



Carla Mae A. Tomas <carlamae.tomas@lbp-insurance.com>

Request for a soft copy of 2024 AAR

COA LBP Subsidiaries <coalbpsubsidiaries01@coa.gov.ph>

Thu, May 29, 2025 at 10:25 AM

To: "shirley.palapal@lbp-insurance.com" <shirley.palapal@lbp-insurance.com>, COA-NCR01A <coa-ncr01a@coa.gov.ph>, COA-LIBI <coa-libi@coa.gov.ph>

Hi Ma'am Shirley,

Please see attached Audited FS for CY 2024 as requested.

Thank You

Regards,

Team NCR 01A - LBP Subsidiaries

Trunkline (02) 522-0000 local 2574

coalbpsubsidiaries01@coa.gov.ph

COMMISSION ON AUDIT

Corporate Government Audit Sector

Cluster 1 - Banking and Credit

LAND BANK OF THE PHILIPPINES

21st Floor, Land Bank Plaza, 1598 M.H. del Pilar corner Dr. J. Quintos Sts., Malate, Manila

**From:** Shirley Palapal <shirley.palapal@lbp-insurance.com>**Sent:** Thursday, May 29, 2025 8:17 AM**To:** COA LBP Subsidiaries <coalbpsubsidiaries01@coa.gov.ph>; COA-NCR01A <coa-ncr01a@coa.gov.ph>; COA-LIBI <coa-libi@coa.gov.ph>**Subject:** Re: Request for a soft copy of 2024 AAR

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3 attachments

**06-LIBI2024_Independent Auditor's Report.pdf**
642K**08-LIBI2024_Part1-FS_final.pdf**
53K**09-LIBI2024_Notes to FS_COA_final.pdf**
932K



LBP INSURANCE BROKERAGE, INC.

(A SUBSIDIARY OF THE LAND BANK OF THE PHILIPPINES)

12/F SyCip Law Centre Bldg., 105 Paseo De Roxas, Legaspi Village, Makati City 1229



STATEMENT OF MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS


The Management of LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. is responsible for the preparation and fair presentation of the financial statements, including the schedules attached therein, for the years ended December 31, 2024 and 2023 in accordance with the prescribed financial reporting framework indicated therein, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.


In preparing the financial statements, management is responsible for assessing the LBP (Land Bank of the Phil.) Insurance Brokerage, Inc.'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 LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. or to cease operations, or has no realistic alternative to do so.

The Board of Directors is responsible for overseeing the LBP (Land Bank of the Phil.) Insurance Brokerage, Inc.'s financial reporting process.

The Board of Directors reviews and approves the financial statements, including the schedules attached therein, and submits the same to the stockholders.

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


TOMAS T. DE LEON
Chairman of the Board


EUSEBIO A. CORTEZ
Acting President and CEO


MARITES B. RAVELO
Corporate Treasurer

Signed this 14th day of April, 2025.



REPUBLIC OF THE PHILIPPINES
COMMISSION ON AUDIT
Commonwealth Avenue, Quezon City

INDEPENDENT AUDITOR'S REPORT

The Board of Directors

LBP Insurance Brokerage, Inc.
12th Floor, Sycip Law Center,
105 Paseo De Roxas,
Legaspi Village, Makati City

Report on the Audit of the Financial Statements

Opinion

We have audited the 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, 2024 and 2023, and the statements of comprehensive income, statements of changes in equity and statements of cash flows for the years then ended, and notes to financial statements, including material accounting policy information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the LIBI as at December 31, 2024 and 2023, and its financial performance and its cash flows for the years then ended, in accordance with Philippine Financial Reporting Standards (PFRSs).

Basis for Opinion

We conducted our audits in accordance with International Standards of Supreme Audit Institutions (ISSAIs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the LIBI in accordance with the Revised Code of Conduct and Ethical Standards for Commission on Audit Officials and Employees (Code of Ethics) together with the ethical requirements that are relevant to our audit of the financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with PFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the LIBI's ability to continue as 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 LIBI 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 ISSAIs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with ISSAIs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the LIBI's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events and conditions that may cast significant doubt on the LIBI's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the LIBI to cease to continue as a going concern.


- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.


Report on Other Regulatory Requirements

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under the Revenue Regulations 15-2010 in Note 29 and the Revised Securities Regulation Code Rule 68 in Note 30 to the 2024 financial statements is presented for purposes of filing with the Bureau of Internal Revenue and the Securities and Exchange Commission, respectively, and is not a required part of the basic 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


MARIE FRANCES HAZEL S. ACEBEDO
Supervising Auditor

April 29, 2025



LBP INSURANCE BROKERAGE, INC.
(A wholly-owned subsidiary of Land Bank of the Philippines)
STATEMENTS OF FINANCIAL POSITION
AS AT DECEMBER 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
ASSETS			
Current Assets			
Cash and Cash Equivalents	5	314,297,453	459,009,116
Receivables, net	6	228,605,613	225,861,504
Inventories	7	523,535	452,346
Investments	8	101,879,374	180,129,317
Other Current Assets	9	18,174,495	21,972,919
Total Current Assets		663,480,470	887,425,202
Non-Current Assets			
Receivables, net	6	1,589,383	1,589,383
Investments	8	1,258,749,110	1,160,687,949
Investment Property	10	998,316	998,316
Property and Equipment, net	11	22,675,846	21,295,395
Intangible Assets	12	4,941,793	6,842,184
Deferred Tax Assets	27	52,015,350	51,245,038
Other Non-Current Assets	9	445,361	492,384
Total Non-Current Assets		1,341,415,159	1,243,150,649
Total Assets		2,004,895,629	2,130,575,851
LIABILITIES			
Current Liabilities			
Financial Liabilities	13	270,178,968	309,415,949
Inter-Agency Payables	14	8,421,338	19,151,195
Trust Liabilities	15	46,311,463	90,888,836
Unearned Fees and Commission Income	16	91,862,571	61,341,789
Provisions	17	8,736,981	8,498,781
Other Current Payables	18	8,533,474	8,881,913
Total Current Liabilities		434,044,795	498,178,463
Non-Current Liabilities			
Trust Liabilities	15	74,000	74,000
Unearned Fees and Commission Income	16	158,698,872	156,470,814
Provisions	17	695,629	4,256,440
Total Non-Current Liabilities		159,468,501	160,801,254
Total Liabilities		593,513,296	658,979,717
EQUITY			
Share Capital	19	300,000,000	300,000,000
Retained Earnings	20	1,108,581,164	1,168,794,965
Accumulated Other Comprehensive Income		2,801,169	2,801,169
Total Equity		1,411,382,333	1,471,596,134
Total Liabilities and Equity		2,004,895,629	2,130,575,851

The Notes on pages 9 to 57 form part of these financial statements.

LBP INSURANCE BROKERAGE, INC.
(A wholly-owned subsidiary of Land Bank of the Philippines)
STATEMENTS OF COMPREHENSIVE INCOME
FOR THE YEARS ENDED DECEMBER 31, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
Income			
Service and Business Income	21	330,761,137	316,133,396
Other Non-Operating Income	26.1	5,667,799	2,394,282
Total Income		336,428,936	318,527,678
Expenses			
Personnel Services	22	(41,926,413)	(40,183,210)
Maintenance and Other Operating Expenses	23	(41,937,164)	(43,851,418)
Financial Expenses	24	(336,704)	(305,444)
Non-Cash Expenses	25	(5,906,121)	(6,680,863)
Total Expenses		(90,106,402)	(91,020,935)
Net Income Before Tax		246,322,534	227,506,743
Income Tax Expense	27	(44,918,744)	(41,480,654)
Net Income for the year		201,403,790	186,026,089
Other Comprehensive Income (Loss)			
Item that will not be classified to profit and loss			
Remeasurement gain on retirement benefit obligation	26.2	0	0
Total Comprehensive Income		201,403,790	186,026,089

The Notes on pages 9 to 57 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, 2024 and 2023
(In Philippine Peso)
Adjustments

