

Pre Retirement Planning



Your Stewards for Growth
and Good Governance



Philippine Trade Training Center, Pasay City
November 5, 2015



LANDBANK
WE HELP YOU GROW.

Knowing LANDBANK

1975-2015
40
YEARS
Trust Banking Group

Your Stewards for Growth
and Good Governance



- 100% owned and Official Depository of the Republic of the Philippines
- 4th largest Universal Bank in the country (as of 31 December 2014)

The Banker



Bank of the Year 2014

PHILIPPINES



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Knowing LANDBANK



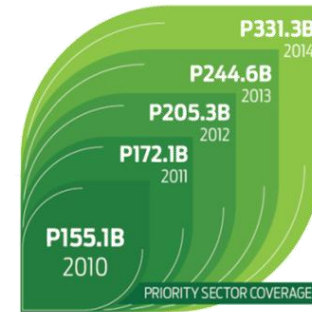
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1975-2015
40
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Your Stewards for Growth and Good Governance

LANDBANK LOANS TO PRIORITY SECTORS
As of December 2014

P331.3
BILLION



LANDBANK is the depository of 97% of the country's local government units (LGUs)

THE **BIGGEST** CREDIT PROVIDER
P42.9 B

TOTAL OUTSTANDING LOANS FROM JAN-DEC 2014

LEADING LOAN PROVIDER

of assistance for micro, small and medium enterprises among government-owned and controlled corporations and government financial institutions with outstanding loans to the sector reaching **P51.4 billion** from January to December 2014.



LOAN RELEASES TO SMALL FARMERS AND FISHERS

January to December 2014

P58.4 B
CHANNELED THROUGH

- 793 Farmer & fisherfolk cooperatives
- 206 Countryside financial institutions
- 226 Irrigators' associations
- 5,889 SMEs/NGOs



THE ONLY BANK PRESENT IN ALL

81

PROVINCES IN THE PHILIPPINES



THE BANK'S NETWORK IS COMPRISED OF

As of December 2014



1,338 ATMs



351 branches



Awarded by **The Banker** as the country's **BANK OF THE YEAR 2014**

	2014	2013
ASSETS	P 1,051.3 B	P 842.7 B
DEPOSITS	P 914.2 B	P 705.9 B
CAPITAL	P 75.2 B	P 72.4 B

LANDBANK is also the highest remitter among government-owned and controlled corporations with

P6.0
billion

worth of cash remitted last March 31, 2014

The Banker



Bank of the Year 2014

PHILIPPINES



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AWARDS and RECOGNITIONS for 2014

▪ The Bank of the Year Award

- Awarded by The Banker of the London Financial Times
- “Oscars of the financial and banking industry”
- LANDBANK was recognized for our solid financial performance, prudent management, and disaster response and recovery efforts in the aftermath of typhoon Yolanda



AWARDS and RECOGNITIONS for 2014



Your Stewards for Growth
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LANDBANK wins in the Climate Change Category and is conferred as the **Best Overall Winner** in the Sustainable Business Awards 2014



LANDBANK President and CEO Gilda Pico joins the roster of the country's finest business leaders as conferred by the Asia Pacific Entrepreneurship Awards (APEA)



LANDBANK's Environmental Due Diligence chosen as one of Philippines' official entries to the 3rd International Best Practices Competition



LANDBANK was given the Anti-Red Tape Breakthrough Agency Award by the Civil Service Commission (CSC)



AWARDS and RECOGNITIONS for 2014



Your Stewards for Growth and Good Governance



LANDBANK accepts the Outstanding Business Sustainability Achievement Award from the Global Sustainable Finance Network at the Karlsruhe Sustainable Finance Awards



LANDBANK receives seven ADFIAP Awards – three under the Infrastructure Development Category, three under the Corporate Social Responsibility Category, and a special award for consistently supporting ADFIAP.



