



**LBP (Land Bank of the Phil.)
INSURANCE BROKERAGE, INC.**



2017 ANNUAL REPORT



CONTENTS

Mission & Vision -----	3
Message from the Chairman-----	4
General Manager Report-----	5
Overview Financial Highlights -----	6
Operational Highlights-----	8
2017 Performance Scorecard -----	13
LIBI Workforce	
Management and Human Resources-----	27
Financial Highlights -----	29
Insurance Operations -----	33
Corporate Social Responsibility -----	37
Audited Financial Statements-----	40
Notes to Financial Statements-----	49
LIBI Board of Directors -----	74



To provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients.

To efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.



To be among the Top 10 insurance brokerage in terms of premium produced by 2022.

MESSAGE FROM THE CHAIRMAN



The winds of change continue to pose challenges to LIBI and 2017 was the year when long overdue receivables from GSIS were finally settled, albeit not fully. From ₱36 Million extra-remuneration, we were able to collect approximately ₱31 Million with an outstanding receivable of ₱5 Million as of February 2018. Outstanding claims of Land bank dating back to May 4, 2015 were also settled. These were achieved through patient discussions and negotiations with GSIS management. We thank GSIS for their kind understanding.

We finally launched a new Micro Insurance product for Farmers and Fishers with an initial orientation and sales presentation in Ipil, Zamboanga Sibugay last November 14, 2017. For only ₱50 annual premium, a comprehensive coverage of ₱20,000.00 (Accident Death, Total Permanent Disability, Dismemberment or Disablement, Medical Reimbursement, Daily Hospital Income Benefit, Burial Expenses Benefit and Murder & Unprovoked Assault) was offered which generated a lot of interest from the NGO and COOP members who attended. For this, we thank LIBI Dir. Olegario for arranging the visit.

Initiatives to offer Cyber Insurance to LBP, Fire and Casualty insurance for 2nd to 6th class municipalities were likewise offered. We wrote GCG to ask for an endorsement to market Directors and Officers Liability Insurance to GOCCS and LGUs and are still awaiting for the formal reply of GCG.

Finally, we made major investments (CAPEX) in upgrading our Integrated Insurance Brokerage System (IIBS) and other computer paraphernalia like servers, UPS and printers, air-conditioning system and are currently evaluating Chat Bot (Virtual Assistant) to dramatically improve LIBI's ability to improve customers' service.



GENERAL MANAGER REPORT



As the year draws to a close, it is a good time to reflect on our accomplishments and think ahead to 2018.

Today we have announced yearend and full year 2017 results which were in line with our expectations. 2017 was a complex year with a lot of business challenges, yet we delivered on our primary key objectives.

Looking at the numbers, we can see that our Net Income After Tax (NIAT) reached ₱77.17 million, 3.74% or ₱2.78 million above the target of ₱74.38 million; 7.47% or ₱5.36 million higher than 2016. We have also achieved a double digit growth in revenue/

service fees amounting to ₱112.57 million, 18.55% or ₱17.51 million higher than last years' ₱94.96 million.

Our LBP Insurance Brokerage, Inc. (LIBI) people survey was a milestone as well. We recognized our strengths, continuous commitment to developing people. And I heard loud and clear the challenges we face i.e., unnecessary bureaucracy and our lack of success anticipating and adapting to change. Your commitment to our clients, our purpose, our ambition and our values is creating fundamental change and laying the foundation for LIBI's future. I am deeply grateful to see you, beginning to embrace our new values and I look forward to addressing our challenges.

Overall, we should all be satisfied with our progress and looking forward to accelerating our transformation in 2018.

Cheers to all of us.



FINANCIAL HIGHLIGHTS

	2016	2017	INCREASE (DECREASE)	%
INSURANCE	94.96	112.57	17.61	18.55
FOREX¹	8.89	2.66	(6.23)	(70.12)
INVESTMENTS	26.62	32.83	6.21	23.32
OTHER INCOME	2.00	1.81	(0.19)	(9.50)
TOTAL REVENUE	132.47	149.87	17.40	13.14

STATEMENT OF FINANCIAL POSITION

	Note	2017	2016
ASSETS			
Current Assets			
Cash and cash equivalents	4	128,648,801	242,629,531
Receivables, net	5	81,637,069	82,849,615
Inventories	6	87,927	80,195
Other Current Assets	7	5,458,833	5,344,387
		215,832,630	330,903,728
Non-current Assets			
Receivables, net	5	44,748,015	80,872,997
Financial Assets	8	964,882,758	797,842,474
Property and Equipment, net	10	23,147,319	23,145,518
Investment property	9	998,316	998,316
Intangible asset	11	2,132,634	2,313,634
Deferred Tax Assets	25	3,870,148	6,817,500
Other Non-Current Assets	7	2,101,215	1,612,048
		1,041,880,404	913,421,486
TOTAL ASSETS		1,257,713,034	1,244,325,214

FINANCIAL HIGHLIGHTS

LIABILITIES AND EQUITY

Current Liabilities

Financial Liabilities	12	174,481,168	163,932,357
Inter-Agency Payables	13	5,867,439	8,405,067
Trust liabilities	14	24,895,547	22,373,632
Provisions	15	4,265,703	5,211,825
Other payables	16	439,373	1,690,054
Total Current Liabilities		209,949,230	201,612,935

Non-Current Liabilities

Financial Liabilities	12	44,644,530	77,812,661
Trust Liabilities	14	5,009,640	13,203,342
Provisions	15	7,709,551	1,577,462
Total Non-Current Liabilities		57,363,721	92,593,465

TOTAL LIABILITIES		267,312,951	294,206,400
--------------------------	--	--------------------	--------------------

Equity

Share capital	17	300,000,000	300,000,000
Retained earnings	18	690,400,083	650,118,814
		990,400,083	950,118,814

TOTAL LIABILITIES AND EQUITY		1,257,713,034	1,244,325,214
-------------------------------------	--	----------------------	----------------------



OPERATIONAL HIGHLIGHTS



INSTITUTIONAL VIABILITY AND VITALITY

I. LIBI CORPORATE GOVERNANCE STRUCTURE

A. LIBI BOARD COMPOSITION

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LIBI) was organized as a wholly-owned subsidiary of the Land Bank of the Philippines on October 22, 1981. LIBI was primarily established to service the bank's insurance requirements, its subsidiaries, its clients/borrowers and other government offices. It was created to engage in the business of general insurance broker- age management and consultancy services on insurance-related activities to its clients. LIBI is governed by a Board of Directors with eleven (11) seats. The LIBI Board is chaired by Mr. Tomas T. de Leon, Jr. and also the Officer-in-Charge as President & CEO of LIBI. As of 31 December 2017 the Board is composed of the following:

MR. TOMAS T. DE LEON, JR. CHAIRMAN	MR. RODOLFO V. PESTAÑO GENERAL MANAGER
MEMBERS ATTY. REYNAULD R. VILLAFUERTE MR. ALAN V. BORNAS YOLANDA D. VELASCO JENNIFER A. TANTAN DAISY M. MACALINO ATTY. PAMELA B. FELIZARTA EUSEBIO A. CORTEZ ATTY. REY ANDRE C. OLEGARIO	

B. RESPONSIBILITIES, DUTIES AND FUNCTIONS OF THE BOARD

1. GENERAL RESPONSIBILITY

It is the Board's responsibility to foster the long-term success of the Corporation, and to sustain its competitiveness and profitability in a manner consistent with its corporate objectives and the best interests of its stockholders and other stakeholders.

The Board formulates the Corporation's vision, mission, strategic objectives, policies and procedures that shall guide its activities, including the means to effectively monitor Management's performance.

2. DUTIES AND FUNCTIONS

To ensure a high standard of best practice, the Board conducts itself with honesty and integrity in the performance of the following duties and functions:

- a. Appoint competent, professional, honest and highly-motivated management officers in accordance with the Fit and Proper Rule. Adopt an effective succession planning program for Management for approval of the GCG.
- b. Provide sound strategic policies and guidelines on major capital expenditures. Establish programs that can sustain the Corporation's long-term viability and strength. Periodically evaluate and monitor the implementation of such policies and strategies, including the business plans, operating budgets and Management's overall performance.
- c. Ensure that the Corporation complies with all applicable laws, regulations and best business practices.
- d. Establish and maintain an investor relations program that will keep the stockholders informed of important developments in the Corporation. If feasible, the Corporation's CEO shall exercise oversight responsibility over this program.
- e. Identify the stakeholders who are directly affected by the operations of the Corporation, and formulate a clear policy on delivery of accurate, timely and effective information to its stakeholders.
- f. Adopt a system of internal checks and balances.
- g. Identify key risk areas and performance indicators and monitor these factors with due diligence to enable the Corporation to anticipate and prepare for possible threats to its operational and financial viability.
- h. Formulate and implement policies and procedures that shall ensure the integrity and transparency of related party transactions between and among the Corporation and its parent company, joint ventures, subsidiaries, officers and directors, including their spouses, children and dependent siblings and parents and of interlocking director relationship by members of the Board.
- i. Constitute an Audit Committee and such other committees it deems necessary to assist the Board in the performance of its duties and responsibilities.
- j. Establish and maintain an alternative dispute resolution system in the Corporation that can amicably settle conflicts or differences between the Corporation and its stockholders and the Corporation and third parties, including the regulatory authorities.
- k. Properly discharge Board functions by meeting regularly. The meetings should be duly recorded through the minutes of the meeting. Independent views during Board meetings shall be given due consideration.
- l. Keep Board authority within the powers of the institution as prescribed in the Articles of Incorporation and by-laws, and in accordance with existing laws, rules and regulation; and
- m. Appoint a Compliance Officer who shall have the rank of at least officer level. In the absence of such appointment the Corporate Secretary, shall act as Compliance Officer.

C. BOARD IN ACTION

The Board of Directors in its first meeting for 2017 set the calendar of Board meeting to every 4th week of the month. The Board acted upon the following resolutions for CY 2017.

The Board reviewed, evaluated and monitored progress and/or endorsed the following resolutions:

Board Resolution No.	PARTICULARS
2017-001-001	Annual Procurement Plan for CY2017
2017-001-002	Proposed Schedule of Executive Committee and Board of Directors' meetings For CY 2017
2017-001-003	Resignation of Director David P. Corpin as Member of the Board of Directors of LIBI
2017-001-004	Proposed CY2017 Performance Agreement Negotiation (PAN)
2017-001-005	Proposed Target for CY 2017
2017-001-006	Issuance of LIBI's Financial Statements for CY 2016
2017-001-007	Recommendation of the Management for the endorsement of Generali Life Assurance Philippines
2017-002-008	Promotion of Mr. Mario T. Canlas as Marketing Head
2017-002-009	Reduced the number of Members of the Board of Directors from eleven (11) to seven (7)
2017-003-010	Declaration of THIRTY SEVEN MILLION SEVEN HUNDRED FIFTY EIGHT THOUSAND EIGHT HUNDRED TWENTY SEVEN PESOS (₱37,758,827.00) Cash Dividend
2017-003-011	Revocation for LIBI-Forex to transact with King's Hopewell and World Reliance Limit the brokering transactions of LIBI-Forex to PETNET, Inc.
2017-003-012	Revised Performance Agreement Negotiation (PAN) for CY 2017
2017-003-012A	Confirmation of Mr. Rodolfo V. Pestaño as General Manager of LIBI
2017-003-013	Nomination to elect Ms. Crispina V. Centeno as Treasurer of LIBI
2017-003-014	Designation of Director Yolanda D. Velasco as Officer-in-Charge (OIC) of LIBI starting April 12, 2017 to May 6, 2017
2017-003-015	Designation of Director Jennifer A. Tantan as Chairman of the Nomination and Remuneration Committee vice Atty. David P. Corpin
2017-004-016	Proposal and recommendation of GM Rodolfo V. Pestaño for the closure of Business of LIBI-Forex effective May 19, 2017
2017-004-017	Proposal to dispose/sell/trade the two existing service vehicles of LIBI, namely; (i) 2012 Model Hyundai Tucson CRDI and (ii) 2009 Model Toyota Innova G Proposal to acquire/purchase two (2) brand new motor vehicles
2017-004-018	Closure of LIBI-forex's Peso Current Account, Peso Savings Account and Dollar

Board Resolution No.	PARTICULARS
	<p>Endorsement to LBP-Financial Institution Department (FID) of the accreditations of the following life and non-life insurance companies</p> <p>Life Insurance Companies</p> <ol style="list-style-type: none"> 1. Generali Pilipinas Life Insurance 2. Pioneer Life, Inc. <p>Non-Life Insurance Companies</p> <ol style="list-style-type: none"> 1. Prudential Guarantee & Assurance, Inc. 2. PNB General Insurers Company, Inc. 3. MAA General Assurance Phil's., Inc. 4. FPG Insurance Co., Inc. 5. Commonwealth Insurance Company 6. Alliedbankers Insurance Corporation 7. The Mercantile Insurance Company, Inc. 8. Liberty Insurance Corporation 9. Standard Insurance Co., Inc. 10. QBE Seaboard Insurance Philippines, Inc.
2017-004-019	
2017-004-020	Disposition of 2016 Net Income and Retained Earnings
2017-004-021	Summary Agreement for the Performance Agreement Negotiation (PAN) for CY 2017
2017-005-021	Donation of ONE HUNDRED THOUSAND PESOS (₱100,000.00) to the evacuees From Marawi City
2017-005-022	Grant and release of Anniversary Cash Gift amounting to EIGHT THOUSAND PESOS ONLY (₱8,000.00)
2017-005-023	Nomination and election of Director Pamela B. Felizarta as Member of the Executive Committee vice former Director German S. Caccam.
2017-006-024	Adopting the FY 2016 Performance Based-Bonus
2017-005-024A	Declaration of Cash Dividend in favor of Land Bank of the Philippines amounting to ₱37,758,827.00
2017-005-025	Proposal and recommendation of GM Rodolfo V. Pestaño to discontinue the Segment operation of buying and selling of foreign currencies effective May 19, 2017
2017-006-026	Creation of plantilla position (Collection Supervisor and change of employment Status from LBPSC Contractual to Director Contractual
2017-006-027	Promotion of Ms. Crispina V. Centeno from Treasury Specialist II to Treasurer
2017-006-028	Amendments to the Manual of Operations of LIBI particularly on Cashiering and Files/Records Management & Other Administrative Functions
2017-007-029	Proposal of GM Rodolfo V. Pestaño to donate TWO HUNDRED THREE THOUSAND SIX HUNDRED THIRTEEN & 13/100 ONLY (₱206,603.13) to LANDBANK Countryside Development Foundation, Inc. (LCDFI)

Board Resolution No.	PARTICULARS
2017-007-030	Endorsement of Management for the accreditation of Pacific Union Insurance Company and The Insular Life Assurance to LBP-Financial Institution Department
2017-007-031	Designation of Ms. Ma. Pacita C. Gopio as Data Protection Office (DPO)
2017-008-032	Increase the number of Members of the Board of Directors from seven (7) to eleven (11)
2017-008-033	Nomination and election of Atty. Rey Andre C. Olegario and Mr. Eusebio A. Cortez vice Mr. German S. Caccam and Atty. Vergel A. Cruz
2017-009-034	Nomination and election of Mr. Eusebio A. Cortez and Atty. Rey Andre C. Olegario as member of the Audit & Risk Committee and Corporate Governance respectively
2017-010-035	Proposed Amendments on LIBI's rules on tardiness in the Personnel Manual
2017-011-036	Management recommendation for LIBI to adopt the Modified Salary Schedule Under Sec. 3 of Executive Order (E.O.) No. 201, s. 2016
2017-011-037	Performance Agreement Negotiations (PAN) for CY 2018.
2017-011-038	Report of Director Yolanda D. Velasco, Chairman of Audit and Risk Committee, on the Results of Operations Audit of LIBI for CY2017 and Risk Control Self-Assessment of LIBI for CY2017
2017-011-039	Annual Procurement Plan (APP) of LIBI for CY 2018
2017-011-040	Granting of Productivity Enhancement Incentive (PEI) for CY2017 amounting to FIVE THOUSAND PESOS ONLY (₱5,000.00)
2017-011-041	Implementing Guidelines and Mechanics for the CSR Initiative/ Stakeholder Support for the Service Contractual Workers (SCWs) and other Non-Regular Personnel
2017-011-041	Reversal of the Board Resolution No. 2017-005-024A dated June 23, 2017 on the Declaration of Cash Dividend payable to Land Bank of the Philippines amounting to THIRTY SEVEN MILLION SEVEN HUNDRED FIFTY EIGHT THOUSAND EIGHT HUNDRED TWENTY SEVEN PESOS ONLY (₱37,758,827.00)

2017 PERFORMANCE SCORECARD

Component		Agreed		LIBI Submission		GCG Validation		Rating	
Objective/Measure		Rating Scale	Target	Weight	Actual	Rating	Actual		
Financial	SO 1	Ensure Sustainable Financial Growth							
	SM 1	Net Income After Tax (NIAT)	Lower than 72.21M=0%; 72.22-73.4=10%; 73.41-74.34=20%; 74.35-75.9=25%; Above 76M = 30%	74.34 Million	30%	77.02 Million	30%	77.02 Million	30%
	Sub-total				30%		30%		
Customers / Stakeholders	SO 2	Improve Service Delivery							
	SM 2	Customer Satisfaction Survey	All or Nothing	90% of respondents rated LIBI "Very Good" and "Excellent"	5%	91.23%	0%	78.95%	0%
	SO 3	Provide wider market reach for microinsurance for agricultural and fisheries development							
	SM 3	Number of products with improved Market access	50% = Microinsurance product developed 50% = Microinsurance product sold	Development and sale of Microinsurance for farmers and fisherfolk	10%	Developed Microinsurance for fisherman and farmers, LIBI sold 3 Microinsurance for farmers and 1 for fisherman	10%	Developed microinsurance for fisherman & farmers, LIBI sold 3 microinsurance for farmers & 1 for fisherman	10%
Sub-total				15%		10%			
Internal Process	SO 4	Provide wider market reach for financial viability							
	SM 4	Premium volume (in Million pesos)	(Actual/Target) x Weight	634.86 Million	20%	611.50 Million	19.26%	611.50 Million	19.26%
	SO 5	Improve Efficiency and Quality of Insurance Process							
	SM 5	Acceptability of Product	All or nothing	95%	5%	98.18%	5%	98.18%	5%
	SO 6	Enhance existing processes comparable with the industry							
SM 6	Implementation of Quality Management System	Time Bound Action Plan	Certificate of Preparedness for ISO 9001:2015 Certification	10%	Certified Readiness for ISO 9001:2015	10%	Certificate of Preparedness of ISO 9001:2015 Certification	10%	
Sub-total				34.27%		34.26%		34.26%	
Learning and Growth	SO 7	Develop strategic skills & competence of officers and staff							
	SM 7	Percentage of Employees whose Competencies have been Assessed	(Actual/Target) x Accomplishment	Assessment of 100% of LIBI Personnel based on Board-approved Competency Model to establish baseline	10%	100%	0%	0%	0%
	SO 8	Enhance IT infrastructure							
SM	Improvement of existing computer system	(Actual/Target) x Accomplishment	Implementation of Phase 3: Document Management System and Imaging Desktop	10%	Implemented Document Management System (DMS) and Imaging Desktop	0%	Implementation of Document Management System (DMS) and Imaging Desktop	0%	
Sub-total				20%					
Total				99.27%				74.26 %	

D. BOARD PERFORMANCE AND ATTENDANCE

DIRECTOR'S ATTENDANCE FORM FOR THE PERIOD JANUARY TO DECEMBER 2017

BASIC INFORMATION						
<i>Name of Board Member</i>	<i>Position</i>	<i>Incumbency*</i>	<i>Date of Most Recent Appointment</i>	<i>Committee Membership (Executive Committee)</i>	<i>Committee Membership (Audit & Risk Committee)</i>	<i>Committee Membership (Governance Committee)</i>
Tomas T. de Leon, Jr.	Chairman			Tomas T. de Leon, Jr.	Yolanda D. Velasco	Tomas T. de Leon, Jr.
Reynauld R. Villafuerte	Member			Reynauld R. Villafuerte	Jennifer A. Tantan	Reynauld R. Villafuerte
Alan V. Bornas	Member			Yolanda D. Velasco	Daisy M. Macalino	Jennifer A. Tantan
Yolanda D. Velasco	Member			Pamela B. Felizarta	Eusebio A. Cortez	Rey Andre C. Olegario
Daisy M. Macalino	Member					Pamela B. Felizarta
Jennifer A. Tantan	Member					
Pamela B. Felizarta	Member		May 2017			
Rey Andre C. Olegario	Member		August 2017			
Eusebio A. Cortez	Member		August 2017			
German S. Caccam*	Member					

*Replaced by Rey Andre C. Olegario

MATERIAL SUBMISSION OF BOARD OF DIRECTORS MEETING

Deliveries of material for Board of Directors/Commissioners schedule meetings is three (3) calendar days before the meeting but in some cases the material is deliver one (1) days before the meeting.

