27.19 billion loans to 8,185 MSME borrowers.

Credit Facility for State Universities and Colleges (SUCs)

This is a credit facility for qualified SUCs to support their infrastructure expansion, fixed asset acquisition and other income generating/agri-related programs and projects.

As of Dec. 31, 2021, the Bank has approved a total of P80.51 million loans to three borrowers, with releases of P77.12 million and outstanding balance of P7.28 million

Franchising Lending Program

This is a credit program that provides assistance to qualified players in the franchising industry, particularly the franchisees and franchisors.

As of Dec. 31, 2021, the Bank has assisted one borrower with an approved amount of P12.96 million, with release of P12.96 million and outstanding balance of P12.96 million.

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 Internal Revenue Allotment (IRA) as provided for by the DILG-DBM Joint Memorandum Circulars 2017-01 issued on Feb. 22, 2017 and No. 01 dated March 27, 2020.

As of the end of 2021, there were 711 LGU-borrowers that have outstanding balances with LANDBANK. The approved amount had increased by 30.2% or P42.07 billion between the end of 2020 and end of 2021, resulting in a P201.44 billion total approved amount at the end of the year. Releases and outstanding balances also increased by 18.8% or equivalent to P16.13 billion for the former and by 26.5% or equivalent of P14.43 billion for the latter. These increases also resulted to a total loan release of P110.20 billion at the end of 2021 and an outstanding balance amounting to P76.41 billion.

Interim Students Loan for Tuitions Towards Upliftment of Education for the Development of Youth (I-STUDY) Lending Program

The Program aims to provide financial assistance to help parents, who have been adversely affected by the economic crisis brought about by the COVID-19 pandemic, send their children to school by financing tuition fee requirements and also provide assistance to acquire gadgets needed as aids in the online educational learning system. It also assists students with repayment capacity to continue their studies by financing their tuition fee needs and the purchase of gadgets.

In 2021, 49 students/parents availed of the Program with approved loans of P3.29 million, loan releases of P2.83 million and loans outstanding of P2.69 million.

BRinging Inclusive Growth in every Household Through National Electrification Support Services (BRIGHTNESS) Lending Program

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 loans amounting to P10.9 billion to both electric cooperatives and private distributors as of Dec. 31, 2021. Total connections served through BRIGHTNESS reached 3.8 million households during the same period.

Emerging FILIPINA Lending Program

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, and even information technology skills of women in businesses. LANDBANK's provision of training is in collaboration with the 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.

As of Dec. 31, 2021, LANDBANK had an approved loan of P18 million to one borrower with 87 beneficiaries.



Support for Agricultural Programs

Agricultural Guarantee Fund Pool (AGFP)

The 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.

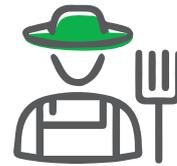
From 2012 to December 2021, the cumulative AGFP guaranteed loans reached P10.63 billion, through which 95,306 farmers benefited covering 247,512.14 hectares of farmland. For the year 2021, the guarantee coverage amounted to P1.08 billion, benefiting 9,053 farmers covering 24,303.91 hectares.

Credit Surety Fund (CSF)

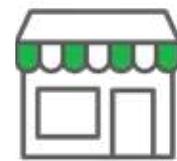
Aimed to increase the creditworthiness of MSMEs, cooperatives, and non-government organizations (NGOs), the BSP developed the CSF as a credit enhancement scheme for the sector. The CSF generated from contributions of well-capitalized and well-managed cooperatives or NGOs, LGUs, GFIs, Industrial Guarantee 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, 2021, the cumulative CSF covered loans reached P5.77 billion, which benefited 87,787 farmers, 231 cooperatives and 39 MSMEs. Total releases during the year amounted to P689.39 million.

Credit Surety Fund



87,787
Farmers



39
MSMEs



231
Cooperatives

Delightful Customer Experience

Nationwide Customer Satisfaction Survey

In pursuit of its policy for quality, LANDBANK continuously measures its ability to deliver products and services that effectively address the needs and meet the expectations of its clients. For 2021, LANDBANK engaged the services of a third-party consultant/consulting firm, People Dynamics, Inc. to conduct a Nationwide Customer Satisfaction Survey (NCSS) among different customer segments such as depositors and clients of the Bank's lending, trust, treasury, investment banking and agrarian services units.

Due to the continuing restrictions brought about by the COVID-19 in the country and to safeguard both the interviewers and interviewees, telephone interview was used as the primary methodology in capturing customer sentiments. The results of the survey served as the basis for continuous customer service and corporate improvement initiatives, as well as inputs towards business growth for LANDBANK.

For 2021, LANDBANK obtained an overall customer satisfaction rating of 92.3% from the 2,022 randomly selected respondents. The annual customer satisfaction rating was submitted to the LANDBANK Management Committee and the LANDBANK Board of Directors as part of the Bank's commitment to listen to the voice of the customers. Furthermore, NCSS forms part of the Bank's compliance with the performance agreement and client satisfaction measurement required by the Governance Commission for GOCCs and the Anti-Red Tape Authority, respectively.

92.3%
Satisfaction
Rating



Integrated Management System

Quality and Environmental Management Systems

LANDBANK has been consistent in maintaining its service quality system (QMS), and ISO 14001:2015 - Environmental Management System (EMS) under the Integrated Management System (IMS) Framework.

LANDBANK's certification to both standards was conferred in 2019. With the height of pandemic in 2020 and the challenges in mobilization, the IMS assessment and first surveillance audit were successfully conducted remotely.

In 2021, the Certification International Philippines, Inc. (CIP) has completed the remote 2nd surveillance audit of the Bank's Head Office covering 17 major ISO requirements and selected units' operations and processes, 13 branches and four field units from July to September. LANDBANK once again secured the continuous certification to both standards until Dec. 8, 2022, underscoring the Bank's steadfast commitment to delivering quality financial and support services towards promoting sustainable and inclusive development.



During the 2nd surveillance audit, the CIP commended LANDBANK's management system and personnel for its adaptability to the changing demographics, risks, market demand, and innovations in the industry while navigating the challenges of the COVID-19 crisis.

The following are LANDBANK's IMS-related accomplishments in 2021:

1. Conducted cascades on EO 124 s. 2020 – LANDBANK's IMS Guidelines
2. Enhanced the Integrated Context of the Organization (COTO) and Planning (ICP) template
3. Facilitated various initiatives to assist concerned units in resolving PCO accreditation/clustering issues
4. Submitted the Bank's Position Paper on PCO Accreditation/Proposed Managing Head and PCO Clustering to DENR-EMB
5. Presented the proposed revised Integrated Quality and Environmental Policy to LANDBANK Sustainable Finance PWT
6. Updated EMS-related documents on Procedure on the Determination of Aspects and Impacts Registry; Work Instructions on Generator Set Operation, Testing and Maintenance at Field Units; and Forms/Templates on Quarterly Evaluation of Compliance and Generator Set Weekly Operation Monitoring Form
7. Passed the remote 2nd surveillance audit
8. Complied with the GCG performance commitment to implement and maintain QMS certification. QMS including EMS certificates are posted in the Banks's transparency seal.

LANDBANK's continued certification to the QMS standards is part of the 2021 performance commitments to the Governance Commission for GOCCs (GCG), while the EMS standards signifies the Bank's continued commitment to the preservation of the environment and the efficient management of its resources.

Information Technology Support and Bank Process Automation

In 2021, the Operations Sector has launched, enhanced, and implemented the following major IT projects to support the expansion and delivery of the Bank's product and services:

NAME OF PROJECT/INITIATIVE	DESCRIPTION	IMPLEMENTATION DATE
A. IT PROJECTS		
1. Asset-Liability and Risk Management System (ALRMS)	Enabled the management of liquidity risk and market risk and planning for funding, capital, profit, and loan projections to protect the earnings and maximize the economic value of the Bank	
a. Liquidity Risk Management- Net Stable Funding Ratio (LRM-NSFR)		January 28, 2021
b. Fund Transfer Pricing (FTP)		January 29, 2021
c. Advanced Liquidity and Forecasting Scenarios		April 30, 2021
2. BancNet VOCALINK Project	Migrated InstaPay to the new Vocalink platform using the middleware provided by Mastercard	March 10, 2021

Information Technology Support and Bank Process Automation

3. Credit Risk Engine System (CRES) I Enhancement – Phase 1	Deployed statistically-based credit rating models for the automated credit rating of borrowers and estimate Probability of Default	December 31, 2021
4. Deposit (Systematics) Upgrade to v218 - Phase 1	Upgraded to the higher version of the Deposit System from 205 to 218	September 13, 2021
5. Digital Lending System	Deployed the online loan facility covering application, processing, approval, and booking for small farmers and fishers to avail the Bank's special and legislated loan programs initially funded by the government	September 25, 2021
a. Core Functionalities		
b. Non-core Functionalities		December 28, 2021
6. Head Office Fixed Assets QR Code (HO FA QR CODE)	Tool for uploading, maintenance of HO FA to generate the QR Code	August 19, 2021
7. Knowledge Management System (KMS) - Knowledge Sharing, Access, Repository and Expertise Portal (KSHARE Portal)	Enabled users to create, gather, organize, and disseminate the organization's knowledge, as well as provide immediate information, as an input for decision-making and/or organizational improvements	March 26, 2021
8. LANDBANK Wellness Contact Access and Resource Engine (WeCARE)	Web-based tool that facilitated the screening and contact tracing of the Bank's clients, service providers and visitors.	February 24, 2021
B. IT INITIATIVES – IT Systems Enhancements		
1. Digital On-Boarding System (DOBS) Enhancement	<ul style="list-style-type: none"> Data Entry System for PhilSys ID Registration LANDBANK account opening via MBA 	March 31, 2021
2. EMDS-LANDBANK Bulk Crediting System	Bulk credit processing via PESONet	March 05, 2021
3. Transfer of funds via InstaPay and PESONet	Bulk credit processing via PESONet	September 24, 2021
4. Institutional Internet Banking (weAccess)	Bulk Debit Module	March 20, 2021

5. IST-ATM System	• Fraud Navigator (FN) Upgrade	January 22, 2021
	• Activation of 3D Secure feature of LANDBANK Visa Debit Card (LVDC)	March 23, 2021
	• Additional validation covering Card-based transactions	March 4, 2021
	• BancNet Acquirer-Based Fee Charging	April 7, 2021
6. Link.BizPortal	• Inclusion of BTr Dollar Offering	September 1, 2021
	• Interface with GSIS to accept individual loan borrowers	December 23, 2021
	• Enrollment / On-boarding of new merchants: 825 merchants (404 EPS and 421 EPP)	December 28, 2021
7. Retail Internet Banking (iAccess)	Enrollment via LANDBANK DOBS-MBA	May 6, 2021
8. System enhancements for OFBank	• Availability of Electronic Salary Loan (ESL) modules and Retail Treasury Bond (RTB) 25 in MBA	January 9 and February 9, 2021
	• Cardless withdrawal in the Mobile Banking Application (MBA)	June 25, 2021
	• Payment/order of the Retail Dollar Bonds (RDBs) acceptance	September 7, 2021
9. Transaction Gateway (TG)	National Government Collection and Disbursement System (NGCDS)	July 7, 2021
10. Trust Banking System (TBS)	Top-Up of UITF in mobile banking application	April 08, 2021

II. IT PROJECTS AND INITIATIVES STARTED IN 2021

NAME OF PROJECT/INITIATIVE	DESCRIPTION
1. ATM Monitoring Solution	Provides comprehensive data, reports, and analysis of all Automated Teller Machine / Cash Deposit Machine (ATM / CDM) terminals
2. Contact Center System	Integrates various communication channels (i.e. phone, email, and social media) to support the customer service operations of the Bank
3. IST-ATM Switch System Version Upgrade	Strengthens security control and counters cyber security risk to ensure interoperability among BancNet member banks including the increase in ATM and digital banking channels utilization

III. IT PROJECTS AND INITIATIVES ONGOING IN 2021

NAME OF PROJECT/INITIATIVE	DESCRIPTION
A. IT PROJECTS	
1. BancNet VOCALINK ISO 20022 Project	New system provided by the managed services agreement of BancNet and Mastercard that will enable the Bank to comply with ISO 20022 standards of InstaPay 2.0, which will soon replace the existing transitory L4L set-up
2. CRES Enhancement – Phase 2	Interface of Data Warehouse and Loans Origination System as source system
3. Deposit System (Systematics) Upgrade - Phase 2	Addition of new features and functionalities of the upgraded version
4. Digital Lending System – Interface with Portable Agrarian Reform Collection System (PARCS)	Accepts loan payments from legislated loan borrowers residing in remote areas thru the Bank's Field Collectors
5. Digitization of Bank Documents	Conversion of the hard copies of Bank documents to digital images in compliance with Anti-Money Laundering Council (AMLC) regulations
6. Internet Banking Upgrade Phase 2	Migration to the latest secured platform of the weAccess to enhance the Bank's digital banking services.
7. New Human Resource Information System	Acquisition of a new comprehensive and fully integrated HRIS solution that provides a single platform for HR operations
8. New Telling System	Enhancement of the Bank's Telling System
B. IT INITIATIVES – IT Systems Enhancements	
1. Link.BizPortal	Inclusion of additional bills payment merchants, especially government agencies
2. Various ATM Switch/e-Banking Systems	Enhancements for InstaPay, PESONet, BancNet, and PCHC mandates (e.g., Vocalink, Acquirer-based Fee charging for ATMs among others)
3. IT Network, Security and Infrastructure	Shared Cyber Defense Solution for the GFIs and Insurance Cluster

IV. IT PROJECTS AND INITIATIVES FOR 2022

NAME OF PROJECT/INITIATIVE	DESCRIPTION
A. IT PROJECTS	
1. Building Management System	Automates monitoring of the LANDBANK Plaza main building facilities and various equipment
2. Governance, Risk and Compliance (GRC) Solution	Integrated Risk Compliance and Audit System that will provide a streamlined process for managing the entire internal audit process, including risk assessment, scheduling, planning, execution, review, report generation, periodic reporting to the Audit and Compliance Committee, and files and records retention

3. LANDBANK Remittance Management System	Focuses on the cross-border incoming and outgoing remittances and their subsequent redistribution
4. Procurement Management System	Covers the end-to-end procurement process from planning, requisitioning, sourcing, purchasing, delivery, supplier management, contract management and invoice payment, as well as supplies inventory management
5. Queueing Management System	Online system that will enable the Bank to effectively and efficiently manage touchpoints throughout the customer journey. The system will help the Bank to organize and control the number of customers transacting in the branches and offices
6. Retail Digital Lending System	Automates the lending process from application to full payment, catering to SMEs and individuals (sole proprietor and housing loan applicants)

During the year, the Group has initiated the conduct of retooling of personnel on SYMBOLS, ATM, Clearing and MDS and Collections Operations via LEAP/Webinar to enhance/equip users on the proper implementation of existing systems and procedures.

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 of services, comprehensive list of requirements, fees and charges to be paid, expected turn-around time, as well as the personnel in-charge of the processing and delivery of service. The Citizen's Charter is expected to deter graft and corrupt practices in the bureaucracy.

Moreover, in compliance with the Anti-Red Tape Authority (ARTA) Memorandum Circular No. 2020-07, LANDBANK created a Committee on Anti-Red Tape (CART). The CART is tasked to identify, develop, implement and review policies, and monitor processes to ensure the Bank's compliance with Republic Act No. 11032, its implementing rules and regulations and issuances by ARTA.

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, organizational changes, goals and objectives as well as to adapt with the current situation brought about by the pandemic, additional services and/or enhancements to certain products/services, including their respective requirements and fees to be paid, as applicable, were

made for accessibility and convenience of the transacting public (e.g., online application for activation of monetary transactions for iAccess, and online processing of requests and applications based on electronic copies of documents, among others). Such updates were reflected in the LANDBANK Citizen's Charter issued and submitted to ARTA in March and November 2021 and posted in the LANDBANK offices, website, and information billboards.

Corporate Information

LANDBANK 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.

To help ensure customers' safety and security against online fraud, links to the login pages of the Bank's various digital banking channels are readily available on the website's homepage.

CUSTOMER CARE CENTER

Customer Care Department

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 2021, CuCD received almost 1.1 million inquiries, requests, and incident reports from customers. It is equivalent to a 4.8% decrease from the previous year's volume of almost 1.2 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

FINANCIAL CONSUMER PROTECTION (FCP) FRAMEWORK

LANDBANK, as a BSP-Supervised Financial Institution (BSFI), consistently adheres to the Financial Consumer Protection (FCP) framework, laws and regulations aimed at protecting consumers in the financial marketplace. Through the issuance of Circular No. 857 on the BSP Regulations on Financial Consumer Protection, s. of 2014, the BSP provides an enabling policy that seeks to "protect the interests of financial consumers and institutionalize the responsibilities of all stakeholders".

In compliance with the said Circular, LANDBANK has designed its own FCP framework and guiding principles to enable the Bank's financial consumers receive appropriate information that will help them make informed business decisions, protect them from unfair or deceptive practices, and provide access to recourse mechanisms for complaint handling and dispute resolution.

In December 2019, BSP Circular 1084 was issued to amend BSP Circular No. 857 to strengthen the institutionalization of consumer protection as an integral component of corporate governance and culture and manage potential risks in relation to BSFI's daily business operations like risk to compliance, reputational, legal, operational and credit, among others. The BSP Circular aims to ensure that financial service providers transact their businesses in an ethical manner based on sound and best practices amid emerging risks brought about by digital financial products

and services. Further, it aims at providing flexibility to BSFIs in terms of deploying strategic approaches commensurate with their risk profile, business model and organizational structure.

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

Pursuant to BSP Circular No. 1084, the LANDBANK Board continues to be primarily responsible in approving and monitoring the implementation as well as updating of the Bank's FCP Framework including its FCP policies, programs, processes, systems and practices, the Consumer Protection Risk Management System (CPRMS), and the Consumer Assistance Management System (CAMS) mechanism.

The detailed responsibilities of the LANDBANK Board include the following:

1. Approve the CPRMS and consumer assistance mechanism (CAM) that takes into consideration the BSFI's business model, market, product lines, and relationships with third parties that may give rise to consumer protection risks;
2. Promote a culture of ethical behavior and adherence to the highest standards of fair and responsible dealing with consumers;
3. Ensure that adequate information and actions taken are reported on a regular basis in terms of the measurement of consumer protection related risks, reports from the CAM, as well as other material consumer related developments that will impact on the BSFI;
4. Ensure the adequate provision of resources and effective implementation of personnel training and competency requirements;
5. Approve remuneration and compensation packages structured to encourage responsible business conduct, fair treatment, and avoidance/mitigation of conflicts of interest; and
6. Review periodically the implementation and effectiveness of the CPRMS specifically on how findings are reported and whether the audit mechanisms are in place to enable adequate oversight equipped with a regular mechanism to review the relevance of the CPRMS in case of changes in the BSFI business model and/or operating environment.

The Senior Management

The Senior Management is responsible for ensuring the alignment of the LANDBANK Board-approved FCP Framework, consumer protection policies, various related programs, systems, practices, and risk management system across all operations of the Bank. The Senior Management, through the LANDBANK FCP Working Team, is mainly responsible for formulating, updating and reporting/monitoring all policies and systems required under the new BSP Circular No. 1084.

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. An appropriate and clear reporting and escalation mechanism should also be integrated in the risk governance framework. An effective management information system should be able to:
 - a. Provide adequate information on the performance and quality of the BSFI's CAM that allows for identification of emerging consumer issues and root cause analysis;
 - b. Determine the level of consumer protection risk exposure through assessment of its implementation of the Consumer Protection Standards of Conduct (i.e., transparency and disclosure, protection of client information, fair treatment, effective recourse and financial learning and awareness);
 - c. Identify and monitor, in a timely manner, consumer protection risk exposures approaching risks of loss to financial consumers, legal and reputational risk, as well as other related risks; and
 - d. Identify and assess emerging or increasing consumer risks that affect the BSFI through social media monitoring and market monitoring.
3. Ensure that adequate systems and controls are in place to promptly identify issues that affect the consumer across all phases of the relationship with the consumer;
4. Ascertain weaknesses in consumer protection practices or consumer protection emerging risks are addressed, and corrective actions are taken in a timely manner; and
5. Ensure observance of expectations and requirements prescribed under relevant regulations on compliance and internal audit.

B. Consumer Protection Risk Management System (CPRMS)

BSP Circular No. 1084, s. of 2019 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, measurement, monitoring, control, and mitigation of consumer protection risks inherent to LANDBANK operations to include products, services, and systems. In this way, risks are properly identified and managed.

On Dec. 17, 2020, the updated LANDBANK CPRMS was presented to and approved by the Risk Management Committee.

C. Consumer Assistance Management System (CAMS)

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 through the proper handling of inquiries, concerns, requests, or complaints as well as the continuous improvement in service delivery. To efficiently implement CAMS, CuCD:

- a. 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.
- b. Consolidates all complaints reports received from all customer touch points which include CuCD, Branches, Lending Centers, social media, 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. Consumer Protection Programs

1. Consumer Protection Compliance Program

LANDBANK maintains and regularly updates its Consumer Protection Compliance Program to reinforce control over business risks and ensure adherence of the Bank to laws and regulations.

2. Consumer Protection Internal Audit Program

Adherence to consumer protection laws, internal policies and guidelines shall coincide with IAG's regular audit schedule for the Bank. Results and recommendations for improvement shall be presented to the AC Com for notation and further instruction. During the pandemic, operational audits were conducted via remote to selected field units to minimize personal contacts while doing regular functions without compromising health and safety of auditor and auditees.

3. Consumer Protection Training Program

To ensure that LANDBANK personnel are equipped with appropriate knowledge and skills to respond to the dynamic needs of the Bank's financial consumers, the Organization Development Department (ODD) takes the lead in undertaking training initiatives and in determining the competency interventions required.

The alternative work arrangements implemented in 2021 due to the pandemic did not hinder the Bank from fulfilling its thrust of continuously developing and nurturing its human resource. LANDBANK's E-Learning Access Portal (LEAP) and Cisco Webex served as the main learning platform for employees.

Operational Excellence

BANK'S DELIVERY CHANNELS

Network

Consistent with its vision of promoting inclusive growth especially in the unbanked and underserved areas, LANDBANK gives priority on expanding its network, delivery channels and linkages to be able to reach and serve more Filipinos across the country and around the globe.

1. BRANCHES

LANDBANK branches are present in all of the country's 81 provinces. As of year-end 2021, the Bank's branch network reached 418 from 411 as of year-end 2020. The seven new branches in 2021 were established in Bunawan (Agusan Del Sur), Paranas (Samar), M'lang (Cotabato), Real (Quezon), La Carlota City (Negros Occidental), Camotes Island (Poro, Cebu), and Libungan (Cotabato).

Aside from increasing its network, the Bank also rationalized existing branches by relocating to more strategic locations and expanding touchpoints in the unbanked areas. Seven branches and one branch-lite were relocated: 1) Roxas Blvd. (Libertad Branch) renamed to EDSA Extension-Roxas Blvd., 2) Pasay Branch renamed to Pasay Libertad, 3) Buendia Branch, 4) UP-Miag-ao renamed to Miag-ao, 5) Malolos Highway Branch, 6) Clark Branch, 7) Camp Aguinaldo Branch, and 8) SAGSD Telling Booth (renamed to PNP OSS Telling Booth).

BRANCH-LITE UNITS

As defined by the Bangko Sentral ng Pilipinas (BSP), a Branch-Lite is any permanent office or place of business of a bank, other than its head office, or a branch that performs limited banking activities and records its transactions in the books of the Head Office or the Branch to which it is annexed.

As of year-end 2021, LANDBANK has a total of 71 Branch-Lite Units: 47 in Luzon, 12 in the Visayas and 12 in Mindanao. Equipped with ATMs, Cash Deposit Machines and other electronic machines, these Branch-Lite Units are located in far-flung areas and provide banking services such as deposit account opening, receipt



At least 600 LANDBANK Cash Cards were distributed during the inauguration of the first LANDBANK Mobile Branch on July 21, 2021. During the event held in Pampanga, the customers were the first batch of City Social Welfare Development beneficiaries under the support programs of the San Fernando City Local Government Unit. After the inauguration, the Mobile Branch unit is headed to Mindanao, its intended station, to reach and serve its target clients.

of loan applications and credit card applications, among others. The 71 Branch-Lite Units include six Branch-Lites, 46 LANDBANK Easy Access Facilities (LEAFs), six Telling Booths, two Foreign Exchange Booths, nine Agri-hubs, and two Mobile Branches. The six new Branch-Lite units in 2021 were established in Sta. Maria (Ilocos Sur), Rizal (Nueva Ecija), CEZA (Sta. Ana, Cagayan), Candaba (Pampanga), Legazpi (Albay) and Bajada (Davao City).

AGRI-HUB

LANDBANK established Agri-hubs in top palay-producing provinces. Agri-hubs are envisioned as a way for LANDBANK to provide a one-stop-shop facility where branch banking, lending and agrarian functions can be availed under one roof to respond to the banking requirements of customers, particularly the stakeholders in agriculture. In 2021, three Agri-hubs were established in Sta. Maria (Ilocos Sur), Rizal (Nueva Ecija), and Candaba (Pampanga), while the LEAFs in Bago City (Negros Occidental) and Baggao (Cagayan) were converted into Agri-hubs.

MOBILE BRANCH

LANDBANK inaugurated its first two Mobile Branches in 2021. Housed in six-wheeler trucks, the LANDBANK Mobile Branches function as pop-up branches to serve communities with disrupted or limited access to banking services. These include areas affected by calamities and other unexpected events, as well as unbanked and underserved communities. The LANDBANK Mobile Branch can facilitate banking services such as account opening and maintenance, deposit, withdrawal, enrollment in digital banking facilities, and ATM services. It is also designed to assist the National Government during retail and emergency disbursements or payouts, including cash subsidies distribution under the programs of the Department of Social Welfare and Development, and other government agencies. The two Mobile Branches are classified as branch-lite units, with Legazpi and Bajada (Davao) Branches as the mother branches.

2. AUTOMATED TELLER MACHINES (ATM)

The ATM is a cash dispensing machine and electronic banking outlet that allows clients of a financial institution to perform basic financial and non-financial transactions without the need of a bank representative or teller. Its functionalities include cash withdrawal (Card or Cardless), balance inquiry, fund transfer, bills payment, prepaid reload and PIN change.

With the 209 newly installed ATMs in 2021, the Bank's ATM network reached 2,513 units, representing 11% of the total 22,721 ATMs in the Philippine banking industry. These ATMs are strategically located across the country with 408

(16%) in the National Capital Region, 602 (24%) in North and Central Luzon, 477 (19%) in Southern Luzon, 442 (18%) in the Visayas, and 584 (23%) in Mindanao.

The new ATMs were installed in Local Government Units (LGUs) with 119 units, 12 in medical centers / hospitals, and 12 in schools. The Bank also installed 18 offsite ATMs in government agencies like BSP and PhilHealth Central Office, and four units in locations with high foot traffic such as in Victorias Commercial Center and Naga Integrated Bus Terminal. Meanwhile, the other 44 ATMs were installed in various LANDBANK Branches. Also, 308 old and worn-out ATMs were replaced with new models.

The Bank's aggressive ATM deployment program in support of its commitment to provide banking convenience to its cardholders totaling 25.05 million as of year-end 2021 enabled LANDBANK to become the second largest bank in terms of ATM network in the country. This translates to a 7% growth in the Bank's ATM footprint. The Bank was also able to penetrate and install ATM units in each of the 96 unbanked municipalities out of the total 508 based on BSP data.



3. MOBILE ATMs

The Mobile ATM is an offsite ATM mounted to a customized transport vehicle that can be relocated from one place to another. The deployment and use of the Mobile ATM aims to provide convenient cash banking services to the Department of Social Welfare and Development (DSWD) - Conditional Cash Transfer (CCT) Program beneficiaries and augment the existing onsite and offsite ATM services of the Bank.

In 2021, LANDBANK maintained nine Mobile ATMs which provided convenient cash banking services for withdrawal transactions of depositors in various areas, especially for DSWD CCT and Social Amelioration Program (SAP) beneficiaries, pensioners, LGU employees and frontliners for their payroll or salary, government employees of agencies for their loan proceeds, and those in areas affected by calamities.

4. CASH DEPOSIT MACHINES (CDMs)

Available in all LANDBANK Easy Access Facilities (LEAFs) and selected branches, Cash Deposit Machines (CDMs) are self-service machines through which customers can do real-time cash deposit transactions.

LANDBANK takes credit for being the first government bank that provided an automated delivery channel for deposit transactions. As of 2021, a total of 222 CDMs have been installed in strategic locations throughout the country: 22 in NCR; 59 in Northern and Central Luzon; 47 in Southern Luzon; 40 in the Visayas; and 54 in Mindanao.

5. POINT OF SALE (POS)

POS Debit/Credit is a complete payment system that allows cardholders to pay for the goods sold and/or services rendered by the merchant. As of end-December 2021, a total of 884 terminals have been installed in over 350 merchants. A total of 1.40 million transactions were processed in the year 2021 amounting to P11.88 billion.

6. AGENT BANKING PROGRAM

To intensify the Bank's efforts in supporting the government's financial inclusion initiatives, the Agent Banking (AB) Program was fully implemented in March 2020.



The AB Program enables the Bank to extend its reach in the unbanked and underserved areas by partnering with eligible institutions to bring selected banking services. The AB Program is operating in the Agent Banking Application which runs in an Android POS terminal that can process Agent Banking (Prepaid) Card Sale with electronic Know-Your-Client, Cash-out from LANDBANK Peso denominated Prepaid Cards or participating BancNet ATM cards, cash-in/top-up, balance inquiry, fund transfer, and bills payment.

Under the PhilSys ID Project, several ABPs are also participating in the Bank's co-location with the Philippine Statistics Authority (PSA) for the account on-boarding of unbanked PhilSys Registrants since Jan. 8, 2021.

A total of 6.87 million transactions were completed as of end-December 2021 including the 3.02 million accounts opened through the PhilSys ID Project, with a transaction amount of P18.98 billion.

As of year-end 2021, there were 1,426 POS terminals deployed at 216 full-suite ABPs and 672 POS Cash-Out only ABPs.

LANDBANK continues to expand its Agent Banking network to further increase its touchpoints and serve the requirements of its institutional partners and priority sectors.

DIGITAL BANKING FACILITIES

Digital Banking

DIGITAL ON-BOARDING SYSTEM (DOBS)

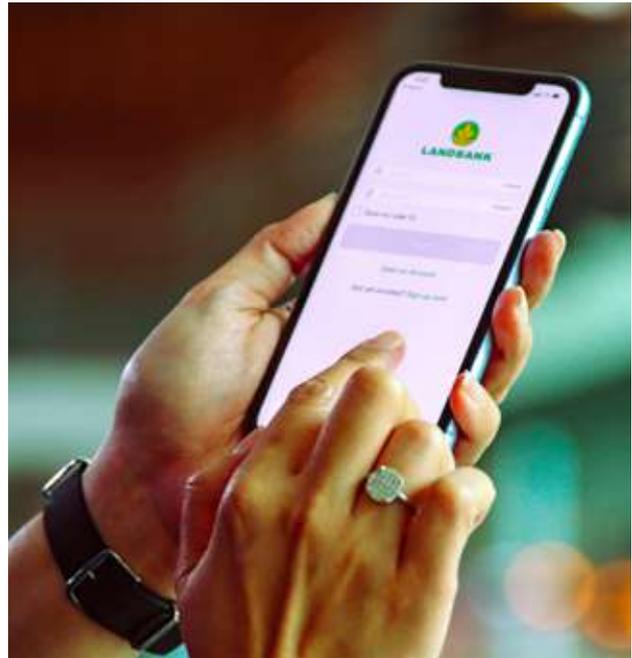
LANDBANK handles account opening of both individual and institutional clients through its existing branch network nationwide. Bank procedures before the launch of the system require interested clients to proceed to their preferred branch to manually fill up account opening forms and submit documentary requirements for validation and processing. Manual accomplishment of the required forms is tedious and prolongs the client's stay in the branch which contributes to the congested branch lobby traffic.

The Digital On-boarding System (DOBS) is an innovation that LANDBANK launched in 2018 in line with its aggressive thrust to enhance operational efficiency and improve client servicing, particularly in branches. The system was also designed to ensure the Bank's compliance with regulatory requirements as it allows immediate capturing and validation of complete customer information and enables easy retrieval of digital records. The system likewise helps to unclog traffic in branches and reduce man hours which translate to cost savings for the Bank.

Among the key features of DOBS are:

- Offers individual and institutional clients a convenient way of accomplishing account enrolment forms;
- Reduces the amount of time needed to complete the account opening process;
- Simplifies the account enrolment process by onboarding client information prior to the branch appointment;
- Ensures immediate capturing and validation of complete account-opening data, in compliance with the regulatory requirements; and
- Enables easy storage and retrieval of digital records.

DOBS is being utilized in 418 Branches and 63 Branch-Lite Units nationwide. To complement the DOBS, Digital Corners were installed in the Branches. A specially set-up laptop was provided in the Digital Corner for the use of LANDBANK customers who wish to open an account or



transact using e-payment portals, such as the LANDBANK Link.BizPortal. To provide customers with a wide array of accessibility, the DOBS was made available through the LANDBANK website (www.landbank.com).

Through the DOBS Public Website, potential and existing customers can apply for an account opening or on-board their details. This hassle-free mode of account application provides our customers the ease of account opening and updating with integration of eKYC Compliance Database and iAccess Auto-enrollment. KYC Compliance Database provides an auto search facility or name check to ensure that all customers on-boarded are not subject to any negative remarks as required by the Guidelines on Customer Acceptance and Identification, Risk Classification, Risk Assessment and Application of Due Diligence. iAccess auto-enrollment allows all eligible accounts to use the digital banking facility of the bank.

The business concerns that the DOBS addresses are the increasing cost of branch operations, the rising number of over-the-counter transactions and the growing number of deposit accounts, especially as LANDBANK is a government depository and caters to a large number of government transactions. While the impact of DOBS will be directly and immediately felt by the branch banking business through reduced operational cost and improved efficiency, the DOBS is also an integral part of the Bank's overall thrust to enhance customer service. In this day and age when customers are more discerning and demanding

than ever, LANDBANK acknowledges the need to provide no less than a “delightful customer experience” and is therefore investing on digital technologies to provide greater convenience and accessibility to clients.

The DOBS is also in line with the Bank’s vision to “promote inclusive growth, especially in the unbanked and underserved areas, through the delivery of innovative financial products and services powered by digital banking platforms.” With the government’s thrust to promote financial inclusion and LANDBANK’s commitment to contribute to this thrust, DOBS will play a big role in making financial services accessible and available to unbanked Filipinos through the Bank’s Branch-Lite units in far-flung areas.

In 2019 and 2020, the DOBS underwent several major innovations and enhancements. The enhancements made are the Updating Facility (Individual/Corporate), Automated Customer Profiling and Risk Rating with Watchlist Database, Corporate Payroll Facility and the DOBS – Data Entry System for PhilSys. The DOBS also served as the base platform in delivering the Overseas Filipino Bank DOBSAI via MBA.

In 2021, the DOBS continued its enhancement to build a more inclusive system for branch operations. Among the major enhancements are the GSIS Account opening, DOBS Mobile (account opening through MBA), DOBS Corporate Payroll Account Opening and enhancements of the DOBS PhilSys-DES that caters to the on-boarding of the Philippine Identification System (PhilSys) Registrants.

While a few of the country’s top universal banks have similar systems in place, none of them offers the full digital account opening service to both individual and client institutions. This makes LANDBANK the first to offer the service to a more extensive range of customers, including government institutions. LANDBANK considered process re-engineering in the use of these technologies, considering the uniqueness of the Bank’s IT infrastructure, geographic locations of its field units, the need to interface various external application systems and leverage existing processes with improvements.

As of Dec. 31, 2021, accounts opened via DOBS totaled 2,100,195 while updating of accounts which started in CY 2019 already reached 601,180.

MOBILE BANKING APPLICATION (MBA)

The LANDBANK Mobile Banking Application (MBA) is one of the Bank’s popular digital banking channels, and provides customers 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, customers can enjoy mobile banking services such as balance and transaction history of deposits, credit card accounts, checkbook request, cardless withdrawal, intra-bank and inter-bank fund transfers, bills payment to over 80 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.

On Nov. 1, 2020, LANDBANK launched the MBA with a new look and feel. Customers can have a more convenient, updated, and upgraded online banking experience. Aside from this, MBA includes Prepaid Card features, such as fund transfer from a LANDBANK Prepaid Card (LPC) to a LANDBANK account and vice versa; and LPC to LPC. Also available are the LANDBANK Credit Card features, wherein, customers can do activation/registration and change of credit card PIN.

As customers shift from using the browser-based internet banking system to an app-based mobile banking platform, more users utilize the LANDBANK MBA. The Bank’s participation in the National Retail Payment System’s Automated Clearing Houses (ACH), namely PESONet and InstaPay, also resulted in the substantial growth in the volume of fund transfers completed through the app.

Overall, monetary transactions in LANDBANK MBA grew by 144% from the 2020 volume of 15.49 million to 37.73 million in 2021. Correspondingly, the value of transactions more than doubled from P85.12 billion in 2020 to P172.39 billion in 2021. On the other hand, non-monetary transactions increased by 17% from 56.44 million in 2020 to 66.09 million in 2021.

LANDBANK LINK.BIZPORTAL

LANDBANK Link.BizPortal is an electronic payment system that allows customers to pay their dues and obligations to government and private institutions. For 2021, Link.BizPortal continued its steady growth in terms of merchants acquired and transactions completed. In 2021, Link.BizPortal processed a total of 3.88 million transactions with a value of P10.43 billion, growing significantly in terms of volume by 83% and value by 31% (2.12 million transactions; P7.95 billion in 2020). This can be attributed to the 8% increase in the total number of new merchants enrolled, from 767 merchants in 2020 to 826 merchants in 2021. Among the top merchants from the National Government are the Philippine National Police (PNP), Bureau of Internal Revenue (BIR), Philippine Overseas Employment Agency (POEA), Professional Regulation Commission (PRC), Philippine Charity Sweepstakes Office NCR (PCSO NCR), Land Transportation Office – NCR (LTO NCR), and the Overseas Workers Welfare Administration (OWWA).

ELECTRONIC TAX PAYMENT SYSTEM (eTPS)

LANDBANK continues to complement the Bureau of Internal Revenue’s Electronic Filing and Payment System (eFPS) through the development and implementation of the e-Tax Payment System (eTPS). This allows customers with enrolled accounts to enjoy paperless tax filing and online payment via the internet. As of Dec. 31, 2021, the transaction value increased by 22% from P80.84 billion in 2020 to P98.97 billion in 2021, covering transaction volumes of 406,561 and 440,380, respectively.

INTERNET BANKING ENHANCEMENTS

LANDBANK’s online banking transactions continue to grow significantly amid the pandemic. Mobility restrictions and strict social distancing protocols pushed digital banking transactions upward as more customers shifted to electronic banking transactions from in-person transactions at the branches.

In line with this, LANDBANK continues to leverage on digital solutions to provide customers with a responsive and safe banking experience under the new normal, thereby helping ensure their safety and well-being.

LANDBANK Link.BizPortal

P10.43 B

Total Value

83%

Increase
in volume of
transacions



3.88 m

Total Transactions



826

Merchants



At the height of the pandemic, LANDBANK lifted the imposition of service fees for electronic fund transfers via InstaPay and PESONet to support the National Government’s efforts in easing the burden of Filipinos during the crisis. As a result, transactions facilitated through the Bank’s six major electronic channels grew by 19% in volume and 46% in amount in 2021.

COLLECTION AND DISBURSEMENT SERVICES FOR THE NATIONAL GOVERNMENT

Support to Government through the distribution of subsidies/grants

LANDBANK, through the Government Programs Support Department (GPSD), remained in the forefront to support the National Government 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, Unconditional Cash Transfer, Rice Farmer Financial Assistance, Financial Subsidy to Rice Farmers, Social Amelioration Program, Cash Subsidy to PUV Operators, Service Contracting Program, Resettlement Action Plan Entitlement Distribution Mechanism, and Fuel Subsidy Program which are targeted 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 (CCT) PROGRAM

The 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 healthy and in school.

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 P123.77 billion in cash grants that benefited 4.4 million CCT beneficiaries in 2021.

Of the total releases in 2021, P122.92 billion in cash grants were distributed to CCT beneficiaries through LANDBANK Cash Cards, intended to support poor households with children aged 18 years old and below.

Through the LANDBANK Cash Cards, beneficiaries receive their government subsidy in a timely, safe, and convenient manner. They can withdraw from LANDBANK 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. UNCONDITIONAL CASH TRANSFER (UCT) PROGRAM

The UCT Program seeks to provide assistance to households and individuals who did not directly benefit from the lowering of personal income tax but are affected by the moderate but temporary increase in prices due to the higher oil and automobile excise, introduction of the sugar-sweetened beverage (SSB) tax and the expansion of the value-added tax (VAT) base under the Tax Reform for Acceleration and Inclusion (TRAIN) Law.

In 2021, a total of P10.852 billion for 2018, 2019 and 2020 was distributed to 3.044 million eligible beneficiaries that include Pantawid Pamilyang Pilipino Program (4Ps), Listahanan and Social Pensioners.

3. RICE FARMER FINANCIAL ASSISTANCE (RFFA) PROGRAM

The RFFA Program provides compensation to small rice farmers for the projected reduction or loss of farm income arising from the tariffication of quantitative import restrictions on rice. The Program covers smallholder rice farmers whose farm sizes range from 0.5 to 2.0 hectares, and implemented in all the regions except for National Capital Region (NCR) and Bangsamoro Administrative Region of Muslim Mindanao (BARMM).

As of end-December 2021, LANDBANK has delivered 86.7% of the program funds or a total of P1.30 billion to 260,192 eligible farmer beneficiaries through their LANDBANK Cash Cards and over-the-counter payments onsite and offsite by LANDBANK Servicing Branches.

4. SOCIAL AMELIORATION PROGRAM (SAP)

In view of the passage of the Republic Act (RA) No. 11469, otherwise known as the “Bayanihan to Heal as One Act of 2020”, DSWD, in partnership with the LTFRB, as an agency under the administrative supervision and control of the DOTr, and LANDBANK, facilitated the distribution of the SAP cash assistance in the most expedient way.

The parties provided the utmost commitment in their respective services for the benefit of the low-income drivers of Public Utility Vehicles (PUVs), namely: Public Utility Jeepneys (PUJs), Public Utility Buses (PUBs), Point-to-Point (P2P) Buses, UV Express, Taxi, Transport Network Vehicle Services (TNVS), School Transport, Tourist Transport and Motorcycle (MC) Taxi which are registered in the Pilot Study currently conducted by the DOTr, whose daily sustenance is solely dependent on the income they derived therefrom.

As of December 2021, the Bank has disbursed a total of P194.03 million to 24,254 beneficiaries with P8,000 cash grant per beneficiary.

5. FINANCIAL SUBSIDY TO RICE FARMERS (FSRF) PROGRAM

The FSRF Program provides cash aid to assist rice farmers who are affected by the Rice Tariffication Law, especially those who plant about or less than a hectare, located in 34 provinces.

As of end-December 2021, LANDBANK has delivered 97.3% of the program funds or a total of P2.68 billion to 536,119 eligible farmer beneficiaries through their LANDBANK Cash Cards and over-the-counter payments onsite and offsite by LANDBANK Servicing Branches.

6. CASH SUBSIDY TO PUV OPERATORS PROGRAM

This program aims to provide relief to the critically impacted transport stakeholders through the distribution of one-time cash assistance to a total of 178,244 eligible PUV Operators to cushion the adverse effect of the COVID-19 pandemic in their operations. The distribution was made through the Pantawid Pasada Program (PPP) fuel cash cards, existing LANDBANK accounts, other bank accounts via PESONet, and over-the-counter payouts by the LANDBANK Servicing Branches.



Total beneficiaries of the cash subsidy program include operators of 120,000 PUJs, 24,374 UV Express units, 21,998 PUBs, 10,188 Filcabs, 1,259 minibuses, and 425 premium Point-to-Point (P2P) buses which have been heavily affected by the suspension in public transportation operations and reduced ridership due to COVID-19 safety protocols.

As of end-December 2021, 82% or 145,667 out of 178,244 target beneficiaries for PUV Operators have already received the P6,500 cash subsidy, while 32% or 4,658 out of 14,610 additional target beneficiaries for Tourist Transport Operators have received the P4,500 cash subsidy.

In 2021, a total of P227.93 million subsidies were distributed to 34,569 eligible beneficiaries.

7. SERVICE CONTRACTING PROGRAM (SCP)

The 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 traveled 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.

On the initial implementation of SCP – Phase I in December 2020 up to August 2021, the program identified eligible beneficiaries namely: drivers of traditional PUJs and individual PUBs; and drivers of modern PUJs and PUBs through their operators who act on its behalf and for and on behalf of the drivers, as service provider. LANDBANK has delivered a total of P1.55 billion to 47,189 PUV operators/ drivers for this program coverage in 2021.

The SCP – Phase I was then extended in 2021 (starting September 2021) and posted a total of P2.72 billion disbursed amount that benefited 83,738 PUV operators/ drivers.

In view of the success of the SCP – Phase I under the RA 11494 (Bayanihan to Recover as One Act), the SCP – Phase II (under the 2021 General Appropriations Act or RA 11518) was implemented, which covers PUV operators, such as, but not limited to PUBs and UV Express, enrolled and participated in the program. SCP – Phase II was able to disburse a total of P2.49 billion in fuel subsidies to 1,441 operators in 2021.

8. FUEL SUBSIDY PROGRAM (FSP)

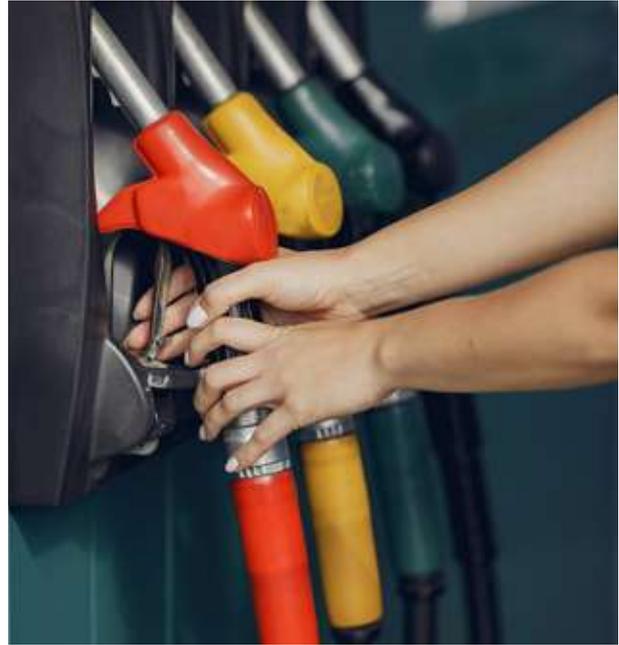
FSP aims to provide fuel subsidy to public transport stakeholders (legitimate PUJs and Filcabs franchise holders) pursuant to TRAIN Law or RA 10963, in support of their operations in view of the impact of the surge in fuel prices.

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

With a Program fund of P1 billion, the Bank facilitated the crediting of a one-time subsidy of P7,200 per unit totalling P980.86 million to Pantawid Pasada Fuel cards powered by LANDBANK that benefited 136,230 eligible PUJs and Filcabs franchise holders nationwide.

9. RICE COMPETITIVENESS ENHANCEMENT FUND – RICE FARMER FINANCIAL ASSISTANCE (RCEF-RFFA) PROGRAM

The 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 implementation of the Rice Tariffication Law (RTL).



LANDBANK will facilitate the crediting of cash grants to the existing LANDBANK cash cards of farmer-beneficiaries, as well as to the Interventions Monitoring Card (IMC) currently being developed in partnership with DA that will serve as both an identification and cash card.

Last November 2021, LANDBANK joined the DA in distributing cash grants worth P5,000 each to palay farmers during the program kick-off of the RCEF-RFFA Program in the province of Nueva Ecija.

In 2021, a total of P131.31 million cash assistance was credited to the existing cash cards of 26,262 farmer-beneficiaries of the program.

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

10. 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 Japan International Cooperation Agency (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 2021, a total of P136.39 million cash entitlements was released to 51 PAPs.



P 136.39 M
Cash Entitlements
released to PAPs

OVERSEAS REMITTANCE

The year 2021 has seen a positive outlook for cross-border remittances as the world tries to recover from the challenging pandemic. Eased lockdowns, gradual opening of borders and continued efforts to curb the virus that eventually led to resumption of businesses and reopening of job opportunities, have helped the remittance industry to bounce back from the previous year.

As of end-December 2021, the Bank was able to attain a total of USD 2.69 billion in inward remittances, a significant increase compared to USD 1.66 billion in 2020. Overall, the remittance volume increased by 62.27% compared to the previous year. These remittances were sourced from the Bank's foreign correspondent/depository banks and remittance partners in the Asia-Pacific, Middle East, USA, Canada and Europe.

The Bank continued to adapt to the call for enhanced digital presence to surmount the physical divide. Accounts opened for the year include all accounts digitally on-boarded which are the product of the continuous webinars and social media campaigns. As a result, the inflow of funds continued and the Bank maintained an Average Daily Balance (ADB) of P4.3 billion from the low-cost deposits of Overseas Filipinos and OFW beneficiaries.

LANDBANK continued to pursue additional touch-points for remitters and has renewed the Service Level Agreement with Overseas Filipino Bank (OFBank) to continue to provide assistance in the digital on-boarding of overseas Filipinos and beneficiaries, as well as introducing them to simple investments such as the Retail Treasury Bonds.

With overseas deployment expected to improve in 2022, LANDBANK intends to continue handholding with overseas remittance partners to ensure the continuous flow of funds to the Philippines for household expenses, payments, savings and investments.



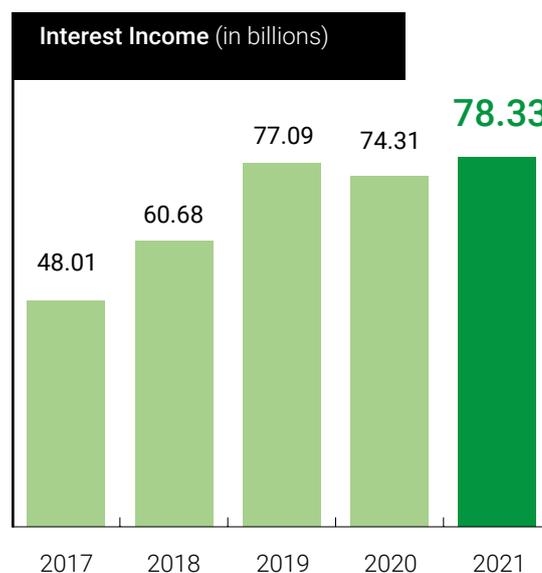
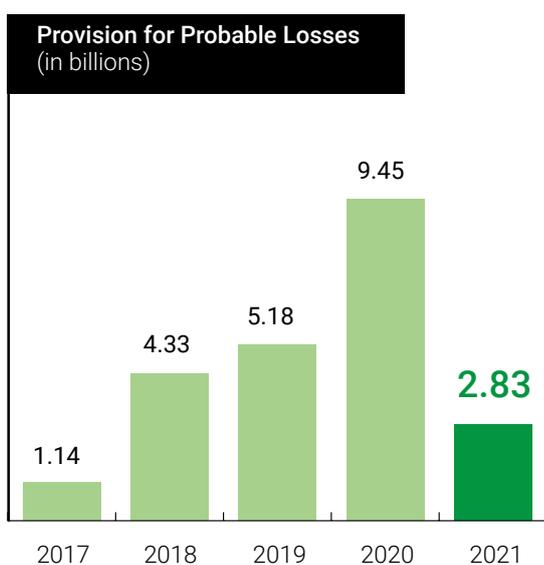
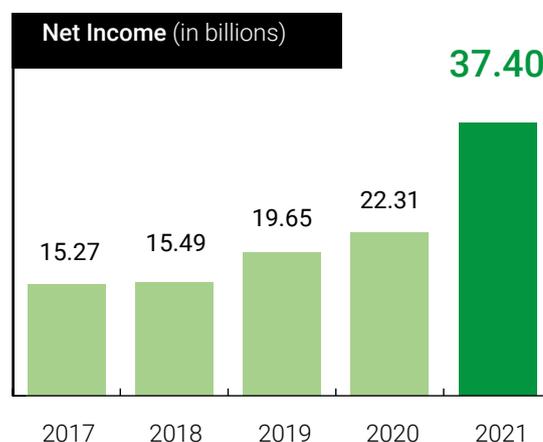
Financial Highlights (Group)

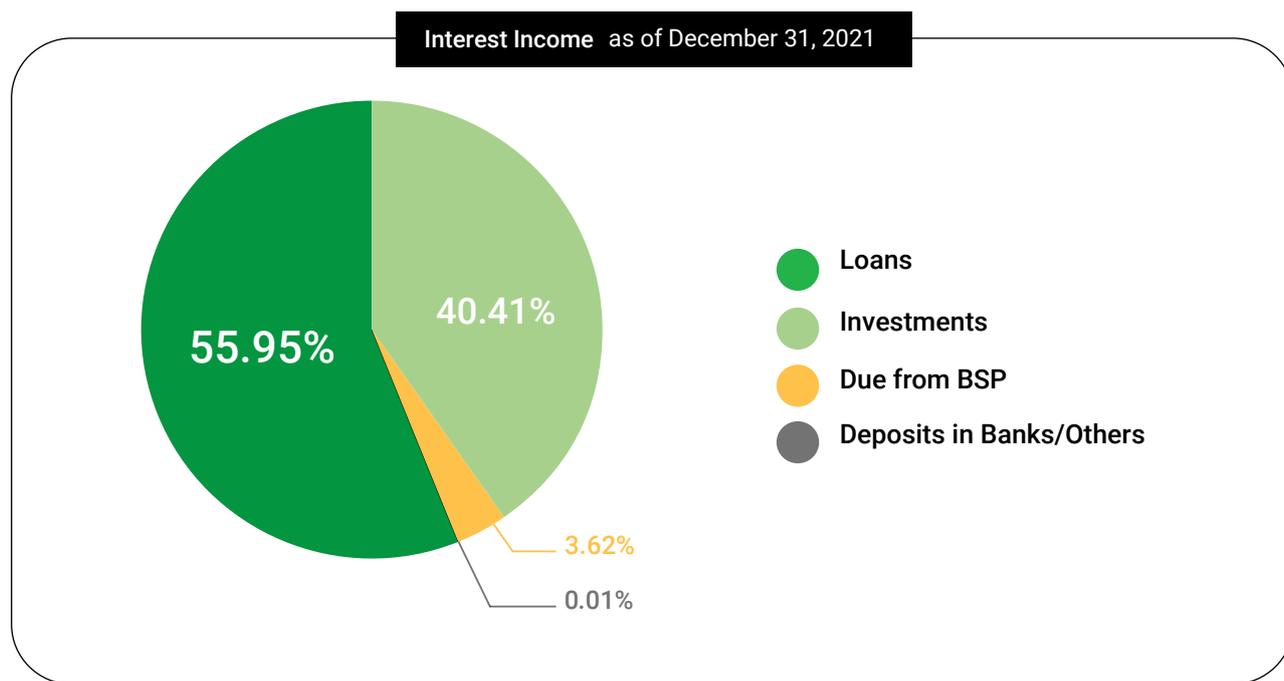
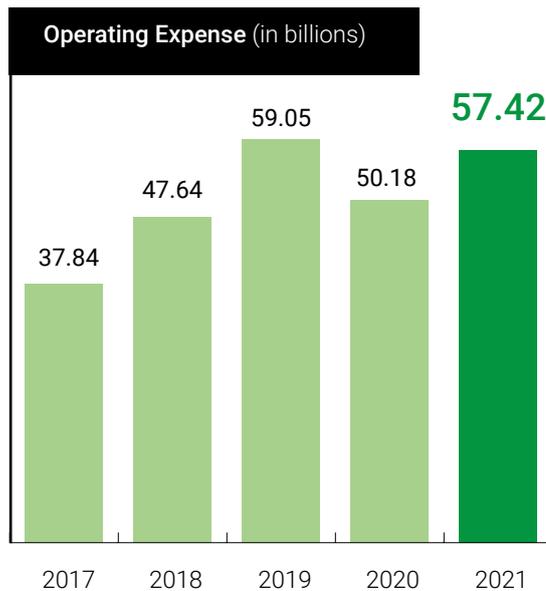
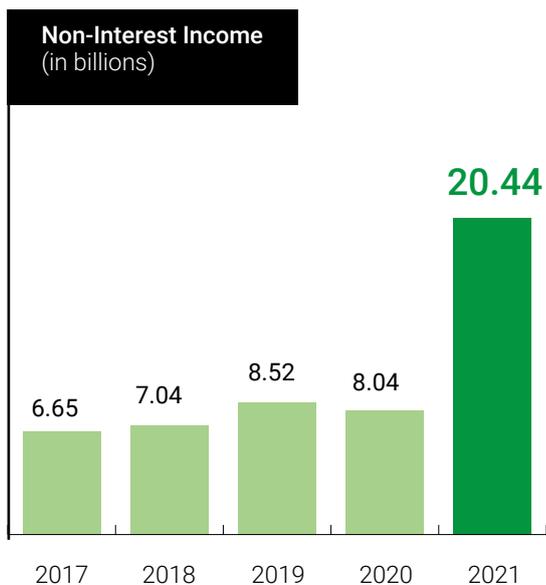


Results of Operation

LANDBANK continued to play a significant role in providing the financing requirements of businesses affected by COVID-19 in 2021, while supporting its mandated and priority sector clients. In addition, the Bank ensured uninterrupted delivery of quality banking products and services to its clients and other stakeholders.

In 2021, the Bank attained a record net income of P37.40 billion, which is among the highest in the banking industry. Despite the prolonged impact of the pandemic, net income increased by 67.64% from P22.31 billion in 2020 due to the significant gain in non-interest income, effective management of expenses including cost of funds, and major reduction in provision for probable losses.





Income from loans amounting to P43.83 billion accounted for the biggest share in interest income at 55.95%, followed by income from investments amounting to P31.65 billion at 40.41%. Interest income therefore improved by P4.02 billion or 5.41% from the previous year despite the affordable interest rates given to selected borrowers in support of the Bayanihan Law. Higher interest income, combined with the decrease in cost of funds led to the improvement of the net interest income by P6.46 billion or 10.91%. Operating expenses increased by 14.43% to reach P57.42 billion, mainly due to the documentary stamp tax incurred from the issuance of stock certificate to the National Government and purchase of the UCPB preferred shares from PDIC.

Financial Summary/Financial Highlights (in P millions)

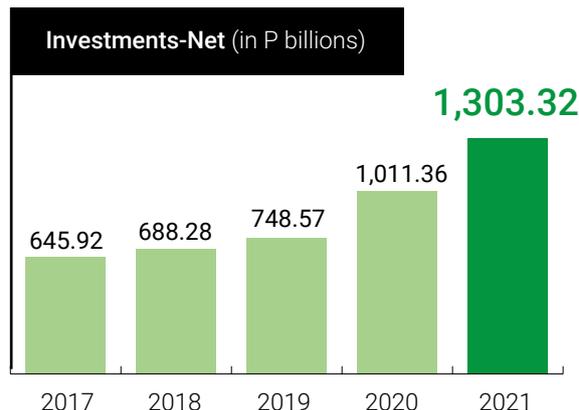
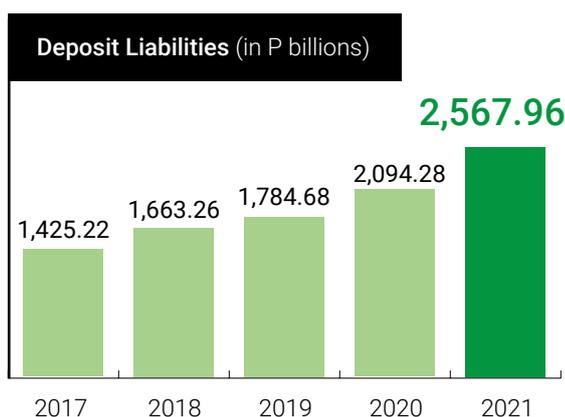
Minimum Required Data	Group ¹		Parent	
	2021	2020 As Restated	2021	2020 As Restated
Profitability				
Total Net Interest Income	65,677.55	59,215.90	62,189.99	58,923.28
Total Non Interest Income	20,441.29	8,039.65	7,156.89	7,024.48
Total Non Interest Expenses	44,764.63	35,080.22	41,158.82	34,550.95
Pre-provision Profit	41,354.21	32,175.33	28,188.06	31,396.81
Provision for Credit/Impairment Losses/Income Tax	3,958.26	9,865.77	3,231.31	8,595.53
Net Income	37,395.95	22,309.56	24,956.75	22,801.28
Selected Balance Sheet Data				
Liquid Assets	1,830,500.43	1,487,122.21	1,664,063.74	1,485,468.10
Gross Loans	1,074,132.12	861,802.38	907,692.18	859,339.09
Total Assets	2,934,311.58	2,369,325.20	2,593,799.80	2,364,315.16
Deposits	2,567,955.48	2,094,280.11	2,268,420.28	2,094,645.21
Total Equity	236,550.10	179,073.78	219,610.42	176,027.13
Selected Ratios				
Return on Equity (ROE)	18.00%	13.46%	12.62%	14.04%
Return on Assets (ROA)	1.41%	1.01%	1.01%	1.04%
CET 1 capital ratio	15.81%	15.36%	17.25%	15.17%
Tier 1 capital ratio	15.81%	15.36%	17.25%	15.17%
Capital Adequacy Ratio	16.70%	16.24%	18.13%	16.05%
BASEL III Leverage Ratio	6.38%	6.02%	6.75%	5.94%
Per common share data				
Net Income per share:				
Basic				
Diluted				
Book value				
Others				
Cash dividends declared			-	-
Headcount			9,791	9,681
Officers			1,390	1,282
Staff			8,401	8,399

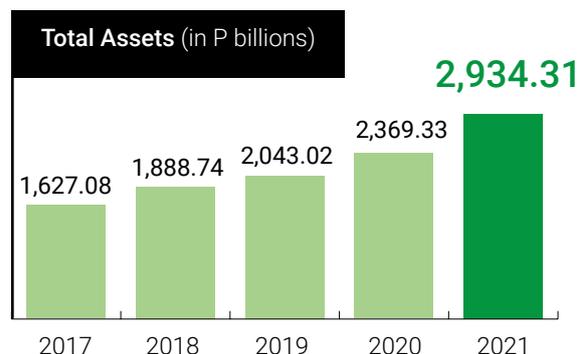
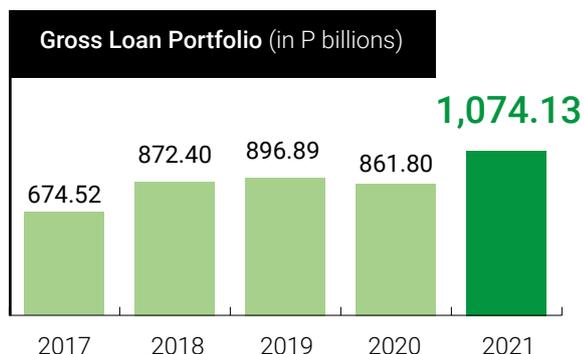
¹ Consolidated Amount of Parent and Subsidiaries

Financial Condition

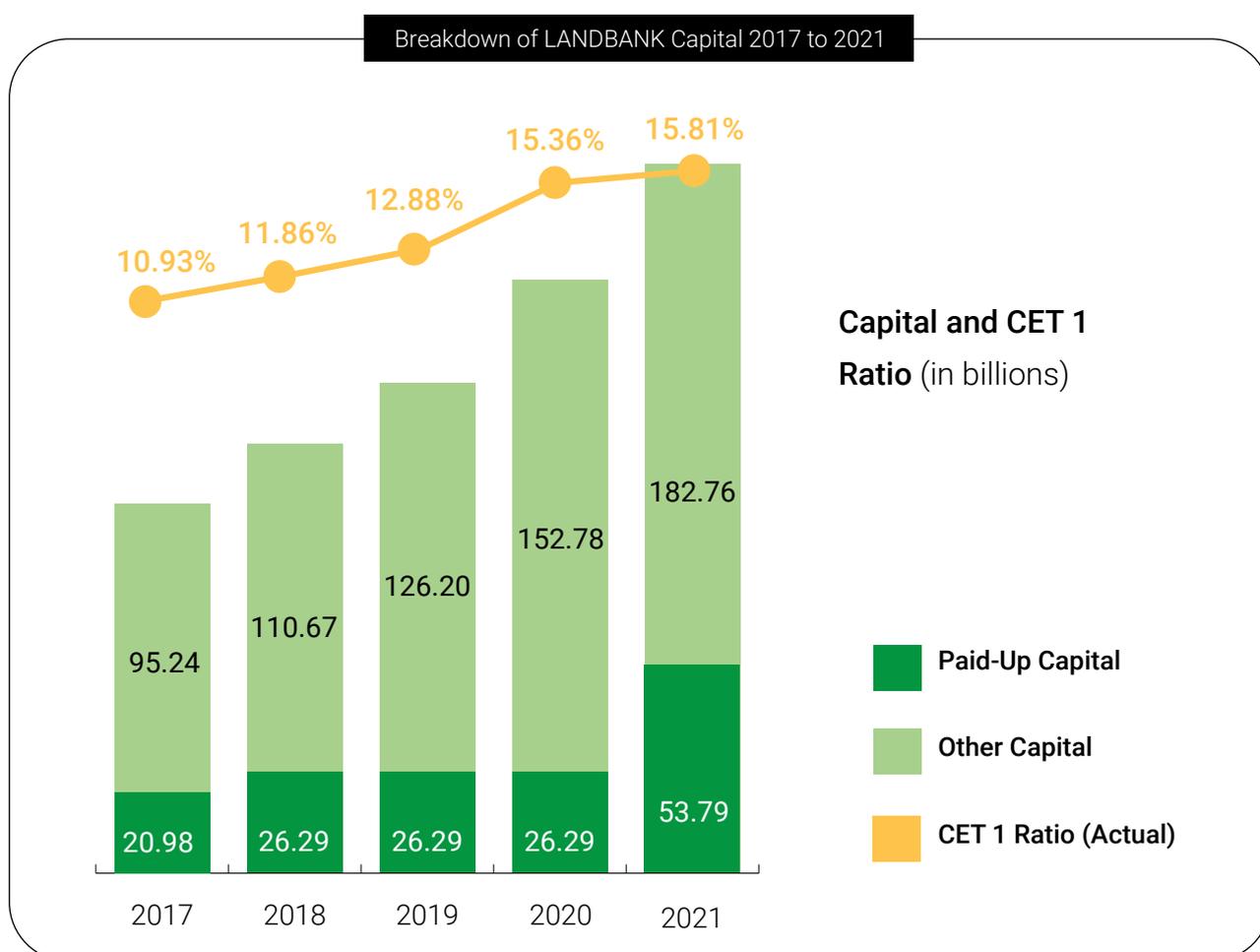
LANDBANK remains to be one of the Philippines' biggest banks and retained its position as the second largest bank in terms of deposits and assets, and fourth in terms of loans and capital as of end-December 2021.

The Bank's total assets grew by 23.85% to its highest of P2,934.31 billion in 2021 from the P2,369.33 billion in 2020. Gross loan portfolio has recovered and increased to P1,074.13 billion in 2021, to reverse the decline in 2020 due to weak economic conditions caused by the pandemic. Investment portfolio expanded to P1,303.32 billion or 28.87% higher than the previous year, which combined with the loan portfolio translates to 81.02% of total assets in 2021.





Capital and Capital Ratios



LANDBANK's total capital sustained its upward trend and improved to P236.55 billion in 2021 or 32.10% higher than P179.07 billion in 2020. The paid-up capital likewise grew to P53.79 billion in 2021 from P26.29 billion in 2020. The P27.50 billion increase was due to the equity infusion received from the National Government (NG) in February 2021, to support the loan program for beneficiaries affected by the COVID-19 pandemic pursuant to Republic Act (RA) No. 11494 or Bayanihan to Recover As One Act.

Due to the unwavering government support on the Bank's capitalization, the CET 1 ratio remained consistently above the regulatory requirement and sustained its upward trend from 10.93% in 2017 to reach 15.81% in 2021.

Dividend Policy

Similar to other Government Financial Institutions (GFIs), LANDBANK is required by law to remit cash dividends to the National Government annually. Over the years therefore, the Bank has remitted a significant amount of its capital as cash dividends to the government. However, to ensure a strong capital and compliance with regulatory capital requirements, the Bank requests for dividend relief or adjustment of dividend rates. The Bank was granted dividend relief for its 2018 and 2019 net income and has a pending request for dividend relief for its 2020 and 2021 net income.

Consistent with Basel III and BSP requirements, contained in the 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 2021 and 2020 (except for the ratios, all amounts in Million Pesos).