LANDBANK is named as an “Outstanding Lending Bank” under the Credit Surety Fund category by the BSP



LANDBANK is presented with the Excellence Award for Eco-Friendly Government Offices by the DENR



Trust Banking Group



Your Stewards for Growth
and Good Governance



Your Stewards for Growth
and Good Governance

6th *Out of the 24
Trust Entities.*

As of June 2015

- Consistently included among the **top 10** Trust Entities
- Total Asset Under Management:

P76.87 Bn

As of June 2015



1975-2015
40
YEARS
Trust Banking Group

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- 🌿 1st Trust Entity to receive ISO Certification on Quality Management System (QMS) in 2007.



1975-2015
40
YEARS
Trust Banking Group

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LANDBANK Growth Fund (UITF) awarded “Best Fund-Over 3 years-Mixed Assets”, by Thomson Reuters Lipper Fund Awards in 2010.



What is TRUST?

- A fiduciary relationship whereby legal title to property is conveyed by its owner (Trustor) to a person (Trustee) who has equitable obligations to possess and to use the same for the benefit of another.



Trustor



**Property/
Legal Title**



Trustee



Beneficiaries

TRUST BUSINESS

ADVANTAGES

Best Execution

Diversification

Professional Fund Management

Risk Management on a portfolio
basis

Fee based

All gains for the account of the
Trustor

DISCLOSURES

Not Insured with PDIC

No guarantee of yield or income

Any losses shall be for the account
of the Trustor

Personal Fund Management Arrangements

- Unit Investment Trust Fund (UITF)
- Living Trust Account (LTA)
- Personal Retirement Trust Account (PRTA)
- Investment Management Account (IMA)



- 🌱 **LANDBANK** Money Market Fund
- 🌱 **LANDBANK** Government Securities Fixed Income (GS-FI) Fund
- 🌱 **LANDBANK** Growth Fund
- 🌱 **LANDBANK** Global \$ Fund



Unit Investment Trust Funds (UITF)

Trust LANDBANK to turn your informed choices into smart profits.