VISION AND MISSION

The Vision and Mission of the LIBI was discussed and approved by the members of the Board of Directors during the LIBI's Strategic Planning Presentation with Pres. Alex Buenaventura on March 02, 2017.

D. BOARD PERFORMANCE AND ATTENDANCE (CONT.)

GOVERNING BOARD MEETING AND ATTENDANCE								
<i>Name of Board Member</i>	<i>Total</i>	<i>Actual</i>	<i>%</i>	<i>Date of Board Meeting</i>				
				1/27/17	2/17/17	3/31/17	5/30/17	6/21/17
Tomas T. de Leon, Jr.	13	13	100%	P	P	P	P	P
Reynauld R. Villafuerte	13	13	100%	P	P	P	P	P
Alan V. Bornas	13	13	100%	P	P	P	P	P
Yolanda D. Velasco	13	13	100%	P	P	P	P	P
Daisy M. Macalino	13	13	100%	P	P	P	P	P
Jennifer A. Tantan	13	13	100%	P	P	P	P	P
Pamela B. Felizarta*	11	11	100%				P	P
Rey Andre C. Olegario*	7	6	85.71%					
Eusebio A. Cortez*	7	7	100%					
German S. Caccam**	4	4	100%	P	P	P	P	
*Assumed office on May 30, 2017 & August 30, 2017								
**Replaced by Rey Andre C. Olegario								

GOVERNING BOARD MEETING AND ATTENDANCE (CONT.)								
<i>Name of Board Member</i>	<i>Date of Board Meeting</i>							
	7/26/17	8/30/17	9/12/17 SPLBRD	9/29/17	10/17/17 SPLBRD	10/25/17	11/24/17	12/19/17
Tomas T. de Leon, Jr.	P	P	P	P	P	P	P	P
Reynauld R. Villafuerte	P	P	P	P	P	P	P	P
Alan V. Bornas	P	P	P	P	P	P	P	P
Yolanda D. Velasco	P	P	P	P	P	P	P	P
Daisy M. Macalino	P	P	P	P	A	P	P	P
Jennifer A. Tantan	P	P	P	P	P	P	P	P
Pamela B. Felizarta*	P	A	P	P	P	P	P	P
Rey Andre C. Olegario*		P	P	P	P	P	A	P
Eusebio A. Cortez*		P	P	P	P	P	P	P
German S. Caccam**								
*Assumed office on May 30, 2017 & August 30, 2017								
**Replaced by Rey Andre C. Olegario								

LEGENDS:

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

E. TRAINING AND CONTINUING EDUCATION BY THE BOARD

For 2017, some of LIBI Board of Directors attended various training and seminars conducted by different training centers including our mother company Land Bank of the Philippines.

LIBI encourages the members of the Board of Directors to attend continuous professional education programs. The members of the Board of Directors, on their own initiative or upon the recommendation of the company, may request for their participation in certain professional programs, trainings and seminars.

Below are the lists of training that they attended:

DIRECTORS	TRAININGS	CONDUCTED BY
Tomas T. de Leon, Jr.	No Trainings Attended	Not Applicable
George R. Francisco	Actuarial Valuation & General Insurance Liabilities	Insurance Institute for Asia and the Pacific (IIAP)
	Risk Based Capital & Stress Testing	Insurance Institute for Asia and the Pacific (IIAP)
	Updating on Anti-Money Laundering Act (AMLA)	Landbank of the Philippines (LBP)
Eusebio A. Cortez	Corporate Governance Orientation Programs for GOCC	Institute of Corporate Directors
Pamela B. Felizarta		
Rey Andre C. Olegario		
Alan V. Bornas	SAS Leaders Exchange Conference	SAS Institute Phils. Inc.
	29th Baiphil National Convention	Bankers Institute of the Phil's.
	Asian Financial Services Congress	International Data Corp. (IDC) Financial Insights
	Updating on Anti-Money Laundering Act (AMLA)	Landbank of the Philippines (LBP)

F. THE BOARD COMMITTEES

A. Executive Committee

The Executive Committee is composed of four (4) members of the Board, with the Chairman of the Board being the Committee Chairman.

The Executive Committee, in accordance with the authority granted by the Board, or during the absence of the Board, act by a vote of a least two-thirds (2/3) of its members on such specific matters within the competence of the Board as may from time to time be delegated to the Executive Committee in accordance with LIBI's Articles of Incorporation and By-Laws, except with respect to:

- Approval of any action for which shareholders' approval is also required;
- Filling of vacancies on the Board or in the Executive Committee;
- Amendment or repeal of By-Laws or the adoption of new By-Laws;
- Amendment or repeal of any resolution of the Board which by its express terms cannot be amended or subject to repeal;
- Distribution of cash dividends; and
- Exercise of powers delegated by the Board exclusively to other committees.

The LIBI Executive Committee is chaired by Director Tomas T. de Leon, Jr. with members namely: Director Reynauld R. Villafuerte, Director Pamela B. Felizarta and Director Yolanda D. Velasco.

Executive Committee Meeting																	
Name of Board Member	Total	Actual	%	Date of Committee Meeting													
				1/20/17	2/17/17	3/2/17	3/22/17	5/15/17	6/14/17	7/21/17	8/4/17 SPEXCOM	8/23/17	9/22/17	10/4/17 SPEXCOM	10/24/17	11/17/17	12/15/17
Tomas T. de Leon, Jr.	14	14	100	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Reynauld R. Villafuerte	14	14	100	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Yolanda D. Velasco	14	14	100	P	P	P	P	P	P	P	P	P	P	P	P	P	P
Pamela B. Felizarta*	8	7	87.5							P	A	P	P	P	P	P	P

*Elected as ExCom Members on June 21, 2017

LEGENDS:

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

EXECUTIVE COMMITTEE ACTIVITIES

ExCom Resolution No.	PARTICULARS
2017-001-001	Annual Procurement Plan for CY2017
2017-001-002	Change of Employment Status Ms. Mary Joy Brillo from Direct Contractual to
2017-001-003	Schedule of Executive Committee and Board of Directors' Meeting for CY2017
2017-001-004	Proposal and Creation of the Position of two (2) Administrative Staff and one (1) Marketing Service Staff
2017-001-005	Promotion of Ms. Maria Angela P. Montes from Secretary to Secretary II
2017-001-006	Proposed Target of LIBI for CY2017
2017-002-007	Promotion of Ms. Divine Grace S. Apo from Administrative Clerk to Administrative Assistant
2017-002-008	Promotion of Mr. Leonardo C. Evangelista (Account Marketing Analyst) and John Pablo S. Tan (Claims Analyst)
2017-002-009	Promotion of Mr. Mario T. Canlas from Account Marketing Analyst I to Marketing Head
2017-003-010	Regularization of Ms. Erica Aboy as Marketing Clerk
2017-003-011	Promotion of three (3) Marketing Division; Myca V. Sumulong (Account Marketing Analyst), Angelique Marie B. Capitulo & Cely B. Giangan (Account Marketing Assistant)
2017-003-012	Change of employment status of three (3) Marketing Division personnel namely; Bryan Rae C. Allado, Sherelyn S. Globio and Robin Macarilay
2017-003-013	Regularization of Mr. Constancio S. Arriesgado, Jr.
2017-003-014	Change of Employment Status of two (2) Accounting Personnel namely; Carla Marielle B. Cruz and Girlie B. Parao
2017-003-015	Promotion Michelle S. Ginampos from Collection Assistant to Collection Analyst
2017-003-016	Proposal to declare THIRTY SEVEN MILLION SEVEN HUNDRED FIFTY EIGHT THOUSAND EIGHT HUNDRED TWENTY SEVEN ONLY (₱37,758,827.00)
2017-003-017	Revised Performance Agreement Negotiations (PAN) for CY2017
2017-004-018	Change of employment status of Art Bryan C. Gonzales from LBPS Contractual to Probationary Status
2017-004-019	Promotion of Ms. Josielyn S. Maala from Account Marketing Specialist I to Account Marketing Specialist II
2017-004-020	Proposal of the Treasurer to invest the funds transferred by LIBI-Forex in the amount of SEVENTY MILLION (₱70,000,000.00) to the Fixed Treasury Notes (FXTN) being offered by LBP Investment Sales & Distribution Department
2017-005-021	Proposed Amendments to the Manual of Operations of LIBI particularly on the Cashiering and Files/Records Management and other Administrative Functions
2017-005-022	Promotion of Crispina V. Centeno from Treasury Specialist II to Treasurer
2017-005-023	Promotion of Rodelio N. Taguba from Administrative Analyst to Administrative Specialist I
2017-005-024	Proposal to support one of the Activities of Manila Bay Sunset Partnership Program, Inc. (MBSPP) particularly the mudballs making activity by donating the amount of FIFTY THOUSAND PESOS (₱50,000.00)

EXECUTIVE COMMITTEE ACTIVITIES

ExCom Resolution No.	PARTICULARS
2017-005-025	Promotion of three (3) Accounting Division; Marites B. Ravelo (Financial Account Specialist II, Fatima B. Lopez and Myra A. Bayoneta (Financial Account Specialist I)
2017-005-026	Creation of Plantilla Positions of Collection Supervisor for Ma. Pacita C. Gopio Change of employment status of Maxwell M. Soriano from LBPSC Contractual to Direct Contractual
2017-005-027	Reclassification of position title of former LIBI-Forex personnel; Purisima N. Chugani from Trader II to Account Marketing Specialist I, Gorgonio D. Verecio, Jr. from Assistant Cashier to Records Custodian
2017-005-028	Proposal to avail of Group Plan 1500 from Smart Communications
2017-006-029	Donation of TWO HUNDRED THREE THOUSAND SIX HUNDRED THIRTEEN PESOS & 13/100 ONLY (₱203,613.13) to LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC. (LCDFI)
2017-006-030	Request of Management for the endorsement to LBP-Financial Institution Department the applications for accreditation of the Pacific Union Insurance Company, Inc. and the Insular Life Assurance Company, Ltd.
2017-006-031	Change of employment status of Mary Joy Brillo from probationary to permanent status
2017-006-032	Promotion of two (2) Marketing personnel namely; Aldrin O. Arreza and Michael F. Umali from Account Marketing Analyst to Account Marketing Specialist I
2017-006-033	Promotion of two (2) Administrative Personnel namely; Melvin D. Barnes (Administrative Analyst and Ronnie V. Franco (Treasury Specialist I)
2017-007-034	Proposed amendments on the tardiness in the Personnel Manual
2017-007-035	Change of employment status of Carla Marielle B. Cruz and Girlie B. Parao from probationary to permanent status
2017-007-036	Change of employment status of Brendon Chloe Cabajes from LBPSC Contractual to Probationary status
2017-007-037	Change of employment status of Maxwell Soriano from direct contractual to probationary status
2017-007-038	Change of employment status of Robin Macarilay, Bryan Rae Allado and Sherelyn Globio from probationary to permanent status
2017-008-039	Terms of Reference for the selection of an Insurer to write the Non-Life (Fire and Allied Perils) Portfolio of LIBI
2017-008-040	Proposal to adopt the Modified Salary Schedule per Executive Order (E.O.) No. 201, s. 2016
2017-008-041	Proposed Performance Agreement Negotiation (PAN) for CY2018
2017-008-042	Change of employment status of Kerwin Sarvida from LBPSC Contractual to probationary status
2017-008-043	Promotion of Niño S. Ramos (IT Officer) and Renalyn P. Caneja (IT Specialist II)
2017-009-044	Change of employment status of Marvin A. Llorin from LBPSC Contractual to Probationary Status
2017-009-045	Change of employment status of Art Bryan C. Gonzales from probationary to permanent status
2017-009-046	Proposal and Recommendation of the Management of LIBI to adopt the Modified Salary Schedule pursuant to Executive Order (EO) No. 01, s. 2016

B. Audit & Risk Committee

The Audit & Risk Committee is composed of at least five (5) members of the Board, who shall preferably have accounting and finance background, one (1) of whom shall be an independent director and another with audit experience. The Chair of the Audit Committee is an independent director.

Duties and Responsibilities of Audit & Risk Committee:

- Assist the Board in the performance of its oversight responsibility for the financial reporting process, system of internal control, audit process, and monitoring or compliance with applicable laws, rules and regulations;
- Perform oversight over Management's activities in managing credit, market, liquidity, operational, legal and other risks of the Corporation. The Committee shall receive regularly from the Management of information on risk exposures and risk management activities;
- Perform oversight functions over the Corporation's internal and external auditors. It should ensure that the internal and external auditors act independently from each other and that both auditors are given unrestricted access to all records, properties, and personnel to enable them to perform their respective audit functions;
- Review the annual internal audit plan to ensure its conformity with the objectives of the Corporation;
- Prior to the commencement of the audit, discuss with the external auditor the nature, scope and expenses of the audit;
- Organize an internal audit department, and consider the appointment of an independent internal auditor;
- Monitor and evaluate the adequacy and effectiveness of the Corporation's internal control system, including financial reporting control and information technology security;
- Review the reports submitted by the internal and external auditors;
- Review the quarterly, half-year and annual financial statements before submission to the Board, with particular focus on the following matters:
 - ◆ Any change/s in accounting policies and practices
 - ◆ Major judgmental areas
 - ◆ Significant adjustments resulting from the audit
 - ◆ Going concern assumptions
 - ◆ Compliance with accounting standards
 - ◆ Compliance with tax, legal and regulatory requirements
- Coordinate, monitor and facilitate compliance with laws, rules and regulations;

- Evaluate and determine the non-audit work of the external auditor, and review periodically the non-audit fees paid to the external auditor in relation to their significance to the total annual income of the external auditor and to the Corporation's overall consultancy expenses. The committee shall disallow any non-audit work that will conflict with his duties as an external auditor or may pose a threat to his independence. The non-audit work shall be disclosed in the Corporation's Annual Report;
- Establish and identify the reporting line of the Internal Auditor to enable them to properly fulfill their duties and responsibilities. They shall functionally report directly to the Audit Committee. The Audit Committee shall ensure that in the performance of the work of the Internal Auditor, they shall be free from interference by outside parties.
- Perform oversight risk management functions specifically in the areas of managing credit, market, liquidity, operational, legal, reputational and other risks of LIBI, and crisis management, which shall include receiving from Senior Management periodic information on risk exposures and risk management activities;
- Develop the Risk Management Policy of LIBI, ensuring compliance with the same and ensure that the risk management process and compliance are embedded throughout the operations of LIBI, especially at the Board and Management level; and
- Provide quarterly reporting and updating the Board on key risk management issues as well as ad hoc reporting and evaluation on investment proposals.

LIBI Audit & Risk Committee is chaired by Director Yolanda D. Velasco with the following members: Director German S. Caccam, Director Daisy M. Macalino, Director Jennifer A. Tantan, Director Eusebio A. Cortez.