Description	GROUP ¹		PARENT	
	December 2021	December 2020	December 2021	December 2020
Tier 1 Capital				
Common Equity Tier (CET) 1 Capital				
- Paid-up Common Stock	53,790.78	26,290.78	53,790.78	26,290.78
- Retained Earnings	121,792.44	105,581.49	121,792.44	105,581.49
- Undivided Profits	31,484.76	18,154.64	21,748.09	17,138.36
- Other Comprehensive Income	6,699.81	14,204.52	6,699.81	14,204.52
- Minority interest in subsidiary banks which are less than wholly owned	1,692.37	-	-	-
Sub-Total - Tier 1 Capital	215,460.16	164,231.43	204,031.12	163,215.15
Regulatory Adjustments to CET 1 Capital				
a. Unsecured DOSRI Loans	64.09	15.66	7.40	15.66
b. Total outstanding unsecured loans, other credit accommodations and guarantees granted to subsidiaries	184.26	-	-	-
c. Deferred Income Tax	4,425.25	628.14	441.26	441.26
d. Other Intangible Assets	1,613.69	1,131.89	1,188.76	1,124.73
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)	-	-	6,100.57	1,801.54

¹Consolidated Amount of Parent and Subsidiaries

Description	GROUP ¹		PARENT	
	December 2021	December 2020	December 2021	December 2020
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)	1,548.60	1,187.73	1,198.74	1,113.41
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)	-	1,249.32	-	1,064.05
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)	1,002.64	374.88	997.01	321.32
i. Other equity investments in non-financial allied undertakings and non-allied undertakings	16,293.80	15,226.58	15,899.38	15,207.00
Total	25,132.33	19,814.20	25,833.12	21,088.97
Net CET 1 Capital	190,327.83	144,417.23	178,198.00	142,126.18
Additional Tier 1 Capital	-	-	-	-
Total Tier 1 Capital	190,327.83	144,417.23	178,198.00	142,126.18
Tier 2 Capital				
- General Loan Loss Provision	10,764.74	8,284.73	9,081.79	8,263.72
Total Tier 2 Capital	10,764.74	8,284.73	9,081.79	8,263.72
Total Qualifying Capital	201,092.57	152,701.96	187,279.79	150,389.90

¹Consolidated Amount of Parent and Subsidiaries

The Bank's total CET 1 and qualifying capitals improved in 2021 due to the P27.5 billion capital infusion from the government, increase in retained earnings, and higher net income.

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

Account Description	GROUP ¹					
	2021			2020 As Restated		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Paid-up common stock	53,790.78	-	53,790.78	26,290.78		26,290.78
Paid-in Surplus		101.10	101.10		101.10	101.10
Retained earnings	121,792.44	14,714.93	136,507.37	105,581.49	8,685.72	114,267.22
Revaluation Increment		61.20	61.20		61.20	61.20
Undivided profits	31,484.76	5,911.19	37,395.95	18,154.65	4,154.92	22,309.56
Other Comprehensive Income						
Net unrealized gains or losses on AFS securities	6,647.69	(44.78)	6,602.91	14,226.82	1,930.15	16,156.97
Remeasurement of retirement benefit obligation		(9.56)	(9.56)		(12.92)	(12.92)
Currency Translation Difference and Others	52.12	47.80	99.92	(22.30)	(77.83)	(100.13)
Minority interest in subsidiary banks which are less than wholly owned	1,692.37	308.06	2,000.43			
Deductions	(25,132.33)	25,132.33	-	(19,814.21)	19,814.21	
Tier 1 (CET 1) Capital/ Total equity	190,327.83	46,222.27	236,550.10	144,417.23	34,656.55	179,073.78
Tier 2 Capital	10,764.74	(10,764.74)	-	8,284.73	(8,284.73)	-
Total Qualifying Capital/ Total equity	201,092.57	35,457.53	236,550.10	152,701.96	26,371.82	179,073.78

¹Consolidated Amount of Parent and Subsidiaries

Account Description	PARENT					
	2021			2020 As Restated		
	Regulatory Capital	Reconciling Items	Audited Financial Statements	Regulatory Capital	Reconciling Items	Audited Financial Statements
Paid-up common stock	53,790.78	-	53,790.78	26,290.78		26,290.78
Paid-in Surplus		101.10	101.10		101.10	101.10
Retained earnings	121,792.44	11,809.17	133,601.61	105,581.49	5,251.06	110,832.55
Undivided profits	21,748.09	3,208.66	24,956.75	17,138.36	5,662.92	22,801.28
Other Comprehensive Income						
Net unrealized gains or losses on AFS securities	6,647.69	411.34	7,059.03	14,226.83	1,874.73	16,101.55
Currency Translation Difference and Others	52.12	49.03	101.15	(22.30)	(77.83)	(100.13)
Deductions	(25,833.12)	25,833.12	-	(21,088.97)	21,088.97	-
Tier 1 (CET 1) Capital/Total equity	178,198.00	41,412.42	219,610.42	142,126.18	33,900.95	176,027.13
Tier 2 Capital	9,081.79	(9,081.79)	-	8,263.72	(8,263.72)	-
Total Qualifying Capital/ Total equity	187,279.79	32,330.63	219,610.42	150,389.90	25,637.23	176,027.13

Detailed breakdown of comparative 2021 and 2020 risk-weighted assets (RWA) are shown in the table below.

	GROUP		PARENT	
	December 2021	December 2020	December 2021	December 2020
Risk-Weighted Assets				
Credit Risk-Weighted Assets				
RW On-Balance Sheet Assets	1,002,605.79	783,398.01	837,718.96	781,886.08
RW Off-Balance Sheet Assets	73,511.38	44,168.44	70,103.62	43,579.32
Counterparty RW Assets in the Banking Books	-	580.95	-	580.95
Counterparty RW Assets in the Trading Books	356.72	325.26	356.72	325.26
	1,076,473.89	828,472.66	908,179.30	826,371.61
Less: Gen. Loan Loss Provision (in excess of the amount permitted in Tier 1 Capital)	601.59	2,189.89	1,001.28	2,018.51
Total Credit Risk-Weighted Assets	1,075,872.30	826,282.77	907,178.02	824,353.10
Market Risk-Weighted Assets				
Interest Rate Exposure	3,262.12	1,106.55	3,289.35	1,106.55
Equity Exposure	113.59	297.14	-	297.14
Foreign Exchange Exposure	2,230.32	2,026.70	2,159.66	2,026.70
Options	10,349.34	11,950.11	10,349.34	11,950.11
Total Market Risk-Weighted Assets	15,955.37	15,380.50	15,798.35	15,380.50
Total Operational Risk-Weighted Assets	112,130.26	98,377.84	109,969.00	97,189.39
Total Risk-Weighted Assets	1,203,957.93	940,041.11	1,032,945.37	936,922.99

There is a significant 28.08% rise in total RWA from P940.04 billion in 2020 to P1,203.96 billion in 2021, due to considerable increases in credit and operational RWAs. Total qualifying capital actually increased faster than the RWA or by 31.69% to P201.09 billion in 2021 from P152.70 billion the previous year. This faster increase in qualifying capital than RWA resulted in

	GROUP		PARENT	
	December 2021	December 2020	December 2021	December 2020
CET 1 Ratio	15.81%	15.36%	17.25%	15.17%
Capital Conservation Buffer	9.81%	9.36%	11.25%	9.17%
Tier 1 Capital Ratio	15.81%	15.36%	17.25%	15.17%
Risk-Based Capital Adequacy Ratio (CAR)	16.70%	16.24%	18.13%	16.05%

LANDBANK's Capital Adequacy Ratio for the Group likewise improved to 16.70% in 2021 from 16.24% in 2020, which is comfortably above the BSP requirement. The Group has lower capital ratios compared to the Parent in 2021 due to the disproportionate increase in RWA from the recognition of UCPB as a subsidiary. The Bank's Capital Conservation Buffer can sufficiently cover for the 2.5% (maximum) countercyclical capital buffer as may be required.

16.70% 2021 Capital Adequacy Ratio

Financial Results of Business Segments

Operating segments are reported according to the nature and type of services provided with a segment representing a strategic business unit.

LANDBANK's business segments are as follows:



Retail Banking

This segment principally provides and offers a wide range of financial products and services to individual customers. Products and services include individual deposit products, payment remittances, foreign exchange transactions, loans to small farmers and fishers (SFF), agrarian reform beneficiaries (ARBs), consumer loans as well as unit investment trust funds (UITFs), among others.



Corporate Banking

This segment principally handles loans and other credit facilities for corporate, small and medium enterprises and institutional customers such as Rural Financial Institutions (RFIs) and Cooperatives as conduits to SFFs and ARBs, and LGUs and GOCCs.



Treasury and Investment Banking

This segment principally provides money market, trading and treasury services as well as the management of LANDBANK's funding operations by use of treasury bills, government securities and placements and acceptances with other banks, through treasury and wholesale/corporate banking.



Others

Consists of LANDBANK's other sectors, and various support units.

Summary of Financial Performance of the Business Segments

Corporate Banking and Treasury and Investment Banking continue to generate the significant majority or more than 90% of the Bank's revenues. Retail Banking also made an impressive performance by sustaining a higher revenue contribution which grew by 24%.

Overall, the Bank's total revenue has a minimal increase as the higher income from treasury and retail banking were partially negated by the decline in income from corporates mainly due to the low interest rate regime at the time.

Contribution of Business Segments, Significant Developments and Future Plans and Targets

Corporate Banking

The Corporate Banking Group (CBG) caters to corporate clients based in Metro Manila. It is comprised of the Corporate Banking Department I (CBD I), the Corporate Banking Department II (CBD II), with both departments handling large corporations; the Public Sector Department (PSD), in charge of government accounts; the Financial Institutions Department (FID) which handles financial institutions and rural banks; and the Microfinance Institutions Department (MFID), which focuses on lending to cooperatives and MFIs within the National Capital Region.

CBG's total outstanding loans stood at P453.697 billion accounting for 54.86% of the total ADLS loans, of which P444.354 billion are loans to the Priority Sector. Further, CBG extended a total of P74.189 billion and P370.165 billion worth of loans for projects Supporting Agriculture and Fisheries and Loans Supporting Government Projects, respectively. By the end of 2021, the Group's Gross Income reached P18.620 billion.



With the onslaught of the pandemic that adversely affected many businesses in the country, CBG remained steadfast in providing financial support and considerable assistance to its customers through deferment of dues and provision of specialized credit facilities that bridged financial gaps in the clients' businesses.

The foundation for these efforts hinged on CBG's stability and capability to expand its reach even to the unbanked areas via extensive and intensified marketing, partnerships with other government agencies, loan syndications with other banks and improved business processes, while effectively managing its risks.

The Group will continue to strongly align its plans with the Bank's strategic direction by serving its clients efficiently for them to continuously thrive and achieve sustainable recovery and growth during and beyond the crisis.

Retail and Mid-market Lending

The Retail and Mid-Market Lending Group (RMLG) handles the overall administration, monitoring, supervision and management of housing and mortgage loans, Sales Contract Receivables (SCR), Small, Medium and Middle-Sized Enterprises (SMMEs) accounts including OFW Reintegration program loans in the National Capital Region (NCR), and oversees four departments specifically: (1) Small and Medium Enterprises – Mid-Market Lending Department I (SME-MLD I), (2) Small and Medium Enterprises – Mid-Market Lending Department II (SME-MLD II), (3) Mortgage Banking Department I (MBD I), and (4) Mortgage Banking Department II (MBD II).

SME-MLD I oversees MSME accounts located in the northern part of Metro Manila, while SME-MLD II handles accounts in the southern part of Metro Manila. Both departments manage accounts with asset size up to P1 billion (net of land).

MBD I is responsible for the administration, monitoring and management of housing and mortgage loan accounts of clients in the north of the NCR, while MBD II covers clients in the south of the NCR.

RMLG assisted 128 micro, small, and medium enterprises (MSMEs), 209 other business entities contributing to the economy, and 2,061 individuals with dreams of owning their homes, 34% of whom are Overseas Filipino Workers. The total loan portfolio during the year amounted to P15.93 billion.

In 2021, RMLG generated a gross income of P1.01 billion and posted a past due ratio and non-performing loan ratio of 4.63% and 8.50%, respectively.

For 2022, the Group aims to:

1. Increase its loan portfolio while maintaining asset quality amidst the COVID-19 pandemic; and
2. Broaden reach to MSMEs and target 200 new SMEs, as well as assist more individuals in owning their dream houses.

Treasury and Investment Banking Sector

The global economy gradually recovered in 2021, backed by significant improvement in COVID-19 vaccination rates, which allowed economies worldwide to slowly ease their lockdown restrictions. The reopening of world economies pushed global growth to 6.1% in 2021 from a 3.1% contraction in 2020. Similarly, the Philippine economy also rebounded, growing by 5.7% in 2021 from a 9.5% plunge in the prior period at the height of the pandemic.

Emerging from the strict lockdowns in 2020, which froze domestic economic activity, the Bangko Sentral ng Pilipinas (BSP) adopted a very accommodative monetary policy stance, along with other central banks abroad, including the US Federal Reserve and the European Central Bank. Amid lingering risks posed by new COVID-19 variants, the local stock index moved sideways in 2021, finishing the year almost flat at 7,123. The dollar, meanwhile, gained during the year by almost three pesos, ending at 50.99. Likewise, the 10-year GS, ROP and US Treasury yields showed an annual increase of 183 bps, 35 bps, and 57 bps, respectively. The year ended with investors expecting a normalization in global monetary policy settings starting 2022.

Investments and Trading

The Bank's investment portfolio grew by 22% from P922.11 billion in 2020 to P1,129.41 billion in 2021 as the market was awash with liquidity coupled with low loan demand arising from business disruptions brought about by the localized lockdowns.

Income from investments expanded by 3.10% from P31.27 billion in 2020 to P32.24 billion in 2021.

The Bank also continued to be a major player in the Bureau of the Treasury's fund-raising efforts especially during the pandemic, including the various Retail Treasury Bonds issuances and the maiden issue of the Retail Onshore Dollar Bonds. In addition, LANDBANK consistently maintained our position as a market maker ranking among the top five Government Securities Eligible Dealer.

Investment Banking and Capital Markets

The Investment Banking Group (IBG) continued to provide investment banking services for government and private entities. These include projects in securitization, enterprise valuation, business rehabilitation, corporate note issuance, and those promoting financial inclusion.

In support of the government's fund raising, LANDBANK acted as the Lead Issue Manager for the BTr's 25th Tranche of the 5-year Retail Treasury Bonds (RTBs) with an exchange offer issued in March 2021. It raised P463 billion for the National Government, the second largest domestic offering in history. LANDBANK also acted as Lead Issue Manager for BTr's inaugural 5-year and 10-year Retail Onshore Dollar Bonds (RDBs) in October 2021 where the BTr raised a total of USD 1.590 billion.

In December 2021, LANDBANK acted as Lead Issue Manager for the BTr's RTB 26, which raised P360 billion for the government. RTB 25, RTB 26, and RDBs offerings were met with strong market demand, most especially from the individuals and retail investing public, as sales were made accessible online through the BTr Online Ordering platform (developed by LANDBANK) and Mobile Banking Applications of both LANDBANK and OFBank.

The Bank also acted as the Sole Arranger and Underwriter for the National Home Mortgage Finance Corporation's BALAI Bonds 2 Issuance.

For private corporate deals, LANDBANK acted as the Mandated Lead Arranger for the Syndicated Term Loan Facility of Cebu Air Inc. (Cebu Pacific) and as Co-Lead Underwriter for the P18 billion Fixed Rate Bonds Offering of Petron Corporation.

LANDBANK was also recognized as among the Top 5 Corporate Issue Managers/Arrangers under the Bank Category in the 17th Philippine Dealing System Annual Awards Night for its strong contribution to the growth and stability of local financial markets.

Treasury Brokering and Marketing Unit

LANDBANK served as one of the selling agents for the BTr's RTB Tranche 25, RTB Tranche 26 and Retail Dollar Bond issuances.

It was also a selling agent for the major corporate issuances of various private companies – San Miguel Corporation, SM Prime Holdings, Ayala Corporation, Aboitiz Power Corporation, Petron Corporation, among others.



LANDBANK
consistently
maintained its position
as a market maker
ranking among the
top five Government
Securities Eligible
Dealer

Sustainability



LANDBANK Sustainability

LANDBANK fully commits to its expanded role in assisting various sectors of the economy and providing aid in the country's collective recovery despite the challenges brought by the pandemic.

It strengthens its strategies to ensure the delivery of uninterrupted, secured, and accessible banking services to its clients and stakeholders, as well as to fulfill its role as a vital partner of the National Government in advancing its inclusive development agenda.

LANDBANK adapted to the new normal and embraced hybrid work schedules, virtual seminars, and online internal communications, among others.

Awards and recognitions were conferred to the Bank for its various initiatives that affirm LANDBANK's pledge to provide innovative products and services which enable the institution to achieve its commitment to sustainable development and environmental protection.

Among the notable awards, the Bank was named as a Circle of Excellence awardee for innovation and sustainable

finance at the 12th Asia CEO Awards, receiving the Most Sustainable Company of the Year award for promoting environmentally sustainable programs to address climate-related issues, and for integrating sustainable finance in all aspects of the Bank's operations. The Department of Environment and Natural Resources also presented the Bank with the first-ever Gawad Kamagong award for its unwavering support of environmental advocacy through long-term volunteer work.

LANDBANK was also recognized by LinkedIn in 2021 as one of the top Philippine Companies with great cultures, putting its employees first, and providing opportunities for growth.

Through the years, the Bank has grown into one of the leading universal banks in the country while remaining true to its social mandate of promoting inclusive and sustainable development.

LANDBANK Sustainable Finance

Marching towards sustainability

LANDBANK has been acknowledged by the Bangko Sentral ng Pilipinas (BSP) as one of the first mover banks in promoting sustainable finance in the Philippine banking industry.

The Bank has put in place policies, programs, support structures and other initiatives, which highlighted the importance and relevance of sustainable finance in its

lending activities and overall operations. Since 2004, the Bank has established guidelines on the Environmental and Social Safeguards Policy in Credit Delivery. This was enhanced in 2020 to expand its environmental due diligence system covering the identification, assessment, mitigation and monitoring of environmental and social risks as well as impacts, aspects, and environmental and social benefits of the Bank-assisted projects.

LANDBANK has also institutionalized a bank-wide Environment Management System (EMS) in 2004 and became ISO 14001-certified in 2005. As of December 2021, the LANDBANK Head Office and 70 branches are already ISO 14001: 2015-certified. Through the years, the Bank has been vigorously implementing relevant lending programs dedicated to green and impactful social financing projects. LANDBANK has also used the Global Reporting Initiatives (GRI) Reporting Framework for its voluntary reporting journey since 2009, ensuring that the Bank's economic, social, and environmental performance are aligned with the GRI Standards and the Bank's sustainability principles.

LANDBANK is guided by an enabling policy created by the BSP through the issuance of BSP Circular No. 1085 on the Sustainable Finance Framework dated April 29, 2020. Cognizant of the crucial role of financial institutions in promoting environmentally and socially responsible business decisions amid the significant impacts of climate change and other environmental and social risks in banking operations, the BSP required all banks to "embed sustainability principles and environmental and social governance (ESG) in the corporate strategies and directions, corporate governance and risk management frameworks consistent with their size, risk profile and complexity of operations".

LANDBANK's Project Working Team

The Bank initiated the creation of a Project Working Team (PWT) to craft the Bank's Transition Plan on the Sustainable Finance Framework required by the BSP and perform oversight functions for its implementation by various Bank Units. The PWT, composed of different units of the Bank, handled the preparation and submission of the LANDBANK Board-approved Transition Plan to the BSP. It contained

the strategies and policies with specific and measurable action plans and corresponding timelines for the next three years to fully comply with the BSP Circular 1085 until May 16, 2023. The Management Committee and the LANDBANK Board approved the Transition Plan of the Bank on Nov. 5 and 11, 2020, respectively. Upon the request of the BSP, LANDBANK submitted its Board-approved Transition Plan on June 8, 2021.

Team Lead	Strategy and Knowledge Management Group (SKMG)	
Co-Lead	Environmental Program Management Department (EPMD)	
Members	Alternate Members	
	Compliance Management Group (CMG)	Regulatory Compliance Department (RCD)
	Investment Banking Group (IBG)	Representative, IBG
	Human Resource Management Group (HRMG)	Employee Relations Department (ERD)
	Risk Management Group (RMG)	Enterprise Risk Management Office (ERMO)
	Facilities and Procurement Services Group (FPSG)	Facilities Management Department (FMD)
	Operational Risk Management Department (ORMD)	Representative, ORMD
	Corporate Affairs Group (CAG)	Representative, CAG
	Office of the Corporate Secretary (OCS)	Representative, Office of the Corporate Secretary (OCS)
	Branch Banking Support Department (BBSD)	Representative, BBSD
	Lending Support Department (LSD)	Representative, LSD
	Program Management Department II (PMD II)	Representative, PMD II
	Quality and Innovation Management Department (QIMD)	Representative, QIMD
	Corporate Planning and Strategy Management Department (CPSMD)	Representative, CPSMD
	Economics and Policy Research Department (EPRD)	Representative, EPRD
	Southern Luzon Team-EPMD	Representative, EPMD
	Quality Assurance and Support Team-Internal Audit Group (QAST-IAG)	Lending Operations Audit Department (LOAD)
Secretariat	Economics and Policy Research Department (EPRD)	

The PWT has also started crafting the LANDBANK Sustainable Finance Framework (LSFF) Roadmap aimed at formulating its overall sustainability goal, defining its sustainability objectives and outcome indicators/measures, identifying various sustainable financing policies, programs, products and services, managing environmental and social risks, communicating its sustainability agenda to all stakeholders, and ensuring adherence to sustainability standards, principles and best practices.

In 2021, the Bank has accomplished the following activities as part of the Transition Plan on the LSFF:

- To set the tone at the top, the Bank conducted a mid-review of the Bank's Medium-Term Plan (2019-2023) where sustainable finance was incorporated as one of the Bank's strategic themes. As depicted in the Strategy Map for 2022, the Bank's overall operations are anchored on the sustainability principles.
- The Management has approved the integration of the Bank's sustainability agenda equivalent to 5% KRA in the employees' performance appraisal system effective performance year 2022.
- The LANDBANK Annual Report 2020 highlighted the progress of the Bank's implementation of the Sustainable Finance Framework and its sustainability-related programs and other initiatives. For the preparation of the Annual Report 2021, the Management has approved the adoption of the Global Reporting Initiatives (GRI) Standards as the reporting framework with capacity building of selected Bank personnel involved in the preparation of the Annual Report.
- There are eight existing lending programs identified by the Bank that directly support sustainable finance, and these are as follows:
 1. **Renewable Energy Program** – In support of the Renewable Energy Act of 2018 promoting the development, utilization, and commercialization of renewable energy sources, LANDBANK introduced the RE (Renewable Energy) Lending Program to enhance access to financing for renewable energy projects. The Program caters to projects such as hydropower, ocean, solar, wind, biofuel, biomass, geothermal and other RE projects. As of Dec. 31, 2021, the Bank released a total of P13.76 billion to 58 borrowers with outstanding loans of P8.67 billion.

2. **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 loan releases as of Dec. 31, 2021 under the program amounted to P26.86 million, with P12.13 million loans outstanding.
3. **LANDBANK Public Transport Financing Program** – The Program aims to expand the Bank's financial support in providing adequate, effective and efficient transport facilities. As of year-end 2021, total loan releases amounting to P2.62 billion with loans outstanding amounting to P2.47 billion were recorded. These financed the acquisition of 1,572 PUV units and 31 ferry boats.
4. **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. A total of 34 water districts availed of the Program as of Dec. 31, 2021 with a total loan of P3.70 billion and outstanding loans of P1.89 billion.
5. **Bringing Urbanization Innovations thru LANDBANK'S Diverse Engineering Resource Support (BUILDERS) Program** – The Program provides financing for the working capital requirements of duly-licensed contractors for housing, real estate development, mass housing for calamity-stricken regions, construction and renovation of buildings and offices, acquisition of machineries and equipment, and transport infrastructures. The Program released a total of P127.82 billion loans to 451 contractor-borrowers with outstanding balance of P25.04 billion as of year-end 2021.
6. **Housing Opportunities Made Easy (HOME) Program** – The HOME Program caters to both home buyers and home developers. Under this Program, the Bank has released a total of P7.61 billion to 3,775 borrowers with outstanding loans amounting to P5.61 billion as of Dec. 31, 2021.

7. **LANDBANK CARES (Calamity Assistance and Rehabilitation Support) Program** – This rehabilitation assistance program provides support to all sectors located in officially declared natural and man-made calamities and disaster areas in the country. As of year-end 2021, a total of 131 borrowers availed of the Program, with total loan releases of P3.96 billion, while total outstanding loans stood at P3.21 billion.
8. **Health Plus (Progressive Lending for Upgraded Services) Program** - This credit program for the health sector aims to improve the public's access to quality and updated medical health goods and services. As of year-end 2021, the Program assisted 184 borrowers with total loan releases of P36.74 billion and outstanding loans amounting to P22.11 billion.

Scope of the Report

This report is an annual cycle from January to December 2021 and follows the GRI Reporting Principles, reflecting LANDBANK's significant financial, social, and environmental contributions.

Reporting Process

The Management has also approved the adoption of the GRI Standards as the reporting framework with capacity building of selected Bank personnel as recommended by the PWT. To gain a better understanding of the writing process and to appreciate the Bank's best practices, the team decided to prepare this report without the assistance of a third-party consultant. This would also allow the PWT to identify key areas where the Bank's strategies and operations could be strengthened.

Contact Information

For questions and/or concerns about this report, you may contact:

Corporate Affairs Group

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lbp-cced@mail.landbank.com | (02) 8 522-0000 local 7636



The Bank has put in place policies, programs, support structures, and other initiatives, which highlighted the importance and relevance of **sustainable finance** in its lending activities and overall operations.

Stakeholder Engagement and Material Topics

LANDBANK values its relationship with its stakeholders. To ensure their continued trust, the Bank makes sure to establish reliable and trustworthy communication with them.

As this report was undertaken amidst the ongoing pandemic, the Bank utilized online platforms such as Zoom and online questionnaires, as well as telephone interviews, to gather feedback from its stakeholders to better understand their concerns and expectations.

The Bank's materiality process is iterative as well as its sustainability framework since it is still undergoing review and approval.

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



Clients

Mode of Engagement:

Customer care, website, satisfaction surveys, consultation meetings, capacity building

Frequency:

Need-based interactions

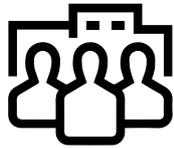
Key Concerns and Expectations:

Improvement of online banking services, efficient customer service, competitive interest rates, complaints handling, improvement of communications channel/ announcement, human rights



The Bank's Response:

Product and service development, client data protection, ease of doing business, customer service



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



The Bank's Response:
Annual reporting, financial statements, disclosures, sustainability reporting, risk management and business continuity strategies, ethical business practices



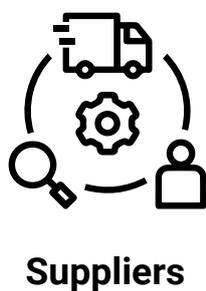
Mode of Engagement:
Field visits and interactions

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



Mode of Engagement:
Contracts, emails, phone calls

Frequency:
Need-based interactions

Key Concerns and Expectations:
Compliance



The Bank's Response:
Government regulations, ethical procurement

Economic Performance

LANDBANK's strong performance in 2021 remains a steady growth year after year, financing its development programs and supporting the National Government's priority projects. Despite the lingering effects of the pandemic, the Bank continued to display resiliency while supporting its mandated sectors.

For detailed disclosure on the Bank's financial highlights, please refer to page 44.

Corporate Governance

LANDBANK is guided by its strong governance framework and structure that are aligned with its long- and short-term institutional goals and objectives. The Bank upholds its core values in the conduct of its operations, adhering to ethical standards and maintaining accountability to its clients and stakeholders.

Please see the Corporate Governance section on page 106 for more information on how its corporate governance structure and practices are implemented.

Ethics and Conduct

Code of Conduct

LANDBANK, as a Government Financial Institution (GFI), is directed by the Bangko Sentral ng Pilipinas 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. More importantly, as a Public Office, all its employees are bounded 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.

LANDBANK celebrates the Code of Conduct Month every January of each year with the theme, "I Live By The Code." For 2021, the required conduct of cascading sessions on the Code were facilitated by Heads of units online. Virtual games were held to provide a light yet fun way to re-orient the Code to employee-participants, and information materials of the scopes of the Code were posted through Workplace by Facebook HR Advisory Group.

Conflict of Interest

LANDBANK employees shall discharge their functions, duties, and responsibilities with integrity and fidelity at all times 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.

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.

Grievance Machinery

LANDBANK established a grievance machinery system for its employees to express and resolve work-related issues and concerns to foster a work culture that encourages open communication. The grievance mechanism is in accordance with the CSC Memorandum Circular 02 series of 2001, or the revised Policies on Grievance Settlement in the Public Sector, as well as Republic Act No. 9825, or the Alternative Dispute Resolution Act of 2004, and its implementing rules and regulations.

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.

Procurement

LANDBANK understands the importance of building trust with its suppliers and partners. Adhering to the Government Procurement Act or Republic Act (RA) 9184, "An Act Providing for the Modernization, Standardization, and Regulation of the Procurement Activities of the Government and for Other Purposes," the Bank streamlines its processes and conduct a fair selection among local suppliers, manufacturers, and producers.

The Head Office Bids and Awards Committee (HOBAC) is responsible for reviewing and approving procurement requests in accordance with RA 9184. There are also Regional Bids and Awards Committees (RBACs) across the country tasked with identifying local and regional suppliers.

Under the Green Public Procurement, the Bank has identified the green technical specifications for some common-use and non-common-use supplies and equipment to be adopted by Bank Units in their transactions. More items are intended for review of green technical specifications to reduce the use of environmentally-harmful goods and services being utilized by the Bank.

Compliance

LANDBANK ensures that all internal business operations are conducted in accordance with all applicable laws, rules, and regulations, the Code of Conduct, and sound policies and best practices. The Bank's Compliance Management Group (CMG) oversees the implementation of the Compliance Risk Management System which identifies and mitigates compliance risk which may decrease the franchise value of the Bank.

CMG's vital role in assessing risks regulations, rules and laws and its participation various committees in its preparation for adopting internal policies and implementing guidelines may be found on page 172.

Audit

Internal audits help maintain accurate and timely financial reporting by assessing an organization's internal controls, which include its accounting procedures and corporate governance. They also ensure compliance with laws and regulations. Internal Audit Group (IAG) is managed administratively by the President and CEO and functionally reports to the Audit and Compliance Committee to maintain its independence.

The IAG includes in its audit coverage the assessment of the business units' adherence to the sustainability policies and E&S risk management principles as well as the evaluation of the robustness and continuing relevance of the said policies. Regular compliance testing to ensure the Bank's compliance with the regulatory requirements is also done every quarter, the results of which are reported to the Management.

For detailed disclosure on the Bank's internal audit, please refer to page 126.

The Bank expanded its loan portfolio to provide credit assistance to businesses affected by the pandemic while supporting its mandated and priority sector clients.



Development Impact of LANDBANK Loans

LANDBANK remains steadfast in uplifting the lives of individuals, communities, government units and enterprises. Likewise, the development efforts of LANDBANK are focused on the National Government's thrust toward long-term inclusion, resulting in both direct and indirect economic impacts in and around its operational areas.

In 2021, the Bank expanded its loan portfolio to provide credit assistance to businesses affected by the pandemic while supporting its mandated and priority sector clients. As it expands its reach to the unbanked and underserved communities, the Bank continues to work relentlessly in sustaining this growth, claiming its position as the second largest bank in the country in terms of assets and deposits and fourth in terms of loans and capital to enable communities to further develop their enterprises, for a more inclusive development.

Please see the Pursuit of Mandate and Support to National Development Programs section on page 12 to 24 for the detailed disclosure.

Environmental Protection and Sustainable Development

LANDBANK has been implementing various initiatives to foster sustainable development and environmental protection.

- 1. 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 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 provide 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.

LANDBANK remains steadfast in uplifting the lives of individuals, communities, government units and enterprises.

Contribution to Local Communities

LANDBANK is committed to serving its affiliated cooperatives with capacity-building programs on management and governance. Along with the LANDBANK Countryside Development Foundation Inc. (LCDFI), LANDBANK’s reach extended outside the corners of its business operations and helped to build resilient communities. LANDBANK cultivates these communities holistically by encouraging entrepreneurship, improving financial literacy, and creating opportunities for growth and long-term success.

Please see the Corporate Social Responsibility section on page 98 to 99 for the detailed disclosure on the Bank’s contribution to society as a partner in social development and nation-building.

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 or 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 2021:

	CERs Issued by UNFCCC	CERs Delivered to WB
Spanish Carbon Fund	5,968	5,849
PoA5979 (Animal Waste)	21,519	21,088
PoA6707 (Sanitary Landfill)	167,175	163,832
CDM 1258 (Pangea Standalone)	338,533	334,961
TOTAL	533,195	525,730

The 525,730 CERs delivered represent 64.17% of contracted deliverables to WB for piggery and landfill PoAs (combined).

2. 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 together 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 October 2018, its first project is the Multi-Hazard Impact Based

Forecasting-Early Warning System (MH-IBF-EWS), which was approved by the GCF Board in November 2019. The Project is the recipient of a USD 10 million grant (with no loan component) from the GCF for implementation of activities led by PAGASA and eight other Project Executing Entities. The Project Funded Activity Agreement was jointly signed by LANDBANK and the GCF in December 2021, with project activities slated for implementation in 2022.

LANDBANK has a total of eight projects under development. Project Concept Notes (PCNs) covering the agriculture, health, transport, energy, forestry, water resource and fishery sectors were prepared and approved by the Climate Change Commission and Department of Finance serving as the National Designated Authority (NDA) for the GCF. One PCN (in agriculture sector) has been approved by the GCF Investment Committee and awaiting endorsement of its application for Project Preparation Fund (PPF); five PCNs are in the process of completion/satisfaction of the points raised by the GCF Task Teams review; and two PCNs are currently under development with the project proponents.

3. Climate SAFE (Special Adaptation Facility for the Ecosystem) Program

- LANDBANK's Climate SAFE (Special Adaptation Facility for the Ecosystem) Program aims to support the government in the implementation of R.A. No. 9729 or the "Climate Change Act of 2009" and R.A. No. 10174 or the establishment of the People's Survival Fund (PSF). To provide long-stream finance for adaptation projects of local government units and local/community organizations, the PSF is established aimed at increasing resilience of communities and ecosystems to climate change. 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.

4. Enhanced Environmental and Social Safeguards Relative to Credit Delivery

LANDBANK's Enhanced Environmental and Social Safeguards 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 Issuance (CPI) Nos. 2004-02 and 2009-002, these were further improved and expanded to include not only environmental risks assessment but also climate change vulnerability and social risks assessments on all LANDBANK-financed projects through the Administrative Order No. 26 Series of 2018 (AO 26 s. 2018) entitled "Enhanced Environmental and Social Safeguards Policy Relative to Credit Delivery" issued on March 6, 2018. Further policy enhancements were made through the issuance of Executive Order No. 98 on Aug. 21, 2020 superseding AO 26 s. 2018. The amendments improved and updated the systems and methods; parameters of reporting in terms of identification, assessment, mitigation, monitoring of environmental, climate change and social risks, as well as environmental and social (E&S) benefits of projects financed by the Bank. Considering threats of the COVID-19 pandemic to the health and safety of the Bank personnel and clients from the conduct of Environmental and Social Assessment (ESA) that requires travels, actual project site visits, and face-to-face interviews with clients and Bank personnel who handle and manage the account/project, the Bank issued Executive Order No. 107, Series of 2020 allowing Environmental Program Management Department (EPMD) technical personnel to implement ESA through Interim Approaches or Online/Remote Assessment utilizing the available telecommunication facilities, online search engines and environmental assessment tools.

For CY 2021, EPMD accomplished a total of 632 E&S project assessments or 102% of its annual target and 42% increase from previous year's number of projects assessed. This was done through online/remote assessment consistent with the approved EO 107, s. 2020 due to the extended quarantine period brought about by COVID-19 pandemic. Thus, a total of 5,800 project assessments have been made since ESA implementation in 2004.

LANDBANK's ESA implementation is aligned with the requirements of Bangko Sentral ng Pilipinas (BSP) Circular No. 1085, s. 2020 on Sustainable Finance Framework adopting sustainability principles by incorporating E&S risk assessment and management in the Bank's lending operations aligned with internationally recognized principles, standards and global best practices. Also, this made LANDBANK ahead in the implementation of the requirements of BSP Circular No. 1128 s. 2021 or the Environmental and Social Risk Management System (ESRMS) for banks.

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 to implement various best practices in E&S management.

The Bank targets to fully comply with all the provisions of the BSP Circular No. 1085 on the Sustainable Finance Framework and BSP Circular No. 1128 on the ESRM Framework by the first quarter of 2023.



LANDBANK has been implementing various initiatives to foster sustainable development and environmental protection.



The Bank strives to improve and expand its delivery channels to increase its efficiency and provide convenient access to much-needed financial services.

Customer Service

LANDBANK continuously develops and enhances its products and services to address the dynamic needs of its diverse clientele. The Bank strives to improve and expand its delivery channels to increase its efficiency and provide convenient access to much-needed financial services. LANDBANK also maintains a safe working environment and makes sure that customers are at ease and secure while on its premises.

Product Responsibility

The Bank values its clients' trust by meeting their expectations and incorporating their needs into the Bank's value chain. It also employs core banking processes to improve its delivery channels while remaining transparent, improving its information technology infrastructure, fostering long-term partnerships, and recognizing best practices and exceptional performance.

Customer Privacy

LANDBANK's data privacy is in accordance with the Data Privacy Act. The Bank continues to educate and remind its employees on the importance of customer confidentiality and data privacy. Unless otherwise authorized by law, the Bank is responsible for and obligated to protect all customer information.

Customer privacy is handled by the Compliance Management Group, Legal Services Group, and other authorized units of the Bank. These units are responsible for reviewing rules and policies, executing strategies, setting up internal controls to safeguard customer data, and making sure that these data is not compromised.

Customer Satisfaction

LANDBANK values its clients by prioritizing their health and safety in all its branches and satellite offices especially during the pandemic. Proper health and safety measures are always observed and implemented.

The Bank is also constantly improving its services to better address stakeholder concerns and expectations by effectively monitoring client satisfaction through its help desks, direct queries and complaints to its frontline officers, and feedback from consultation meetings.

The LANDBANK Customer Care Department under the Corporate Affairs Group leads the customer servicing which operates 24/7 hotline, complemented by its email, and social media channels to respond to the inquiries and concerns of clients. Please see 31 for more information on the Bank's Customer Care Center.

Employee Development

As strategic partners in helping fulfill the Bank's mission, LANDBANK places its employees as its utmost priority during the pandemic. The Bank remains committed to the improvement and well-being of its employees by upholding stringent labor laws and regulations, ensuring a safe and secure workplace, encouraging work-life balance, and inclusion.

Landbankers were also given opportunities where they can contribute to both their own professional advancement as well as helping boost the Bank's performance through employee-generated initiatives, cultivating a habit, and instilling a culture of excellence.

For a full disclosure on the Bank's Human Resource, please see 70 to 97.

Other 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 underwent and passed the third-party Integrated Management System (IMS) surveillance audit in 2021. The Letter of Continued IMS Certification was posted in the Bank's Transparency Seal on Dec. 13, 2021.

As part of the energy conservation efforts of the Bank, various environmental and sustainability projects are being developed, including the upgrading of the Building Management System, upgrading of generator sets and replacement of air handling units at the LANDBANK Plaza, among others.

In compliance with the BSP Circular No. 1128, the Bank's ESRM Framework is being crafted to incorporate the specific provisions on E&S risk management specifically on credit risk and operational risk exposures, tools and procedures, and best practices that the Bank can adopt.

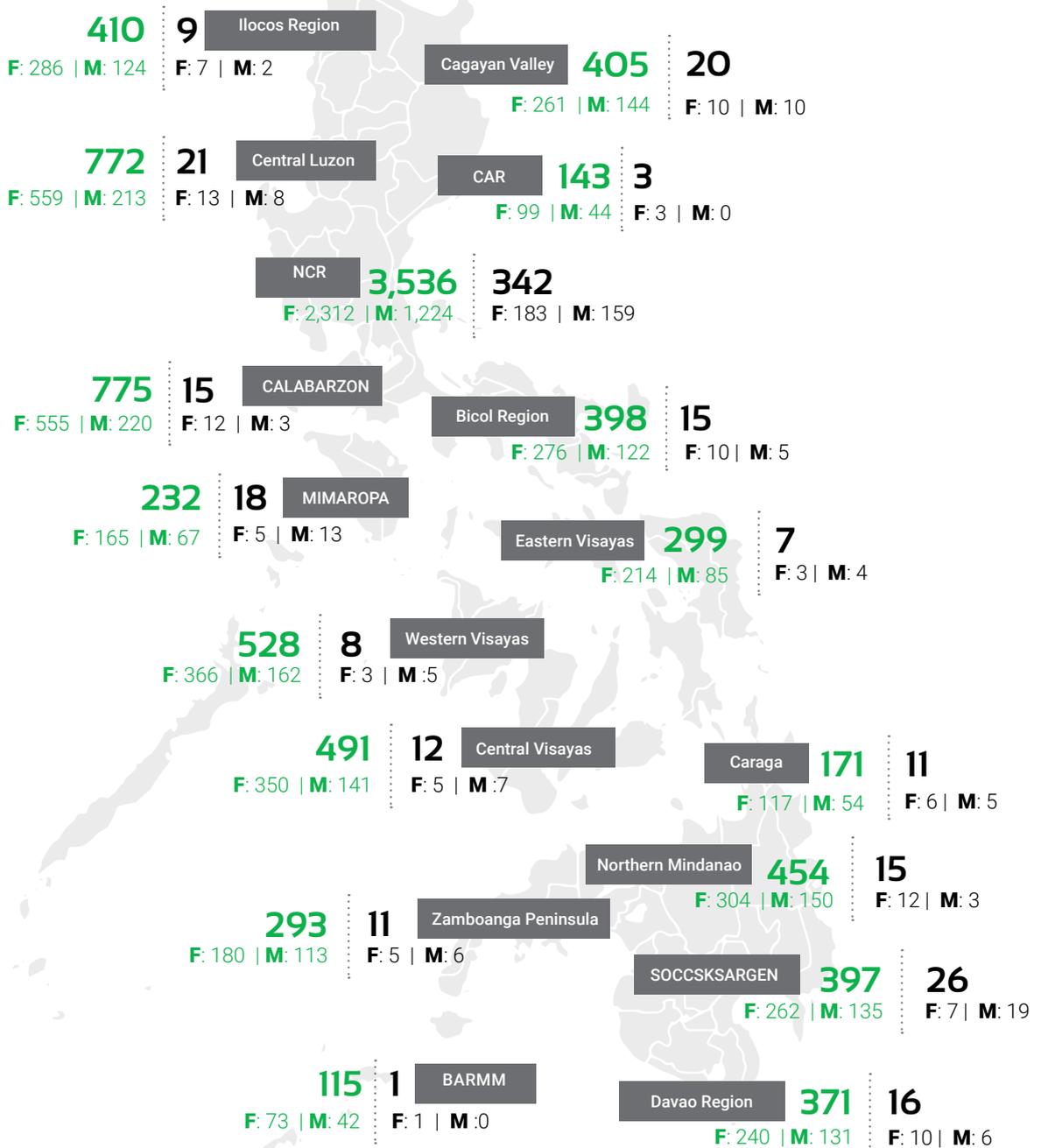
The Bank targets to fully comply with all the provisions of the BSP Circular 1085 on the Sustainable Finance Framework and BSP Circular 1128 on the ESRM Framework by the first quarter of 2023.



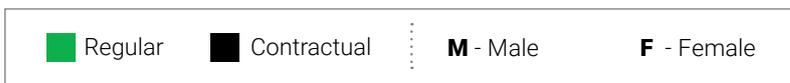
As strategic partners in helping fulfill the Bank's mission, LANDBANK places its employees as its utmost priority during the pandemic.



Our Human Resource



THE LANDBANK WORKFORCE



Total regular employees: 9,790 PERMANENT - 9,748 CO-TERMINUS - 41 TEMPORARY - 1	Total contractual employees: 550 DIRECTLY-HIRED - 1 SCWS - 549	M - 3,171 F - 6,619	M - 255 F - 295	Grand total employees: <h1 style="font-size: 2em;">10,340</h1>
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By Age Group

Age	Regular	Contractual
25 & below	952 F: 669 M: 283	181 F: 112 M: 69
26-35	3,697 F: 2,516 M: 1,181	281 F: 161 M: 120
36-45	1,846 F: 1,270 M: 576	52 F: 12 M: 40
46-49	769 F: 539 M: 230	9 F: 3 M: 6
50-55	1,517 F: 1,032 M: 485	20 F: 4 M: 16
56-59	778 F: 479 M: 309	4 F: 2 M: 2
60 & above	221 F: 114 M: 107	3 F: 1 M: 2
Grand total	9,790 F: 6,619 M: 3,171	550 F: 295 M: 255

New Hires

Age Group	Female	Male	Total
25 & below	112	54	166
26-35	84	42	126
36-45	2	4	6
50-55	0	1	1
56-59	1	0	1
Grand Total	199	101	300

Separation

Region	Female	Male	Total
NCR	53	33	86
CAR	0	2	2
Ilocos Region	1	2	3
Cagayan Valley	4	5	9
Central Luzon	11	4	15
CALABARZON	3	3	6
MIMAROPA	1	4	5
Bicol Region	6	2	8
Western Visayas	3	2	5
Central Visayas	6	3	9
Eastern Visayas	3	0	3
Zamboanga Peninsula	3	6	9
Northern Mindanao	5	5	10
Davao Region	4	2	6
SOCCSKSARGEN	4	5	9
BARMM	3	6	9
Caraga	5	3	8
Grand Total	115	87	202

Age Group	Female	Male	Total
25 & below	26	13	39
26-35	43	29	72
36-45	19	12	31
46-49	6	3	9
50-55	5	10	15
56-59	9	11	20
60 & above	7	9	16
Grand Total	115	87	202

2021 TURNOVER RATE

2.09%

Talent Acquisition

Recruitment and Selection Process

The Recruitment, Selection and Placement (RSP) system of LANDBANK endeavors to provide talent requirements of the Bank through strategic headcount management, employer branding efforts, targeted sourcing activities as well as values and competency-based assessments.

As a Government Financial Institution (GFI), LANDBANK complies with the Fit and Proper Rule of the Bangko Sentral ng Pilipinas (BSP), Governance Commission for GOCCs (GCG) and other regulatory bodies on top of the Civil Service Commission's (CSC) Omnibus Rules on Appointments and Other Human Resource Actions (ORAOHRA) espousing that all appointments in the civil service shall be made only according to merit and fitness to be determined by a comprehensive vetting process.

Furthermore, LANDBANK adheres to the Equal Employment Opportunity Principle (EEO) in all its human resource systems without regard to race, color, religion, political belief or affiliation, gender, ethnicity, age, height, weight, disability or any other form of prejudicial and arbitrary classifications.

The Bank maximizes the use of the following sourcing channels while continuously exploring latest recruitment trends and strategies applicable to its operations:

1. LANDBANK Website Online Careers Page
2. Various Online Job Portals and Professional Networking Sites (i.e., Jobstreet Free Government Page, DOLE Philjobnet, 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

All job applications received by the Bank undergo several levels of screening which includes pre-employment assessment and series of interviews. To ensure competence and efficient performance of duties of the talents employed by the Bank, all applicants take the LANDBANK Online Pre-Employment Exam (OPEE) while Supervisory Assessment is added on the evaluation of applicants for Supervisory positions. Meanwhile, Officers including Senior Executives undergo the Executive Profiling Assessment which includes behavioral interviews for the areas of mental ability, integrity, risk profile, managerial competencies, emotional intelligence, emotional

competence, personality traits, among others. In addition to the mentioned assessments, the LANDBANK Core Values Suitability Test (CVST) was integrated into the LANDBANK Pre-Employment Assessment in 2021 to ensure that the values of employees being hired are aligned with the Bank's Core Values.

Once the exam yields favorable results on the pre-employment assessment, the candidate will undergo a series of interviews with the Personnel Administration Department (PAD), Head/s of hiring unit, and up to the Head of Human Resource Management Group (HRMG), if necessary. Qualified applicants, upon receipt of the proposal for hiring from the requesting unit, are then evaluated by PAD based on Qualification Standards (QS) of the position and the hiring policies of the Bank. A Background Investigation (BI) and Credit Information Report (CIR) and a fit-to-work medical examination result are also required for all candidates for hiring.

Final selection of all proposed and qualified candidates, whether for hiring, promotion or any other personnel movement, is being deliberated by the Selection Board I (SB I) and Selection Board II (SB II) of the Bank. Upon favorable action of the SB, all proposed candidates are endorsed to the Board of Directors for approval.

HR Role in the LANDBANK-UCPB Merger

In line with the Office of the President of the Philippines' Executive Order (EO) No. 142, series of 2021, Approving the Merger of the LANDBANK and the United Coconut Planters Bank (UCPB), and the Acquisition by LANDBANK of the Special Preferred Shares of the Philippine Deposit Insurance Corporation (PDIC) in the UCPB, HRMG received and evaluated a total of 3,501 applications from UCPB personnel for possible placement in LANDBANK.

Recruitment procedures in line with the merger were guided by the applicable provisions of the following rules and regulations:

1. Selection of personnel on the basis of merit and fitness to ensure competent and efficient performance of duties and assumption of responsibilities in the position they will be appointed to;
2. Negotiables and Non-Negotiables as prescribed by the Management for the recruitment and hiring process of UCPB personnel; and

3. Implementation of Interim Measures for the Hiring Process of UCPB Personnel.

Candidates from UCPB were hired through appointment either as permanent, temporary, or directly-hired contractual as well as deployment as service company workers (SCW). The filling of positions by UCPB employees was based on the following:

1. Existing vacancies and corresponding approved position levels in the Bank;
2. Staff complements resulting from organizational changes due to the merger; and
3. Staff complement as a result of the approved staffing parameters.

In the absence of an approved entitlement and/or organizational structure, the hiring of a UCPB employee for purposes of transition, had been lodged under the Merger Business Continuity Team (MBCT), an initial and temporary unit of assignment for UCPB personnel hired in LANDBANK. All UCPB personnel who were deployed in the MBCT were offered a directly-hired contractual appointment. The conversion to permanent or temporary appointment of said new hires within the first six months

following the effectivity of the merger shall be subject to existing/relevant rules and regulations of the Bank and regulatory bodies such as the CSC and the BSP.

LANDBANK, as a government financial institution, requires from applicants a Career Service (CS) Professional Eligibility as one of the requisites for appointment to a permanent position. This is very critical especially for filling General Banking Law (GBL) positions in the branches. Since it was imperative among those hired from the UCPB to acquire a CS Professional eligibility, the HRMG coordinated with the CSC for the conduct of a special examination. These enabled personnel concerned under an interim non-permanent appointment to eventually obtain CS Professional eligibility and assume permanent posts.

Talent Development

LANDBANK remains true to its commitment to be the employer of choice, consistently developing and nurturing its talents. Through its Organization Development Department (ODD), the Bank provides its employees with various Learning and Development (L&D) programs and interventions.

More than two years since the start of the pandemic, LANDBANK continuously explores the use of various learning platforms to address the L&D needs of its talents, providing more avenues for career development and growth.

Competency Framework

Realizing the Bank's vision by staying true to its mission to its employees, LANDBANK ensures that the workforce is able to deliver superior performance armed with the necessary competencies or the synergy of knowledge, skills and attitudes.

With the approval of its Competency Framework in 2015, the Bank has been administering annually the online Competency Assessment which aims to assess and determine the actual competency level of its personnel vis-à-vis the required proficiency levels as indicated in their current position competency profiles. The said assessment forms part of the Bank's Performance Scorecard in compliance with the GCG's requirements wherein LANDBANK is expected to improve its competency level based on previously conducted year-end assessment through the implementation of L&D interventions.

In 2021, LANDBANK, in partnership with Profiles Asia Pacific, Inc., conducted an online Competency Assessment both for Core and Incident Management Team (IMT) functions from Oct. 27, 2021 to Dec. 31, 2021.

In the assessment of the personnel's core functions, the Bank attained 99.99% completion rate by 2,220 eligible raters involving 8,069 eligible rates. This resulted in an overall baseline competency level of 103.64%, which is 6.12% higher compared to that of 2020 at 98%.

A pilot run of the online Competency Assessment to measure the competency level of LANDBANK personnel performing ad hoc functions as IMT members was administered to selected IMS-certified units in compliance with the requirements of ISO 14001:2015-Environmental Management System. The assessment, with a 95.36% completion rate by 182 eligible raters involving 662 eligible ratees, resulted in an acceptable baseline competency level of 98.66%.

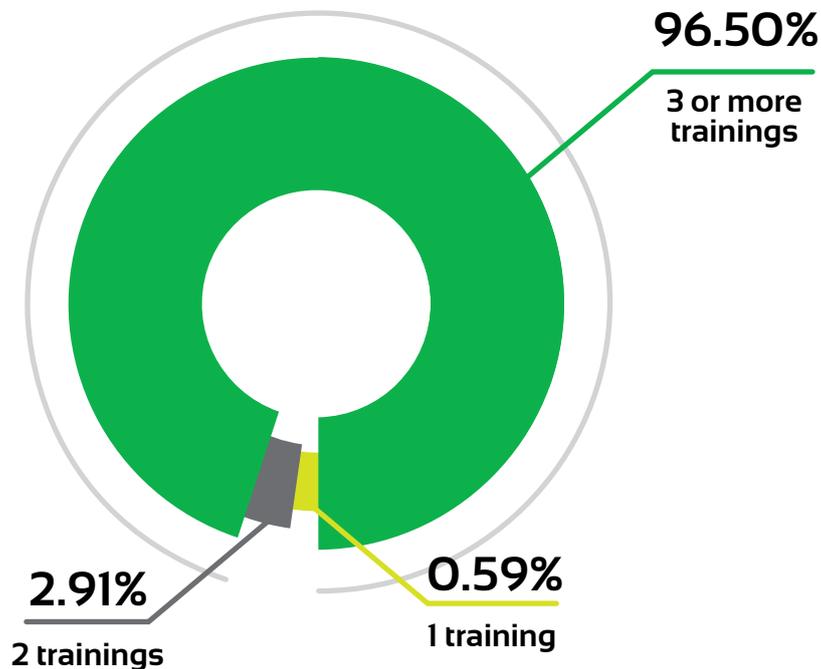
To address the competency gaps identified in the assessment for both Core and IMT functions, appropriate L&D interventions will be implemented both at the organizational and individual levels.

Employee Learning and Development

In its pursuit to continuously provide the Bank's talents with more avenues to gain knowledge and develop further their skills and competencies amidst the COVID-19 pandemic, LANDBANK maximized the use of technology and alternative L&D methodologies. Geographic location and concerns on traveling at the height of the pandemic were no longer a hindrance for the Bank's employees to readily have access to needed training programs and other L&D interventions. What used to be face-to-face classroom training sessions were converted to online webinars. The ODD Learning Curve, accessible through the Bank's official Workplace account by Facebook and the LANDBANK e-Learning Access Portal (LEAP), also served as additional platforms to disseminate L&D programs and information.

Employees Trained

TOTAL NUMBER OF TRAINING PROGRAMS ATTENDED



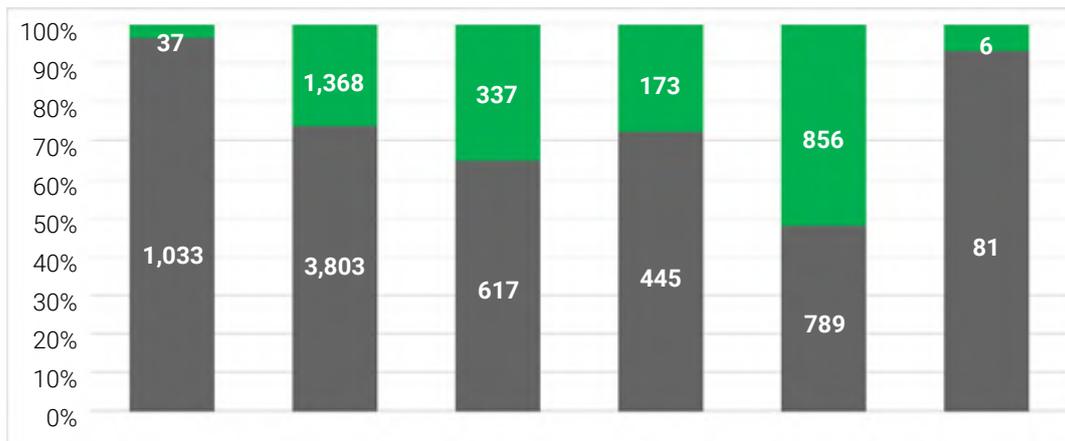
The pandemic did not stop the Bank in ensuring that its workforce is provided with the right L&D interventions to enhance their competencies for a superior performance. In 2021, of the 9,790 regular Bank employees, 9,719 or 99.27% of the total population were able to participate in various L&D programs being offered by the Bank. A total of 9,379 employees were able to attend three or more training programs, 283 employees with two trainings, while only 57 employees had attended one training.

GENDER DISTRIBUTION



In terms of sex distribution, out of the 9,719 total trained for the year, 6,573 were female regular employees while 3,146 were male regular employees, thus, a 2:1 ratio.

L&D Modes



	ADLS	BBS	CSS	EXEC	OS	TIBS
LEAP	37	1,368	337	173	856	6
WEBINAR	1,083	3,803	617	445	789	81

The Bank’s in-house learning platform, LEAP, comes in as the 2nd most widely used L&D mode limited “within the Bank’s premise” access. A total of 21 LEAP Modules were administered with a total of 80,769 access instances.

ODD’s Learning Curve continues to serve as an effective tool in cascading L&D information to the employees. A total of 264 infographics on core values, culture, behavioral, functional, and technical functional areas as well as on management and leadership were posted.

Top 5 Functional Groups

BRANCH BANKING	COMPLIANCE MANAGEMENT	SECURITY	INTEGRATED MANAGEMENT SYSTEM	CREDIT MANAGEMENT
38,248 participants	15,114 participants	8,917 participants	7,724 participants	6,788 participants

The top 5 functional groups with the highest number of participants are Branch Banking, Compliance Management, Security, Integrated Management System and Credit Management.

L&D Programs

Culture Building and Values-Related Programs

The Bank actively continues to promote its core values of Innovation, Collaboration, Customer Focus, Accountability, Resilience, Excellence and Social Responsibility through the various culture building and values-related programs.

The virtual conduct of the LANDBANK in Perspective (LIP) through Webex Trainings benefitted a total of 202 newly hired employees. The three-day webinar aims to provide an opportunity for a smooth integration of the new hires into LANDBANK's culture.

The Values Integration Program (VIP), on the other hand, served as the course on the Bank's Core Values. Three batches of this program were conducted virtually.

The Bank's new hires also participated in the Take the L.E.A.D. in Customer Service, a program highlighting LANDBANK's 3rd Core Value – Customer Focus.

Committed to providing its employees with the proper tools and disposition as they reap the fruits of their labor upon retirement, a journey outside LANDBANK, four runs of the Towards New Horizons: A Pre-Retirement Seminar were conducted. This program concretely manifests the Bank's concern for its employees' welfare and development, from their entry to the organization to their exit.

In support of LANDBANK's Core Value, Accountability, Personal Finance Management, a financial literacy program which equips the Bank personnel with strategies and tips to effectively manage and grow their financial resources was conducted.

On Innovation, six batches of the Capability Buildings for Quality Circles took place in 2021 aimed at enhancing the participants' knowledge and skills in applying problem-solving and task-achieving strategies and solutions in the implementation of Quality Circle Projects.

As an added boost to the Bank's core value of Excellence, various runs of the Emergency Response Program were undertaken. The Program included specific trainings on Basic Rescue, Basic Life Support and Standard First Aid. A total of 413 Emergency Response Team Heads and Members participated in the various webinars.

Management and Leadership Development Programs

Committed to developing future managers and leaders for a qualified and readily available talent pool in support of the Bank's Succession Program, various developmental interventions under the Management and Leadership Development Programs (MLDP) are continuously being implemented. Management approved the modification of the manner of conduct of these major institutional programs from face-to-face to blended learning. Batch 14 of the Leadership Development Program (LDP) commenced on Feb. 5, 2021, with 29 Heads of Units participating. LDP Batch 13 which commenced in 2020 was an ongoing program. Application to the 6th Batch of the Branch Officers Development Program (BODP) was likewise opened.

For years now, the Bank has been actively participating in the Public Management Development Program (PMDP) of the Development Academy of the Philippines. Bank officers and supervisors are nominated to the Senior Executive Class (SEC) and Middle Managers Class (MMC) scholarship programs. SEC Batch 10 commenced on Feb. 22, 2021, with two of the scholars coming from LANDBANK. MMC Batch 26 with two scholars and Batch 28 with one scholar commenced on May 10, 2021 and on Oct. 11, 2021 with two scholars, respectively. The Bank participated in a total of six ongoing batches of PMD Programs with eight Bank scholars under the four MMC batches and four scholars in the two SEC classes.

GROWing Nxtgen Leaders: A Mentoring Program

GROWing NxtGen Leaders, the Bank's Mentoring Program, is aimed at achieving leadership development through various mentoring activities and knowledge management through sharing of professional and personal experiences. During this time of pandemic, our mentors and mentees have shown resilience and persistence. Use of technology assured a seamless mentoring engagement among the participants.

A series of "Ugnayan," a quarterly meet-and-greet session participated in by the program mentors and mentees, commenced on Jan. 21, 2021.

DATE	THEME	SPEAKER
January 21, 2021	From Handshakes to Headsets	Arthur Luis P. Florentin Executive Director Civil Service Institute
May 19, 2021	Virtual STIR (Socialize, Talk, Interact, Remember)	Milagros Milalin S. Javellana Program Director Australia Awards and Alumni
September 16, 2021	Pat and Path	Vanessa V. Salvaña CEO Breakthrough Coaching and Consultation
November 24, 2021	Collove (Collaboration with Love)	Randy Esguerra Management Consultant/Life Coach Ariva Academy

Data Analyst Dashboard Bootcamp

The 2nd Batch of the 15-session Data Analyst Dashboard Bootcamp, participated in by 29 Bank personnel from various units, commenced on July 9, 2021. The training aims to equip the identified attendees with analytical tools to respond to Management requirements amid changing operational environment and shifting platforms for service delivery. The Strategic Knowledge Management Group (SKMG) served as the faculty of speakers for the said bootcamp.

Graduate Education Program (GEP)

With HRMG's continuous administration of the Bank's scholarship program, 130 employees obtained their post-graduate degrees this year through the GEP. A total of 16 employees has active scholarships as of 2021. HRMG, through ODD, monitors the status of GEP grantees.

In-house MBA

For 2021, 120 employees graduated under the Bank's In-house MBA Program. The program was in partnership with the College of the Holy Spirit.

Professional Certifications

Participation to the listed nine professional certification programs in relevant fields were availed of by 122 Bank employees.

1. BAP Treasury Certification Program
2. Certified Information Systems Auditor
3. Certified Security Management Specialist
4. Certified Security Professional
5. UITS Certification Program
6. Certified Security Investigator
7. COBIT 5 Foundation
8. Resilia
9. ITIL

LANDBANK Strategic Change Management Roadmap

LANDBANK partnered with the Ateneo Center for Organization Research and Development (Ateneo CORD) in holding a six-month Certificate Course in Organization Development.

Twenty LANDBANK officers and personnel participated in the said course in preparation for the formulation of an acquisition roadmap. The participants crafted the LANDBANK Strategic Change Roadmap focused on Change Management Plans for the four critical pit stops: [1] Strategic Planning, Transition Plan and Organization Streamlining, [2] Communication and Conflict Resolution, [3] Competency Building and Knowledge Management, and [4] Culture Building.

Compensation and Benefits

Remuneration Policy

LANDBANK's basic salary rates are aligned with the National Government's Salary Standardization Law. LANDBANK pays salaries, allowances, benefits and incentives in accordance with the issuances from the National Government agencies such as the Office of the President of the Philippines Administrative/Executive Orders, Memorandum Circulars issued by the Department of Budget and Management (DBM), CSC, and GCG.

LANDBANK's existing Compensation and Benefits framework shall be revisited pursuant to Republic Act (RA) No. 10149 which mandates the GCG to develop a Compensation and Position Classification System (CPCS) for GOCCs, and by virtue of the powers vested in the President of the Philippines, Executive Order No. 150, s. 2021, Approving the CPCS and Index of Occupational Services, Position Titles, And Job Grades for GOCCs (IOS-G) Framework, Repealing Executive Order No. 203 s. 2016, and For Other Purposes, which was signed and approved by the President on Oct. 5, 2021.

LANDBANK shall implement the CPCS upon receipt of an authorization from the GCG which shall contain its classification, job evaluation results, and tiering. The appropriate salary structure under the CPCS shall take effect retroactive Oct. 5, 2021.

While the existing allowances, benefits, and incentives (ABIs) granted by LANDBANK to its employees are already aligned with the authorized ABIs of the CPCS, 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 (RATA), 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 GSIS, PhilHealth, Pag-IBIG, Provident Fund and various leave benefits authorized by the CSC.

The CPCS, upon authorization by the GCG for implementation, shall likewise cover LANDBANK's Executive Officers/Senior Management.

Performance Management

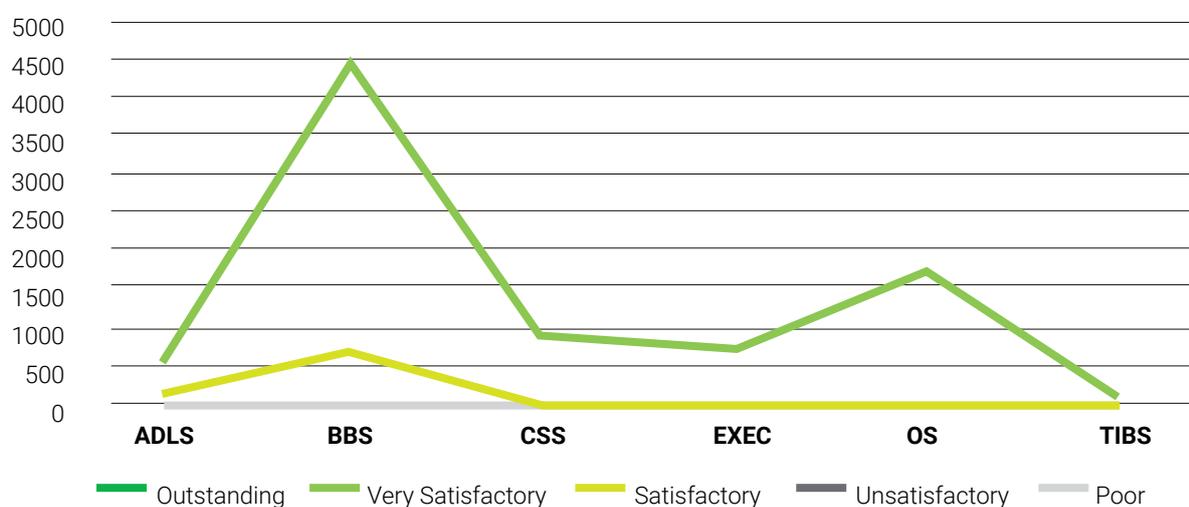
The LANDBANK Strategic Performance Management System (SPMS) is one way to validate and objectively measure workplace productivity. The overall performance is expressed in the outputs of the workforce. The Bank's productivity established organizational growth despite the adjustments brought by the COVID-19 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 equal opportunity in rating employees regardless of gender, age, civil status, disability, religion, ethnicity, political affiliation, tenure or any prejudicial basis of classification.

The basic elements present in the SPMS 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 co-terminus 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.

The productivity of the employees is evident in the savings generated by the Bank. The Bank was able to save a total of P21.7 billion versus P20.3 billion total budget for the 12-month period ended in Dec. 31, 2021, giving it 107% of year to date actual to total budget.

The illustration presented below shows that the majority of the employees have attained targets more than what was expected. Detailed distribution of the performance ratings for 2021 is as follows:



Performance Year 2021 Summary of Ratings						
Sector/ Rating	Outstanding (5)	Very Satisfactory (4)	Satisfactory (3)	Poor (2)	Unsatisfactory (1)	TOTAL
ADLS	9	505	106	4	0	624
BBS	9	4,415	661	3	2	5,090
CSS	7	913	3	1	0	924
EXEC	11	673	8	1	0	693
OS	32	1,611	32	1	0	1,676
TIBS	8	76	3	0	0	87
TOTAL	76	8,193	813	10	2	9,094

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 need to address workplace health and safety became most pronounced during the period of the COVID-19 pandemic particularly with the challenge of providing uninterrupted service to clients.

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.

ILiveWellness endeavors to support attainment of work-life effectiveness (i.e., one's ability to successfully perform one's various roles) for all employees focusing on three aspects: the intra-personal, inter-personal and spiritual. Due to the restrictions of the COVID-19 pandemic, initiatives for this program delved mainly on volunteerism activities. Implementation of in-person wellness activities such as sports and other recreation programs, including physical and liturgical worship in the LANDBANK Plaza, are still temporarily suspended in utmost observance of safety and health measures and government regulations which restrict physical gatherings and activities to avoid the spread of COVID-19.

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 LBP 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.

Employee empowerment through health information and education during the pandemic was made possible through the digital medium. In 2021, 113 social media cards including 49 COVID-19-related information materials were posted in the Bank's Workplace by Facebook platform while six virtual learning sessions on healthy lifestyle and mental health were conducted with an average audience of 40 participants nationwide.

In 2021, the LANDBANK Medical Clinic, in partnership with the employees' Health Maintenance Organization, Mediacard Philippines, Inc., continued to render OSH medical services for onsite workers at the Bank's headquarters in Malate, Manila while expanding its reach to personnel in other LANDBANK offices nationwide through 1,635 medical consults through telemedicine.