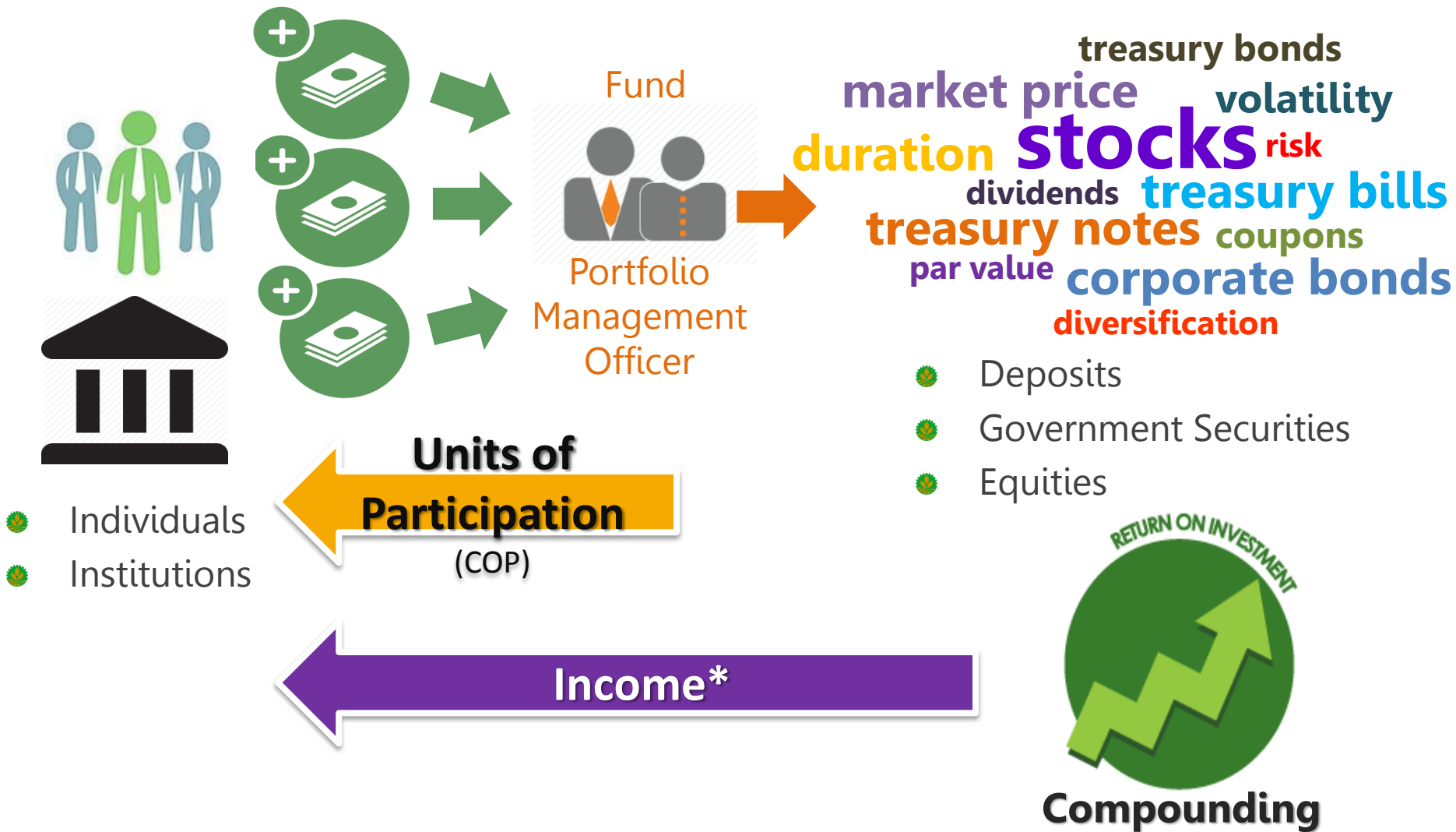


Your Stewards for Growth
and Good Governance

What is Unit Investment Trust Fund (UITF)?

- Open-ended pooled fund
- In pesos or any acceptable currency
- Operated and administered by a trust entity
- Made available by participation
- Approved and regulated by the BSP





**UITF is not a deposit and not insured by PDIC. Due to the nature of investment, yields and potential yield cannot be guaranteed. Historical yields are purely for reference purposes and do not guarantee similar future results.*

Any income and loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the trustor/investor.

Sample Computation

Placement (Date of Placement: 02 January 2014)

Principal 100,000.00

NAVpU 1.970492

No. of Units (Principal/NAVPU) 50,748.74701

Redemption (Date of Redemption: 12 December 2014)

No. of Units 50,748.74701

NAVpU 2.200895

**Investment Value (No. of Units*NAVpU)
(Net of Fees and Taxes) 111,692.6636**

Gain/Loss (Investment Value – Principal) 11,692.66

**1 Year-Net ROI (Gain or Loss / Principal)
(Net of Fees and Taxes) 11.69%**

1 YEARS

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LANDBANK Money Market Fund

For the First Time Investor (Conservative Risk Profile)

Inception Date: 27 March 2012

NAVpU	ROI-YTD% (NET)	ROI-YOY% (NET)	ROI-Since Inception% (NET)
1.052567	1.15%	1.53%	5.26%

As of September 30, 2015



Portfolio Mix:	100% Special Savings Deposit Accounts
Initial Investment:	PhP10,000.00
Minimum Additional Investment:	PhP5,000.00

LANDBANK Government Securities Fixed Income (GS-FI) Fund

For the Prudent Investor (Moderate Risk Profile)

Inception Date: 13 March 2006

NAVpU	ROI-YTD% (NET)	ROI-YOY% (NET)	ROI-Since Inception% (NET)
1.536621	0.59%	1.78%	53.66%

As of September 30, 2015



Portfolio Mix:	100% Fixed Income diversified into tradable government securities, corporate bonds and bank deposits
Initial Investment:	PhP10,000.00
Minimum Additional Investment:	PhP5,000.00



Best Fund-Over
3 years-Mixed Assets
LIPPER
Fund Awards 2010



LANDBANK Growth Fund

For the Aggressive Investor (Aggressive Risk Profile)