AUDIT & RISK COMMITTEE MEETING									
<i>Name of Board Member</i>	<i>Total</i>	<i>Actual</i>	<i>%</i>	<i>Date of Committee Meeting</i>					
				<i>3/28/17</i>	<i>5/11/17</i>	<i>9/13/17</i>	<i>9/26/17</i>	<i>9/29/17</i>	<i>10/25/17</i>
Yolanda D. Velasco	12	12	100	P	P	P	P	P	P
German S. Caccam*	2	2	100	P	P				
Daisy M. Macalino	12	10	83.33	P	A	P	P	P	P
Jennifer A. Tantan**	10	10	100			P	P	P	P
Eusebio A. Cortez**	10	7	70			P	P	P	P
**Assumes as Member of Audit & Risk Committee on September 2017									

LEGENDS:

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

AUDIT & RISK COMMITTEE MEETING (CONTINUATION)

<i>Name of Board Member</i>	<i>Total</i>	<i>Actual</i>	<i>%</i>	<i>Date of Committee Meeting</i>					
				11/16/17	11/24/17	11/29/17	12/15/17	12/18/17	12/19/17
Yolanda D. Velasco	12	12	100	P	P	P	P	P	P
German S. Caccam*	2	2	100						
Daisy M. Macalino	12	10	83.33	P	P	P	P	A	P
Jennifer A. Tantan**	10	10	100	P	P	P	P	P	P
Eusebio A. Cortez**	10	7	70	A	P	A	A	P	P

**Assumes as Member of Audit & Risk Committee on September 2017

LEGENDS:

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

BOARD COMMITTEE – AUDIT & RISK COMMITTEE

Activities from January 1 – December 31, 2017

The Committee reviewed, evaluated and monitored progress and/or endorsed to the Board the following:

Date of Meeting	ACTION TAKEN
March 28, 2017	Discussed the 2016 COA findings
May 11, 2017	Discussed the Audit Observations of COA
September 13, 2017	Discussed the Turn Around Time on the issuance of policies, Statement of Account and Officials Receipts Discussed the Operational Risks
September 26, 2017	Discussed the LBP Accountability Assessment Committee (AAC) Report
September 29, 2017	Discussed the LBP-Audit Service Team (AST) Findings
October 25, 2017	Discussed process flow of Marketing Unit
November 16, 2017	Discussed the revise process flow with timeline of Marketing Unit
November 24, 2017	Discussed the Key Results Area (KRA) of Accounting and Collection Unit
November 29, 2017	Finalized the process flow of Marketing and Accounting Unit
December 15, 2017	Discussed the continuation of Key Results Area of Marketing, Accounting and Administrative Unit and the Update Reports of LBP Accountability Assessment Committee (AAC)
December 18, 2017	Finalized the Key Results Area (KRA) of Accounting Unit
December 19, 2017	Finalized the Key Results Area (KRA) of Marketing Unit

C. Governance Committee

The Governance Committee shall assist the Board of Directors in fulfilling its corporate governance responsibilities. The Committee shall be composed of at least three (3) members of Board, and chaired by the Chairman of the Board.

Duties and Responsibilities of Governance Committee:

- Oversee the periodic performance evaluation of the Board and its committees and Management;
- Conduct an annual self-evaluation of the performance of each member;
- Decide whether or not a Director is able to adequately carry out his/her duties, bearing in mind the director's contribution and performance (e.g., competence, candor, attendance, preparedness and participation). Internal guidelines shall be adopted to address the competing time commitments in case when directors serve on multiple boards;
- Recommend the continuing education of Directors, the assignment of the directors to Board Committees, the succession plan for the Executive Officers, and the remuneration consistent with corporate and individual performance; and
- Recommend the manner by which the Board's performance may be evaluated and propose an objective performance criteria. Such performance indicators shall address how the Board can enhance long-term shareholder value.

LIBI Corporate Governance Committee is chaired by Director Tomas T. de Leon, Jr. with members namely: Director Reynauld R. Villafuerte, Director Jennifer A. Tantan, Director Pamela B. Felizarta and Director Rey Andre C. Olegario.

LEGENDS:

CORPORATE GOVERNANCE COMMITTEE MEETING					
<i>Name of Board Member</i>	Total	Actual	%	Date of Committee	
				2/10/17	10/25/17
Tomas T. de Leon, Jr.	2	2	100%	P	P
Reynauld R. Villafuerte	2	2	100%	P	P
Jennifer A. Tantan	2	2	100%	P	P
Pamela B. Felizarta*	1	0	0%		A
Rey Andre C. Olegario*	1	1	100%		P

*Assumes office on May 30, 2017 & August 30, 2017

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

BOARD COMMITTEE – CORPORATE GOVERNANCE COMMITTEE

Activities on February 10 and October 25, 2017

The Committee reviewed, evaluated and monitored progress and/or endorsed to the Board the following:

Date of Meeting	ACTION TAKEN
February 10, 2017	Updates Report on the case of Philippine Prudential Life
October 25, 2017	Discussed the General Provision of Data Privacy Act (DPA) to DPA Officer Ma. Pacita C. Gopio

D. Nomination and Remunerations Committee

The Board created the Nomination and Remunerations Committee which is composed of three (3) members one of whom is an independent director.

Duties and Responsibilities of Nomination and Remunerations Committee:

- Install and maintain a process to ensure that Officers to be nominated or appointed shall have the qualifications and none of the disqualifications mandated under the law, rules and regulations;
- Review and evaluate the qualifications of all persons nominated to positions in LIBI which require appointment by the Board;
- Recommend to the GCG nominees for the shortlist in line with LIBI's and its subsidiaries' Board composition and succession plan; and
- Develop recommendations to the GCG for updating the CPCS and ensure that the same continues to be consistent with LIBI's culture, strategy, control environment as well as the pertinent laws, rules and regulations.

The LIBI Nomination and Remuneration Committee is chaired by Director German S. Caccam with members namely: Director Jennifer A. Tantan, and Director Daisy M. Macalino.

Nomination and Remunerations Attendance

Nomination & Remuneration Committee Meeting					
<i>Name of Board Member</i>	<i>Total</i>	<i>Actual</i>	<i>%</i>	<i>Date of Committee Meeting</i>	
				<i>4/16/17</i>	<i>5/5/17</i>
German S. Caccam	2	2	100%	P	P
Jennifer A. Tantan	2	2	100%	P	P
Daisy M. Macalino	2	2	100%	P	P

LEGENDS:

P – Present, NA – Not Applicable, A – Absent, OB – Official Business

BOARD COMMITTEE – NOMINATION & REMUNERATION COMMITTEE	
Activities on April 16 and May 5, 2017 The Committee reviewed, evaluated and monitored progress and/or endorsed to the Board the following:	
Date of Meeting	Action Taken
April 16, 2017	Reviewed the duties and responsibilities of each position and discussed criteria and qualifications for promotions of LIBI personnel
May 5, 2017	Finalized the duties and responsibilities of each position on the Marketing, Accounting and Administrative Unit

G. EVALUATION OF THE BOARD'S PERFORMANCE

The Governance Commission for GOCCs (GCG) developed a measurement to assess the performance of the Board of Directors. The internet-based Performance Evaluation for Directors (iPED) System was created to increase the level of confidentiality and security in the information being given by the directors. Each director accomplishes the Director Performance Review (DPR) Forms online and submits directly to the GCG through the iPED System annually. The 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 results of the iPED shall be annually evaluated and deliberated upon by the Board in a duly constituted meeting. This was implemented in 2015 which covered the performance evaluation for directors since 2014.



Performance Evaluation for Directors (iPED) System

Welcome to iPED!

The iPED is developed by the Governance Commission for GOCCs (GCG) to effectively implement the Performance Evaluation for Directors in the GOCC Sector (PED). This tool is designed to facilitate a more stable, confidential, secure, and reliable database system that will house the performance reviews of all the members of the Governing Boards of various Government-Owned or -Controlled Corporations (GOCCs) under the jurisdiction of GCG. Pursuant to GCG MC No. 2014-03 (3rd Issue), all *Ex Officios*, their duly designated Alternates, and Appointive Directors are required to encode their self and peer ratings, comments, and assessments in the iPED.

COVERAGE:

The iPED shall cover all Members of the GOCC Governing Board - *Ex Officio*, their designated Alternates, and Appointive Directors. Provided, however, that in the case of the Appointive Director, he or she has served no less than three (3) months as such in the GOCC Governing within one (1) calendar year.

NOTE:

The iPED shall only be accessed by the intended user and shall not be shared to anyone. All information provided herein shall be treated with strict and utmost confidentiality.

Log In

Email

Password

Submit

[Forgot password?](#)

For iPED demo accounts, please log in to <http://ipeddemo.gcg.gov.ph>

Website Link: <http://iped.gcg.gov.ph/>

In accordance with GCG Memorandum Circular No. 2014-03 (3rd Issue) with subject of Performance Evaluation for Directors (PED) issued on October 26, 2015.

Link: https://gcg.gov.ph/site/public_files/gcg1455098110.pdf



LIBI WORKFORCE



MANAGEMENT AND HUMAN RESOURCES

By the end of 2017, LIBI had thirty fourty-four (44) regular employees with only three (3) officers heading the complement of forty-one (41) personnel assigned to Insurance operations. LIBI had nine (9) contractual employees assigned at the Insurance Division.

LIBI EMPLOYEE FORCE

2013 – 2017

	2013	2014	2015	2016	2017
Officers	1	1	1	3	3
Insurance	32	34	35	37	41
Forex	4	4	4	4	0
TOTAL	38	39	40	44	44

Implementing a code of ethics or conduct involves communicating the policies and guidelines to all LIBI staff by providing any necessary preparation to ensure they understand the code. The code should be practiced and promoted by the Administrative Unit. LIBI monitors compliance with the code by securing Code of Conduct Compliance Commitment Certificate to all directors, officers, and employees of LIBI.

LIBI employees and Board of Directors has received, read and understood the Code of Conduct by accomplishing the Code of Conduct Compliance Commitment Certificate.

As part of LIBI's continuing program to develop its human resources, LIBI employees were sent to attend the following training programs:

COURSE/SEMINAR TITLE	NO. OF PARTICIPANTS
Basic General Non-Life Insurance Seminar	9
Compliance to the IRR of the Data Privacy Act and Implementation Best Practices	2
Effective Business Correspondence	5
Orientation on Government Procurement Process and Requirements related to the Grant of FY 2017 PBB	2
Product Briefing on Fire and Engineering	1



HUMAN RESOURCES MANAGEMENT

LIBI Healthcare Services

LIBI employees enjoyed healthcare coverage administered by a Health Maintenance Organization (HMO) - MediCard Philippines, Inc. MediCard offers a wide-range of services, benefits and privileges. Members are eligible to avail their benefits in MediCard's Accredited Hospitals and clinics and, in some cases, services may also extend to non-accredited hospitals and clinics. LIBI provides health related benefits to its employees who had undergone specific procedures, sustained injuries due to work-related accidents, or critical/debilitating medical conditions to facilitate recovery and rehabilitation.

Nationwide Earthquake Drill

LIBI staff and employees with National Disaster Risk Reduction and Management Council (NDRRMC) participated in the Nationwide Simultaneous Earthquake Drill (NSED) held on March 31, 2017. LIBI officers and employees covered their heads as they join the 1st quarter nationwide simultaneous earthquake drill at the Washington Park open area in Makati City. LIBI management aims to promote disaster preparedness through the public's participation in the NSED. It generally seeks to test the efficiency and usefulness of the preparation, response and recovery plans, systems and policies. This exercise could encourage the entire Philippine citizenry and the whole of government to strengthen disaster preparedness initiatives further.

Monthly Pest Control

LIBI maintains a safe environment for LIBI staff and visitors through the conduct of monthly Pest Control activities that minimize the spread of disease and germs from common office pests. Often the location and age of an office building will have an impact on the likelihood of a pest problem. Specific areas of an office can face a more significant threat from particular pests.

Insurance Coverages

Insurances are as important as security in the workplace. LIBI takes all the precautionary steps to protect its critical assets, data, and employees. LIBI renewed their insurance policies annually. Endorsements and additional coverage are necessary to make sure that all insurable assets of LIBI are protected. These steps will lead to a transfer of its risk to the insurance provider. Below are the insurance coverages that LIBI had:

Insurance Type	Coverage (P)	Particulars
Errors & Omission	12,000,000.00	1st Layer: Php4,000,000.00 2nd Layer: Php4,000,000.00 3rd Layer: Php4,000,000.00 Deductible: Php5,000.00 each and every loss
Personal Accident	24,500,000.00	
Comprehensive General Liability	2,937,500.00	
Motor	3,094,190.00	
Fire	3,977,291.99	1) Various Office Furniture & Fixtures: Php237,735.17 2) Building Improvements: Php3,739,556.82
Electronic Equipment Insurance (EEI)	947,047.29	Various Electronic Equipment (see attached schedule) - Php947,047.29
Bond	500,000.00	Surety Bond for Key Personnel



2017 MANILA BAY CLEAN-UP RUN

As a solid manifestation of corporate social responsibility, the MBC and its volunteers have joined other establishments based along Roxas Boulevard in the yearly holding of Land Bank’s Manila Bay Clean-Up Program that started in 2009. The fun run aims to generate funds to institute systematic long-term solutions to environmental sanitation problems that have beset the country’s coastal resources and tributaries.

Manila Bay Clean Up Run is an annual event of Manila Broadcasting Company, which aims to bring together from different stakeholders, companies, school, environmentalist, running enthusiasts from different ways of life for the preservation of our nature particularly Manila Bay.



LIBI Employees who participated in the 2017 Manila Bay Clean-up Run



FINANCIAL HIGHLIGHTS

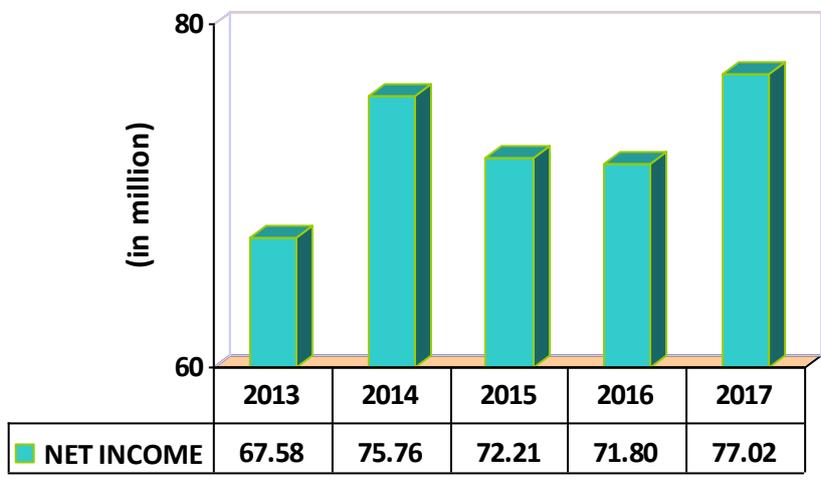


HIGHLIGHTS OF ACTIVITIES & INITIATIVES – 2017

- For CY2017, LIBI realized a net income after tax (NIAT) of ₱77.02 million, an increase of ₱5.22 million or 7.27 per cent compared to the CY2016 NIAT of ₱71.80 million. CY2017 NIAT surpassed the 2017 NIAT target of ₱74.34 million by 3.61 per cent or ₱2.68 million. Return on Equity (ROE) for CY2017 is 7.94 per cent while Return on Asset (ROA) is 6.16 per cent. Both were slightly higher by 0.38 per cent and 0.39 per cent respectively, compared to last year's ROE of 7.56 per cent and ROA of 5.77 per cent. Per capita income is ₱1.71 million, higher by 4.87 per cent or ₱0.080 million than the per capita income of ₱1.63 million last year.
- Net premium volume produced during the year reached ₱611,503,931 representing an increase of ₱47,207,852 or 8.18 per cent compared to last year's ₱577,294,328 net premium volume. This was primarily due to the increase in premium in loan releases from Agricultural Development Lending Sector (ADLS).
- Net service fees for this year of ₱112.57 million is ₱17.61 or 18.54 per cent higher compared to last year's ₱94.96 million net service fees.
- Investment portfolio as at December 31, 2017 amounted to ₱964.88 million. This represents an increase of ₱167.04 million or 20.94 per cent compared to last year's investment portfolio of ₱797.84 million. Interest income derived from investments this year of ₱32.83 million is ₱6.21 million or 23.33 per cent higher compared to last year's interest income of ₱26.62 million.
- Collection efficiency on Accounts Receivable-Trade this year is 91 per cent, a slight improvement of 1 per cent compared to last year's 90 per cent.
- The total operating and administrative expenses were within the budget. Hence, total expenses for the year of ₱54.02 million has a positive variance of ₱6.10 million or 10.15 per cent against the budget of ₱60.12 million.
- For the financial year ended 2017, LIBI complied to the code of corporate governance.

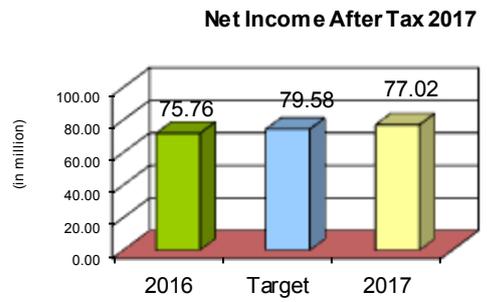


02 OPERATING AND FINANCIAL REVIEW



This year's financial result is higher than last year's performance by 7.27 per cent or ₱5.22 million, from ₱71.80 million Net Income after Tax (NIAT) in year 2016 to this year's ₱77.02 million NIAT. Other income derived from interest from long-term investments in government securities and savings deposits amounted to ₱33.09 million, 21.83 per cent or ₱5.93 million higher against last year's figure of ₱27.16 million.

NIAT of ₱77.02 million was above the target NIAT of ₱74.34 million by 3.60 per cent or ₱2.68 million. This was attributed by the positive variance of 8.96 per cent or ₱9.26 million on the actual accomplishment of ₱112.57 million against the target of ₱103.31 million net service fees. Likewise, a favorable variance or cost savings of 10.15 per cent or ₱6.10 million on the actual total expenses for the year of ₱54.02 million against the ₱60.12 million budgeted expenses for the year.



Actual total revenue for the year of ₱149.87 million represented a net increase of 2.85 per cent or ₱4.15 million compared with the total revenue target for the year of ₱145.72 million. The increase is due to the positive variances against 2017 targets. Actual net service fees of ₱112.57 is 6.90 per cent or ₱7.26 million higher than the target of ₱105.31 million. Interest income derived from investment of government securities

amounted to ₱32.83 million represented an increase of 13.60 per cent or ₱3.93 million compared to the target of ₱28.90 million. However, LIBI-Forex 2017 target was not achieved due to its continued decline in revenue to lack of accredited counter parties which led to its closure in May 2017.

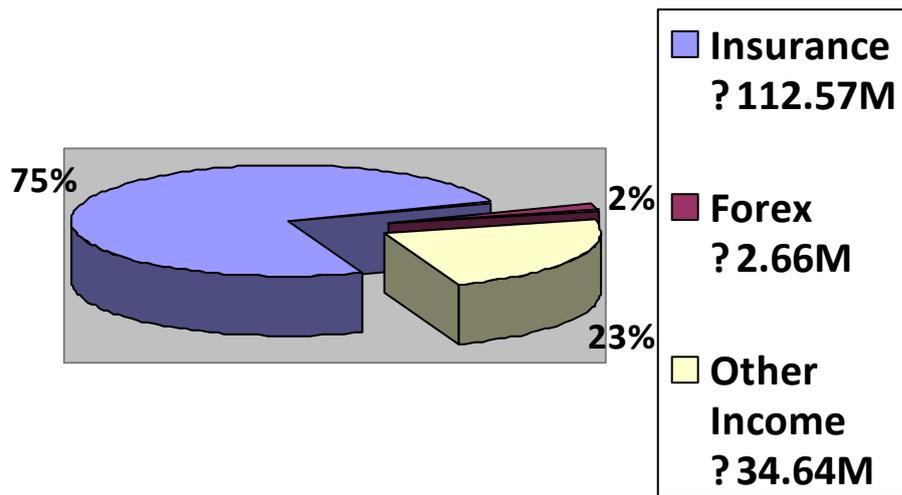
Total revenue for the year of ₱149.87 million is higher by 13.14% or ₱17.40 million compared to CY2016 accomplishment of ₱132.47 million.