A total of 2,276 COVID-19-related cases of Bank personnel nationwide were monitored and rendered assistance through coordination or provision of guidance on proper handling of COVID-19-related incidents in the workplace, such as the issuance of referrals for COVID-19 tests (602) and medical clearances (678) for those exposed to confirmed COVID-19 cases to ensure prevention of disease transmission in the workplace. LANDBANK subsidized COVID-19 test expenses of 1,687 Bank personnel amounting to P5.7 million and granted Special Financial Assistance to 743 personnel including covered immediate family members through the Bank's Relief and Disaster Assistance Program.

As part of the Bank's COVID-19 pandemic response, policy issuances were released by the Bank with adjustments made to align with developments of the pandemic situation and the directives from the National Government. The Bank facilitated the availment of COVID-19 vaccination for Bank personnel whether through private sector initiatives or through the Local Government Units in support of the National Government's program.

Despite the restrictions of the pandemic, 258 employees were able to avail of their Annual Physical Examinations during this period. Contact screening for Pulmonary Tuberculosis among Bank employees was likewise pursued for 58 personnel.

Pre-employment/placement medical evaluation of applicants were conducted for 572 proposed hires to ensure their proper job placement and fitness to work as required by the CSC. 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.

Recognizing the ergonomic hazards brought about by performing computer/deskwork whether at the worksite or under a work-from-home arrangement, to prevent musculoskeletal diseases, the Bank's Fit o' Clock Habit, a program that offers instructional office exercise (stretching, flexibility and mobility) videos, was relaunched in 2021.

Mental health became a global issue especially during the pandemic. As a barometer of the employees' well-being, an online Employee Well-being Survey was rolled out from June to August 2021 with a 23% response rate (2,220 respondents out of a total of 9,636 employee population) and yielding scores reflective of a favorable well-being state. The survey also revealed areas where opportunities for improvement may be explored.

While LANDBANK had 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, it was in 2021 when the Bank articulated its policy on mental health advocacy through an institutionalized Psychological Resilience Program aligned with RA No. 11036 otherwise known as the Mental Health Act of 2018 and CSC Memorandum Circular No. 4, s. 2020, Mental Health Program in the Public Sector. Aside from the learning sessions held during World Mental Health Month, the program enabled access of 12 employees to the Bank's Wellness Line for counseling with a mental health professional.

A total of 10 case reports of work-related injuries were received for the year and were provided support through the Rehabilitation Privilege. Sixty-two women who underwent gynecologic procedures were granted special leave privileges under the Magna Carta of Women. There were also 56 employees diagnosed with critical/debilitating medical conditions who received financial assistance with 42 among them allowed to extend their sick leave with pay to promote recuperation.

Gender and Development

Major Steps in Gender Mainstreaming

Republic Act 9710 or the Magna Carta of Women (MCW) mandates all government offices, including government-owned and controlled corporations such as LANDBANK, to adopt gender mainstreaming as a strategy for implementing the law and attaining its objectives. In line with this, the Bank focused on the following four areas to enhance its gender 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.

The extensive training of the identified pilot groups of employees on HGDG resulted in the evaluation of the gender responsiveness of 36 lending programs in 2021.

These development lending programs were deemed to have significantly contributed to the advancement of GAD in the various segments of society. Capability building on GAD among Bank employees will continue in 2022.

Training on the collection of sex disaggregated data and gender related information as well as on the generation of gender statistics for financial inclusion was conducted for a certain group of employees.

In 2021, the LANDBANK Sectoral GAD Mainstreaming initiatives commenced 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 the 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) 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

In support of the National Women's Month Celebration in March 2021, LANDBANK adopted activities recommended by the Philippine Commission on Women such as "Purple Fridays" and "Juana Says" in support of the cause for promoting understanding of the importance of GAD. 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.

The first LANDBANK GAD Corner was established and became operational on March 22, 2021. It serves as a gateway to the Bank's GAD Programs, Activities and Projects.

LANDBANK supported diversity in the workplace as it celebrated the PRIDE Month in June through the conduct of a webinar entitled "Diversity Backlash in the Workplace" which was participated by 337 employees nationwide.

LANDBANK conducted a webinar on Violence Against Women and RA No. 11313 or the Safe Spaces Act on Nov. 25, 2022 with a total attendance of 356 employees nationwide as a kick-off activity to celebrate the 18-Day

Campaign to End Violence against Women (VAW) from Nov. 25 to Dec. 12, 2021. Other institutional initiatives conducted were the "Orange Your Icon" Campaign as well as the dissemination of information, education and promotion materials that uphold women's rights and raise awareness about VAW through various communication channels.

LANDBANK Day Care Center

Since 2005, a worksite day care center for employees' children with 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 (LBDC) implements a 10-month Early Childhood Care and Development Program accredited by the Department of Social Welfare and Development with an outstanding rating of 5-star or Level 3 compliance.

The imposition of community quarantine by the National Government brought about by the COVID-19 pandemic in the middle of March 2020 shifted the delivery of classes in the LBDC through a Distance Learning Program, which was developed by its teachers, to ensure continuity of services to pupils, who are children of Bank employees, on a modular approach. The regular classes conducted through the distance learning program which opened in September 2021 and will be closing in July 2022 have benefited 24 pupils (18 from Head Office-based employees, 3 from NCR, 3 from Field Units) while the Summer Program conducted from May 10 to July 2021 have benefited 30 pupils (25 Head Office and 5 Field Units).

LANDBANK Lactation Station

LANDBANK is a strong advocate of exclusive breastfeeding and has been recognized by the Department of Health as a "Mother-Baby Friendly Workplace." Notable is the continuing operations of a worksite Lactation Station where nursing employees can express and store their breast milk in a clean and sanitary environment even in the midst of the pandemic.

With the continued implementation of a reduction of onsite workforce from March 16, 2020 to the end of 2021, the number of users was reduced to an average of four per month with a cumulative total number of accesses at 27 instances.

Several “Health Notes” advisories were released through the Bank’s online platforms promoting exclusive breastfeeding and its importance to the health and well-being of their babies. A post was also made on the promotion of the “National Breastfeeding Awareness Month” in August.

To further ensure the safety of our lactating mothers, the lactation station was relocated to a different area away from the relocated LANDBANK Medical Clinic to eliminate the risk of exposure or infection from COVID-19 once a suspected patient is being treated.

Administration of Leave Benefits under the Magna Carta of Women, Maternity and Paternity Leave, and Excused Absences

LANDBANK granted 40 female employee-beneficiaries with a total of 1,070 working days or an equivalent amount of P3.49 million in leave benefits under the Magna Carta of Women in 2021. 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.

Three hundred fifteen (315) 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 P32.20 million equivalent to 15,821 working days of maternity leave. Also, 64 LANDBANK male employees availed of Paternity Leave benefits which totaled to 414 working days or an equivalent amount of P0.96 million.

In support to employees who were affected or exposed to COVID-19 and pursuant to the applicable CSC rules, LANDBANK granted 2,337 employees with 32,724 working days of excused absences which translated to an equivalent amount of P89.25 million. The excused absences refer to the period when an employee is not required to report for work due to required quarantine period, isolation, and/or treatment of COVID-19, but are entitled to pay.

Employee Services

Relief and Disaster Assistance (RDA) Program

In accordance with LANDBANK Executive Order No. 028, series of 2015, as amended by LANDBANK Executive Order No. 61, series of 2017, Guidelines on the Implementation of the Relief and Disaster Assistance (RDA) Program, a total of P1.935 million financial assistance was granted by the Bank through its Relief and Disaster Assistance Fund (RDAF) in 2021 to 219 personnel whose residential houses were damaged by various calamities and disasters, namely “Typhoon Bising”, “Typhoon Kiko”, “Typhoon Maring”, Negros Occidental flooding, and different fire incidents during the said year.

The RDA Program has been institutionalized since 1991 to alleviate the condition of eligible Bank personnel and other beneficiaries who are suffering from the effects of disasters/calamities. Under the said Program, qualified Bank personnel may be granted with 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

With the discontinuance of the Bank’s HMO benefits upon its adoption and implementation of the National Government’s Salary Standardization Law, the Bank, assisted employees who voluntarily extended their contract with Health Maintenance Organization (HMO) for another year to ensure continued medical care especially in times of need. In 2021, a total of 17,818 employees and their dependents were provided assistance for their individual HMO enrollments.

Procurement of COVID-19 Vaccines

To ensure the health and safety of the Bank’s human resource, the Bank facilitated the procurement of COVID-19 Vaccines for interested Bank employees and their dependents in support of the National Government’s COVID-19 Vaccination Program. This was supplemented with an aggressive campaign to participate in the vaccination initiatives being carried out in their respective Local Government Units (LGUs).

COVID-19 On-site Vaccination in Partnership with the LGU of Manila

To further boost the availment of COVID-19 Vaccines of Bank employees and Contract of Service (COS) personnel at the LANDBANK Plaza and nearby units, LANDBANK forged a partnership with the LGU of Manila to conduct an onsite COVID-19 Vaccination Program at the LANDBANK Plaza for Bank employees, COS personnel and their dependents which benefited 994 availers.

Employee Engagement

Employee Volunteerism

The Bank actively promoted volunteerism initiatives which were allowed during the pandemic in different areas nationwide. In 2021, the Bank was able to generate 17,370 Volunteer Hours from 2,828 employee volunteers with an average participation rate of 28% which is equivalent to 6.14 average hours per engaged employee.

LANDBANK launched a campaign to support the Annual Brigada Eskwela Program of the Department of Education in partnership with the Manuel Araullo High School, UN Avenue, Manila where a total fund donation of P96,000 or the "Load Mo, Cargo Ko" Program funded the distance learning of its students.

Other volunteer initiatives conducted nationwide included Brigada Eskwela in partnership with various schools, donation of wheelchairs, set-up of community pantries, distribution of hygiene kits, gift giving to orphanages, tree planting, coastal clean-up, relief goods distribution, donations for frontliners, feeding programs, etc.

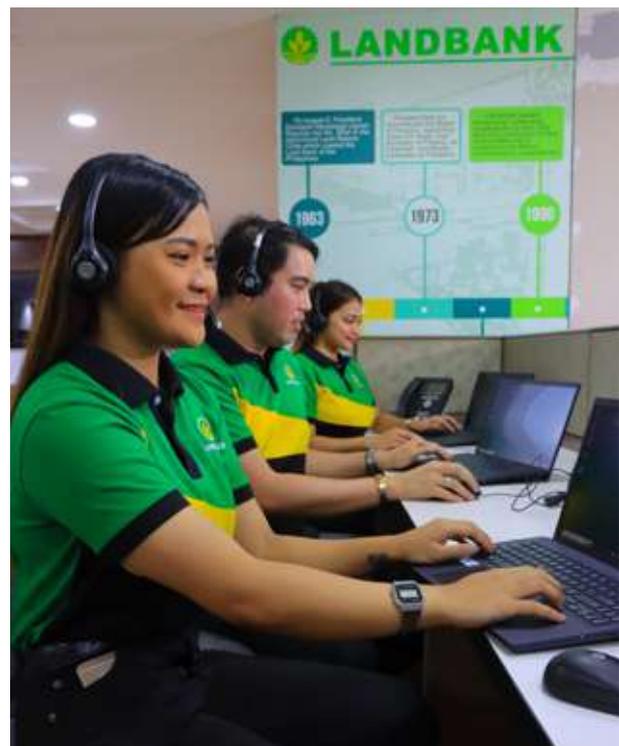
The Annual "Share-A-Gift" Program in partnership with the LGU of Manila where the Bank's Headquarters is located was conducted on Dec. 11, 2021 benefiting a total of 500 families of street children in selected communities identified by the Manila Department of Social Welfare.

LANDBANK's Alternative Mechanism of Benevolent Assistance for the Greater-Good (AMBAG) was operationalized to give additional financial support to Bank employees, Contract of Service personnel and severely affected communities by Typhoon Odette. A total of P1.65 million was collected from employees' donations benefiting 361 organic employees, 310 COS and six communities where LANDBANK operates.

Search for Pusong Bayaning Landbanker

The Search for Pusong Bayaning Landbanker (SPBL) was institutionalized in February 2021 and was officially launched and opened for nominations in April of the same year. The Search is an awards mechanism under the Bank's Program on Awards and Incentives for Service Excellence (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 highlighted by two award categories, Parangal Para sa Kabayanihan and Parangal Para sa Huwarang Serbisyo Publiko, which are conferred in individual and group sub-categories. The pioneer launch gathered 19 qualified nominations composed of 90 Landbankers. The selected awardees from the roster of candidates will be recognized in January 2022.



Collective Negotiation Agreement

LANDBANK and the Land Bank of the Philippines Employees Association (LBPEA) formalized the Seventh Collective Negotiation Agreement (7th CNA) in a virtual Memorandum of Agreement (MOA) signing streamed live via Workplace by Facebook on May 4, 2021, and registered by the CSC on Sept. 16, 2021.

The Management and LBPEA panels conducted negotiations through virtual meetings from Dec. 22, 2020 to April 28, 2021. The CNA embodies the intent and purpose of Management and employees to promote and improve industrial relations. The Agreement 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 builds on 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 updated 63 existing provisions and developed the Occupational Health and Safety provision, which institutionalizes a safe and healthy workplace that puts premium on the Bank's most valued resource – the Landbankers, consistent with the priority objective of the HRMG.

Some of the major updates in the 7th CNA included the following:

1. Alignment of the provisions on the declaration of principles with the pertinent provisions of the RA 11032 or the Ease of Doing Business and Efficient Government Services Delivery;
2. Inclusion of a provision on attendance of management representative or senior-level officer during LBPEA's National Executive meeting, General Assembly, and/or National Convention as a way to strengthen the partnership and ensure transparency between the Management and LBPEA;
3. Adherence of the Bank to the Equal Employment Opportunity Principle in its recruitment, placement and selection process;
4. Exercise of utmost prudence on trainings conducted in units other than the employee's current unit during situations of great magnitude (e.g., pandemic, national emergency);
5. The Bank shall discuss or confer with LBPEA the proposed job and wage classification insofar as it concerns LBPEA matters;
6. As a way to ensure the full participation of the rank-and-file employees in the cost-cutting measures and systems improvement affecting the grant of the CNA incentive, the Bank shall inform LBPEA of the relevant plans and programs, and LBPEA shall formulate its own strategy in support of the said plans and programs;
7. The Bank shall review the existing guidelines in the processing of requests for monetization of leave credits within 90 days from the signing of the 7th CNA;
8. Bank's commitment to consolidate and re-issue within 90 days, the guidelines on the availment of the Forced/Mandatory Leave (FML) to ensure that it is consistent with the Omnibus Rules on Leave issued by the CSC and other laws, rules, regulations, and Bank's guidelines;
9. Provide employees with an Annual Medical Examination, provided that this is consistent with existing laws, rules and regulations; and
10. In the event of calamities or disasters, including pandemics and armed conflict, and even in their aftermath, for as long as necessary, the Bank shall exercise prudence and make necessary adjustments either by deferring such training or providing alternative training arrangements with due consideration to the life and security of the employees.

The CNA forms part of the Bank's mission to cultivate a harmonious and healthy work environment with equal opportunity for professional growth and development. The 7th CNA shall be adopted from 2021 to 2023.

Succession Policy

LANDBANK ensures the readiness of successors for critical positions in the Bank for the continuity of its business operations through succession planning.

The HRMG, in collaboration with the incumbents, conducts the Succession Planning annually following these processes: (a) identification of key positions in the organization; (b) determination of appropriate qualification and competency standards for these positions; (c) assessment of possible successors against the standards; (d) mapping of candidates in the succession pool; and (e) design and implementation of development programs to ensure and continuously monitor the readiness of potential successors to assume the functions and responsibilities of the position.

Programs aimed at developing a highly trained and qualified management pool such as the MLDP and the GROWing NxtGen Leaders, the Bank's Mentoring Program, are premier training programs which are geared to support the Bank's succession planning effort.

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 Government Service Insurance System (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.

Orientation and Education Program for Senior Management

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Cecilia C. Borromeo President and CEO	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Alan V. Bornas Executive Vice President Operations Sector	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Julio D. Climaco Jr. Executive Vice President Branch Banking Sector	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Carel D. Halog Executive Vice President Treasury & Investment Banking Sector	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
Alex A. Lorayes Executive Vice President Corporate Services Sector	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Filipina B. Monje Senior Vice President Northern & Central Luzon Lending Group	100 Steps To Digital	05/7/2021	5/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes To Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Dx Journey Alignment	09/16/2021	09/17/2021	2	16	Intl Data Corp
	Financing Smallholder Farmers	05/20/2021	05/20/2021	1	3	APRACA
	Towards New Horizons	05/26/2021	05/27/2021	2	16	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Ramon R. Monteloyola Senior Vice President South NCR Branches Group	100 Steps to Digital	6/7/2021	6/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Branch Operations on FOAD Common Findings	08/28/2021	08/28/2021	1	3	BBS
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Ma. Celeste A. Burgos Senior Vice President Agricultural and Development Lending Sector	100 Steps to Digital	07/14/2021	07/14/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	Fund Transfer Pricing	3/9/2021	3/9/2021	1	3	TSD
	Loan Origination System Retooling	7/6/2021	7/6/2021	1	3.5	LSD1
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Leila C. Martin Senior Vice President Strategic Initiatives Office	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Annalene M. Bautista Senior Vice President Controllership Group	100 Steps to Digital	07/19/2021	07/19/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Dx Journey Alignment	6/9/2021	7/9/2021	2	16	Intl Data Corp
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Webinar: 42nd GACPA Annual Convention	06/24/2021	06/25/2021	2	16	GACPA
	Webinar: BAIPHIL Virtual Convention	05/19/2021	05/21/2021	3	14.25	BAIPHIL
	Webinar: BSP Circ.1011 PFRS 9 Guidelines	03/29/2021	03/29/2021	1	8	BAIPHIL
	Webinar: PFRS 16 Leases	12/22/2021	12/22/2021	1	4	FAD

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Elsie Fe B. Tagupa Senior Vice President Visayas Lending Group	100 Steps to Digital	07/19/2021	07/19/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	CES Lifelong Learning for Leadership Con	9/11/2021	12/11/2021	4	16	CESB
	Dx Journey Alignment	9/9/2021	10/9/2021	2	16	Intl Data Corp
	Financing Smallholder Farmers	05/20/2021	05/20/2021	1	3	APRACA
	Fund Transfer Pricing	3/9/2021	3/9/2021	1	3	TSD
	Loan Origination System Retooling	7/6/2021	7/6/2021	1	3.5	LSD1
	Towards New Horizons	05/26/2021	05/27/2021	2	16	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Lucila E. Tesorero Senior Vice President Southern Luzon Lending Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7
1st Ugnayan: From Handshakes to Headsets		01/21/2021	01/21/2021	1	2	ODD
3rd Virtual Ugnayan Meetup GROWing Nxtgen		09/16/2021	09/16/2021	1	2	ODD
4th Virtual Ugnayan Meetup GROWing Nxtgen		11/24/2021	11/24/2021	1	2	ODD
Comp Assessment Rater's Orientation		10/18/2021	10/18/2021	1	2.5	PAPI
Fund Transfer Pricing		3/9/2021	3/9/2021	1	3	TSD
Loan Origination System Retooling		7/6/2021	7/6/2021	1	3.5	LSD1
Towards New Horizons		06/28/2021	06/29/2021	2	16	ODD
Updating On Anti-Money Laundering Act		10/18/2021	10/18/2021	1	2	AMLC
Camilo C. Leyba Senior Vice President East Mindanao Branches Group	100 Steps to Digital	8/7/2021	8/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup Growing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup Growing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup Growing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Basic Life Support and First Aid Trainin	05/25/2021	05/25/2021	1	4	PNP
	Environmental Mgmt. Training for Managing Heads	04/20/2021	04/20/2021	1	8.5	INNOGY
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Occupational Safety and Health	06/15/2021	06/15/2021	1	4	UP MANILA
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Khurshid U. Kalabud Senior Vice President East Visayas Branches Group	100 Steps to Digital	5/7/2021	5/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	44th ADFIAP Annual Meeting	10/28/2021	10/28/2021	1	2.75	ADFIAP
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	CES Lifelong Learning for Leadership Conference	9/11/2021	12/11/2021	4	16	CESB
	Environmental Mgmt. Training for Managing Heads	04/20/2021	04/20/2021	1	8.5	INNOGY
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	PSU Orientation for Gov't Agency Managers	9/6/2021	10/6/2021	2	8	CSC
Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC	
Althon C. Ferolino Senior Vice President Southeast Luzon Branches Group	100 Steps to Digital	07/14/2021	07/14/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing g Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Counterfeit Detection Updates	04/24/2021	04/24/2021	1	3	SELBG
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Marilou L. Villafranca Senior Vice President North NCR Branches Group	100 Steps to Digital	8/7/2021	8/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Listening Labs	11/26/2021	11/26/2021	1	1.5	ADFIAP
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Amelia S. Amparado Senior Vice President Compliance Management Group	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	LBP Head Office Procurement Procedures	4/8/2021	4/8/2021	1	2	PROCD
	Trade Finance Overview	10/29/2021	10/29/2021	1	2	ITD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Charlotte I. Conde Senior Vice President Mindanao Lending Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	44th ADFIAP Annual Meeting	10/28/2021	10/28/2021	1	2.75	ADFIAP
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Dx Journey Alignment	09/16/2021	09/17/2021	2	16	Intl Data Corp
	Financing Smallholder Farmers	05/20/2021	05/20/2021	1	3	APRACA
	Fund Transfer Pricing	08/27/2021	08/27/2021	1	3	TSD
	Loan Origination System Retooling	7/6/2021	7/6/2021	1	3.5	LSD1
	Towards New Horizons	06/28/2021	06/29/2021	2	16	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Alden F. Abitona Senior Vice President Technology Management Group	100 Steps to Digital	07/14/2021		1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021		1	2	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Emellie V. Tamayo Senior Vice President Lending Programs Management Group	100 Steps to Digital	9/7/2021	9/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Carbon Partnership Facility Annual Mtg.	9/12/2021	9/12/2021	1	3	WORLD BANK
	Dx Journey Alignment	6/9/2021	7/9/2021	2	16	Intl Data Corp
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Randolph L. Montesa Senior Vice President Card and Electronic Banking Group	100 Steps to Digital	8/7/2021	8/7/2021	1	7	Intl Data Corp
	Acquiring Business Model Best Practices	11/23/2021	11/25/2021	3	9	VISA
	B2B Converge: Asia Pacific	8/3/2021	9/3/2021	2	8.25	CPI
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Dx Journey Alignment	6/9/2021	7/9/2021	2	16	Intl Data Corp
	Embrace The Future of Payment	3/3/2021	3/3/2021	1	3	MICROSOFT
	Southeast Asia Client Forum 2021	03/16/2021	03/17/2021	2	6	VISA
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Noel B. Marquez Senior Vice President Legal Services Group	Admin Law Under Normal and New Normal	12/7/2021	07/18/2021	7	7	MCLE
	Aspects Of Marriage: Interviewing Client	12/7/2021	07/18/2021	7	7	MCLE
	Corporations Vested_Mod 1	12/7/2021	07/18/2021	7	7	MCLE
	Leveraging Article 36	12/7/2021	07/18/2021	7	7	MCLE
	MCLE: Aspects of Marriage	07/15/2021	07/16/2021	2	4	MCLE
	MCLE: Convergence for Speedy Justice	3/9/2021	5/9/2021	3	6	MCLE
	MCLE: Defending Phil Sovereign Rights	9/9/2021	12/9/2021	4	8	MCLE
	MCLE: Dpa - Rights of A Data Subject	07/31/2021	1/8/2021	2	4	MCLE
	MCLE: Dpa-Lawful Criteria of Processing	07/27/2021	07/28/2021	2	4	MCLE
	MCLE: Dpa-Penalties & Third-Party Risks	07/29/2021	07/30/2021	2	4	MCLE
	MCLE: Dynamic Oral Advocacy	08/27/2021	08/29/2021	3	6	MCLE
	MCLE: Ethical Pitfalls & Considerations	7/8/2021	8/8/2021	2	4	MCLE
	MCLE: Imposing Criminal Penalties	08/16/2021	08/16/2021	1	2	MCLE
	MCLE: Introduction to Safe Spaces Act	3/8/2021	4/8/2021	2	4	MCLE
	MCLE: Legal Ethics of Legal Risk Mgt	9/8/2021	9/8/2021	1	2	MCLE
	MCLE: Legal Ethics Updates 1	10/8/2021	11/8/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 2	12/8/2021	08/13/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 3	08/14/2021	08/15/2021	2	4	MCLE
	MCLE: Leveraging Article 36	07/17/2021	07/18/2021	2	4	MCLE
	MCLE: Mediation at Court of Tax Appeals	08/23/2021	08/24/2021	2	4	MCLE
	MCLE: Nuts & Bolts of Phil Immigration	07/26/2021	07/26/2021	1	2	MCLE
	MCLE: Pleading Writing and Practice	6/9/2021	8/9/2021	3	6	MCLE
	MCLE: Resolving Disputes in Sports	08/25/2021	08/26/2021	2	4	MCLE
	MCLE: Writer's Journey-Writing Law Book	08/30/2021	08/31/2021	2	4	MCLE
	MCLE: Writing Impactful Instruments	1/9/2021	2/9/2021	2	4	MCLE
	MCLE: Admin Law Under Normal & New Normal	07/13/2021	07/14/2021	2	4	MCLE
	MCLE: Arbi Procedure in Construction Ind	08/17/2021	08/18/2021	2	4	MCLE
	MCLE: Blockchain & Its Legal Implications	5/8/2021	6/8/2021	2	4	MCLE
	MCLE: Corps Vested W/ Public Interests	12/7/2021	12/7/2021	1	2	MCLE
	MCLE: Final & Binding an Arbitration Award	08/19/2021	08/20/2021	2	4	MCLE
	MCLE: Handle Arbitration Disputes W/ Govt	08/21/2021	08/22/2021	2	4	MCLE
	MCLE: Job-Contracting/ Labor-Only Contracting	07/19/2021	07/22/2021	4	8	MCLE
	MCLE: Labor Issues in The Time of Covid19	07/23/2021	07/25/2021	3	6	MCLE
MCLE: Law on Antihuman Trafficking in Ph	2/8/2021	2/8/2021	1	2	MCLE	
Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC	

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Elcid C. Pangilinan Senior Vice President Strategy and Knowledge Management Group	100 Steps to Digital	07/16/2021	07/16/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Diagnosing An Organization	1/3/2021	12/4/2021	3	9	ATENEO-CORD
	Dx Journey Alignment	09/16/2021	09/17/2021	2	16	Intl Data Corp
	Evaluating And Institutionalizing Change	05/24/2021	06/14/2021	3	9	ATENEO-CORD
	Od Interventions	04/19/2021	10/5/2021	3	9	ATENEO-CORD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Webinar: Understanding Org Context	1/2/2021	02/22/2021	3	9	ATENEO-CORD
Gonzalo Benjamin A. Bongolan Senior Vice President Investment Banking Group	100 Steps to Digital	7/7/2021	7/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	AML/CFT/CPF For Senior Management	8/1/2021	8/1/2021	1	3	BAIPHIL
	Ulat Ng BSP: Central Banking for Filipino	02/19/2021	02/19/2021	1	2	BSP
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	100 Steps to Digital	7/7/2021	7/7/2021	1	7	Intl Data Corp
Ma. Cielito D. Valdivia Senior Vice President Southwest Luzon Branches Group	100 Steps to Digital	8/7/2021	8/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	Basic Life Support and First Aid Training	05/25/2021	05/25/2021	1	4	PNP
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Electronic Performance Appraisal Report	07/17/2021	07/17/2021	1	2	SWLBG
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Fund Transfer Pricing	7/9/2021	7/9/2021	1	3	TSD
	Integrated Management System	05/28/2021	05/28/2021	1	3.5	QIMD
	Occupational Safety and Health	06/15/2021	06/15/2021	1	4	UP MANILA
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Sylvia C. Lim Senior Vice President Central Luzon Branches Group	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Ma. Belma T. Turla Senior Vice President North Luzon Branches Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	44th ADFIAP Annual Meeting	10/28/2021	10/28/2021	1	2.75	ADFIAP
	CES Lifelong Learning for Leadership Con	9/11/2021	12/11/2021	4	16	CESB
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Counterfeit Detection Updates	12/5/2021	12/5/2021	1	3	NLBG
	Electronic Performance Appraisal Report	07/24/2021	07/24/2021	1	2	SWLBG
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Updates: KYC & Due Diligence Procedures	02/17/2021	02/17/2021	1	3	BBSD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Webinar For the Use of LANDBANK Pay App	12/8/2021	12/8/2021	1	3	PHILSYS
Webinar: Updates on Branch Operations	09/18/2021	09/18/2021	1	8	BBS	
Delma O. Bandiola Senior Vice President West Visayas Branches Group	100 Steps to Digital	7/7/2021	7/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Bank Operational Risk and Resiliency	03/16/2021	03/19/2021	4	10	ADFIAP
	Comp Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Updates: KYC & Due Diligence Procedures	02/23/2021	02/23/2021	1	3	BBSD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Winston Rochel L. Galang Senior Vice President Banking Operations Group	100 Steps to Digital	07/14/2021	07/14/2021	1	7	Intl Data Corp
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Updating On Anti-Money La undering Act	10/18/2021	10/18/2021	1	2	AMLC

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Ma. Francia O. Titar First Vice President Finance Markets Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	MART Annual Convention	10/11/2021	12/11/2021	3	7.5	MART
	New Workstyles & Mngt Under Covid Crisis	9/3/2021	9/3/2021	1	2	BAIPHIL
	The 2021 Philippine Economic Outlook	01/26/2021	01/26/2021	1	2	BAIPHIL
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Webinar: Coping with New Normal Work Arrangement	02/23/2021	02/23/2021	1	2	BAIPHIL
Maria Edelwina D. Carreon First Vice President Internal Audit Group	1st Government Internal Auditors Summit	1/7/2021	2/7/2021	2	17	AGIA
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Highpoint 2021	06/17/2021	06/18/2021	2	11	GALVANIZE
	LBP Head Office Procurement Procedures	4/8/2021	4/8/2021	1	2	PROCD
	Towards New Horizons	05/26/2021	05/27/2021	2	16	ODD
	Trade Finance Overview	10/29/2021	10/29/2021	1	2	ITD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
	Virtual Annual Convention Cum Seminar	7/10/2021	8/10/2021	2	16	AGIA

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Joselito B. Vallada First Vice President Human Resource Management Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	Admin Law Under Normal and New Normal	12/7/2021	07/18/2021	7	7	MCLE
	Aspects Of Marriage: Interviewing Client	12/7/2021	07/18/2021	7	7	MCLE
	Corp. Gov. Orientation Program for GOCCs	09/21/2021	09/22/2021	2	8	ICD
	Corporations Vested_Mod 1	12/7/2021	07/18/2021	7	7	MCLE
	Diagnosing An Organization	1/3/2021	12/4/2021	3	9	Ateneo CORD
	Evaluating And Institutionalizing Change	05/24/2021	06/14/2021	3	9	Ateneo CORD
	Leveraging Article 36	12/7/2021	07/18/2021	7	7	MCLE
	MCLE: Aspects of Marriages	07/15/2021	07/16/2021	2	4	MCLE
	MCLE: Convergence for Speedy Justice	3/9/2021	5/9/2021	3	6	MCLE
	MCLE: Defending Phil Sovereign Rights	9/9/2021	12/9/2021	4	8	MCLE
	MCLE: Dpa - Rights of A Data Subject	07/31/2021	1/8/2021	2	4	MCLE
	MCLE: Dpa-Lawful Criteria of Processing	07/27/2021	07/28/2021	2	4	MCLE
	MCLE: Dpa-Penalties & Third-Party Risks	07/29/2021	07/30/2021	2	4	MCLE
	MCLE: Dynamic Oral Advocacy	08/27/2021	08/29/2021	3	6	MCLE
	MCLE: Ethical Pitfalls & Considerations	7/8/2021	8/8/2021	2	4	MCLE
	MCLE: Imposing Criminal Penalties	08/16/2021	08/16/2021	1	2	MCLE
	MCLE: Introduction to Safe Spaces Act	3/8/2021	4/8/2021	2	4	MCLE
	MCLE: Legal Ethics of Legal Risk Mgt	9/8/2021	9/8/2021	1	2	MCLE
	MCLE: Legal Ethics Updates 1	10/8/2021	11/8/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 2	12/8/2021	08/13/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 3	08/14/2021	08/15/2021	2	4	MCLE
	MCLE: Leveraging Article 36	07/17/2021	07/18/2021	2	4	MCLE
	MCLE: Mediation at Court of Tax Appeals	08/23/2021	08/24/2021	2	4	MCLE
	MCLE: Pleading Writing and Practice	6/9/2021	8/9/2021	3	6	MCLE
	MCLE: Resolving Disputes in Sports	08/25/2021	08/26/2021	2	4	MCLE
	MCLE: Writer's Journey-Writing Law Book	08/30/2021	08/31/2021	2	4	MCLE
	MCLE: Writing Impactful Instruments	1/9/2021	2/9/2021	2	4	MCLE
	MCLE: Admin Law Under Normal & New Normal	07/13/2021	07/14/2021	2	4	MCLE
	MCLE: Arbi Procedure in Construction Ind	08/17/2021	08/18/2021	2	4	MCLE
	MCLE: Blockchain & Its Legal Implications	5/8/2021	6/8/2021	2	4	MCLE
	MCLE: Corps Vested W/ Public Interests	12/7/2021	12/7/2021	1	2	MCLE
	MCLE: Final & Binding an Arbitration Award	08/19/2021	08/20/2021	2	4	MCLE
	MCLE: Handle Arbitration Disputes W/ Govt	08/21/2021	08/22/2021	2	4	MCLE
	MCLE: Job-Contracting/ Labor-Only Contracting	07/19/2021	07/22/2021	4	8	MCLE
	MCLE: Labor Issues in The Time of Covid19	07/23/2021	07/25/2021	3	6	MCLE
	MCLE: Law on Antihuman Trafficking in Ph	2/8/2021	2/8/2021	1	2	MCLE
	Od Interventions	04/19/2021	10/5/2021	3	9	Ateneo CORD
	PMAP Annual Conference	07/28/2021	07/30/2021	3	15	PMAP
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Webinar: Understanding Org Context	1/2/2021	02/22/2021	3	9	Ateneo CORD	

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Reynaldo C. Capa First Vice President Banking Services Group	100 Steps to Digital	12/7/2021	12/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Ra No. 9184 & Its 2016 Revised IRRs	11/15/2021	11/19/2021	5	40	GPPB
Cielito H. Lunaria First Vice President Retail and Mid-Market Lending Group	100 Steps to Digital	5/7/2021	5/7/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Dx Journey Alignment	6/9/2021	7/9/2021	2	16	Intl Data Corp
	Fund Transfer Pricing	3/9/2021	3/9/2021	1	3	TSD
	Infrastructure Development in The Digital Age	08/23/2021	08/27/2021	5	40	Singapore TICA
	Loan Origination System Retooling	7/6/2021	7/6/2021	1	3.5	LSD1
	Towards New Horizons	12/7/2021	07/13/2021	2	16	ODD
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Lolita M. Almazar First Vice President Trust Banking Group	100 Steps to Digital	8/7/2021	8/7/2021	1	7	Intl Data Corp
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Investment, Trust & Estate Mgt (Item)	5/3/2021	04/22/2021	30	91.5	WMC
	Personal Finance Management Webinar	03/24/2021	03/24/2021	1	2	COL Financial
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC
Adelfa R. Masacupan First Vice President Asset and Liability Management Group	100 Steps to Digital	07/15/2021	07/15/2021	1	7	Intl Data Corp
	1st Ugnayan: From Handshakes to Headsets	01/21/2021	01/21/2021	1	2	ODD
	2nd Virtual Ugnayan Meetup GROWing Nxtgen	05/19/2021	05/19/2021	1	2	ODD
	3rd Virtual Ugnayan Meetup GROWing Nxtgen	09/16/2021	09/16/2021	1	2	ODD
	4th Virtual Ugnayan Meetup GROWing Nxtgen	11/24/2021	11/24/2021	1	2	ODD
	Adv. Liquidity & Forecasting: Dynamic LCR	04/19/2021	04/19/2021	1	1	ITPMD
	Adv. Liquidity & Forecasting: Stochastic ALM	04/19/2021	04/19/2021	1	1	ITPMD
	Competency Assessment Rater's Orientation	10/18/2021	10/18/2021	1	2.5	PAPI
	Dx Journey Alignment	9/9/2021	10/9/2021	2	16	Intl Data Corp
	FTP Module Session	01/15/2021	01/15/2021	1	4	INDRA
	MART Annual Convention	10/11/2021	12/11/2021	3	7.5	MART
	NSFR Module Session	01/19/2021	01/19/2021	1	4	INDRA
	R.A. No. 9184 & Its 2016 Revised IRR	11/15/2021	11/19/2021	5	40	GPPB
	The 2021 Philippine Economic Outlook	01/26/2021	01/26/2021	1	2	BAIPHIL
Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC	

Executive Officer/ Senior Manager	Trainings Attended	Start Date	End Date	Days	Hours	Provider
Roderick P. Sacro First Vice President Asset Recovery Group	Admin Law Under Normal and New Normal	12/7/2021	07/18/2021	7	7	MCLE
	Advanced Credit Management	5/7/2021	9/7/2021	5	40	ADLS
	Aspects Of Marriage: Interviewing Client	12/7/2021	07/18/2021	7	7	MCLE
	Corporations Vested_Mod 1	12/7/2021	07/18/2021	7	7	MCLE
	Fostering A Stronger Kye Program	07/15/2021	07/15/2021	1	2	ABCOMP
	Leveraging Article 36	12/7/2021	07/18/2021	7	7	MCLE
	Loan Remedial Management Transformation	02/18/2021	02/19/2021	2	16	SGV
	MCLE: Aspects of Marriage	07/15/2021	07/16/2021	2	4	MCLE
	MCLE: Convergence for Speedy Justice	3/9/2021	5/9/2021	3	6	MCLE
	MCLE: Defending Phil Sovereign Rights	9/9/2021	12/9/2021	4	8	MCLE
	MCLE: Dpa - Rights of A Data Subject	07/31/2021	1/8/2021	2	4	MCLE
	MCLE: Dpa-Lawful Criteria of Processing	07/27/2021	07/28/2021	2	4	MCLE
	MCLE: Dpa-Penalties & Third-Party Risks	07/29/2021	07/30/2021	2	4	MCLE
	MCLE: Dynamic Oral Advocacy	08/27/2021	08/29/2021	3	6	MCLE
	MCLE: Ethical Pitfalls & Considerations	7/8/2021	8/8/2021	2	4	MCLE
	MCLE: Imposing Criminal Penalties	08/16/2021	08/16/2021	1	2	MCLE
	MCLE: Introduction to Safe Spaces Act	3/8/2021	4/8/2021	2	4	MCLE
	MCLE: Legal Ethics of Legal Risk Mgt	9/8/2021	9/8/2021	1	2	MCLE
	MCLE: Legal Ethics Updates 1	10/8/2021	11/8/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 2	12/8/2021	08/13/2021	2	4	MCLE
	MCLE: Legal Ethics Updates 3	08/14/2021	08/15/2021	2	4	MCLE
	MCLE: Leveraging Article 36	07/17/2021	07/18/2021	2	4	MCLE
	MCLE: Mediation at Court Of Tax Appeals	08/23/2021	08/24/2021	2	4	MCLE
	MCLE: Nuts & Bolts of Phil Immigration	07/26/2021	07/26/2021	1	2	MCLE
	MCLE: Pleading Writing and Practice	6/9/2021	8/9/2021	3	6	MCLE
	MCLE: Resolving Disputes in Sports	08/25/2021	08/26/2021	2	4	MCLE
	MCLE: Writer's Journey-Writing Law Book	08/30/2021	08/31/2021	2	4	MCLE
	MCLE: Writing Impactful Instruments	1/9/2021	2/9/2021	2	4	MCLE
	MCLE: Admin Law Under Normal & New Normal	07/13/2021	07/14/2021	2	4	MCLE
	MCLE: Arbi Procedure in Construction Ind	08/17/2021	08/18/2021	2	4	MCLE
	MCLE: Blockchain & Its Legal Implications	5/8/2021	6/8/2021	2	4	MCLE
	MCLE: Corps Vested W/ Public Interests	12/7/2021	12/7/2021	1	2	MCLE
	MCLE: Final & Binding an Arbitration Award	08/19/2021	08/20/2021	2	4	MCLE
	MCLE: Handle Arbitration Disputes W/ Govt	08/21/2021	08/22/2021	2	4	MCLE
	MCLE: Job-Contracting/ Labor-Only Contracting	07/19/2021	07/22/2021	4	8	MCLE
	MCLE: Labor Issues in The Time of Covid19	07/23/2021	07/25/2021	3	6	MCLE
	MCLE: Law on Antihuman Trafficking in Ph	2/8/2021	2/8/2021	1	2	MCLE
	Remedial Management	01/15/2021	01/15/2021	1	4	LPMG
	Updating On Anti-Money Laundering Act	10/18/2021	10/18/2021	1	2	AMLC

Corporate Social Responsibility Initiatives

LANDBANK CSR Statement

LANDBANK's Corporate Social Responsibility (CSR) embodies its commitment to the institution's social mandate with programs and activities that contribute to a better, safer and more progressive society, redounding to an improved quality of life for people of the present and future generations.

Gawad PATNUBAY Scholarship Program (GPSP)

The steady decline of the country's college and university enrollment in agriculture and fishery courses for the past 10 years is a partial cause of the decrease in the country's agricultural productivity.

As mandated to help spur and sustain countryside development, LANDBANK established the Gawad PATNUBAY (Pag-aaral Tungo sa Maunlad na Bayan) Scholarship Program (GPSP). This Program is designed for underprivileged but deserving students who specialize in agriculture and related fields to develop their skills in modern agriculture, renew enthusiasm for the agricultural sector, promote sustainable development, and reduce poverty in the countryside.

Under GPSP, LCDFI remained an active partner in the tripartite Trust Agreement signed in 2017 with LANDBANK represented by the then Corporate Affairs Department (CAD), now Corporate Affairs Group (CAG) and the Trust Banking Group (TBG) in maintaining the Scholarship Fund, which is invested and held in trust by TBG. The Agreement allowed the consolidation of the scholarship funds being held by LCDFI and LANDBANK from the annual voluntary donations of the Bank's employees administered by LANDBANK Employee Relations Department (ERD). The pooled funds were then invested by TBG.

As a 'Program Partner' of the Scholarship Fund, LCDFI was given the responsibility to: (a) review the completeness and accuracy of the reports submitted by CAG; (b) monitor the progress of the Scholarship Program funded by the Scholarship Fund based on those reports; and (c) process the request for the release of funds from TBG upon request from CAG for disbursement to the scholars and partner-universities involved in the Program.

Along with representatives from the LBP Employees Association (LBPEA), Middle Management Officers Association (MMOAI), and Senior Management, LCDFI continued to participate on the Scholarship Program's Screening Committee to interview and screen scholarship applicants nationwide.

In accordance with LANDBANK Board Resolution No. 19-536, LCDFI will take over as GPSP Program Manager starting January 2020 to the present.

Active Scholars

GPSP currently has 56 scholars registered for the first semester of the academic year 2021-2022, with 51 existing scholars already enrolled.

LCDFI is continuously coordinating with the partner State Universities and Colleges for the pending requirements of the scholars. As the Program Manager, they also monitor the employment status of Batch 2018-2021 for their two-year return of service.

As of Dec. 31, 2021, 147 GPSP scholars graduated from the Program, with 22 graduate scholars from Batch 2018 completing their commitment to the Program.

Program Fund

The 2021 GPSP budget amounting to P5.26 million was already credited to the trust account of GPSP. A total of P3.82 million has already been released for the stipend/allowances of scholars. The release of the remaining scholars' allowance/stipend will be processed upon receipt of all required documents.

Board Examination

The Agriculture and Biosystems Engineer Licensure Exam was held nationwide from Sept. 29 to 30, 2021. Three GPSP BS Agricultural and Biosystems Engineering students passed the exam with Engr. Juven G. Luzorata of the University of the Southeastern Philippines bagging the top score of 83.02% out of 1,392 board exam takers.

On Nov. 20, 2021, 13 GPSP scholars passed the Agriculturist Licensure Examination, with Mr. Jason Tutor of Central Mindanao University ranking 5th (85%) out of 3,927 examinees.

Social responsibility and resilience in the aftermath of Typhoon Odette

On Dec. 16, 2021, Typhoon Odette brought torrential rains, violent winds, landslides, and storm surges in provinces in Luzon, the Visayas and Mindanao, wreaking havoc and leaving a swath of devastation. Considered as the strongest typhoon in 2021, the typhoon damaged homes, public and private infrastructures, agricultural land, fishing communities, and livelihoods.

Despite transportation and connectivity challenges, LANDBANK quickly worked in restoring operations in the aftermath of the typhoon to be able to deliver crucial banking services to affected areas. Majority of the Branches, ATMs, and Lending Centers were online almost immediately, while a Mobile ATM was deployed to provide basic banking services such as cash withdrawals, balance inquiries, bills payments, and fund transfers to calamity-affected residents.

LANDBANK President and CEO Cecilia C. Borromeo shared that Landbankers proved their passion to serve the nation as they immediately responded to aid the communities. "Our LANDBANK employees showed their dedication and resilience as they reported for duty despite being affected by the typhoon themselves," she said.

Aside from ensuring cash availability and accessibility in the affected areas, LANDBANK also turned over P21.2-million worth of financial assistance to 198 LGUs that were severely affected by Typhoon Odette, including Dinagat Islands, Surigao del Norte, Leyte, Bohol, Cebu, Antique, Guimaras, Negros Occidental, Negros Oriental, and Palawan. The Bank allocated P200,000 each for provinces, P150,000 each for cities, and P100,000 each for municipalities.

Awards

The GPSP was named one of the Bank's "Outstanding Development Projects" in 2014 by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) under the Corporate Social Responsibility category. The Bankers Institute of the Philippines (BAIPHIL) also recognized the Program as the Best CSR Project Champion for the year 2017.

"We consider LGUs as our valuable partners in various initiatives, including the delivery of relief and recovery interventions to local communities. Providing affected LGUs with immediate financial assistance in the aftermath of Typhoon Odette is crucial to quickly address the fundamental needs of our countrymen," said President Borromeo.

The Bank also raised over P976,000 from employees' donations under the LANDBANK AMBAG System (**A**lternative **M**echanism of **B**enevolent **A**ssistance for the **G**reater-Good). The funds were distributed by the Employee Relations Department to 669 employee-beneficiaries as much-needed cash assistance. Those who incurred severe damage to their properties received P5,000 each and those with partially damaged properties received P3,000. The Bank also turned over P50,000 each to six severely affected communities.

The Bank's Employee Relations Department also continued to work closely with Bank Units to facilitate the release of financial assistance to calamity victims under the Bank's Relief and Disaster Assistance Program.



SPECIAL FEATURES

Farm-to-pork: VFI's story of producing and supplying quality pork



When the African Swine Fever (ASF) hit the country, Virginia Farms Inc. (VFI) was among the farms that responded to the call of the National Government to help in addressing the dwindling pork supply in Luzon.

The company was able to ship millions of kilos of live hogs and frozen ASF-free pork to Luzon while ensuring the strict implementation of bio-security measures to prevent any contamination. They also worked closely with the Central Visayas Pork Producers Cooperative, Inc. (CeViPPCo) and the Provincial Government of Cebu for local policies that helped protect the hog farmers in Cebu.

A pioneer in the swine industry in Central Visayas, VFI started as a humble backyard venture in 1968. Today, it has established its name as the oldest and largest integrated farm-to-pork business in the region, providing its clients with the much-needed supply of fresh and safe to eat pork products.



From hog farming, VFI tried to diversify into meat processing but later on decided to focus on the swine farming business, which is now located in its 360-hectare property in Asturias, Cebu. In 2008, VFI created its retail arm, The Pork Shop, which initially sells pre-cut fresh, chilled and/or frozen meat products. At present, the shop also sells fresh produce from vegetable farmers in Asturias under their brand Asturias Harvest.

To improve efficiency and add capacity, VFI availed of a credit facility from LANDBANK through its Cebu North Lending Center to finance additional investments in the expansion of its operations with modern facilities that would efficiently support the production and delivery of meat products to their branches. These investments include the construction of a Meat Cutting Plant in Maguikay, Mandaue City in 2015, as well as the Climate Control System Piggery House in 2013 and Virginia Slaughterhouse and Meat Plant in Asturias in 2018.

“LANDBANK has been our partner in most of our important milestones. The farm expansion in 2013 helped us secure a steady and sustainable supply of hogs to support our retail operations. The Meat Cutting Plant in Maguikay improved our capacity and helped us offer more cuts that will cater to the different requirements of our customers especially those operating hotels and restaurant businesses. Furthermore, the Virginia Slaughterhouse and Meat Plant helped us ensure the high quality of pork we produce through above-standard practices that we adopted,” said President Rolando E. Tambago.

As a result of the business expansion, The Pork Shop now has 56 branches – 50 in Cebu, three in Iloilo City, two in Leyte, and one in Biliran, employing over 1,000 people and providing employment opportunities to locals.

“LANDBANK contributed a lot in the success and growth of our business across the value chain – from farm to retail. We thank LANDBANK for the trust and confidence that they extended to us,” said Tambago.

Meanwhile, as the ASF continued to pose risk to animal health, as well as to people’s livelihood and food security, VFI also offered a buy-back scheme to hog farmers who use their feed products, and Gilt Leasing Program wherein farmers are allowed to lease gilts (young sows) from VFI at very low monthly amortization. They were also given



technical assistance from the nutrition to the management of hogs to ensure that Cebu farmers, including VFI, remain safe from ASF. Through this, the company aims to repopulate hogs and increase the supply of pork in the region.

VFI is also conscious of the impact of its operations to the environment. To reduce its carbon footprint, their farm and slaughterhouse have an environment-friendly waste disposal facility with biogas digesters that produce methane fuel generators from waste discharges. Other biogas digester by-products are treated and used as fertilizer and irrigation water for the community’s calamansi plantation and tilled lands.

“Our growth is really way above the industry standard, thanks to our partnership with LANDBANK and the loan facilities we have availed from them,” said Tambago.

VFI also utilizes LANDBANK’s online banking services to monitor and manage their financial transactions such as crediting the employees’ salary online via WeAccess. The company is also coordinating with LANDBANK to set up a Point-of-Sale (POS) terminal that will be installed in The Pork Shop branches.

President Tambago expressed that they intend to expand the company’s footprint, particularly in Luzon, to provide consumers with greater access to fresh and safe local pork products amidst the dwindling supply of pork due to the continuous spread of ASF in our country.

With its steadfast growth and the fortitude of its employees who are focused on achieving the company’s goals, VFI continues to provide quality pork products and livelihood opportunities, uplifting the lives of Cebuanos to help spur economic development.

Cultivating Hope, Harvesting Growth

Palay farmer Jessie Cabuhat has been tilling their family's farm in Palawan since the age of 17. As the eldest son among five other siblings, he took on the responsibility to help his father in farming and earning money for their family. *"Nung nagkasakit ang aking magulang, ako ang kumatawang katulong niya sa pagsasaka,"* he said.

As he grew up and had his own family, he recognized the need for an additional source of income and thus, his dream of setting up a small business was born. He had a clear vision - to have his own farm machinery which he could rent out to his fellow farmers.

In 2018, LANDBANK Account Officer Maria Lourdes Cabuco introduced LANDBANK's programs and services in a seminar held for the members of Narra Teachers' Multi-Purpose Cooperative, an organization chaired by Cabuhat's wife, Edna. This fateful meeting made Cabuhat interested in LANDBANK's loan facilities for farmers and eventually apply for the Agricultural Competitiveness Enhancement Fund (ACEF) lending program.

ACEF is a direct lending program administered by LANDBANK in partnership with the Department of Agriculture (DA). This program provides timely and affordable credit to farmers and fishers, their cooperatives and associations, as well as micro and small enterprises (MSEs) to increase their productivity and income. They can use the loan to purchase farm inputs and equipment, or for farm improvements. For MSMEs, cooperatives and associations, the loan may be used for the acquisition of machinery, equipment and facilities for agri-based production and post-production, as well as processing activities.

Facilitated by the LANDBANK Palawan Lending Center, Cabuhat was able to loan P1.4 million under the ACEF in 2020 to purchase a DC70 PH Plus combine harvester in time for harvest during the wet season.

"Dahil sa LANDBANK, nakautang ako sa mababang interes. Nagkaroon din ako ng harvester at iyon ay nagamit ko sa aking sakan. Malaking tulong ito sa aking pamilya at sa kapwa kong magsasaka."



Since purchasing the combine harvester, he has made the machinery available for rent to more than 100 farmers in Narra, the Rice Granary of Palawan. He has also been using the machinery for farming his own 12 hectares of farmland and four hectares of pawned land.

As the harvester kickstarted his own business, Cabuhat also generated employment by hiring an additional three baggers and one machine operator to beef up his roster of six farm helpers.

In time, Cabuhat's dream had been realized. The rental business significantly complemented his regular income and supported his family's financial needs. With LANDBANK, he was also able to fund the education of his two sons, one of whom will soon obtain a bachelor's degree in Medical Technology, and another who is in pursuit of a bachelor's degree in Evangelical Ministry.

Now, the farmer turned entrepreneur chases after a new dream - to expand his business by purchasing another harvester and a tractor to add to his existing machinery. He aims to not only increase his family's income but also help his fellow farmers by renting out his equipment at a lower cost compared to other rentals.

Cabuhat is grateful to LANDBANK and the DA for providing a loan facility at a very low interest rate of 2% per annum. Likewise, he is hopeful that his fellow farmers can benefit from the program the same way he did.

"Maraming maraming salamat sa LANDBANK. Patuloy pa sana silang magbigay ng assistance sa pag-utang at oportunidad sa katulad kong magsasaka tulad ng pagpapautang ng ACEF."



Breathing Hope for Healthcare: Serving the People Through Improved Medical System



Provincial Government of Sorsogon

The pandemic put into focus the country's need to improve its healthcare system. The surge of COVID-19 cases saw great demand for medical-grade oxygen, with various areas experiencing supply shortage.

For its supply, the Province of Sorsogon taps an oxygen plant located in Magarao, Camarines Sur - some 150 kilometers away from the province's capital. It caters to all nine government hospitals and six private hospitals in the province, causing shortage in supply and delays in the delivery of oxygen.

This, among others, may cause higher risk of mortality among COVID-19 patients. To mitigate such emergency situations, the Provincial Government of Sorsogon, led by then Governor Francis Joseph "Chiz" Escudero, conceptualized the establishment of an Oxygen Generating Plant to immediately supply and deliver the needed oxygen to all public hospitals in the province.

"The current daily consumption of the provincial hospital alone for oxygen is about 57 big tanks and an average of five big tanks per day in four district and four medical hospitals of the province. It is about 15% of the total budget for drugs and medicines procured by the province that is allotted for the purchase of oxygen," then Governor, and now Senator Escudero said.

The establishment of this facility is part of the local government's COVID-19 mitigation efforts. The plant will also help lower the costs for tank refilling from P490 per tank to only P157, which will help other medical cases, aside from COVID-19.

To help finance this project, the province of Sorsogon worked with LANDBANK. With 23 years of partnership, LANDBANK again assisted the province in its recovery efforts and its goal to provide constituents with the best healthcare service. Over the years, LANDBANK has financed various projects of the province including the construction of saline tilapia hatchery, farm to market roads, bridges and other infrastructure projects, as well as acquisition of heavy equipment, among others.

Sen. Escudero expressed his appreciation for LANDBANK's continuous support to Sorsogon's projects. "I thank LANDBANK for always being available to support the province in its development projects. The speedy approval of our loans has helped expedite our projects," he said. "I look forward to more partnerships between the province and LANDBANK for future development efforts."





Banking the Unbanked: Expanding Financial Inclusion through PhilSys

Financial inclusion is one of National Government's thrusts to improve the lives of all Filipinos, especially the vulnerable sector. In support of this vital program, the Philippine Statistics Authority (PSA) partnered with LANDBANK to implement the Philippine Identification System (PhilSys) which provides unbanked and underserved Filipino registrants formal access to the country's financial system.

The PhilSys Program aims to provide Filipinos with valid proof of identity to simplify public and private transactions. It also aims to promote the seamless delivery of financial services and government support interventions to beneficiaries across the country.

At present, LANDBANK co-locates with PSA in registration centers for the second step of the PhilSys registration, allowing national ID registrants to open their own transaction accounts to enable them to utilize a wide range of financial services.

In 2021, the Bank onboarded 7.2 million PhilSys registrants nationwide. Of this number, 1.6 million PhilSys registrants are from Central Luzon, 1.4 million from Eastern Mindanao, 1.2 million from Eastern Visayas, and 1.1 million from Western Visayas.

"LANDBANK is committed to reaching more of the unbanked population in support of the National Government's financial inclusion agenda. We have made significant headway in bringing unbanked PhilSys registrants into the formal banking system, as we continue our strategic and fruitful partnership with the PSA," said LANDBANK President and CEO Cecilia C. Borromeo.

The Bank provided a total of 3,064,956 LANDBANK prepaid cards to successful National ID registrants, free-of-charge with no initial deposit requirement. 98.86% or 3,064,956 were facilitated through the Bank's Agent Banking Partners, while the remaining 1.14% or 34,976 were onboarded through the Digital On-boarding System - Data Entry System.

As of end-2021, the carded PhilSys registrants have utilized their LANDBANK prepaid cards for various transactions amounting to P86.1 million. These cards are used to load cash into their accounts, withdraw cash at ATMs and Point-of-Sale (POS) terminals, perform cashless transactions, do tap payments, shop online, and even receive government subsidies. They may also cash-in, cash-out, and transfer funds to any LANDBANK Branch or Agent Banking Partner.

Registrants can also download and open an account through LANDBANKPay, an e-wallet account that they can use in the comfort and safety of their homes.

The Program was able to reach a cumulative total of 66 provinces and 14 NCR cities with 1,583 registration centers across the country.

LANDBANK reaffirms its support to the National Government's target of providing at least one bank account for every Filipino household equivalent to 13.5 million accounts throughout the whole partnership with PSA, empowering more Filipinos and bringing them into the fore of the banking system.

Organizational Structure

BOARD OF DIRECTORS

AUDIT AND COMPLIANCE COMMITTEE

COMPLIANCE MANAGEMENT GROUP (CMG) - SVP Amelia S. Amparado

- Anti-Money Laundering Department (AMLD)
- Regulatory Compliance Department (RCD)

INTERNAL AUDIT GROUP (IAG) - FVP Maria Edelwina D. Carreon

- Lending Operations Audit Department (LOAD)
- Field Operations Audit Department (FOAD)
- Head Office and Systems Technology Audit Department (HOSTAD)
- Audit Services Team (AST)
- Quality Assurance and Support Team (QAST)

AGRI-AGRA SOCIAL CONCERNS COMMITTEE

CORPORATE GOVERNANCE COMMITTEE (CGCom)

RELATED PARTY TRANSACTIONS COMMITTEE

Office of the Corporate Secretary (CorSec)
- Corporate Secretary Myra Lyn S. Peñalosa

Agrarian Services Group (ASG) - AVP Marife Lynn O. Pascua

- Agrarian Operations Center (AOCs)
- Bond Servicing Department (BSD)
- Agrarian Support Department (ASD)
- Land Transfer Processing Department (LTPD)

Asset Recovery Group (ARG) - VP Roderick P. Sacro

- Asset Recovery Support Department (ARSD)
- Special Assets Department (SPAD)
- Loan Recovery Department (LRD)

Strategy and Knowledge Management Group (SKMG) - FVP Elcid C. Pangilinan

- Corporate Planning and Strategy Management Department (CPSMD)
- Economics and Policy Research Department (EPRD)
- Enterprise Data Management Department (EDMD)
- Quality and Innovation Management Department (QIMD)

RISK OVERSIGHT COMMITTEE (RiskCom)

Risk Management Group (RMG) - VP Rose Marie E. Sotelo

- Credit Risk Management Department (CRMD)
- Enterprise Risk Management Office (ERMO)
- Information Security and Technology Risk Management Office (ISTRMO)
- Operational Risk Management Department (ORMD)
- Treasury Risk Management Department (TRMD)
- Credit Policy Formulation and Review Unit (CPFRU)
- Investment and Loans Committee Secretariat and Support Unit (ISSU)

TRUST COMMITTEE (TrustCom)

Trust Banking Group (TBG) - FVP Lolita M. Almazar

- Third Party Custodianship and Registry Department (TCRD)
- Trust Account Management Department (TrAMD)
- Trust Business Development Department (TBDD)
- Trust Operations Department (TOD)
- Trust Portfolio Management Department (TPMD)
- Trust Oversight and Strategic Management Department (TOSD)

Legal Services Group (LSG) - FVP Noel B. Marquez

- Administrative Legal Department (ALD)
- Banking Legal Services Department (BLSD)
- Litigation Department (LD)
- Special Legal Concerns Department (SLCD)
- Field Legal Services Department (FLSD)

Security Department (SD) - VP Romulo E. Sapidula

Strategic Initiatives Office (SIO) - SVP Leila C. Martin

Systems and Methods Department (SMD) - AVP Reynaldo Michael R. Bien

CECILIA C. BORROMEO PRESIDENT AND CEO

Branch Banking Sector (BBS) EVP Julio D. Climaco, Jr.

BRANCHES GROUP

- North NCR Branches Group (NNCRBG) - SVP Marilou L. Villafranca
- South NCR Branches Group (SNCRBG) - SVP Ramon R. Monteloyola
- North Luzon Branches Group (NLBG) - FVP Ma. Belma T. Turla
- Central Luzon Branches Group (CLBG) - FVP Sylvia C. Lim
- Southwest Luzon Branches Group (SWLBG) - FVP Ma. Cielito D. Valdivia
- Southeast Luzon Branches Group (SELBG) - SVP Althon C. Ferolino
- West Visayas Branches Group (WVBG) - FVP Delma O. Bandiola
- East Visayas Branches Group (EVBG) - SVP Khurshid U. Kalabud
- West Mindanao Branches Group (WMBG) - VP Lina K. Pacio
- East Mindanao Branches Group (EMBG) - SVP Camilo C. Leyba

Conditional Cash Transfer Program Management Department (CCT-PMD)
- AVP Domingo Conrado G. Galsim

CARD AND ELECTRONIC BANKING GROUP (CeBG)

- FVP Randolph L. Montesa
- Cash Management Solutions Department (CMSD)
- Credit Card Administration Department (CCAD)
- Cards and ATM Management Department (CAMD)
- Electronic Products Department (EPD)
- eBanking Support Unit (eBSU)

OFW REMITTANCE GROUP (ORG)

- AVP Reo S. Andarino
- Domestic Remittance Marketing Department (DRMD)
- Overseas Remittance Marketing and Support Department (ORMSD)
- Overseas Representative Officers (OROs)

Branch Banking Support Department (BBSD)
- VP Elenita C. Rapanut

Systems Implementation Department (SID)
- AVP Aurelia M. Lavilla

Agricultural and Development Lending Sector (ADLS) EVP Liduvino S. Geron

CORPORATE BANKING GROUP (CBG)

- SVP Ma. Celeste A. Burgos
- Corporate Banking Department I (CBD I)
- Corporate Banking Department II (CBD II)
- Financial Institutions Department (FID)
- Micro Finance Institutions Department (MFID)
- Public Sector Department (PSD)

PROVINCIAL LENDING GROUPS

- Northern and Central Luzon Lending Group (NCLLG) - SVP Filipina B. Monje
- Southern Luzon Lending Group (SLLG) - SVP Lucila E. Tesorero
- Visayas Lending Group (VLG) - SVP Elsie Fe B. Tagupa
- Mindanao Lending Group (MLG) - SVP Charlotte I. Conde

Lending Support Department (LSD)
- AVP Teresita S. Aringo

LENDING PROGRAM MANAGEMENT GROUP (LPMG) - FVP Emellie V. Tamayo

- Development Assistance Department (DAD)
- Environmental Program Management Department (EPMD)
- Fund Sourcing Department (FSD)
- Program Management Department I (PMD I)
- Program Management Department II (PMD II)

RETAIL AND MID-MARKET LENDING GROUP (RMLG) - FVP Cielito H. Lunaria

- Mortgage Banking Department I (MBD I)
- Mortgage Banking Department II (MBD II)
- SME - Mid-Market Lending Department I (SME-MLD I)
- SME - Mid-Market Lending Department II (SME-MLD II)

Corporate Services Sector (CSS) EVP Alex A. Lorayes

CORPORATE AFFAIRS GROUP (CAG)

- VP Vivian C. Cañonero
- Corporate Communications and Events Department (CCED)
- Customer Care Department (CuCD)
- Public Communications Department (PCD)

FACILITIES AND PROCUREMENT SERVICES GROUP (FPSG)

- FVP Dina Melanie R. Madrid
- Facilities Management Department (FMD)
- Procurement Department (ProcD)
- Project Management and Engineering Department (PMED)

HUMAN RESOURCE MANAGEMENT GROUP (HRMG)

- FVP Joselito B. Vallada
- Employee Relations Department (ERD)
- Organization Development Department (ODD)
- Personnel Administration Department (PAD)

Property Valuation and Credit Information Department (PVCID)
- AVP Buenaventura R. Del Rosario

Provident Fund Department (PFD)
- DM Virginia C. Limbo

Operations Sector (OS) EVP Alan V. Bornas

BANKING OPERATIONS GROUP (BOG)

- FVP Winston Rochel L. Galang
- Foreign and Domestic Remittance Department (FDRD)
- International Trade Department (ITD)
- Loans Operations Management Department (LOMD)

BANKING SERVICES GROUP (BSG)

- FVP Reynaldo C. Capa
- ATM Operations Support Department (AOSD)
- Cash Operations Support Department (COSD)
- Central Clearing Department (CCD)
- MDS and Collections Management Department (MCDM)

CONTROLLERSHIP GROUP (CG)

- SVP Annalene M. Bautista
- Administrative Accounting Department (AAD)
- Agrarian Accounting Department (AgAD)
- Financial Accounting Department (FAD)
- Treasury Operations Department (TOD)

TECHNOLOGY MANAGEMENT GROUP (TMG)

- SVP Alden F. Abitona
- Data Center Management Department (DCMD)
- E-Banking Systems Department (EBSD)
- Enterprise Systems Department (ESD)
- IT-Data Integration Support Unit (IT-DISU)
- IT-Project Management Department (IT-PMD)
- Network Operations Department (NOD)
- Retail Banking Systems Department (RBSD)
- IT Security Office (ITSO)
- Production Control and Administrative Services (PCAS)

Treasury and Investment Banking Sector (TIBS) EVP Carel D. Halog

ASSET AND LIABILITY MANAGEMENT GROUP (ALMG)

- FVP Adelfa R. Masacupan
- Balance Sheet Management Department (BSMD)
- Liquidity Reserve Management Department (LRMD)

FINANCIAL MARKETS GROUP (FMG)

- FVP Ma. Francia O. Titar
- Capital Markets Trading Department (CMTD)
- FX Sales and Hedging Solutions Department (FHSDD)
- Rates and FX Trading Department (RFTD)

INVESTMENT BANKING GROUP (IBG)

- SVP Gonzalo Benjamin A. Bongolan
- Investment Banking Department 1 (IBD 1)
- Investment Banking Department 2 (IBD 2)

Treasury Brokering and Marketing Unit (TBMU)
- Treasury Manager Glenn R. Aguda

Treasury Support Department (TSD)
- ADM Geline B. Dimailig (OIC)

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 by the Board of Directors and its delegated duties and responsibilities through the six Board-level Committees namely, (1) the Corporate Governance Committee, (2) the Audit and Compliance Committee, (3) the Risk Oversight Committee, (4) the Trust Committee, (5) the Agri-Agra Social Concerns Committee, and (6) Related Party Transactions Committee.

These six committees are ably supported by independent Bank units – Internal Audit Group, Risk Management Group, Trust Banking Group, Compliance Management Group, and Agrarian Services – which perform specific functions for the said Committees. These independent units report directly to the LANDBANK Board but are administratively supervised by the President and CEO. The Office of the Corporate Secretary provides logistical 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 assumes certain responsibilities to the Bank's various stakeholders – the Bank itself and its stockholder, the National Government; clients, management and employees, regulators, 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 LANDBANK Board 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 guide of the Management and operating units in the day-to-day operations. Moreover, the LANDBANK Board oversees the Bank's performance, and champions good corporate governance by strong adherence to ethical standards and compliance with legal, institutional, and regulatory requirements. It also ensures that the Bank remains accountable to its various stakeholders.

The Members of the LANDBANK Board are expected to abide by the following:

1. Remain fit and proper for the position for the duration of his/her term;
2. Conduct fair business transactions with the Bank and ensure that personal interest does not have a bias on Board decisions;
3. 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 the general public;
4. Devote the necessary time and attention to properly discharge his or her duties and responsibilities;
5. Act judiciously. Before deciding on any matter brought before the LANDBANK Board, every Director shall thoroughly evaluate the issues, ask questions and seek clarifications when necessary;
6. Contribute significantly to the decision-making process of the LANDBANK Board. Directors should actively participate and exercise objective and independent judgment on corporate affairs requiring the decision or approval of the Board;
7. Exercise independent judgment. A Director shall view each problem or situation objectively. When a disagreement with others occurs, he should carefully evaluate the situation and state his position. He should not be afraid to take a position even though it might be unpopular. Corollary to this, he shall support plans and ideas that he thinks are beneficial to the institution;

8. Have a working knowledge of the statutory and regulatory requirements affecting the institution, including the content of the LANDBANK Charter and by-laws, the BSP requirements, and pertinent government agencies;
9. Observe confidentiality. A Director should observe the confidentiality of non-public information acquired by reason of his position as Director. He shall not disclose any information to any other person without the authority of the LANDBANK Board;
10. Ensure the continuing soundness, effectiveness and adequacy of the Bank's control environment;
11. 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 the 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 the LANDBANK Board's, or Officers' actions as such; or (e) could create the appearance of a conflict of interest; and
12. Attend orientation and training. A Director shall have an adequate orientation process and continuous development and education regarding the Bank's operations.

