

INSTITUTIONAL VIABILITY AND VITALITY

CORPORATE GOVERNANCE STRUCTURE

A. 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 brokerage management and consultancy services on insurance-related activities for its clients. LIBI is governed by a Board of Directors with eleven (11) seats. The LIBI Board is currently chaired by Atty. Alvin G. Dans.

There are no members of the LIBI Board of Directors who hold more than five (5) positions/directorships in other GOCCs and/or PLCs.

As of 31 December 2023, the Board is composed of the following:

B. RESPONSIBILITIES, DUTIES, AND FUNCTIONS OF THE BOARD

CHAIRMAN:
ALVIN G. DANS

MEMBERS:
BENILDA FATIMA R. ABUY
RICKY T. BACOLOD
EUSEBIO A. CORTEZ
PAMELA B. FELIZARTA
CHERRY MAY T. FREDERICK
ALBERTO R. MORALES
BENJAMIN G. SALANATIN
JENNIFER A. TANTAN
REYNAULD R. VILLAFUERTE

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 by the Fit and Proper Rule. Adopt an effective succession planning program for Management with the 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 the 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 an appointment, the Corporate Secretary shall act as Compliance Officer.



C. BOARD IN ACTION

R.A. No. 10149 mandates the Governance Commission for Government Owned or Controlled Corporations (GCG) to actively exercise the State's ownership rights through the institutionalization of a Performance Evaluation System (PES).

The GCG issued Memorandum Circular No. 2013-02 to provide the framework for setting the organizational targets of a GOCC. The achievement of such targets shall serve as basis for the following:

- determining the grant of Performance-Based Bonus (PBB) and Performance-Based Incentives (PBI);
- determining whether Appointive Directors are eligible for reappointment as a component of the Performance Evaluation for Directors (PED); and
- ascertain whether such GOCC should be reorganized, merged, streamlined, abolished, or privatized.

2023 PERFORMANCE SCORECARD

	Component		Agreed		LIBI Submission		GCG Validation	Rating
	Objective/Measure	Rating Scale	Target	Weight	Actual	Actual		
Financial	SO 1 Ensure Sustainable Financial Growth							
	SM 1	Net Income After Tax (NIAT)	(Actual / Target) x Weight 0% if Lower than P132 Million	₱284.83 Million ₱138.72 Million—PFRS 15 Applied	25%	P327.82 Mil- lion (Unaudited) ₱186.02 Mil- lion—Applied PFRS 15	₱186.03 Million —Applied PFRS 15	25.0%
	SM 2	Improve Budget Utilization Rate (BUR)	(Actual / Target) x Weight 0% = If less than 70%	90%	5%	73.54%	55.38%	0.0%
	SO 2 Provide Wider Market Reach for Financial Viability							
	SM 3 Increase Premium Volume							
	a)	Life Insurance	(Actual / Target) x Weight	₱1,207.60 Million	15%	₱1,159.35 Million	₱1,159.60 Million	14.4%
	b)	Non-Life Insurance	(Actual / Target) x Weight	₱701.82 Million	15%	₱722.47 Million	₱722.47 Million	15.0%
		Sub-total			60.0%			54.4%
Customers / Stakeholders	SO 3 Improve Service Delivery							
	SM 4	Percentage of Satisfied Customers: Individual	(Actual / Target) x Weight 0% = If less than 80%	90%	2.5%	Ongoing—Submission to ARTA of CSM Report will be on or before April 15, 2024	0.0%	0.0%
		Percentage of Satisfied Customers: Business Organization		90%	2.5%			
	SO 4 Provide Wider Market Reach for Microinsurance Products and for various LBP Programs							
	SM 5	Number of Clients covered by Microinsurance	(Actual / Target) x Weight	1,500 beneficiaries covered by Microinsurance	5%	2,302 Beneficiaries	Unverifiable	0.0%
	SM 6	Number of Clients covered by various LBP Programs	(Actual / Target) x Weight	1,000 beneficiaries covered by LBP Pro-grams	5%	827 Beneficiaries	827 Beneficiaries	4.14%
		Sub-total			15%			4.14%



2023 PERFORMANCE SCORECARD (Cont.)

Component		Agreed		LIBI Submission		GCG Validation	Rating
Objective/Measure		Rating Scale	Target	Weight	Actual	Actual	
Internal Process	SO 5 Improve Efficiency and Quality of Insurance Process						
	SM 7	Percentage of Notification of Coverage/ Insurance Policy Issued within the Applicable Processing Time (Actual / Target) x Weight	100%	5%	87% Notice of Coverage within TAT	19.66%	0.98%
	SO 6 Enhance Existing Processes Comparable with the Industry						
	SM 8	Improve Processes to Quality Management System All or Nothing	Pass Surveillance Audit for ISO 9001:2015 Certification	10%	Completed	Passed the Surveillance Audit for ISO 9001:2015	10%
	Sub-total			15%			10.98%
Learning and Growth	SO 7 Develop Strategic Skills & Competence of Officers and Staff						
	SM 9	Improve Competency Level of the Organization All or Nothing	Improvement on the Competency Level of the Organization based on the 2022 year-end assessment	5%	Completed: There is an increase in the organizational competency level based on the 2022 Competency Assessment Report	Improved the Competency Level of the Organization	5%
	SO 8 Enhance IT infrastructure						
	SM 10	Implementation of IT Projects (Actual / Target) x Weight	100% Implementation of the following IT projects based on ISSP: 1. IIBS Virtualization 2. DMS Virtualization 3. Automation of TAT Monitoring (as part of the enhancement of IIBS)	5%	100% Implementation of the following IT projects based on ISSP: 1. IIBS Virtualization 2. DMS Virtualization 3. Automation of TAT Monitoring (as part of the enhancement of IIBS)	Implemented the following IT projects based on ISSP: 1. IIBS Virtualization 2. DMS Virtualization 3. Automation of TAT Monitoring (as part of the enhancement of IIBS)	5%
				15%		15%	
Total				100%		79.52%	