Revenue sources are as follows:

Revenue sources are as follows:

REVENUE SOURCES (in ₱MM)

	2017	2016	Increase (Decrease)	%
Insurance	112.57	94.96	17.61	18.55
Forex	2.66	8.89	(6.23)	(70.12)
Investments	32.83	26.62	6.21	23.32
Other Income	1.81	2.00	(0.19)	(9.50)
Total Revenue	149.87	132.47	17.40	13.14



\1 Forex operations was discontinued in May 2017 due to lack of accredited Forex Corporation counterparties that resulted to continuous decline in its trading operations and not meeting its target for the last five years.

Total Revenue 2017

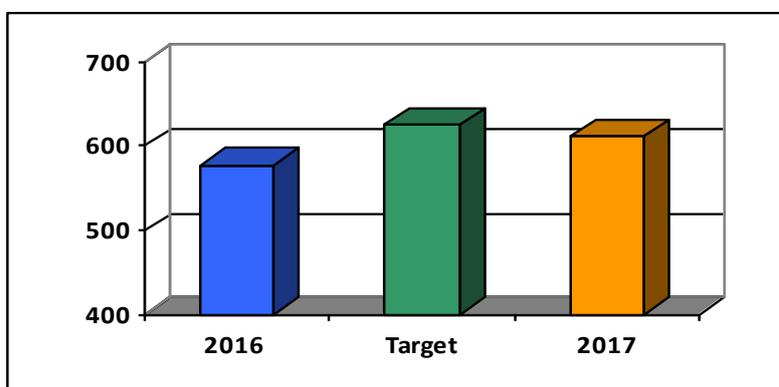




PREMIUM PRODUCTIONS

LIBI's net premium volume produced for 2017 of ₱611.50 million represents an increase of ₱34.21 million or 5.93 per cent higher compared to last year's ₱577.29 net premium volume. This was primarily due to the significant increase in premium from loan releases from Agricultural Development Lending Sector (ADLS).

PREMIUM VOLUME 2017



PREMIUM VOLUME (NET OF OTHER CHARGES) & COMMISSION (BUSINESS SOURCE 2017 VS. 2016) (IN ₱ MM)

	Premium		%	Commission		%
	2017	2016		2017	2016	
Branches	259.96	210.91	23.26	45.58	37.08	22.93
ADLS	225.78	266.65	(15.33)	52.41	48.79	7.42
PFO	38.52	37.79	1.93	8.34	7.75	7.61
LBP Visa & Others	38.63	19.95	93.63	5.00	3.62	38.12
Subsidiaries	36.46	30.94	17.84	7.61	6.23	22.15
Direct	12.15	11.05	9.95	5.32	2.14	148.60
Total	611.50	577.29	5.93	124.26	105.61	17.66

ADLS topped this year's business sources in in premium volume while Branches group topped in commission. Branches Group is on the second spot premium while ADLS is second spot in commission.

**PREMIUM BUSINESS VOLUME
(PER INSURANCE LINE)
(IN ₱ MM)**

	2017	2016	Increase (Decrease)	%
Life	275.33	309.72	(34.39)	(11.10)
Fire	150.52	135.40	15.12	11.17
Motor	59.31	46.52	12.79	27.49
Engineering	51.16	40.48	10.68	26.38
Liability	32.78	9.96	22.82	229.12
Floater	17.74	15.00	2.74	18.27
Marine	14.30	10.46	3.84	36.71
Personal Accident	4.81	4.80	0.01	0.208
Bonds	2.83	3.52	(0.69)	(19.60)
Crop	2.51	1.26	1.25	99.21
MSPR	0.21	0.17	0.04	23.53
Total	611.50	577.29	34.22	5.93

LBP Insurance Brokerage, Inc. improved its ranking among 63 Insurance Brokers by one step higher on both premium produced and commission earned for year 2017 compared to year 2016 as per Insurance Commission's statistics report posted in their website as follows:

	Rank
Based on Premium Produced	16
Based on Commission Earned	15

COLLECTIONS AND REMITTANCES

The total collections of ₱624.74 million for the period represent 90.53 per cent collection rate of the net production volume booked (net of cancellations) for the year of ₱690.07 million. This year's collection rate improved by 0.98 per cent compared to last year's collection rate of 89.55 per cent. As of December 31, 2017, collectible accounts for 2017 transactions amounted to ₱65.33 million. For prior years 2013 to 2015 accounts, a total of ₱43.22 million remains outstanding, ₱41.16 million are unexpired premium of Employees Salary Loan (ESL) collectible from Philippine Prudential Life Insurance (PPLI), ₱0.64 million represents premium from Philippine Phoenix Insurance (PPI) which is now under liquidation and the remaining ₱1.42 million are outstanding LBP Head Office accounts.

ANALYSIS OF RECEIVABLES (PHP MM)

	2013	2014	2015	2016	2017
Premium (net of cancellation)	542.83	539.96	601.21	639.73	690.07
Total Collections	491.09	465.68	506.51	572.93	624.74
Collection Rate	90.47%	86.24%	84.25%	89.55%	90.53%
Receivables, end	49.11	74.28	94.70	66.80	65.33

On the status of Accrued Service Fees Receivable, ₱18.68 million remains outstanding as of year-end. ₱9.07 million from private insurers remains outstanding while prior year's accrual from private insurers has a balance of ₱9.61 million. Extra remuneration booked for the years 2007 to 2013 amounting to ₱7.41 million remained outstanding as of December 31, 2017 which LIBI is still waiting for the result of the reconciliation of accounts from GSIS.

Total premium remittances made to the principals (insurance companies) amounted to ₱483.49 million or 75.28 per cent of the liability during the period of ₱642.23 million, making the balances within current status excluding the unexpired ESL premium which remained unpaid by PPLI and PPI.

STATUS OF CLAIMS FILED BY CLIENTS

The Clients insured filed a total of 1,087 claims in 2017. By the end of the year, 980 claims were settled representing 90.16 per cent of the total claims while 107 claims remain outstanding. Of the 107 claims pending, 38 claims are awaiting additional documents, 39 claims are being evaluated by the insurers while 30 claims are for order of payment.

For the previous years 2001 to 2016 outstanding 437 claims, 111 claims are GSIS accounts while 326 claims are from private insurers mostly from PPLI and Phoenix.



CORPORATE SOCIAL RESPONSIBILITY



LANDBANK'S MANILA BAY SUNSET PARTNERSHIP PROGRAM INTRODUCES PET BOTTLE RESCUE BOATS

October 09, 2017

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LIBI) with partnership with the Manila Bay SUNSET Partnership Program Inc. (MBSPPPI) takes another step forward in its efforts towards a cleaner Manila Bay as it launched its latest project on Polyethylene Terephthalate (PET) Bottle Rescue Boat Making. The rescue boats are made up of 700 pieces of recycled two-liter PET bottles. This was developed by non-profit organization Tzu Chi Foundation and was introduced to MBSPPPI by one of its partners, Villar SIPAG at Tiyaga Foundation, Inc., which redesigned the rescue boat to a size suitable for small waterways.

"We distribute this technology in different parts of the country and we give a sample and conduct a workshop so that they can duplicate the production of the PET bottle rescue boat. Ang maganda kasi sa (proyekting) ito ay imbis na maging basura lang yung mga PET bottles, nagagamit pa ito sa paggawa ng rescue boats," Sen. Cynthia Villar said during the event.

Nurturing Volunteerism

Aside from contributing PET bottles, LANDBANK, along with other MBSPPPI-member organizations, also activated 1,900 volunteers to help in the coastal clean-up. The combined efforts of the volunteers from various MBSPPPI institutions resulted to the collection of 2,775 garbage sacks during the clean-up.

"Sa tulong ng LANDBANK at iba pang mga partner organization, ang hangarin kong makitang buhay muli ang Manila Bay ay naisasakatuparan na," said Joemedes Arienda, a volunteer from the Asian Social Institute. Also held simultaneously with the coastal clean-up and PET Bottle Rescue Boat Making was the Mabuhay Balls-making, where volunteers produced more than 6,000 pieces of Mabuhay Balls. These were fermented for at least two weeks and were dropped into an identified portion of Manila Bay to improve water quality, promote the breakdown of organic and inorganic compounds, and prevent foul odor.





CORPORATE SOCIAL *responsibility*

A. MEMBERSHIP TO MANILA BAY S.U.N.S.E.T PARTNERSHIP PROGRAM (MBSPPPI)

To continue supporting the activities and programs of LAND BANK OF THE PHILIPPINES that improve and safeguard the state of the environment for future generations, LIBI released financial support in the amount of FIFTY THOUSAND PESOS (₱50,000.00) to Manila Bay S.U.N.S.E.T Partnership Program, Inc. (MBSPPPI). The said fund was used for the sustainable programs of MBSPPPI for CY2017 as follows:

- a. Quarterly clean-up of Manila Bay
- b. Adopt-An-Estero Program through the use of Effective Micro-organisms (EM) Solutions Incorporated in Bokashi Mud Balls.
- c. School Tours to promote the MBSPPPI IEC campaign entitled, "That Thing Called Basura"
- d. Other fund raising activities

A thousand volunteers including LIBI employees participated in the Annual Manila Bay Clean-Up, and they were able to make Bokashi Mudballs.

MANILA BAY CLEAN UP, OCTOBER 2017





B. DONATION TO LANDBANK COUNTRYSIDE DEVELOPMENT FOUNDATION, INC. (LCDFI)

LIBI donated Two Million Pesos (₱2,000,000.00) to LCDFI for CY2017 to finance the programs and projects intended for LANDBANK’s priority beneficiaries.

C. DONATION FOR EVACUEES FROM MARAWI CITY

LIBI donated One Hundred Thousand Pesos (₱100,000.00) for the evacuees from Marawi City last June 30, 2017, with the initiative of LIBI Board of Directors. The donations transferred to LGU Marawi Donation account that was maintained at LBP-Iligan Branch.

D. CUSTOMER’S HEALTH & SAFETY

LIBI should aim to ensure a safe and healthy working environment for all its stakeholders especially their clients and visitors. LIBI should comply with all relevant local legislation or regulations, and best practice guidelines recommended by national health and safety authorities. The staff should be informed regarding the policies and practices of LIBI in order to maintain a healthy, safe and enjoyable environment.

LIBI continued and intensified what it had initiated in CY2016 regarding improving its efficiency and quality of insurance process through shortening the turn-around time of every transaction with the end view of continuous quality improvement in our operations and delivery of service. This project

E. ANNUAL CUSTOMER SATISFACTION SURVEY

As part of the initiative for continual improvement, LIBI conducts its Customer Satisfaction Survey annually. Fifty-seven (57) respondents participate in the survey. The overall satisfaction rating of the customers of LIBI was 91.23% or satisfactory. Results are shown in the table below.

Satisfaction Level	Number of Respondents	Percentage (in %)
Very Satisfied	35	61.40
Satisfied	17	29.82
Neither Satisfied nor dissatisfied	4	7.02
Dissatisfied	1	1.75
Very Dissatisfied	0	0.00
TOTAL	57	100



AUDITED

FINANCIAL STATEMENTS



Republic of the Philippines
COMMISSION ON AUDIT
Commonwealth Ave., Quezon City
CORPORATE GOVERNMENT SECTOR
CLUSTER 1 – BANKING AND CREDIT

INDEPENDENT AUDITOR'S REPORT

The Board of Directors
LBP Insurance Brokerage, Inc.
12th Floor, SSHG Law Center
105 Paseo de Roxas
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of **LBP Insurance Brokerage, Inc. (LIBI)** (a wholly-owned subsidiary of Land Bank of the Philippines), which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the LIBI as at December 31, 2017 and 2016, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAI). 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 LIBI in accordance with the ethical requirements that are relevant to our audit of the financial statements in the Philippine Public Sector, and we have fulfilled our other ethical responsibilities in accordance with these requirements. 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 PFRS, 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 LIBI'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 Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the LIBI'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 ISSAI will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAI, 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 LIBI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- 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 supplemental information in Note 26 to the 2017 financial statements is presented for the purpose of filing with the Bureau of Internal Revenue and is not a required part of the financial statements. Such supplementary information is the responsibility of management 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 J. FELICES
Supervising Auditor

April 11, 2018



LBP INSURANCE BROKERAGE, INC.
(A LANDBANK Subsidiary)

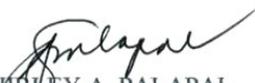
**STATEMENT OF MANAGEMENT'S RESPONSIBILITY
FOR FINANCIAL STATEMENTS**

The Management of LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. is responsible for preparation of financial statements as at December 31, 2017 and 2016, including the additional components attached thereto in accordance with the prescribed financial reporting framework indicated therein. The responsibility includes designing and implementing controls relevant to the preparation and fair presentation of financial statements that are free from material statement whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that reasonable in the circumstances.

The Board of Directors reviews and approves the financial statements before such statements are issued to the regulations, creditors and other users.

The Commission on Audit has audited the financial statements of the LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. in accordance with the International Standards of Supreme Audit Institutions and has express its opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


TOMAS T. DE LEON, JR.
Chairman of the Board/Ofc
April 10, 2018
Date Signed


SHIRLEY A. PALAPAL
Accounting Head
April 10, 2018
Date Signed


RODOLFO V. PESTANO
General Manager/
Authorized Representative
April 10, 2018
Date Signed

LBP INSURANCE BROKERAGE, INC.

(A wholly-owned subsidiary of Land Bank of the Philippines)

CONDENSED STATEMENTS OF FINANCIAL POSITION**AS AT DECEMBER 31, 2017 and 2016**

(In Philippine Peso)

	Note	2017	2016
ASSETS			
Current Assets			
Cash and Cash Equivalents	4	128,648,801	242,629,531
Receivables, net	5	81,637,069	82,849,615
Inventories	6	87,927	80,195
Other Current Assets	7	5,458,833	5,344,387
Total Current Assets		215,832,630	330,903,728
Non-Current Assets			
Receivables, net	5	44,748,015	80,872,997
Financial Assets	8	964,882,758	797,842,474
Investment Property	9	998,315	998,315
Property and Equipment, net	10	23,147,319	23,145,518
Intangible Assets	11	2,132,634	2,132,634
Deferred Tax Assets	25	3,870,148	6,817,500
Other Non-Current Assets	7	2,101,215	1,612,048
Total Non-Current Assets		1,041,880,404	913,421,486
Total Assets		1,257,713,034	1,244,325,214
LIABILITIES			
Current Liabilities			
Financial Liabilities	12	174,481,168	163,932,357
Inter-Agency Payables	13	5,867,439	8,405,067
Trust Liabilities	14	24,895,547	22,373,632
Provisions	15	4,265,703	5,211,825
Other Payables	16	439,373	1,690,054
Total Current Liabilities		209,949,230	201,612,935
Non-Current Liabilities			
Financial Liabilities	12	44,644,530	77,812,661
Trust Liabilities	14	5,009,640	13,203,342
Provisions	15	7,709,551	1,577,462
Total Non-Current Liabilities		57,363,721	92,593,465
Total Liabilities		267,312,951	294,206,400
EQUITY			
Share Capital	17	300,000,000	300,000,000
Retained Earnings	18	690,400,083	650,118,814
Total Equity		990,400,083	950,118,814
Total Liabilities and Equity		1,257,713,034	1,244,325,214

The Notes on pages 9 to 41 form part of these financial statements.

LBP INSURANCE BROKERAGE, INC.
(A wholly-owned subsidiary of Land Bank of the Philippines)
CONDENSED STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016
(In Philippine Peso)

	Note	2017	2016
Income			
Service and Business Income	19	148,320,581	131,015,632
Gains	24.1	158,596	287,846
Other Non-Operating Income	24.1	1,391,997	1,163,868
Total Income		149,871,174	132,467,346
Expenses			
Personnel Services	20	(33,332,453)	(18,073,046)
Maintenance and Other Operating Expenses	21	(15,334,969)	(16,988,065)
Financial Expenses	22	(86,314)	(229,515)
Non-Cash Expenses	23	(5,229,939)	(6,245,442)
Other Non-Operating Loss	24.2	(42,797)	(5,000)
Total Expenses		(54,026,472)	(41,541,068)
Net Income Before Tax		95,844,702	90,926,278
Income Tax Expense	25	(18,826,295)	(19,122,156)
Net Income After Tax/			
Total Comprehensive Income		77,018,407	71,804,122

The Notes on pages 9 to 41 form part of these financial statements.

LBP INSURANCE BROKERAGE, INC.
(A wholly-owned subsidiary of Land Bank of the Philippines)
STATEMENTS OF CHANGES IN EQUITY
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016
(In Philippine Peso)

	Share Capital (Note 17)	Retained Earnings		TOTAL
		Appropriated (Note 18)	Unappropriated	
BALANCE AT JANUARY 1, 2016	300,000,000	158,000,000	452,248,031	910,248,031
CHANGES IN EQUITY FOR 2016				
Add/(Deduct):				
Declaration of Cash Dividend			(41,407,681)	(41,407,681)
Other Adjustments			9,474,342	9,474,342
Comprehensive Income for the year			71,804,122	71,804,122
BALANCE AT DECEMBER 31, 2016	300,000,000	158,000,000	492,118,814	950,118,814
CHANGES IN EQUITY FOR 2017				
Add/(Deduct):				
Declaration of Cash Dividend			(37,758,827)	(37,758,827)
Other Adjustments			1,021,689	1,021,689
Appropriations		19,000,000	(19,000,000)	0
Reversal of Appropriations		(2,000,000)	2,000,000	0
Comprehensive Income for the year			77,018,407	77,018,407
BALANCE AT DECEMBER 31, 2017	300,000,000	175,000,000	515,400,083	990,400,083

The Notes on pages 9 to 41 form part of these financial statements.