Roles and Contributions of Executive, Non-Executive and Independent Directors, and Chairperson of the Board

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

The Chairperson acts as the lead and shall be responsible for the efficient functioning of the Board. He makes certain that the meetings' agenda focus on strategic matters, including the overall risk appetite of the Bank, developments in the business and regulatory environments, key governance concerns, and contentious issues that will significantly affect operations. He also ensures that the Board sufficiently challenges and inquires on reports submitted and representations made by the Management. He also solicits the active participation of the Board members

during meetings to come up with informed business decisions that are critical in achieving the desired goals and creating more value for its various stakeholders.

2. Vice-Chairperson (Executive Director)

The Vice-Chairperson of the LANDBANK 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 and another as one of its appointive directors.

In the absence of the Chairperson, 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.

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 CEO, and may remove the latter for cause.

4. Independent Directors

The LANDBANK Board appoints/nominates the independent directors from among the appointive directors, seeking thereafter the confirmation of such nomination by the Monetary Board. For 2021, the independent directors were Virgilio DV. Robes, Jesus V. Hinlo, Jr., Jaime L. Miralles and Nancy D. Irlanda.

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

Pursuant to BSP Circular No. 969, s. 2017, the independent directors are members of the following Board-level committees:

- a. Audit and Compliance Committee (with at least three members, majority shall be independent including the Chairperson);

- b. Corporate Governance Committee (with at least three members, majority shall be independent including the Chairperson);
- c. Risk Oversight Committee (with at least three members, majority shall be independent including the Chairperson);
- d. Trust Committee (with at least three qualified *Non-Executive or Independent Directors or Qualified Independent professionals* appointed by the LANDBANK Board); and
- e. Related Party Transactions Committee (with at least three members, two of whom shall be independent including the Chairperson).

Board Composition

The positions of Chairperson of the Board, and President and CEO, are held by two different persons. The Chairperson of the Board is Sec. Carlos G. Dominguez, Secretary of the Department of Finance, while the President and CEO is Cecilia C. Borromeo, 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

Composition of the LANDBANK Board of Directors as of December 31, 2021:

Carlos G. Dominguez

Ex-Officio Chairperson
Secretary, Department of Finance
Non-Executive Director
Assumed on June 30, 2016
Tenure: 5 Years and 6 Months

Bernie F. Cruz

Ex-Officio Member
Acting Secretary, Department of Agrarian Reform
Non-Executive Director
Assumed on November 10, 2021
Tenure: 1 Month

Cecilia C. Borromeo

Vice Chairperson
President and Chief Executive Officer
Executive Director
Assumed on March 1, 2019
Tenure: 2 Years and 9 Months

Silvestre H. Bello III

Ex-Officio Member
Secretary, Department of Labor & Employment
Non-Executive Director
Assumed on June 30, 2016
Tenure: 5 Years and 6 Months

William D. Dar

Ex-Officio Member
Secretary, Department of Agriculture
Non-Executive Director
Assumed on August 5, 2019
Tenure: 2 Years and 4 Months

Virgilio DV. Robes

Member
Representative, Agrarian Reform Beneficiaries
Non-Executive Director
Assumed on December 13, 2016
Tenure: 5 Years

Jaime L. Miralles

Member
Representative, Agrarian Reform Beneficiaries
Non-Executive Director
Assumed on July 24, 2018
Tenure: 3 Years and 5 Months

Jesus V. Hinlo, Jr.

Member
Representative, Private Sector
Non-Executive Director
Assumed on November 7, 2017
Tenure: 4 Years and 1 Month

Nancy D. Irlanda

Member
Representative, Private Sector Representative
Non-Executive Director
Assumed on September 25, 2018
Tenure: 3 Years and 3 Months

John R. Castriciones

Ex-Officio Member
Former Secretary, Department of Agrarian Reform
Non-Executive Director
Assumed on December 6, 2017
Tenure: 3 Years and 10 Months
(*Ipsa-facto resigned on October 8, 2021*)

Changes in the Membership of the LANDBANK Board of Directors for CY 2021

Mr. Bernie F. Cruz assumed office as Acting Secretary of the Department of Agrarian Reform and member of the LANDBANK Board effective Nov. 10, 2021, vice Mr. John R. Castriciones.

Department of Agriculture Secretary William D. Dar has designated Undersecretary Evelyn G. Laviña as his alternate representative to the LANDBANK Board and Board-Level Committee meetings effective Oct. 14, 2021.

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 Corporations (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 GOCCs are appointed by the President of the Philippines from a shortlist prepared by the Governance Commission for GOCCs (GCG), which include only nominees who meet the Fit and Proper Rule and such other qualifications which the GCG may determine.

The President and CEO shall be elected by the members of the LANDBANK Board from among its ranks. However, the would-be President and CEO will only be qualified for election if he/she meets the requirements under the Fit and Proper Rule, and if he/she is appointed by the President of the Philippines into the Governing Board of the GOCC. The President shall be subject to the disciplinary powers of the Board and may be removed by the Board for cause.

Board Qualifications and Training

Pursuant to R.A. 8791, R.A. 10149, the 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:

1. No person shall be elected or appointed director of the Bank unless he 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, 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.

2. For an appointive director, he or 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.
3. He or she must have attended a special seminar on corporate governance for the Board of Directors conducted or accredited by the BSP.
4. 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.
5. He or 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 Governance Commission for GOCCs (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 secretariat 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 Office of the Corporate Secretary:

1. Schedules the orientation meeting with the Board of Directors and Management;
2. Facilitates the two-day 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 LANDBANK Board, an assessment tool is vital for evaluating its performance.

Initially developed by the Institute of Corporate Directors (ICD) and further enhanced by the respective Board committees, performance rating sheets are disseminated yearly to evaluate the performance of the Board and Committees. The results of the performance assessments are then submitted and deliberated upon annually by 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 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 2021 were discussed and noted by the Corporate Governance Committee in a meeting held on Feb. 4, 2022 (CGCom Resolution Nos. 22-010 to 22-016).

Another performance evaluation tool for directors is the internet-based Performance Evaluation for Directors (iPED) System which was developed by the 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 accomplished and submitted by each Director directly to the GCG through the iPED System.

Remuneration of the LANDBANK Board

The current Allowances, Benefits and Incentives (ABI) are governed by the guidelines issued by regulatory agencies and adopted by the LANDBANK 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 S. Aquino III, and by GOCC Circulars, namely (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 chosen committees are reported on a regular basis to the LANDBANK Board.

List of Major Stockholders

LANDBANK is wholly-owned by the National Government.

Retirement and Succession Policy

The Charters or By-laws 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, Executive Order 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 LANDBANK Board:

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 LANDBANK Board for CY 2021 was agreed upon during the Board meeting held on Jan. 13, 2021. In general, there are at least two meetings scheduled per month, held on every second and fourth Wednesday of each month, for a targeted total number of 24 meetings per year. This schedule may be adjusted from time to time, for the purpose of garnering a quorum for the meetings and with due notice to the Directors. 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. Atty. Myra-Lyn S. Peñalosa, who has been a member of the Philippine Bar since 1997, is the Corporate Secretary from January to December 2021.

For CY 2021, the LANDBANK Board was able to meet 24 times or 100% of the scheduled meetings.

Moreover, excluding the President and 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 Nov. 16, 2021, in compliance with the BSP and GCG requirements.

DIRECTOR'S ATTENDANCE TO BOARD AND BOARD-LEVEL COMMITTEE MEETINGS (CY 2021)

Name of Directors	Board Meeting		Corporate Governance Committee		Audit and Compliance Committee		Risk Oversight Committee		Trust Committee		Agri-Agra Social Concerns Committee		Related Party Transactions Committee	
	24 Meetings	%	9 Meetings	%	12 Meetings	%	13 Meetings	%	6 Meetings	%	6 Meetings	%	6 Meetings	%
Carlos G. Dominguez	24	100.00	N/A	-	N/A	-	13	100.00	6	100.00	N/A	-	N/A	-
Cecilia C. Borromeo	22	91.67	N/A	-	N/A	-	N/A	-	6	100.00	6	100.00	N/A	-
William D. Dar	23	95.83	N/A	-	N/A	-	2	15.38	N/A	-	5	83.33	N/A	-
John R. Castriciones ¹	18 out of 18	100.00	N/A	-	N/A	-	N/A	-	5 out of 5	100.00	4 out of 5	80.00	N/A	-
Bernie F. Cruz ²	4 out of 4	100.00	N/A	-	N/A	-	N/A	-	1 out of 1	100.00	N/A	-	N/A	-
Silvestre H. Bello III	22	91.67	N/A	-	N/A	-	N/A	-	6	100.00	N/A	-	N/A	-
Virgilio DV. Robes	24	100.00	9	100.00	12	100.00	N/A	-	N/A	-	6	100.00	N/A	-
Jaime L. Miralles	24	100.00	N/A	-	12	100.00	13	100.00	N/A	-	6	100.00	6	100.00
Jesus V. Hinlo, Jr.	24	100.00	9	100.00	12	100.00	13	100.00	N/A	-	N/A	-	6	100.00
Nancy D. Irlanda	24	100.00	9	100.00	N/A	-	13	100.00	6	100.00	N/A	-	6	100.00
Total Number of Meetings Held During the Year: 76														

¹ End of term as DAR Secretary effective Oct. 8, 2021

² Assumed the position as Acting DAR Secretary effective Nov. 10, 2021

Board Materials

The Board Agenda focuses on strategic matters involving various stakeholder interests, discussions on risk appetite, key governance matters and operational concerns. The materials of the meeting which include 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 accurate information to arrive at intelligent decisions.

Board-Level Committees Including Membership and Functions as of December 31, 2021

Audit and Compliance Committee (AC Com)

The Board Agenda focuses on strategic matters involving various stakeholder interests, discussions on risk appetite, key governance matters and operational concerns. The materials of the meeting which include 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 accurate information to arrive at intelligent decisions.

Duties and Functions

The Audit and Compliance Committee's primary purpose is to provide assistance to the LANDBANK Board 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. It shall 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
 - b. 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

The following are the accomplishments of the Audit and Compliance Committee regarding the functional supervision:

1. Internal Audit
 - Approved the revisions in the AC Com and IAG Charters
 - Approved the 2021 IAG Plans and Programs and the revised targets
 - Approved the Policy on Risk Scoring of the Office of the Group Heads
 - Confirmed the IAG's Management-approved budget for CY 2021
 - Noted IAG's Declaration of Organizational Independence and various periodic reports such as: (a) 2020 Overall Internal Audit Opinion, (b) 2020 Internal Quality Assessment Review, (c) Accomplishment Reports, (d) Results of Audit Client Satisfaction Survey, (e) Major findings for the month, (f) Long outstanding findings, (g) Outstanding major findings, (h) Major/common/recurring findings, (i) Outstanding audit Issues, (j) Reports on Accounts with Freeze Order, (k) Report on the Validation of Accounts subject of SEC Advisories and Negative Media Reports, (l) Status Report on the Validation of Alerts generated

by the Enterprise Fraud Management System [EFMS], (m) 2020 Report on the Validation of the Internal Capital Adequacy Assessment Process, (n) 2020 Business Continuity Management Audit Report, (o) 2020 Report on Whistleblowing, (p) annual confirmation of balances for private deposit accounts, and (q) various special/fact-finding reports

- Noted the presentation of action plans of units that failed the Risk-Based Internal Audit
 - Noted the presentation of Internal Control-related Initiatives of: (a) Branch Banking Sector, (b) Treasury and Investment Banking Sector, (c) Agrarian Services Group, (d) Legal Services Group, (e) Asset Recovery Group, (f) Security Department, (g) Systems and Methods Department, (h) Trust Banking Group, (i) Operations Sector, (j) Agricultural and Development Lending Sector, and (k) Strategy and Knowledge Management Group
 - Noted the LANDBANK Financial Reporting Framework and 2020 audited financial statements
 - Noted the Minutes of Meetings and Accomplishment Reports of Accountability Assessment Committee
 - Noted the AC Com reports, such as the Accomplishment Report, and Results of Performance Rating for CY 2020
2. Compliance Function
 - Approved the 2021 CMG Plans and Programs
 - Approved the 2021 Compliance Testing Plan (AML and various regulations) and enhancements/additions to the AML Compliance Testing Program
 - Approved the revisions/enhancements to the Compliance Manual, Trust Compliance Manual, and Money Laundering and Terrorist Financing Program Manual
 - Confirmed CMG's Management-approved budget for 2021
 - Noted CMG's 2020 Accomplishment Report
 - Noted CMG's participation in the Accounts Review Committee and compliance oversight function on subsidiaries
 - Noted various management and compliance reports, such as: (a) results of independent and periodic compliance testing; (b) Reports on Crimes and Losses; (c) Reports on Fines and Penalties; (d) regulations issued and results of

pre-testing; (e) regulatory ratios; and (f) Negative Media Reports – Investment Scam and Fraud Cases

- Noted CMG’s Status Updates on LANDBANK Letter of Commitment to BSP and Directives on AML/CTPF
- Noted CMG’s Status Updates on Actions Taken/ To Be Taken on Directives per Additional BSP Evaluation on LANDBANK Reply to Report of Examination as of Sept. 30, 2019
- Noted CMG’s updates on compliance with Freeze Orders - Identification and Freezing of Related Accounts/Materially Linked Accounts
- Noted the Minutes of Meeting of the AML Committee

The AC Com members have undergone briefing/ orientation as part of their continuing education on the following topics:

- The Bank’s policies/procedures in following-up criminal/civil cases filed by the Bank
- Internal policies and processes including end-to-end steps that the Bank undertakes and any provision to prosecute fraudsters when the Bank receives client complaints on unauthorized POS, online, and ATM withdrawal transactions
- Briefer on the operations of Third Party Custodianship and Registry Department (TCRD)
- Review and discussion of the public utility vehicle Automatic Fare Collection System (AFCS)
- The Bank’s process flow/procedures in handling Sanctions Freeze Orders
- Presentation on what makes LANDBANK Leasing and Finance Corporation (LLFC) different from and similar to LANDBANK
- LANDBANK Financial Reporting Framework

This Committee is composed of:

Chairperson	Director Jesus V. Hinlo, Jr.
Vice-Chairperson	Director Jaime L. Miralles
Member	Director Virgilio DV. Robes

The Committee meets at least once a month and held a total of 12 meetings in 2021.

Risk Oversight Committee (RiskCom)

Duties and Functions

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

The RiskCom is composed of the following:

RiskCom Chairperson	Director Jaime L. Miralles
RiskCom Vice-Chairperson	Deputy Treasurer Erwin D. Sta. Ana (<i>Representative of Treasurer Rosalia V. de Leon, Alternate of DOF Secretary Carlos G. Dominguez</i>)
Member/Independent Director	Director Nancy D. Irlanda
Member/Independent Director	Director Jesus V. Hinlo, Jr.
Member/Ex-Officio Director	Usec. Evelyn G. Laviña (<i>Alternate of Department of Agriculture Secretary William D. Dar</i>)

The RiskCom meets at least once a month and held a total of 13 meetings in 2021 including one Joint Management Committee (ManCom) and RiskCom meeting for the approval of 2021 LANDBANK ICAAP Document and Recovery Plan.

The Committee approved, noted, or confirmed 265 regular risk reports and 22 special reports comprising of frameworks, plans, programs, policies and procedures and 20 ad hoc reports which were deliberated to assess and mitigate credit risks, market and liquidity risks, operational risks and issued 418 ROC Resolutions.

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

Treasury-related (Market, Liquidity, IRRBB, Counterparty Credit) RM

1. Review of Liquidity Risk Limit – Maximum Cumulative Outflow (MCO) Limits for CY 2020
2. Review of Core Deposit
3. Guidelines in Conducting Behavioral Analysis on the Drawing Patterns of Non-Maturing Loans
4. Guidelines in Setting of Maximum Cumulative Outflow (MCO) Limits (Version 2)
5. Updating of Pre-Settlement Risk (PSR) Weights for 2021
6. Review of Fair Value through Other Comprehensive Income (FVOCI) Limit Structure 2021
7. Valuation Model Per Investments in Non-Marketable Equity Securities (INMES) Accounts
8. Guidelines in Conducting Behavioral Analysis on Non-Maturity Deposits and Backtesting the Results of Model-Generated Core Deposit Level
9. Review of Fair Value Through Profit or Loss (FVTPL) Limit Structure for 2021
10. Review of Maximum Cumulative Outflow limits for 2021
11. Guidelines on the Preparation of Market Risk Profile Report (MRPR)

Operational RM

1. Enhanced Business Continuity Plan for Field Units
2. Proposed Back-up Site Location Outside Metro Manila
3. Guidelines on Operational Risk and Loss Database (ORLD) Maintenance and Reporting
4. Revised Guidelines on Reporting and Monitoring of Operational Risk and Other External Events
5. Pandemic Response Plan for Field Units
6. 2021 IT Systems Prioritization List

Information Security and Technology RM

1. Guidelines on Monitoring and Reporting of Activity Logs of Information Technology (IT) Administrators
2. Guidelines on the Conduct of Information Technology Disaster Recovery Plan (ITDRP) Testing
3. Revised Guidelines on Security Measures for the LANDBANK Plaza
4. Revised Guidelines on Vulnerability Management of the Bank's Information Technology Systems
5. Revised Guidelines on the Use of USB Ports, CD/DVD Drives and Mobile Devices

Other Items approved by RiskCom

1. Liquidity Contingency Plan (Version 7)
2. 2021 Asset-Liability Management (ALM) Strategies
3. Review of Liquidity Contingency Plan for 2021

The overall 2021 performance rating of the RiskCom is 98.87% or Superior based on the parameters: Function and Responsibilities, Structure, Process and Performance.

Trust Committee (Trust Com)

The Trust Committee is primarily responsible for overseeing the fiduciary activities of the Bank and directly reports to the LANDBANK Board.

Duties and Functions

1. Ensure that policies and procedures are in place from account opening to account administration and management up to account termination, in conformity with applicable laws, rules and regulations and prudent practices;
2. Ensure 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. Monitor 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. Oversee the proper implementation of the risk management framework, compliance program and internal controls to ensure that accounts are managed accordingly in the different cycles of the market;
5. Adopt an appropriate organizational structure and staffing complement that will enable the Trust business unit to efficiently carry out its function with utmost diligence and skill and ensure proper and continuous training for its Trust officers and personnel considering the growing sophistication and complexity in the trust business and changes in the financial market environment.
6. Oversee and evaluate 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. Require 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 Trust Committee shall meet whenever necessary and keep minutes of its actions and make periodic reports thereon to the BOD;
8. Review 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. Ensure that the Trust Banking Group (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. Review and approve the plans and program of activities of the TBG; and
11. Regularly report to the Board of Directors on matters arising from fiduciary activities.

This Committee is composed of:

Chairperson	DAR Secretary Bernie F. Cruz <i>Alternate: Undersecretary Luis Meinrado C. Pañgulayan</i>
Vice-Chairperson	DOF Secretary Carlos G. Dominguez <i>Alternate: Treasurer Rosalia V. De Leon</i> <i>Deputy Treasurer Erwin D. Sta. Ana</i>
Members	Director Virgilio DV. Robes DOLE Secretary Silvestre H. Bello III <i>Alternate: Undersecretary Benjo Santos M. Benavidez</i> Director Nancy D. Irlanda First Vice President and Trust Officer Lolita M. Almazar

The Committee meets at least six times annually and held a total of six meetings in 2021. In addition, all members of the Committee achieved a 100% attendance rating for 2021.

The Committee was able to deliberate on and pass 52 resolutions approving/confirming important transactions and actions of the Trust Banking Group.

Corporate Governance Committee (CG Com)

Duties and Functions

1. Review and recommend the organizational structure of the Bank and its units;
2. Review and evaluate the qualification standards for all positions in the Bank;
3. Review and recommend the selection/promotion of the officers as endorsed by the Selection Board II;
4. Ensure the Board's effectiveness and due observance of corporate governance principles and guidelines;
5. Oversee the periodic performance evaluation of the Board and its committees and executive management;
6. Conduct an annual self-evaluation of its performance;
7. Decide 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. Adopt, propose and recommend to the Board such internal guidelines to address the competing time commitments encountered when directors and other Bank officers serve on multiple boards;
9. Study and recommend 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. Decide the manner by which the Board's performance may be evaluated and proposes objective performance criteria to be approved by the Board;
11. Study and recommend policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms;
12. Promote transparency and operational responsibility and accountability in a manner consistent with the Bank's vision, mission, strategic intent and operating values.

This Committee is composed of:

Chairperson	Director Nancy D. Irlanda
Vice-Chairperson	Director Jesus V. Hinlo, Jr.
Member	Director Virgilio DV. Robes

The Committee meets at least quarterly or as often as it is considered necessary and appropriate. In 2021, it held a total of nine meetings and adopted 68 resolutions which tackled the results of the Performance Rating System, organizational changes, establishment of Lending Centers, promotions of senior officers and personnel movements.

Agri-Agra Social Concerns Committee (AASCC)

Duties and Functions

1. Recommend actions on complex land transfer claim issues
2. Recommend or resolve matters relevant to agri-agra policies of LANDBANK
3. Monitor the implementation of agri-agra programs of LANDBANK
4. Serve as clearing house for agri-agra programs of LANDBANK that need approval of the LANDBANK Board of Directors
5. Attend to other functions as may be assigned by the LANDBANK Board of Directors

This Agri-Agra Social Concerns Committee is composed of:

Chairperson	President and CEO Cecilia C. Borromeo
Vice-Chairperson	DAR Secretary John R. Castriciones ^{1/} Acting DAR Secretary Bernie F. Cruz ² <i>Alternate: Undersecretary Luis Meinardo C. Pañgulayan</i>
Members	DA Secretary William D. Dar <i>Alternates: Director Bernadette F. San Juan³ Undersecretary Evelyn G. Laviña⁴</i> Director Virgilio D.V. Robes Director Jaime L. Miralles

The Committee held a total of six meetings in 2021.

During the AASCC meeting on May 11, 2022 the Committee instructed the Secretariat to include the following Highlights of Major Accomplishment of the AASCC in the LANDBANK Annual Report:

ACCOMPLISHMENT	OUTCOME
1. Valuation of Home lots of Hacienda Luisita, Inc. (HLI) (c. 2012)	Ongoing documentation of HLI home lots by the DAR for purposes of payment of just compensation pursuant to Supreme Court ruling dated Dec. 9, 2020. This is a step towards concluding the decades-long legal battles surrounding the acquisition and distribution of the HLI home lots.
2. Addressed the problem on Farmer's Advance Remittance (FAR), and issuance of Official Receipts (ORs) for land amortization collections (c. 2012)	1.) Strategies were employed to reconcile FAR with ARR. 2.) ASG has automated the issuance of ORs through the PARCS starting 2015.
3. Payment of 12% interest for Documented but Not Yet Paid (DNYP) Presidential Decree (PD) No. 27 claims. (c. 2013)	The DAR issued DAR AO No. 6, series of 2015 and DAR MC No. 3, series of 2016 which adjusted the valuation of PD 27 claims, resulting in a higher amount payable to the landowner.
4. Institutionalization of the booking of Documentary Stamp Tax (DST) payments through book entry (c. 2014)	An agreement was forged between LANDBANK, the BTr and BIR wherein LANDBANK will report the DSTs to the BTr, and this will trigger automatic remittance to the BIR without the BTr actually providing funds to LANDBANK This simplified the process of booking and payment of DSTs.
5. Transfer of the administration of the remaining landed estates under RA 3844 to the DAR through Deed of Transfer (DOT) dated Nov. 27, 2014 (c. 2014)	DAR issued AO No. 08, series of 2016 providing guidelines for the allocation, documentation and the issuance of CLOAs in favor of the ARBs pursuant to RA 6657.

^{1/} Considered ipso facto resigned as of Oct. 8, 2021 per memo of the Office of the Corporate Secretary dated Oct. 19, 2021, re. Updates on the Membership of the LANDBANK Board of Directors

^{2/} Assumed the position of ex-officio member of the LANDBANK Board effective Oct. 29, 2021, per memo of the Office of the Corporate Secretary dated Nov. 3, 2021, re. Updates on the Membership of the LANDBANK Board of Directors

^{3/} Per letter dated Sept. 6, 2021 from DA Secretary William D. Dar

^{4/} Per memo of the Office of the Corporate Secretary dated Oct. 19, 2021, re. Updates on the Membership of the LANDBANK Board of Directors

ACCOMPLISHMENT	OUTCOME
6. Proposal to open FAR Trust Account in the name of ARBs, which shall earn an interest aligned with prevailing trust deposit rates (c. 2014)	<p>ASG opened Trust Account No. 82058-TA-01/4294-3797-31-01 for the benefit of 327,419 ARBs. As of March 31, 2022, P3,533.3 million in total assets are being directly managed by TBG.</p> <p>The interest earnings shall inure to the benefit of the ARBs.</p>
7. Conversion of regular titles in the custody of LANDBANK to digital titles (e-titles) under the Land Registration System (LARES) (c. 2015)	<p>Digitalization and automation of services, resulting in a faster and more efficient process of title verification and issuance of certified true copies of e-titles.</p>
8. Policy direction on paid land transfer claims booked as receivables from the landowner amounting to P9.98 million, and unclaimed checks lodged to Accounts Payable-Various (c. 2015)	<p>The amount of P9.98 million representing accounts payable by the LOs was classified as an expense of the National Government.</p> <p>The amount of P9 million booked by the Agrarian Accounting Office as AP-Various was reverted to the ARF through the BTr.</p>
9. Recommended a solution to the COA audit observation on unpaid and unreleased land transfer claims (c. 2015)	<p>DAR assumed the publication/posting of the list of landowners with pending claims, in conspicuous areas where the landholdings are situated. Landowners were advised to visit the concerned AOCs for payment processing.</p> <p>This hastened the dissemination of information at the local level.</p>
10. Opening of a trust account for unclaimed and unnegotiated Manager's Checks (c. 2015)	<p>ASG opened Trust Account No. 16490-15955-31-01 for the benefit of 749 Landowners/claimants. As of March 31, 2022, P9.8 million in total assets is being directly managed by TBG.</p> <p>The interest earnings shall inure to the benefit of the claimants.</p>
11. Approval and endorsement of the PARCS Project to the DAR for funding (c. 2015)	<ul style="list-style-type: none"> The DAR provided funding amounting to P25 million for the operational requirements of the PARCS on land amortization collection. As of March 31, 2022, there are 161,951 PARCS transactions with P2.07 billion in collections. The collection rate per year improved as compared to the collection rate per year when collection was done manually. In 2020, PARCS was recognized as the Bank's Best Practice by the Committee on Red Tape (CART). This year, it is being submitted as one of the Bank's entries to the Association of Development Financing Institutions in the Asia and the Pacific (ADFIAP) Outstanding Development Project Awards for 2022.
12. Writing-off of Agrarian Reform Loan Receivables which were originally PD 717 loans that were charged from the ARF prior to CARP. (c. 2016)	<p>LANDBANK favorably endorsed to the PARC ExCom the write-off of the total outstanding balance of ARL-PD 717 amounting to P1 billion.</p> <p>The write-off restored the borrowing capacity of ARBs and reintegrated them into the financial system.</p>

ACCOMPLISHMENT	OUTCOME
13. Endorsement to the PARC Executive Committee of the exclusion of Common Service Areas (CSAs) from the amounts to be amortized by the agrarian reform beneficiaries (ARBs) (c. 2016)	DAR issued AO No. 2, series of 2019, providing that all CSAs shall be segregated and titled in the name of the RP, and shall not be amortized by the ARBs. This served as financial relief to the ARBs.
14. Protection of PARC ExCom members in the discharge of their official duties (c. 2016)	Favorable endorsement to the PARC ExCom for the setting-up of legal funds to subsidize the legal fees and expenses arising from cases filed against PARC ExCom members in the discharge of their official duties.
15. Allocation for litigation expenses which are incurred by LANDBANK in the implementation of CARP (c. 2017)	The Committee resolved that operating funds of the Sikat-Saka Program can be utilized for litigation expenses.
16. Endorsement of the AOM for approval of the LANDBANK Board (c. 2019)	The AOM was approved by the LANDBANK Board. It contains the detailed guidelines, processes/procedures and internal controls being observed by all ASG units on the different areas of operations.
17. Turn-over of a total of 208,895 Certificates of Land Ownership Award (CLOAs) and Emancipation Patents (EPs) to the DAR for distribution to the ARBs, with an aggregate area of 354,783.0151 hectares (c. 2019)	DAR AO No. 5, series of 2019 provided that all original owner's duplicate copies of CLOAs and EPs in the possession or custody of the AOCs shall be turned over to the PARPOs for distribution to the ARBs. This enabled the ARBs to possess the titles of the lands awarded to them.
18. Condonation of interest and restructuring of principal obligations of ARBs pursuant to Section (m) of R.A. 11494, otherwise known as "Bayanihan to Recover as One Act" (c. 2020)	DAR issued A.O. No 2, series of 2021, entitled " <i>Implementing Rules and Regulations on the Condonation of Interest and the Restructuring of the Principal Obligation of Agrarian Reform Beneficiaries Under Paragraph (M), Section 4 of R.A. 11494</i> " on Sept. 1, 2021. Operations Sector Order No. 03, series of 2022 was likewise issued pursuant to DAR A.O. No. 2, series of 2021, which provides for accounting rules and procedures on the condonation of interests and restructuring of principal obligations, was issued on Feb. 16, 2022.
19. Accessible loan assistance for ARB organizations that are not yet qualified under the regular lending window, thru the APCP ⁵ (c. 2021)	LANDBANK suspended the loan processing for new borrowers in order to increase the line of existing borrowers with good repayment. This resulted in a 29% average increase in the household income of the borrowers.
20. Reimbursement of MOOE from 2012 to 2018 amounting to P5.98 billion from the BTr (c. 2021)	Once reimbursed, the Bank will have additional financial liquidity that can be used in its operations.

5/ The APCP was recently renamed Accessible Loans for Empowered, Resilient, and Transformed Agrarian Reform Beneficiaries Organizations (ALERT ARBOs).

21. Transfer to the DAR of the handling of just compensation cases involving LANDBANK (c. 2021)	DAR and LANDBANK executed a Memorandum of Agreement on June 2, 2021. Per LSG report, the list of 2,717 just compensation cases were already submitted to the DAR as of March 23, 2022.
22. Endorsement to the DAR for the release of fund for Landowners' Compensation (c. 2021)	P475.6 million was released by the BTr in December 2021. This enabled LANDBANK to pay land transfer claims that were identified by the DAR as priority for deposit/booking, and land transfer claims with valuations decided by the courts.
23. Issuance of a directive to issue card accounts to ARBs which they can use to pay their land amortizations online (c. 2021)	This is one strategy to make ARBs financially inclusive. They will be able to save time and travel expenses if online payment through the Link.BizPortal will be done.

Related Party Transactions Committee (RPT Com)

Duties and Functions

1. Evaluate on an ongoing basis existing relation between and among business partners 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; and
 - c. all pertinent changes in relationship with counterparties are monitored and captured; and 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. Evaluate 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.
3. Report quarterly to the Board of Directors the status of all related party transactions and the Bank's aggregate exposures to each related party as well as the total amount of the Bank's exposures to all related parties.
4. Ensure that related parties transactions, including write-off of exposures, are subject to periodic independent review or audit process, and
5. Oversee 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.
6. Regularly report to the Board of Directors its activities, issues and related recommendations.
7. Obtain any information and/or training needed to enhance the committee members' understanding/competence.

8. 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.
9. Conduct 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 Jaime L. Miralles
Member	Director Jesus V. Hinlo, Jr.

The Committee meets at least once every quarter or as often as it is considered necessary and appropriate. For the year 2021, the RPT Com has held a total of six meetings.

In the same year, the RPT Com and other appropriate approving authorities/committees vetted and deliberated on 13 loan transactions, 19 procurement transactions, one donation and four other transactions. Furthermore, it passed and adopted 36 resolutions.

As proposed/submitted by the RPT Com, the LANDBANK Board approved and/or confirmed the following:

1. Four reports on Material RPTs;
2. Four reports on Non-Material RPTs; and
3. Four reports on status and aggregate exposures on related parties.



LANDBANK'S Overarching Policy and Procedures for Managing Related Party Transactions

Related Party Transactions (RPTs) are transactions or dealings with Related Party (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 DOSRI and their Closed Family Members (CFMs) or juridical entity.

At LANDBANK, RPTs are allowed, provided these are done on an arm's length basis to avoid abuses disadvantageous to the Bank and ensures 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.

LANDBANK Board's Duties and Responsibilities

The LANDBANK Board shall have the overall responsibility in ensuring that transactions with related parties are handled in a sound and prudent manner, with integrity, and in compliance with applicable laws and regulations to protect the interest of depositors, creditors, and other stakeholders. Towards this end, the Board shall carry out the following duties and responsibilities:

1. Observe good governance and approves an overarching policy on the handling of RPTs to ensure that there is effective compliance with existing laws, rules and regulations at all times;
2. Constitute an RPT Committee (RPT Com) and provide adequate resources to said Committee, including the authority to procure the assistance of independent experts, if necessary, to assess the fairness of RPTs;
3. Approve all material RPTs, write-off of exposures to RPs, and renewal or material changes in the terms and conditions of RPTs;
4. Delegate to appropriate approving authority the approval of non-material RPTs, and confirm the same as presented by the RPTCom;
5. Decide whether to accept or take steps to address limit breaches as may be necessary;
6. Direct Management to establish an effective system to:
 - a. Determine, identify and monitor RPs and RPTs;
 - b. Continuously review and evaluate existing relationships between and among businesses and counterparties; and
 - c. Identify, measure, monitor, and control risks arising from RPTs.
7. Maintain adequate capital against risks associated with exposures to RPs; and
8. Oversee the integrity and effective implementation of the Bank's whistleblowing policy.

**List of Material Related Party Transactions
(Off-Balance Sheet Commitment)**
LAND BANK OF THE PHILIPPINES

Name of Counterparty	Relationship	Nature of Transaction	Commitment Others-Outstanding Balance
Alcantara Group of Accounts	Close Family Member	Loan Transaction	Php10,000,000.00

Material Related Party Transactions
LAND BANK OF THE PHILIPPINES
for the year 2021

Name of Counterparty	Relationship	Nature of Transaction	Terms
Alcantara Group of Accounts	Close Family Member	Loan Transaction	No Preferential Terms and/or Conditions
Overseas Filipino Bank, Inc.	Subsidiary	Renewal of LANDBANK's Deposit Placement with OFBank	No Preferential Terms and/or Conditions
Overseas Filipino Bank, Inc.	Subsidiary	Sale of LBP eSL to OFBank	No Preferential Terms and/or Conditions
LBP Resources and Development Corporation	Subsidiary	Housekeeping, Janitorial and Messengerial Services for LANDBANK Field Units	No Preferential Terms and/or Conditions
LBP Resources and Development Corporation	Subsidiary	Building Maintenance, Janitorial/ Housekeeping and General Services including Sanitation and Supply of Bank-Prescribed Sanitizing Agents and Consumables for LANDBANK Plaza and Satellite Offices	No Preferential Terms and/or Conditions
LBP Resources and Development Corporation	Subsidiary	Manpower Services for the Deployment of Service Contract Workers in Various Land Bank Units	No Preferential Terms and/or Conditions
LBP Resources and Development Corporation	Subsidiary	Manpower Services for the Deployment of Service Contract Workers in Various PhilSys Registration Sites	No Preferential Terms and/or Conditions
LBP Leasing and Finance Corporation	Subsidiary	Lease Rental of Vehicles	No Preferential Terms and/or Conditions
LBP Leasing and Finance Corporation	Subsidiary	Lease Rental of Vehicles	No Preferential Terms and/or Conditions
LBP Leasing and Finance Corporation	Subsidiary	Full Service Operating Lease of Vehicles	No Preferential Terms and/or Conditions
LBP Leasing and Finance Corporation	Subsidiary	Fleet Management and Chauffeuring Services of Vehicles	No Preferential Terms and/or Conditions
DBP Data Center, Inc.	Subsidiary of DBP	New Human Resource Information System with Maintenance Agreement	No Preferential Terms and/or Conditions
LANDBANK Countryside Development Foundation, Inc. (LCDFI)	Subsidiary	Reimbursement for LCDFI's Plans and Programs for 2020	No Preferential Terms and/or Conditions
Bureau of Treasury	DOSRI	UCPB-LBP Merger: Debt Security and Cash Payment Offers to the Trust Fund Management Committee thru the Bureau of the Treasury	No Preferential Terms and/or Conditions
Aggregate Balance of Material RPTs for the year 2021			₱248,362,160.17

Orientation and Education Program for Directors

Director	Trainings Attended	Date	Training Days	Training Hours	Provider
Dir. Virgilio DV. Robes	AML/CFT/CPF (BSP Cir. No. 1022) for Directors and Senior Management	3/11/2021	1	3	Bankers Institute of the Philippines
	LBP Head Office Procurement Procedures	8/4/2021	1	2	LANDBANK AC Committee
	Updating on Anti-Money Laundering	10/18/2021	1	2	AMLC
Dir. Jesus V. Hinlo, Jr.	ABCOMP'S GMM: Building Better Bankers: Fostering a Stronger KYE Program	7/15/2021	1	2	Assoc. of Bank Compliance Officers
	LBP Head Office Procurement Procedures	8/4/2021	1	2	LANDBANK AC Committee
Dir. Jaime L. Miralles	Updating on Anti-Money Laundering	10/18/2021	1	2	AMLC
Dir. Nancy D. Irlanda	Updating on Anti-Money Laundering	10/18/2021	1	2	AMLC
	ABCOMP'S GMM: Building Better Bankers: Fostering a Stronger KYE Program	7/15/2021	1	2	Assoc. of Bank Compliance Officers
	LBP Head Office Procurement Procedures	8/4/2021	1	2	LANDBANK AC Committee
	Updating on Anti-Money Laundering	10/18/2021	1	2	AMLC
	ICD Masterclass: Governing with Analytics	12/10/2021	1	2	Institute of Corporate Directors
Usec. Benjo Santos M. Benavidez	ABCOMP'S GMM: Building Better Bankers: Fostering a Stronger KYE Program	7/15/2021	1	2	Assoc. of Bank Compliance Officers

Sector Accomplishments

UNITS UNDER THE BOARD OF DIRECTORS

Internal Audit Group

Overall Accomplishment in 2021

In 2021, the Internal Audit Group (IAG) completed a total of 439 audit engagements or 108% of its target, composed of 427 business units, application systems, and processes including ICAAP document validation, review of risk measurement models, outsourced systems, and system development advisories while the remaining 12 comprise the audit of non-System Development Life Cycle projects, Eurogiro, Customer Security Program of the Society for Worldwide Interbank Financial Telecommunication, Business Continuity Management Plan, Information Security Program, Emergency Drills, Related Party Transactions, and IT Drills. On top of these regular audit engagements, IAG performed review of validated accounts which are the subject of Freeze Order, Negative Media Report, and SEC advisories in order to immediately address any inadequacy in the design of internal controls or ineffectiveness/weaknesses in the implementation thereof. The IAG also performed confirmation of private deposit accounts.

Since the pandemic continued to prevail in 2021, most of the audit engagements were still conducted remotely, using the available resources provided by the Bank. As deemed necessary, some auditors reported onsite depending on the circumstances while implementing the required safety protocols.

To address the common challenges/comments of the audit clients in the conduct of remote audit, the use of MS Teams for collaboration with the audit clients was implemented and maximized. IAG also continued to

explore more possibilities and opportunities to make the audit experience for both the auditors and audit clients constructive and beneficial even if conducted remotely.

In preparation for the External Quality Assurance Review of IAG in 2022 by a qualified third party reviewer in compliance with BSP Circular No. 871, Series 2015, and Standard 131 of the International Standards for the Professional Practice of Internal Auditing, which requires that an external assessment be conducted at least once every five years by a qualified, independent assessor, or assessment team from outside the organization, IAG created a Technical Working Group which initiated the preparation of documentary requirements for the bidding of consultancy services to be availed of.

IAG has also undergone organizational changes in 2021, thereby increasing the approved manpower from 153 to 196 and converting the Audit Services Team to the Assurance and Special Engagements Unit. This is a response to the expanding services being rendered and to the rising number of audit clients.

The IAG also served as the Secretariat to the Board-level Audit and Compliance Committee (AC Com) and to the management-level Accountability Assessment Committee.

The IAG Department Heads and staff actively participated as members of the different clusters for the Project Fusion.



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

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

The 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, 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 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 hours.

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. The 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.

The IAG is also responsible for reporting to Senior Management and the AC Com on the internal audit activity's Quality Assurance and Improvement Program wherein the the results of internal assessments (both ongoing and periodic) and external assessments are 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.

The 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 the 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 likewise 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.

Procedures in the assessment of the Bank's adherence to Environmental and Social risk management policies and international sustainability standards, principles, laws and regulations

IAG has integrated in its audit program the assessment of adherence to the existing policies of the Bank that supports Environmental and Social Risk Management.

The Lending Operations Audit Department (LOAD) in the review of the Lending Unit's loan evaluation and packaging, validates their compliance with the applicable environmental laws, regulations, and requirements. Also, part of LOAD's audit procedure for property appraisal is checking the accuracy and completeness of data/information disclosed in the appraisal report and necessary documents supporting the report which include securing a supporting document to validate the vulnerability to earthquake of all existing and potential project sites financed/to be financed, and verification with PHIVOLCS of the location of projects, if they are along fault lines or danger zone.

The Environmental Program and Management Department, being one of the established units of LANDBANK that ensures proper implementation of policies and programs on Sustainable Financing, is part of the Head Office and

Thrusts and Directions for 2022

For 2022, IAG shall continue to conduct risk-based internal audit of various business units, IT systems and processes, review risk models, and review the ICAAP document, and Recovery Plan. IAG shall also undergo an External Quality Assurance Review by a third-party appraiser who will assess and express an opinion about Internal Audit's conformance to the International Audit Standards, Definition of Internal Auditing, and Code of Ethics and to include recommendations for improvements, as appropriate.

Additionally, relative to the LANDBANK and UCPB merger, IAG shall conduct a special audit of 188 UCPB branches during closure and conversion/migration. Moreover, to improve operational efficiency in handling various functions and geographical location due to increase in auditable units from UCPB, the Field Operations Audit Department shall be split into two departments.

Similarly, the Head Office Systems and Technology Audit Department also intends to split into two departments to segregate the IT Audit from the audit of Head Office Units

Systems Technology Audit Department's (HOSTAD) audit universe. EPMD's timely conduct of environmental due diligence, release of Environmental Compliance Report or Environmental Performance Monitoring and Audit Report, proper implementation of the Project Preparation Fund program and CFSF for interested loan clients, complete and timely submission of environmental reports to internal and external users, and timely review and/or enhancement of existing environmental programs and development of new initiatives are part of HOSTAD's review. Similarly, the review is being done during the audit of other business units depending on their role, duties, and responsibilities based on the existing policy of the Bank.

Outstanding audit findings are regularly monitored and reported to the Audit and Compliance Committee until corrective actions committed by the business units concerned as well as the timeline are assessed as acceptable. The effectiveness shall likewise be evaluated in the next audit of the business unit.

and Agrarian Operations Center. This aims to achieve more focus and effectiveness especially for the competencies of the auditors, increase in auditable units/systems/processes, and have the same structure as other banks.

Compliance Management Group

The Compliance Management Group (CMG) oversees the implementation of the Bank's Compliance Risk Management System which is designed to identify and mitigate compliance risks which may erode the franchise value of the Bank such as risks of regulatory sanctions, material financial loss or loss to reputation 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 financial activities.

CMG has two departments, namely: Regulatory Compliance Department (RCD) and Anti-Money Laundering Department (AMLD) responsible for the implementation of the LANDBANK Compliance Program and Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual, respectively. CMG is headed by the Chief Compliance Officer (CCO) who functionally reports to the LANDBANK Board of Directors through the Audit and Compliance Committee (AC Com).

Risk Management Group

The Risk Management Group (RMG) is an independent unit that oversees all of the Bank's major risk areas, including credit, market, liquidity, operational, IT risk, information security, and consumer protection. RMG reports to the Risk Oversight Committee but reports to the President and CEO administratively.

RMG has seven Bank Units namely, (1) Operational Risk Management Department, (2) Credit Risk Management Department, (3) Treasury Risk Management Department, (4) Enterprise Risk Management Office, (5) Information Security and Technology Risk Management Office, (6) Credit Policy Formulation and Review Unit, and (7) Investment and Loan Committee Secretariat and Support Unit.

RMG not only manages risks for the Bank but also carries out risk assessment duties for the Bank's subsidiaries. Moreover, RMG adeptly supports the Bank's Steering Committee for the Internal Capital Adequacy and Assessment Process (ICAAP) and Recovery Plan by helping to prepare the annual ICAAP and Recovery Plan Document submitted to the BSP. It leads the development and improvement of the ICAAP framework through stress testing tools and scenario analysis.

AGRICULTURAL AND DEVELOPMENT LENDING SECTOR

The Agricultural and Development Lending Sector (ADLS) manages the Bank's lending activities. The Sector is in charge of providing responsive and timely credit assistance and other interventions to the Bank's priority and mandated sectors, which include small farmers and fishers, agrarian reform beneficiaries, either through direct lending and/or through their respective organizations/associations, micro and small enterprises, agri and aqua related businesses, and other programs aligned with the priorities of the National Government, with the end goal of assisting in the improvement of agriculture.

2021 Accomplishments and Performance Highlights

Continued assistance to borrowers amid a prolonged pandemic

At the onset of the lockdowns in 2020 brought about by the health crisis, the Bank has introduced various lending programs designed to assist our borrowers in their efforts to recover from the pandemic. The P27 billion equity infused by the government to the Bank in February 2021 is being utilized to fund availments under the Bayanihan Lending Programs composed of I-RESCUE for cooperatives, MSMEs, MFIs and even large corporates, the RISE UP LGUs, ACADEME for schools and I-STUDY for students.

To date, the Bank continues to actively provide fresh loans to affected borrowers and restructure existing loans of those accounts which have experienced cash flow interruptions and losses.

LENDING PROGRAMS	APPROVED LOANS (in P million)	CUMULATIVE RELEASES (in P million)	O/S BALANCE (in P million)	# OF ACCTS (WITH APPROVED LOANS)	RELEASES (February 11 – December 31, 2021) (in P million)
I-RESCUE	30,365.63	29,340.83	27,922.21	679	18,778.87
RISE-UP LGUs	96,540.29	18,116.486	17,982.18	360	15,732.94
ACADEME	914.00	540.52	511.71	26	452.17
I-STUDY	3.29	2.83	2.70	49	2.50

LGU Penetration

As a reliable partner of LGUs towards local economic growth, LANDBANK continues to expand its penetration rate to this sector in terms of credit assistance. Out of 1,715 LGUs, 62% or 1,061 LGUs have either outstanding loans, loans approved which have yet to be drawn or with fully paid loans.

	Province	City	Municipality	Total
Coverage	81	146	1488	1715
Penetrated (including fully paid accounts)	61	122	878	1061
% Penetrated (including fully paid accounts)	75%	84%	59%	62%
Penetrated (with O/S Balance only)	43	82	529	654
% Penetrated (with O/S Balance only)	53%	56%	36%	38%
Penetrated (including fully paid accounts) December 2020	61	116	830	1007
Penetration Rate as of December 31, 2020	75%	79%	56%	59%
Additional # of LGUs	-	6	48	54

The table below shows the number of cities and municipalities with approved loans for 2021.

GROUP	CITY	1ST CLASS	2ND CLASS	3RD CLASS	5TH CLASS	6TH CLASS	TOTAL
NCLLG	2	3	3	2	7	1	24
SLLG	2	1	-	1	1	-	7
VLG	-	1	-	2	1	-	9
MLG	1	-	5	3	2	-	12
CBG	1	1					2
TOTAL	6	6	8	8	11	1	54

Conducted Capacity Building training for MSMEs through LCDFI

ADLS, in coordination with LCDFI, has developed Capacity Building Modules for borrowing MSMEs to aid them in these trying times. For 2021, six webinars on Financial Accounting, Risk Management, Business Continuity Planning and Management, Digital Technology and Solutions and with 274 participants have been conducted.

Launching of new Lending Programs

ADLS, in coordination with LCDFI, has developed Capacity Building Modules for borrowing MSMEs to aid them in these trying times. For 2021, six webinars on Financial Accounting, Risk Management, Business Continuity Planning and Management, Digital Technology and Solutions and with 274 participants have been conducted.

Capacity Building Trainings

Training Module	No. of Invited MSMEs	No. of Registered MSMEs	Actual No. of Participants	No. of Batches	LCs Covered
Financial Accounting	270	152	3	3	71
Risk Management	88	42	-	1	19
Business Continuity Planning	89	50	-	1	24
Digital Technology and Solutions	81	30	5	1	18
TOTAL	528	274	8	6	132

Farmers' forum conducted by Lending Centers

Even during the pandemic, 616 farmers' forums were conducted in 47 provinces which were participated in by 37,330 farmers either face-to-face or virtually. Through these forums on Credit Discipline (Disiplina sa Pahiram), Process and Procedures of ACEF and AFFORD Lending Programs, the farmers were educated on financial literacy and proper payment of loans.

Launching of new Lending Programs

ADLS, through the LPMG, has also launched several new lending programs during the year. These include the following:

1. Special Window and Interim Support to Nurture Hog Enterprises (SWINE) Program

2. Municipal Development Fund (MDF) Lending Program

3. Emerging Female Initiated Livelihood and Investment Projects via Inclusive Financing to Accelerate Entrepreneurial Growth (Emerging FILIPINA) Lending Program

4. Renewable and Efficient Alternative (REAL) Energy Program - Consolidation of related programs under a single banner program for the three existing lending programs of the Bank that are focused on the same sector of renewable energy and energy efficiency

5. Receivables Financing Program for PHILHEALTH Arrearages under HEALTH-PLUS Lending Program

6. Bridge Financing for Junior High Schools' ESC program under K-12 Bridge Financing Program



2022 Plans and Programs

Growth in Loan Portfolio

The Sector shall aggressively grow retail lending to MSMEs and expand consumer loans through digital innovations.

To scale up retail lending, the Sector shall create new lending products that will address current challenges in growing this segment at a faster pace. Creation of lending programs to cater to the requirements of MSMEs and consumer clients is on the pipeline which will adopt a risk-based lending approach through the use of credit scoring models for the MSMEs to have easy access to loans.

The Sector shall also improve agribusiness network and accelerate direct lending to small farmers and fishers through digital means. The targets on loans to agriculture and the number of assisted small farmers and fishers (SFFs) are projected to be attained through the creation of innovative credit products and programs which are related to agri value chain and through the enhancement of access of SFFs to tailored-fit agri loans and support using digital technologies. By the end of 2022, the Sector aims to bring the number of farmers and fishers assisted to 2.5 million. Likewise, loans supporting agriculture and fisheries are projected at P276 billion also by year end of 2022.

The Sector shall also intensify loans to environmental, social and sustainable development-related projects. For 2022, it shall continue to extend loans to sustainable development-oriented projects in support of the bank's Sustainability Bond Program and compliance with the BSP's Sustainable Finance Framework.

Revenue Optimization

The Sector aims to improve overall returns by optimizing yield on its loan portfolio and better yielding consumer and MSME loans. It shall likewise grow fee-based income on other loan-related transactions.

Enhancing Operational Efficiency

The ADLS shall transform traditional lending processes for MSME and consumer loans to digital. The Sector shall enhance the existing loan systems and develop other systems that can process and score loan applications electronically to pave the way for a quick approval of loan servicing process.

With a simplified lending process, the Sector aims at capturing a wider segment of MSMEs and improving profitability through cost reduction while providing a more efficient customer service.

The Sector shall also build a team of focused and well-trained lending officers where it shall strengthen the skills, abilities, processes and resources. It shall also hire new talents who are adept in technology and can bring in innovations.

Also, in order to fast track the processing and approval of loans, the Sector shall revisit the evaluation criteria and simplify the documentation processes particularly the credit facilities proposal medium.

Touchpoint Expansion

In order to expand the Bank's credit assistance and services and to effectively manage the lending centers, the Sector shall establish lending groups and units to cater the clients in the National Capital Region and in the provinces.

In view of the transfer of UCPB's consumer loans as a result of the merger in 2022, the retail lending group in the NCR shall be reorganized to be more focused in the handling of both the consumer and SME mid-market loans.

Support for National Government Programs

To help the Sector deliver results, development and enhancement of lending programs and other activities shall be made to support current and upcoming National Development Programs. The Sector shall propose a more effective and results-driven partnership with other agencies to promote and market the Bank's lending programs, particularly the following:

1. Agro-tourism and forestry;
2. Agricultural Value Chain Financing;
3. Young Agri-preneurs;
4. Climate Resilient Agricultural Financing;
5. Secondary and Tertiary Cooperatives;
6. MSME Lending; and
7. Coconut Farmers and Industry Trust Fund Lending Program

The Sector shall also tap partner-agencies to promote the programs, identify and endorse potential borrowers, provide enterprise-based capability building and skills training and monitor the accounts. It shall establish a formal working structure and recommend inclusion of the activities to the Key Results Areas of field personnel both of LANDBANK and the partner-agency.



BRANCH BANKING SECTOR

The Branch Banking Sector (BBS), headed by Executive Vice President Julio D. Climaco, Jr., is in charge of LANDBANK's branch operations, deposit generation and deposit-related services, as well as the various electronic banking channels.

Apart from the sector's accomplishments on the Bank's delivery channels, e-banking facilities, and Collection and Disbursement Services for the National Government on pages 34 to 43, BBS also delivered on the following initiatives:

LANDBANK-UCPB Merger

President Rodrigo R. Duterte on June 25, 2021 signed Executive Order No. 142 Approving the Merger of the Land Bank of the Philippines (LANDBANK) and the United Coconut Planters Bank (UCPB), and the acquisition by the LANDBANK of the special preferred shares of the Philippine Deposit Insurance Corporation (PDIC) in the UCPB.

To ensure a smooth transition and prepare the Bank for the merger, the Branch Banking Sector formed five Technical Working Groups (TWGs) headed by Branches Group Heads. The TWGs oversee and monitor the implementation of the integration plan of the branches as approved by the LANDBANK Board of Directors. Their tasks involve systems migration, business process conversion, network rationalization, manpower training and deployment, among others.

Digitization

The Bank has been responsive in complying with the Anti-Money Laundering Council's (AMLC) regulation on Digitization of Customer Records. The regulation took effect on Oct. 13, 2018 and requires covered persons, including banks, to store digitized records of their customers in their own central database. The Banks were given by AMLC until Sept. 30, 2022 to finish the digitization of accounts.

LANDBANK has tapped third party service providers to help in the digitization of accounts opened prior to the issuance of the AMLC directive or back files. While for accounts after the issuance, the acceptance of new customers passes through the Bank's Digital On-boarding System (DOBS) which captures in real time the digitization and uploading of KYC documents to the central database. The availability of DOBS is the ultimate solution for the Bank to comply continuously with the digitization policy.

The pandemic has affected the digitization activities due to temporary closure of branches, infection of Bank and provider's staff, re-work of digitized records due to connectivity issues and delays on shipment of logistical requirements.

The disruptions were surpassed by the Bank with compliance rate at 91% for back files and 85% for newly opened accounts as of Dec. 31, 2021. An enhancement in the DOBS is on queue to address account opening whenever DOBS is not available due to telco or connectivity problems. The Bank is committed to comply with the AMLC's requirement ahead of its deadline of Sept. 30, 2022.

Likewise, the Bank did not limit the digitization as mandated by the AMLC but expanded the coverage to include documents of Lending Centers, employees' files of the Personnel Administration Department and documents from beneficiaries of DSWD programs.

Systematics Upgrade

The current Systematics application was implemented last 2009 and since then, the technology in the banking industry has drastically evolved. Hence, our system was upgraded to address new business requirements and improve the availability of online banking systems.

The upgrade of its Core Banking Applications (Systematics) is necessary to enable LANDBANK to adapt with the current industry standards and best practices. Likewise, the upgraded Systematics version will enable the Bank to have additional layers to secure data and information.

The upgrade is necessary to keep systems up-to-date and compliant with the requirements relative to the following:

1. National Retail Payment System (NRPS)
2. Security for Payment Card Industry Data Security System (PCIDSS), Data Privacy Act and BSP Circular 808 (Guidelines on IT Risk Management for all Banks and Other BSP Supervised Institutions)
3. Handling of risks for FATCA, AMLA and BSP Circular 808



3,961,537

On-boarded PhilSys registrants with opened accounts as of December 31, 2021



Philippine ID System

The Philippines Statistics Authority (PSA), as the primary implementing agency of Republic Act (RA) No. 11055, otherwise known as the Philippine Identification System (PhilSys) Act, is mandated to establish a single national identification system for citizens and resident aliens of the country. As expressed in Sections 2 and 3 of RA 11055, the law seeks to promote seamless delivery of service, improve the efficiency, transparency, and targeted delivery of public and social services, strengthen financial inclusion and social protection, and promote ease of doing business.

To successfully undertake this, PSA has partnered with LANDBANK to provide an opportunity for the target registrants to access financial services through the opening of a LANDBANK account in parallel to PhilSys registration.

LANDBANK deployed its Bank personnel to co-locate within the premises of the PhilSys registration centers nationwide. LANDBANK undertook the following: 1) Opened deposit accounts 2) Conducted KYC procedures and 3) Distributed ATM cards.

As of Dec. 31, 2021, LANDBANK has on-boarded 7,205,948 or 45% of the 16,090,328 PhilSys registrants and opened 3,961,537 accounts or 55% of the onboarded registrants.

2022 Plans and Programs

For 2022, BBS will focus on the following synergistic Plans and Programs:

Aggressively Expand the Base of Personal Depositors and e-Money Accountholders

Personal or individual depositors represent the solid core and will structurally dictate the deposit composition. Banks which have a large base of personal deposits have the lowest cost of deposits and higher net incomes. A solid base of personal deposits will also lead to a much longer term structure and lessen reliance on the large institutional depositors which demand higher interest rates.

BBS will expand the base of personal depositors and e-money accountholders in terms of number of accounts and balances. For personal deposits, BBS is targeting a growth rate of 10% in number of accounts and 15% in average daily balance, while a 20% increase in number of accounts is expected for e-money accountholders.

Increase the Active Users of MBA and LANDBANKPay

Shifting the volume of transactions by personal depositors to Mobile Banking App (MBA) and LANDBANKPay provides the following benefits:

1. Reduce voluminous transactions in Branches
2. Shift to the least-cost transaction channel and achieve significant savings on operations costs
3. Respond to the shifting customer demands for a more convenient and faster digital banking platforms

BBS aims to increase the MBA users by 5% from the current base of three million users and the LANDBANKPay users by 250,000 by end of December 2022.

Expand LANDBANK's Customer Touchpoints Across the Country

Needs for banking services continue to increase as the number of institutional and personal depositors grow. They, along with the beneficiaries of government programs, will require the expansion of the Bank's channels. The Bank's main touchpoints are Branches and Branch-lite units, ATMs, and Agent Banking Partners.

For 2022, the Bank intends to expand its network by establishing the following 15 new banking units:

1. BSP Servicing Unit
2. Floridablanca (Pampanga) Branch-lite
3. Tayabas (Quezon) Branch
4. Bacacay (Albay) Branch-lite
5. Buraen (Leyte) Branch
6. Mambusao (Capiz) Branch-lite
7. Lupon (Davao Oriental) Branch
8. Pagadian Balintawak Branch
9. Bongabong (Oriental Mindoro) Agri-hub
10. Ubay (Bohol) Agri-hub
11. Kapalong (Davao Del Norte) Agri-hub
12. Malungon (Saranggani) Agri-hub
13. Claveria (Misamis Oriental) Agri-hub
14. Plaridel (Misamis Oriental) Agri-hub
15. San Fernando (Bukidnon) Agri-hub

Likewise, 200 new ATMs and 50 new CDMs will be deployed in 2022.

Aggressively Widen the Reach of Agent Banking Partners in the Unbanked and Underserved Municipalities

LANDBANK will optimize the use of Agent Banking Partners to increase touchpoints in areas where establishment of banking units is not feasible. Expanding the reach of ABPs is very important in network expansion. Points of Sale (POS) will also be used as an avenue to optimize the use of LANDBANK card products.

For 2022, BBS is targeting the deployment of 24 new ABPs in unbanked or underserved municipalities and the installation of 120 new POS terminals.

On top of the above Sectoral Objectives, BBS will also take the lead in the migration and conversion of former UCPB branches to LANDBANK systems and integration of business processes. Some branches will be merged with existing LANDBANK branches and use the bank licenses that will be freed up to establish new banking units in other priority areas.

TREASURY AND INVESTMENT BANKING SECTOR

The Treasury and Investment Banking Sector (TIBS), headed by Executive Vice President Carel D. Halog, handles and oversees the LANDBANK's treasury and investment banking groups.

The TIBS is comprised of three groups and two business units namely: (1) Asset and Liability Management Group (ALMG), (2) Financial Markets Group (FMG), (3) Investment Banking Group, (4) Treasury Support Department (TSD), and (5) Treasury Brokering and Marketing Unit (TBMU).

The ALMG oversees and manages the Bank's balance sheet using gap analysis and other risk management tools, including the Bank's investment portfolio as well as its liquidity and reserve position, and nostro accounts.

The FMG manages the securities and foreign currency trading desks and foreign currency sales units. It develops trading and marketing strategies, and regularly monitors financial markets and trends to take advantage of trading opportunities.

The IBG undertakes financial advisory and underwriting services. It acts as issue manager for debt and equity capital market transactions, as well as financial advisor for corporate finance deals. It also handles project finance transactions and manages the Bank's investments in non-listed equities and other financial instruments.

The TBMU handles and services the Bank clients' investment requirements, while the TSD acts as the Sector's support unit, and manages the Bank's treasury and funds transfer pricing system.

On top of meeting its financial targets for the year, TIBS' major accomplishments for 2021 include the following:

Lead for the LANDBANK-UCPB merger

IBG took the lead in ensuring the successful merger of LANDBANK and UCPB, considered the first of its kind between a chartered and non-chartered institution. With the vision to provide support to the Philippine agriculture sector for inclusive rural development, the merger of these two state-run financial institutions is essential in creating a stronger and more efficient bank.

This undertaking required the preparation of a comprehensive business plan, thorough due diligence and securing approvals from various regulatory authorities such as the Securities and Exchange Commission, Bangko Sentral ng Pilipinas, Governance Commission for GOCCs and the Philippine Competition Commission among others; formation of sub-teams or clusters that handled the major project workstreams; weekly checkpoints, and regular updates to the Bank's Top Management.

This three-year Bankwide undertaking amidst the pandemic necessitated close collaboration among the Bank units and their UCPB counterparts to assure smooth integration and seamless migration of processes, systems, and transactions of UCPB to LANDBANK. To ensure timely achievement of the project's critical milestones and its overall successful implementation, we established a working team of the LANDBANK-UCPB personnel.

Among the notable project accomplishments in 2021 are as follows:

1. Preparation of strategic business plan and financial due diligence on UCPB;
2. Execution of Share Purchase Agreement and Deed of Absolute Sale between the PDIC and LANDBANK for the latter's acquisition of PDIC's Special Preferred Shares with UCPB;
3. Securing of LANDBANK's and UCPB Board's approval of the Plans and Articles of Merger; and
4. Securing regulatory approvals for the proposed merger.

Lead issue manager for the major government fund raising activities in 2021

LANDBANK remain steadfast in building on its strength as bank of choice for government funding and financial advisory transactions. TIBS played a major role in the National Government's fund-raising activities thru the Bureau of the Treasury (BTr). The Bank acted as Lead Issue Manager in three fund-raising activities meant for the nation's recovery programs. These are the Retail Treasury Bonds (RTB) 25 which raised P463.32 billion in February 2021, and RTB-26 that added P360 billion to the national

coffers in December 2021. The Bank also acted as Lead Issue Manager for the BTr's first retail dollar bond issuance in the country, dubbed as Retail Onshore Dollar Bonds or RDBs in October 2021. The BTr raised a total of USD 1.593 billion, broken down into USD 1.111 billion for the 5-year tenor and USD 480 million for the 10-year tenor. LANDBANK contributed USD 205.27 million or close to 13% of the total amount raised.

Aside from this, we also actively pursued and secured engagement with other government agencies such as the PSALM, PMO, GSIS among others.

Expansion of retail treasury investment base through the online ordering facilities

In conjunction with the issuance of retail bonds e.g. the RTBs and RDBs IBG initiated the development of online portals for the purchase of treasury products. The digital innovations have been implemented in the LANDBANK Mobile Banking App (MBA) together with the OFB MBA and the BTr Online Ordering Facility. For the RDB, online channels contributed USD 329,700 to the total LANDBANK participation. These online facilities made the purchase of bonds easy and convenient servicing the requirements of individual investors in 33 countries around the globe.

For 2022, TIBS plans and programs include the following:

Build on our strength as bank of choice for government funding and financial advisory transaction

TIBS will reinforce its dominance in getting mandates for government deals such as bond issuances (RTBs, Premyo Bonds, and others), valuation advisories and designation as Lead Arranger or Advisor for various government agency transactions.

Strategic and Forward-looking Asset and Liability Management

With the goal of strategically managing the Bank's balance sheet by addressing interest rate gaps in the banking book, TIBS will continuously monitor the impact of interest rate risks on both earnings and capital. It is pivotal for an inherently mismatched maturity of loans and deposits to maintain a portfolio of investments with short duration that would effectively confine gaps. These short-term investments will balance the effect of moving interest rates to the roll-over of deposits and reinvestment of maturing assets.

Effective Management of the FVOCI Debt Portfolio, Liquidity, and Trading Portfolio

For 2022, TIBS will focus in managing the impact of rising interest rates on the Bank's capital. The Bank aims to improve or at least maintain its CET1 ratio by shortening its duration while generating a steady source of accrual or interest income. This will also help maintain a strong capital level in support of credit growth, expansion requirements and regulatory compliance.

TIBS will also continue to reduce the Bank's exposure to market risk while ensuring the availability of adequate funding at all times for its operational and commercial requirements.

For trading, TIBS will continue to generate trading gains and dividends while minimizing exposure to market risks brought by the changing financial and economic conditions. The Bank's trading strategies include, but are not limited to (a) maintaining an optimal portfolio mix and rebalancing of holdings as deemed necessary; (b) finding arbitrage opportunities in the short and long end of the yield curve; and (c) positioning cautiously/bargain hunting in equities as valuations become cheap and support levels have been established.

Continuing support to the Bank and National Government's Strategic initiatives

With TIBS' major role in the implementation of several of the Bank's strategic initiatives, the Sector will continue to handle various special projects including those from the Department of Finance and the BTr. The successful completion of these project is expected to add value to the national coffers and financial resources of the National Government.

OPERATIONS SECTOR

The Operations Sector (OS) is headed by Executive Vice President Alan V. Bornas. This Sector undertakes the provision of bankwide operational support including the accounting services and development and implementation of information technology system-related infrastructure.

The OS is comprised of four groups with the following functions:

1. 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 2021, BOG has provided support with the implementation of the following:

- a. Expanded Implementation of the electronic Promissory Notes and Disclosure Statement (e-PNDS)

With the current thrust and efforts at digitalization, the Bank has expanded the implementation of the electronic Promissory Notes and Disclosure Statement (e-PNDS) for use of internal clients and SMELD 1 & 2. The e-PNDS is aimed at reducing the turn-around time of loan processing by 50% as well as protecting the integrity of data and minimizing Bangko Sentral ng Pilipinas (BSP) findings.

- b. Centralized Trade Transactions

This involves the centralized booking of trade transactions of Provincial Lending Centers (PLCs) at the Head Office and availability of trade transactions data for immediate reporting to regulatory bodies and stakeholders.

For the year 2022, BOG will continue to support lending operations through the implementation of programs and other initiatives to include the Multiple Batch Settlement (MBS) for PESONet transactions, migration of UCPB loans for consumer and corporate loans using Symbols / Collateral Management System, centralization of collateral management, consolidation of UCPB and LANDBANK Trade Transactions and possible adoption of UCPB system for consumer loans.

2. 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 will continually improve its services for the year 2022 by undertaking initiatives to improve support to front-office operations including the migration of clearing, cash center and banking support operations of UCPB to LANDBANK Banking Services Group pursuant to the merger (LANDBANK EO No. 108).

3. 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 2021, CG has increased its operational efficiency through the continuous consolidation of Accounting Centers/Accounting Units thereby reducing manpower and other operating costs. Moreover, the email facility was used in sending the Statement of Securities Accounts (SSA) to the Bank's Treasury investors. Likewise, CG initiated and participated in the following Information Technology (IT) projects:

- a. Development of BSP Reports Manager System, a platform to easily gather and consolidate data for BSP reports;
- b. Upgraded the Financial Management System to the latest version; and

- c. Upgraded the Financial Reporting Package System to conform to latest BSP reporting requirements

For 2022, CG will centralize the GSIS premium and remittance for easier coordination and accurate and timely application of GSIS payments. CG will also enhance the Agrarian Reform Receivables System (ARRs) as well as complete the upgrading and enhancement of the Financial Management System (FMS) - Phase 2 and pursue the consolidation of Accounting Centers/Accounting Units. With the impending merger of LANDBANK and UCPB, CG will ensure proper transfer of and booking of assets and liabilities and turnover of documents and records of UCPB to LANDBANK pursuant to the merger.