		Retained Earnings		Accumulated Other Comprehensive Income	TOTAL
	Share Capital (Note 19)	Appropriated (Note 20b)	Unappropriated (Note 20a and c)		
BALANCE AT JANUARY 1, 2023	300,000,000	615,570,446	550,904,975	2,801,169.00	1,469,276,590
CHANGES IN EQUITY FOR 2023					
Add/(Deduct):					
Declaration of Cash Dividend			(151,604,034)		(151,604,034)
Fees and commission refund adjustments			(85,128,094)		(85,128,094)
Other adjustments			1,972,297		1,972,297
Recovery of incidental charges related to fees and commission refunds			51,053,286		51,053,286
Net Income for the year			186,026,089		186,026,089
BALANCE AT DECEMBER 31, 2023	300,000,000	615,570,446	553,224,519	2,801,169	1,471,596,134
BALANCE AT JANUARY 1, 2024	300,000,000	615,570,446	553,224,519	2,801,169	1,471,596,134
CHANGES IN EQUITY FOR 2024					
Add/(Deduct):					
Declaration of Cash Dividend			(247,541,103)		(247,541,103)
Reversal of appropriations		(170,570,446)	170,570,446		0
Additional Appropriations		176,253,862	(176,253,862)		0
Recovery of incidental charges related to fees and commission refunds			34,861,189		34,861,189
Adjustments on accumulated depreciation on PPE-Information and Technology and Furniture and Fixtures in prior years			(2,656,325)		(2,656,325)
Fees and commission refund adjustments			(48,301,790)		(48,301,790)
Other adjustments			2,020,438		2,020,438
Net Income for the year			201,403,790		201,403,790
BALANCE AT DECEMBER 31, 2024	300,000,000	621,253,862	487,327,302	2,801,169	1,411,382,333

The Notes on pages 9 to 57 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, 2024 and 2023
(In Philippine Peso)

	Note	2024	2023
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Inflows			
Receipt of Advance Payment of Premium		724,249,280	1,473,792,371
Collection of Income/Revenue		22,895,489	27,598,323
Collection of Receivables		445,830,290	356,822,867
Total Cash Inflows		1,192,975,059	1,858,213,561
Cash Outflows			
Payment of Premiums to Insurance Companies		(927,926,076)	(1,004,214,773)
Payment of Expenses		(80,849,747)	(111,529,964)
Purchase of Inventories	7	(652,886)	(559,897)
Grant of Cash Advances		0	(55,000)
Prepayments		(10,802,440)	(10,307,431)
Payments of Accounts Payable		(13,672,744)	(10,348,685)
Remittance of Personnel Benefit and Mandatory Deduction		(5,886,059)	(5,188,985)
Payment of Income Taxes		(88,250,930)	(86,300,427)
Total Cash Outflows		(1,128,040,882)	(1,228,505,162)
Net Cash Provided by Operating Activities		64,934,177	629,708,399
CASH FLOWS FROM INVESTING ACTIVITIES			
Cash Inflows			
Proceeds of Matured Investments		4,325,102,000	6,535,216,000
Receipt of Interest Earned from Investments		65,615,012	61,295,504
Total Cash Inflows		4,390,717,012	6,596,511,504
Cash Outflows			
Purchase of Property, Plant, Equipment	11	(1,262,052)	(534,821)
Construction in Progress - Building/Office renovation	11	(6,029,452)	(2,631,222)
Purchase of Intangible Assets	12	0	0
Placement of Investments		(4,345,530,246)	(6,848,077,809)
Total Cash Outflows		(4,352,821,750)	(6,851,243,852)
Net Cash Provided by Investing Activities		37,895,262	(254,732,348)
CASH FLOWS FROM FINANCING ACTIVITIES			
Cash Outflows			
Payment of Cash Dividends	20a	(247,541,102)	(151,604,034)
Cash Used in Financing Activities		(247,541,102)	(151,604,034)
Net Increase/(Decrease) in Cash and Cash Equivalents		(144,711,663)	223,372,017
CASH AND CASH EQUIVALENTS, JANUARY 1		459,009,116	235,637,099
CASH AND CASH EQUIVALENTS, DECEMBER 31	5	314,297,453	459,009,116

The Notes on pages 9 to 57 form part of these financial statements.