LBP INSURANCE BROKERAGE, INC.
(A wholly-owned subsidiary of Land Bank of the Philippines)
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2017 and 2016
(In Philippine Peso)

	Note	2017	2016
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Proceeds from Sale of Foreign Currencies		1,230,465,102	2,499,218,590
Cash Received from Advance Payment of Premium		393,618,227	353,227,610
Collection of Income/Revenue		305,789,506	262,100,453
Collection of Receivables		3,918,415	29,015,830
Total Cash Inflows		1,933,791,250	3,143,562,483
Cash Outflows			
Payment for the Purchase of Foreign Currencies		(1,228,820,674)	(2,366,366,739)
Payment of Premiums to Insurance Companies		(562,038,812)	(483,374,821)
Payment of Expenses		(37,693,401)	(35,641,850)
Purchase of Inventories		(347,974)	(271,236)
Prepayments		(7,368,854)	(6,858,666)
Payments of Accounts Payable		(5,975,866)	(9,185,855)
Remittance of Personnel Benefit and Mandatory Deduction		(720,429)	(579,902)
Grant of Financial Assistance/Subsidy/Contribution		(403,613)	(2,050,000)
Payment of Income Taxes		(28,414,622)	(26,537,099)
Total Cash Outflows		(1,871,784,245)	(2,930,866,168)
Net Cash Provided by Operating Activities		62,007,005	212,696,315
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds from Sale of Property, Plant & Equipment		4,060	59,189
Proceeds of Matured Investments		2,593,113,537	10,383,783,867
Receipt of Interest Earned from Investments		34,028,702	27,163,331
Total Cash Inflows		2,627,146,299	10,411,006,387
Cash Outflows			
Purchase of Property, Plant, Equipment		(2,822,877)	(6,480,352)
Placement of Investments		(2,762,710,926)	(10,626,265,035)
Total Cash Outflows		(2,765,533,803)	(10,632,745,387)
Net Cash Used in Investing Activities		(138,387,504)	(221,739,000)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Payment of Cash Dividends		(37,758,827)	(41,407,681)
Cash Used in Financing Activities		(37,758,827)	(41,407,681)
Effects of Exchange Rate Changes on Cash and Cash Equivalents		158,596	287,846
Net Decrease in Cash and Cash Equivalents		(113,980,730)	(50,162,520)
CASH AND CASH EQUIVALENTS, JANUARY 1	4	242,629,531	292,792,051
CASH AND CASH EQUIVALENTS, DECEMBER 31	4	128,648,801	242,629,531

The Notes on pages 9 to 41 form part of these statements.

LBP INSURANCE BROKERAGE, INC.

(A wholly-owned subsidiary of Land Bank of the Philippines)

NOTES TO FINANCIAL STATEMENTS

(All Amounts in Philippine Peso unless otherwise stated)

1. CORPORATE INFORMATION

1.1 Corporate Background

The LBP Insurance Brokerage, Inc. (LIBI) was organized as a wholly owned subsidiary of Land Bank of the Philippines (LBP) on October 22, 1981 under Securities and Exchange Commission (SEC) Registration No. 105764. On May 16, 1983, its Articles of Incorporation was amended increasing the number of directors of the Board from 9 to 11. This was further amended on October 17, 1994 increasing the LIBI's authorized capital stock from ₱20,000,000 to ₱300,000,000 and revising its secondary purpose.

It was created primarily for the purpose of engaging in the business of general insurance brokerage management and consultancy more particularly as follows:

- To act as insurance broker for life, health, accident, motor car, casualty, surety and fidelity, marine cargo and hull, comprehensive liability insurance and other insurance coverage allied with and incident to the above-mentioned lines, and
- To engage in management and consultancy work on insurance and in this connection, to hold, own, purchase, acquire, underwrite, obtain participation in and manage the business of any corporation, partnership or equity.

Its secondary purpose is to engage in the business of buying and selling of foreign currencies; and buying, selling, importing, exporting and/or dealing in any manner, at wholesale or retail of goods and merchandise. However, the secondary purpose particularly the business of buying and selling of foreign currencies was discontinued on 18 May 2017 per Board Resolution No. 2017-004-016.

The LIBI's registered and principal office of business is located at the 12th Floor SSHG Law Centre Building, 105 Paseo de Roxas St., Legaspi Village, Makati City.

1.2 Authorization for Issue of the 2017 Financial Statements

The financial statements of LIBI for the years ended December 31, 2017 and 2016 were authorized for issue by the Board of Directors on January 31, 2018 in Board Resolution No. 2018-001-004 dated January 31, 2018 and were signed by the Chairman of the Board/Officer-in-Charge on April 10, 2018 as shown in the Statement of Management's Responsibility for Financial Statements.

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared in compliance with Philippine Financial Reporting Standards (PFRS) and Revised Chart of Accounts (RCA) for Government Corporations prescribed through COA Circular Nos. 2015-010 and 2016-006.

The accounting policies have been consistently applied throughout the year presented.

The financial statements have been prepared on the basis of historical cost except for Investment in government securities which are stated at amortized cost using effective interest method.

The Statement of Cash Flows is prepared using the direct method.

The financial statements are presented in Peso, which is also the country's functional currency.

Amounts are rounded off to the nearest peso, unless otherwise stated.

The preparation of financial statements in compliance with the adopted PAS requires the use of certain accounting estimates. It also requires the entity to exercise judgment in applying the entity's accounting policies. The areas where significant judgments and estimates have been made in preparing the financial statements and their effects are disclosed in Note 15.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Basis of Accounting

The financial statements are prepared on accrual basis in accordance with PFRS.

3.2 Financial Instruments

a. Financial Assets

Initial recognition and measurement

Financial assets within the scope of PAS 39 – Financial Instruments: Recognition and Measurement are classified as financial assets at fair value through profit or loss, held-to-maturity investments, loans and receivables or available-for-sale financial assets, as appropriate. The LIBI determines the classification of its financial assets at initial recognition.

Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the marketplace are recognized on the trade date, i.e. the date that the LIBI commits to purchase or sell the asset.

The LIBI's financial assets include cash and cash equivalents and investment securities at amortized cost.

LIBI's existing policy is to invest excess funds in government securities (GS) because the servicing and repayments are fully guaranteed by the National Government.

Investments in GS - Fixed Treasury Notes and Retail Treasury Bonds are stated at amortized cost using effective interest method.

Subsequent measurement

The subsequent measurement of financial assets depends on their classification.

1. Loans and Receivables

LIBI acts as an agent in placing the insurable risks of its clients with insurers and as such, is not liable as principal for amounts arising from such transactions. However, Accounts Receivable (Premium Receivables) were recognized upon issuance of Statement of Accounts. Accrual of service fees from accredited insurers are based on premium production.

To fairly present the net realizable value of Accrued Service Fees Receivable and Other Receivables, allowances for impairment have been provided. The allowances were then determined based on the aging schedule multiplied by the rate or per cent of loss experienced by LIBI.

2. Held-to-Maturity

Non-derivative financial assets with fixed or determinable payments and fixed maturities are classified as held-to-maturity when the LIBI has the positive intention and ability to hold it to maturity.

After initial measurements, held-to-maturity investments are measured at amortized cost using the effective interest method, less impairment. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The losses arising from impairment are recognized in the statement of comprehensive income.

Derecognition

The LIBI derecognizes a financial asset or, where applicable, a part of a financial asset or part of LIBI of similar financial assets when:

1. The contractual right to the cash flows from the financial asset expired or waived; and
2. The LIBI has transferred its contractual rights to receive the cash flows of the financial assets, or retains the contractual rights to receive cash flows of the financial assets but assumes a contractual obligation to pay the cash flows to one or more recipients in an arrangement that meets the condition set forth in PAS 39 – Financial Instruments: Recognition and Measurement; and either the entity has:

- Transferred substantially all the risks and rewards of ownership of the financial asset; or
- Neither transferred nor retained substantially all the risks and rewards of ownership of the financial asset, but has transferred the control of the asset.

Impairment of financial assets

The LIBI assesses at each reporting date whether there is objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed impaired if, and only if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

Evidence of impairment may include the following:

1. The debtors or a group of debtors are experiencing significant financial difficulty;
2. Default or delinquency in interest or principal payments;
3. The probability that debtors will enter bankruptcy or other financial reorganization; and
4. Observable data indicates a measurable decrease in estimated future cash flows e.g. changes in arrears or economic conditions that correlate with defaults.

a. Financial assets at amortized cost

For financial assets carried at amortized cost, the LIBI first assess whether objective evidence of impairment exists individually for financial assets that are individually significant, or collectively for financial assets that are not individually significant. If the LIBI determines that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, it includes the asset in a group of financial assets with similar credit risk characteristics and collectively assesses them for impairment. Assets that are individually assessed for impairment and for which an impairment loss is, or continues to be, recognized are not included in a collective assessment of impairment.

If there is objective evidence that an impairment loss has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. If a loan has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate.

The carrying amount of the asset is reduced through the use of an allowance account and the amount of the loss is recognized in the statement of comprehensive income. Loans, together with the associated allowance, are written off when there is no realistic prospect of future recovery and all collaterals have been realized or transferred to the entity. If, in a subsequent year, the amount of the estimated impairment loss increases or decreases because of an event occurring after the impairment was recognized, the previously recognized impairment loss is increased or reduced by adjusting the allowance account. If a future write-off is later recovered, the recovery is credited to finance costs in the statement of comprehensive income.

b. Financial Liabilities

Initial recognition and measurement

Financial liabilities within the scope of PAS 32 are classified as financial liabilities at fair value through statement of comprehensive income, or loans and borrowings, as appropriate. The entity determines the classification of its financial liabilities at initial recognition.

All financial liabilities are recognized initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The LIBI's financial liabilities include insurance premium payable, accounts payable and other financial liabilities.

Subsequent measurement

The measurement of financial liabilities depends on their classification.

Derecognition

A financial liability is derecognized when the obligation under the liability expires or is discharged or cancelled.

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 the statement of comprehensive income.

3.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash on hand and cash in bank, deposits on call and highly liquid investments with an original maturity of three months or less, which are readily convertible to known amounts of cash and are subject to insignificant risk of changes in value. Foreign currency cash in bank and on hand which are used for trading in LIBI-Forex division are stated at spot exchange rate.

3.4 Inventories

Inventory is measured at cost upon initial recognition. To the extent that inventory is received through non-exchange transactions (for no cost or for a nominal cost), the cost of the inventory is its fair value at the date of acquisition.

Inventories are recognized as an expense when consumed in the ordinary course of operations of the LIBI.

3.5 Investment Property

Investment property are measured initially at cost, including transaction costs. The carrying amount includes the replacement cost of components of an existing investment property at the time that cost is incurred if the recognition criteria are met and excludes the costs of day-to-day maintenance of an investment property.

Investment property acquired through a non-exchange transaction is measured at its fair value at the date of acquisition. Subsequent to initial recognition, investment property are measured using the cost model and are depreciated over their estimated useful life.

Investment property are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit or service potential is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in the statement of comprehensive income in the period of derecognition.

Transfers are made to or from investment property only when there is a change in the use. LIBI uses the cost model for the measurement of investment property after initial recognition.

3.6 Property and Equipment

Recognition

An item is recognized as property and equipment (PE) if it meets the characteristics and recognition criteria as PE.

The characteristics of PE are as follows:

- a. tangible items;
- b. are held for use in the production or supply of goods or services, for rental to others, or for administrative purposes; and
- c. are expected to be used during more than one reporting period.

An item of PE is recognized as an asset if:

- a. it is probable that future economic benefits or associated with the item will flow to the entity; and
- b. the cost or fair value of the item can be measured reliably; and cost is at as least ₱15,000

Measurement at recognition

An item recognized as property and equipment is measured at cost. A PE acquired through non-exchange transaction is measured at its fair value.

Cost includes the following:

- a. purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates;
- b. expenditure that is directly attributable to the acquisition of the items; and
- c. initial estimate of the costs of dismantling and removing the items and restoring the site of which it is located, the obligation for which an entity incurs either when the item is acquired, or as a consequence of having used the item during a particular period for the purposes other than to produce inventories during the period.

Measurement after recognition

After recognition, all PE are stated at cost less accumulated depreciation and impairment losses.

When significant parts of PE are required to be replaced at intervals, LIBI recognizes such parts as individual assets with specific useful lives and depreciates them accordingly. Likewise, when a major repair/replacement is done, its cost is recognized in the carrying amount of the PE as a replacement if the recognition criteria are satisfied.

Depreciation

Each part of an item of PE with a cost that is significant in relation to the total cost of the item is depreciated separately.

The depreciation charge for each period is recognized as expense unless it is included in the cost of another asset.

i. Initial recognition of depreciation

Depreciation of an asset begins when it is available for use such as when it is in the location and condition necessary for it to be capable the manner intended by management.

For simplicity and to avoid proportionate computation, the depreciation is for one month if the PE is available for use on or before the 15th of the month. However, if the PE is available for use after the 15th of the month, depreciation will start on the succeeding month.

ii. Depreciation Method

The straight line method of depreciation is adopted unless another method is more appropriate for entity operation.

iii. Estimated useful life

The LIBI uses the life span of PE prescribed by COA in determining the specific estimated useful life for each asset based on its experience as follows:

The LIBI uses the life span of PE prescribed by COA in determining the specific estimated useful life for each asset based on its experience as follows:

	Number of Years
Building	20
Furniture, Fixtures and Equipment	5
Motor Vehicle	7

iv. Residual Value

The LIBI uses a residual value equivalent to at least five percent of the cost of the PE.

Impairment

An asset's carrying amount is written down to its recoverable amount, or recoverable service amount, if the asset's carrying amount is greater than its estimated recoverable amount or recoverable service amount.

Derecognition

The LIBI derecognizes items of PE and/or any significant part of an asset upon disposal or when no future economic benefits or service potential is expected from its continuing use. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of comprehensive income when the asset is derecognized.

3.7 Intangible Assets

Recognition and measurement

Intangible assets are recognized when the items are identifiable non-monetary assets without physical substance; it is probable that the expected future economic benefits or service potential that are attributable to the assets will flow to the entity; and the cost or fair value of the assets can be measured reliably.

Intangible assets acquired separately are initially recognized at cost.

If payment for an intangible asset is deferred beyond normal credit terms, its cost is the cash price equivalent. The difference between this amount and the total payments is recognized as interest expense over the period of credit unless it is capitalized in accordance with the capitalization treatment permitted in PAS 23, Borrowing Costs.

Recognition of an expense

Expenditure on an intangible item is recognized when it is incurred unless it forms part of the cost of an intangible asset that meets the recognition criteria of an intangible asset.

Subsequent measurement

The useful life of the intangible assets is assessed as either finite or indefinite. Intangible assets with a finite life are amortized over their useful lives.

The straight line method is adopted in the amortization of the expected pattern of consumption of the expected future economic benefits or service potential.

An intangible asset with indefinite useful life is not to be amortized.

Intangible assets with indefinite useful lives or an intangible assets not yet available for use are assessed for impairment annually and whenever there is an indication that the assets may be impaired.

The amortization period and the amortization method, for an intangible asset with a finite useful life, are reviewed at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization expense on an intangible asset with a finite life is recognized in the statement of comprehensive income as the expense category that is consistent with the nature of the intangible asset.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of comprehensive income when the asset is derecognized.

3.8 Provisions, Contingent Liabilities and Contingent Assets

a. Provisions

Provisions are recognized when the Corporation has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

Where the LIBI expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognized as a separate asset only when the reimbursement is virtually certain.

The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are reviewed at each reporting date, and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits or service potential will be required to settle the obligation, the provisions are reversed.

b. Contingent Liabilities

The LIBI does not recognize a contingent liability, but discloses details of any contingencies in the notes to financial statements, unless the possibility of an outflow of resources embodying economic benefits or service potential is remote.

c. Contingent Assets

The LIBI does not recognize a contingent asset, but discloses details of a possible asset whose existence is contingent on the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the LIBI in the notes to financial statements.

Contingent assets are assessed continually to ensure that developments are appropriately reflected in the financial statements. If it has become virtually certain that an inflow of economic benefits or service potential will arise and the asset's value can be measured reliably, the asset and the related revenue are recognized in the financial statements of the period in which the change occurs.

3.9 Changes in Accounting Policies and Estimates

The LIBI recognizes the effects of changes in accounting policy retrospectively. The effects of changes in accounting policy are applied prospectively if retrospective application is impractical.

The LIBI recognizes the effects of changes in accounting estimates prospectively through the statement of comprehensive income.

The LIBI corrects material prior period errors retrospectively in the first set of financial statements authorized for issue after their discovery by:

- a. Restating the comparative amounts for prior period(s) presented in which the error occurred; or
- b. If the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and net assets/equity for the earliest prior period presented.

3.10 Foreign Currency Transactions

Transactions in foreign currencies are initially recognized by applying the spot exchange rate between the functional currency and the foreign currency at the transaction date.

At each reporting date:

- a. Foreign currency monetary items are translated using the closing rate;
- b. Nonmonetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction; and
- c. Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

Exchange differences arising (a) on the settlement of monetary items, or (b) on translating monetary items at rates different from those at which they are translated on initial recognition during the period or in previous financial statements, are recognized in the statement of comprehensive income in the period in which they may arise, except as those arising on a monetary item that forms part of a reporting entity's net investment in a foreign operation.

3.11 Revenue

Beginning 2008, LIBI recognizes commission income pertaining to service fees from private insurers based on premium billings upon rendition of brokering services to the assured and upon issuance of policies by the insurer. Accrual method is used in recognizing commission income from insurers.

Interest Income from investments is recognized using the effective interest method.

Gain or losses arising from trading of foreign currency are reported in the statement of comprehensive income.

Revenue is recognized to the extent that it is probable that the economic benefits will flow to LIBI and that revenue can be reliably measured.

3.12 Income Taxes

Income tax on the profit for the year comprises current tax only. Income tax is recognized in the statement of comprehensive income. Current income tax is the expected tax payable on the taxable income for the year using tax rates enacted or substantially enacted as of the reporting date, and any adjustment to tax payable in respect to previous years.

Deferred Tax Asset refers to tax consequence attributable to differences between the financial reporting bases of assets and liabilities. It is measured using the tax rate applicable to taxable income in the year in which those temporary differences are expected to be recorded or settled. Deferred Tax Asset is recognized to the extent of the realization of the related Income Tax Benefit through future taxable income.

3.13 Employee Benefits

In compliance with the provisions of the Retirement Law [Republic Act (R.A.) No. 7641], which requires corporation to provide retirement benefits for their employees, and the National Internal Revenue code (R.A. No. 8424), which allows tax deductibility of employer's contributions for the retirement benefits of its employees, LIBI has established a retirement fund pursuant to Board Resolution No. 2010-006-012 dated July 30, 2010. The retirement benefit plan is a defined benefit plan and is non-contributory.