4. The Technology Management Group (TMG) oversees Information Technology (IT) management functions, particularly the coordination on the Bank's IT plans, designing of IT architecture, oversight on the implementation of IT programs with designated project teams, management and enhancement of IT infrastructure and applications. The Group also provides technical evaluation or advice for end-user selection of application software and hardware.

With the advent of digital banking combined with the emergence of the COVID-19 pandemic, there is the urgent need for digital products and services, alongside with focus on cybersecurity. These are supported by the IT systems and its corresponding architecture, which are continuously enhanced to

comply with the evolving requirements of different stakeholders.

To be able to provide support to the Bank for these initiatives, TMG has classified its major thrusts into four programs:

1. Provide IT solutions to support digital banking initiatives. The Group provides support and assistance to the Bank's initiative on digital banking solutions, offer a cost-effective infrastructure for digital banking and to enhance the existing e-payment systems of the Bank.
2. Implement key applications for regulatory compliance and enhancement of back-office support services.
3. Upgrade of core banking systems to comply with new business and regulatory requirements, utilize existing technologies to allow interface with other systems and to enhance system functionalities.
4. Upgrade of IT infrastructure to expand capacity and strengthen IT security of the Bank. This involves the Bank's acquisition and set-up of additional servers and disk storage systems, including the continuous updating of network and security solutions.
5. LANDBANK-UCPB Technology Migration for the forthcoming integration of LANDBANK and UCPB in March 2022

CORPORATE SERVICES SECTOR

The Corporate Services Sector (CSS) manages LANDBANK's agrarian services operations, human resources, facilities and procurement, property valuation and credit information services, corporate affairs, and customer care, as well as the operation of the employees' provident fund.

Agrarian Services Group

The Agrarian Services Group (ASG) handles the processing of all land transfer claim folders forwarded by the Department of Agriculture. The Group was able to accomplish 100% rating on the GCG-prescribed Turn-Around-Time of 20 working days from receipt of complete documents.

In 2021, the Pollution Control Officers (PCO) were transferred to ASG to address issues on PCO accreditation and ensure the Bank's compliance to the Department of

Environment and Natural Resources. The Management Information System (MIS) and Land Transfer Claims Information System (LTCIS) also became automated which improved the efficiency and access of the ASG units and/or other Bank units.

In addition, the Agrarian Reform (AR) bond sales transactions reached P259.57 million, generating a total income of P5.06 million, and assisting 621 bondholders. A total of a 780 AR Bond certificates were issued.

ASG also conducted Field Investigations, collection of land amortization, documentation and payment processing of claims, as well as provided assistance to PVCID in the appraisal of collaterals and validation of sub-PNs, among others. It also served as the secretariat for the Agri-Agra Social Concerns Committee (AASCC).

2022 Plans and Programs

Moving forward, the following are the programs that will be pursued by ASG:

1. FARMS Microloan Facility Module (MLF)

The MLF is an internet-based end-to-end solution that will deliver doorstep lending to agrarian reform beneficiaries (ARBs) via the Flexible Agrarian Reform Mobile System (FARMS), to provide assistance to the Agriculture and Development Lending Sector (ADLS) in the implementation of the AFFORD-ARBs Program. The collection of loan amortizations from the ARB-borrowers is also included in this module. The target date for development of the MLF is on June 2022 while the target schedule for the User Acceptance Test (UAT) and Implementation shall be in October and November 2022, respectively.

2. Collection of Loan Amortizations under the ALERT-ARBOS Program

The ALERT-ARBOS Program is a lending program funded by the DA-ACPC. The collection of loan amortizations from the ARB cooperatives will be undertaken by ASG as a form of assistance to the ADLS. The target date for implementation is June 2022.

Corporate Affairs Group

Corporate Affairs Group (CAG), which oversees the management of the Bank's various communication channels promoting LANDBANK's programs and initiatives, strengthened its efforts in 2021 in support of the Bank's strategic business goals.

To reach more of the Bank's stakeholders, among CAG's major communication initiatives in 2021 were the expansion of the LANDBANK's quad-media and social media presence through a regional media partnership, increased engagement in all platforms including the Viber community, and achieving one million likes on Facebook.

The Group also continued to produce periodicals and marketing collaterals, including audiovisual presentations to promote the Bank's products, services and initiatives. Among these initiatives for which communication tools were developed was the co-location with the Philippine Statistics Authority. Communications targeted the registrants of the Philippine Identification System (PhilSys) to whom LANDBANK offered transaction accounts. Also in line with financial inclusion efforts, CAG provided support in the launch of the LANDBANK Mobile Branch units, as well as designed sets of marketing collaterals for new Agent Banking Partners of the Bank.

In collaboration with CHED-UniFAST, CAG conducted a virtual launch event for the cards program for the beneficiaries of the Tertiary Education Subsidy. CAG likewise supported the conduct of the Bureau of the Treasury's events, including the Quarterly Raffle Draws for the Premyo Bonds 2, as well as launch of the RTB-25, RTB-26 and Retail Dollar Bonds.

CAG also provided sponsorship support to agri-related events and government programs. Likewise, it facilitated the approval and processing of donations amounting to P21.2 million to 198 LGUs affected by super typhoon Odette.

Meanwhile, virtual events were organized to help engage employees and foster camaraderie. Streamed live on LANDBANK Workplace, regular flag raising and lowering ceremonies were conducted by CAG, as well as various recognition programs and other corporate events such as the State of the Bank Address, LANDBANK anniversary and Christmas celebrations.

CAG also supported the Bank's communication efforts in relation to the merger with the UCPB. The team actively participated in the merger communication committee, developed communication tools, and utilized various channels consistent with the communication plan that targeted various stakeholders.

To capture the Bank's expanded role in nation-building, CAG began to adopt "Serving the Nation" as a tagline in its various communication channels. The campaign was launched internally through an audiovisual presentation first shown during the Operational Planning Conference for 2022.

Customer Service

LANDBANK's Customer Care Department (CuCD) continues to provide support to Bank clients through various customer contact channels. In 2021, the team received a total of 1,098,554 concerns. Phone is still the main channel used by clients with 516,592 calls received. Emails and Social Media channels gathered 395,517 and 186,445 client concerns respectively.

In line with the Bank's commitment to provide a seamless customer experience, a Contact Center System project was approved by the Management and the Board. This project aims to integrate the various communication channels (i.e., phone, email, and social media) and automate complaints management to support the customer service operations of the Bank.

As part of the Bank's anti-fraud initiatives, more than 2.5 million SMS blasts and advisories were sent to clients in 2021.

2022 Plans and Programs

For 2022, CAG aims to implement the Bank's Serving the Nation multimedia campaign and brand refresh;

Facilities and Engineering Services Group

The Facilities and Engineering Services Group (FESG) monitors the administration of the Bank's facilities, properties, and procurement of supplies and services.

In 2021, the Group was able to open eight new Branches and five new Agri-Hubs. FESG was also able to renovate 11 Branches/Field offices and relocate nine Branches/ Field offices. There were also regular sanitation and disinfection at the LANDBANK Plaza to mitigate the spread of COVID-19 virus at workplace and rehabilitated canopies.

2022 Plans and Programs

In 2022, FESG will construct and/or fit out nine new Branches, six new Agri-Hubs, and two new Lending Centers. The Davao Corporate Center and the Leadership and Development Center in Intramuros are also targeted to be completed by 2022, as well as the renovation of 25 existing branches/ field offices, relocation of 16 branches/ field offices and renovation of seven existing Lending Centers.



continue to enhance the Bank's social media presence; implement the Contact Center System upgrade and Nationwide Customer Satisfaction Survey; conduct webinars called AgriSenso to reach potential and existing borrowers; and lay the groundwork for the production of a commemorative publication in celebration of the Bank's 60th anniversary in 2023.

On the projects for the improvement of LANDBANK Plaza, the Group shall procure the services of a supplier/contractor for the upgrading of the Building Management System and replacement of air handling units and water transfer pumps by year-end.

Lastly, to optimize space and to accommodate personnel from the former UCPB, FESG will accelerate the reconfiguration of the LANDBANK Plaza and target its completion by June 2022. Those who will be physically transferring exclude IT personnel who will stay in the former UCPB Building beyond the said date.

Human Resource Management Group

The Human Resource Management Group (HRMG) is in charge of providing human resource support services such as personnel administration, employee relations, and organization development.

The HRMG continues to transform its processes with technological enhancements consistent with the Bank's strategic objectives. The new Human Resource Information System (HRIS) is an ongoing project with comprehensive HR functionalities from recruitment, onboarding, up to separation of an employee. It will streamline HR processes by lessening manual procedures expected to increase staff efficiency and empower employee and manager experience through self-service modules that will create a future-ready digital workplace. The Group is being assisted in this ongoing project by the Procurement Department and the Technology Management Group.

Workforce Rebalancing Program

Human resources play an important role in achieving the Bank's targets, and talent management and effective implementation of various HR programs are crucial in cost management and accomplishment of target income. In order to strengthen priority programs and align the Bank's mandates to the departments, a review of the organizational structure and its processes is initiated. This is in support of the goal to make processes more responsive and allow for system automation towards improved service delivery.

HRMG's role is to help maintain the balance in workforce and technological adoption to keep the organization agile.

Due to the challenges posed by the global pandemic, the Bank continuously adopts various HR programs that will ensure business continuity and viability, while also fostering the health, security and general well-being of its human resources.

LANDBANK-UCPB Merger Activities

In line with the Bank's activities to support the successful merging of LANDBANK and UCPB, the HRMG through PAD has undertaken various activities as follows:

1. Preparation of Due Diligence Report on Manpower and Organizational Structure
2. Preparation of various HR reports for the Project Fusion Team
3. Secured ManCom approval regarding the Guidelines on the Implementation of Interim Measures for the Hiring Process of UCPB Personnel

4. Secured ManCom approval for the Creation of a Merger Business Continuity Team
5. Establishment of the LANDBANK's recruitment, selection, and replacement process for UCPB employees applying in the Bank

Civil Service Eligibility Examination for SCWs

The HRMG, in coordination with the Civil Service Commission (CSC), facilitated the conduct of Career Service (CS) Professional Examination for Service Contract Workers (SCWs) with no CS Professional Eligibility but are considered for possible hiring in LANDBANK within the year.

HRMG has been consistent in giving SCWs the opportunity to be hired as permanent employees of the Bank. As CS Professional eligibility is one of the minimum requirements to be employed by government agencies, HRMG had been persistently communicating with CSC to allow the special conduct of the CS Eligibility Exam. Despite the limitations brought by the pandemic, CS Exam was successfully administered and accommodated 120 SCWS.

Online Pre-Employment Exam and Supervisory Assessment

As the Bank espouses that competitive examinations shall determine merit and fitness, HRMG ensured that all personnel employed by the Bank underwent a comprehensive assessment and evaluation. Prior to the pandemic, the transition of the Bank's Pre-Employment Exam was already in process. When the pandemic started, which limits physical interaction, the Bank was able to shift to its online platform immediately. Since its implementation in July 2020, PAD was able to administer the Online Pre-Employment Examination (OPEE) to 2,163 job applicants and the Online Supervisory Assessment to 473 Bank employees for promotion and job applicants for supervisory level.



PhilSys Registration

In support of Republic Act No. 11055, otherwise known as the Philippine Identification System Act, which aims to establish a single national identification system for all citizens of the Republic of the Philippines, LANDBANK (SKMG and HRMG) coordinated with the Philippine Statistics Authority (PSA) for the setting up of an institutional registration for LANDBANK Head Office-based and NCR branch personnel at the LANDBANK Plaza.

The PhilSys registration also included employees' family members, drivers, janitorial/maintenance personnel, security guards, and the like. The personnel from LANDBANK subsidiaries were also accommodated.

The PhilSys registration started on June 21 until July 6, 2021 with a total of 6,904 registrants to the National ID.

Organization Development Department

Employee Learning and Development

To continuously provide the Bank's talents with more avenues to gain knowledge and develop further their skills and competencies amidst the COVID-19 pandemic, LANDBANK maximized the use of technology and alternative L&D methodologies. Geographic location and concerns on traveling at the height of the pandemic were no longer a hindrance for the Bank's employees to readily have access to needed trainings and other L&D interventions. What used to be face-to-face classroom trainings were converted to online webinars. The ODD Learning Curve accessible through the Bank's official Workplace account by Facebook and the LANDBANK e-Learning Access Portal (LEAP) also served as additional platforms to disseminate L&D programs and information.

The pandemic did not stop the Bank in providing its workforce with the right L&D interventions to enhance their competencies. In 2021, of the 9,790 regular Bank employees, 9,719 or 99.27% were able to participate in various L&D programs offered by the Bank. A total of 9,379 employees were able to attend three or more training, 283 employees with two training, while only 57 employees had attended one training.

In view of the pandemic health protocols, face-to-face programs were replaced by webinars and other e-learning platforms. Webinars had the greatest number of employees' participation. Most of the L&D courses were converted to webinar offerings as these offered more flexibility to participants. The Bank's in-house learning platform, LEAP, came in as the 2nd most widely used L&D mode limited "within the Bank's premise" access. A total of 21 LEAP Modules were administered with a total of 80,769 access instances.

ODD's Learning Curve continued to serve as an effective tool in cascading L&D information to the employees. A total of 264 infographics on core values, culture, behavioral, functional, and technical functional areas as well as on management and leadership were posted.

Competency Framework

LANDBANK ensures that the workforce is able to deliver superior performance armed with the necessary competencies or the synergy of knowledge, skills and attitudes.

With the approval of its Competency Framework in 2015, the Bank has been administering annually the online Competency Assessment which aims to assess and determine the actual competency level of its personnel vis-à-vis the required proficiency levels as indicated in their current position competency profiles. The said assessment forms part of the Bank's Performance Scorecard in compliance with the GCG requirement, wherein LANDBANK is expected to improve its competency level based on previously conducted year-end assessment through the implementation of L&D interventions.

In 2021, LANDBANK, in partnership with Profiles Asia Pacific, Inc., conducted an online Competency Assessment for both Core and Incident Management Team (IMT) functions from Oct. 27 to Dec. 31, 2021.

In the assessment of the personnel's core functions, the Bank attained 99.99% completion rate by 2,220 eligible raters involving 8,069 eligible ratees, resulting in an overall baseline competency level of 103.64%, which is 6.12% higher compared to that of 2020 at 98%.

A pilot run of the online Competency Assessment to measure the competency level of LANDBANK personnel performing ad hoc functions as IMT members was administered to selected IMS-certified units in compliance with the requirements of ISO 14001:2015-Environmental Management System. The assessment with a 95.36% completion rate by 182 eligible raters involving 662 eligible ratees, resulted in an acceptable baseline competency level of 98.66%.

To address the competency gaps identified in the assessment for both Core and IMT functions, appropriate L&D interventions will be implemented both at the organizational and individual levels.

Employee Relations Department

Occupational Safety and Health

The Human Resource Management Group (HRMG) continues to adopt a holistic approach to employee wellness, summarized into two pathways, i.e., Wellness@Work or maintaining occupational safety and health (OSH), and ILiveWellness or preserving work-life integration.

As part of strengthening the Bank's OSH, HRMG pushed for the creation and constitution of the LANDBANK Safety and Health Committee. One of the major OSH initiatives in 2021 was the implementation of Bank's policy on mental health advocacy by way of the LANDBANK Psychological Resilience Program, prompted by the concern that mental health had been a prominent global issue especially during the height of the COVID-19 pandemic. Another OSH project undertaken was the administration of the Employee Well-being Survey which served as a barometer of employees' well-being as well as a means for identifying opportunities for improvement that may be explored to guide the Bank's next steps.

Gender and Development

Mainstreaming gender and development (GAD) was resolutely pursued through the conduct of gender sensitivity trainings, reinforcement of employees' knowledge and skills on gender analysis, generation and analysis of sex-disaggregated data, and promotion and furtherance of advocacy initiatives such as campaign to end violence against women (including zero tolerance for gender-based sexual harassment).



COVID-19 Response

In line with COVID-19 response, the Bank purchased Moderna COVID-19 vaccines via participation in tripartite agreement among the private sector, Moderna and the Philippine Government, and administration of the said vaccines for the primary series in 2021, in partnership with the Manila Doctor's Hospital. In addition to this, an onsite institutional vaccination activity was conducted at the LANDBANK Plaza in coordination with the Manila Health Department. Employees nationwide were also exhorted to avail of the vaccination programs of their respective local government units. LANDBANK also continued to shoulder the cost of RT-PCR and other authorized alternative COVID-19 testing of those who had relevant exposure to confirmed cases in the workplace.

2022 Plans and Programs

The following are the programs that will be pursued by HRMG:

1. New HRIS Project

The New HRIS is a web-based solution with fully integrated components and functionalities that will allow LANDBANK to fully automate HR functions.

2. Implementation of EO 150 – CPCS and IOS-G

Signed on Oct. 1, 2021, the Executive Order (EO) 150, Approving the CPCS and Index of Occupational Services, Position Titles, and Job Grades for GOCCs (IOS-G) Framework, Repealing EO 203 (s. 2016), and for Other Purposes, was issued by President Rodrigo R. Duterte. The initial appreciation and assessment of the major features and highlights of EO 150 was presented to the ManCom for notation on Oct. 11, 2021.

3. Implementation of the Board-approved Organization Realignment and Rationalization Plan (ORRP)

In compliance with the Section 4 of EO 142, s. 2021, the Bank proposed a reorganization plan which shall be called the LANDBANK Organizational Realignment and Rationalization Plan (ORRP). Said proposal is aligned with the GCG 2015-04 requirements and shall be evaluated by the GCG. The LANDBANK ORRP consists of organizational changes in the following Bank Units: Branch Banking Sector, Digital Banking Sector, Agrarian Services Group, Property Valuation and Credit Investigation Department, Northern and Central Luzon Lending Group, Financial Markets Group, Strategy and Knowledge Management Group, and Asset Recovery Group. Organizational changes entail merging, creating/splitting, abolishing, and realigning of the Bank Units including its functions. The GCG shall approve these changes prior to its implementation.

4. Implementation of Separation Incentives Program (SIP) to LANDBANK Personnel

The SIP as one of the components of the Bank's ORRP, is a management tool by which an employee is identified for separation as a result of the implementation of reorganization/merger. The SIP aims to support the Bank's organizational realignment and its continuing rationalization aimed at improving productivity, operational efficiency and delivery of services. The program will incentivize the separation of tenured employees or those with incapacitating, debilitating or critical diseases or illnesses/medical conditions with known actual or potential impact on productivity and effectivity at work.

5. Implementation of the Competency Framework/Model

In LANDBANK's 2022 Performance Scorecard, one of the Strategic Measures under the Learning and Growth Perspective is the Improvement in Competency Level of the Bank. Activities committed with the Governance Commission for GOCCs (GCG) include the enhancement of the Position Competency Profiles of all Bank units and the conduct of the competency assessment.

In addition to these major activities, ODD is also tasked to provide/ implement L&D interventions to address gaps resulting from the 2021 competency assessment.

During the first quarter, competency assessment results were used as inputs in the preparation of ODD's 2022 L&D Calendar. All Sectors were provided with the competency assessment results of their respective personnel. The accomplishment of the Competency-based Individual Development Plan which documents the planned L&D interventions and timeline to address competency gaps was also communicated to the raters/supervisors whose direct reports have identified competency gaps.

For a more customized Competency Model, ODD partnered with all Bank units in the enhancement of their respective Position Competency Profiles through their designated Subject Matter Experts.

6. Management and Leadership Development Programs

MLDP is a major institutional program under the Management and Leadership Framework, which aims to ensure the availability of a highly trained and qualified management pool.

- Leadership Development Program (LDP)

LDP aims to strengthen management skills, increase decision-making abilities, improve leadership and build high performing teams; and reinforce awareness of functional/business areas and contribute to cross-functional processes for sustainability of operations.

- Branch Officers' Development Program (BODP)

The BODP focuses on developing management expertise and leadership excellence in becoming branch officers who possess extensive and strong business knowledge across a range of banking functions, specializing in branch operations.

ODD obtained approval for the conduct of the 6th batch of the BODP in May 2021, which will be implemented into synchronous and asynchronous sessions, optimizing the use of technology through Zoom. It is expected to commence in September 2022.

7. GROWing NxtGen Leaders Mentoring Program

A mentoring program that aims to broaden leadership competencies of the Bank's talent pool as part of their continuing development and provides an avenue for knowledge transfer of Senior Management through sharing of professional and personal experiences.

ODD monitored the submission of the Quarterly Mentoring Report of 24 Mentors and 54 Mentees, and generated the Top 5 Modes of Mentoring and Mentoring Topics for 2021.

Further, ODD obtained the approval of the conduct of Pamana Season 1. It is a series of story-telling sessions in which the invited Resource Speakers shall tell their stories about the highlights, challenges and lessons learned in their professional lives. They are also encouraged to share their knowledge in or document the bare bones of processes and procedures particular to them.

8. LANDBANK Training Academy (LANDBANK Training Institute)

In support of LANDBANK's mission to its employees to develop and nurture talents, the LANDBANK Learning Institute (LLI) will open its doors in 2022. LLI aims to provide a more strategic structure when it comes to addressing the learning and development needs of Landbankers. It will offer relevant and sustainable competency-based blended learning interventions focusing on Organizational, Technical, Operational and Leadership Development.

One of LLI's early initiatives will be the creation of the Speakers' Bureau, through the accreditation of Subject Matter Experts as speakers. This will ensure the availability of a ready pool of qualified speakers.

In a more ambitious vision, LLI will position itself as a model learning institute that is adaptable, responsive and readily accessible.

9. Occupational Safety and Health (OSH)

For the year 2022, the HRMG intends to further solidify the Bank's OSH Program by facilitating employees' awareness and building their capability in this respect. Appropriate learning and development programs will be designed and implemented to achieve this purpose. The fight to end COVID-19 remains an advocacy through the Bank's active participation in the national efforts towards this end.

10. Employee Engagement

The HRMG is constantly looking for ways to increase employee engagement level, one of which is the recognition of exemplary employee behavior. Along this line, the Search for Pusong Bayaning Landbanker (SPBL) was institutionalized and launched. The SPBL is an awards mechanism under the Bank's Program on Awards and Incentives for Service Excellence (PRAISE) which is aimed at recognizing individuals or groups of employees for their heroic acts (Parangal Para sa Kabayanihan) or exceptional or extraordinary contributions (Parangal Para sa Huwarang Serbisyo Publiko) as public servants.

Provident Fund Department

The Provident Fund Department (PFD) manages the provident fund of the LANDBANK employees.

The year 2021 was very challenging for PFD. Investment/ deposit rates declined, and death claims had its unprecedented increase. Despite these, it managed to maintain its annual growth rate in terms of assets, ending the year at P20.93 billion or 9.27% increase from the 2020 level. However, the declining investment/ deposit rates was very evident given the decline in its Net Income from Investments by 0.38% and the whopping 122.39% increase in Expenses because of the claims charged against the insurance funds of the demised member-borrowers. This reduced the overall Net Income by 3.89% or P32.98 million.

In 2021, PFD accomplished the following:

1. The web-based facility for PF Module was created and named as the PF Members' Access (PMAx). PMAx is an online platform accessible to all PF members which provides information regarding their members equity and loan-related records, among others. The pilot implementation for members from SKMG, HRMG, TMG, and PFD personnel was launched in November 2021.
2. Products and services were continued to be rationalized:
 - a. Similar loan products are lumped into a single facility (i.e. Small Business Loan into Investment/ Insurance Loan & Self-Educational Advancement Loan into Educational Loan, Program for Shelter Enhancement into Regular Housing Loan)

- b. Creation of Pandemic Assistance Loan for those with urgent financial needs because of COVID hospitalization and other related medical expenses.
- c. Re-launching of the Telecommuting Device Loan with higher loanable amount to ensure productivity of members during alternative work arrangements. This is to equip them with the proper tools and devices.

2022 Plans and Programs

The Provident Fund Department, aiming to continuously address the need for responsive loan facilities and other services to PF members, has identified the following plans and programs for 2022:

- a. Continuous rationalization of products and services to ensure that loan facilities and services are aligned, relevant and responsive to the needs of members
- b. Evaluation and review of the premium/contribution rates of the managed funds to ensure relevance and sustainability
- c. With the decline in PF Bank contributions set forth under the Executive Order 150 s. 2022, a campaign for voluntary increase in personal share will be launched to maintain the level of their equity share in the Fund which also generates additional savings and dividends.

In the past, PFD had been very proactive in anticipating its member's needs. It shall continually ensure being agile and responsive while remaining prudent in the management of the Fund.

Procurement Department

The Procurement Department (ProcD) ensures the responsible acquisition of goods and services needed by the organization.

The Bank acquired the current stand-alone Procurement System (FLEXA) in September 2015 that is used by Head Office as a recording tool for Procurement Request Forms (PRFs), sourcing, award, order, deliveries, payment information and report generation. FLEXA is currently being used by ProcD, HOBAC Secretariat and some Head Office departments/units (e.g., PMED, TMG) with mere viewing access. In October 2021, FLEXA has reached its end of warranty service period. Hence, ProcD is currently preparing for the acquisition of an Enterprise Procurement Management System (EPMS).

As a result of the lack of a bank-wide system for procurement transactions, report generation and monitoring proved to be challenging as processors resorted to manual preparation of reports and monitoring in order to comply with the reportorial requirements of the Bank and other regulatory bodies. The acquisition of the Procurement Management System is envisioned to automate and streamline the whole procurement process including inventory and disposal of office supplies/fixed assets, adopting a cradle to grave monitoring approach.

The proposed Procurement System will be in the form of a software solution that will leverage digital transformation tools such as automation, artificial intelligence and advanced data analysis in optimizing procurement and supplies inventory management processes. It is intended to cover an end-to-end procurement process from planning, requisitioning, sourcing, purchasing, delivery, contract management and invoice payment, as well as supplies inventory management.

The following shall be the functionalities of the Procurement Management System:

1. Creation of procurement requests by all requisitioning units, including field units;
2. Tracking status of procurement requisitions;
3. Notification about requests/jobs requiring action (e.g., for checking, for approval, for compliance);
4. Monitoring of the Bank's Project Procurement Management Plan (PPMP) and Annual Procurement Plan (APP) to ensure that procurements are within the approved APP of the Bank and PPMPs of individual units;
5. Advance notification on the expiry date of contracts, to enable units to initiate necessary actions ahead of time;
6. Report metrics (e.g., order fill rate, line fill rate, volume fill rate, TAT) will be automatically computed by the system for performance monitoring of procurement function;
7. Availability to all users of the inventory level of stock items, re-order level, re-order quantity and other measures to improve inventory level management;
8. Availability of information/details of major suppliers;
9. Availability of data on previous procurement of same items for reference in setting of ABC;
10. Generation of management reports (e.g., major procurement expenditures);
11. Repository of electronic copies of relevant documents (e.g., Notice of Award, Purchase Order/Contract Agreement, Notice to Proceed, insurance policies, real estate tax receipts);

12. Dashboard showing requisitions/transactions/jobs requiring action coupled with notifications and alerts;
13. Availability of standard procurement forms and codes, technical specifications and other related documents for easy use and/or reference;
14. Generation of reports required by regulatory bodies like Government Procurement Policy Board (GPPB) and Department of Budget and Management Procurement Service (DBM-PS) (e.g., Performance Based Bonus (PBB) requirements);
15. Quick search for speedy retrieval of records;
16. Generation of hands-off files in various formats for uploading to other applications to enhance productivity (payments, withholding taxes);
17. Integrated management system covering the "end-to-end" transactions and procedures for procurement, contracting, delivery and invoicing, supplies inventory management, contract management and monitoring of fixed assets.

2022 Plans and Programs

For 2022, ProcD targets to issue the prepare tendering documents of the EPMS on or before Dec. 31, 2022, while the implementation will be targeted by 4th quarter of 2023.

Head Office Bids and Awards Committee Secretariat Unit

On Sept. 1, 2021, the Head Office Bids and Awards Committee (HOBAC) Secretariat Unit became a stand-alone Bank Unit directly reporting to CSS. It maintains its principal role of providing administrative support to the Bank's HOBAC and assisting the Bank overall in managing the procurement process. Pursuant to Special Order No. 539, Series of 2021, the other key functions of HOBAC Secretariat Unit are the following:

1. Provide administrative support to Technical Working Groups (TWG);
2. Prepare agenda, minutes of meetings and resolutions of the HOBAC;
3. Organize and make all necessary arrangements for HOBAC and the TWG meetings and conferences;
4. Take custody of procurement documents and other records and ensure that all procurements undertaken by the Bank are properly documented;
5. Manage the sale and distribution of Bidding Documents to interested bidders;

6. Advertise and/or post bidding opportunities, including Bidding Documents, and notices of awards;
7. Monitor procurement activities and milestones for proper reporting to relevant Agencies when required;
8. Consolidate Project Procurement Management Plans (PPMPs) from various Bank Units to make them available for review and prepare the Annual Procurement Plan (APP); and
9. Act as the central channel of communications for the HOBAC with End-user or Implementing Units, other government agencies, providers of goods, infrastructure projects, and consulting services, observers, and the general public.

Amidst the constraints being posed by the current pandemic, the HOBAC and the HOBAC Secretariat have strategized to ensure non-disruption of (i) compliance with the regulatory reporting requirements and (ii) conduct of procurement activities for the Bank by adopting the use of electronic methods and videoconferencing for procurement activities as allowed under the procurement law.

The HOBAC Secretariat has timely complied with the submission of the following reports to concerned regulatory Government Agencies, namely, the Government Procurement Policy Board (GPPB) and Department of Budget and Management (DBM):

1. 2021 Procurement Monitoring Report (2nd Semester)
2. 2021 APP – Non-Common Use Supplies and Equipment (Updated/ Supplemental for 2nd Semester)
3. 2022 Certificate of Compliance - Early Procurement Activities
4. 2022 APP – Non-Common Use Supplies and Equipment
5. 2022 APP – Common Use Supplies and Equipment

The HOBAC Secretariat has assisted in the processing of major procurement projects of the Bank on top of those projects that were pursuant to LANDBANK and UCPB merger.

2022 Plans and Programs

For 2022, the first order of business for the HOBAC Secretariat is to establish its own set of rules to operate as an organic and independent Bank Unit. Said rules shall be known as the "HOBAC Charter," a set of internal guidelines providing for purpose, authority, functions, timelines, and procedures governing the activities of the HOBAC and the HOBAC Secretariat wherein its personnel, internal and external clients may refer into for uniform observance.

The HOBAC Secretariat has started preparing the draft HOBAC Charter by revisiting the pertinent provisions of Republic Act No. 9184, the Revised Implementing Rules and Regulations, Bank's Procurement Manual, related Executive Orders and, and latest Procurement Advisories. The timeline set for submission to the Bank's Approving Authorities is within the fourth quarter of 2022.

Property Valuation and Credit Investigation Department

Lastly, the Bank's property valuation/appraisal services are handled by the Property Valuation and Credit Information Department (PVCID).

In 2021, there were 44 Department of Public Works and Highways (DPWH) Projects consisting of 1,146 lots appraised by LANDBANK. There are still 52 DPWH Projects nationwide (consisting of 1,626 lots) being appraised by the Bank.

For the Department of Transportation (DOTr), there were seven projects consisting of 642 lots and 5,537 structures/improvements appraised by LANDBANK. PVCID is still providing appraisal services for three DOTr projects nationwide consisting of 979 lots and 2909 structures/improvements.

Other appraisal services include those provided to entities such as the Power Sector Assets and Liabilities Management Corporation (PSALM), various LGUs (i.e. Provincial Government of Samar and Davao Oriental for their airport development projects, City Government of San Pedro, and City Government of Baguio), Privatization and Management Office (PMO), SUCs, hospitals/medical centers, among others.

2022 Plans and Programs

The following are the programs that will be pursued by PVCID:

1. Decentralization of Access to Bankers Association of the Philippines-Data Exchange (BAP-DX) and Credit Management Association of the Philippines (CMAP) to Other Units of the Bank

This Program proposes access of other Units of the Bank other than PVCID, i.e., to obtain results on Negative File Information System (NFIS) and 60-day Loan Information System (LIS) from BAP_DX; and court cases from CMAP. It aims to improve processing time of limited Credit Investigation (CI) requirements from various units of the Bank.

2. Standard Term of Reference (TOR) for Outsourcing of Appraisal Services

Establish a standard TOR that is free and clear from any ambiguity for the proper and smooth implementation of the contract of appraisal services. The TOR shall cover all requirements and processes related to the procurement of appraisal services by the Bank.

At present, PVCID has drafted an Order for approval for the creation of a Technical Working Group (TWG) responsible for the determination/preparation of the necessary documents in accordance with the Procurement Law of R.A. 9184.

3. Installation of additional LRA Extension Office (Kiosk) at the Agrarian Operations Center (AOC)

The additional LRA Extension Office/Kiosk will be located at AOCs nationwide to decentralize the processing of title verification to unclog the voluminous requests at the LANDBANK Head Office.



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 Enterprise RM (ERM) anchored on its mission, vision and strategic objectives. The LANDBANK's implementation of the ERM system 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 Board, Senior Management and all business units (BUs) of the Bank. ERM 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 organization-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. RM 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. The 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 [IT], 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.

Subsidiaries Risk Management

Part of the Bank's Risk Governance Framework involves managing risks residing in LANDBANK Subsidiaries and Foundation.

The Bank provides RM oversight to LANDBANK Subsidiaries and Foundation (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 five wholly-owned Subsidiaries and Foundation

including newly acquired entities/institutions in the pursuit of its business goals and objectives:

1. Overseas Filipino Bank (OFB)
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)



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 LANDBANK Subsidiaries and Foundation which covers the following:

1. RM Policy (Principles)
2. RM Oversight Structure, Key Roles and Responsibilities
3. Levels of RM (Strategic, Portfolio and Transactional level)
4. Risk Identification and Measurement
5. Risk Monitoring and Reporting (ORM Tools, ROC Risk Reports including Pandemic Monitoring report)
6. RM Strategy Formulation
7. Programs to Promote RM Awareness and Culture in the Subsidiaries
8. RM Operations and Tools

RMPS implementation enables the LSFs to mirror the RM framework and policies of LANDBANK as their Parent Bank, in 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 LANDBANK Subsidiaries and Foundation'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 LANDBANK's RM oversight to LSFs, the Bank maintains and regularly updates the Subsidiaries Risk Event Monitoring 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

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 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:

1. Enhanced and articulated the Risk Appetite Statement (RAS) and Materiality Threshold for Pillar 2 risks and Early Warning Indicators/alerts required by the Bangko Sentral ng Pilipinas (BSP)
2. Updated the qualitative and quantitative Bank-wide stress testing of Pillar 1 and Pillar 2 Risks
3. Enhanced the articulation of bases of assumptions for the quantification of Pillar 1 and Pillar 2 risks

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 RM 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 RM 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 2021, 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 2021 year-end Common Equity Tier CET 1 ratio at 16.09% versus the 11.00% minimum regulatory requirement for CET 1 ratio.

The actual CET 1 ratio recorded as of Dec. 31, 2021 was 15.81% implying an objective risk assessment and capital planning for the year. The CET 1 ratio of 15.81% of the Bank was above the BSP minimum requirements of 11.00% CET 1 ratio and was compliant with Basel III requirements.

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 Bank vigorously continues to preserve its capital to sustain developmental pursuit and service its mandated clients while maintaining acceptable Return on Equity (ROE) of at least equal to the average ROE of the commercial banking industry.

LANDBANK's General Policy on Capital Planning was enhanced to establish capital levels that will adequately support the Bank's Vision and its strategic plans and ensure continued compliance with the evolving capital and capital ratio requirements of the BSP. Given that internal capital generation through earnings remains as the principal source of the Bank's capital accumulation, the primary thrust of LANDBANK's capital planning activities is to maximize its profitability and consequently, attain higher retained earnings.

The Bank strictly manages its income-generating assets by managing the Risk Weighted Assets (RWA) 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 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	2021 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	CRWA
Cash on Hand	54,238	54,238	-	-	-	-	-	-
Checks & Other Cash Items (COCI)	52	-	52	-	-	-	-	10
Due from Bangko Sentral ng Pilipinas (BSP)	472,790	472,790	-	-	-	-	-	-
Due from Other Banks	25,335	-	10,115	15,170	-	50	-	9,658
Financial Assets Designated at FVTPL	1,054	-	-	-	-	1,054	-	1,054
Available-for-Sale (AFS) Financial Assets	595,431	500,788	6,748	84,631	-	3,263	-	46,928
Held-to-Maturity (HTM) Financial Assets	625,126	595,738	6,205	18,402	-	4,781	-	15,223
Loans & Receivables	922,176	-	11,163	102,873	-	774,156	33,984	878,801
1. Interbank Loans Receivables	24,133	-	6,426	5,865	-	11,792	49	16,083
2. Loans & Receivables - Others	-	-	-	-	-	-	-	-
a. LGUs & Public Sector Entities	52,609	-	-	-	-	52,609	-	52,609
b. Government Corporation	2,064	-	-	-	-	2,064	-	2,064
c. Corporates	653,098	-	4,485	-	-	648,613	-	649,510
d. Microfinance/Small & Medium Enterprise	72,717	-	251	72,374	-	-	92	36,375
e. Loans to individuals	80,012	-	-	24,634	-	55,378	-	67,695
3. Defaulted Exposures	37,543	-	-	-	-	3,700	33,843	54,465
Other Loans and Receivables ^{2/}	16,643	16,643	-	-	-	-	-	-
Sales Contract Receivable (SCR)	1,639	-	-	-	-	670	969	2,124
Real & Other Properties Acquired (ROPA)	13,400	-	-	-	-	-	13,400	20,100
Total Exposures Excluding Other Assets	2,727,884	1,640,197	34,283	221,076	-	783,974	48,353	973,898
Add: Other Assets	27,371	347	-	-	-	27,024	-	27,024
Total On-BS RWA covered by CRM	-	-	-	-	-	-	-	1,683
Total On-BS Exposures	2,755,255	1,640,544	34,283	221,076	-	810,998	48,353	1,002,605

^{2/}Arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions

Off-Balance Sheet (BS) Items	2021 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	CRWA
A. Direct credit substitutes	2,832	-	-	-	-	2,832	-	2,832
B. Transaction-related contingencies	69,542	666	-	-	-	68,876	-	68,876
C. Trade-related contingencies	2,124	-	-	642	-	1,482	-	1,803
D. Other commitments	-	-	-	-	-	-	-	-
Total Off-BS Exposures	74,498	666	-	642	-	73,190	-	73,511
Counterparty RWA In The Banking Book	CEA	0%	20%	50%	75%	100%	150%	CRWA
Derivative Exposures	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-
Counterparty RWA In The Trading Book	CEA	0%	20%	50%	75%	100%	150%	CRWA
Derivative Exposures	36	36	-	-	-	-	-	-
Exchange Rate Contracts	4,017	3,660	-	-	-	357	-	357
TOTAL	4,053	3,696	-	-	-	-	-	357
Less: General Loan Loss Provision (in excess of the amount permitted to be included in Tier 2)	-	-	-	-	-	-	-	601
TOTAL	2,833,806	1,644,906	34,283	221,718	-	884,188	48,353	1,075,872

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, 2021, LANDBANK's Gross Loans and Receivables (GLR) amounted to P922,176 million, net of credit risk mitigation which consists mainly of prime collaterals such as deposit holdout, government securities (GS) and sovereign guarantees. Net of Loans and Receivables, Corporates stood at P653,098 million (70.82%), followed by Micro, Small and Medium Enterprises (MSMEs) at P72,717 million (7.89%), Local Government Units (LGUs)/Public Sector Entities/Government Corporations at P52,609 million (5.70%) and Loans to Individuals at P80,012 million (8.68%). The Bank also holds substantial receivables arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions amounting to P16,643 million. The P73,511 million credit risk weighted asset of net Off-balance Sheet exposures of P74,498 million is computed based on respective Credit Conversion Factors. These accounts are composed mainly 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 movement of goods and trust transactions. Outstanding derivative exposures are mainly over-the-counter foreign exchange option contracts.

The Bank's GLR have corresponding Credit RWA of P878,801 million following the Standardized Approach. This represents 81.68% of the Total Credit RWA of P1,075,872 million. Further, total Credit RWA represents 89.36% of the Bank's Aggregate RWA of P1,203,957 million.



P992 B
LANDBANK's
Gross Loans and
Receivables as of
December 31, 2021

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, a 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 Manual, 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 annual qualitative and impairment review to assure proper loan classification and setting-up of valuation reserves. As of Dec. 31, 2021, the Bank's net Non-Performing Loan (NPL) stood at P19,150 million or 2.11% of the total loan portfolio of P907,760 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 credit worthiness. 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:

1. Application Scoring Model for Individual Home Buyers
2. Application Scoring Model for Salary Loan Availers
3. Behavioral Scoring Model for LGUs
4. Behavioral Scoring Model for MSMEs
5. Behavioral Scoring Model for Large Enterprise
6. Behavioral Scoring Model for Cooperatives
7. Application Scoring Model for Credit Card
8. 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 portfolio using asset quality indicators such as past due ratio, NPL ratio, level of non-performing assets, coverage ratio, top 100 past due accounts, and concentration risk. Clean large exposures, breaches in regulatory and internal limits, potential credit risk, restructured loans, government accounts, exposures to 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 within 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 the 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 such 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 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. The stress testing also includes prescribed regulatory tests such as Uniform Stress Testing and REST. Likewise, various loan portfolio assessment and review are conducted to determine impact of a certain event and government regulation to 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, 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 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 management alert is activated whenever losses during a specified period equal or exceed specified management alert level. The Bank 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 Bank. In the same way, certain subsidiaries of the Bank 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 Dec. 31, 2021, the LANDBANK's Total Market RWA stood at P15,955 million, broken down as follows:

In P million	
PARTICULARS	AMOUNT
Interest Rate Exposure	3,262
Equity Exposure	114
FX Exposure	2,230
Options	10,349
Total Market RWA	15,955

The Total Market RWA represents 1.33% of the Bank's Aggregate RWA of P1,203,958 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. 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 Bank. 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 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 99.0% confidence level, assuming a static portfolio.

The Bank 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 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 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.

Results are also simulated in the CET1 Ratio computation to be able to assess its impact said ratio set at 11.00% by BSP for LANDBANK as Domestic Systemically Important Banks (DSIB) for 2021.

3. 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:

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 Validation

Risk models used in managing market risk are subjected to independent model validation. The Internal Audit Group (IAG) is tasked to do model validation of RM models.

Interest Rate 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 (EVE) 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-TRMD recommends interest rate limits in coordination with Asset and Liability Management Group (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 validation of RM models. The validation 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 review is also being done by the Risk Modeling and Quantitative Analytics Unit (RMQAU) of TRMD 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, 2021, the NII impact of change in interest rates amounted to P2,204.44 million.
2. Economic Value-Based Measure: The Bank uses the EVE 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, 2021, the EVE impact of change in interest rates amounted to P7,608.66 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 ROC on a weekly and monthly basis. Parent and Subsidiary EaR and EVE are prepared on a quarterly basis.

Key Behavioral and Modeling 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 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 Non-maturing Loans

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 LANDBANK Economist, interest rate volatility for the past five 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 EVE. Results of scenario analysis help the Bank focus on coming up with contingency measures to reduce the impact of IRRBB.



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 the ALCO. The ALCO and the Treasury Investment Banking Sector (TIBS) are responsible for the daily implementation and monitoring of relevant variables affecting the Bank's liquidity position. The ALCO reviews 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 RMG, through the Treasury Risk Management Department (TRMD) 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 TRMD - Risk Modeling & Quantitative Analytics Unit (RMQAU) and by the IAG.

Liquidity Risk Measurement

The Bank manages the liquidity risk using the following tools:

1. Liquidity Gap Report (LGR)

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 estimated maturities of assets and liabilities to determine any future mismatch such as long-term assets growing faster than long term liabilities.

TRMD prepares RBU (Peso and FX Regular), FCDU, Solo (Parent) LGR on a weekly and monthly basis to ALCO and RiskCom, respectively. Parent and Subsidiary LGR is prepared on a quarterly basis.

The following behavioral assumptions are used in measuring the Bank'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 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 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 Non-Maturing Loans: A behavioral model to capture and estimate the drawing pattern for credit cards and credit line products.

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 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
- Foreign Currency Deposit Unit (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:

$$LCR = \frac{\text{Stock of HQLA}}{\text{Total Net Cash Outflow over the next 30 calendar days}}$$

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 seventy-five percent (75%) of outflow amounts.

PARTICULARS	December 31 (In P Million)	
	2021	2022
High Quality Liquid Assets	1,591,389	1,474,387
Total Net Cash Outflows	714,858	677,929
LCR	222.62%	217.48%

As of Dec. 31, 2021, the Bank's LCR is higher than the 100% minimum requirement for the CY 2021.



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, 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 risks 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 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 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 Bank 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 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.

Despite the threat of COVID-19, the Bank 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 Bank'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 Bank's BCP called Pandemic Response Plan.

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 conduct 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 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, 2021, the Bank's Total ORWA using the Basic Indicator Approach was P112,130 million or 9.31% of the Bank's Aggregate Risk Weighted Assets (RWA) of P1,203,958 million.

Gross Revenues of the Bank continue to grow relative to its expanding business operations and as a result of which, 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.

Based on an intensive self-assessment on the readiness of LANDBANK to adopt the Basel Committee on Banking Supervision (BCBS) d424 Basel III: Finalizing Post-Crisis Reforms for measuring operational risk capital charge under the Standardized Measurement Approach (SMA), the Bank put in place the enhanced operational risk framework, loss data gathering, models and processes including the adoption of the SMA for Pillar 1 capital charge and enhanced internal model for calculating operational risk weighted assets using the Advanced Measurement Approach (AMA)-based Internal Capital Assessment (ICA) for Pillar 2 capital assessment. The Bank has also engaged the services of a third-party professional consultant to validate these endeavors. The proposal to adopt the advanced approaches was submitted to BSP in 2020.

In addition, the simulation conducted by the Bank for 2021 using its historical loss data resulted in a lower operational capital charge by P6.92 billion and P8.62 billion using the SMA and AMA-based ICA, respectively, compared to the computed operational capital charge of P12.45 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 small farmers and fishers, micro, small and medium enterprises, countryside financial institutions and local government units.

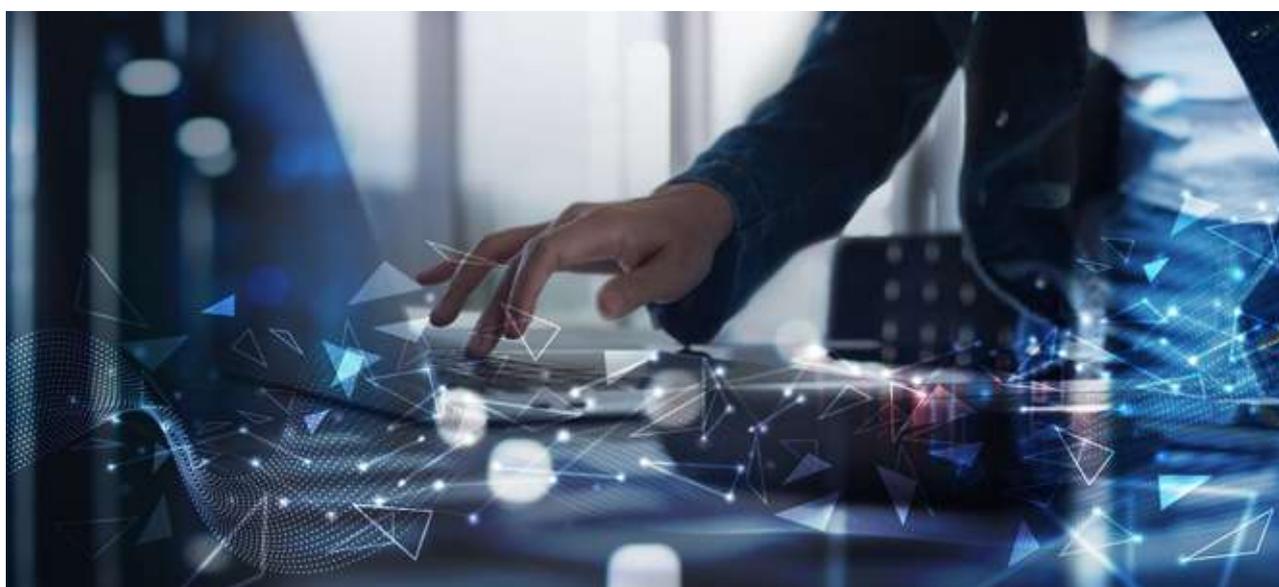
Information Security and Technology Risk Management

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 toward 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
 - Payment Card Industry Data Security Standards (PCI DSS)
 - International Organization for Standardization (ISO)
 - National Institute of Standards and Technology (NIST)
 - Control Objectives 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 (ISPF)
 - Guidelines on Monitoring and Reporting of Activity Logs of Information Technology (IT) Administrators
 - Guidelines on the Conduct of Information Technology Disaster Recovery Plan (ITDRP) Testing
 - Revised Guidelines on Security Measures for the LANDBANK Plaza
 - Revised Guidelines on Vulnerability Management of the Bank's Information Technology Systems
 - Revised Guidelines on the Use of USB Ports, CD/DVD Drives and Mobile Devices
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
 - Information Security Program Review
4. 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
 - 494 infographics
 - 138 advisories
 - 28 videos
 - 49 articles
5. 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
6. Implementation of multi-layered network security systems, deployment of solutions and subscription to third-party services for a highly-redundant and secured IT infrastructure
7. Continuous upgrading of IT infrastructure and electronic/digital banking channels





Consumer Protection Risk Management System (CPRMS)

In compliance with BSP Circular 1048 “BSP Regulation on Financial Consumer Protection; Guidelines and Procedures Governing the Consumer Assistance and Management System of BSP-Supervised Financial Institutions; and Amendments to the Manual of Regulations for Banks and Non-Bank Financial Institutions”, 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 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 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 1048, to cover (1) Disclosure and Transparency; (2) Protection of Client Information; (3) Fair Treatment; (4) Effective Recourse; and (5) Financial Education and Awareness. LANDBANK understands that financial literacy and inclusion begins with responsive and excellent customer service. The Bank 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.

Compliance Management

In 2021, LANDBANK continued to effectively carry out its compliance functions through the adoption and implementation of various measures, policies, assessment tools and process improvements that helped in the identification and mitigation of compliance risk related to regulatory sanctions which may have resulted in material financial losses or may have caused reputational repercussions on the Bank's corporate image.

Through the years, the Bank's strict compliance with applicable laws, rules and regulations, among others, has further strengthened the Bank's compliance management system and boosted its corporate governance level.

Effective Jan. 1, 2021, the compliance management functions of the Bank and its Subsidiaries are centralized in the CMG in accordance with the LANDBANK Group Centralized Compliance Management Framework (CCMF). The CCMF sets out the principles and standards for the compliance management functions with the following key components:

The Compliance Manual and Money Laundering and Terrorist Financing Prevention Program (MTPP) Manual

1. The Compliance Manual documents the risk-based Compliance Program of the Bank. It sets the planned activities such as the identification and assessment of new laws, rules and regulations, constructive working relationship with various regulatory agencies and Business Units (BUs), communication and training of Bank personnel on regulations and compliance matters, compliance monitoring and testing, and reporting to Senior Management (SM) and the LANDBANK Board. This allows Bank personnel to keep abreast of new laws, rules and regulations and other regulatory issuances applicable and relevant to the Bank's operations. The updated Compliance Manual was approved by the Board in August 2021.
2. The MTPP Manual embodies the comprehensive and risk-based operating policies and procedures geared towards the promotion of high ethical and professional standards and the prevention of the Bank being used, intentionally or unintentionally, for ML/TF/ PF activities. The updated MTPP Manual was approved by the Board in December 2021.

Identification and Assessment of Compliance Risk, Monitoring Compliance and Reporting

CMG undertakes the identification and compliance risk assessment of laws, rules and regulations including AML/CTPF and other areas with exposure to compliance risks. These are disseminated through Compliance Bulletins which contain identified regulatory requirements to help update personnel on new regulatory issuances. Actions taken or the Action Plan to comply are monitored and validated by CMG.

To further check and ensure compliance, different compliance testing approaches including AML/CTPF Compliance Testing (ACT) suited to the identified and assessed regulatory risks are adopted. Pre-testing, which involves the checking of initial actions taken or plan of action to implement the requirements, is being conducted on new regulatory issuances. Likewise, periodic testing is undertaken to regularly check compliance with existing laws, rules and regulation. A more detailed review of areas/ activities identified to be exposed or vulnerable to high compliance risk is also in place.

CMG reviews and submits Covered Transaction Reports (CTRs) and Suspicious Transaction Reports to AMLC, and monitors system-generated transaction alerts, among others.

The Chief Compliance Officer (CCO) reports at least once a month to the AML Committee (AML Com), ManCom and to the Board through the ACCom. Reports include among others, new laws, rules, and regulations relevant to business operations, compliance testing results and corrective measures taken, general status of the Bank's regulatory compliance, areas with compliance vulnerabilities and emerging regulatory risks. Further, status/updates on the Bank's compliance with BSP directives and Commission On Audit (COA) audit observations and recommendations as contained in their respective reports, were also reported.

Training and Communication

In order to instill a compliance culture within the organization, appropriate training programs were implemented to increase the employees' knowledge of regulatory compliance. Virtual training sessions were continuously conducted to increase employees' awareness of the Bank's risks and their role in mitigating them.

Compliance advisories/bulletins and Compliance Nuggets, easy-to-read tidbits of information on significant regulations including AML/CTPF, are regularly issued. AML/CTPF training materials are kept updated to ensure that all personnel are aware of the new regulatory issuances.

The Compliance Function Database, the repository or central record of regulations which are accessible to Bank employees, was kept updated.

To continuously build and strengthen the working relationship with Business Units, meetings with the designated Compliance Coordinators were held. Advisory service and guidance in managing compliance issues were also provided. CMG participated in various Committees and Technical Working Groups for the preparation of guidelines implementing the regulations.

Constructive Working Relationship with Various Regulatory Agencies

The Bank maintains a cooperative and constructive working relationship with various regulatory agencies. Open and transparent communication, frequent dialogues, and consultations to clarify specific concerns on regulations have strengthened and broadened the relationship. Documents/information and ad hoc reports requested by the regulatory agencies were closely coordinated with various Business Units concerned and monitored its timely submission.





AML Governance and Culture, and Description of the Overall Money Laundering/Terrorist Financing (ML/TF) Risk Management Framework to Prevent the Use of the Bank for ML/TF Activities

LANDBANK has sound risk management policies and practices that ensured ML/TF/PF risks were identified, assessed, monitored, mitigated, and controlled.

The four areas of sound risk management practices are:

1. Board and Senior Management Oversight

The LANDBANK Board through the ACCom and Senior Management (SM) through AMLCom provide oversight in the implementation of the AML/CTPF policies ensuring that compliance issues are resolved expeditiously.

The CMG functions include, among others, updating of the MTPP Manual; identification and dissemination of the applicable AML/CTPF laws, rules and regulations; conduct of AML Compliance Testing (ACT); Training Program development; monitoring of corrective actions taken on the regulatory findings and ACT testing results; reporting of AML/CTPF compliance issues to the SM and the Board through the ACCom; and handling the reporting of covered and suspicious transactions to AMLC.

The Chief Compliance Officer, who concurrently serves as the designated AML Compliance Officer, is responsible for overseeing all aspects of the Bank's ML/TF/PF compliance and communicating any significant issues to SM and the Board through the ACCom.

Also under CMG, the AMLD assists in the bankwide oversight to ensure proper MTPP implementation and compliance with AML/CTPF laws, rules, and regulations. AMLD's responsibilities include AML Compliance Testing (ACT), the identification of relevant AML/CTPF laws, rules, regulations, and other regulatory requirements and communicating these to all BUs concerned, SM, and the Board through the ACCom.

Other responsibilities of AMLD include the development of AML/CTPF training program; monitoring the corrective actions taken in response to regulatory findings; reporting and handling of AML/CTPF compliance issues to SM and the Board through ACCom.

2. Money Laundering and Terrorist Financing Prevention Program (MTPP)

The MTPP includes the policies and procedures on customer identification, transaction monitoring, alert investigation, covered and suspicious transaction reporting, record keeping, retention, training program, and internal audit program.

The updated MTPP Manual was approved by the LANDBANK Board in December 2021. The provisions of the MTPP are being implemented on a group-wide basis encompassing the Bank's branches, offices, and subsidiaries. It is posted in the Integrated Documents and Reports Archival and Retrieval System (IDRARS) for easy viewing and downloading to properly guide all Bank employees on the Bank's AML/CTPF policies and procedures.

3. Monitoring and Reporting Tools/Management Information System

The Bank adopts both manual and electronic monitoring systems for customers' transactions.

As part of the Bank's internal processes, the BUs regularly monitor and review customer transactions which include checking/review of generated transaction monitoring reports, KYC documents and transaction records to determine any unusual pattern of transactions and presence of red flags that may warrant investigation; and conduct of enhanced due diligence for possible reporting of suspicious transactions to AMLC.

LANDBANK transactions are captured by the AML System, a web-based analytics system that generates CTRs, aggregated customer transactions with multiple

accounts and transaction alerts for evaluation to identify red flags for filing of suspicious transactions to AMLC, if warranted.

Likewise, the Audit Command Language is being utilized in the extraction and analysis of data to detect, prevent and manage the risk of possible fraud/AML-related activities on remittance transactions.

4. Internal Control and Audit

The Internal Audit Group (IAG), which functionally reports to the LANDBANK Board through the ACCom is responsible in the conduct of periodic and independent evaluation on soundness of risk management, degree of adherence to internal control mechanisms related to KYC and due diligence policies and procedures, covered and suspicious transaction reporting, record keeping and retention, efficiency of the electronic money laundering transactions monitoring system's functionalities and effectiveness of other existing controls on AML/CTPF, among others.

Audit findings and observations related to AML/CTPF form part of the Audit Report on BUs issued to the Board through ACCom and SM. The same is likewise communicated by IAG to AMLD for monitoring of corrective actions and reporting to AMLCom.

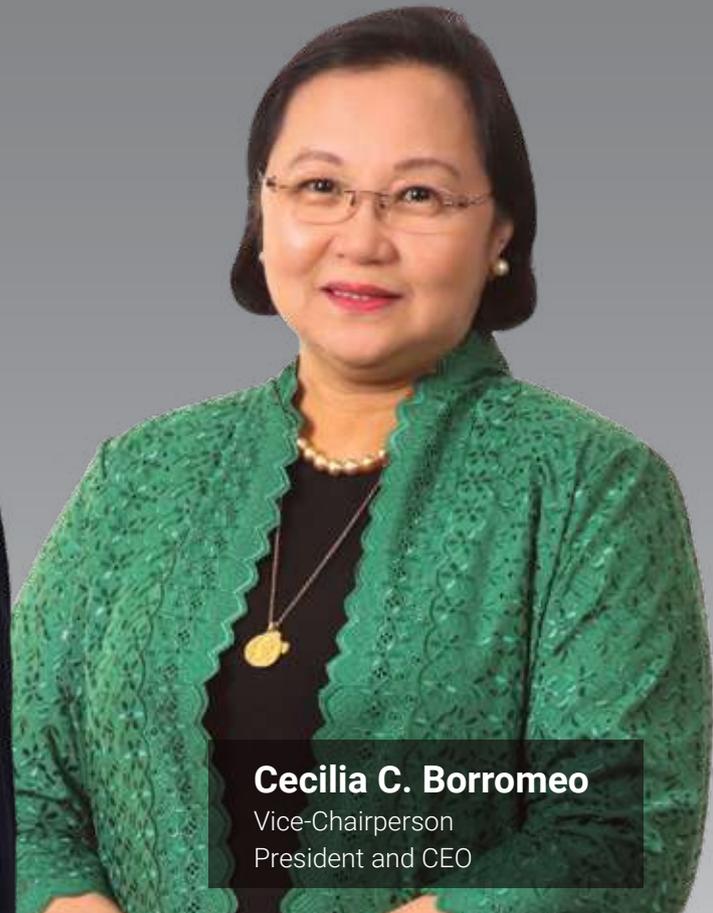
Sustainable Finance Framework

As part of the Project Working Team (PWT) of the LANDBANK Sustainable Finance Framework (LSFF), CMG attends meetings regularly. It also reports the results of the periodic compliance testing being conducted on a quarterly basis to check the status of the Bank's compliance with the regulatory requirements of BSP Circular 1085 s. 2020, Sustainable Financial Framework. The Bank's policies and practices regarding compliance testing and the audit of Bank Units' adherence to Environmental and Social (E&S) risk management shall be reviewed by CMG and Internal Audit Group.

The scope of the compliance testing covers the Bank's Transition Plan to ensure implementation of the Board-approved strategies and policies integrating sustainability principles into the Bank's corporate governance and risk management frameworks, as well as its strategic objectives and operations.



Carlos G. Dominguez
Chairman
Secretary - Department of Finance



Cecilia C. Borromeo
Vice-Chairperson
President and CEO



William D. Dar
Secretary
Department of Agriculture



Atty. Silvestre H. Bello III
Secretary
Department of Labor
and Employment



Nancy D. Irlanda
Representative
Private Sector



Atty. Jesus V. Hinlo, Jr.
Representative
Private Sector

BOARD OF DIRECTORS

as of December 31, 2021



Atty. John R. Castriciones
Secretary
Department
of Agrarian Reform



Bernie Ferrer Cruz
Acting Secretary
Department of
Agrarian Reform



Virgilio De Vera Robes
Representative
Agrarian Reform
Beneficiaries Sector



Atty. Jaime Llaneta Miralles
Representative
Agrarian Reform
Beneficiaries Sector

Alternate Members of the Board

as of December 31, 2021



Rosalia V. De Leon
Treasurer
Bureau of the Treasury



Atty. Erwin D. Sta. Ana
Deputy Treasurer
Bureau of the Treasury



**Atty. Benjo Santos
M. Benavidez**
Undersecretary
Department of Labor
and Employment



**Atty. Luis Meinrado
C. Pañgulayan**
Undersecretary
Department of Agrarian
Reform



Evelyn G. Laviña
Undersecretary
Department of Agrarian
Reform

Management Team

as of December 31, 2021



Cecilia C. Borromeo
President and CEO



Liduvino S. Geron
Executive Vice President*
Agricultural and Development
Lending Sector



Julio D. Climaco, Jr.
Executive Vice President
Branch Banking Sector



Alex A. Lorayes
Executive Vice President
Corporate Services Sector



Alan V. Bornas
Executive Vice President
Operations Sector



Carel D. Halog
Executive Vice President
Treasury and Investment
Banking Sector

**Seconded to United Coconut Planters Bank effective July 2, 2020*

Agricultural and Development Lending Sector

as of December 31, 2021



Ma. Celeste A. Burgos
Senior Vice President
Corporate Banking Group



Filipina B. Monje
Senior Vice President
Northern and Central Luzon Lending Group



Lucila E. Tesorero
Senior 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
Lending Program Management Group



Cielito H. Lunaria
First Vice President
Retail and Mid-Market Lending Group

Branch Banking Sector

as of December 31, 2021



Randolph L. Montesa
Senior Vice President
Card and Electronic
Banking Group



Ma. Belma T. Turla
Senior Vice President
North Luzon
Branches Group



Sylvia C. Lim
Senior Vice President
Central Luzon
Branches Group



Marilou L. Villafranca
Senior Vice President
North NCR Branches Group



Ramon R. Monteloyola
Senior Vice President
South NCR Branches Group



Althon C. Ferolino
Senior Vice President
Southeast Luzon Branches Group



Ma. Cielito D. Valdivia
Senior Vice President
Southwest 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

Corporate Services Sector

as of December 31, 2021



Atty. Joselito B. Vallada
First Vice President
Human Resource
Management Group



Atty. Marife Lynn O. Pascua
Vice President
Agrarian Services Group



Vivian M. Cañonero
Vice President
Corporate Affairs Group



Emmanuel G. Hio, Jr.
Vice President
Facilities and Engineering
Services Group

Units under the Board and Office of the President

as of December 31, 2021



Amelia S. Amparado
Senior Vice President
Compliance Management Group



Elcid C. Pangilinan
Senior Vice President
Strategy and Knowledge
Management Group



Maria Edelwina D. Carreon
First Vice President
Internal Audit Group



Atty. Roderick P. Sacro
First Vice President
Asset Recovery Group



Lolita M. Almazar
First Vice President
Trust Banking Group



Rose Marie E. Sotelo
Vice President
Risk Management Group

Operations Sector

as of December 31, 2021



Winston Rochel L. Galang
Senior Vice President
Banking Operations Group



Annalene M. Bautista
Senior Vice President
Controllership Group



Alden F. Abitona
Senior Vice President
Technology Management Group



Reynaldo C. Capa
First Vice President
Banking Services Group

Treasury and Investment Banking Sector

as of December 31, 2021



Gonzalo Benjamin A. Bongolan
Senior Vice President
Investment Banking Group



Adelfa R. Masacupan
First Vice President
Asset and Liability Management Group



Ma. Francia O. Titar
First Vice President
Financial Markets Group

Profiles

Board of Directors



CARLOS G. DOMINGUEZ

Chairman

Secretary, Department of Finance

76 years old, Filipino

Mr. Dominguez is the Secretary of Finance under President Rodrigo R. Duterte's administration, leading the department in crafting and advocating for economic reform policies to sustain economic recovery and prepare for the new economy. He also served as Secretary of the Environment and Natural Resources and Secretary of Agriculture under the Corazon C. Aquino administration.

He has over 40 years of experience managing various organizations in the public and private sectors, either handling executive positions or serving as board chairman or director of over a dozen companies across various industries such as power, agriculture, banking, hospitality, mining, real estate and investment. He was also the president of leading Philippine corporations such as Philippine Airlines, Shangri-la Plaza Corporation, Northern Mindanao Power Corporation, Easycall Communications Philippines and Lafayette Philippines.

He holds an Economics degree and a Master's Degree in Business Administration from the Ateneo De Manila University. He also attended the Executive Management Program at the Stanford University's Graduate School of Business.



CECILIA C. BORROMEO

Vice Chairperson

President and CEO

62 years old, Filipino

Ms. Borrromeo holds the distinction of assuming the highest leadership post in the country's two top government banks – LANDBANK and the Development Bank of the Philippines. Throughout her 41 years as a civil servant, she spent more than three decades of it in development banking, a unique field that strikes a balance between generating profits and advancing local economic growth.

Prior to her appointment as President and CEO of LANDBANK, she had been part of the organization for 27 years, holding positions in agricultural and development lending, treasury and investment banking, public sector lending, corporate banking, global banking, wholesale banking, and lending program management.

She completed her Bachelor of Science degree in Agribusiness at the University of the Philippines Los Baños and earned units in Master in Business Administration from the De La Salle Business School. She is a graduate of the Advanced Bank Management Course of the Asian Institute of Management and the Pacific Rim Bankers Program at the University of Washington Executive Education Foster School of Business. She likewise attended the International Study on Rural Banking and Finance at the Massey University in New Zealand.



WILLIAM D. DAR

Secretary

Department of Agriculture

68 years old, Filipino

Mr. Dar takes on the role of heading the Department of Agriculture for the second time, having a vast experience in championing the cause of farmers, fishers, and agripreneurs. To date, he is the only Filipino who led a global agricultural research institute – the International Crops Research Institute for the Semi-Arid Tropics (ICRISAT) in India, serving for an unprecedented three five-year terms, from 2000 to 2014. He left a legacy benefiting millions of farmers in India, Africa, and other dryland countries, including the Philippines. He earned a Bachelor of Science degree in Agricultural Education and Master of Science degree in Agronomy at the Mountain State Agricultural College. He later pursued a doctorate degree in Horticulture at the University of the Philippines Los Baños.



ATTY. SILVESTRE H. BELLO III

Secretary

Department of Labor and Employment

77 years old, Filipino

Mr. Bello holds the distinction of serving as Justice Secretary in the Duterte, Estrada and Ramos administrations. Under the Arroyo administration, he served as cabinet secretary for regional development for Region II, Indigenous People and National Commission on Indigenous People, and Presidential Adviser for New Government Centers. He also served as Solicitor General from 1996 to 1998, chaired the negotiating panel for talks with the CPP/NPA/NDF in 2001 to 2004, and also worked as 1BAP Partylist representative from 2013 to 2016. A seasoned lawyer, he also served as a member of the board of directors of numerous companies across various industries. He holds a Political Science degree from the Manuel L. Quezon University and a law degree from the Ateneo De Manila.



ATTY. JOHN R. CASTRICIONES

Secretary

Department of Agrarian Reform

59 years old, Filipino

Mr. Castriciones served as the Secretary of the Department of Agrarian Reform until August 8, 2021. Prior to his appointment, he served as Undersecretary at the Department of Interior and Local Government. He is a lawyer and a graduate of the Philippine Military Academy. He took up Bachelor of Laws in Arellano Law School and completed his Master of Law in Comparative Government and International Laws at the University of Notre Dame, London.



BERNIE F. CRUZ

Acting Secretary
Department of Agrarian

58 years old, Filipino

Mr. Cruz was appointed as Acting Secretary of the Department of Agrarian Reform on November 10, 2021. Prior to this, he served as DAR Undersecretary. He also worked as a consultant for Agusan Power from 2014 to 2016. He also served as Undersecretary in the Office of External Affairs during the Arroyo administration. He received his bachelor's degree in Civil Engineering at Manuel L. Quezon University and he earned a postgraduate degree in Public Administration at Cavite West Point College.



NANCY D. IRLANDA

Representative
Private Sector

52 years old, Filipino

Nancy Irlanda is the first female Appointive Independent Director on the LANDBANK Board. 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 on 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 from 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.

Director Irlanda serves as Chairperson of the Committees on Corporate Governance and Related Party Transactions, Vice-Chairperson of the ITCOM and Member of the Risk Oversight and Trust Committees.



ATTY. JESUS V. HINLO, JR.

Representative
Private Sector

50 years old, Filipino

Atty. Hinlo acts as the Private Sector Representative in the LANDBANK Board. He worked in the Philippine National Bank and other private companies from 1992 to 1996 before practicing law. He also acted as Undersecretary of the Department of Interior and Local Government from 2016 to 2017. He completed his Political Science degree at the University of Santo Tomas and law degree at the University of Negros Occidental Recoletos.



VIRGILIO DV. ROBES

Representative

Agrarian Reform Beneficiaries

74 years old, Filipino

Director Robes sits in the LANDBANK Board as a representative of Agrarian Reform Beneficiaries. He served as OIC-Vice Governor of Bulacan from 1987 to 1988 and undertook the role of senior adviser to former Bulacan Governor Roberto Pagdananan from 1988 to 1990. He is the founder and former president of Pugad Lawin Philippines, Inc. – San Jose del Monte, an NGO comprised of socio-civic leaders, professionals, entrepreneurs and other volunteers which focuses on addressing the plight of the less fortunate and promoting community building.



ATTY. JAIME L. MIRALLES

Representative

Agrarian Reform Beneficiaries

71 years old, Filipino

Atty. Miralles serves as a representative of Agrarian Reform Beneficiaries in the LANDBANK Board. A graduate of the University of the East Law School, he is a Labor Law practitioner and labor leader who remains committed to serving the cause of industrial and agrarian workers. He acted as a Commissioner at the National Anti-Poverty Commission (NAPC) from 1998 to 2001, practiced law for many years, and then returned to government service as a Trustee and Labor Sector representative in Pag-IBIG Fund or the Home Development Mutual Fund from 2010 to 2017. At present, he is also the Lead Convener of the Labor Power Movement and the National President of the Association of Genuine Labor Organization.

Alternate Members of the Board



ROSALIA V. DE LEON

Primary Alternate Board Member

Treasurer of the Philippines, Bureau of the Treasury

61 years old, Filipino

Ms. De Leon is the Treasurer of the Philippines, leading the Bureau of the Treasury since 2017. She also assumed key positions in the Department of Finance, including Undersecretary for International Finance Group, Chief-of-Staff, and Officer-in-Charge /Head for the International Finance Group. She also served as an Independent Director of the Philippine Dealing System Holdings Corp., Philippine Securities Settlement Corp., Philippine Dealing & Exchange Corp., and Philippine Depository and Trust Corp.

She completed her Economics degree at the University of the Philippines Diliman. Ms. De Leon also earned her Master of Arts in Development Economics from Williams College, Massachusetts, USA.



ATTY. ERWIN D. STA. ANA

Alternate Board Member

Deputy Treasurer of the Philippines, Bureau of the Treasury

40 years old, Filipino

Mr. Sta. Ana started his career in the Bureau of the Treasury as Deputy Treasurer in 2015. He is likewise the Nominee Director of the Republic at the Manila Toll Expressway Systems, since 2014. 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 Bachelor of Science in Economics at the University of the Philippines Diliman.



ATTY. BENJO SANTOS M. BENAVIDEZ

Alternate Board Member

Undersecretary, Department of Labor and Employment

41 years old, Filipino

Atty. Benavidez is an Undersecretary of the Department of Labor and Employment (DOLE). In 2008, he started as a Mediator-Arbiter for DOLE - National Capital Region and later on became the Assistant Regional Director in 2011. He also served as the Director IV at the Bureau of Labor Relations - DOLE in 2014. He was consequently appointed as Assistant Secretary of DOLE from 2019-2020.

He earned his Political Science degree from Bicol University and his law degree from the University of Nueva Caceres.



ATTY. LUIS MEINRADO C. PAÑGULAYAN

Alternate Board Member

Undersecretary, Department of Agrarian Reform

59 years old, Filipino

Undersecretary Pañgulayan completed his Political Science and Law Degrees at the University of the Philippines in Diliman where he was a National State Scholar. He also finished his basic management course at the Asian Institute of Management and obtained his degree of Master in National Security Administration at the National Defense College of the Philippines with honors and received a Meritorious Award for his Thesis. He was admitted to the Philippine Bar in 1992 and has been practicing law for over two decades prior to joining the government.

He holds the rank of Lieutenant Colonel as a reservist officer in the Philippine Army.



EVELYN G. LAVIÑA

Alternate Board Member

Undersecretary, Department of Agriculture

63 years old, Filipino

Ms. Laviña served as an Undersecretary of the Department of Agriculture in 2016. Prior to her appointment, she assumed key positions in various private institutions such as the Davao City Chamber of Commerce & Industry, Soroptimist International of Davao, and Floriculture Industry of Davao Inc. She likewise managed their family farm and her own landscaping and ornamental plant business.

She took up Bachelor of Science in Pharmacy at the University of Immaculate Conception - Davao and earned her postgraduate degree in Public Administration at the Philippine Christian University.

Management Team



LIDUVINO S. GERON

Executive Vice President

Agricultural and Development Lending Sector

57 years old, Filipino

EVP Geron is equipped with over 20 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, Branch Banking Sector, and the Agricultural and Development Lending Sector. He is currently assigned as Officer-in-Charge (OIC) of the United Coconut Planters Bank, a LANDBANK subsidiary. 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.



JULIO D. CLIMACO, JR.

Executive Vice President

Branch Banking Sector

64 years old, Filipino

As the head of the Branch Banking Sector, EVP Climaco spearheads the delivery of financial services to the Bank's mandated and priority sectors, as well as corporate and consumer clients. Before LANDBANK, he worked at Pricewaterhouse Coopers as Senior Managing Consultant. He also worked as a Market Analyst at the Hong Kong Bank in Manila and as Research Associate at the Economic Forecasting Unit of the Center for Research and Communication. He graduated from De La Salle University Manila with a Bachelor's Degree in Commerce Major in Management of Financial Institutions, and earned Masteral units in Applied Business Economics from the Center for Research and Communication.



ALEX A. LORAYES

**Executive Vice President
Corporate Services Sector**

59 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**

55 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 LANDBANK'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**

57 years old, Filipino

EVP Halog heads the Treasury and Investment Banking Sector. He joined LANDBANK in 1988 as a Senior Appraiser in the Agrarian Affairs Coordinating Department and gained experience and expertise in the areas of treasury, investment banking, financial markets and branch loans review and accounts management. He is a licensed Treasury Professional and earned a Master's Degree in Business Administration from the De La Salle University. He also completed the Ateneo Graduate School of Business Management Development Program. He is a licensed Geodetic Engineer and a former state scholar of the Mines and Geo-Sciences Bureau.

Agricultural and Development Lending Sector



MA. CELESTE A. BURGOS

Senior Vice President
Corporate Banking Group

57 years old, Filipino

SVP Burgos has 35 years of service in LANDBANK, joining the Cash Department in 1986 and gaining experience in accounts management and corporate banking before heading the Mindanao Lending Group and Northern and Central Luzon Lending Group. She was also appointed as Officer-in-Charge of the Agricultural and Development Lending Sector and now heads the Corporate Banking Group. She earned her Bachelor's Degree in Commerce from St. Paul College Manila and earned units for her Master's Degree in Business Administration at the Pamantasan ng Lungsod ng Maynila. She is a Certified Public Accountant (CPA).



FILIPINA B. MONJE

Senior Vice President
Northern and Central Luzon Lending Group

60 years old, Filipino

SVP Monje has served the Bank for 38 years, joining the Bank in 1983 as an Accounting Clerk in Urdaneta Branch. She served as 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 and is a CPA. She earned units for a Law Degree at Northwestern College, units leading to a Master's Degree in Business Management from La Salette College, and Master's in Business Administration units from the De La Salle University.



LUCILA E. TESORERO

Senior Vice President
Southern Luzon Lending Group

58 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, and served as OIC of the Program Lending Group. She is currently the head of Southern Luzon Lending 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.



ELSIE FE B. TAGUPA

Senior Vice President
Visayas Lending Group

61 years old, Filipino

SVP Tagupa started her professional career with LANDBANK in 1983 as a Clerk at the Bicol/Visayas Regional Office. With over 30 years in public service, she led various field units before heading lending centers in Cebu and Negros. She currently heads the Visayas Lending Group. EVP Tagupa finished her Bachelor's Degree in Commerce from Fatima College of Camiguin. She earned Master's Degree units in Business Management at the University of San Jose Recoletos. She 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

56 years old, Filipino

SVP Conde has served the Bank for 33 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. Ms. Conde graduated with a BS Accountancy Degree from the Ateneo de Davao University and earned her Master's Degree in Business Administration at the University of the Immaculate Conception Davao City. She is a CPA.



EMELLIE V. TAMAYO

Senior Vice President
Lending Program Management Group

54 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 and Loan Recovery Department. Currently, she is serving as the Head of the Lending Program Management 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.



CIELITO H. LUNARIA

First Vice President

Retail and Mid-Market Lending Group

58 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 Lending 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 degree from the Mapua Institute of Technology and obtained a Law Degree from the Far Eastern University.

Branch Banking Sector



RANDOLPH L. MONTESA

Senior Vice President

Card and Electronic Banking Group

54 years old, Filipino

SVP Montesa joined LANDBANK in 2003 as Assistant Department Manager of the Enterprise Systems Department. Prior to his appointment as the head of the Card and Electronic Banking Group, he led the IT-Project Management Department, Consumer E-Banking Group and Customer Acquisition and Partnership Group. Prior to LANDBANK, he handled various management positions in Philippine Airlines, Oracle Philippines and IBM Philippines. He completed his Bachelor's Degree in Civil Engineering at the University of the Philippines. He earned his Master's Degree in Business Administration from the College of the Holy Spirit - Manila.



MA. BELMA T. TURLA

Senior Vice President

North Luzon Branches Group

54 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

54 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.



MARILOU L. VILLAFRANCA

Senior Vice President
North NCR Branches Group

53 years old, Filipino

SVP Villafranca has served LANDBANK for 33 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

60 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 branches and regional offices. He headed the Southern Luzon and Bicol Branches Group, East Visayas Branches Group and Central Luzon Branches Group. He is currently heading the South NCR 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 CPA.



ALTHON C. FEROLINO

Senior Vice President

Southeast Luzon Branches Group

55 years old, Filipino

SVP Ferolino joined LANDBANK in 1991, starting as a Field Operations Analyst I at the Lanao Del Sur Field Office. He led various branches before heading the Digital Banking Management Department, Central Luzon and West Visayas Branches Groups. He currently heads the Southeast Luzon Branches Group. Prior to his work at LANDBANK, he worked as a Development Officer at the National Irrigation Administration and 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 Law Degree at the same university. He completed his Master's Degree in Business Administration at the Laguna College of Business and Arts.



MA. CIELITO D. VALDIVIA

Senior Vice President

Southwest Luzon Branches Group

57 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.



KHURSHID U. KALABUD

Senior Vice President

East Visayas Branches Group

53 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 before heading the East Mindanao and West Mindanao Branches Groups. Currently, SVP Kalabud heads the East Visayas Branches Group. Prior to LANDBANK, he worked as a Radio Announcer in DXMM Sulu 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. He 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

First Vice President

West Visayas Branches Group

51 years old, Filipino

FVP 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 at St. Anthony's College and a Master's Degree in Business Administration at the Pamantasan ng Lungsod ng Maynila. She is a CPA.



CAMILO C. LEYBA

Senior Vice President

East Mindanao Branches Group

59 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 before being appointed as the head of the West Visayas Branches Group. He currently leads the East Mindanao Branches Group. SVP Leyba earned a Commerce Degree 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

59 years old, Filipino

VP Pacio has served the Bank for over 33 years, starting as a Clerk at the Davao City Field Office and then handling various positions before heading branches in Mindanao. She currently heads the West Mindanao Branches Group. She has an Undergraduate and Master's Degree in Business Administration from Silliman University. She also graduated with a Law Degree from Misamis University.

Corporate Services Sector



ATTY. JOSELITO B. VALLADA

First Vice President

Human Resource Management Group

51 years old, Filipino

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 LANDBANK, he practiced law as an associate in various law offices. He graduated with an Economics Degree from the University of the Philippines-Los Baños and a Law Degree from Manuel L. Quezon University.



ATTY. MARIFE LYNN O. PASCUA

Vice President

Agrarian Services Group

54 years old, Filipino

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 B.S. Biology Degree from the University of Northern Philippines and a Law Degree from the Pamantasan ng Lungsod ng Maynila.



VIVIAN M. CAÑONERO

Vice President

Corporate Affairs Group

57 years old, Filipino

VP Cañonero has served LANDBANK for over 26 years, joining the Bank in 1996 as Division Chief at the Branch Administration Office and eventually heading various lending centers and branches in Panay, Iloilo, Cebu, and Negros Occidental. She currently heads the Corporate Affairs Group. Prior to joining LANDBANK, she worked in various positions including as Chief Accountant, Finance Officer and Acting Comptroller at the AFC Agribusiness Corporation and AFC Fertilizer and Chemicals, Inc. She has a Business Management Degree Major in Accounting and a Master's Degree in Management Major in Business Management from University of the Philippines-Visayas. She is a CPA.



EMMANUEL G. HIO, JR.

Vice President

Facilities and Engineering Services Group

50 years old, Filipino

VP 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.

Units under the Board and Office of the President



AMELIA S. AMPARADO

Senior Vice President

Compliance Management Group

64 years old, Filipino

SVP Amparado joined LANDBANK in 2014 as the Head of the Compliance Management Group. She has been in the banking industry for over 30 years and gained experience from holding various positions such as Internal Auditor of the China Banking Corporation, Consultant and Chief Compliance Officer of the East West Banking Corporation, and Compliance Officer of the Metropolitan Bank and Trust Company. She also served as an Internal Auditor at the SyCip Gorres Velayo & Co. She is a CPA and a graduate of the University of the East with a Bachelor's Degree in Business Administration. Holy Spirit-Manila.



ELCID C. PANGILINAN

Senior Vice President

Strategy and Knowledge Management Group

53 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 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 UCPB 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 from the London School of Economics in the UK.



MARIA EDELWINA D. CARREON

First Vice President

Internal Audit Group

61 years old, Filipino

FVP Carreon has over 33 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 is currently the head of the Internal Audit Group. She has a Commerce Degree Major in Accounting from the University of Santo Tomas and a Master's Degree in Business Administration from the De La Salle University.



ATTY. RODERICK P. SACRO

**First Vice President
Legal Services Group**

50 years old, Filipino

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 an Accountancy Degree from St. Louis University, a Law Degree from the Arellano University Law School, and a Master's Degree in Business Administration from the Ateneo de Manila University.



LOLITA M. ALMAZAR

**First Vice President
Trust Banking Group**

57 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 Commerce Degree Major in Business Administration from the University of Santo Tomas and a Master's Degree in Business Administration from the Philippine Women's University.



ROSE MARIE E. SOTELO

**Vice President
Risk Management Group**

59 years old, Filipino

Before her appointment as Head of the Congenerics Unit under the Office of the President, VP Sotelo gained experience and expertise in the areas of Human Resource Development, Account Management, and Risk Management. Prior to her work at LANDBANK, she handled various positions at the Technology and Livelihood Resource Center until her early stint at the Bank as a Division Chief. She earned a Business Management Degree from the University of the Philippines.

Operations Sector



WINSTON ROCHEL L. GALANG

Senior Vice President
Banking Operations Group

58 years old, Filipino

SVP Galang joined LANDBANK in 1990 and has handled various positions including heading 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.



ANNALENE M. BAUTISTA

Senior Vice President
Controllership Group

58 years old, Filipino

SVP Bautista has been with LANDBANK for the last 36 years, taking on different positions and leading various branches, departments and groups before being appointed as Head of the Controllership 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.



ALDEN F. ABITONA

Senior Vice President
Technology Management Group

51 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.



REYNALDO C. CAPA

First Vice President
Banking Services Group

58 years old, Filipino

FVP Capa has over 34 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.

Treasury and Investment Banking Sector



GONZALO BENJAMIN A. BONGOLAN

Senior Vice President
Investment Banking Group

56 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 Broker Corp. and held management positions in Belson-Prime East Asia Capital, First Metro Investment Corp. and Home Guaranty Home Corp. 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 an Economics Degree from the University of the Philippines School of Economics where he also worked as a teaching fellow.



ADELFA R. MASACUPAN

First Vice President
Asset and Liability Management Group

48 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 Degree in Mass Communication from the University of the Philippines-Diliman and a Master's Degree in Business Administration from the De La Salle University.



MA. FRANCIA O. TITAR

First Vice President
Financial Markets Group

51 years old, Filipino

FVP Titar has over 29 years of service in LANDBANK, starting as a clerk at the Treasury Services Department in 1992. She handled various positions before heading the Domestic Currency Department, the Capital Markets Trading Department and the Asset and Liability Management Group. She currently heads the Financial Markets Group. She is a graduate of a Bachelor's Degree in Business Management from the Polytechnic University of the Philippines.

Other Senior Officers

(Vice Presidents)

as of end-December 2021

AGRICULTURAL AND DEVELOPMENT LENDING SECTOR

Teresita S. Aringo

Lending Support Department

Bernardo B. Bayangos

Southern Isabela Lending Center
Concurrent Head, Northern Isabela Lending Center

Allan R. Bisnar

Cebu South Lending Center

Emma M. Brosas

Corporate Banking Department I

Marietta B. Cajuguiran

Corporate Banking Department II

Jesse J. Calibuso

Cavite Lending Center

Jose Enecto G. Faune

Davao Lending Center

Eden B. Japitana

General Santos Lending Center

Eulalio G. Lagapa, Jr.

Cebu North Lending Center

Esperanza N. Martinez

Public Sector Department

Eduardo N. Reyes, Jr.

Nueva Ecija Lending Center
Concurrent Head, Aurora Lending Center

BRANCH BANKING SECTOR

Abdulkadil A. Alabat

Maguindanao Branch

Vivian P. Bisnar

Plaza Independencia Branch

Virgilio C. Paranial

Buendia Branch

Elenita C. Rapanut

Branch Banking Support Department

Ma. Elena A. Balassu

Relationship Officer
North NCRBG Cluster A

Ma. Elenita N. Manucom

Relationship Officer
North NCRBG Cluster B

Francisco E. Burgos, Jr.

North NCRBG Cluster C

Rossana S. Coronel

Relationship Officer
South NCRBG Cluster A

Mylene B. Macapagal

Relationship Officer
South NCRBG Cluster B

Mary Lilian R. Cruz

Relationship Officer
South NCRBG Cluster C

Pacifico C. De Paz, Jr.

Electronic Products Department

Other Senior Officers (Vice Presidents)

as of end-December 2021

CORPORATE SERVICES SECTOR

Buenaventura R. Del Rosario

Property Valuation and Credit
Information Department

UNITS UNDER THE BOARD

AND OFFICE OF THE PRESIDENT

Maria Aurora R. Bocato

Credit Risk Management Department

Cesar S. Cabañes

Banking Legal Services Department

Marjorie R. Cortez

Operational Risk Management Department

Dennis P. Dinglasan

Field Legal Services Department

Atty. Myra-Lyn S. Peñalosa

Corporate Secretary
Office of the Corporate Secretary

Romulo E. Sapitula

Security Department

OPERATIONS SECTOR

Rosanna F. Berones

Enterprise Systems Department

Arthur E. Dalampan

Electronic Banking Systems Department

Grace Ofelia Lovely V. Dayo

Retail Banking Systems Department

Merceditas N. Oliva

Financial Accounting Department

Enrique L. Sazon, Jr.

Network Operations Department

Rosemarie A. Tam

IT-Project Management Department

TREASURY AND INVESTMENT BANKING SECTOR

Emmanuel G. Dimaano

Capital Markets Trading Department

Ivy C. Sacramento

Balance Sheet Management Department

LANDBANK Foundation and Subsidiaries

as of December 31, 2021



Celestino R. Salinas
President and CEO
LANDBANK Countryside
Development Foundation, Inc.



Alvin G. Dans
President and CEO
LBP Insurance Brokerage Inc.



Michael P. Arañas
President and CEO
LBP Leasing and Finance Corporation



Ricardo C. Juliano
President and CEO
LBP Resources and
Development Corporation



Leila C. Martin
President and CEO
Overseas Filipino Bank



LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC.

The LANDBANK Countryside Development Foundation, Inc. (LCDFI) was established in March 1983 as a non-stock, non-profit corporate foundation of LANDBANK. The Foundation embodies LANDBANK's commitment to promoting rural development, particularly among its priority sectors such as small farmers and fishers, agrarian reform beneficiaries, rural financial institutions, small and medium enterprises, and overseas Filipino workers.

The Governance Commission for GOCCs classified it as a government-owned and controlled corporation (GOCC) in 2013, and as such, LCDFI strives to comply with all relevant rules and regulations governing GOCCs and government entities.

Financial Highlights

	2021 (Audited)	2020 (Audited)	Growth Rate (%)
Assets	86.24	88.73	-2.81%
Liabilities	2.83	3.85	-26.49%
Fund Balance/Equity	83.41	84.88	-1.73%
Revenue	22.21	26.84	-17.25%
Expenses	24.08	32.88	-26.76%
Net Surplus (Deficit)	-1.86	-6.04	-69.21%

In 2021, LCDFI's total gross revenue is P22.21 million, a 17.25% decrease from P26.84 million the previous year. Meanwhile, total expenses decreased by 26.76% from P32.88 million in 2020 to P24.08 million in 2021.

Capacity Building Program

A. Capacity Building Program for Borrowing Cooperatives

Training Programs for Cooperatives. The conduct of training for cooperatives is triggered by requests from the LANDBANK Lending Centers (LCs) nationwide after they have conducted an operational review of their client-cooperatives using the Enhanced Cooperative Operations Review Instrument (ECORI).

The identified weaknesses in the operations of cooperatives are then matched with the corresponding training needed to address a particular weakness, by capacitating the Board of Director, Officers, Management and key personnel of the cooperatives. LPMG-DAD, acting on the recommendations of the LCs, then enrolls the cooperatives to the training programs of LCDFI on an annual basis.

For the year, the Capacity Building Program conducted 40 batches of training as requested by LPMG-DAD, or 100% of the target of 40 training batches. The training was conducted through e-learning training due to health and safety protocols, social gatherings and travel restrictions caused by COVID-19 pandemic. LCDFI was able to train 337 LANDBANK Borrowing Cooperatives (BCs) with 1,288 participants. Of the 337, 221 BCs from Maturity level A and B, 44 BCs from maturity level C and D, 56 BCs from other categories and 16 with no ECORI provided. Fifty-two BCs were trained more than once.



Module Development and Updating

For the period, the 12 Priority Training Modules developed by LANDBANK were still updated. To continuously provide the capacity building program during COVID-19 pandemic, the CBP has developed five e-learning training modules on Policy and Rules Formulation, Remedial Management, Financial Management, Governance and Management of Cooperatives, Entrepreneurial and Business Management.

Of the 40 batches of e-learning trainings, Risk Self-Assessment is the most requested training module in 2021 with 17 batches of training, 13 batches of training for Remedial Management, five batches of training for Account Management and Credit Administration, three batches of training for Policy and Rules Formulation, and two batches of Risk and Control Self-Assessment. The training for each area is as follows:

Training Modules	Total No. of Training Request
1. Risk Self-Assessment	17
2. Risk and Control Self-Assessment	2
3. Credit Background Investigation and Appraisal	-
4. Remedial Management	13
5. Entrepreneurial and Business Management	-
6. Strategic Planning	-
7. Internal Control	-
8. Basic Accounting for Non-Accountants	-
9. Account Management and Credit Administration	5
10. Financial Management	-
11. Policy Rules and Formulation	3
12. Basic Bookkeeping	-
13. Governance and Management of Cooperatives	-
TOTAL	40

Training Monitoring and Evaluation of Training Programs

Twelve monitoring and evaluation of e-learning training programs were conducted in 2021. The target for Training Monitoring and Evaluation is 12 batches or three batches each region. This is to evaluate the Resource Speakers and the actual conduct of training facilitated by the Capacity Building Officers of LCDFI. The overall rating given by participants/LCDFI to 12 batches of training that were monitored was excellent.

Cooperatives Monitoring, Evaluation and Learning

As a follow-through of the training for LANDBANK Borrowing Cooperatives, CBP conducted the Cooperative Operations Review and Evaluation (CORE) and Learning via virtual Focus Group Discussions in eight selected Trained Borrowing Cooperatives (TBCs) or two TBCs per area to assess/review the non-financial aspects of operations of borrowing cooperatives who attended the previous LCDFI trainings and determine if the trainings helped address the needs, weaknesses, policies, systems and processes of LCDFI-Trained Borrowing Cooperatives and to determine the level of compliance to the Action Plans prepared by the officers and staff who attended the previous LCDFI trainings from January to December 2019 and 2020.

B. Capacity Building Program for MSMEs

The Capacity Building Unit (CBU) conducted six batches of Live Webinar series of the following topics:

1. Financial Accounting held on July 30, 2021, Aug. 20, 2021, and Sept. 27, 2021
2. Risk Management held on Oct. 25, 2021
3. Business Continuity Planning and Management held on Nov. 19, 2021
4. Digital Solutions held on Nov. 25, 2021

Training for MSMEs

CBU was able to train 238 enterprise owners, key management officers and staff from LANDBANK Borrowing MSMEs. Of the 238, 59 were from Micro, 99 from Small, and 80 from Medium Enterprises.

Module Development

A total of four modules have been developed on Financial Accounting, Risk Management, Business Continuity Planning and Management and Digital Solutions. These were used in the conduct of four batches of live webinars.

Assessment Impact

In 2021, the Capacity Building Program for Borrowing Cooperatives were able to conduct: a) 40 batches of trainings participated by 1,288 participants from 337 Borrowing Cooperatives, b) Five E-Learning Training Modules were developed, c) 12 batches of Monitoring and Evaluation of Training Programs were conducted, and d) eight CORE were conducted or two LCDFI TBCs per area.

Meanwhile, under the Capacity Building Program for Borrowing MSMEs, the following were conducted: a) six batches of e-learning training participated by 238 enterprise owners, key management officer and staff, and b) four E-Learning Training Modules were developed. Of the 238, 59 from Micro, 99 from Small, and 80 from Medium Enterprises.

FINANCIAL LITERACY PROGRAM

LCDFI continued to conduct Financial Literacy Training following the productive year of 2020 and oversee the training of 111,651 small farmers, fishers, and farm laborers in 96 unbanked municipalities across 25 provinces through the partnership with 23 SUCs/ Cooperatives. Despite the challenges posed by the pandemic, LCDFI is confident that the Program will continue.

In spite of these seemingly insurmountable challenges and events, LCDFI and their training partners pushed on with the conduct of Financial Literacy Training. LCDFI inked a total of 31 Memoranda (91% of target) with 23 carry-over training partners from 2020 and eight new training partners. Sample monitoring were carried out this year to observe the conduct of training and assess their effectiveness among the target beneficiaries. Three monitorings were done in Luzon: Rapu-Rapu (Albay), Pandan (Catanduanes) and Panukulan (Quezon); one in Visayas: Pilar & Tudela (Cebu); and three in Mindanao: Dinagat and Loreto (Dinagat Islands) and Talaingod (Davao del Norte). While onsite, the FLP Coordinators together with the Foundation's Chairperson Madam Consuelo Padilla, managed the training evaluation with the onsite trainees and the impact assessment with those that attended FLT three to six months prior. As a result, the training module was recalibrated to fit the literacy level of the target beneficiaries and the use of charts instead of projectors was encouraged to address the erratic or lack of electricity in the training venues.

As of December 2021, the total farmers/fishers trained is 76,045 which is 61% of the recalibrated target of 125,000 farmers/fishers with training activities held at 69 unbanked municipalities or 43% of the recalibrated 162 target unbanked municipalities.

ENTERPRISE DEVELOPMENT PROGRAM

Project Likas Saka

The Project Likas Saka generally covers vegetable-growing areas that are appropriate for natural farming. The project's objectives are as follows: (1) to organize farmers into clusters as a pre-coop stage, (2) to eventually become borrowers of LANDBANK, and (3) to develop relationships with LGU for a variety of service opportunities.

Due to the pandemic and stringent travel restrictions in the country, the Enterprise Development Program focused on five Luzon areas within Regions III and IV for the year 2021. These clusters have already established Small Agro-Enterprise with their practice of natural farming and study of local markets, therefore, making small scale farming feasible for its members.

Adjustments, however, had to be made due to increasing transportation costs. The Local Farm Technicians (LFTs) in consultation with the farmer cluster members targeted "bagsakan" or trading hub markets. They were able to find buyers at farm gate level.

Aside from the five focused areas, the clusters in Cabiguan, Pilar, Sorsogon and Tumana, Sta. Maria, Bulacan were retained from last year as part of their continuation on the adoption of natural farming practices as the core principle of Project Likas Saka under the Enterprise Development Program.

Cabiguan Farmers' Association was also recovering from the Typhoon Tisoy in November 2019 while the cluster in Barangay Tumana, Sta. Maria, Bulacan are relocated residents from different parts of Metro Manila trained last August 2020. Said cluster members are still adapting and learning the curve of farming and its natural methods. For 2021, these two clusters were at the point of application on the procured seeds distributed in the last quarter of 2020.



Training and Development on Small Agri Agro-Enterprise

During the start of 2021 for Agri Agro-Enterprise of Project Likas Saka, a lot time was spent convincing LFTs to sign the contract of services as Enterprise Development Unit's operations were done remotely as the available staff were still unvaccinated at the start of the year.

Farmer cluster members were also looking for assurance from regular LCDFI staff regarding the Agri Agro-Enterprise trend and had initial doubts if they can adapt in the present condition and fulfill the administrative requirements considering the pandemic.

Clusters were instructed to set up and consolidate their harvest applying their learnings in marketing their produce in recent years as they were still in the "trial" stage. Seed selection was thoroughly processed and program farming was also applied in order to lessen oversupply and losses.

Furthermore, limited face-to-face trainings were done as e-learning is still not conducive and not attractive to farmers under the Enterprise Development Program.

Plans and Programs for 2022

LCDFI shall continue to conduct Financial Literacy Training to farmers and fishers in the unbanked municipalities and capacity building programs for LANDBANK BCs, as well as establish program partnership. Moreover, LCDFI shall continue to provide assistance to small household farmers through technology transfer of natural and organic farming systems and techniques.

Based on the accomplishments of the Enterprise Development Program in the previous years, LCDFI Management decided to temporarily halt its operations in 2022.



LBP INSURANCE BROKERAGE, INC.

The LBP Insurance Brokerage, Inc. (LIBI), a wholly owned subsidiary of LANDBANK founded in October 1981, is primarily engaged in providing insurance requirements for the Bank, its employees, and its clients.

Financial Highlights

(In P Millions)

	2021 (Audited)	2020 (Audited)	Growth Rate (%)
Gross Revenues	305.43	243.85	25.25
Total Expenses	66.22	58.17	13.84
Net Income Before Tax	239.21	185.68	28.83
Income Tax Expense	51.06	40.45	10.82
Net Income After Tax	188.15	145.23	29.55
Total Resources	1,753.37	1,586.74	10.50
Total Liabilities	441.32	388.00	13.74
Total Equity	1,312.04	1,198.74	9.45

For 2021, LIBI realized a Net Income After Tax (NIAT) of P188.15 million, an increase of P42.92 million or 25.25% compared to the Net Income After Tax of P145.23 million in 2020. LIBI's Net Income After Tax in 2021 surpassed the 2021 target of P144.29 million by P43.86 million or 30.39%. The Return on Equity (ROE) is 14.98% while Return on Total Assets (ROA) is 11.27%. Both are higher by 19.27% and 16.67% compared to the ROE of 12.56% and ROA of 9.66%, respectively. Per capita net income of P3.11 million is 18.50% or P0.42 million higher than the P2.69 million per capita net income of 2020.

The net premium volume produced in 2021 reached P1,255.14 billion, an increase of 30.14% or P290.71 million compared to the P964.43 million net premium volume last year.

For 2021, LIBI remitted P74.84 million cash dividend to the National Government. This is P12.07 million or 19.23% higher compared to the cash dividend of P48.24 million paid in 2020.

Meanwhile, the Total Assets stood at P1,753.37 billion in 2021, an increase of 10.50% or P166.63 million from last year's total assets of P1,586.74 billion is primarily due to the increase in long-term investments by 43.64%, from P885.16 million to P1,271.44 billion.

LIBI is constantly learning from these challenging times and has taken the opportunity to excel. In 2021, LIBI revised its vision which aims "to be recognized as one among the most trusted and respected brokerage firms that provides unparalleled services with the highest level of integrity by the end of 2022."

Notwithstanding the limitations brought about by the pandemic, LIBI continued and still continues to serve the LANDBANK clientele. LIBI closely and extensively monitored both new and renewal accounts, including the timely submission of insurance requirements from different LANDBANK branches and lending centers.

Furthermore, LIBI continued to minimize the termination of insurance policy/ies resulting from full payment of loan or loan maturity by encouraging the clients to continue coursing their insurance transactions under Direct Account Individuals with LIBI.

At the beginning of 2021 and under the guidance of the Board, it was also during these challenging times that LIBI was able to increase its service charge rate with Benlife from 26% to 30% or an increase of 4%. This % increase may be translated into millions of Net Income for LIBI.

Plans and Programs for 2022

LIBI will keep on raising its revenue as it raises the bar of excellence on customer satisfaction. It shall likewise focus on cost optimization and employee capability building for more efficient business operations with our valued clients.



LBP LEASING AND FINANCE CORPORATION

LBP Leasing and Finance Corporation (LLFC) continues to complement the services of LANDBANK by providing various leasing and financial facilities that support priority sectors of the Bank. This was complemented by the execution of the Service Level Agreement with LANDBANK.

Financial Highlights (In P Millions)

	2021	2020	Growth Rate (%)
Gross Revenues	583.47	1,293.52	-54.89%
Total Expenses	518.51	905.26	-42.72%
Net Income After Tax	33.37	339.84	-90.18%
Net Income After Other Comprehensive Income	33.37	339.84	-90.18%
Total Resources	5,007.25	5,138.26	-2.55%
Total Liabilities	3,337.25	3,320.17	0.51%
Total Equity	1,670.00	1,818.09	-8.15%

In 2021, LLFC started its recovery from the effects of the pandemic. The corporation realized Gross Revenue of P583.47 million as against P518.51 million in Total Expenses resulting in a Net Income After Tax (NIAT) of P33.37 million.

Total Resources of the Corporation at year-end was down at P5,007.25 million, P131.01 million or 2.55% lower than that of last year. The decrease in Total Resources was mainly from lower Total Other Assets particularly in the Deposit in Bank. This significant decrease is due to utilization of the proceeds of the sale of the BGC property in 2020 to fully settle/remit related taxes, loans from various banks and dividends to the National Government. Total Portfolio for Priority Sectors is at P3,920.90 million or 85% of the total portfolio as of year-end 2021. Identified Priority Sectors of LLFC included Agri and Food Chain Enterprises, Energy and Environment, Manufacturing, Government Accounts, Government Contractors and Suppliers, Medical and Social Services, Transportation and Special Finance Program.

Plans and Programs for 2022

For the year 2022, LLFC's Major Plans and Programs include: (1) Generation of more government portfolio; (2) Enhanced Asset and Liability Management; (3) Increasing organization's effectiveness by focusing on systems and human resource development; (4) Continue the LBP-LLFC complementation/ tie-up; and (5) Consolidation/Merger for LLFC and ULFC.



LBP RESOURCES AND DEVELOPMENT CORPORATION

The LBP Resources and Development Corporation (LBRDC) was created in May 1975 as an investment diversification vehicle for landowners whose properties have been covered by the Agrarian Reform Law. As a wholly owned subsidiary of LANDBANK, it is primarily engaged in infrastructure development and other related projects and handles the Bank's construction requirements, such as branch construction, renovation and relocation. LBRDC also assists the Bank in the disposal of non-performing or foreclosed assets in property management, maintenance services and brokering. It also provides sanitation, housekeeping, janitorial, messengerial and office-manpower services, among others.

Financial Highlights

(In P Millions)

	2021 (Unaudited)	2020	Growth Rate (%)
Gross Revenues	811.49	586.42	38
Total Expenses	759.95	541.09	40
Net Income After Tax	51.54	45.33	(14)
Total Resources	821.61	756.03	9
Total Liabilities	168.91	131.50	28
Total Equity	652.70	624.53	5

Total construction revenue, as of Dec. 31, 2021, reached P94.65 million, 20% lower than P117.99 million in 2020 due to the decrease in the projects accepted for implementation in 2021.

Manpower services income amounting to P658.03 million in 2021 showed a remarkable increase of P253.39 million or 67% from P404.64 million in 2020 due to the renewal of its existing janitorial/manpower services-contract with LANDBANK and other clients, plus the engagement of new contracts with Social Housing Finance Corporation and PNOC Renewables Corporation.

The income from property management amounting to P22.67 million as of year-end 2021 decreased by P2.66 Million or 11% compared with the P25.33 million in 2020 due to the sale and turn-over of some properties. In 2021, there were 61 accounts with caretakers deployed and 14 accounts with security guards.

The commission income realized in 2021 amounted to P2.75 million, higher by 45% from P1.90 Million in 2020 primarily due to the increase in the sale of LANDBANK's ROPA.

Overall, LBRDC's net income after tax increased by 14% from P45.33 million in 2020 to P51.54 million in 2021 due to the increase in revenues.

Total resources increased by 9% from P756.03 million in 2020 to P821.61 million in 2021 due to increases in receivables of P103.42 Million and investments of P31.68 million despite the decreases in cash and cash equivalent of P56.81 million and other assets of P12.72 million. On the other hand, the increase in total liabilities of P37.41 million or 28% from P131.50 million in 2020 to P168.91 million in 2021 was due to the increase in payables. Stockholders' Equity increased by 5% or P28.17 million from P624.53 million in 2020 to P652.70 million in 2021 due to the increase in net income net of the cash dividend remittance to the National Government in April 2021.

Other Accomplishments

In 2021, LBRDC passed the Recertification Audit for ISO 9001:2015 and has therefore obtained three-year ISO 9001:2015 Certification, manifesting its strong adherence and compliance with QMS standards and continual business process improvements.

Further, it obtained the one-year Manpower Services project of Social Housing Finance Corporation with 477 personnel requirement and a contract amount of P199.51 million. Another janitorial/messengerial services contract with the PNOG Renewables Corporation in Taguig City with seven employees deployed with a contract amount of P2.16 million for a period of seven months.

LBRDC also started the implementation of the Inventory Management System which aims to manage more efficiently all its inventories. It has also started the process of digitizing its existing documents in preparation for the onboarding of the digital archiving system.

Plans and Programs for 2022

LBRDC's major plans and programs for 2022 include the following: (1) business expansion for construction and manpower services to GOCCs and NGAs; (2) computerization of its cost estimation process as well as monitoring of the construction and renovation projects; (3) provision of technical and office support manpower required by LANDBANK and other government agencies for relievers, project-based and nonpermanent positions; and (4) to operate as a PEZA accredited provider and acquire, develop and manage an economic zone in Tala, Caloocan City.



OVERSEAS FILIPINO BANK

The Overseas Filipino Bank (OFBank) was established in 2017 in response to the government's mandate to create a bank that caters to the banking and financial needs of Filipinos overseas. As a wholly owned subsidiary of LANDBANK, it offers financial products and services through digital and electronic channels to address the banking requirements of Overseas Filipinos, Overseas Filipino Workers, and their beneficiaries.

Financial Highlights

(In P Millions)

	2021 (Audited)	2020 (Audited)	Growth Rate (%)
Gross Revenues	57.2	137.5	-58.4
Total Expenses	181.1	188.1	-3.7
Net Loss	(123.9)	(50.6)	144.9
Net Income/(Loss) After Other Comprehensive Income/ (Loss) (if applicable)	(126.3)	(47.4)	166.4
Total Resources	3,886.4	3,683.0	5.5
Total Liabilities	3,026.3	2,696.7	12.2
Total Equity	860.1	986.3	-12.8

The Bank posted a net loss of P123.9 million which is 145% higher than the P50.64 million loss (as restated) a year ago due to challenges in its operations. This was mainly due to the significant decline in interest income related to loans and higher expenses, loan loss provisions, and cost of outsourcing services.

OFBank's main source of revenues in 2021 came from the interest income from the Bangko Sentral ng Pilipinas' (BSP) investment facilities and transaction fees from online transactions.

Total resources increased by 5.5% from the rise in deposit liabilities (individual accounts) while equity decreased by the same amount of loss for the year.

The Bank's Capital Adequacy Ratio (CAR) of 136.73% is above the required minimum set by the BSP. Capital adequacy measures the Bank's capital and determines the bank's capability to absorb a reasonable amount of losses.

The asset quality ratios which indicate the credit risk associated with the Bank's asset, showed 100% non-performing loans as of Dec. 31, 2021, which are fully provided by allowance. The NPA is only 0.79% of the total gross assets.

In terms of management, the Bank managed its administrative expenditures which accounted for 79.68% of total expenses but 252.20% of gross revenues.

Liquidity ratios showed a high percentage for the year 2021 and the same is set to increase, expecting additional capital funds from stockholders.

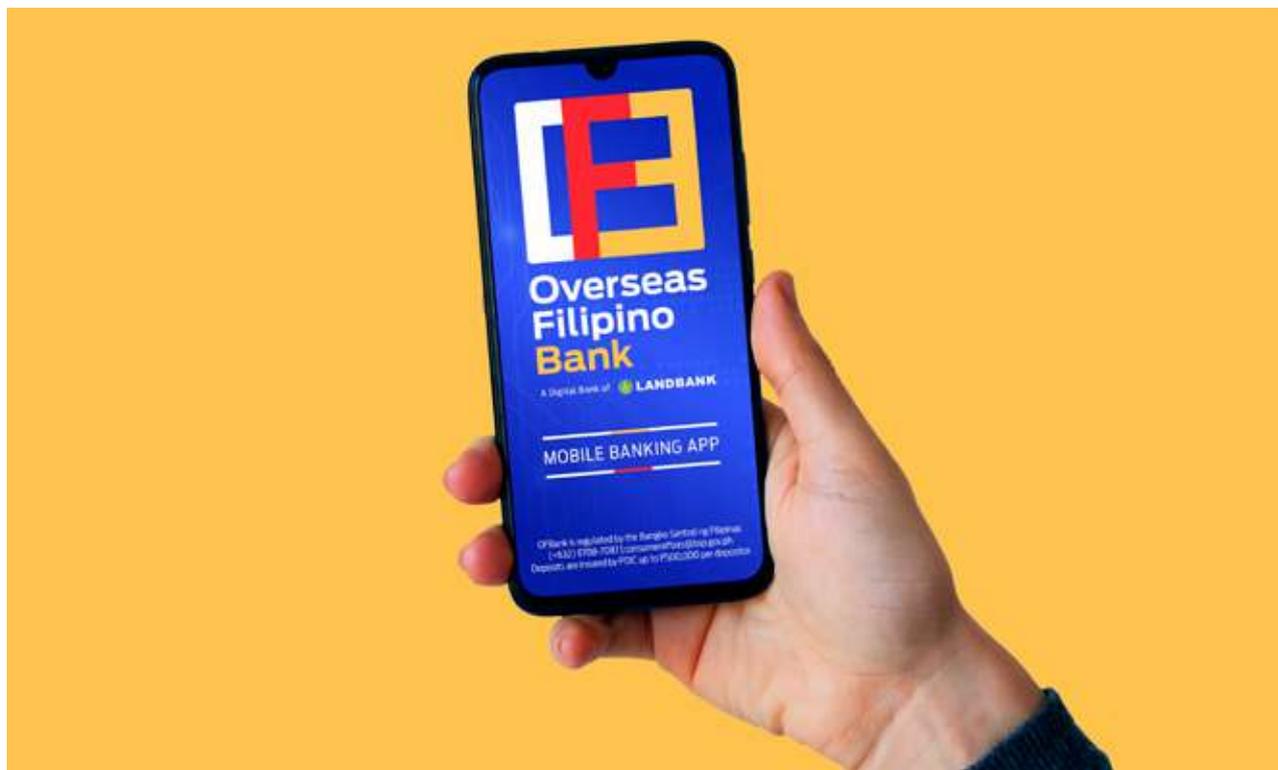
Other Accomplishments

On March 25, 2021, the BSP-Monetary Board issued to OFBank its digital banking license which ushered in the bank as the first licensed digital-only, branchless bank in the Philippines. Consistent with its authority to "offer financial products and services that are processed end-to-end through a digital platform and/or electronic channels with no physical branch/sub-branch or branch-lite unit offering financial products and services", the bank's roster of digital products and services was further complemented by an innovative investment facility - the Retail Dollar Bond (RDB) launched in September 2021.

The RDB are United States (US) dollar-denominated bonds that allow retail investors to mobilize and grow their savings while helping fund the National Government's recovery and resiliency programs. The RDB—available at a minimum investment of US\$300 and increments of US\$100 thereafter—can be purchased using the OFBank Philippine peso accounts, with the Mobile Banking Application (MBA) facilitating the currency conversion of peso to US dollars, including the principal payments and the interests.

For the first time, Overseas Filipino Workers (OFWs) and Overseas Filipinos (OFs) are able to participate in a Bureau of Treasury offering and purchase the RDB via a convenient investment channel with transactions completed in as fast as five minutes or even less.

With the continued limited in-person interactions in 2021 spiking consumer preferences toward digital interactions, OFBank facilitated the opening of 42,631 accounts through its Digital On-boarding System with Artificial Intelligence (DOBSAI) and obtained a 114.4% growth in terms of total number of accounts opened.





UNITED COCONUT PLANTERS BANK

For 58 years, United Coconut Planters Bank (UCPB) has built a long-standing relationship with its clients through its distinct brand of personal and proactive service. UCPB is one of the pioneers in the banking industry, having been established in May 1963 and re-created in 1975 to provide credit facilities to coconut farmers nationwide. It was the first private Philippine bank to become a universal bank in 1981, allowing the Bank to offer a wider range of products and services to its clients. It also blazed a trail for innovations, having been the first bank to offer ATM services in the late 1980s and one of three banks which established the first interbank ATM network in the country called Megalink. The Bank has since strengthened its deposit and consumer loan products and expanded its digital banking capability through its online banking facility and mobile app.

The Bank has a strong corporate social responsibility program in the areas of microfinance, education and environment. The UCPB-CIIF Finance and Development Corporation provides microfinance facilities to coconut farmers through partner rural financial institutions and cooperatives. The UCPB-CIIF Foundation, on the other hand, provides college and technical-vocational scholarships to children of coconut farmers from 63 coconut-producing provinces nationwide. UCPB also implemented one of the most successful and sustainable private reforestation initiatives on a 33.3-hectare site within the La Mesa Watershed area in Antipolo City. It was declared as a “Model Reforestation Site” by the Department of Environment and Natural Resources and received similar recognitions from the Asian CSR Conference and Asian Banking Awards. The Bank also supports Operation Smile, an international children’s charity that holds free surgical missions to repair oral cleft among indigent children. It has extended donations, shared executive time, employee-volunteers, and provided office space in the UCPB Head Office in Makati City for Operation Smile.

On Sept. 24, 2021, LANDBANK acquired P12.0 billion special preferred shares of PDIC in UCPB, making LANDBANK the majority stakeholder with 88.91% voting rights, and turning UCPB into a LANDBANK subsidiary. This is in compliance with the Executive Order signed by President Duterte on June 25, 2021 approving the merger between LANDBANK and UCPB, and the acquisition of PDIC’s special preferred shares. The merger will form a unified, stronger and more resilient banking institution with a bigger network and wider range of products and services in support of the government’s sustainable and inclusive development agenda including a stronger support to the agri value chain.

In preparation for the upcoming merger, a working committee was formed composed of LANDBANK and UCPB executives to ensure unhampered banking operations and to implement an effective communication plan during the transition period.

UCPB posted a net income of P2.174 billion by the end of 2021, a 52 % decrease from the P4.160-billion year-end income in 2020. Deposits went down to P1.379 billion from P2.682 billion from year ago levels. Interest income took a downturn to P12.799 billion from P14.133 billion year-on-year. Non-interest income declined to P1.915 billion from P5.055 billion in 2020. Operating expenses stood at P8.23 billion from P8.27 billion the previous year.

Products and Services



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.

ATM Savings Account

An interest-bearing peso savings account wherein deposit transactions are made over-the-counter (OTC) or through the CDM during official banking hours/days. Withdrawals may be done OTC or at any LANDBANK and other ATMs with Bancnet and Visa* logo. Cashless purchases may also be done via 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*

Regular Current Account

A non-interest-bearing peso account, also known as Checking or Demand Deposit Account wherein deposits are made over-the-counter 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 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 and other ATMs with Bancnet and Visa* logo. Cashless purchases may also be done via 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*

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 over-the-counter 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 and other ATMs with Bancnet and Visa* logo. Cashless purchases may also be done via 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.*

Regular Peso Time Deposit

A specific amount of funds in peso which earns interest at a pre-determined 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.

Easy Savings Plus (ESP)

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.

High Yield Savings Account (HYSA)

A peso account wherein funds of a specific amount are given pre-determined competitive rates for a fixed term. Passbook also serves as a proof of deposit. HYSA accounts are offered to institutional customers only.

US Dollar Savings Account

An interest-bearing dollar savings account with a minimum initial deposit of US\$100 for individual customers and US\$1,000 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 pre-determined 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 (HYUSDTD)

A special time deposit account, with a minimum initial deposit of US\$2,000 for a two-year term, and US\$10,000 for a three-year term, which earns a much higher interest than a regular time deposit account.

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.

Overseas Filipino (OF) Deposit Account

Account opened and processed in the Philippines or abroad by LANDBANK Overseas Remittance Officers (OROs) or opened and processed in the Philippines by officially designated/authorized personnel of Remittance Marketing and Management Department (RMMD), and by LANDBANK Branches and Branch-Lite Units.

iAccess (Retail Internet Banking Facility)

The LANDBANK iAccess is a retail internet banking facility that allows individual clients with enrolled savings ATM accounts, regular current, and current accounts with ATM access to enjoy the convenience of secure online banking services anytime and anywhere. iAccess offers banking services such as fund transfer to own account and nominated third-party accounts, as well as fund transfer 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 customers which allows private and government entities with enrolled Regular Savings Accounts, Current Accounts, and High Yield Savings Account to manage their transactions online. Further, it enables customers to pay bills, process ATM payroll, re-order checkbooks, sweep funds, and facilitate automatic debit and credit. It also allows them to transfer funds to their account or another account maintained at LANDBANK, 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)

LANDBANK offers real-time banking convenience to National Government Agencies through the LANDBANK Electronic Modified Disbursement System (eMDS), which provides a secure internet-based facility that streamlines the tedious and costly processing of MDS transactions and eliminates physical transmission of required documents and reports. The eMDS covers transactions such as the transmission of Advice of Checks Issued and Cancelled (ACIC), payment of accounts payable to creditors, and fund allocation transfers initiated and approved by the government agency. The requests for checkbooks, on the other hand, are automatically forwarded to the concerned branches for processing.



Mobile Banking Application (MBA)

The LANDBANK Mobile Banking Application (MBA) is one of the Bank's popular e-banking channels, and provides customers 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, customers can enjoy mobile banking services such as balance and transaction history of deposits, credit card accounts, checkbook request, cardless withdrawal, intra-bank and inter-bank fund transfers, bills payment to over 80 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.

Easy Padala

Another e-banking innovation from LANDBANK. It is a web-based remittance system - LANDBANK Remittance System (LBRS) that is able to process incoming and outgoing remittances 24 hours a day/ seven days a week (24/7), ensuring fast and secure way of OFW's hard-earned money to reach their beneficiaries on real time basis.

LANDBANK Phone Access

The LANDBANK Phone Access is a phone banking facility that allows customers to make selected off-site bank transactions, financial, and non-financial, by using a landline or mobile telephone.



LANDBANK ATM Regular Card

The LANDBANK ATM Regular Card is an ATM Card linked to a deposit account which can be accessed locally for cash deposits, cash withdrawals and Point-of-Sale (POS) transactions. Deposit transactions are done via OTC or through CDM, while withdrawal transactions may be done OTC or via ATMs 24 hours a day, seven days a week

through 22,721 ATMs nationwide. ATM withdrawals may also be done through any POS Cash Out terminal from partner merchants across the country.

LANDBANK Visa Debit Card (LVDC)

The LVDC is an enhanced version of ATM Regular Card that enables international access through more than 2.7 million ATMs in more than 200 countries worldwide where the Visa logo is displayed, and expands the merchant network through our partnership with Visa. It allows the customer to shop online, pay bills and make mobile and over-the-counter purchases based on funds available in his/her bank account. It supports tap-to-pay POS purchases with its contactless feature and is capable of receiving overseas remittance through Visa partners.

LANDBANK Institutional Cash Card (LICC)

The LICC is a prepaid or stored value card that serves as an alternative payment method for goods and services that also functions as an ATM Card. It is offered to Institutions/ Agencies for issuance to its employees/members/ beneficiaries for their payroll, allowances, loans, grants among others.

LANDBANK Prepaid Card (LPC)

The LPC is a Mastercard-branded prepaid card that can be used in ATMs, POS and online purchases worldwide where Mastercard is accepted. The LPC supports tap-to-pay purchases with its contactless feature and card-not-present transactions are protected by one-time password (OTP) via 3DSecure facility. The LPC has four main variants: Travel Card, Gift Card, General Purpose Reloadable Card and Agent Banking Card.

LANDBANK e-Card (Electronic Card)

The LANDBANK e-Card is a customized ATM Card that doubles as a company identification (ID) card for private and government institutions. The LANDBANK e-Card can be designed to fit the customer's requirements.

Radio Frequency Identification (RFID) Card

The RFID Card is a customized ATM Card embedded with a microchip where the cardholder's personal information can be stored. The memory size of the microchip differs depending on the volume of data to be stored. It also has an antenna for receiving and transmitting signals that enables the microchip to transmit the encoded information to a card reader.

LANDBANK Credit Card

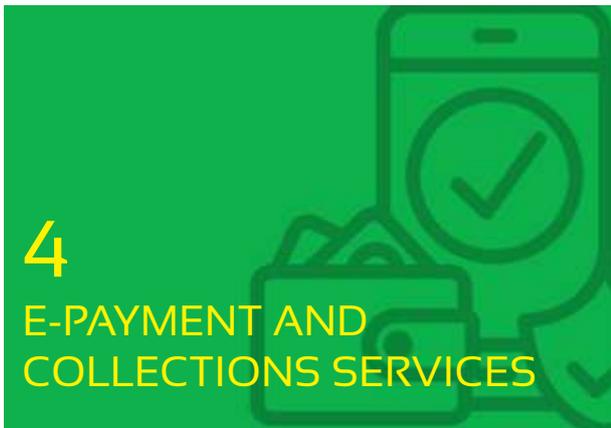
The LANDBANK Credit Card provides the means for the cardholder to conveniently and safely make cashless

purchases from MasterCard accredited merchants and/or facilitate cash advances worldwide. This supports tap-to-pay purchases with its contactless feature while card-not-present transactions are protected by a one-time-password (OTP) via 3DSecure facility.

The LANDBANK Credit Card comes in three types, namely: Classic, Gold and Corporate.

Under the corporate type is the Government Purchase Card or GPC Program, an initiative program of the Bureau of Treasury in coordination with LANDBANK and the Department of Budget and Management, which aims to enhance government agency's financial management by reducing agency's handling of physical cash, shortening of the liquidation period of obligations to suppliers of goods and services and maintaining sufficient internal controls. Target market of this product includes the National Government Agencies and the Government-Owned and Controlled Corporations.

The pilot implementation of the said program has been successfully completed in Sept. 2, 2020 with approval for its full implementation issued by the Bangko Sentral ng Pilipinas on April 20, 2021.



LANDBANK Link.BizPortal

The LANDBANK Link.BizPortal is a web-based payment channel designed to accept payments of fees, dues and charges from customers of enrolled merchants from both the government and private institutions.

E-Tax Payment System (eTPS)

The Electronic Tax Payment System (eTPS) is LANDBANK's proprietary channel in participation with 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 PAS5-Electronic Payment System (PAS5 – EPS)

The Payment Application Secure Version 5 (PAS5) – Electronic Payment System (PAS5-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 PAS5 of the Bureau of Customs (BOC), affords customers with a convenient online payment channel that is available seven days a week, including holidays, except during scheduled system maintenance.



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 banks 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 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.

Sale of FX Currency Notes

Sale of foreign currency notes to a customer.

Note: USD may be bought and sold at all branches. Japanese Yen may be bought and sold only at selected branches.

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

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) Mode local bank for credit to account maintained in a LANDBANK Branch.

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.



Salary (Livelihood) Loans

A salary loan product of the Bank offered for all qualified employees/elected officials of private and government entities provided the institution/agency maintains a reciprocal business with the Bank.

Loans Against Hold-out on Deposits (LAHOD)

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).



Deposit Pick-Up Services

Allows the mobilization/transmittal of voluminous cash/check deposits of customer via pick-up at the customer's premises through the use of the bank's armored car facilities 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 firm's account and crediting each of the individual ATM accounts of employees on payroll date.

Revenue Collection Arrangement

The government agency/customer opens and maintains a one-way depository account/s (ODAs) at the Bank's branches where their field offices/branches/customers may deposit their sales collections/payments for eventual transfer on a periodic basis to the main account. Compensating ADB is required.

Safety Deposit Box

Boxes which are rented to selected 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.

8 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 including that of LANDBANK, DAR, GSIS and other government agencies, 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, therefor.
Presidential Decree (PD) 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.
Presidential Decree (PD) No. 6657	Comprehensive Agrarian Reform Law of 1988 declared the policy to pursue the Agrarian Reform Program to promote social justice and sound rural development and industrialization in consideration of the landless farmers and workers.
Presidential Decree (PD) No. 9700	An act of 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, preparation and approval of payment to landowner for land transfer claims in the form of cash and Agrarian Reform (AR) Bonds generated by LANDBANK.

- **Bond Servicing Transactions**

Bond Interest and Maturities Payment

Processing, approval and payment of maturities and interest due to the landholders of AR Bonds and 25-Year LANDBANK Bonds.

For AR Bonds, 10% of the face value of the bond matures every year up to the 10th year. Payment of interest is based on the outstanding principal balance of the AR Bond at rates aligned with the 91-day Treasury Bill rates, every six months from date of issue until the tenth 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 Transfer, Conversion, Exchange and Replacement**

Processing, approval, and issuance of new replacement bonds upon request of the bondholder for the following transactions:

Assignment - transferring from an inscribed bearer bond to named assignee/s.

Conversion - changing of the inscribed bond to a bearer bond and vice-versa.

Exchange - issuing 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.

- **Assistance to landowners**

Bond Sale and Marketing

Assistance to original bondholders in the marketing of their AR Bonds by offering it for sale to interested buyers (banks, insurance companies, foreign corporations or private individuals) as a risk-free instrument.

- **Special Lending Window for Bondholders (Multi-Purpose Loan)**

Credit assistance or special lending program for original bondholders available at different lending units of LANDBANK for various business activities using as collateral the AR Bond or sale proceeds therefrom.

Assistance to Agrarian Reform Beneficiaries (ARBs)

Issuance of Certificate of Full Payment/Release of Real Estate Mortgage 9CFP/ROREM)

The CFP /ROREM is automatically generated by the system one day after the ARB fully pays his land amortizations to LANDBANK. It is signed by the authorized signatories in the Agrarian Operations Centers (AOCs) and duly notarized by the LANDBANK field lawyer. Subject to presentation of documents by the ARBs or his/her duly authorized representative, the CFP/ ROREM is available for release not later than seven working days from the time the document is generated from the system.

- **Moratorium in the Payment of ARR Accounts**

ARBs are obliged to pay their annual amortization of the land awarded to them under the agrarian reform program. However, if a farm lot suffered substantial reduction or low production due to the occurrence of natural and man-made calamities, the affected ARB may be granted relief in terms of moratorium in the payment of land amortizations.

- **Estate Development Planning**

To improve ARB productivity through estate development planning, LANDBANK is involved in the institutional development of its mandated clients. This includes provision of technical assistance on property valuation to augment credit programs or non-loan programs involving ARBs; provision of professional advice and/or recommendation on the acquisition of postharvest facilities, enhancement of agricultural practices, preservation/utilization/improvement of agricultural lands, and the conception, planning, management, and development of agricultural/farming real estates.

- **Automated Collection of Land Amortization from ARBs**

The Portable Agrarian Collection System (PARCS) is a custom-designed solution which shifted the manual collection of land amortization into an automated system using mobile devices.

- **SMS Payment Notification to ARBS**

This is an enhancement of the PARCS wherein the ARBs receive text messages acknowledging the receipt of their land amortization payment through the PARCS. It allows DAR and LANDBANK to interact with ARBs in a cost-effective and timely manner.

- **ALERT ARBOS PROGRAM**

Through the implementation of the DLS-PARCS Interface, ASG will provide assistance to NDLS in the collection of loan amortization payment of the Agrarian Reform Beneficiary Organizations (i.e., cooperatives and farmers association with ARB members) via PARCS.



A. Agricultural Lending Programs (Legislated)

- **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 acquisition and establishment of agricultural production and processing facilities, farm inputs and farm improvement with minimal documentary requirements and interest rate.

- **Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)**

A lending program implemented pursuant to RA 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 farms/planters and farm workers through improved productivity and production efficiency

- **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 facilities, and farm improvement

- **Socialized Credit Facility to Qualified Agrarian Reform Beneficiaries (ARBs) and Small Farmers and Fisherfolk (SFF) through Qualified Partner Financial Institutions (PFIs)**

The program aims to provide socialized credit facility to qualified small farmers and fishers, as well as the agrarian reform beneficiaries through qualified conduits or partner financial institutions, thereby expanding the Bank's outreach to the agricultural sector; and to comply with the provisions of RA No. 10878 and its related IRR per BSP Circular No. 1090, particularly on the socialized credit facility to qualified program beneficiaries.

B. Agricultural Lending Programs (in partnership with the National Government)

- **Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (E-ARISE-ARBs) Program**

A joint program of DAR and LANDBANK which provides a contingent credit facility to Agrarian Reform Beneficiaries (ARB) 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

- **Agricultural Production Credit Program (APCP)**

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 provides financial assistance and other support services to ARBs and their household members, through their respective organizations or through other conduits, for their agricultural production and other agri-enterprise projects

- **Credit Assistance Program – Program Beneficiaries Development (CAP-PBD)**

A joint program of LANDBANK and DAR which provides credit assistance to ARBs through their respective organizations to finance their crop production, agri-enterprise and livelihood project. The program is coupled with support alongside institutional, enterprise and capacity development for the intended beneficiaries

- **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 government contracts

- **Masustansyang Inumin Para sa Likas na Kalusugan (MILK)**

A program tie-up with the National Dairy Authority (NDA) under the DA and LANDBANK to provide financial and technical support to small farmer co-ops, 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 (PALAY ng Lalawigan) Program**

A joint program of DA and LANDBANK that aims to provide credit assistance to Municipal, City and Provincial Local Government Units (LGUs) to purchase the palay and corn produced by local farmers, thus, ensuring a ready market and steady price for palay and corn produce. LGUs can also avail of farm machinery and equipment (post-harvest facilities) to support their palay and corn buying activities

- **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

- **Sikat Saka Program**

A special program jointly established by LANDBANK and the DA that provides credit directly to small palay farmers in 45 major rice-producing provinces and corn farmers in 11 major corn-producing provinces. The Program also offers integrated support services to the farmer beneficiaries in terms of marketing, free irrigation, crop insurance and training which enhance the Program's sustainability

- **Expanded SURE Aid and Recovery Project (SURE Aid COVID-19)**

A program tie-up between DA-ACPC and LANDBANK which aims 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

- **Upland Southern Mindanao Credit and Institutional Building Program (USM-CIBP)**

A program tie-up between the DA-ACPC and LANDBANK which provides institutional capacity building and credit services to organizations/institutions serving the upland areas of Southern Mindanao, particularly in the identified USM-CIBP areas

C. LANDBANK In-House Agricultural 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 fishing vessels for domestic or overseas use in consonance with the policy of the government to liberalize vessel acquisitions

- **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**

A program 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 support to the peace-building efforts in the BARMM and conflict-affected areas in Mindanao, through the promotion of value-chain, increase in agri-business 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 agri-business enterprise

- D. Housing and Mortgage Programs**

- **Housing and Opportunities Made Easy (HOME) Loan Program**

The LANDBANK HOME Program is a lending program that caters to both homebuyers and home developers:

- a. Easy Home Loan (EHL) Program**

EHL Program allows individual home buyers to purchase residential units, house and lot, or 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.

- b. 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.

- c. 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

- d. 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

- E. 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 salary loan, inquire loan details, 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

- F. Programs for Partner Financial Institutions**

- **Countryside Financial Institutions Enhancement Program 2020 Calamity Assistance Program (CFIEP-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 loan line to eligible partner financial institutions (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

G. Rehabilitation Programs

- **LANDBANK 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 that is made 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

- **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 through provision of additional funds and loan restructuring under more flexible terms and conditions

- **Interim REhabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 for Better Urban Services (I-RESCUE BUS) Lending Program**

LANDBANK's support program to provide interim measures for bus operators affected by the pandemic for the acquisition of modern Public Utility Buses

H. 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

- **LANDBANK 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 any LGU 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**

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

- **Municipal Development Fund Office (MDFO) Assigned Loans**

Pursuant to the RA No. 11494 and DOF Circular No. 006-2020, the unutilized or unreleased balance in the Municipal Development Fund (MDF) including investments and undrawn portions of all loans and outstanding loans as of Dec. 15, 2020 were transferred to LANDBANK for administration.

- **Municipal Development Fund (MDF) Lending Program**

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 lending program which aims to provide financial support to cities, highly urbanized LGUs, SMEs, corporations, cooperatives, NGOs, GOCCs, and viable enterprises for the development/adoption of digital infrastructures and applications to improve the quality of life in the city/highly urbanized LGUs and attain environmental sustainability and making the city economically competitive

I. 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 provides for the promotion of rural electrification that would ensure quality, reliability, security and affordability of supply of electric power nationwide

• Renewable Energy Lending Program

A program that provides financing to renewable energy/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 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 Local Government Units 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.

J. Business Development and Entrepreneurial Credit Programs

• Access of Small Entrepreneurs to Sound Lending Opportunities (ASENSO)

In support of the National SME Development Plan, the government financial institutions (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.

- **LANDBANK Go Green Inclusive Financing for SMEs and LGUs Program**

A program in support of the National Government's National Energy Efficiency and Conservation program that aims to provide private businesses and government offices access to financing for energy solutions and/or packages.

- **LANDBANK-PNOC RC Go Green Program for LGUs**

A program in partnership with PNOC Renewables Corporation (PNOC RC) that aims to provide accessible financing packages for energy-efficient solutions to LGUs.

- **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

K. Credit Programs for Educational Support

- **LANDBANK ACADEME ACcess to Academic Development to Empower the Masses towards Endless Opportunities) 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 Department of Education's (DepEd) Educational Service Contracting (ESC) and Senior High School Voucher Program (SHS-VP) for the implementation of the K to 12 Program.



A. Deposit Transactions

- **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.

- **Clearing of FX Check Drawn Against a Local Bank via Collection Letter Service**

FX Checks drawn against the 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

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

Negotiable instruments issued by a bank in the form of a money order drawn against its depository bank or themselves

Personal Checks

Negotiable instruments issued by an individual drawn against his/her demand account with a foreign bank

- **Deposit via FX Currencies**

Authorized LANDBANK branches accept bill/notes and coins of eligible LANDBANK FCDU deposit to an FCDU account maintained with the Bank.

B. Withdrawal Transactions

- **Withdrawal Transaction from an FCDU Account via Foreign Currency Demand Draft**

Foreign currency denominated bank draft drawn against LANDBANK's foreign depository bank.

- **Withdrawal via FX Currencies**

Authorized LANDBANK branches services withdrawals in foreign bills/notes drawn against an FCDU deposit account.

Via Outgoing PDDTS-Gross Settlement Real Time (GSRT) Mode

Transfer of US dollar funds from LANDBANK to any beneficiary maintaining an FCDU account with a participating local bank.

Via Outgoing Foreign Electronic Fund Transfer

Transfer of FCDU deposits from LANDBANK to any beneficiary living outside of the Philippines.

- **Withdrawals via Philippine Peso**

Authorized LANDBANK branches service withdrawals from an FCDU deposit account where proceeds shall be converted into Philippine Peso.