The set-up of Retirement Fund Liability was approved by the Board of Directors on September 01, 2010 per Board Resolution No. 2010-007-013.

The cost of defined benefit plan is determined by using actuarial valuation; hence, LIBI engaged the services of a duly certified independent actuarial firm on December 30, 2010. Revaluation of LIBI's Retirement Plan was done on January 01, 2015 by E. M. Zalamea Actuarial Services, Inc. Below are the actuarial valuation results:

- The retirement plan covers all its officers and regular employees, 12 males and 18 females totaling 30 eligible employees;
- Average age in years is 42.1;
- Average years of remaining life of the employees group is 14.9;
- Average years of Past Service is 14.4;
- Mortality rate was based on the 2001 CSO Table- Generational (Scale AA, Society of Actuaries) and the disability rate was based on the Disability Study, Period 2, Benefit 5 (Society of Actuaries);
- The interest rate was assumed at 4 per cent, compounded annually;
- The salary increase rate was assumed at 7 per cent, compounded annually;
- The Normal Retirement Age is 60;
- The Projected Retirement Benefit is one-half month basic salary for every year of service;
- The funding method used was the Accrued Benefit Actuarial Cost Method (Projected Unit Credit);
- The employee turnover rates are 100 per cent of the following standard table:

Age	Rate (%)
19-24	7.50
25-29	6.00
30-34	4.50
35-39	3.00
40-44	2.00
≥45	0.00

Under the Accrued Benefit Valuation Method, Past Service Liability (PSL) is P11,099,195 while the Annual Normal Cost (ANC) is P670,783.

Based on LBP Trust Banking Group (TBG) Financial Report as of June 30, 2015, LIBI's Retirement Fund Book Value amounted to P6,877,288. Hence, LIBI made additional funding of P4,221,907 to totally cover the P11,099,195 PSL. The additional fund was approved in Board Resolution No. 2015-007-023 dated August 04, 2015.

LIBI appropriated its Retained Earnings from 2000 to 2008 a total amount of P10,000,000 for retirement benefit plan. On July 18, 2011, the Retirement Fund was finally set-up by LIBI of which the LBP-TBG was appointed as Trustee of the fund. LIBI treated this fund as off books in accordance with PAS 26, Accounting and Reporting by Retirement Benefit Plan. The monitoring of this Fund would be done by the LIBI Administrative Head, which would be checked periodically by the Accounting Head.

Out of the original 39 eligible employees, 14 employees availed of the Retirement Fund wherein retirement benefits totaling to P6,246,003 were withdrawn from the Fund as at December 31, 2017. The remaining balance of the Retirement Fund as at December 31, 2017 is P8,026,410. Accumulated income since the transfer of the Fund on July 18, 2011 to the LBP-TBG reached P1,962,212 as at December 31, 2017.

3.14 Related Parties

The parent company, Land Bank of the Philippines (LBP), regards a related party as a person or an entity with the ability to exert control individually or jointly, or to exercise significant influence over the LIBI, or vice versa.

Member of key management are regarded as related party such as the corporate secretary who is an employee of the parent company, LBP.

4. CASH AND CASH EQUIVALENTS

This account consists of:

	2017	2016
Cash on Hand	50,000	225,097
Cash in Bank-Local Currency	128,598,801	241,950,183
Cash in Bank-Foreign Currency	0	454,251
Total	128,648,801	242,629,531

5. RECEIVABLES

This account consists of:

	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Accounts Receivable ¹	66,396,489	43,223,916	109,620,405	67,085,021	76,355,176	143,440,197
Accrued Service Fees Receivable ²	9,156,804	9,524,710	18,681,514	9,841,552	23,103,519	32,945,071
Allowance for Impairment-Accrued Service Fees Receivable ³	(1,204,962)	(9,363,772)	(10,568,734)	0	(19,948,859)	(19,948,859)
Net Value-Accrued Service Fees Receivable	7,951,842	160,938	8,112,780	9,841,552	3,154,660	12,996,212
Interest Receivable	7,208,380	0	7,208,380	5,702,047	0	5,702,047
Sub-total	81,556,711	43,384,854	124,941,565	82,628,620	79,509,836	162,138,456
Other Receivables						
Receivable-Disallowances/Charges	0	1,363,161	1,363,161	0	1,363,161	1,363,161
Other Receivables	80,358	0	80,358	220,995	0	220,995
Sub-total	80,358	1,363,161	1,443,519	220,995	1,363,161	1,584,156
Total	81,637,069	44,748,015	126,385,084	82,849,615	80,872,997	163,722,612

^{\1} This account represents outstanding premium receivable from the assured whose insurance policies have been issued by accredited insurers. This includes unexpired premium collectible from Philippine Prudential Life Insurance Company, Inc. (PPLICI) amounting to ₱35,793,972 based on the result of reconciliation as at December 31, 2016.

^{\2} This includes the corresponding accrued service fee of ₱7,988,428 on the unexpired premium collectible from PPLICI.

Relative to the termination of LIBI's insurance business with PPLICI on September 2013 which the latter did not concur, the PPLICI filed a complaint on March 7, 2016 against the LBP and LIBI to the Regional Trial Court Branch 155, Pasig City docketed as Civil Case No. 75133 for sum of money relating to unpaid premiums by LIBI from 2013 to 2016.

The following are the updates on the status of the above case as of April 2018:

The hearing was held on 27 February 2018 but reset due to the absence of the liquidator of the plaintiff. In the scheduled hearing, LIBI's Counsel, LIBI's General Manager (GM) and PPLICI's Counsel appeared. Upon checking the records, the Court noted that notices to PPLICI's Liquidator were sent to the wrong address, prompting the Court to reset the Judicial Dispute Resolution (JDR) on 20 March 2018 at 2:00pm and to resend the notice to the Liquidator. LBP's Counsel appeared late in the proceedings.

On 20 March 2018, the LIBI's GM, PPLICI's Conservator and their respective counsels appeared. The Judge in his opening statement encouraged both parties to have the case settled amicably. PPLICI representative's appeal/prayer is to resume business operations with them which the LIBI's General Manager said was no longer possible and seconded by the Judge. Another demand by PPLICI is the payment of prospective premiums amounting to P100 million and payment of outstanding premiums. However, no documents were presented to back up their claims. The Judge then requested PPLICI and LIBI to submit additional documents and set a final hearing on 07 May 2018.

As of April 19, 2018, the case is reset for JDR on May 7, 2018 because the presiding judge advised both parties to support their allegations with figures, for purposes of setting-off claims. The plaintiff is willing to compromise and willing to settle if the defendants are willing to pay the unpaid premiums from 2013 to 2016. However, the LBP stated that it is still awaiting the resolution of the case filed before the CA. The LIBI, on the other hand, is not amenable to pay the premiums considering that the accounts had already been transferred to another insurance provider sometime in 2013. Nevertheless, parties agreed to extend the JDR proceedings to give amicable settlement a chance.

^{\3} For the current year, allowance for impairment of ₱2,455,719 were provided for Accrued Service Fees Receivable recorded in CYs 2015 and 2016 and for the period January to September 2017, while a total of ₱11,835,844 was reversed during the year due to collection (Note 25).

Changes in the Allowance for Impairment - Accrued Service Fee Receivable during the year are as follows:

Particulars	Amount
At January 1	19,948,859
Provisions for the year	2,455,719
	22,404,578
Adjustments:	
Reversal of allowance on accounts not qualified per GSIS pre-qualification (with other perils and premium payments received beyond the 30-day period)	
Reversal of allowance due to non-payment of extra remuneration by GSIS	(5,330,160)
Reversal of allowance on Extra Remunerations from GSIS for years 2007-2013 due to subsequent collections	(1,162,945)
Reversal of CYs 2016 and 2015 provisions on accrued service fees receivable from private insurance due to collection	(3,157,470)
	11,835,844
At December 31	10,568,734

6. INVENTORIES

This account consists of inventories held for consumption, namely:

	2017	2016
Office supplies inventory	59,170	33,533
Accountable forms inventory	21,364	44,430
Non-accountable forms	7,393	2,232
	87,927	80,195

Reconciliation of carrying amounts:

	2017	2016
Carrying Amount, January 1	80,195	107,690
Additions/Acquisitions during the year	347,974	270,695
Consumption during the year	(340,242)	(298,190)
Carrying Amount, December 31	87,927	80,195

7. OTHER ASSETS

This account consists of:

	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Prepayments	5,365,408	2,003,446	7,368,854	5,324,387	1,534,279	6,858,666
Deposits	93,425	97,769	191,194	20,000	77,769	97,769
Total	5,458,833	2,101,215	7,560,048	5,344,387	1,612,048	6,956,435

The prepayments consist of tax withheld receivable, creditable withholding taxes, prepaid insurance and other prepayments.

8. FINANCIAL ASSETS

This account consists of investment securities at amortized cost. Below is the summary of changes in this account during the year:

As at December 31, 2017

	Retail Treasury Bonds	Fixed Treasury Notes	DBP Tier II	Treasury Bills	Total
Balance, January 1, 2017	552,524,935	150,521,747	75,000,000	19,795,792	797,842,474
Additional investment	70,000,000	118,704,661	0	29,763,532	218,468,193
Amortization of discount	0	238,699	0	430,603	669,302
Amortization of premium	(1,625,743)	(481,541)	0	0	(2,107,284)
Investment sold/collected	0	0	0	(49,989,927)	(49,989,927)
Balance, December 31, 2017	620,899,192	268,983,566	75,000,000	0	964,882,758

As at December 31, 2016

	Retail Treas- ury Bonds	Fixed Treas- ury Notes	DBP Tier II	Treasury Bills	Agrarian Reform Bonds	Total
Balance, January 1, 2016	537,944,076	0	75,000,000	100,470,827	119,821	713,534,724
Additional in- vestment	30,000,000	150,641,917	0	0	0	180,641,917
Amortization of discount	0	0		177,173	1,530	178,703
Amortization of premium	(1,564,141)	(120,170)	0	0	0	(1,684,311)
Investment sold/collected	(13,855,000)	0	0	(80,852,208)	(121,351)	(94,828,559)
Balance, December 31, 2016	552,524,935	150,521,747	75,000,000	19,795,792	0	797,842,474

	2017	2016
Retail Treasury Bonds	6.125%, 3.50% and 4.625%	6.125%, 3.50% and 3.250%
DBP-Tier II	4.875%	4.875%
Fixed Treasury Notes	3.50%	1.675%

Held to maturity investments of LIBI carry interest rates at December 31 as follows:

Board Resolution No. 2014-009-027 dated October 29, 2014 approved the request of LBP Leasing and Finance Corporation (LLFC), for the assignment of LIBI's ₱500,000,000 worth of government securities – Retail Treasury Bonds as partial collateral for LLFC's existing short term loan from Land Bank of the Philippines. The Deed of Assignment by way of security was executed on October 31, 2014 by and between LIBI and LLFC for a period of two years. In consideration of the assignment, LLC shall pay LIBI a guarantee/assignment fee equivalent to 1/8 of 1 per cent or ₱625,000 per annum or ₱52,083.33 per month. The guarantee/assignment fee is being paid by LLFC on a quarterly basis. However, due to the maturity of the Retail Treasury Bonds on August 19, 2015 and March 03, 2016 totaling ₱82,855,000, the assignment fee was reduced to ₱530,638.92 per annum or ₱44,219.91 per month which was based on the remaining amount of ₱424,511,129.56 with the same guarantee/assignment fee rate. LLFC did not request for replacement of the matured assigned investment.

9. INVESTMENT PROPERTY

This account consists of assets acquired through *dacion en pago* from the former employee with outstanding obligation amounting to ₱998,315. The dacioned properties consist of two parcels of land containing a total area of 5,847 square meters are located at Catbalogan, Western Samar. The appraised value of these properties amounted to ₱2,924,000 per appraisal report of the LBP Property Valuation and Credit Information Department dated 22 May 2017.

10. PROPERTY AND EQUIPMENT

This account consists of the following:

As at December 31, 2017

	Office Equipment	Information & Communication Technology	Furniture and Fixtures	Building	Motor Vehicles	Total
Cost, January 1	5,717,187	3,175,368	2,394,689	38,670,505	3,349,214	53,306,963
Acquisitions	474,846	1,255,531	16,607	0	1,075,893	2,822,877
Disposal	(411,521)	0	0	0	0	(411,521)
Cost, December 31	5,780,512	4,430,899	2,411,296	38,670,505	4,425,107	55,718,319
Accumulated Depreciation, January 1	4,138,260	390,063	1,983,557	21,786,604	1,862,961	30,161,445
Depreciation	368,826	126,687	43,912	1,911,019	323,776	2,774,220
Adjustments	(364,666)	0	0	1	0	(364,665)
Accumulated Depreciation, December 31	4,142,420	516,750	2,027,469	23,697,624	2,186,737	32,571,000
Net Carrying Amount, December 31	1,638,092	3,914,149	383,827	14,972,882	2,238,370	23,147,319

As at December 31, 2016

	Office Equipment	Information & Communi- cation Tech- nology	Furniture and Fix- tures	Building	Motor Vehicles	Total
Cost, January 1	5,863,342	745,792	2,176,028	37,777,151	3,349,214	49,911,527
Acquisitions	748,481	2,432,576	218,661	893,354	0	4,293,072
Disposal	(894,636)	0	0	0	0	(894,636)
Cost, December 31	5,717,187	3,175,368	2,394,689	38,670,505	3,349,214	53,306,963
Accumulated Depreciation, January 1	4,716,726	291,379	1,962,027	20,050,018	1,495,829	28,515,979
Depreciation	307,978	98,684	21,530	1,736,586	367,132	2,531,910
Disposal	(886,444)	0	0	0	0	(886,444)
Accumulated Depreciation, end	4,138,260	390,063	1,983,557	21,786,604	1,862,961	30,161,445
Net Carrying Amount, De- cember 31	1,578,927	2,785,305	411,132	16,883,901	1,486,253	23,145,518

11. INTANGIBLE ASSETS

This account consists of the cost of computer software upgrade of the LIBI's existing Integrated Insurance Business System (IIBS) version 3.3 to 4.0 web version systems which development is in progress. The total cost of the project is ₱6,439,219. The project duration to upgrade the LIBI IIBS was extended until March 31, 2018. As of December 31, 2017, the down payment amounted to ₱2,084,790.

This account also includes on-going upgrade of LIBI's payroll system costing ₱47,844.

12. FINANCIAL LIABILITIES

This account consists of:

	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Insurance/ Reinsurance Pre- mium Payable ^{\1}	114,522,179	44,116,065	158,638,244	94,357,474	77,425,112	171,782,586
Accounts Payable ^{\2}	52,996,230	525,921	53,522,151	62,182,980	387,549	62,570,529
Due to Officers and Employees ^{\3}	144	2,544	2,688	64,127	0	64,127
Other Financial Lia- bilities Handling Fees Payable ^{\4}	6,962,615	0	6,962,615	7,327,776	0	7,327,776
Total	174,481,168	44,644,530	219,125,698	163,932,357	77,812,661	241,745,018

^{\1} This pertains to insurance premiums payable to insurance companies as at December 31, 2017.

^{\2} This includes unreleased checks and authority to debit totaling ₱43,532,783 for payment of insurance premiums to various insurance companies that remain under the custody of the Cashiering Unit as at December 31, 2017 awaiting corresponding tax certificates (BIR Form 2307) from various insurance companies. This also includes accrual of expenses awaiting billing from suppliers.

^{\3} This refers to tax refunds and excess health medical insurance due for refund to officers and employees.

^{\4} This account consists of handling fees payable to LBP units, lending centers, branches which are due every March and September of the year.

13. INTER-AGENCY PAYABLES

This account consists of:

	2017	2016
Due to BIR	449,739	671,984
Value Added Tax Payable	1,549,698	1,429,797
Income Tax Payable	3,868,002	6,303,286
Total	5,867,439	8,405,067

14. TRUST LIABILITIES

This account consists of:

	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Customer's Deposits Payable ¹	24,645,547	4,784,440	29,429,987	22,148,432	13,203,342	35,351,774
Guaranty/Security Deposits Payable	250,000	225,200	475,200	225,200	0	225,200
Total	24,895,547	5,009,640	29,905,187	23,373,632	13,203,342	36,576,974

¹This refers to the advance payments of premiums by clients/assured awaiting issuance of insurance policies and/or matching of premium invoices. Transactions representing excess payments of premiums are also recorded under this account awaiting instruction from assured/LBP for its refund or application to future renewal of policies.

15. PROVISIONS

This account consists of:

	2017			2016		
	Current	Non-Current	Total	Current	Non-Current	Total
Leave Benefits Payable	1,036,896	2,539,485	3,576,381	1,075,492	449,029	1,524,521
Pension Payable ^{\1}	753,293	1,341,566	2,094,859	670,783	744,433	1,415,216
Other Provisions ^{\2}	2,475,514	3,828,500	6,304,014	3,465,550	384,000	3,849,550
Total	4,265,703	7,709,551	11,975,254	5,211,825	1,577,462	6,789,287

^{\1} This account pertains to the accrual of Annual Normal Cost (ANC) under the Accrual Benefit Valuation Method.

^{\2} This account refers to the estimated Performance Based Bonus (PBB) of LIBI's officers and staff and the Performance Based Incentive (PBI) of LIBI's Board of Directors for CYs 2015, 2016 and 2017.

16. OTHER PAYABLES

This account consists of:

	2017	2016
Undistributed Collection ^{\1}	439,373	1,640,234
Other Payables	0	49,820
Total	439,373	1,690,054

^{\1} This account pertains to unreceipted credit advices (UCA) issued by bank as of the close of the transaction date due to lack of details.

17. SHARE CAPITAL

As at December 31, 2017, the total authorized, paid, issued and outstanding shares are 3,000,000 shares with par value of ₱100.

The Board of Directors approved the declaration of stock dividends of ₱75,000,000 or 750,000 shares per Board Resolution No. 07-03-006 dated March 28, 2007.

Additional 250,000 shares or ₱25,000,000 was declared and approved by the Board of Directors on September 25, 2007 representing full subscription of the Corporation's authorized capital stock.

18. RETAINED EARNINGS

Declaration of CY2016 cash dividend of ₱37,758,827 was approved on April 07, 2017 per Board Resolution No. 2017-003-010 and payment of such dividend to the National Government was made directly to Bureau of Treasury on May 16, 2017.

The Board in its Resolution No. 2017-004-020 dated May 31, 2017 approved the total appropriations of ₱19,000,000. The appropriation for office expansion amounting to ₱2,000,000 was reversed because its purpose had already been served.