C. FX Currency Purchase

- **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 clients 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 client and drawn against their demand deposit account with a foreign bank

Via Postal Money Order

Negotiable instruments issued by a post office to a client and drawn against the demand deposit account with a foreign bank

Via USTW Checks

Negotiable instruments issued by the US Treasury Department to a client

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

D. Sale of Foreign Currency – Non Trade Transactions

• **Sale of FX Currency Notes**

Sale of foreign currency notes to both institutional and individual clients

• **Sale of FX through Demand Draft**

Negotiable instruments purchased by a client drawn against LANDBANK's demand deposit account with a foreign correspondent/ depository bank

• **Sale of FX through Outgoing Telegraphic Transfer**

Sale of USD or any third currency to a client funded by one of our LANDBANK's FX depository banks, for transmittal to the client's beneficiary; For non-trade purposes, clients are serviced by branches while for trade purposes clients are serviced by Lending Units

• **Sale of FX through Domestic telegraphic Transfer (GSRT)**

Debiting the account holder's FCDU/Peso account and apply the proceeds for electronic fund transfer payable in USD in various local banks in the Philippines

E. Inward Remittances

• **Incoming Local Remittance through PDDTS via GSRT MODE/EOD Netting**

Incoming dollar 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 or Regular account

• **Incoming Local Remittance through RTGS/PESONet**

Incoming peso fund transfers from participating local banks under Philippine Domestic Dollar Transfer System (PDDTS) - Real Time Gross Settlement (RTGS) and PhilPass - PESONet for credit to accounts maintained in a LANDBANK Branch

• **Incoming Foreign Remittance from any Foreign Bank**

Incoming remittance from any foreign bank coursed through LANDBANK's foreign depository banks for credit to LANDBANK FCDU or Regular account

• **Incoming Remittances from RAPs**

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



A. 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 fees (DSF) imposed by the Bureau of Customs on goods exported by the clients. Client exporter shall be enrolled in the Bureau of Customs Payment Application System (PASS 5) by submitting the required documents to a LANDBANK branch where he maintains his deposit account. Settlement of BOC documentary stamp and service fees are made by debiting the Exporter's LANDBANK account upon receipt of data from PCHC through PASS 5.

- **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.

B. Import

- **Opening or Issuance of 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 that 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 Stand-by LC (Foreign and Domestic)**

An undertaking issued by the Bank on behalf of its client that payment will be made to the beneficiary if the client does not make good its 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 and/or 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: (a) increase/decrease in LC amount; (b) extension of expiry/shipment date; and (c) 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 Trust Receipt (TR) upon request of the buyers/client.

- **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 (BL)/Airway Bill (AWB).

- **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 Bureau of Customs (BOC) on the goods imported by the client. The client importer shall be enrolled in the Bureau of Customs Payment Application System (PASS 5) 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 5.



Trust Product and Services

A. 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

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 an affordable and the best investment vehicle to participate in the financial markets.

- **LANDBANK Money Market Fund**

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 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 potential higher income from a portfolio of short-term bonds and fixed-income securities.

- **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 such as government securities, corporate bonds, and 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 peso-denominated listed stocks and tradable fixed-income securities.

- **LANDBANK Equity Fund**

An aggressive fund intended for clients whose investment horizon is greater than five years. The fund aims for long-term capital growth through investments in a diversified portfolio of peso-denominated listed equities.

- **LANDBANK Global \$ Fund**

A moderate US-dollar denominated fund 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.

UITF Facilities

- **LANDBANK UITF Auto-Invest Facility**

An option that allows you to automatically contribute to your existing UITF account by authorizing LANDBANK Trust Banking Group to debit your nominated LANDBANK deposit account and purchase additional units on a regular basis for as low as P1,000.00 a month.

- **LANDBANK i-Invest**

An online investment platform for LANDBANK UITFs accessible through the LANDBANK Mobile Banking App.

The facility allows you to:

- Enroll your Existing LANDBANK UITF Account;
- View the latest status of your UITF Portfolio; and
- Subscribe/Add to your existing UITF Investment

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 PERA investment products associated with the Contributor's investment and risk profile, and/or age of near retirement.

- **LANDBANK PERA Money Market Fund**

A conservative fund designed for PERA Contributors who aim to retire and withdraw their investments within one to three years from placement. The fund aims to provide decent returns and minimal risk on the invested capital from placements in short-term investments.

- **LANDBANK PERA Bond Fund**

A moderate fund designed for PERA Contributors who aim to retire in the next three years or more. The fund aims to achieve capital appreciation through investments in a portfolio of long-term fixed-income securities.

B. 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)**

This is based on a specific and defined amount of benefit provided by the company expressed in a number of months per year of service. An actuarial valuation is necessary to provide an estimate on how much funds the company should contribute or set aside to fulfill its obligation or liability to its qualified employees in case of retirement. The company is the sole contributor, and the employees have no option to contribute to the fund.

- **Defined Contribution Retirement Plan (Provident Plan)**

A contributory retirement fund wherein both the employer and employee contribute to the retirement plan. The retirement benefit of the employee is dependent on the defined contribution. Contributions are based on either a specific amount or percentage of the salary of the employee that the employer is willing to contribute. This type of plan does not require an actuarial valuation. However,

if the contributed amount of the employer is not sufficient to cover the minimum benefit required by law under RA No. 7641, the employer will have to top up on the retirement benefit of the employee.

- **Hybrid Retirement Plan**

A combination of a Defined Benefit Plan (Gratuity Plan), based on actuarial valuation, and a Defined Contribution Plan (Provident Plan), wherein the employees have the option to contribute to the retirement fund; Hybrid Plans are also registered with the BIR for tax exemption approval and certification.

Pre-Need Accounts

This refers to trust arrangements established by pre-need companies in compliance with the regulatory requirement to maintain trust accounts for such activities.

C. Individual Trust Accounts

This refers to trust arrangements established by an individual or a natural person, usually consisting of the disposition of assets to designated beneficiaries and settlement of the estate of the deceased.

- **Personal Management Trust (PMT)**

A type of arrangement that is ideal for those who wish to preserve or earn from their assets to answer for the current needs or the future use of the trustor or his beneficiaries. In the PMT, a trust agreement between LANDBANK TBG and the trustor is established during the lifetime of the trustor, to provide for the financial needs of the trustor and/or their designated beneficiaries.

- **Personal Retirement Trust Account (PRTA)**

A trust arrangement established between LANDBANK TBG and a client during the latter's lifetime. Assets are placed by a client in the account for the management of LANDBANK TBG with the objective to cater to the client's needs during retirement.

- **Life Insurance Trust**

An arrangement where LANDBANK TBG collects the proceeds of the life insurance policy of the client upon the death of the insured to distribute the same to assigned beneficiaries stated in the agreement.

D. Other Institutional Services

These types of arrangements require LANDBANK TBG to act as the depository of the assets and properties that shall manage the same in accordance with 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 IPOs, rights, or offerings.

- **Corporate Fiduciary Account**

Mortgage Trust Indenture (MTI)

LANDBANK 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. TBG acts as an intermediary between the borrower and the creditors and among the creditors themselves in the administration of the loan agreement and the mortgaged properties.

Facility and Loan/Paying Agency

The LANDBANK-TBG acts as an intermediary between the Borrower/Issuer and a syndicate of Lenders/Noteholders in accordance with the Loan/Notes facility. The Facility Agent is appointed as such to centralize the monitoring and the administration of the Notes Facility, ensuring that payments due under the Notes are settled promptly, reports are submitted as stipulated in the Agreement, and to a certain extent, ensures that terms and conditions of the Agreement are faithfully complied by all parties. The LANDBANK TBG may also be engaged as Paying Agent to ensure the disbursement of periodic interest to creditors/lenders.

- **Escrow Agency**

LANDBANK TBG, as an Escrow Agent, acts as a third and impartial party to intervene or to hold in escrow contracts involving money, securities, property titles, or documents to secure faithful compliance by either or both parties with the terms of the contract.

POEA Escrow

The POEA Escrow is based on Part II, Rule II of the 2002 POEA rules and regulations governing the recruitment and employment of land-based Overseas Filipino Workers (OFW) and on Part II, Rule II, 2003 POEA rules and regulations governing the recruitment and employment of seafarers. This is a standard escrow arrangement required by the POEA in the application and renewal of the license of overseas employment agencies. All overseas employment agencies are required to set up an Escrow account with an accredited reputable bank and deliver to the Escrow agent the amount of at least P1 million or US \$20,000. This is to ensure that there are funds set aside by the manning/recruitment agency for any eventuality of garnishment due to disputes between the manning/recruitment agency and the OFW.

Capital Gains (BIR) Escrow

This type of escrow arrangement is based on BIR Revenue Regulation No. 13-99, as amended by BIR Regulation No. 14-00, governing the exemption of certain individuals from the capital gains tax on the sale, exchange, or disposition of his Principal Residence. This is also a standard Escrow Arrangement wherein a Filipino citizen who has sold his Principal Residence (house and lot), may set up an Escrow with BIR and deliver to the Escrow Agent/Authorized Agent Bank (AAB) the amount equivalent to the capital gains tax derived from the sale, exchange, disposition of his Principal Residence. The seller is given by BIR 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 his old Principal Residence. The Escrow Agent/AAB shall release to the Seller/Transferor within 18 calendar months after showing proof of acquisition/construction and clearance from the BIR.

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, documents, and source codes to the Escrow agent as specified in the contract or upon fulfillment of the contract or service. Release of funds, securities, legal documents, TCTs/CCTs, or source codes 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

This arrangement is resorted to for assets where ownership is under dispute by two or more parties. This arrangement could be triggered by a court order or the mutual consent of all parties. The funds or assets are set aside and held and received by an Escrow Agent until a final decision on the rightful owner of the assets by a competent body or final instruction by all parties depending on what is stipulated in the contract (e.g., government BOT/PPP projects and procurement, disputes in inheritance, tax refunds, etc.).

- **Third-Party Securities Custody and Registry Services**

The Bank as Custodian, through its Third-Party Custodianship and Registry Department (TCRD), holds securities under a written agreement with clients and facilities receiving and delivering securities upon instruction. As Registrar, TCRD shall establish and maintain the official record of all registered holders of a corporate/bank issuance as designated or appointed by the issuer.

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**

LANDBANK-TBG provides a complete range of custody and safekeeping solutions to meet the client's objectives. LANDBANK-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.

- **Life Insurance Trust**

This refers to agency agreements where LANDBANK-TBG shall collect the proceeds of the life insurance policy of the client upon the death of the insured to distribute the same to assigned beneficiaries stated in the agreement.

E. Investment Management Services/Portfolio Management (Peso or US Dollar Denominated)

This type of arrangement involves the prudent management of funds or assets on behalf of the client based on his investment objectives, risk profile, and liquidity requirements. LANDBANK-TBG acts as an investment/portfolio manager with the primary intention of capital preservation, risk optimization, and assurance of liquidity. The types of investments such as bank deposits, government securities, corporate bonds, equities, UITFs, and mutual funds, other alternative investments are prudently assessed and evaluated to suit the client's requirement and risk appetite. The arrangement could be directional – wherein prior consent from the client is required before any decision is made, or discretionary – wherein the Bank is given full authority to invest the fund in pre-agreed investment guidelines.

F. Special Purpose Trust

LANDBANK-TBG acts as an independent party to a special purpose vehicle of undivided ownership interest in a segregated or identifiable pool of assets or receivables. These pools of assets or receivables are then sold or transferred to LANDBANK-TBG for management. The LANDBANK-TBG will sell securities to the investors backed by the assets. The cash flows generated by the underlying assets are then transferred to investors.

Treasury Products

A. 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.

B. 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.

C. 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.

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Financial Statements

INDEPENDENT AUDITOR'S REPORT



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City
CORPORATE GOVERNMENT AUDIT SECTOR
CLUSTER 1 – BANKING AND CREDIT

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
Land Bank of the Philippines
Manila

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of **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, 2021 and 2020, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Group and the Parent as at December 31, 2021 and 2020, 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 audits of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Bank 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 Parent Bank'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 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 Revenue Regulations No. 15-2010 in Note 26 and the Bangko Sentral ng Pilipinas (BSP) Circular No. 1074 in Note 32 to the financial statements are presented for purposes of filing with the Bureau of Internal Revenue and complying with the BSP, respectively, and is not a required part of the basic financial statements. Such supplementary information is the responsibility of management of the Parent Bank 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


ROCHIE V. FELICES
Supervising Auditor

July 25, 2022



LAND BANK OF THE PHILIPPINES

STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

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, 2021 and 2020 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.



BENJAMIN E. DIOKNO
Chairman of the Board




CECILIA C. BORROMEO
President and Chief Executive Officer



ALAN V. BORNAS
Executive Vice President/Head, Operations Sector

Signed this 22nd day of July 2022

LAND BANK OF THE PHILIPPINES

STATEMENTS OF FINANCIAL POSITION

December 31, 2021 and 2020
(In Philippine Peso)

	NOTE	GROUP		PARENT	
		2021	2020 As Restated	2021	2020 As Restated
ASSETS					
Cash and other cash items	5	54,351,919,143	47,532,026,956	47,435,011,722	47,530,891,956
Due from Bangko Sentral ng Pilipinas	6	475,030,892,501	446,673,817,261	393,384,744,904	444,197,646,081
Due from other banks	7	25,918,936,571	8,780,206,030	13,960,454,520	10,600,413,170
Interbank loans receivable	8	11,474,804,466	10,565,211,340	11,474,804,466	10,565,211,340
Securities purchased under agreements to resell	9	16,643,098,719	16,657,210,811	15,801,019,516	15,821,382,644
Fair value thru profit or loss	10	32,061,547,408	10,896,032,655	31,368,533,543	10,896,032,655
Fair value thru other comprehensive income	11	616,825,978,835	513,117,058,248	576,310,439,551	513,065,504,595
Hold to collect - net	12	626,311,150,811	460,123,074,314	601,604,553,141	459,177,614,567
Loans and receivables - net	13 & 21	1,026,973,837,009	821,642,487,959	863,424,997,720	818,560,468,850
Investments in subsidiaries	14	0	0	5,363,344,580	1,372,789,546
Investment in associates	15	121,775,654	1,064,051,112	0	1,064,051,112
Investment property - net	16	10,516,203,075	7,676,552,527	8,059,086,056	7,559,420,230
Property and equipment - net	17	12,918,193,121	10,668,890,454	10,460,334,388	10,292,234,440
Non-current assets held for sale		5,219,745,062	780,101,384	522,250,955	780,101,384
Other intangible assets - net	19	1,759,501,582	1,139,733,223	1,188,761,507	1,124,727,370
Other assets - net	20	8,489,234,261	4,732,492,384	6,869,510,798	4,595,481,276
Deferred income tax	25	9,694,783,702	7,276,252,024	6,571,947,725	7,111,184,519
TOTAL ASSETS		2,934,311,581,920	2,369,325,198,682	2,593,799,795,092	2,364,315,155,835
LIABILITIES AND EQUITY					
Liabilities					
Deposit liabilities	22	2,567,955,478,480	2,094,280,113,068	2,268,420,378,729	2,094,645,214,658
Bills payable	23	25,782,587,188	28,591,013,632	23,765,830,863	27,006,374,753
Bonds payable		9,054,306,654	5,000,324,175	9,054,306,654	5,000,324,175
Derivative liabilities		349,635,797	9,652,138	349,085,832	9,652,138
Treasurer's, Manager's and Cashier's checks		3,357,704,414	1,937,807,455	2,391,701,710	1,937,665,596
Payment order payable		260,579,128	8,104,912	260,579,128	8,104,912
Marginal deposits		513,692,858	1,142,955,511	450,604,377	1,142,955,511
Cash letters of credit		14,220,889,448	4,108,319,511	4,329,334,868	4,108,319,511
Other liabilities	18 & 24	76,266,610,965	55,173,128,252	65,167,555,405	54,429,410,236
Total Liabilities		2,697,761,484,932	2,190,251,418,654	2,374,189,377,566	2,188,288,021,490
Equity					
Common stock	33 & 34	53,790,777,708	26,290,777,708	53,790,777,708	26,290,777,708
Paid-in surplus		101,098,220	101,098,220	101,098,220	101,098,220
Retained earnings free		50,667,936,652	28,529,141,952	49,233,153,123	26,464,102,845
Retained earnings reserve		85,839,433,625	85,738,076,617	84,368,454,010	84,368,454,010
Undivided profits		37,395,948,987	22,309,561,611	24,956,754,124	22,801,278,262
Revaluation increment		61,200,000	61,200,000	0	0
Other Comprehensive Income					
Net unrealized gains on securities available for sale		6,602,915,529	16,156,970,541	7,059,030,179	16,101,553,551
Remeasurement of retirement benefit obligation		(9,557,754)	(12,916,370)	0	0
Translation adjustment and others		99,917,550	(100,130,251)	101,150,162	(100,130,251)
Minority Interest		2,000,426,471	0	0	0
Total Equity		236,550,096,988	179,073,780,028	219,610,417,526	176,027,134,345
TOTAL LIABILITIES AND EQUITY		2,934,311,581,920	2,369,325,198,682	2,593,799,795,092	2,364,315,155,835

LAND BANK OF THE PHILIPPINES

STATEMENTS OF COMPREHENSIVE INCOME

December 31, 2021 and 2020
(In Philippine Peso)

	NOTE	GROUP		PARENT	
		2021	2020 As Restated	2021	2020 As Restated
INTEREST INCOME					
Loans		43,827,088,193	43,825,742,707	40,650,274,592	43,520,373,791
Investments	36	31,653,669,297	27,154,784,274	30,938,369,641	27,153,687,607
Due from Bangko Sentral ng Pilipinas		2,838,780,955	3,301,400,365	2,666,888,791	3,249,471,443
Deposit in banks		7,950,899	28,463,433	24,446,377	50,091,741
Others		1,051,694	452,819	1,051,694	452,819
		78,328,541,038	74,310,843,598	74,281,031,095	73,974,077,401
INTEREST EXPENSE					
Deposit liabilities		11,399,759,792	13,874,235,484	10,995,434,258	13,905,200,068
Borrowed funds		756,976,677	1,058,194,536	672,888,873	969,101,935
Bonds payable		292,024,616	15,808,169	292,024,616	15,808,169
Finance Lease Payment Payable		128,366,318	0	130,523,414	0
Others		73,862,542	146,700,510	173,667	160,682,286
		12,650,989,945	15,094,938,699	12,091,044,828	15,050,792,458
NET INTEREST INCOME		65,677,551,093	59,215,904,899	62,189,986,267	58,923,284,943
PROVISION FOR CREDIT AND IMPAIRMENT LOSSES	21	2,831,942,632	9,448,888,933	2,456,430,325	8,285,481,838
NET INTEREST INCOME AFTER PROVISION FOR CREDIT AND IMPAIRMENT LOSSES		62,845,608,461	49,767,015,966	59,733,555,942	50,637,803,105
OTHER OPERATING INCOME					
Dividends		933,722,805	1,081,982,686	932,149,988	1,081,982,686
Fees and commission		2,829,211,109	1,952,714,137	2,191,714,597	1,767,919,940
Gain from dealings in foreign currency		492,565,619	363,844,814	492,565,619	363,844,814
Gain from sale/redemption/reclass of non-trading of FA and	36	69,480	1,789,642,014	69,480	1,789,642,014
Gain on financial assets at fair value thru profit or loss	36	59,376,922	652,108,390	0	652,108,390
Gain on financial assets & liabilities designated at FV thru P/L		31,500,408	83,135,780	31,500,408	83,135,780
Foreign exchange gains from revaluation		2,335,858,762	0	2,295,742,670	0
Miscellaneous income	35	13,758,984,443	2,116,221,442	1,213,151,064	1,285,844,918
		20,441,289,548	8,039,649,263	7,156,893,826	7,024,478,542
OTHER OPERATING EXPENSES					
Compensation and fringe benefits		15,556,000,554	12,111,874,927	14,284,684,314	11,982,220,077
Taxes and licenses		6,138,074,851	5,330,152,941	5,590,758,425	5,255,273,217
Loss on financial assets at fair value thru profit or loss	36	1,846,610,753	0	1,846,610,753	0
Depreciation and amortization		2,931,109,289	2,256,644,948	2,333,069,243	2,227,010,288
Rent		488,960,267	692,392,443	828,215,037	804,023,899
Foreign exchange loss from revaluation		0	334,632,756	0	334,633,829
Miscellaneous expenses	37	17,803,877,076	14,354,528,379	16,275,484,188	13,947,794,624
		44,764,632,790	35,080,226,394	41,158,821,960	34,550,955,934
INCOME BEFORE INCOME TAX		38,522,265,219	22,726,438,835	25,731,627,808	23,111,325,713
PROVISION FOR INCOME TAX	25	1,126,316,232	416,877,224	774,873,684	310,047,451
NET INCOME		37,395,948,987	22,309,561,611	24,956,754,124	22,801,278,262
OTHER COMPREHENSIVE INCOME					
Net unrealized gains (losses) on securities available for sale	33	(9,554,055,012)	4,663,884,625	(9,042,523,373)	4,660,668,053
Remeasurement of retirement benefit obligation		3,358,616	(2,452,535)	0	0
Translation adjustment and others		200,047,801	(208,136,572)	201,280,413	(208,136,572)
TOTAL COMPREHENSIVE INCOME		28,045,300,392	26,762,857,129	16,115,511,164	27,253,809,743

STATEMENTS OF CHANGES IN EQUITY - GROUP

For the years ended December 31, 2021 and 2020
(In Philippine Peso)

	Common Stock (Note 33) Shares	Amount	Paid-in Surplus	Retained Earnings Free	Retained Earnings Reserve (Note 33)	Undivided Profits	Revaluation Increment	Other Comprehensive Income (Loss) (Note 33)	Minority Interest	TOTAL
Balance, December 31, 2019	262,907,777	26,290,777,708	101,996,220	21,479,763,286	73,316,234,322	19,652,019,099	61,200,000	11,590,628,402	0	152,491,901,037
Prior Period Adjustment on Quondam Bonds (58,886,855)										
Balance, December 31, 2019, as restated	262,907,777	26,290,777,708	101,996,220	21,479,763,286	73,257,347,467	19,652,019,099	61,200,000	11,590,628,402	0	152,432,811,182
Net income during the year, as restated						22,309,561,611				22,309,561,611
Net unrealized gain on securities								4,893,884,825		4,893,884,825
Re-measurement of retirement benefit obligation								(2,452,535)		(2,452,535)
Transfer to retained earnings free				19,652,019,099		(19,652,019,099)				0
Increase in retained earnings-reserve				(12,819,475,185)	12,819,475,185					0
Payment of Dividends				(121,044,428)						(121,044,428)
BIR Audit Tax Deficiency				(114,745,075)						(114,745,075)
Adjustment of ECL general provision				338,703,035	(338,703,035)					0
Adoption of PFRS 16 Right of Use Assets				17,264,230						17,264,230
Realized Gain from MRT				6,128,631						6,128,631
Fixed Assets higher capitalization Threshold				61,560						61,560
Prior period adjustment				83,416,655						83,416,655
Currency translation difference and others				4,030,144				(208,136,572)		(204,106,428)
Balance, December 31, 2020, as restated	262,907,777	26,290,777,708	101,996,220	28,529,141,862	85,738,076,617	22,309,661,611	61,200,000	16,043,923,920	0	179,073,760,928
Minority Interest in UCPB									2,000,426,471	2,000,426,471
Net income during the year						37,395,948,987				37,395,948,987
Transfer to retained earnings free				22,309,561,611		(22,309,561,611)				0
Fund transfer from BTR in support of loan programs for beneficiaries affected by COVID-19 pandemic pursuant to RA 11484	275,000,000	27,500,000,000								27,500,000,000
Net unrealized gain (loss) on securities				26,002,666				(9,554,055,012)		3,358,616
Re-measurement of retirement benefit obligation				15,000,000	(15,000,000)					0
Reversal of appropriation for Plant Expansion (MSI)				8,446,137						8,446,137
Fees and Commission Income from Subscribers				(279,719,062)						(279,719,062)
Payment of Dividends				(116,357,006)	116,357,008					0
Increase in retained earnings-reserve				(1,552,154)						(1,552,154)
Payment of Tax Deficiency for 2018				(185,082)						(185,082)
Prior period adjustment				177,597,392						177,597,392
Currency translation difference and others				59,687,936,652				200,047,801		60,892,024,855
Balance, December 31, 2021	537,907,777	53,790,777,708	101,996,220	59,687,936,652	85,839,433,625	37,395,948,987	61,200,000	6,693,275,325	2,000,426,471	236,550,996,988

The Notes on pages 247 to 310 form part of these financial statements.

STATEMENTS OF CHANGES IN EQUITY - PARENT

December 31, 2021 and 2020
(In Philippine Peso)

	Common Stock (Note 33) Shares	Amount	Paid-in Surplus	Retained Earnings Free	Retained Earnings Reserve	Undivided Profits	Other Comprehensive Income (Loss)	TOTAL
Balance, December 31, 2019	262,907,777	26,290,777,708	101,098,220	20,342,413,733	71,945,444,322	18,687,949,165	11,548,891,819	148,916,574,967
Prior Period Adjustment on Quedancor Bonds (58,989,855)								(58,989,855)
Balance, December 31, 2019, as restated	262,907,777	26,290,777,708	101,098,220	20,342,413,733	71,886,454,467	18,687,949,165	11,548,891,819	148,857,585,112
Net income during the year, as restated						22,801,278,262		22,801,278,262
Net unrealized gain on securities						(18,687,949,165)	4,860,868,053	4,860,868,053
Transfer to retained earnings free				18,687,949,165				0
Increase in retained earnings-reserve				(12,820,702,578)	12,820,702,578			0
Adjustment of ECL general provision				338,703,035	(338,703,035)			0
Fixed Assets higher capitalization Threshold				61,560				61,560
BIR Audit Tax Deficiency				(114,745,075)				(114,745,075)
Realized Gain from MRT				9,128,631				9,128,631
Adoption of PFRS 16 Right of Use Assets				17,264,230				17,264,230
Currency translation difference and others				4,030,144			(208,136,572)	(204,106,428)
Balance, December 31, 2020, as restated	262,907,777	26,290,777,708	101,098,220	26,464,102,845	84,368,454,010	22,801,278,262	15,001,423,300	176,027,134,345
Net income during the year						24,956,754,124		24,956,754,124
Fund transfer from BTR in support of loan programs for beneficiaries affected by COVID-19 pandemic pursuant to RA 11494	275,000,000							27,500,000,000
Net unrealized gain/(loss) on securities				26,002,866				0
Transfer to retained earnings free				22,801,278,262		(22,801,278,262)		(9,042,523,372)
Fees and Commission Income from Subsidiaries				8,446,137				8,446,137
Prior period adjustments				(185,082)				(185,082)
Currency translation difference and others				(66,481,905)			201,280,413	134,788,508
Balance, December 31, 2021	537,907,777	53,790,777,708	101,098,220	49,233,153,123	84,368,454,010	24,956,754,124	7,160,180,341	219,610,417,526

The Notes on pages 247 to 310 form part of these financial statements.

STATEMENTS OF CASH FLOWS

December 31, 2021 and 2020

(In Philippine Peso)

	GROUP		PARENT	
	2021	2020 As Restated	2021	2020
CASH FLOWS FROM OPERATING ACTIVITIES				
Interest received	74,681,583,624	69,298,982,727	73,937,203,714	68,959,388,779
Interest paid	(12,745,066,209)	(15,943,719,899)	(12,263,419,631)	(15,889,462,662)
Fees and commission received	2,829,211,109	1,952,714,137	2,191,714,597	1,767,919,940
Gain on financial assets and liabilities-fair value thru P/L	(1,787,233,831)	652,108,390	(1,846,610,753)	652,108,390
Gain on financial assets and liabilities Designated at fair value thru P/L	31,500,408	83,135,780	31,500,408	83,135,780
Gain from dealings in foreign currency	492,565,619	363,844,814	492,565,619	363,844,814
Miscellaneous income	13,758,984,443	2,116,221,442	1,213,151,064	1,285,844,918
General and administrative expenses	(39,694,062,728)	(31,046,962,990)	(37,747,847,052)	(30,490,854,123)
Operating income before changes in operating assets and liabilities	37,567,482,435	27,476,324,401	26,008,257,966	26,731,925,836
Changes in operating assets and liabilities				
(Increase)/Decrease in operating assets				
Interbank loans receivable	(909,715,000)	7,360,236,350	(909,715,000)	7,360,236,350
Fair value thru profit or loss	(21,176,984,871)	970,231,593	(20,483,971,006)	970,231,593
Loans and receivable	(206,931,729,184)	5,888,111,494	(49,227,506,398)	3,135,174,248
Other intangible assets	(1,404,075,564)	(346,999,055)	(344,862,004)	(343,601,227)
Other assets	(3,823,740,702)	(225,761,346)	(2,288,458,073)	93,433,847
Deferred income tax	(2,418,511,678)	(3,041,925,397)	539,236,794	(2,937,214,212)
Increase/(Decrease) in operating liabilities				
Deposit liabilities	473,675,365,412	309,600,478,870	173,775,164,071	311,569,038,316
Derivative liabilities	339,983,659	(20,841,435)	339,433,694	(20,841,435)
Payment order payable	252,474,216	(49,975,097)	252,474,216	(49,975,097)
Marginal deposits	(629,262,653)	(4,898,513,726)	(692,351,134)	(4,898,513,726)
Cash letters of credit	10,112,569,937	(5,403,820,117)	221,015,357	(5,403,820,117)
Treasurer's, Manager's and Cashier's Checks	1,419,896,959	(240,029,957)	454,036,114	(236,768,046)
Other liabilities	20,944,382,091	(4,311,751,342)	11,938,834,866	(4,287,772,097)
Net cash generated from operations	307,018,135,057	332,755,765,236	139,581,589,463	331,681,534,233
Income taxes paid	(45,178,349)	(191,082,983)	0	0
Net cash generated from operating activities	306,972,956,708	332,564,682,253	139,581,589,463	331,681,534,233
CASH FLOWS FROM INVESTING ACTIVITIES				
Additions to property and equipment	(3,837,076,373)	(1,293,699,810)	(1,659,051,032)	(1,303,793,254)
Disposals of/(additions to) investment property	(3,237,601,759)	(1,210,341,775)	(1,069,796,623)	(1,210,341,776)
Additions to non-current assets held for sale	(4,439,643,678)	348,482,423	257,850,429	(314,839,544)
Dividends received	933,722,805	1,081,982,686	932,149,988	1,081,982,686
Gain from investment securities	69,480	1,789,642,014	69,480	1,789,642,014
Decrease/(increase) in:				
Fair value thru other comprehensive income	(112,199,981,257)	(295,828,537,043)	(71,224,463,986)	(295,828,333,750)
Hold to collect	(164,918,162,273)	8,607,363,443	(141,157,024,350)	8,410,310,774
Investment in subsidiaries	0	0	(4,038,227,868)	0
Investment in associates	942,275,458	(277,638,501)	1,064,051,112	(277,638,501)
Net cash used in investing activities	(286,756,397,597)	(286,782,746,563)	(216,894,442,850)	(287,653,011,351)
CASH FLOWS FROM FINANCING ACTIVITIES				
Cash dividends paid	(279,719,062)	(121,044,428)	0	0
Capital infusion from National Government	27,500,000,000	0	27,500,000,000	0
Other charges to capital	2,317,814,520	(164,034,766)	169,052,429	(351,386,937)
Increase/(decrease) in:				
Bills payable	(3,842,909,934)	(876,795,235)	(4,275,027,380)	(297,434,113)
Unsecured subordinated debt	4,053,982,479	5,000,324,175	4,053,982,479	5,000,324,175
Net cash generated from (used in) financing activities	29,749,168,003	3,838,449,746	27,448,007,528	4,351,503,125
EFFECTS OF EXCHANGE RATE CHANGES ON CASH AND CASH EQUIVALENTS				
	2,335,858,762	(334,632,756)	2,295,742,670	(334,633,829)
NET INCREASE IN CASH AND CASH EQUIVALENTS	52,301,585,876	49,285,752,679	(47,569,103,189)	48,045,392,177
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR				
Cash and other cash items	47,532,026,956	37,957,408,722	47,530,891,956	37,955,763,738
Due from Bangko Sentral ng Pilipinas	446,673,817,261	382,533,984,798	444,197,646,081	380,699,211,607
Due from other banks	8,780,206,030	11,510,722,037	10,600,413,170	13,342,205,237
Securities purchased under agreements to resell	16,657,210,811	38,355,392,822	15,821,382,644	38,107,761,092
	519,643,261,058	470,357,508,379	518,150,333,851	470,104,941,674
CASH AND CASH EQUIVALENTS AT END OF YEAR				
Cash and other cash items	54,351,919,143	47,532,026,956	47,435,011,722	47,530,891,956
Due from Bangko Sentral ng Pilipinas	475,030,892,501	446,673,817,261	393,384,744,904	444,197,646,081
Due from other banks	25,918,936,571	8,780,206,030	13,960,454,520	10,600,413,170
Securities purchased under agreements to resell	16,643,098,719	16,657,210,811	15,801,019,516	15,821,382,644
	571,944,846,934	519,643,261,058	470,581,230,662	518,150,333,851

NOTES TO FINANCIAL STATEMENTS

DECEMBER 31, 2021 AND 2020

(All amounts in Philippine Peso unless otherwise stated)

1. Corporate Information

The Land Bank of the Philippines (“LBP” or “Parent”) is a financial institution wholly-owned by the National Government. 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 national government, local government units and government-owned and controlled corporations. As of December 31, 2021, 65 percent 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.

The accompanying comparative financial statements of the Parent were authorized for issue by the Parent’s Board of Directors on July 22, 2022 while those of the subsidiaries were approved for issue by their respective Board of Directors on various dates.

2. Summary of Significant 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).

2.2 Basis of Financial Statements Preparation

The accompanying financial statements have been prepared on a historical cost basis unless stated otherwise.

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
LBP Leasing and Finance Corporation	Philippines	Leasing	100%	Philippine peso
LBP Insurance Brokerage, Inc.	Philippines	Insurance brokerage	100%	Philippine peso
LBP Resources and Development Corporation	Philippines	Real estate	100%	Philippine peso
Masaganang Sakahan, Inc.	Philippines	Trading	100%	Philippine peso
Overseas Filipino Bank, Inc.	Philippines	Banking	100%	Philippine peso
United Coconut Planters Bank	Philippines	Banking	88.91%	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 United Coconut Planters Bank (UCPB) as Subsidiary

United Coconut Planters Bank (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 25 June 2021, President Rodrigo R. Duterte signed Executive Order No. 142 entitled, "Approving the Merger of the Land Bank of the Philippines (LBP) and the United Coconut Planters Bank (UCPB), and the Acquisition by the LBP of the Special Preferred Shares of the Philippine Deposit Insurance Corporation (PDIC) in the UCPB."

On 24 September 2021, the Parent acquired 12 Billion Special Preferred Shares of UCPB held by the 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 billion, 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.

LBP 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 Parent recognized a Gain on Bargain Purchase amounting to P11,999,456,312 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 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
NCl, 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

Consideration transferredCertificate of Indebtedness issued

The fair value of the 20-year P12 billion face value Certificate of Indebtedness was based on the present value of the instrument discounted using the effective interest rate of 14.934 per cent.

Identifiable assets acquired and liabilities assumed

The parent measures the identifiable assets acquired and the liabilities assumed at provisional amounts. The provisional fair value of identifiable net assets amounted to P18,038,110,651. After the acquisition date, the Parent shall reflect adjustments to the provisional amount should there be 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 shall be within one year from acquisition date. The Parent is still in the process of determining the fair values of UCPB's net identifiable assets and liabilities and the total acquisition/transaction related costs as at acquisition date.

The Parent measures at the acquisition date 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.

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, 2021. The application of these amendments had no significant impact on the Group and the Parent's financial statements.

Amendments to PFRS 16, Leases COVID -19-Related Rent Concessions

The pronouncement amended IFRS 16 Leases to provide lessees with an exemption from assessing whether a COVID-19 related rent concession is a lease modification. On issuance, the practical expedient was limited to rent concessions for which any reduction in lease payments affects only payments originally due on or before 30 June 2021. On March 2021, IASB issued an extension that permits a lessee to apply the practical expedient regarding COVID-19 related rent concessions to rent concessions for which reduction in lease payments affects only payments originally due on or before 30 June 2022 (rather than only payments originally due on or before 30 June 2021). The application of these amendments had no significant impact on the Group and the Parent's financial statements.

2.5 Significant Accounting PoliciesFinancial Instruments***PFRS 9, Financial Instruments***

The Group adopted the classification and measurement, impairment and hedge accounting requirements of the standard as follows:

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 Other Comprehensive Income (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.

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.

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 fair value through other comprehensive income (FVOCI);
- d. Due from Bangko Sentral ng Pilipinas and Due from Other Banks;
- e. Credit commitments and financial guarantee contracts that are not measured at fair value through profit or loss; and
- f. Other Financial Assets measured at amortized cost (Accounts Receivables, etc.)

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 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 significant increase in credit risk since initial recognition	Lifetime
Stage 3	credit exposures with objective evidence of impairment, these are considered as "non-performing"	Lifetime

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.

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 EIR. 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 amortised 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 derecognized 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.

Offsetting of financial instruments

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.

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.

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 Financial Statements, when material.

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.

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.

Investment in Associate

The Parent’s investment in associate pertains to the entity over which the Parent has investment holdings of 20 per cent or more and has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies. Investment in associate is accounted for under the equity method of accounting.

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 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.

Depreciation and amortization is 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.

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; and
- 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 derecognized 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.

Non-Current Assets Held for Sale

Non-current assets held for sale 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. 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.

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.

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.

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.

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 fund comes from the Parent's annual contribution based on the total number of employees as of December 31 of each year, which for 2021 amounts to P7.77 million. The fund is being administered by the Provident Fund Office and it is kept separate and distinct from its other funds.

The Group maintains a defined contribution plan which provides for estimated pension benefits on its contributory retirement plan covering all regular employees.

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 and leases of low-value assets. 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.

Revenue Recognition

Revenue is recognized to the extent that it is probable that economic benefits will flow to the Group and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received.

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 at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. 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 'Profit from assets sold/exchanged' 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 Management, one (1) point is earned for every P30 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 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 and Held-for-Trading (HFT) investments are recognized based on the contractual rate. Interest on financial instruments measured at amortized cost and fair value through other comprehensive income 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.

Borrowing Costs

The Parent's borrowing costs are expensed when incurred.

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 significant 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, 2022**PFRS 3 (Amendment), Reference to the Conceptual Framework (effective from January 1, 2022)**

The amendments are intended to replace a reference to a previous version of the IASB's Conceptual Framework (the 1989 Framework) with a reference to the current version issued in March 2018 (the Conceptual Framework) without significantly changing its requirements.

The amendments add an exception to the recognition principle of PFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope PAS 37 Provisions, Contingent Liabilities, and Contingent Assets or IFRIC 21, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

It is expected that the amendments will have no material effect on the Group's financial statements.

PAS 16 (Amendment), Property, Plant and Equipment – Proceeds before Intended Use (effective from January 1, 2022)

The amendments prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related cost in profit or loss. It is expected that the amendments will have no material effect on the Group's financial statements.

PAS 37 (Amendment), Onerous Contracts – Cost of Fulfilling a Contract (effective from January 1, 2022)

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labour, materials) or an allocation of other

costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under contract.

The Group is presently assessing the impact in adopting the amendment. The Group is expecting that at the adoption date, this will have no material impact on its financial statements.

Annual Improvements to PFRS Standards 2018 - 2020 are effective from January 1, 2022

Among the improvements, the following amendments are relevant to the Group:

- PFRS 9, Fees in the "10 per cent" test for derecognition of financial liabilities - The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.
- PFRS 16, Lease Incentives - The amendment merely removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example.

Both the above amendments are expected to cause no effect in the Group's FS.

PFRS 10 (Amendments), Consolidated Financial Statements, and PAS 28 (Amendments), Investments in Associates and Joint Ventures – Sale or Contribution of Asset Between an Investor and its Associates or Joint Venture (effective date deferred indefinitely)

The amendments to PFRS 10 require full recognition in the investor's financial statements of gains or losses from the sale or contribution of assets that constitute a business as defined in PFRS 3 between an investor and its associate or joint venture. Accordingly, the partial recognition of gains or losses (i.e., to the extent of the unrelated investor's interests in an associate or joint venture) only applies to those sale or contribution of assets that do not constitute a business. Corresponding amendments have been made to PAS 28 to reflect these changes. In addition, PAS 28 has been amended to clarify that when determining whether assets that are sold or contributed constitute a business, an entity shall consider whether the sale or contribution of those assets is part of multiple arrangements that should be accounted for as a single transaction.

The Group is presently assessing the impact in adopting the amendment. The Group is expecting that at the adoption date, this will have no material impact on its financial statements.

PFRS 17 – Insurance Contracts (effective on or after January 1, 2023)

PFRS 17 provides updated information about the obligation, risks and performance of insurance contracts, increases transparency in financial information reported by insurance companies, and introduces consistent accounting for all insurance contracts based on a current measurement mode.

The Group's financial statements will not be affected as it has no insurance operations.

3. Significant Accounting Judgments and Estimates

The preparation of the financial statements in compliance with PFRSs 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, Management has made the following 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 ROU asset in a similar economic environment.

The carrying values of the Parent's ROU assets and lease liability are disclosed in Notes 17 and 18, respectively.

Impairment of Financial Assets

The Parent adopted Expected Credit Loss (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/fair value through other comprehensive income (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 fair value through profit and loss (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 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.

Assessment of ECL

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 significant increases in credit risk 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 significant increase on 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:

If a credit obligation is considered non-performing;

If a borrower has been placed in bankruptcy, has been found insolvent, or has ceased operations;

If the bank sells a credit obligation at a material credit-related loss; or

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.

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: <ol style="list-style-type: none"> 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

ECL Parameters and Methodologies

The Parent adopts the ECL parameter-based estimation approaches as an impairment methodology. 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:
 - 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:
 1. Based on Bloomberg peers where Parent uses the equivalent ratings of the comparable companies sourced from the Relative Valuation function in Bloomberg; and
 2. 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. Overlay is an estimation of forward-looking overlay which considers the following:
 - a. Lending policies and procedures;
 - b. Economic business conditions and developments;
 - c. Trend volume of types of loans;
 - d. Experienced credit judgment of management and staff;
 - e. Changes in market trends;
 - f. Loan review system of the Parent; and
 - g. Credit risk profile of the Parent's exposure.

The Parent has also incorporated forward-looking overlay adjustment to the PD while experienced credit judgement is subject to the following:

1. Established policies and procedures;
2. Approved and documented framework assessments;
3. Reasonable and verifiable assumptions; and
4. Supported by adequate documentations.

Investments in peso-denominated debt securities issued by the Philippine Government or Bangko Sentral ng Pilipinas (BSP) are considered to have low credit risk and carries zero Expected Credit Loss.

4. 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 less recovery rate. LGD estimation for treasury exposures follows the same hierarchy used for PD estimation.

Restructured loans

Where possible, the Group seeks to restructure loans rather than to take possession of collateral. This may involve extending the payment arrangements and the agreement of new loan conditions. Once the terms have been renegotiated, the loan is no longer considered past due. Management continuously reviews restructured loans to ensure that all criteria are met and that future payments are likely to occur. The loans continue to be subject to an individual or collective impairment assessment, calculated using the loan's original effective interest rate. The difference between the recorded value of the original loan and the present value of the restructured cash flows, discounted at the original effective interest rate, is recognized in 'Provision for credit losses' in the statement of comprehensive income.

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 P612,933,910,783 and P572,418,418,166 as of December 31, 2021 and P510,287,984,538 and P510,236,477,552 as of December 31, 2020 respectively.

Estimation uncertainty

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 Management 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's Management 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 P12,918,193,121 and P10,460,334,388 as of December 31, 2021 and P10,668,890,454 and P10,292,234,440 as of December 31, 2020.

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

As of December 31, 2021 and 2020, the fair value hierarchy of the Parent's assets and liabilities are presented below:

As of December 31, 2021					
	Book Value	Level 1	Level 2	Level 3	Total Fair Value
FINANCIAL ASSETS					
FVTPL	31,367,078,592	27,256,480,770	3,048,888,317	1,061,709,505	31,367,078,592
Debt Securities	27,256,480,770	27,256,480,770	0	0	27,256,480,770
Domestic	27,256,480,770	27,256,480,770	0	0	27,256,480,770
Equity Securities	1,061,709,505	0	0	1,061,709,505	1,061,709,505
Domestic	32,262,236	0	0	32,262,236	32,262,236
FX-Reg	1,029,447,269	0	0	1,029,447,269	1,029,447,269
Derivative w/ positive FV	3,048,888,317	0	3,048,888,317	0	3,048,888,317
PLFD	2,951,417,960	0	2,951,417,960	0	2,951,417,960
FX-Reg	2,431,833	0	2,431,833	0	2,431,833
FCDU	95,038,524	0	95,038,524	0	95,038,524
FVOCI	565,359,387,987	568,925,388,026	0	3,493,030,140	572,418,418,166
Debt Securities	556,390,940,527	554,008,498,202	0	0	554,008,498,202
Domestic	468,305,545,495	464,828,264,200	0	0	464,828,264,200
FX-Reg	11,435,607,154	11,553,196,464	0	0	11,553,196,464
FCDU	76,649,787,878	77,627,037,538	0	0	77,627,037,538
Equity Securities	8,968,447,460	14,916,889,824	0	3,493,030,140	18,409,919,964
Domestic	5,077,162,176	13,477,247,268	0	1,051,628,754	14,528,876,022
FX-Reg	3,891,285,284	1,439,642,556	0	2,441,401,386	3,881,043,942
HTC	597,592,191,429	593,807,594,139	3,090,028,491	5,592,600,031	602,490,222,661
Debt Securities	597,592,191,429	593,807,594,139	3,090,028,491	5,592,600,031	602,490,222,661
Domestic	565,972,562,023	564,589,163,767	3,090,028,491	19,441,268	567,698,633,526
FX-Reg	10,788,928,319	7,041,356,644	0	3,998,893,130	11,040,249,774
FCDU	20,830,701,087	22,177,073,728	0	1,574,265,633	23,751,339,361
Total	1,194,318,658,008	1,189,989,462,936	6,138,916,808	10,147,339,675	1,206,275,719,419
FINANCIAL LIABILITIES					
Bills Payable	23,765,830,863	0	23,584,881,767	180,949,096	23,765,830,863
BSP Rehabilitation Program	24,303,875	0	0	24,303,875	24,303,875
Domestic Borrowings (ODA thru BTr)	156,645,221	0	0	156,645,221	156,645,221
Foreign Borrowings (ODA)	23,584,881,767	0	23,584,881,767	0	23,584,881,767
Bonds Payable	9,054,306,654	0	9,054,306,654	0	9,054,306,654
Derivative Liabilities	349,085,832	0	349,085,832	0	349,085,832
Total	33,169,223,349	0	32,988,274,253	180,949,096	33,169,223,349

As of December 31, 2020

	Book Value	Level 1	Level 2	Level 3	Total Fair Value
FINANCIAL ASSETS					Ω
FVTPL	10,883,107,586	6,429,977,233	3,477,223,795	975,906,558	10,883,107,586
Debt Securities	6,281,407,849	6,281,407,849	0	0	6,281,407,849
Domestic	5,825,111,174	5,825,111,174	0	0	5,825,111,174
FCDU	456,296,675	456,296,675	0	0	456,296,675
Equity Securities	1,124,475,942	148,569,384	0	975,906,558	1,124,475,942
Domestic	184,768,603	148,569,384	0	36,199,219	184,768,603
FX-Reg	939,707,339	0	0	939,707,339	939,707,339
Derivative w/ positive FV	3,477,223,795	0	3,477,223,795	0	3,477,223,795
PLFD	3,276,212,400	0	3,276,212,400	0	3,276,212,400
FX-Reg	111,518,758	0	111,518,758	0	111,518,758
FCDU	89,492,637	0	89,492,637	0	89,492,637
FVOCI	494,134,924,004	506,631,901,459	0	3,604,576,093	510,236,477,552
Debt Securities	485,527,182,639	492,593,198,984	0	0	492,593,198,984
Domestic	412,966,779,573	417,280,090,457	0	0	417,280,090,457
FX-Reg	7,939,071,974	8,217,255,045	0	0	8,217,255,045
FCDU	64,621,331,092	67,095,853,482	0	0	67,095,853,482
Equity Securities	8,607,741,365	14,038,702,475	0	3,604,576,093	17,643,278,568
Domestic	4,307,593,202	12,749,977,980	0	661,255,087	13,411,233,067
FX-Reg	4,300,148,163	1,288,724,495	0	2,943,321,006	4,232,045,501
HTC	456,451,469,810	482,334,943,092	4,096,207,949	6,584,903,273	493,016,054,314
Debt Securities	456,451,469,810	482,334,943,092	4,096,207,949	6,584,903,273	493,016,054,314
Domestic	430,332,008,475	458,919,604,371	4,096,207,949	22,145,266	463,037,957,586
FX-Reg	5,943,472,543	1,502,132,773	0	4,714,597,417	6,216,730,190
FCDU	20,175,988,792	21,913,205,948	0	1,848,160,590	23,761,366,538
Total	961,469,501,400	995,396,821,784	7,573,431,744	11,165,385,924	1,014,135,639,452
FINANCIAL LIABILITIES					
Bills Payable	27,006,374,753	0	26,812,500,340	194,819,384	27,007,319,724
BSP Rehabilitation Program	25,336,905	0	0	25,336,905	25,336,905
Domestic Borrowings (ODA thru BTr)	169,482,479	0	0	169,482,479	169,482,479
Foreign Borrowings (ODA)	25,670,467,861	0	25,670,467,861	0	25,670,467,861
Deposit Substitute-Repurchase Agreement	1,141,087,508	0	1,142,032,479	0	1,142,032,479
Bonds Payable	5,000,324,175	0	5,000,324,175	0	5,000,324,175
Derivative Liabilities	9,652,138	0	9,652,138	0	9,652,138
Total	32,016,351,066	0	31,822,476,653	194,819,384	32,017,296,037

5. Cash and Other Cash Items

This account consists of:

	Group		Parent	
	2021	2020	2021	2020
Cash on hand	53,806,886,456	47,467,335,540	47,361,365,672	47,466,285,540
Checks and other cash items	11,002,654	11,143,667	11,002,654	11,143,667
Returned checks and other cash items	50,955,047	42,723,012	50,955,047	42,723,012
Fx Currency Notes & Coins on Hand	429,725,250	0	0	0
Fx Currency Checks and Other Cash Items	41,216,387	0	0	0
Miscellaneous checks and other cash items	21,536	0	21,536	0
Petty cash fund	11,131,000	10,237,225	10,686,000	10,152,225
Revolving fund	0	217,092	0	217,092
Payroll fund	980,813	370,420	980,813	370,420
	54,351,919,143	47,532,026,956	47,435,011,722	47,530,891,956

6. Due from Bangko Sentral ng Pilipinas

This account represents the Parent'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.

7. Due from Other Banks

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020
Deposit with local banks	3,166,750,040	609,896,289	2,964,388,024	2,964,388,024
Deposit with foreign banks	22,754,041,703	8,174,926,925	10,993,977,223	10,993,977,223
Allowance for Credit Losses	(1,854,100)	(4,614,412)	(1,854,100)	(1,854,100)
Accrued Interest Receivable	0	0	3,944,445	3,944,445
Allowance for Credit Losses	(1,072)	(2,772)	(1,072)	(1,072)
	25,918,936,571	8,780,206,030	13,960,454,520	10,600,413,170

The Group maintains nostro accounts on global basis with 20 foreign depository banks totaling 22 and 23 bank accounts in 2021 and 2020, respectively, the most significant of which are as follows:

2021	2020
1. The Bank of New York	1. Standard Chartered Bank, N.Y.
2. Standard Chartered Bank, N.Y.	2. Bank of America, N.Y.
3. Bank of America, N.Y.	3. JP Morgan Chase Bank
4. JP Morgan Chase Bank	4. Citibank N.Y.
5. Citibank, N.Y.	5. The Bank of New York

8. Interbank Loans Receivables

This account consists of the Parent's loans receivable from foreign banks. Interbank loans receivable carry interest rates at December 31, 2021 as follows:

	2021	2020
Foreign	0.01% to 0.15%	0.10% to 1.62%

9. Securities Purchased under Agreements to Resell

This account consists of:

	Group		Parent	
	2021	2020	2021	2020
Domestic				
Reverse Repurchase-BSP	16,642,396,483	16,655,101,575	15,800,317,280	15,819,273,408
Accrued Interest Receivable	702,236	2,109,236	702,236	2,109,236
	16,643,098,719	16,657,210,811	15,801,019,516	15,821,382,644

Reverse Repurchase with BSP carry interest rate at 2.00 per cent as at December 31, 2021 and 2020.

10. Fair Value Thru Profit or Loss (FVTPL)

This consists of:

	Group		Parent	
	2021	2020	2021	2020
Government Securities – Domestic	27,256,480,770	5,825,111,174	27,256,480,770	5,825,111,174
Government Securities – Foreign	0	456,296,675	0	456,296,675
Private Securities – Domestic	725,276,101	184,768,603	32,262,236	184,768,603
Private Securities – Foreign	1,029,447,269	939,707,339	1,029,447,269	939,707,339
Derivative with positive fair value	3,048,888,317	3,477,223,795	3,048,888,317	3,477,223,795
Accrued Interest Receivable	1,454,951	12,925,069	1,454,951	12,925,069
	32,061,547,408	10,896,032,655	31,368,533,543	10,896,032,655

The FVTPL financial assets of the Group carry interest rates at December 31 as follows:

	2021	2020
Domestic	2.375% to 3.75%	3.50% to 6.25%
Foreign	0.625% to 6.375%	0.625% to 10.625%

FVTPL includes the foreign exchange (FX) Risk Cover of the Parent's borrowings from multilateral agencies amounting to P2,951,417,960 and P3,276,212,400 in 2021 and 2020, 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 National Government (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 relented 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, 2021, the outstanding notional amount of the FX Risk Cover amounted to JPY20,343,323,217 and EUR22,596,730.

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 P324,794,440 in 2021 and P1,151,312,972 in 2020.

The derivative with positive fair value comprise of the following:

	2021	2020
FX Risk Cover	2,951,417,960	3,276,212,400
Debt Warrants	95,038,524	89,492,637
Forward Contracts	2,431,833	111,518,758
	3,048,888,317	3,477,223,795

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.

11. Fair Value Through Other Comprehensive Income (FVOCI)

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020 As Restated
Domestic				
Government	493,408,574,296	417,331,597,443	464,828,264,200	417,280,090,457
Private securities	20,840,755,663	13,411,233,067	14,528,876,022	13,411,233,067
Foreign				
Government	92,873,862,220	75,313,108,527	89,180,234,002	75,313,108,527
Private securities	5,810,718,604	4,232,045,501	3,881,043,942	4,232,045,501
Accrued Interest Receivable	3,892,068,052	2,829,073,710	3,892,021,385	2,829,027,043
	616,825,978,835	513,117,058,248	576,310,439,551	513,065,504,595

FVOCI of the Group carry interest rates at December 31 as follows:

	2021	2020
Domestic	2.375% to 6.75%	2.375% to 6.375%
Foreign	0.125% to 10.625%	1.50% to 11.625%

Domestic – Private securities

a. Manila Electric Company (MERALCO) shares

FVOCI investments-Domestic Private include 42,002,750 MERALCO shares of stocks which are subject of legal disputes.

In November 2008, MERALCO unlawfully cancelled the 42,002,750 shares of stocks registered in the name of the Parent and reissued the same in favor of another individual allegedly in compliance with the Demand to Comply issued by the Sheriffs of the Department of Agrarian Reform (DAR) Regional Adjudicator. Of these 42,002,750 shares, 3,366,800 shares had been negotiated by another party; 37,233,200 shares remained quarantined at the Philippine Depository and Trust Corporation (PDTC); and another 1,402,750 shares has not yet been lodged with PDTC. However, the execution sale which was the basis for the issuance of the Demand to Comply was null and void from the beginning because of the Supreme Court's Temporary Restraining Order (TRO) enjoining the sale and the Resolution quashing all acts done pursuant to the Adjudicator's Writ. On December 17, 2008, the DAR Adjudication Board so ordered and required:

1. For MERALCO to cancel the Stock Certificates issued in favor of another party;
2. To restore the ownership of the subject MERALCO shares of stock to the Land Bank of the Philippines and to record the same in the Stock and Transfer Book of MERALCO; and
3. For the Philippine Stock Exchange, Inc. (PSE), the PDTC, the Securities Transfer Services, Inc., the Philippine Dealing System Holdings, Corp. and Subsidiaries (PDS Group) and any stockholder, dealer or agent of subject MERALCO shares to forthwith STOP: trading or dealing those shares and/or affecting settlement thereof, inter alia, so as to undo the foregoing contravening acts.

The Parent's shares of stock in MERALCO are not part of the Agrarian Reform Fund (ARF), a fund which is solely answerable to the obligation of the National Government pursuant to its Agrarian Reform Program. In accordance with Section 63 of Republic Act 6657 (Comprehensive Agrarian Reform Law), assets of the Parent cannot be used to pay for land acquisition as this shall only be sourced from the ARF.

In its December 14, 2011 Decision in G.R. No. 188376, the Supreme Court directed MERALCO to return to the Land Bank of the Philippines (LBP) 42,002,750 MERALCO shares of stock. The Supreme Court further declared that the MERALCO shares of stocks are corporate assets of LBP illegally taken to satisfy the payment of just compensation that should have been appropriated only from the ARF. This ruling has become final and executory on September 11, 2012 (Entry of Judgment).

LBP immediately filed a motion before the Regional Agrarian Reform Adjudicator (RARAD) for the issuance of a writ of execution to implement the Supreme Court decision. This was, however, vigorously opposed by the other party. On April 1, 2013, the RARAD finally issued the Writ of Execution. As partial compliance, MERALCO delivered to LBP 38,635,950 shares including cash dividends in the total amount of P1,206,955,618; and property dividends consisting of 108,884,212 shares of stock in Rockwell Land Corporation.

Still undelivered as of December 31, 2018 are 3,366,800 shares with market value of P1,067,275,600 plus accrued cash dividends thereon, amounting to P403,480,679 plus 9,488,394 shares of stock in Rockwell Land Corporation as property dividends, and the unpaid dividends due from the 1,402,750 MERALCO shares amounting to P8,145,010. These 1,402,750 shares are part of the 38,635,950 shares restored to LBP, but certificated in the name of the other party before the Supreme Court decision was partially implemented.

To recover fully the MERALCO shares and dividends, LBP sent its June 18, 2014 Letter to the Office of the Regional Adjudicator Region IV – B (MIMAROPA) requesting the office to direct the Sheriff to perform all necessary acts for the full implementation of the April 1, 2013 Writ of Execution such as, but not limited to, the issuance of another Demand to Comply to be served upon MERALCO. LBP again sent the August 15, 2014 Letter to RARAD reiterating its request to expedite the full implementation of the Supreme Court's ruling in G.R. No. 188376 and to prevent further damage to LBP.

On February 6, 2015, LBP received the January 24, 2014 Sheriff's Report from the Sheriff of the Regional Adjudicator Region IV-B (MIMAROPA) regarding MERALCO's partial compliance of the December 14, 2011 Supreme Court Decision in G.R. No. 188376. LBP's June 18, 2014 Letter and August 15, 2014 Letter were not acted upon by the RARAD, and no further writ of execution or demand to comply were issued.

Since RARAD no longer issued a writ of execution or demand to comply, LBP sent the February 11, 2015 Letter addressed to MERALCO to demand the delivery of the remaining 3,366,800 shares of stocks plus unpaid dividends. MERALCO failed to respond to LBP's demand.

On account of the January 24, 2014 Sheriff's Report and MERALCO's failure to respond to LBP's February 11, 2015 Letter, LBP prepared a petition for contempt against MERALCO and its representatives for failing to deliver the remaining 3,366,800 shares of stocks plus accrued dividends and the unpaid dividends due from the 1,402,750 MERALCO shares delivered to LBP, and to compel full compliance with the December 14, 2011 Supreme Court Decision.

On March 10, 2015, the petition was sent to the Office of the Government Corporate Counsel (OGCC) for review and signature. OGCC approved the filing of the petition before the Supreme Court. On April 14, 2015, the Petition to Cite Respondents in Indirect Contempt was filed before the Supreme Court.

On February 8, 2018, LBP filed its Motion for Early Resolution with Manifestation dated February 6, 2018. On March 5, 2018, the Supreme Court issued a Resolution which (1) Noted LBP's Motion for Early Resolution with Manifestation dated February 6, 2018; (2) Gave due course to LBP's Petition; and (3) Required parties to submit their respective Memoranda within thirty (30) days from notice thereof.

LBP received the aforesaid Resolution on May 15, 2018. On May 28, 2018, LBP forwarded the 32-page LBP Memorandum to the OGCC for their consideration, review and/or signature.

On June 22, 2018, the Parent's Legal Services Group and the OGCC filed LBP's Memorandum, in compliance with the Honorable Supreme Court's Resolution dated March 5, 2018. Likewise, on July 2, 2018, we received a copy of the respondent's Memorandum dated June 20, 2018.

LBP's petition for indirect contempt filed against MERALCO and its officers to compel them to deliver the unreturned MERALCO shares (G.R. No. 217428) was dismissed by the Supreme Court on March 25, 2019 on the ground that MERALCO and its officers cannot be held guilty of disobedience of a lawful judgment of a court. MERALCO was unable to return the 3,366,800 shares because these shares were validly traded through the PSE.

The LBP's Motion for Reconsideration of 25 March 2019 Decision (petition for indirect contempt) was denied by the Supreme Court in its 14 August 2019 Resolution.

Several meetings were conducted between the Office of the Government Corporate Counsels (OGCC) and the Bank to discuss the possible remedies available for the recovery of its unreturned 3,366,800 Meralco shares, including dividends. Among the remedies is the possibility of pursuing the refund of the value or monetary equivalent of the unreturned 3,366,800 Meralco shares and dividends from the Agrarian Reform Fund (ARF).

On 3 December 2019, LBP sent a letter to Department of Agrarian Reform (DAR) for a refund of the value of unreturned Meralco shares to be drawn from the ARF. However, the request was denied by DAR in its 28 July 2021 Letter. DAR argued that there is no legal basis for LBP to claim refund from the ARF since LBP is not a landowner whose landholding was expropriated under CARP or any other Agrarian Reform Law.

Without disregarding the possibility of recovering from the ARF, the OGCC and the LBP discussed other possible remedies available to the LBP. The following remedies were recommended by the OGCC:

- a. File an action for revival of judgment in order to pursue further the decision of the Supreme Court in the case of LBP v. Suntay case (G.R. No. 188376);
- b. File an action for specific performance before the Regional Trial Court (RTC), as commercial court, to: (i) compel Meralco to cancel the certificates of stock in relation to the remaining 3,366,800 shares of stock; (ii) pay LBP the dividends received on the shares from the moment of the illegal transfer;
- c. File a civil action for restitution with damages against Meralco;
- d. File a claim for reimbursement against the ARF¹, by filing of the proper case against the DAR before the Department of Justice (DOJ) under E.O. 292 or the Administrative Code of 1987.

Currently, the OGCC is in the process of drafting the action for revival of judgment to be filed within the prescriptive period provided for under the Rules. OGCC targets the filing of the action by September 2022.

¹ Despite the earlier denial by the DAR of LBP's letter request dated 3 December 2019, recovery through reimbursement from the ARF was still recommended. OGCC anchors its recommendation on the explicit provisions of the law (RA 9700 (which amended 6657 or the Comprehensive Agrarian Reform Law of 1988), which provides that "all just compensation payments to landowners, including execution of judgments therefor, shall only be sourced from the Agrarian Reform Fund." However, OGCC recognizes that since the ARF is limited only to the satisfaction of a "judgment for just compensation", the process of "reimbursing" the value of LBP's Meralco shares through the ARF will be the first of its kind.

- b. 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. The Parent disposed equity securities at FVOCI with total carrying value of P20.77 million in 2021. No gain or loss was recognized on the disposal of the said equity securities.

Foreign – Private securities

Metro Rail Transit Corporation (MRTC) preference shares Total FVOCI accounts of the Parent include investment of \$20,185,636.37 (P1,029,447,269.23) in MRTC preference shares and \$47,861,285.77 (P2,440,877,712.98) in Unsecuritized Equity Rental Payments, respectively.

In 2008, the National Government, as confirmed through Executive Order No. 855 dated January 18, 2010, instructed LBP 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 Metro Rail Transit (MRT) III project. In the same year, the LBP 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. LBP together with DBP completed its acquisition in May 2009, collectively owning around 80 per cent of MRTC interests. LBP 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 MRT III 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 LBP 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:

	Acquisition Cost As of December 31, 2021 (In US Dollars)	Book Value As of December 31, 2021 (In US Dollars)	Percentage in MRTC
• MRT III Bonds	43,382,299	109,279,765	
• MRT III Preferred Shares	54,000,000	20,185,636	
Securitized ERPs	97,382,299	129,465,401	26.65%
Unsecuritized ERPs	41,189,893	47,861,286	11.12%
	138,572,192	177,326,687	37.77%

The decrease in the investment in unsecuritized ERP was brought about by the refund of US\$1,433,535 (equally shared by the Bank 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 LBP's percentage of economic interest in MRTC. Another refund of US\$1,381,747 was received by the Bank and DBP in early 2011 representing Accrued ERPs.

The Parent's Accumulated market gains/losses on FVOCI government and private issues amounted to P7,059,030,179 and P16,101,553,551 as of December 31, 2021 and 2020, respectively.

Outstanding equity securities at FVOCI as of December 31, 2021 and 2020 generated dividends amounting to P0.93 billion and P1.08 billion, respectively for the Parent. Dividends amounting to P0.59 million and P0.14 million were recognized in 2021 and 2020, respectively, for the disposed securities at FVOCI.

Fair Value of FVOCI-Equity Securities as of December 31, 2021, as follows:

FVOCI Equity Securities	Fair Value
Listed Stocks	14,827,259,824
Shares in Sports Clubs	89,630,000
Rural Banks	3,957,060
INMES	3,489,073,080
	18,409,919,964

12. Hold to Collect (HTC)

This account consists of:

	Group		Parent	
	2021	2020	2021	2020
Government				
Domestic	585,966,522,045	427,056,215,585	562,488,718,774	426,130,525,226
Foreign	24,665,207,759	18,209,726,397	24,665,207,759	18,209,726,397
Private				
Domestic	4,713,045,130	4,221,483,249	3,483,843,249	4,201,483,249
Foreign	6,954,421,647	7,909,734,938	6,954,421,647	7,909,734,938
Allow. For Credit Losses	(695,543,887)	(711,589,786)	(695,136,405)	(711,359,174)
Accrued Interest Receivable	4,716,290,055	3,446,375,831	4,716,290,055	3,446,375,831
Allow. For Credit Losses	(8,791,938)	(8,871,900)	(8,791,938)	(8,871,900)
	626,311,150,811	460,123,074,314	601,604,553,141	459,177,614,567

HTC investments of the Group carry interest rates at December 31 as follows:

	2021	2020
Domestic	2.375% to 18.25%	2.625% to 18.25%
Foreign	0.125% to 10.625%	6.375% to 11.625%

13. Loans and Receivables

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020
Interbank loans receivable	13,007,175,852	18,974,987,726	12,190,900,389	18,974,987,726
Allowance for credit losses	(335,689,575)	(458,731,882)	(335,689,575)	(458,731,882)
	12,671,486,277.62	18,516,255,844	11,855,210,814	18,516,255,844
Loans to Government	130,535,074,943	107,944,980,546	124,381,361,453	109,101,572,260
Allowance for credit losses	(2)	(23,070,344)	(2)	(23,070,344)
	130,535,074,941	107,921,910,202	124,381,361,451	109,078,501,916
Agrarian Reform and other Agriculture Loans	174,248,961,607	146,090,385,332	158,603,887,831	146,090,385,330
Allowance for credit losses	(5,728,995,640)	(3,773,870,954)	(4,576,583,428)	(3,773,870,952)
	168,519,965,967	142,316,514,378	154,027,304,403	142,316,514,378
Microfinance Loans	18,709,057,048	18,834,813,798	18,611,649,679	18,834,813,798
Allowance for credit losses	(625,388,572)	(558,477,445)	(603,761,282)	(558,477,445)
	18,083,668,476	18,276,336,353	18,007,888,397	18,276,336,353
SME/MSE Loans	64,382,982,594	54,559,652,177	55,408,574,300	54,088,163,391
Allowance for credit losses	(4,001,185,418)	(3,144,690,134)	(2,849,416,048)	(3,007,962,708)
	60,381,797,176	51,414,962,043	52,559,158,252	51,080,200,683
Contract to Sell	25,638,407,286	792,684,677	744,169,523	792,684,677
Allowance for credit losses	(408,923,575)	(204,190,740)	(172,295,478)	(204,190,740)
	25,229,483,711	588,493,937	571,874,045	588,493,937
Loans to Private Corporation	527,715,089,940	441,288,754,940	466,696,192,994	439,055,395,485
Allowance for credit losses	(13,487,345,362)	(10,358,554,932)	(11,344,913,043)	(10,142,883,802)
	514,227,744,578	430,930,200,008	455,351,279,951	428,912,511,683

13. Loans and Receivables

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020
Loans to Individuals for Housing Purposes	32,957,729,110	5,655,206,483	5,530,113,823	5,655,206,483
Allowance for credit losses	(1,319,843,136)	(338,244,921)	(53,446,644)	(338,244,921)
	31,637,885,974	5,316,961,562	5,476,667,179	5,316,961,562
Loans to Individual for Consumption	57,766,812,929	38,977,767,077	37,354,349,029	38,977,767,077
Allowance for credit losses	(3,255,721,034)	(822,199,038)	(851,931,630)	(822,199,038)
	54,511,091,89	38,155,568,039	36,502,417,399	38,155,568,03
Loans to Individual for Other Purposes	1,053,656,327	1,462,982,888	895,887,575	1,383,781,585
Allowance for credit losses	(56,423,003)	(76,528,462)	(18,457,596)	(57,330,503)
	997,233,324	1,386,454,426	877,429,979	1,326,451,082
Loans & Receivable-Others-non-residents-FCDU	364,424,911	0	0	0
General loan loss provision	(6,370,397,901)	(6,569,860,356)	(5,888,396,120)	(6,539,488,976)
	1,010,789,459,329	808,253,796,436	853,722,195,75	807,028,306,501
Accrued interest receivable	12,468,767,513	11,143,126,673	9,123,562,162	11,101,051,355
Allowance for credit losses	(587,726,104)	(542,882,614)	(570,475,978)	(542,493,804)
	11,881,041,409	10,600,244,059	8,553,086,184	10,558,557,551
Accounts receivable	2,648,615,790	2,119,060,442	1,808,525,958	1,613,685,519
Allowance for credit losses	(1,897,752,435)	(1,629,135,065)	(1,581,631,665)	(1,452,616,007)
	750,863,355	489,925,377	226,894,293	161,069,512
Sales contract receivable	1,745,077,752	632,017,703	772,783,090	614,570,118
Allowance for credit losses	(159,133,383)	(4,456,447)	(113,864,846)	(4,439,926)
	1,585,944,369	627,561,256	658,918,244	610,130,192
Due from ARF	263,903,249	202,405,194	263,903,249	202,405,194
Lease contract receivable	1,918,929,737	1,604,503,580	0	0
Allowance for credit losses	(216,304,439)	(135,947,943)	0	0
	1,702,625,298	1,468,555,637	0	0
	1,026,973,837,009	821,642,487,959	863,424,997,720	818,560,468,950

The Parent's interest rates on loans in 2021 range from 2.00 per cent to 15.00 per cent for peso denominated loans and from 2.25 per cent to 4.50 per cent for foreign currency denominated loans.