As at December 31, 2017, total appropriations amounted to P175,000,000 detailed as follows:

Particulars	Amount
Appropriation for the technology and computer upgrades	18,000,000
Appropriation for other contingencies	30,000,000
Appropriation for non-collection of refund of premium from Prudential Life	63,000,000
Appropriation for the reversal of related service fee	15,000,000
Appropriation for procurement of Risk Modeling System	27,000,000
Appropriation for trainings and seminars for ISO/GQMSS certification	3,000,000
Appropriation for procurement of office equipment, furniture and fixtures	1,000,000
Appropriation for procurement of Variable Refrigerant Flow (VRF) Air-conditioning system	8,000,000
Appropriation for procurement of 2 units motor vehicle	3,000,000
Appropriation for replacement of lighting system and replacement of office ceiling	3,000,000
Appropriation of premium internet gateway service	1,000,000
Appropriation for email system upgrade	800,000
Appropriation for PABX	700,000
Appropriation for structured cabling of data	500,000
Appropriation for Operating System and Microsoft Office 2016	500,000
Appropriation for Anti-Virus system	300,000
Appropriation for CCTV camera	200,000
	175,000,000

Other adjustments to the Retained Earnings for CY 2017 and 2016 are presented below:

CY2017

Accounts Affected	Particulars	Amount
Allowance for probable losses-Accrued Service Fee Receivable (ASFR) and Deferred Tax Asset	Reversal of allowance for probable losses and corresponding deferred tax asset due to collection and non-payment by the GSIS of accrued service fee in prior years	1,155,004
Deferred Tax Asset	Reversal of deferred tax asset relating to allowance for probable losses on COA disallowance	(133,315)
		1,021,689

Accounts Affected	Particulars	Amount
Allowance for probable losses-Accrued Service Fee Receivable (ASFR) and De-ferred Tax Asset	Reversal of allowance for probable losses and corre-sponding deferred tax asset due to non-payment by the GSIS of accrued service fee in prior years	7,128,426
Allowance for probable losses	Reversal of allowance for probable losses relating to COA disallowance	1,363,161
Allowance for probable losses	Reversal of allowance for probable losses relating to tax withheld receivable	982,755
		9,474,342

CY2016

SERVICE AND BUSINESS INCOME

	2017	2016
Service Income		
Fees and Commission Income ^{\1}	123,645,238	104,970,340
Other Discounts	(11,071,174)	(10,010,237)
Net Fees and Commission Income	112,574,064	94,960,103
Business Income		
Interest Income ^{\2}	33,090,385	27,163,331
Other Business Income ^{\3}	2,656,132	8,892,198
Total Business Income	35,746,517	36,055,529
Total	148,320,581	131,015,632

^{\1} The fees and commission income were derived from performance of services to customers/clients, while the other discounts pertains to the handling expenses /incentives given to LBP branches, groups, units and subsidiaries for appraisal, inspection of property to be insured and for performance of other administrative matters such as collection of payments of insured properties.

^{\2} This pertains to interest income earned from investments at amortized cost such as Retail Treasury Bonds, DBP-Tier II, Fixed Treasury Notes and Treasury Bills totaling

₱964,882,758 as at December 31, 2017. This account also includes interest income earned from current and savings depository accounts.

¹³ This refers to income earned from buying and selling, and brokering of foreign currencies with a volume totaling USD26,030,399 covering the period January 02, 2017 to May 18, 2017, while a volume totaling USD82,817,656 was for CY 2016.

LIBI-Forex discontinued its business operations effective 19 May 2017 per Board Resolution No. 2017-004-016 dated 18 May 2017 due to lack of accredited Forex Corporation counterparties that resulted to continuous decline in its trading operations and not meeting its targets for the last five years. During those years, there were more brokering transactions instead of trading transactions which led the members of the Board to decide to discontinue the operations of Forex to avoid exposure to risks and possible fraudulent activities.

As at 19 May 2017, the financial performance of Forex Division is summarized as follows:

Trading/Service Income	2,656,132
Other Income	232,406
Total Income	2,888,538
Total Expenses	1,645,505
Profit Before Tax	1,243,033
Income Tax	350,767
Profit After Tax	892,266
Total Assets	94,842,827
Total Liabilities	3,073,495
Accumulated Surplus	91,769,332

The assets, liabilities and accumulated surplus of LIBI-Forex were transferred to LIBI-Insurance Books. Nominal accounts were closed to Retained Earnings.

20. PERSONNEL SERVICES

	2017	2016
<i>Salaries and Wages</i>		
Salaries and Wages-Regular	17,999,671	7,895,981
Salaries and Wages-Contractual	911,798	951,088
	18,911,469	8,847,069
<i>Other Compensation</i>		
Other Bonuses and Allowances		
Christmas Raffle	1,750,000	1,340,000
Rice Allowance	1,277,050	962,900
Performance Based Bonus	746,757	924,260
Mid-year Bonus	784,800	544,070
Medical, Dental and Hospitalization	507,000	440,917
Anniversary Bonus	306,000	278,000
Productivity Enhancement Incentive	240,000	169,000
Other Bonuses and Allowances	0	114,974
Teller's Allowance	7,200	10,800

Overtime and Night Pay	2,526,302	933,898
Year-End Bonus	1,559,598	737,970
Representation Allowance	522,000	348,813
Transportation Allowance	279,000	248,000
Cash Gift	218,000	172,500
Longevity Pay	169,714	112,464
Clothing/Uniform Allowance	162,009	160,179
	11,055,430	7,498,745
<i>Personnel Benefit Contributions</i>		
Employees Compensation Insurance Premium	558,217	448,877
PhilHealth Contributions	112,763	88,725
Pag-IBIG Contributions	49,450	42,300
	720,430	579,902
<i>Other Personnel Benefits¹⁷</i>	2,645,124	1,147,330
Total	33,332,453	18,073,046

¹⁷ The other personnel benefits pertain to the money value of leave credits that were earned by LIBI personnel.

MAINTENANCE AND OTHER OPERATING EXPENSES

	2017	2016
Travelling Expenses	751,294	297,472
Training and Scholarship Expenses	173,160	246,700
Supplies and Materials Expenses		
Office Supplies Expenses	582,257	625,631
Accountable Forms Expenses	125,133	98,966
Non-Accountable Forms	2,746	5,287
	710,136	729,884
Utility Expenses		
Electricity Expenses	901,442	965,023
Water Expenses	107,692	26,213
	1,009,134	991,236
Communication Expenses		
Postage and Courier Services	693,980	502,168
Telephone Expenses	433,097	392,426
Internet Subscription Expenses	179,127	179,127
	1,306,204	1,073,721
Professional Fees		
Auditing Services	1,026,748	321,750
Legal Services	240,000	340,000
Other Professional Services	46,852	201,919
	1,313,600	863,669
Other General Services		
Other General Services	840,573	1,590,904
Security Services	249,288	281,675
Janitorial Services	29,747	278,076
	1,119,608	2,150,655

<i>Repairs and Maintenance</i>		
Repairs and Maintenance-Transportation Equipment	223,296	130,903
Repairs and Maintenance-Machinery and Equipment	16,013	42,379
Repairs and Maintenance-Semi-Expendable Machinery and Equipment		
Repairs and Maintenance-Furniture, Fixture and Books	7,219	62,046
	262,064	249,514
Taxes, Insurance Premium and Other Fees		
Taxes, Duties and Licenses	1,366,560	1,901,363
Insurance Expenses	186,675	206,954
	1,553,235	2,108,317
Other Maintenance and Operating Services		
Directors' and Committee Members' Fees	3,796,000	3,663,250
Representation Expenses	1,548,726	895,675
Donations	403,613	2,050,000
Rent/Lease Expenses	280,843	309,623
Advertising, Promotional and Marketing	29,010	31,571
Membership Dues and Contribution to Organizations	12,000	12,000
Subscription Expenses	4,050	4,800
Other Maintenance and Operating Expenses	1,062,292	1,309,978
	7,136,534	8,276,897
Total	15,334,969	16,988,065

FINANCIAL EXPENSES

	2017	2016
Other Financial Charges ¹	61,994	209,390
Bank Charges	24,320	20,125
Total	86,314	229,515

¹This account pertains to broker's fee and other incidental charges in placement or sale of investment securities.

NON-CASH EXPENSES

	2017	2016
<i>Depreciation</i>		
Depreciation-Building	1,911,019	1,736,586
Depreciation-Office Equipment	368,826	307,978
Depreciation-Motor Vehicles	323,776	367,132
Depreciation-Information and Communication Technology		
Depreciation-Furniture and Fixtures	43,912	21,530
	2,774,220	2,531,910

<i>Impairment Loss</i>		
Impairment Loss-Receivables	2,455,719	3,705,340
Impairment Loss-Property and Equipment	0	8,192
	2,455,719	3,713,532
Total	5,229,939	6,245,442

24. NON-OPERATING INCOME, GAINS OR LOSSES

24.1 Non-Operating Income/Gain

	2017	2016
Gains		
Gain from Forex	158,596	287,846
Other Non-Operating Income		
Dividend Income	0	29,089
Rental income	810,000	607,500
Miscellaneous Income	581,997	527,279
Total	1,391,997	1,163,868

24.2 Non-Operating Losses

	2017	2016
Loss on sale of unserviceable property and equipment	42,797	0
Other Losses	0	5,000
Total	42,797	5,000

25. INCOME TAX EXPENSE

The provision for/(benefit from) income tax consists of the following:

	2017	2016
Income tax expense	19,563,011	20,233,758
Income tax benefit	(736,716)	(1,111,602)
	18,826,295	19,122,156

Reconciliation of Income before income tax against taxable income is as follows:

	2017	2016
Income before income tax	95,844,702	90,926,278
Non-deductible expenses		
Impairment loss-loans and receivables	2,455,720	3,705,340
Impairment loss-property and equipment	0	8,192
Non-taxable income and income subjected to final tax:		
Interest income	(33,090,385)	(27,163,331)
Dividend income	0	(29,089)

Bond discount	0	(1,530)
	(30,634,665)	(23,480,418)
Net taxable income	65,210,037	67,445,860
Income tax rate	30%	30%
Income Tax Expense	19,563,011	20,233,758

Deferred tax asset/Income tax benefit is computed as follows:

	2017	2016
Balance, beginning of year	6,817,500	8,760,938
Reversal of CYs 2016 and 2015 provisions on accrued service fees re- ceivable from private insurance due to collection	(3,157,470)	(291,624)
Reversal of provisions on receivable-extra remuneration due to collection:		
PY2013 accrued extra remuneration	(969,607)	(263,405)
PY2012 accrued extra remuneration	0	(1,451,529)
PY2011 accrued extra remuneration	(12,676)	(1,973,829)
PY2010 accrued extra remuneration	(9,727)	(1,163,449)
PY2009 accrued extra remuneration	(69,781)	(1,313,096)
PY2008 accrued extra remuneration	(41,281)	(2,574,454)
PY2007 accrued extra remuneration	(59,873)	(1,152,079)
	(1,162,945)	(9,891,841)
Reversal not qualified per GSIS pre-qualification (with other perils and premium payments received beyond the 30-day period):		
PY2013 accrued extra remuneration	(565,590)	0
PY2012 accrued extra remuneration	(675,953)	0
PY2011 accrued extra remuneration	(383,331)	0
PY2010 accrued extra remuneration	(214,394)	0
PY2009 accrued extra remuneration	(331,542)	0
PY2008 accrued extra remuneration	(10,682)	0
PY2007 accrued extra remuneration	(3,777)	0
	(2,185,269)	0
Reversal due to non-payment of extra remuneration by GSIS:		
PY2013 accrued extra remuneration	(324,948)	0
PY2012 accrued extra remuneration	(437,762)	0
PY2011 accrued extra remuneration	(1,056,927)	0
PY2010 accrued extra remuneration	(1,747,635)	0
PY2009 accrued extra remuneration	(854,622)	0
PY2008 accrued extra remuneration	(52,304)	0
PY2007 accrued extra remuneration	(855,962)	0
	(5,330,160)	0
Total reversals	(11,835,844)	(10,183,465)
Provision for probable losses recorded at year end :		
Accrued service fees receivable from private insurance recorded in CYs 2015, 2016 and January to September 2017	2,455,719	0
Uncollected extra remuneration from GSIS:		
PY2013 accrued extra remuneration	0	1,061,775
PY2012 accrued extra remuneration	0	1,282,622
PY2009 accrued extra remuneration	0	1,360,942
	9,380,125	(6,478,126)
Prevailing income tax rate	30%	30%
Deferred tax asset/income tax benefit reversed at year end	(2,814,037)	(1,943,438)
Reversal of deferred tax asset on allowance provided to the receivable from COA disallowance	(133,315)	0
Balance, end of year	3,870,148	6,817,500

Income tax benefits shall be deducted from the LIBI's future tax obligations to the extent of the amount of provision for accrued service fees receivable that will have no economic benefits to the Corporation.

SUPPLEMENTARY INFORMATION ON REVENUE REGULATION

In compliance with the requirements set forth in RR 15-2010, hereunder are the information on taxes, duties and license fees paid and accrued during the taxable year.

LBP Insurance Brokerage, Inc. is a VAT- registered Corporation with VAT output tax declaration of ₱14,652,978 based on actual collections during the year of service fees and rental income amounting to ₱122,108,151. Actual VAT paid for the year amounted to ₱11,984,469 after applying Input Tax of ₱994,114 and creditable withholding tax of ₱124,697. The VAT payable of ₱1,549,698 (Note 13) was remitted in the following month/year. Government VAT of ₱361,593 withheld from payments to suppliers of goods and services was also remitted to the BIR within the reglementary period.

LIBI's secondary purpose is to engage in the business of buying and selling of foreign currencies and paid gross receipt tax for the period January to May 2017 totaling ₱185,929 recorded under the Taxes and licenses account pursuant to RR 9-2004 and based on the amount reflected in the Trading income account of ₱2,656,132.

Changes in the balance of the input tax are as follows:

Balance, beginning of year		789,024
Current year's purchases:		
Capital goods	344,080	
Goods other than for resale or manufacture	165,446	
Services lodged under other accounts	594,357	
Input taxes claimed for the year	(994,114)	109,769
Balance, end of year		898,793

Other taxes and licenses recorded under Taxes and licenses account are as follows:

Local	
Mayor's permit	
Real property tax	
Real estate tax	
Community tax certificate	
Fire realty tax and inspection fee	
Barangay clearance	
National	
Gross receipts tax	
License and filing fee – Insurance Commission	
Registration of motor vehicle at LTO	
BIR annual registration	
Tax clearance certification	
Certification 2016 Audited Financial Statements	

C. The income taxes/withholding taxes paid/accrued for the year amounted to:

Corporate tax	
Income Tax	7,030,765
Creditable withholding tax at source	
	12,532,246
	19,563,011
Tax on compensation and benefits	2,485,363
Expanded withholding tax from suppliers	466,516
	22,514,890

The income tax payable as of December 31, 2017 amounted to P3,868,002 (Note 13).

There are outstanding Letter Notices (LN) No. 047-RLFTRS-12-00-00402 and No. 047-RLF-11-00-00123 dated June 10, 2014 and January 28, 2013, respectively regarding the discrepancies resulting from Reconciliation of Listing for Enforcement (RELIEF) and Third Party Matching – Tax Reconciliation system (TRS) as declared in LIBI’s tax returns filed for CY2012 and 2011 particularly VAT returns filed by suppliers. The required documents needed to refute the findings were forwarded to the BIR.

RELATED PARTY DISCLOSURES

The financial statements include various transactions with its parent and affiliated companies. The more significant related party transactions, arising from normal course of business include the following:

To defray expenses in the appraisal, inspection of property to be insured and other administrative matters such as collection of insurance premium payments of insured properties; handling fees are given to LIBI’s clients, the LBP units, branches and subsidiaries. For the current year, handling fee accrued and payable to LBP units, branches and subsidiaries reached P11,071,174 (Note 19).

Compensation of key management personnel for 2017 and 2016 are as follows:

	2017	2016
For the President and General Manager		
Total salaries and wages	3,152,400	1,508,411
Total short-term employee benefits		
(RA, PEI, per diem, bonuses, medical benefits)	1,282,143	1,260,942
	4,434,543	2,769,353
For Corporate officers who are employees		
of the parent company, LBP:		
Total short-term employee benefits		
(per diems and reimbursable expenses)	174,500	253,000
	4,609,043	3,022,353

A Trust Agreement was made and entered into by and between LBP Insurance Brokerage, Inc. (LIBI) and LBP – Trust Banking Group (LBP-TBG) on July 18, 2011 thereby appointing the latter as the Trustee of the LIBI's Retirement Benefit Plan. The essential terms and conditions of the agreement are as follows:

The Trustor (LIBI) shall deliver and pay to the Trustee such sums representing the annual contributions of the Trustor as provided in the Plan, starting with the contribution for the current year in the amount of PESOS: Ten Million One Thousand Pesos (Php10,001,000.00).

The Trustor hereby waives all its rights and interest to the money or properties which are and will be paid or transferred to the Fund, to the extent required to provide the benefits pursuant to the Plan.

The Trustee shall hold the title to the Fund to be held in trust for the purpose stated in and subject to all the terms and conditions of the Agreement as well as the Plan, which shall be deemed part of this Agreement. The Trustee shall invest and re-invest the Fund, together with all increments and proceeds in fixed-income government securities like Treasury Bills or Notes, Agrarian Reform Bonds, Retail Treasury Bonds, BSP Special Deposit Account and other financial instruments duly guaranteed by the Republic of the Philippines; deposit arrangements/special deposit account with reputable banks including the Trustee's own commercial banking sector; and common or preferred shares of stocks, bonds or note issued by blue-chips private and government-owned corporations. Other investment outlets shall require prior written approval of the Trustor.

To cause any asset acquired from the investment/reinvestment of the Fund to be held, registered and issued in its own name as Trustee or in the name of its nominee, provided, that the books and records of the Trustee shall at all times show that all such properties are part of the Fund. To pay all costs, fees, charges and such other expenses connected with the investments, administration, reservation and maintenance of the Fund and to charge the same to the Fund.

In the management of the fund, the Trustee shall pay to the beneficiaries the benefits under the Plan upon written advice of the Trustor. To keep and maintain books of accounts and/or records of the management and operations of the Fund, which the Trustor or its authorized representative may inspect from time to time. At the end of every calendar quarter, to submit the financial reports, investment activity reports or such other reports as may be requested by the Trustor. The Trustee shall administer the funds held in trust with such degree of skill and care as a prudent man would exercise in the conduct of an enterprise of like character and with similar aims.

For its services, the Trustee shall be entitled to a fee equivalent to 0.75 per cent per annum of the average total assets of the Fund, computed daily and collected at the end of each quarter. The Trustee is

For its services, the Trustee shall be entitled to a fee equivalent to 0.75 per cent per annum of the average total assets of the Fund, computed daily and collected at the end of each quarter. The Trustee is hereby authorized to debit its fees from the Fund. The above fee is quoted with the understanding that the same may be reviewed at the request of either party and adjusted in a mutually satisfactory basis.

Except for fraud, bad faith or gross negligence, the Trustee shall not be liable for any losses or depreciation in the value of the Fund resulting from investments or reinvestments thereof as authorized herein, or from the performance of any act in accordance with the provision of the Agreement. This Agreement shall not guarantee a yield, return of income on the investment/reinvestments of the Fund as the same can fall as well as rise depending on prevailing market conditions and is not covered by Philippine Deposit Insurance Corporation. Losses, if any, shall be for the account of the Trustor (pursuant to Section X409.1 of the Manual of Regulations for Banks-Part IV).

The Agreement shall remain in full force and effect until the termination of the Plan unless sooner terminated by either party hereto by giving thirty days advance notice to the other.

EVENTS AFTER THE REPORTING PERIOD

On April 25, 2018, the Board approved the declaration of cash dividend to the National Government and Land Bank of the Philippines totaling ₱79,474,126 through its Resolution No. 2018-004-017.

On even date, the Board also approved additional appropriations of ₱183,350,000 for LIBI's various projects and reversal of appropriations in prior year totaling ₱38,200,000 through its Resolution No. 2018-004-018, details are as follows:

Particulars	Amount
<i>Appropriations</i>	
Appropriation for procurement of office space	150,000,000
Appropriation for additional retirement fund due to SSL implementation	20,000,000
Appropriation for Virtual Assistant (Chat Bot)	3,000,000
Appropriation for Document Management System	3,000,000
Appropriation for Career Program in Life/Non-life Insurance Data Analytics/Non-life Actuarial Science	3,000,000
Appropriation for directors' training on Good Governance	2,000,000
Appropriation for one vehicle for employees' service	1,600,000
Appropriation for replacement of carpets	500,000
Additional appropriation for structured cabling of data	250,000
	183,350,000
<i>Reversal of appropriations</i>	
Appropriation for Risk Modeling System	27,000,000
Appropriation for VRF air-conditioning system	8,000,000
Appropriation for 2 units Motor Vehicles	3,000,000
Appropriation for CCTV camera	200,000
	38,200,000

This in effect reduced the Retained Earnings-Unappropriated by ₱224,624,126.

FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

LIBI recognizes the importance of an effective financial risk management program and a Risk Management Manual was finalized and approved by the members of the Board in 2009.

The objective of the Manual is to serve as basis and reference for consistent risk management that is applicable to all employees of LBP Insurance Brokerage, Inc. (LIBI). It aims to create a culture of risk-awareness, not risk-aversion based on the prudential framework required by BSP circulars. It provides a general set of risk principles delegated to each business unit through its reporting and approval procedures.

An Audit and Risk Management Committee was created to be primarily responsible for the development and oversight of the risk management programs of LIBI which include oversight of management functions and approval of proposals regarding LIBI's policies, procedures and best practices relative to asset and liability management, credit, market and business operations risks ensuring that: (a) insurance requirements of its parent, Land Bank of the Philippines, and their lending units are passed on to LIBI; (b) system of limits remain effective; and (c) immediate corrective actions are taken whenever limits are breached or whenever necessary.

As part of identification risk, the following are classified as major risks that LIBI manages in the course of its business.

Market Risk

Market risk can be generally defined as risk of loss, immediate or over time, due to adverse, fluctuations in price or market value of instruments, products and transactions in LIBI's overall portfolio. Market risks are central focus of risk measurement methodologies and limits, as well as gauge by which LIBI can determine returns it will require for its activities.

Net premium volume produced during the year reached P611,503,931 representing an increase of P34,209,603 or 5.93 per cent compared to last year's P577,294,328 net premium volume. This was primarily due to the increase in premium in loan releases from LBP Agricultural Development Lending Sector (ADLS).

Net service fees from insurance brokering for the year of P112,574,064 is P17,613,961 or 18.55 per cent higher compared to last year's P94,960,103 net service fees (Note 19).

LIBI, as a subsidiary of LBP, has already captured LBP as market for its products and services. Nonetheless, LIBI continues to intensify its campaign to solicit more direct business from private corporations and other government entities.

Liquidity Risk

It is the risk that LIBI will be unable to make a timely payment of any of its financial obligations to customers or counterparties in any currency. Trading Liquidity risk refers to inability to unwind positions created from markets, exchanges and counterparties due to temporary or permanent factors.

Prudent liquidity risk management implies sufficient cash and cash equivalents and marketable securities. Insurance cash inflows from operations and readily marketable government securities investments provide the bulk of LIBI's liquidity buffer.

Interest Rate Risk

This is the risk that future cash flows of a financial instrument will fluctuate because of changes in market interest rates. LIBI's fixed rate investments in held-to-maturity investments are exposed to such risk. Interest income derived from investments and savings deposits this year of P33,090,385 was higher by 21.82 per cent or equivalent to P5,927,054 compared to last year's interest income of P27,163,331.

It is the policy of LIBI to invest excess funds in government securities (GS) where the servicing and repayments are fully guaranteed by the government. The investment in GS may be placed with the LBP Treasury and Investment Banking Group or LBP Trust Banking Group.

LIBI's Investment Committee observes diversified GS portfolio, varied maturity spectrum and optimum yields in deciding the type and term of investment. When yields of GS are expected to go down, LIBI buys long-term GS in order to lock-in on high yielding GS. Conversely, when yields are expected to go up, it buys short-term GS to stay liquid and be able to switch to high yielding GS when rates start to pick up.

LIBI's principal financial instruments comprise of cash deposits, held-to-maturity investments consisting primarily of investment in government securities like Retail Treasury Bonds and DBP Tier-II (Note 8). These are not subjected to mark-to-market valuation but impairment testing is being done on HTM in RTBs.

Total investments at amortized cost as at December 31, 2017 is P964,882,758 which is 76.72 per cent of the LIBI's total assets of P1,257,713,034. Liquid assets of P128,598,801 are 0.613 times the current liabilities of P209,949,230.

The table below summarizes the Maturity Profile of the Corporation's Assets and Liabilities.

Other payables	439,373	0	0	0	439,373
Total Liabilities	173,762,829	25,446,548	10,739,853	57,363,721	267,312,951
Asset-Liability Gap	17,285,757	(8,144,066)	(3,258,291)	984,516,683	990,400,083

Return on Equity (ROE) for CY 2017 is 7.94 per cent, while Return on Asset (ROA) is 6.16 per cent, higher by 0.38 per cent and 0.39 per cent compared to last year's ROE of 7.56 per cent and ROA of 5.77 per cent, respectively. Likewise, per capita income is P1.71 million, higher by P0.080 million or 4.91 per cent compared to the per capita income of P1.63 million last year.

Credit Risk

Direct Credit Risk is the risk that a customer or counterparty will be unable to pay obligations on time or in full as expected or previously contracted, subjecting LIBI to a financial loss. It lasts for the entire tenor and is set at full amount of a transaction. The possibility of non-collection of Accounts Receivable within one year is moderate due to intensified collection through faster sending of Statement of Accounts thru fax, email, mail and frequent follow-ups by phone. LIBI's collection rate of 91 per cent for the current year is one per cent higher than the 90 per cent collection rate last year.

The Management has negotiated with Land Bank of the Philippines for the advance payment of policies by the branches/lending units.

COMMITMENT

LIBI has renewed its Full Service and Maintenance Agreement (FSMA) with Fuji Xerox Philippines, Inc. for another term of 48 months that commenced on July 11, 2017 and shall expire on July 11, 2021. New and upgraded equipment had been installed to replace the old model. The renewed FSMA contains same terms and conditions as with the previous one.

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



TOMAS T. DE LEON, JR.
Chairman

Mr. Tomas Tarnate de Leon, Jr. sits as the Chairman of the Board of LBP Insurance Brokerage, Inc. (LIBI) since July 1, 2012.

Mr. De Leon spent the earlier years of his career gaining management experience from the Insular Life-FGU Group of Companies from 1972 to 1974, the Family Bank & Trust Company from 1978 to 1980, and as Senior Associate at the Louis A. Allen Associate from 1981 to 1989.

Currently, he is the Chairman of the Metro Rail Transit Corporation (MRTC). He is a stockholder of the Bacolod Real Estate Development Corporation (BREDCO). He is also the director of IT service provider Data Trail Corporation.

He previously served as a member of the Board of Directors of the LANDBANK Realty Development Corporation (LBRDC), and as Chairman and President of the Philippine Society for Training and Development and the Asian Regional Training and Development Organization.

Birthdate:	April 5, 1949
Age:	67 years old
Date of Appointment::	July 1, 2012
Educational Attainment:	
Post Graduate:	Masters in Business Administration Ateneo Graduate School of Business Graduated: 1976
College:	AB Economics Ateneo de Manila University Graduated: 1972
Others:	Special Courses in Management/ Leadership Ateneo Center for Continuing Education
Directorship: No other directorship	

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



YOLANDA D. VELASCO

Director

Birthdate:	February 29, 1952
Age:	64 years old
Date of Appointment:	May 31, 2011
Educational Attainment:	
College:	Certificate Course on Financial Management Colombo Plan Bureau Institution of Financial Management and Research Madras, India 1987
	Master in Business Administration (40 units) Ateneo Graduate School of Business Makati, 1979
	Bachelor of Science in Business Administration and Accountancy (BSBAA) University of the Philippines, 1973
PROFESSIONAL AND CIVIL SERVICE ELIGIBILITIES	CPA Board Examination CPA License No. 26400 Issue date: September 4, 1974
Directorship: No other directorship	

Mrs. Yolanda Dillague Velasco has been a Member of the Board of the Corporation since May 31, 2011. She held the position of Senior Vice-President/Group Head – Controllership Group of the LAND BANK OF THE PHILIPPINES when she retired on February 1, 2016.

Mrs. Velasco has been the Collection Assistant and Inventory Financing Clerk of Filinvest. Mrs. Velasco was the Chairperson, Membership Committee of the Banker’s Institute of the Philippines (BIP) from 2009-2010 then Director from 2010-2011. From 2011-2012 she was the Director of Audit Committee of the BIP. Mrs. Velasco was also a Director of the Government Association of Certified Public Accountants from 2011-2012.

THE LIBI BOARD OF DIRECTORS

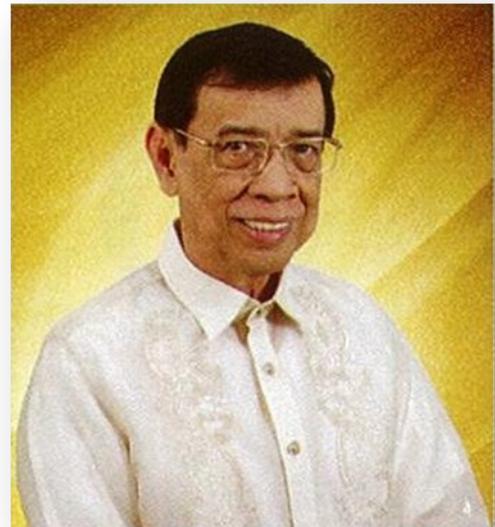
As of December 31, 2017



ATTY. REYNAULD R. VILLAFUERTE

Director

Birthdate:	April 18, 1952
Age:	64 years old
Date of Appointment:	July 1, 2012
Educational Attainment:	
College:	Bachelor of Science in Communication Ateneo de Zamboanga, 1973 Bachelor of Laws Zamboanga A.E. College, 1975
Graduate Studies:	Bachelor of Laws/Master in Business Administration Adamson University/University of Sto. Tomas, 1977 - 1980
Professional and Civil Service Eligibilities	Bar Exam IBP License No. 30819, 1981
Directorship: No other directorship	



Atty. Reynauld Ruiz Villafuerte was first appointed as Member of the LIBI Board on July 1, 2012. He has been the Corporate Secretary and Legal Counsel of the Corporation from 1993-2012.

Atty. Villafuerte held the position of Senior Vice-President/Corporate Secretary of the Legal Services Group of the LAND BANK OF THE PHILIPPINES when he retired on August 1, 2016.

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



ALAN V. BORNAS
Director

Mr. Alan Vidamo Bornas had been a Member of the LIBI Board since July 1, 2012. He is the Senior Vice-President of the LAND BANK OF THE PHILIPPINES heading the Technology Management Group. Mr. Bornas has been with LANDBANK since 1988. He had been the Treasurer of the Brentwood Heights Townhouses Homeowners Association from January 2006 up to present.

Birthdate:	April 25, 1966
Age:	50 years old
Date of Appointment:	July 1, 2012
Educational Attainment:	
College:	Bachelor in Computer Science University of the Philippines, 1987
Directorship: Land Bank of the Philippines (LBP)	

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



JENNIFER A. TANTAN

Director

Mrs. Jennifer Almazan Tantan was appointed member of the Board on July 1, 2014. Before her appointment, she was the Assistant Treasurer from 1998-2000, Treasurer from 2001-2005 and Chairman of the Investment Committee from February 1, 2015 to November 4, 2014 of LIBI. She is the Senior Vice-President of the LAND BANK OF THE PHILIPPINES heading the North-National Capital Region Branches Group (NCRBG) when she retired on April 1, 2016.



Birthdate:	January 11, 1955
Age:	61 years old
Date of Appointment:	July 1, 2014
Educational Attainment:	
College:	BS Accountancy University of Sto. Tomas, 1975
Graduate Course:	Master of Business Administration (25 units) Ateneo Graduate School Leadership Development Program (6 units) Ateneo Graduate School Diploma in Business Development Concordia Internal College (Canada), 2013 Master of Business Administration College of the Holy Spirit of Manila, 2014
Directorship:	No other directorship

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



DAISY M. MACALINO
Director

Mrs. Daisy Montalbo Macalino was appointed to the LIBI Board on July 1, 2012. She last held the position of Senior Vice-President heading the Visayas Lending Group of the LAND BANK OF THE PHILIPPINES when she retired on September 1, 2016.

Before joining LANDBANK, Ms. Macalino worked with the Rizal Commercial Banking Corporation (RCBC) from February 1979 – September 1979. She has been with the Philippine National Bank (PNB) from 1979 – 1987. She also worked with Colvent, Inc. from 1987 – 1988

Birthdate:	June 4, 1957
Age:	59 years old
Date of Appointment::	July 1, 2012
Educational Attainment:	
College:	Bachelor of Science in Commerce Major in Accounting St. Paul College Quezon City, 1978
	Leadership and Management Program Ateneo de Manila University, 2002 – 2003 MBA (Top Executive Program) Pamantasan ng Lungsod ng Maynila, 1994 – 1995
	Master in Business Administration Polytechnic University of the Philippines, 1993 – 1994
Directorship: No other directorship	

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



Atty. Pamela B. Felizarta Director

Atty. Pamela B. Felizarta was appointed to the LIBI Board on July 1, 2016. She is connected at Smart Communications, Inc.

Before joining as LIBI Board of Director he held the follSmart Communications, Inc., Atty. Felizarta worked with Housing and Urban Development Coordinating Council as Deputy Secretary General/Legal/ADM from 2004 to 2010, She has been the Vice-President, Legal/ADM of National Home Mortgage Finance Corporation from 2001 to 2004. She also worked with the following Office/Company:

- Abenson Inc./Waltermart as Labor Relations Officer/Corporate Counsel from 1999-2001
- Soo Gutierrez Leogardo Lee Law Offices as Legal Assistant from 1995-1999

Birthdate:	June 25, 1968
Age:	50 years old
Date of Appointment::	July 1, 2016
Educational Attainment:	
College:	Bachelor of Science in Commerce Major in Economics St. Scholastica's College, 1989
Graduate Studies	Bachelor of Laws/Juris Ateneo de Manila University, 1997
Professional and Civil Service Eligibilities	BAR Passer, 1999 Career Service Eligibility Exam-Professional, 2004 Career Executive Officer Rank VI, 2007
Directorship: No other directorship	

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



Eusebio A. Cortez Director

Mr. Eusebio A. Cortez was appointed to the LIBI Board on July 1, 2017. He presently hold the position of Manager from GNG Finders Housing Services. He has been with the Mabini Bakery Supply as Manager from 2011-2013. He has been the Owner of Ramos Dental Clinic from 1992-2000.

He also worked as with Prudential Bank as Savings/Current Bookkeeper from 1982-1984. Teller/Customer Service of American Express Bank from 1985-1990 and worked as Teller of Merchants National Bank from 1990-1991.

Birthdate:	August 14, 1959
Age:	59 years old
Date of Appointment::	July 1, 2017
Educational Attainment:	
College:	(Course) Holy Angel University, 1980
Directorship: No other directorship	

THE LIBI BOARD OF DIRECTORS

As of December 31, 2017



Atty. Rey Andre C. Olegario Director

Atty. Rey Andre Camacho Olegario was appointed to the LIBI Board on July 1, 2016. Before joining LIBI as Member of the Board, he previously held the following positions:

- Provincial Vice-Governor of Zamboanga-Sibugay—2007-2016
- Municipal Mayor of Ipil, Zamboanga Sibugay— 1998-2007
- President, League of Mayors—1998-2007
- Municipal Vice-Mayor, Ipil, Zamboanga Sibugay—1992-1995
- Member, Sangguniang Bayan, Ipil, Zamboanga Sibugay—1988-1990
- Assistant Regional Trial Lawyer, Philippine National Bank (PNB)
- House Counsel, PNB-Oroquieta—1983-1985
- Legal Counsel, PNB-Ozamiz—1982-1983

Birthdate:	January 31, 1955
Age:	62 years old
Date of Appointment::	July 1, 2016
Educational Attainment:	
College:	(Course) Siliman University (Dumaguete City)
Graduate Studies	College of Law, Siliman University
Professional and Civil Service Eligibilities	Bar Passer, 1979
Directorship: No other directorship	



**LBP (LANDBANK OF THE PHIL.)
INSURANCE BROKERAGE, INC.
(LIBI)
(A LANDBANK Subsidiary)**

**12/F SSHG Law Centre Bldg., 105 Paseo de Roxas, Legaspi Village, Makati City 1209
Trunklines: (02) 840-4108; (02) 893-8859; (02) 840-4011
Telefax: 893-7224; 818-7794; 817-1564
www.lbp-insurance.com
Regulated by the Insurance Commission**