Allowance for credit losses

The details of allowance for credit losses on loans of the Parent are:

	2021	2020
Balance, January 1	25,926,451,311	17,289,002,914
Provision	1,935,042,336	8,644,151,342
Write-offs	(338,505,487)	(24,736,280)
Transfers and other adjustments	(828,097,314)	18,033,335
Balance, December 31	26,694,890,846	25,926,451,311

As of December 31, 2021 and 2020, the breakdown of Gross Loans as to secured and unsecured follows:

	Parent			
	2021		2020	
	Amount	%	Amount	%
Secured loans:				
Guarantee of the Republic of the Philippines	95,277,421,675	10.82	94,197,805,367	11.31
Various guarantees	220,840,047,539	25.08	214,305,643,985	25.72
Various mortgages	251,587,625,081	28.58	251,368,269,078	30.18
Unsecured loans	567,705,094,295	64.48	559,871,718,430	67.21
	312,711,992,301	35.52	273,083,039,382	32.79
Gross loan at amortized cost	880,417,086,596	100.00	832,954,757,812	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.

	2021	2020
Total NPLs	27,757,301,539	25,613,645,864
Allowance for credit losses	(8,791,496,775)	(13,704,767,892)
Net NPLs	18,965,804,764	11,908,877,972

14. Investment in Subsidiaries

This account consists of the following investments in subsidiaries which are controlled by the Parent and are accounted for at cost:

Name	2021	2020
Overseas Filipino Bank, Inc.	1,701,000,000	1,701,000,000
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
United Coconut Planters Bank	4,038,227,868	0
Total	6,178,002,875	2,139,775,007
Allowance for credit losses	(814,658,295)	(766,985,461)
Net	5,363,344,580	1,372,789,546

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 billion into Overseas Filipino Bank (OFB). The initial infusion in the amount of P429 million was released on July 06, 2018. Further, the OFB 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 OFB 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.

The parent measures the identifiable assets acquired and the liabilities assumed at their acquisition-date fair values.

15. Investment in Associates

This account represents the Parent's 20.91 per cent ownership of the capital stock of Small Business Corporation (SBC) as of CY 2020. However, in November 2020, the National Government, pursuant to Section 10.e(f) of R.A. No. 11494 known as the "Bayanihan to Recover as One Act", infused an additional capital to SBC amounting to P8.08 billion, thereby diluting LBP's ownership in SBC from 20.91 to 3.95 per cent. With the said reduction, the Bank's investment was reclassified from Investment in Associate to FVOCI.

16. Investment Property

This account consists of:

	Group					
	2021			2020		
	Land	Building	Total	Land	Building	Total
At Cost						
At January 1	7,077,173,949	6,794,834,435	13,872,008,384	4,735,114,801	3,394,055,490	8,129,170,291
Additions/(Disposals)	435,047,328	214,975,574	650,022,902	169,861,964	760,214,945	930,076,909
Transfers/Adjustment	(59,764,208)	81,483,782	21,719,574	556,184	0	556,184
At December 31	7,452,457,069	7,091,293,791	14,543,750,860	4,905,532,949	4,154,270,435	9,059,803,384
Accumulated depreciation and impairment						
At January 1	270,327,872	3,146,235,985	3,416,563,857	288,335,934	858,854,082	1,147,190,016
Depreciation	0	358,423,084	358,423,084	0	253,753,774	253,753,774
Transfers/Adjustment	0	(221,932,123)	(221,932,123)	(1)	(98,009,751)	(98,009,752)
Impairment Loss	516,103,062	(41,610,095)	474,492,967	(18,008,061)	98,324,880	80,316,819
At December 31	786,430,934	3,241,116,851	4,027,547,785	270,327,872	1,112,922,985	1,383,250,857
Net book value	6,666,026,135	3,850,176,940	10,516,203,075	4,635,205,077	3,041,347,450	7,676,552,527

	Parent					
	2021			2020		
	Land	Building	Total	Land	Building	Total
At Cost						
At January 1	4,814,354,595	4,073,087,127	8,887,441,722	4,643,936,446	3,312,872,182	7,956,808,628
Additions/(Disposals)	388,561,800	328,094,455	716,656,255	170,418,149	760,214,945	930,633,094
At December 31	5,202,916,395	4,401,181,582	9,604,097,977	4,814,354,595	4,073,087,127	8,887,441,722
Accumulated depreciation and impairment						
At January 1	263,990,356	1,064,031,136	1,328,021,492	281,998,417	811,082,218	1,093,080,635
Depreciation	0	278,897,100	278,897,100	0	252,633,789	252,633,789
Transfers/Adjustment	0	(126,315,818)	(126,315,818)	0	(98,009,751)	(98,009,751)
Impairment Loss	110,092,062	(45,682,915)	64,409,147	(18,008,061)	98,324,880	80,316,819
At December 31	374,082,418	1,170,929,503	1,545,011,921	263,990,356	1,064,031,136	1,328,021,492
Net book value	4,828,833,977	3,230,252,079	8,059,086,056	4,550,364,239	3,009,055,991	7,559,420,230

Investment properties include real estate properties acquired in settlement of loans and receivables.

As of December 31, 2021 and 2020, the carrying value of investment properties still subject to redemption amounted to P933,194,228 and P1,588,948,805, respectively, for the Parent. Investment properties with on-going cases amounted to P583,984,233 and P289,034,406 as of December 31, 2021 and 2020, respectively. Properties amounting to P38,394,724 and P43,079,661 as of December 31, 2021 and 2020, respectively, are agricultural lands covered by the government's agrarian reform program.

In 2021 and 2020, the rental income (included under 'Rent' in the Statements of Comprehensive Income) on investment properties, which are leased out under operating leases, amounted to P88,690 and P721,808, respectively, for the Parent. In 2021 and 2020, the parent's direct operating expenses, consisting of depreciation and amortization and repairs and maintenance (included in the Statements of Comprehensive Income) pertaining to investment properties amounted to P278,897,101 and P252,633,789, respectively.

17. Property and Equipment

This account consists of:

	Group									Total 2021
	Land	Building Under Construction	Buildings	Leasehold Rights and Improvements	Transportation Equipment	Furniture and Office Equipment	Transportation Equipment Under Lease	Others	Right of Use Assets	
At Cost										
At January 1,	1,824,583,746	152,848,355	5,302,675,700	1,324,265,481	102,911,050	9,099,883,366	709,616,675	1,065,279,950	2,271,908,429	21,853,972,752
Additions	290,448,348	159,542,199	1,879,966,778	1,415,123,189	312,740,081	3,279,234,062	0	216,226,268	1,630,677,635	9,184,958,561
Disposals	0	0	(66,128,809)	(58,175,199)	(96,011,039)	(2,588,871,721)	0	(4,001,620)	(14,571,324)	(527,759,712)
Transfers	(7,464,911)	(118,871,895)	1,847,910	(47,188,025)	196,218	(233,208,100)	(95,638,572)	(145,760,285)	389,898,245	(256,189,415)
At December 31	2,107,567,183	193,518,659	7,118,361,579	2,605,025,446	319,836,310	11,887,037,607	613,978,103	1,131,744,313	4,277,912,985	30,254,982,186
Accumulated Depreciation, Amortization & Impairment loss										
At January 1	0	0	2,707,421,934	637,066,272	85,764,368	6,045,507,126	382,918,880	136,927,575	1,112,207,405	11,107,813,551
Depreciation & amortization	0	0	267,403,151	187,167,185	35,190,106	872,570,971	15,642,930	292,606,736	859,787,562	2,530,368,641
Disposals	0	0	(7,397,171)	(52,932,021)	(87,450,526)	(252,451,295)	0	(1,380,973)	(23,693,640)	(435,315,626)
Transfers/Adjustments	0	0	1,751,388,583	1,020,127,753	209,054,932	1,692,454,244	(1,665,358)	(161,703,618)	(462,263,456)	4,047,293,080
At December 31	0	0	4,718,816,497	1,781,429,189	242,558,880	8,358,071,046	396,896,452	256,440,720	1,485,937,872	17,250,159,556
Allow for Losses	0	0	41,469,224	1,518,838	8,008,122	41,002,322	0	(5,369,097)	0	86,629,409
Net book value	2,107,567,183	193,518,659	2,399,545,082	823,596,257	65,277,430	3,487,966,561	217,081,651	875,303,593	2,791,975,113	12,918,193,121

	Group									Total 2020
	Land	Building Under Construction	Buildings	Leasehold Rights and Improvements	Transportation and Equipment	Furniture and Office Equipment	Transportation Equipment Under Lease	Others	Right of Use Assets	
At Cost										
At January 1,	1,706,253,575	87,296,262	5,172,326,713	1,247,705,014	108,924,479	8,745,089,719	702,007,459	831,539,096	1,918,034,406	20,519,176,730
Additions	118,000,152	71,848,425	274,152,167	105,409,413	11,984,266	503,557,306	67,656,673	772,892,477	1,579,058	1,927,079,947
Disposals	0	(157,608)	13,886,818	(6,243,805)	(6,478,659)	(177,523,960)	0	(32,020,639)	(20,346,385)	(228,894,438)
Transfers	330,009	(5,138,724)	(157,689,998)	(22,635,141)	(11,519,036)	28,760,301	(60,047,467)	(507,130,784)	372,641,350	(363,399,490)
At December 31	1,824,583,746	152,848,355	5,302,675,700	1,324,265,481	102,911,050	9,099,883,366	709,616,675	1,065,279,950	2,271,908,429	21,853,972,752
Accumulated Depreciation, Amortization & Impairment loss										
At January 1	0	0	2,487,186,875	555,204,216	80,031,284	5,551,478,673	361,826,591	79,253,921	413,914,385	9,628,895,945
Depreciation & amortization	0	0	290,750,877	101,889,115	19,163,793	711,503,099	21,197,629	206,893,680	269,769,869	1,621,168,062
Disposals	0	0	29,825,325	(1,895,611)	(5,992,372)	(143,738,669)	0	(4,822,172)	(32,790,438)	(159,413,937)
Transfers/Adjustments	0	0	(100,341,143)	(18,131,448)	(7,438,337)	(173,735,977)	(105,340)	(1,443,978,554)	461,313,550	17,163,491
At December 31	0	0	2,707,421,934	637,066,272	85,764,368	6,045,507,126	382,918,880	136,927,575	1,112,207,405	11,107,813,561
Allow for Losses	0	0	41,469,224	1,401,407	7,987,971	31,510,823	0	(5,369,097)	268,409	77,258,737
Net book value	1,824,583,746	152,848,355	2,553,784,542	685,797,802	9,158,711	3,022,865,417	326,697,795	933,721,472	1,159,432,614	10,668,890,454

Parent										
	Land	Building Under Construction	Buildings	Leasehold Rights and Improvements	Transportation and Equipment	Furniture and Office Equipment	Transportation Equipment Under Lease	Others	Right of Use Assets	Total 2021
At Cost										
At January 1	1,682,793,746	152,848,355	5,276,434,459	1,323,010,630	72,570,963	8,909,852,710	407,105,647	1,044,269,274	2,267,981,943	21,136,867,727
Additions	198,370,022	154,226,713	270,543,403	135,824,735	2,093,000	533,572,089	0	211,180,242	0	1,505,610,209
Disposals	0	0	(56,128,809)	(32,941,532)	(1,546,653)	(144,371,023)	0	(2,687,640)	(14,571,324)	(252,246,981)
Transfers	(7,464,911)	(1,188,718,95)	(52,420,713)	(44,715,303)	658,153	165,280,406	0	(145,760,285)	402,587,371	199,292,823
At December 31	1,873,698,857	188,203,173	5,428,428,345	1,381,178,530	73,775,463	9,464,134,183	407,105,647	1,107,001,591	2,656,097,990	22,579,623,779
Accumulated Depreciation and Amortization										
At January 1	0	0	2,629,164,530	635,911,142	54,241,534	5,883,136,123	325,582,844	120,271,698	1,109,078,589	10,767,486,460
Depreciation and amortization	0	0	194,753,748	108,713,434	3,605,127	732,927,781	12,033,862	291,233,695	430,076,625	1,773,344,272
Disposals	0	0	(7,397,171)	(8,084,061)	(1,546,150)	(138,180,375)	0	(1,128,137)	(23,693,540)	(178,029,534)
Transfers/Adjustments	0	0	511,434,212	(43,641,409)	(10,993,292)	(160,560,719)	(1,665,359)	(161,203,618)	(452,263,456)	(529,499,140)
At December 31	0	0	3,327,955,219	692,899,106	55,301,710	6,319,322,810	336,051,340	248,673,638	1,053,098,118	12,033,302,058
Allow for Losses	0	0	41,469,224	1,518,838	8,008,122	40,462,156	0	(5,491,007)	0	85,987,333
Net book value	1,873,698,857	188,203,173	2,099,003,802	686,760,586	10,465,622	3,104,329,217	71,054,299	853,818,960	1,602,999,872	10,460,334,888

Parent										
	Land	Building Under Construction	Buildings	Leasehold Rights and Improvements	Transportation and Equipment	Furniture and Office Equipment	Transportation Equipment Under Lease	Others	Right of Use Assets	Total 2020
At Cost										
At January 1	1,564,463,575	87,295,262	5,140,208,101	1,246,445,212	78,873,633	8,538,061,116	407,105,647	788,823,697	1,915,585,978	19,766,964,221
Additions	118,000,162	71,848,425	272,585,347	105,409,413	8,561,605	497,250,213	0	772,533,600	0	1,846,188,755
Disposals	0	(1,57,608)	13,896,818	(6,238,854)	(3,345,235)	(154,405,563)	0	(9,957,239)	(20,346,385)	(180,568,070)
Transfers	330,009	(6,138,724)	(150,245,807)	(22,605,141)	(11,519,036)	28,950,944	0	(507,130,784)	372,641,350	(295,717,189)
At December 31	1,682,793,746	152,848,355	5,276,434,459	1,323,010,630	72,570,963	8,909,852,710	407,105,647	1,044,269,274	2,267,981,943	21,136,867,727
Accumulated Depreciation and Amortization										
At January 1	0	0	2,415,440,930	554,511,875	57,592,384	5,473,877,014	312,715,652	62,754,141	411,902,304	9,288,794,301
Depreciation and amortization	0	0	284,239,418	101,421,374	17,356,443	704,345,188	13,072,532	205,483,658	268,553,133	1,594,571,745
Disposals	0	0	29,825,325	(1,890,650)	(3,268,956)	(121,415,125)	0	(3,568,247)	(32,790,438)	(133,108,101)
Transfers/Adjustments	0	0	(100,341,143)	(18,131,448)	(7,438,337)	(173,670,954)	(105,340)	(144,397,854)	461,313,590	17,228,514
At December 31	0	0	2,629,164,530	635,911,142	64,241,534	5,883,136,123	325,582,844	120,271,698	1,109,078,589	10,767,486,460
Allow for Losses	0	0	41,469,224	1,401,437	7,987,971	31,510,823	0	(5,491,007)	258,409	77,146,827
Net book value	1,682,793,746	152,848,355	2,605,800,705	685,698,081	341,458	2,995,205,764	81,422,803	929,488,583	1,158,634,945	10,292,234,440

Depreciation and amortization of the Group amounting to P2,530,368,641 and P1,621,168,062 and of the Parent amounting to P1,773,344,272 and P1,594,571,746 in 2021 and 2020, respectively, are included in depreciation and amortization expense in the Statements of Comprehensive Income.

The Parent's office equipment, furniture and vehicles with carrying amount of P149,521,389 and P220,374,029 in 2021 and 2020, respectively, are temporarily idle. The carrying amounts of properties which are held for disposal are P25,156,598 and P24,246,285 in 2021 and 2020, 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, 2021 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	130,546,851	263,732,956	102,841,518	497,121,325
Lease Liability	470,149,753	1,031,627,871	428,034,369	1,929,811,993
Lease Payment	600,696,604	1,295,360,827	530,875,887	2,426,933,318

As of December 31, 2021, the Parent recognized interest expense on lease liabilities (included in the Statements of Comprehensive Income) amounting to P128,951,849 and rent expense from short-term leases and leases of low-value assets amounting to P835,027,550.

Lease Liability can be found in Note 24 - Other Liabilities, presented as part of the item 'Others'.

Parent as lessor

The Parent has entered into commercial property leases with various tenants on its investment property portfolio and part of LBP premises. Various lease contracts include escalation clauses. Rent income from leases (included in the Statements of Comprehensive Income) of the Parent amounted to P17,379,553 and P23,495,890 in 2021 and 2020, respectively.

Future minimum rentals receivable under non-cancellable operating leases as at December 31, 2021 are as follows:

	Within 1 Year	After 1 Year but not more than 5 Years	More than 5 Years	Total
Operating Lease	3,198,526	5,995,882	40,000	9,234,408

19. Other Intangible Assets

This account consists of:

	Group		Parent	
	2021	2020	2021	2020
Balance at the beginning of the year	1,139,733,223	1,162,906,170	1,124,727,370	1,138,144,879
Addition	804,792,999	346,968,853	345,535,504	343,561,666
Amortization for the year	(174,351,140)	(359,468,300)	(280,827,867)	(356,305,675)
Balance at the end of the year	1,770,175,082	1,150,406,723	1,189,435,007	1,125,400,870
Allow for Losses	(10,673,500)	(10,673,500)	(673,500)	(673,500)
Net book value at end of year	1,759,501,582	1,139,733,223	1,188,761,507	1,124,727,370

20. Other Assets

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020
Sundry debits	2,319,848,834	1,344,607,815	2,234,392,803	1,338,239,975
Prepaid expenses	633,743,761	654,847,918	445,848,592	638,021,055
Documentary stamps	996,940,509	843,954,151	902,921,991	843,041,507
Stationery & supplies on hand	118,616,804	143,841,872	113,963,697	139,203,589
Accounts receivable-net	174,731,405	21,648,507	174,607,895	13,546,968
Inter-office float items	27,465,690	242,552	20,062	242,552
Deferred Charges	127,488,684	0	0	0
Others	4,118,434,173	1,751,385,168	3,025,791,357	1,651,221,229
Allowance for credit losses	(28,035,599)	(28,035,599)	(28,035,599)	(28,035,599)
	8,489,234,261	4,732,492,384	6,869,510,798	4,595,481,276

21. Allowance for Credit Losses and Impairment Losses

Changes in the allowance for credit losses and impairment losses of the Parent are as follows:

	2021	2020
Balance at beginning of year:		
Loans	25,926,451,311	17,289,002,914
Investments	1,487,216,535	2,198,651,682
Receivables from customers and Other assets	2,608,053,807	2,150,663,062
Contingent	290,595,757	409,006,907
	30,312,317,410	22,047,324,565
Provisions charged to operations	2,456,430,325	8,285,481,838
Accounts charged off and others	(837,261,681)	(25,041,114)
Transfer/adjustments	(87,146,665)	4,552,121
	1,332,021,979	8,264,992,845
Balance December 31	31,644,339,389	30,312,317,410
Balance at end of year:		
Loans (Note 13)	26,694,890,846	25,926,451,311
Investments (Note 12,14)	1,518,586,638	1,487,216,535
Receivables from customers and other assets (Note 7,13,16,17,19,20)	2,939,688,817	2,608,053,807
Contingent	491,173,088	290,595,757
	31,644,339,389	30,312,317,410

With the foregoing level of allowance for credit losses, Management believes that the Parent 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:

	2021	2020
Loans	1,935,042,336	8,644,151,342
Investments	31,450,065	(713,911,242)
Receivables from customers and other assets	483,978,142	473,652,888
Contingent	5,959,782	(118,411,150)
Balance, December 31	2,456,430,325	8,285,481,838

The calculated ECL for Treasury Exposures as of September 2021 decreased from P724.85 million to P705.78 million. The table shows the computed ECL for the periods September 2021 and December 2020:

INVESTMENTS (In Thousand ₱)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2021*	2020	2021*	2020	2021*	2020	2021*	2020
Due from BSP and SPURA	0	0	0	0	0	0	0	0
Due from Other Banks	1,855.17	4,617.18	1,852.89	4,585.22	2.28	31.96	0	0
Due from Foreign Banks	1,569.00	2,618.99	1,569.00	2,618.99	0	0	0	0
Due from Local Banks & FIs	244.33	1,894.56	242.05	1,862.60	2.28	31.96	0	0
Inter bank loan & receivables	41.84	103.63	41.84	103.63	0	0	0	0
FVOCI debt investments	0	0	0	0	0	0	0	0
Local Debt Securities	0	0	0	0	0	0	0	0
Foreign Debt Securities	0	0	0	0	0	0	0	0
HTC investments	703,928.35	720,231.07	7,312.80	10,753.41	2,071.73	12,236.50	694,543.82	697,241.16
Local Debt Securities	0	0	0	0	0	0	0	0
Foreign Debt Securities	0	0	0	0	0	0	0	0
Private Securities								
Local	697,788.17	712,883.33	2,354.99	5,218.96	889.36	10,423.21	694,543.82	697,241.16
Foreign	6,140.18	7,347.74	4,957.81	5,534.45	1,182.37	1,813.29	0	0
TOTAL	705,783.52	724,848.25	9,165.69	15,338.63	2,074.01	12,268.46	694,543.82	697,241.16

22. Deposit Liabilities

This account consists of:

	Group		Parent	
	2021	2020	2021	2020
Domestic				
Demand deposits	1,278,620,364,019	1,067,839,637,115	1,205,400,842,027	1,068,477,682,342
Savings deposits	1,081,636,637,172	906,190,504,838	940,301,551,394	905,915,136,347
Time certificate of deposits	85,988,072,872	416,349,835	1,006,895,586	418,748,973
Long Term Negotiable Certificate of Deposits	0	6,000,000,000	0	6,000,000,000
	2,446,245,074,063	1,980,446,491,788	2,146,709,289,007	1,980,811,567,662
Foreign				
Savings deposit –FCDU/EFCDU	17,872,343,844	19,313,285,277	17,873,029,149	19,313,408,190
Time certificate of deposit-CDU/EFCDU	103,838,060,573	94,520,336,003	103,838,060,573	94,520,238,806
	121,710,404,417	113,833,621,28	121,711,089,722	113,833,646,996
	2,567,955,478,480	2,094,280,113,068	2,268,420,378,729	2,094,645,214,658

The Parent's domestic deposit liabilities earn annual fixed interest rates ranging from 0.05 to 0.75 per cent and 0.05 to 0.75 per cent in 2021 and 2020, respectively. Foreign deposit rates range from 0.025 to 0.50 per cent and from 0.10 to 1.50 per cent in 2021 and 2020, respectively. In 2021 and 2020, P1,472,045,372,443 or 65 per cent and P1,317,621,116,982 or 63 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	
	2021	2020	2021	2020
Bangko Sentral ng Pilipinas	24,303,875	25,336,905	24,303,875	25,336,905
Domestic borrowings	2,173,401,546	2,895,208,866	156,645,221	1,310,569,987
Foreign borrowings	23,584,881,767	25,670,467,861	23,584,881,767	25,670,467,861
	25,782,587,188	28,591,013,632	23,765,830,863	27,006,374,753

The breakdown of Parent's Bills payable (foreign borrowings) is as follows:

Creditor/Funder	2021	2020
World Bank/IBRD	13,374,620,390	13,892,367,999
Asian Development Bank (ADB)	248,831,513	333,503,256
Japan International Cooperation Agency (JICA)	8,649,986,547	10,064,282,951
Kreditanstalt fur Wiederaufbau (KfW)	1,311,443,317	1,380,313,655
	23,584,881,767	25,670,467,861

The total foreign borrowings of P23,584,881,767 is guaranteed by the National Government. Foreign borrowings relented in local currency amounting to P10,305,580,821 are provided with foreign exchange (FX) Risk Cover by the National Government. This has historical value of P10,475,411,400. 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 2021 range from 0.01 to 2.70 per cent and 4.75 per cent, respectively, for foreign and domestic borrowings, respectively.

24. Other Liabilities

This account consists of:

	Group		Parent	
	2021	2020 As Restated	2021	2020 As Restated
Accrued interest, fringe benefits, taxes and other expense payable	9,322,173,752	7,553,659,820	8,224,002,617	7,758,469,904
Accounts payable	48,053,503,115	33,631,866,295	43,989,185,917	33,302,614,011
Due to Agrarian Reform Fund	175,428,263	151,966,341	175,428,263	151,966,341
Sundry credits	2,014,178,210	4,126,323,782	1,933,086,445	4,119,269,716
Unearned income	458,199,574	384,439,207	12,094,504	12,316,446
Withholding tax payable	423,457,916	295,806,388	284,230,947	291,653,902
Miscellaneous liabilities	8,561,322,937	3,726,798,360	5,619,699,920	3,688,835,584
Provision for estimated credit losses	491,173,088	290,595,757	491,173,088	290,595,757
Others	6,767,174,110	5,011,672,302	4,438,653,704	4,813,688,575
	76,266,610,965	55,173,128,252	65,167,555,405	54,429,410,236

25. 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 Bank and its subsidiaries includes reduced Normal Income Tax (NIT) rate from 30 per cent to 25 per cent, Minimum Corporate Income Tax (MCIT) rate from 2 per cent to 1 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.

Under the Tax Code, as amended, the income tax to be paid by a taxpayer is the higher between NIT at a rate of 25 per cent or the MCIT at a rate of 1 per cent. For taxable year 2021, the Bank paid its income tax based on MCIT computation since it resulted to a higher tax payable than NIT 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 10 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	
	2021	2020	2021	2020
Current:				
Normal	491,729,763	3,461,936,969	235,636,891	3,247,261,661
	491,729,763	3,461,936,969	235,636,891	3,247,261,661
Deferred	634,586,469	(3,045,059,745)	539,236,793	(2,937,214,210)
	1,126,316,232	416,877,224	774,873,684	310,047,451

The reconciliation of the provision for income tax computed at the statutory tax rate to the actual provision is as follows:

	Group		Parent	
	2021	2020	2021	2020
Statutory income tax	7,453,531,827	6,099,894,604	6,432,906,952	5,981,559,020
Additions to (reductions in) income taxes arising from:				
Non-deductible interest expense	2,042,120,372	2,630,740,771	2,042,033,070	2,630,565,248
Other deductible/Non-deductible expense	553,570,096	514,154,685	528,013,193	516,257,765
FCDU income	(739,370,720)	(834,015,747)	(764,378,177)	(834,015,747)
Tax exempt & tax paid income	(8,557,691,785)	(8,520,388,066)	(8,567,629,725)	(8,509,352,328)
Others	374,156,442	526,490,977	1,103,928,371	525,033,493
	1,126,316,232	416,877,224	774,873,684	310,047,451

The net deferred income tax asset reported by the Parent amounted to P6,571,947,725 and P7,111,184,519 for CY 2021 and 2020, respectively while the subsidiaries recognized deferred tax assets of P3,122,815,977 and P165,067,505 for CY 2021 and 2020, respectively.

Below are the temporary differences for which deferred tax asset (net of deferred tax liabilities) recognized by the Parent because Management believes that it is probable that future taxable profits will be available against which the asset can be utilized.

	Parent	
	2021	2020
Deferred tax asset:		
Allowance for credit and impairment losses	5,085,233,312	5,945,724,382
Excess MCIT over NIT	188,517,229	0
Accrued expenses	557,167,437	1,264,057,576
Unrealized foreign exchange loss	1,165,460,137	91,498,271
Unrealized loss on financial assets and liabilities - FVTPL	148,290,578	294,101,101
	7,144,668,693	7,595,381,330
Deferred tax liability:		
Unrealized gain on financial assets and liabilities - FVTPL	0	107,395,807
Unrealized foreign exchange gain	572,720,968	376,801,004
	572,720,968	484,196,811
Net Deferred Tax Asset	6,571,947,725	7,111,184,519

26. 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, 2021, the Parent reported the following revenues and expenses for income tax purposes:

Revenues	
Services/operations	38,000,520,726
Non-operating and taxable other income:	
Trading and securities gain	(707,287,676)
Service charges, fees and commissions	2,134,410,262
Profit from assets sold	511,225,298
Income from trust operations	218,995,426
Others	1,299,014,983
	3,456,358,293
Total Revenues	41,456,879,019
Expenses	
Cost of services:	
Compensation and fringe benefits	6,590,358,063
Others	11,302,831,833
Total cost of services	17,893,189,896
Itemized deductions:	
Compensation and fringe benefits	6,531,110,706
Taxes and Licenses	5,034,207,484
Documentary Stamps Used	5,358,007,561
Depreciation and amortizations	1,031,954,406
Security, messengerial and janitorials	978,956,908
Information Technology Expenses	899,241,044
Bad Debts	837,261,681
Fees and Commission	598,125,839
Communications, Light and Water	512,942,083
Litigation/Asset Acquired Expenses	232,872,362
Miscellaneous	196,258,522
Management and professional fees	176,295,192
Office Supplies	168,278,586
Rent	144,413,759
Representation and entertainment	141,308,255
Transportation and Travel	101,370,856
Insurance	96,986,036
Repairs and Maintenance	78,118,158
Donations and Charitable Contribution	67,314,826
Advertising	57,069,705
Fuel and Oil	55,098,226
Freight Expense	45,217,600
Trainings and seminars	17,432,325
Membership Fees and Dues	8,462,652
Directors Fee	6,654,100
Fines, Penalties & Other Charges	217,987
Periodicals and Magazines	33,617
	23,375,210,476
Total expenses	41,268,400,372
Net taxable income	188,478,647

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 2021 are as follows:

Documents / Transactions	DST Paid
Debt instruments, bonds, certificate of time deposits	7,303,695,686
Mortgages, pledges, deed of assignments/trust	632,510,310
Original issue of shares of stocks	275,000,000
Foreign bills of exchange, letters of credit	94,955,785
Banks, checks, drafts and telegraphic transfer/others	81,141,667
Acceptance of bills of exchange payable in the Phils	64,386,886
On assignments and renewal of certain instruments	6,269,557
Bills of exchanges, certificates, leases and insurance policies	251,463
Total DST Paid	8,458,211,354

- II. All other taxes, local and national, paid for the tax period 2021:

National	
Percentage taxes (GRT)	4,423,440,089
Fringe benefits tax	646,154
National taxes	5,264,542
	4,429,350,785
Local	
Real estate tax	54,514,403
Local business tax	69,118,339
Mayor's Permit/Municipal License/Other Regulatory Fees/License Permit	151,205,135
Other local taxes	11,670,604
	286,508,481
	4,715,859,266

- III. The amount of withholding taxes paid/accrued for the year amounted to:

Tax on Compensation and benefits	1,297,046,224
Creditable withholding taxes	426,761,295
Final withholding taxes	1,655,533,442
	3,379,340,961

IV. Taxes withheld by client on their income payments to the Bank were claimed as tax credits:

Tax Credits against Income Tax	1,898,346,689
Tax Credits against Gross Receipts Tax	172,972,952
	2,071,319,641

27. 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 2021 and 2020 amounted to P1,144,057,161 and P1,121,432,757, respectively.

28. 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, 2021 amounted to P97,098,519,506 of which P96,848,156,636 are government borrowings covered by BSP Circular No. 547.

The following are the significant transactions of the Parent with related parties:

	2021				2020			
	Key Management Personnel	Subsidiaries	Others (GOCCs, Provident Fund and Rural Banks)	Total	Key Management Personnel	Subsidiaries	Others (GOCCs, Provident Fund and Rural Banks)	Total
Receivables from customers	18,653,270	962,288,293	97,079,866,236	98,060,807,799	25,044,813	1,285,282,136	96,677,173,344	97,987,500,293
Deposit liabilities		557,644,759	0	557,644,759		921,775,857	0	921,775,857
Other liabilities		667,265,893	0	667,265,893		564,410,013	0	564,410,013
	18,653,270	2,187,198,945	97,079,866,236	99,285,718,451	25,044,813	2,771,468,006	96,677,173,344	99,473,686,163

The following are the percentage of DOSRI loans:

	2021	2020
DOSRI to Total Loans	11.03%	11.61%
Unsecured DOSRI to Total DOSRI	0.01%	0.02%

The following are the significant transactions with subsidiaries:

	2021	2020
Interest income	60,202,894	86,679,990
Interest expense	(7,768,596)	(87,525,238)
Other income	1,242,771	584,134
Other expenses	(583,758,989)	(714,460,027)

Transactions with other related parties:

Compensation of key management personnel:

	Group		Parent	
	2021	2020	2021	2020
Short-term employee benefits	166,996,822	152,706,807	139,807,877	125,592,539
Post-employment benefits	34,293,119	34,356,235	33,560,013	33,876,262
Other long-term benefits	9,297,965	59,767,344	9,297,965	59,767,344
	210,587,906	246,830,386	182,665,855	219,236,145

Terms and conditions of transactions with related parties:

The Parent's related party transactions with its subsidiaries as of December 31, 2021 and December 31, 2020 amounted to P99,285,718,451 and P99,473,686,163, respectively. There have been no guarantees provided or received for any related party receivables or payables. For the years ended December 31, 2021 and 2020, 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.

29. 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 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 P373,873,463,976 and P348,175,073,332 as of December 31, 2021 and 2020, respectively.

Summary of Assets under Management is as follows:

	2021 (Unaudited)	2020 (Unaudited)
Special Purpose Trust	13,978,586	417,110,371
Other Fiduciary Accounts	330,664,036,232	304,713,118,094
Agency	32,923,573,482	33,195,449,985
Trust	10,271,875,676	9,849,394,882
	373,873,463,976	348,175,073,332

In compliance with the requirements of the General Banking Law, government securities with total face value of P950,000,000 both in 2021 and 2020, respectively, are deposited with BSP as security for the Parent's faithful performance of its fiduciary obligation.

30. 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, 2021, the Parent's outstanding notional amount of the currency sell forward/swap agreements with maturity of less than six months amounted to P35,429,255,000 with market value of P35,776,669,009. There was no currency bought forward for the period.

Over the Counter Interest Rate Option Contract Bought

As of December 31, 2021, the Parent's outstanding notional amount of the debt warrants bought to mature on November 29, 2032 amounted to P78,589,548 with market value of P95,038,524.

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, 2021, the Parent's outstanding notional amount of the FX Risk Cover amounted to JPY20,343,323,217 and EUR22,596,730.

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.

31. 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 Management 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	
	2021	2020
Trust Department accounts	373,873,463,976	348,175,073,332
Commitments	131,491,488,755	83,243,429,970
Standby/commercial letters of credit	10,485,624,640	9,282,597,552
Derivatives	46,108,219,720	35,357,061,206
Outstanding guarantees	1,871,283,728	504,809,589
Spot exchange contracts	509,990,000	2,881,380,000
Late deposits received	65,463,114	319,346,253
Outward bills for collection	110,622,734	40,961,550
Liability Indemnity Fund	69,950,227	1,371,785,084
Others	17,264,330,343	15,565,994,757
	581,850,437,237	496,742,439,293

Municipal Development Fund

The Municipal Development Fund (MDF) is a special revolving fund for re-lending to Local Government Units (LGUs) created through Presidential Decree (PD) No. 1914 on 29 March 1984. 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 LBP through the executed Deed of Assignment dated December 15, 2020, as follows:

Assets	Amount <i>(in Peso)</i>	
Cash in Bank (LBP Account Nos:1772-1007-91 and 1772-1008-05)		1,711,657,604.51
Loan Balances assigned to LANDBANK		
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 LBP amounting P9.590 billion were booked as Miscellaneous Contingent Asset (MCA) Account.

As of December 31, 2021, the breakdown of MDFO Fund balance amounting to P11.811 billion is shown below:

Assets	Amount (in Peso)	Recorded in LBP book (Account Name)
Funds in LANDBANK Trust	1,260,035,849.38	
Operating Fund	1,057,948,351.32	Accounts Payable – Government Entities
Net Loan Balance		
Loans Receivables	9,344,330,439.45	MCA
Interest Receivables	21,818,778.87	MCA
Other Receivables (Penalty)	57,316,794.63	MCA
Other Payables (Excess Payment of LGUs)	(4,001,871.44)	MCA
Government Securities		
Treasury Bonds	73,407,000.00	
	11,810,855,342.21	

LBP collects a Management Fee (MF) of 3 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.

32. Financial Performance

The following basic ratios measure the financial performance of the Parent:

	2021	2020 As Restated
Net interest margin ratio	2.85%	3.15%
Return on average assets	1.01%	1.04%
Return on average equity	12.62%	14.04%
	581,850,437,237	496,742,439,293

33. Equity

As of December 31, 2021, the Parent's authorized capital stock consisted of 2 billion common shares with par value of P100 per share totaling P200 billion.

The Parent's Paid-up capital stood at P53.79 billion equivalent to 537,907,777 shares with par value of P100 per share.

In accordance with Section 3 of Malacanang 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 consistently complies with RA No. 7656 or the dividend law which requires GOCCs and Government Financial Institutions (GFIs) to remit cash dividends annually to the National Government (NG). However, to comply with regulatory requirements, the Parent has to preserve its capital, improve its capital ratios and request the Department of Finance (DOF) for dividend reliefs for its annual net earnings.

The Parent requested dividend relief for its 2020 and 2021 net earnings which was favorably endorsed by the DOF to the Office of the President (OP) in February 2022 and June 2022, respectively. Due to the change in the administration, the requests are currently pending and subject for re-endorsement by DOF to the OP for its approval.

On February 2021 the Parent received capital infusion from the NG amounting to P27.5 billion.

The Retained Earnings- reserves of the Group and the Parent consist of:

	Group		Parent	
	2021	2020	2021	2020 As Restated
	(Amounts in Millions)			
Reserve for trust business	5,045.00	5,103.99	5,045.00	5,103.99
Reserve for contingencies	5,032.50	5,032.50	5,002.50	5,002.50
Reserve for PPE and software acquisition	335.48	53.07	0.00	0.00
Reserve for retirement fund and insurance	0.00	32.00	0.00	0.00
Reserve for business expansion	1,070.00	1,135.00	0.00	0.00
Reserve for others	74,356.45	74,381.52	74,320.95	74,261.96
	85,839.43	85,738.08	84,368.45	84,368.45

The following table shows the components of Other Comprehensive Income of the Group and Parent:

	Group			Total
	Re-measurement of retirement benefit obligation	Net Unrealized Gain/(loss) on AFS securities	Translation Adjustment and Others	
Balances, as of January 1, 2021	(12,916,370)	16,156,970,541	(100,130,251)	16,043,923,920
Increase/decrease in CY 2021	3,358,616	(9,554,055,012)	200,047,801	(9,350,648,595)
Balance, as of December 31, 2021	(9,557,754)	6,602,915,529	99,917,550	6,693,275,325

	Parent		Total
	Net Unrealized Gain/ (loss) on AFS securities	Translation Adjustment and Others	
Balances, as of January 1, 2021	16,101,553,551	(100,130,251)	16,001,423,300
Increase/decrease in CY 2021	(9,042,523,372)	201,280,413	(8,841,242,959)
Balance, as of December 31, 2021	7,059,030,179	101,150,162	7,160,180,341

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.

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.

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 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	
	2021	2020	2021	2020 As Restated
(Amounts in Millions)				
Tier 1 Capital	215,460	164,231	204,031	163,215
Tier 2 Capital	10,765	8,285	9,082	8,264
Less: Required Deductions	25,132	19,814	25,833	21,089
Total Qualifying Capital	201,093	152,702	187,280	150,390
Risk Weighted Assets	1,203,958	940,041	1,032,945	936,923
Common Equity Tier 1 Ratio (CET1)	15.81%	15.36%	17.25%	15.17%
Total Capital Adequacy Ratio (CAR)	16.70%	16.24%	18.13%	16.05%

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.

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, 2021
(Amount in Millions)

	Item	Leverage Ration Framework	
		Group	Parent
1.	Total consolidated assets as per published financial statements	2,921,667.351	2,586,099.112
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	1,072.898	1,063.411
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)	76,699.271	72,289.740
7.	Other adjustments	-17,968.962	-19,140.300
8.	Leverage ratio exposure	2,981,470.558	2,640,311.963

Basel III Leverage Ratio Common Disclosure Template
As of December 31, 2021
(Amounts in Millions; Ratios in Percent)

Item		Leverage Ratio Framework	
		Group	Parent
On-balance sheet exposures			
1.	On-balance sheet items ^{1/}	2,925,022.032	2,589,486.218
2.	Asset amounts deducted in determining Basel III Tier 1 Capital	-25,132.327	-25,833.116
3.	Total on-balance sheet exposures (excluding derivatives and SFTs) (sum of lines 1 and 2)	2,899,889.705	2,563,653.101
Derivative exposures			
4.	Replacement cost associated with all derivatives transactions	3,342.445	3,305.711
5.	Add-on amounts for Potential Future Exposure associated with all derivative transactions	1,072.898	1,063.411
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		
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 ^{2/}	0.000	0.000
11.	Total derivative exposures (sum of lines 4 to 10)	4,415.343	4,369.122
Securities financing transaction exposures			
12.	Gross SFT assets (with no recognition of netting)	466.239	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/}	0.000	0.000
16.	Total securities financing transaction exposures (sum of lines 12 to 15)	466.239	0.000
Other off-balance sheet exposures			
17.	Off-balance sheet exposure at gross notional amount	174,539.279	161,459.190
18.	Adjustments for conversion to credit equivalent amounts	0.000	0.000
19.	Off-balance sheet items	76,699.271	72,289.740
Capital and total exposures			
20.	Tier 1 capital	190,327.834	178,198.002
21.	Total exposures (sum of lines 3, 11, 16 and 19)	2,981,470.558	2,640,311.963
Leverage ratio			
22.	Basel III leverage ratio	6.38%	6.75%

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

34. Prior Period Adjustments

In 2021 the Parent made adjustments to its financial statements as of December 31, 2020 as a result of accruals for Separation Incentive Program which were carried out due to the expected separation of employees brought about by the consolidation/merger of operations of UCPB with LBP, pursuant to Malacañang Executive Order No. 142 dated June 25, 2021, but pending approval of the required Organizational Realignment and Rationalization Plan.

The effects of these restatements in the financial statements as of and for the year ended December 31, 2020 are summarized below:

	As Previously Reported	Effects of Restatement	As Restated
Parent			
Changes in the Statement of Financial Position			
Assets			
Fair Value Through Other Comprehensive Income (FVOCI)	513,124,494,450	(58,989,855)	513,065,504,595
Liability			
Accrued Other Expenses Payable	7,610,374,524		(1,406,612,604)
Equity			
Retained Earnings Reserve	84,427,443,865	(58,989,855)	84,368,454,010
Changes in the Statement of Other Comprehensive Income Expenses			
Compensation and Fringe Benefits	13,388,832,681	(1,406,612,604)	11,982,220,077

35. Miscellaneous Income

This account is composed of:

	Group		Parent	
	2021	2020	2021	2020
Gain from sale/derecognition of non-financial assets	692,297,232	1,260,800,766	601,412,711	505,572,278
Rent income	110,881,722	43,448,565	17,379,563	23,495,890
Miscellaneous income	12,874,854,611	777,484,828	513,407,912	722,289,467
Recovery on charged-off assets	80,950,878	34,487,283	80,950,878	34,487,283
	13,758,984,443	2,116,221,442	1,213,151,064	1,285,844,918

36. Investment Income

The Investment Income of the Parent consists of:

a. Interest Income

	2021	2020
FVOCI	11,839,605,052	9,512,897,779
FVTPL	70,337,166	165,815,812
HTC	19,028,427,423	17,474,974,016
	30,938,369,641	27,153,687,607

b. Gain/(Loss) on Sale/Redemption/Derecognition of Financial Assets and Liabilities for FVOCI amounting to P69,480 and P1,789,642,014 in CY 2021 and CY 2020, respectively.

c. Gain/(Loss) on Financial Assets and Liabilities-FVTPL

	2021	2020
Realized Gain/(Loss) from Sale/Derecognition	229,134,632	510,874,777
Unrealized Gain/(Loss)-Mark-to-Market	(593,162,312)	(1,073,703,066)
Realized Gain/(Loss) from Sale/Derecognition-Derivative-FX	(1,721,655,239)	861,596,462
Realized Gain/(Loss) from Foreign Exchange Transactions-Derivative	239,072,166	353,340,217
	(1,846,610,753)	652,108,390

37. Miscellaneous Expenses

This account is composed of:

	Group		Parent	
	2021	2020 As Restated	2021	2020
Finance Charges	276,083	200,191	0	0
Management and other professional fees	206,940,597	197,944,634	177,460,933	169,998,451
Supervision fees	649,750,423	574,277,611	648,204,870	573,050,028
Fines, penalties and other charges	264,952	2,875,461	212,472	2,874,284
Insurance	5,017,718,123	3,955,825,661	4,791,488,486	3,940,746,328
Fees and commission expense	618,742,850	397,085,360	621,467,692	391,655,023
Litigation/asset acquired expenses	470,933,974	123,612,519	316,455,209	120,339,817
Bad debts written-off	0	77,753	0	77,753
Other Expenses	10,839,250,074	9,102,629,189	9,720,194,526	8,749,052,940
	17,803,877,076	14,354,528,379	16,275,484,188	13,947,794,624

38. Events After Reporting Period

Merger of the Parent and United Coconut Planters Bank (UCPB)

LBP and UCPB shall become a single corporation, with LANDBANK as the surviving entity, and continue its corporate existence under Republic Act No. 3844, as amended. Meanwhile, UCPB shall cease to exist and its legal personality shall be terminated.

The merger of LBP and UCPB will better equip the National Government (NG) with a stronger, more resilient and unified banking institution to promote inclusive and sustainable rural development and broaden financial inclusion among Filipinos, especially those in the countryside who belong to the underserved and unbanked sectors. The merged bank will have a wider network of touchpoints in the countryside, thus providing more convenient banking services to farmers and fishers, including the coconut farmers. It will also have stronger financial muscle and technical expertise to expand its agricultural loan portfolio, including loans to coconut farmers.

LBP is more than capable of absorbing the financial impact of the merger with UCPB. Its ratios will remain comfortably above the standards set by the Bangko Sentral ng Pilipinas (BSP). Based on LBP's projections on the merger, Common Equity Tier 1 (CET1) ratio by end-2021 will remain higher than the 11 per cent regulatory requirement of the BSP.

The merger will follow the stages in accordance to the Governance Commission for GOCCs (GCG) Memorandum Circular No. 2015-03:

- Phase I (Pre-Merger Phase) - As a preliminary step, EO No. 142 directed the Parent to acquire the outstanding UCPB special preferred shares held by the PDIC. Upon the acquisition of the majority shares of the UCPB, UCPB will become a subsidiary of the Parent.
- Phase II (Merger Preparations Phase) – Preparations for the integration of the operations of the merged entity based on the approved plans in order to attain a seamless combination of the resources of the merged entity will commence.
- Phase III (Implementation Phase) – Implementation of the merger of the Parent and UCPB operations.

On December 14, 2021, the UCPB shareholders approved the merger plan during its stockholders' meeting. The shareholders representing 97.2 per cent of UCPB's total outstanding capital stock voted in favor of the Plan of Merger and Articles of Merger between UCPB and LBP.

On 29 December 2021, all requirements for the merger were submitted to BSP and through Resolution No. 61 dated January 13, 2022, the Monetary Board approved the merger of LBP and UCPB, with the former as the Surviving Bank.

The legal merger between UCPB and LBP took effect on 01 March 2022 which resulted in UCPB ceasing its operations and combining its net assets to Parent.

Dividend Payment to the National Government

On 03 June 2022, the Parent remitted as special cash dividend to the National Government (NG) the amount of P8.45 billion which represents the net gain realized from the acquisition of UCPB. This special remittance will augment the unprogrammed NG revenues needed to fund expenditures benefiting the vulnerable sectors of society and strengthen the Government's capability to assist the agriculture sector.

39. Financial Risk Management

CREDIT RISK MANAGEMENT

Credit risk arises from the failure of 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 the Parent's maximum exposure to credit risk, before and after considering eligible collateral held or other credit enhancements.

On-Balance Sheet (BS) Items	2021 (In Millions)							
	CEA	0%	20%	50%	75%	100%	150%	CRWA
Cash on Hand	54,238	54,238						-
Checks & Other Cash Items (COCI)	52		52					10
Due from Bangko Sentral ng Pilipinas (BSP)	472,790	472,790						-
Due from Other Banks	25,335		10,115	15,170		50		9,658
Financial Assets Designated at FVTPL	1,054					1,054		1,054
Available-for-Sale (AFS) Financial Assets	595,431	500,788	6,748	84,631		3,263		46,928
Held-to-Maturity (HTM) Financial Assets	625,126	595,738	6,205	18,402		4,781		15,223
Loans & Receivables	922,176		11,163	102,873		774,156	33,984	878,801
1. Interbank Loans Receivables	24,133		6,427	5,865		11,792	49	16,083
2. Loans & Receivables - Others								-
a. LGUs & Public Sector Entities	52,609					52,609		52,609
b. Government Corporation	2,064					2,064		2,064
c. Corporates	853,096		4,485			648,613		649,510
d. Microfinance/Small & Medium Enterprise	72,717		251	72,374			92	36,375
e. Loans to individuals	80,012			24,634		55,378		67,695
3. Defaulted Exposures	37,543					3,700	33,843	54,465
Other Loans and Receivables ^{1/}	16,643	16,643						-
Sales Contract Receivable (SCR)	1,639					670	969	2,124
Real & Other Properties Acquired (ROPA)	13,400						13,400	20,100
Total Exposures Excluding Other Assets	2,727,884	1,640,197	34,283	221,076	-	783,974	48,353	973,898
Add: Other Assets	27,371	347				27,024		27,024
Total On-BS RWA covered by CRM								1,683
Total On-BS Exposures	2,755,255	1,640,544	34,283	221,076	-	810,998	48,353	1,002,605

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

Off-BS Items	2021 (In P Millions)							
	CEA	0%	20%	50%	75%	100%	150%	CRWA
A. Direct credit substitutes	2,832					2,832		2,832
B. Transaction-related contingencies	69,542	666				68,876		68,876
C. Trade-related contingencies	2,124			642		1,482		1,803
D. Other commitments								
Total Off-BS Exposures	74,498	666	-	642	-	73,190	-	73,511
Counterparty RWA in The Banking Book	CEA	0%	20%	50%	75%	100%	150%	CRWA
Derivative Exposures								
TOTAL	-	-	-	-	-	-	-	-
Counterparty RWA in The Trading Book	CEA	0%	20%	50%	75%	100%	150%	CRWA
Derivative Exposures	36	36						-
Exchange Rate Contracts	4,017	3,660				357		357
TOTAL	4,053	3,696	-	-	-	357	-	357

Less: General Loan Loss Provision (in excess of the amount permitted to be included in Tier 2)

TOTAL	2,833,806	1,644,906	34,283	221,718	-	884,545	48,353	1,075,872
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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, 2021, Parent's Gross Loans & Receivables (GLR) amounted to P922,176 million, net of credit risk mitigation which consists mainly of prime collaterals such as deposit holdout, government securities (GS) and sovereign guarantees. Net of Loans & Receivables, Corporates stood at P653,098 million (70.82 per cent), followed by Micro, Small & Medium Enterprises (MSMEs) at P72,717 million (7.89 per cent), Local Government Units (LGUs)/Public Sector Entities/Government Corporations at P52,609 million (5.70 per cent) and Loans to Individuals at P80,012 million (8.68 per cent). The Parent also holds substantial receivables arising from Repurchase Agreements, Certificates of Assignment/Participation with Recourse, and Securities Lending and Borrowing Transactions amounting to P16,643 million. The P73,511 million credit risk weighted asset of net Off-balance Sheet exposures of P74,498 million is computed based on respective Credit Conversion Factors. These accounts are composed mainly 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 movement of goods and trust transactions. Outstanding derivative exposures are mainly over-the-counter foreign exchange option contracts.

The Parent's GLR have corresponding Credit RWA of P878,801 million following the Standardized Approach. This represents 81.68 per cent of the Total Credit RWA of P1,075,872 million. Further, total Credit RWA represents 89.36 per cent of the Parent's Aggregate RWA of P1,203,958 million.

Concentration of Credit Risk

The table shows the concentration of the Bank's treasury exposures by location:

In Million ₱

Location	2021	2020
Philippines	1,559,530.50	1,385,338.50
USA	17,998.46	18,135.02
Indonesia	32,710.22	21,812.23
Asia	14,538.57	8,961.19
Europe	9,107.94	1,762.50
Others	5.18	2.20
Total	1,633,890.87	1,436,011.64

Credit Risk Exposures

The Parent is guided by its investment policy in its treasury activities, and 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								

The Parent considers instruments that are rated 'investment grade' to have low credit risk. The tables below present the credit quality of the Bank's treasury exposure:

INVESTMENTS (As of September 2021)	EXPOSURE-AT-DEFAULT (In Million P)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Due from BSP and SPURA				
<i>External Credit Rating</i>				
Baa2 or equivalent	410,244.70	410,244.70	-	-
Due from Other Banks				
<i>External Credit Rating</i>				
Aaa or equivalent	3,989.98	3,989.98	-	-
Aa1 or equivalent	51.10	51.10	-	-
Aa2 or equivalent	9,657.82	9,657.82	-	-
Aa3 or equivalent	4,886.87	4,886.87	-	-
A1 or equivalent	6,959.33	6,959.33	-	-
A2 or equivalent	2,155.87	2,155.87	-	-
Baa1 or equivalent	11.59	11.59	-	-
Baa2 or equivalent	7.09	7.09	-	-
Ba2 or equivalent	0.65	-	0.65	-
<i>Benchmarking</i>				
Baa1 or equivalent	2,022.60	2,022.60	-	-
Unrated	9.52	9.52	-	-
FVOCI debt investments				
<i>External Credit Rating</i>				
Aaa or equivalent	13,613.84	13,613.84	-	-
Baa2 or equivalent	597,233.35	597,233.35	-	-
Unrated	746.40	746.40	-	-
HTC investments				
<i>Internal Credit Rating</i>				
High Grade	1,013.46	1,013.46	-	-
<i>External Credit Rating</i>				
Aaa or equivalent	719.46	719.46	-	-
Baa2 or equivalent	571,988.57	571,988.57	-	-
<i>Benchmarking</i>				
A3 or equivalent	83.51	83.51	-	-
Baa1 or equivalent	7,066.46	7,066.46	-	-
Baa3 or equivalent	208.10	208.10	-	-
Ba1 or equivalent	358.78	-	358.78	-
Ba2 or equivalent	610.80	-	-	610.80
Ba3 or equivalent	167.28	-	167.28	-
Unrated	83.74	0.00	-	83.74
TOTAL	1,633,890.87	1,632,669.62	526.71	694.54

INVESTMENTS (As of December 2020)	EXPOSURE-AT-DEFAULT (In Million P)			
	TOTAL	STAGE 1	STAGE 2	STAGE 3
Due from BSP and SPURA				
<i>External Credit Rating</i>				
Baa2 or equivalent	460,086.79	460,086.79	-	-
Due from Other Banks				
<i>External Credit Rating</i>				
Aaa or equivalent	1,683.67	1,683.67	-	-
Aa1 or equivalent	37.14	37.14	-	-
Aa2 or equivalent	16.28	16.28	-	-
Aa3 or equivalent	5,650.80	5,650.80	-	-
A1 or equivalent	7,637.74	7,637.74	-	-
A2 or equivalent	2,566.33	2,566.33	-	-
Baa1 or equivalent	11.44	11.44	-	-
Baa2 or equivalent	7.09	7.09	-	-
Ba2 or equivalent	0.64	-	0.64	-
<i>Benchmarking</i>				
Baa1 or equivalent	2,004.40	2,004.40	-	-
Unrated	16.90	16.18	0.72	-
FVOCI debt investments				
<i>External Credit Rating</i>				
Aaa or equivalent	11,659.35	11,659.35	-	-
Baa2 or equivalent	484,002.58	484,002.58	-	-
Unrated	732.64	732.64	-	-
HTC investments				
<i>Internal Credit Rating</i>				
High Grade	1,237.94	1,237.94	-	-
<i>External Credit Rating</i>				
Baa2 or equivalent	447,447.41	447,447.41	-	-
<i>Benchmarking</i>				
A3 or equivalent	1,078.42	1,078.42	-	-
Baa1 or equivalent	6,562.76	6,562.76	-	-
Baa3 or equivalent	511.50	511.50	-	-
Ba1 or equivalent	2,100.36	282.73	1,817.63	-
Ba2 or equivalent	707.58	-	96.78	610.80
Ba3 or equivalent	165.13	-	165.13	-
Unrated	86.75	0.00	-	86.75
TOTAL	1,436,011.64	1,433,233.19	2,080.90	697.55

As of September 30, 2021, the Parent's total treasury exposure is P1,633.89 billion. Due from BSP and SPURA decreased from P460.09 billion to P410.24 billion while Due from Other Banks increased from P19.63 billion to P29.75 billion. The Parent's FVOCI debt investments grew from P496.39 billion to P611.59 billion. Moreover, HTC investments increased from P459.90 billion to P582.30 billion.

The Parent's exposure classified as Stage 1, Stage 2, and Stage 3 amounted to P1,632.67 billion, P0.53 billion, and P0.69 billion, respectively. No exposure was transferred from Stage 1 to

Stage 2. The table below presents the Parent's exposure for the periods September 2021 and December 2020:

INVESTMENTS (In Million)	TOTAL		STAGE 1		STAGE 2		STAGE 3	
	2021	2020	2021	2020	2021	2020	2021	2020
Due from BSP & SPURA	410,244.70	460,086.79	410,244.70	460,086.79	-	-	-	-
Due from Other Banks	29,752.42	19,632.43	29,751.77	19,631.07	0.65	1.36	-	-
FVOCI debt investments	611,593.59	496,394.57	611,593.59	496,394.57	-	-	-	-
HTC investments	582,300.16	459,897.85	581,079.56	457,120.76	526.06	2,079.54	694.54	697.55
TOTAL	1,633,890.87	1,436,011.64	1,632,669.62	1,433,233.19	526.71	2,080.90	694.54	697.55

Management of Credit Risk

Credit Risk Management (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 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 LBP 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 LBP 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 comprehensive set of credit policies through the issuance of Credit Manual, Credit Policy Issuances (CPIs) and Credit Bulletins. 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 review to assure proper loan classification and setting-up of valuation reserves. As of Dec. 31, 2021, the Parent's net Non-Performing Loan (NPL) stood at P27,771 million or 3.06 per cent of the total loan portfolio of P907,757 million.

Credit Risk Rating

Parent'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 credit worthiness. 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 Parent's Board and Senior Management to be able to monitor the credit quality of individual and loan portfolio 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 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 (ROC). The recovery of written-off accounts is also within the radar of the LBP Board, ROC and Senior Management.

Collateral and Other Credit Enhancements

The Parent adopts a 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 the 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 such 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

LBP regularly conducts stress testing of individual large exposure and its loan portfolio taking into account plausible risk events with high probability of occurrence. Utilizing such scenarios with documented assumptions, tests are done to determine the magnitude of impact on the LBP's loan portfolio, on the Credit RWA, and finally on the Common Equity Tier 1 (CET1) Ratio. The stress testing also includes prescribed regulatory tests such as Uniform Stress Testing and REST. Likewise, various loan portfolio assessment and review are conducted to determine impact of a certain event and government regulation to 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 ROC.

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, 2021, the Parent's qualifying capital covering credit risk is P187.280 billion.

On the other hand, the Parent's Single Borrower's Limit (SBL) is pegged at P60.159 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 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, 2021, and 2020, the Parent does not have credit concentration in any particular industry.

As of December 31, 2021 and 2020, information on the concentration of credit as to industry based on carrying amount is shown below:

	Parent			
	2021		2020	
	Amount	%	Amount	%
Financial intermediation	72,722,947,356	8	77,253,031,205	9
Agriculture, hunting and forestry	74,720,261,239	9	74,979,514,763	9
Real estate, renting and business activities	93,641,341,591	11	84,689,477,541	10
Public administration and defense	90,970,465,540	10	87,492,768,998	11
Manufacturing	67,097,902,164	8	60,623,218,561	7
Community, social and personal services	15,813,041,160	2	16,426,788,136	2
Electricity, gas and water	130,844,149,397	15	126,904,026,206	15
Wholesale & retail trade, repair of motor vehicles, motorcycles & personal and household goods	78,008,342,482	9	78,594,502,062	10
Transport, storage and communication				
Construction	97,852,939,679	11	77,912,524,066	10
Private households	74,161,197,896	8	61,085,100,135	7
Hotel and restaurant	37,350,774,148	4	39,196,128,350	5
Others	11,420,099,594	1	10,994,873,797	1
	35,813,624,350	4	36,802,803,992	4
Allowance for losses	880,417,086,596 (26,694,890,846)	100	832,954,757,812 (25,926,451,311)	100
	853,722,195,750		807,028,306,501	

MARKET RISK MANAGEMENT

Market Risk Management Framework

Parent 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 LBP Board, ROC and the 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 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, 2021, the LBP's Total Market RWA stood at P15,955 million, broken down as follows:

PARTICULARS	AMOUNT (In Millions)
Interest Rate Exposure	3,262
Equity Exposure	114
FX Exposure	2,230
Options	10,349
Total Market RWA	15,955

The Total Market RWA represents 1.33 per cent of the Parent's Aggregate RWA of P1,203,958 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. Parent continues to manage interest rate risk in trading activities through factor sensitivities and the use of VaR and stress testing. Government Securities and Foreign Securities 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

LBP 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 99.0 per cent confidence level, assuming a static portfolio.

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 Management. 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 11.00 per cent by BSP for LBP as Domestic Systemically Important Banks (DSIB) for 2021.

3. Back-Test

LBP 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	0 to 4 exceptions
non-conclusive/yellow zone	5 to 9 exceptions
problematic/red zone	10 or more exceptions

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

4. Model Validation

RM models for market risk are subjected to independent model validation. The Internal Audit Group (IAG) is tasked to do model validation 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 LBP Board of Directors. The liquidity policy of the LBP is to maintain fund availability at all times 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 LBP Board exercises oversight through ROC and has delegated the responsibility of managing the overall liquidity of the LBP to the ALCO. The ALCO and the TIBS are responsible for the daily implementation and monitoring of relevant variables affecting the LBP'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 Treasury Risk Management Department (TRMD) 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 TRMD - Risk Modeling & Quantitative Analytics Unit (RMQAU) and by the IAG.

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 in order to determine any future mismatch such as long-term assets growing faster than long term liabilities.

TRMD prepares 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 prepared on a quarterly basis.

The following behavioral assumptions are used in measuring the Parent's liquidity gap:

- Non-Maturing Deposits (NMD): 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 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 Non-Maturing Loans: A behavioral model to capture and estimate the drawing pattern for credit cards and credit line products.

The following table sets forth the asset-liability gap position over the detailed time period for the Parent as of December 31, 2021 based on actual amortization schedule:

<i>In Million ₱</i>						
PARTICULARS	Due within 3 months	Due > 3 months to 6 months	Due > 6 months to 1 year	Due > 1 year to 5 years	Due > 5 years	Total
Financial Assets						
Cash & Due from Banks	343,343	2,568	503	105,849	0	452,263
Total Loans	218,621	102,036	85,352	425,662	249,307	1,080,978
Total Investments	97,600	34,063	175,431	595,736	458,322	1,361,152
Other Assets	8	4	1,830	3,491	169	5,502
Total Assets	659,572	138,671	263,116	1,130,738	707,798	2,899,895
Financial Liabilities						
Deposits	807,347	49,548	14,107	1,415,110	0	2,286,112
Borrowings	2,706	788	1,103	8,188	15,942	
Other Liabilities & Unsecured Subordinated Debt	24,127	1,194	27,611	25,583	165	28,727
						78,680
Total Liabilities	834,180	51,530	42,821	1,448,881	16,107	2,393,519
Gap Position	(174,608)	87,141	(1,448,881)	(318,143)	691,691	

As of December 31, 2021, the Parent has in its possession a comfortable level of highly liquid assets to cover for liquidity risk that may arise in the earlier tenor buckets. Most assets (particularly loans and investments) have long term maturities. Net gap is positive in all buckets except in the 'due within 3 months' and 'more than 1 year to 5 years' buckets.

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 LBP 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 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 LBP. 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:

$$LCR = \frac{\text{Stock of HQLA}}{\text{Total Net Cash Outflow over the next 30 calendar days}}$$

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.

PARTICULARS	31 December (In ₱ Million)	
	2021	2020
High Quality Liquid Assets	1,591,389	1,474,378
Total Net Cash Outflows	714,858	677,929
LCR	222.62%	217.48%

As of December 31, 2021, the Parent's LCR is higher than the 100 per cent minimum requirement for the CY 2021.

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:

- a. Investments in debt instruments that are measured at amortized cost;
- b. Investments in debt instruments that are measured at FVOCI; and
- c. Due from Bangko Sentral ng Pilipinas 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 twelve months if there is no significant increase of credit risk 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.

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. LBP'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 LBP assets, liabilities and off-balance-sheet positions.

The Parent manages IRRBB based on approved policies and procedures. LBP uses Re-pricing Gap/Earning-at-Risk (EaR) and Economic Value of Equity-at-Risk (EVE) 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 LBP. RMG-TRMD recommends interest rate limits in coordination with ALMG and is approved by the ALCO, ROC and the LBP 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 LBP 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 Parent'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.

IAG is tasked to do model validation of RM models. The validation 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 review is also being done by the Risk Modeling and Quantitative Analytics Unit (RMQAU) of TRMD to check for any enhancements or calibrations needed to the models.

As of this moment, 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, 2021, the NII impact of change in interest rates amounted to P2,204.44 million.
2. Economic Value-Based Measure: The Parent uses the (EVE) 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, 2021, the EVE impact of change in interest rates amounted to P7,608.66 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 EaR and EVE 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 EVE 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. LBP 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 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 Non-maturing Loans

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 LBP Economist, interest rate volatility for the past five 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 EVE. 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, 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 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 Bank's most critical functions and Information Technology (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 Parent's 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 conduct 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 ROC the results of ORM processes.

Operational Risk Exposure

LBP currently uses the Basic Indicator Approach 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 2021, the Parent's Total ORWA using the Basic Indicator Approach was P112,130 million or 9.31 per cent of the Parent's Aggregate Risk Weighted Assets (RWA) of P1,203,958 million.

Gross Revenues of the Parent continue to grow relative to its expanding business operations and as a result of which, ORWA is expected to increase annually.

LBP is firm in its resolve to fortify 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.

Based on an intensive self-assessment on the readiness of LBP to adopt the Basel Committee on Banking Supervision (BCBS) d424 Basel III: Finalizing Post-Crisis Reforms for measuring operational risk capital charge under the Standardized Measurement Approach (SMA), the Parent put in place the enhanced operational risk framework, loss data gathering, models and processes including the adoption of the SMA for Pillar 1 capital charge and enhanced internal model for calculating operational risk weighted assets using the Advanced Measurement Approach (AMA)-based Internal Capital Assessment (ICA) for Pillar 2 capital assessment. The Parent has also engaged the services of a third-party professional consultant to validate these endeavors. The proposal to adopt the advanced approaches was submitted to BSP in 2020.

In addition, the simulation conducted by the Parent for 2021 using its historical loss data resulted in a lower operational capital charge by P6.92 billion and

P8.62 billion using the SMA and AMA-based ICA, respectively, compared to the computed operational capital charge of P12.45 billion using the BIA.

The 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 (SMA and AMA-based ICA) have consistently resulted in lower figures than the BIA. The lower capital charge will allow LBP 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 1048 “BSP Regulation on Financial Consumer Protection; Guidelines and Procedures Governing the Consumer Assistance and Management System of BSP-Supervised Financial Institutions; and Amendments to the Manual of Regulations for Banks and Non-Bank Financial Institutions”, LBP continuous to update the Customer Protection Risk Management System (CPRMS) as part of the LBP’s enterprise-wide risk management system. It identifies, measures, monitors, and controls consumer protection risks 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 are 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 LBP’s clients.

The CPRMS Oversight Framework is aligned with and adheres to the Financial Consumer Protection Standards of Conduct prescribed under BSP Circular 1048. LBP 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.

Corporate Information

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.

Head Office



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Customer Care Center



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Acknowledgment



For the LANDBANK client features, we give special thanks to:

- Sps. Jessie and Edna Cabuhat,
- Virginia Farms Inc. President Rolando E. Tambago, and
- the Provincial Government of Sorsogon



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