Inception Date: 24 March 2006

NAVpU	ROI-YTD% (NET)	ROI-YOY% (NET)	ROI-Since Inception% (NET)
2.179668	(0.96%)	(0.88%)	117.97%

As of September 30, 2015

Portfolio Mix:	Min. 40% in government securities, tradable private securities; Max. 60% in listed stocks
Initial Investment:	PhP10,000.00
Minimum Additional Investment:	PhP5,000.00



LANDBANK Global \$ Fund

For the Dollar Investor (Moderate Risk Profile)

Inception Date: 13 March 2006

NAVpU	ROI-YTD% (NET)	ROI-YOY% (NET)	ROI-Since Inception% (NET)
US\$1.309900	1.18%	2.54%	30.99%

As of September 30, 2015

Portfolio Mix:	100% US\$ fixed income securities diversified into tradable government securities, corporate bonds and bank deposits
Initial Investment:	US\$1,000.00
Minimum Additional Investment:	US\$200.00



UITF Performance as of 30 September 2015

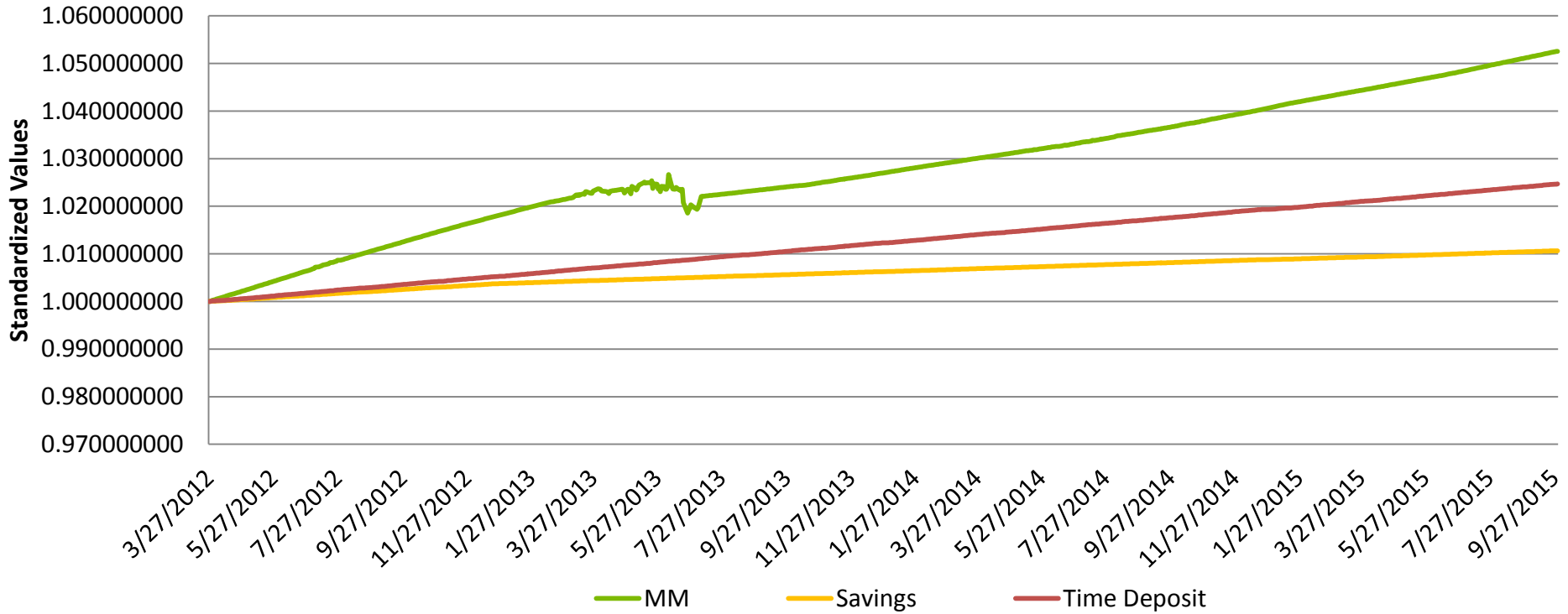


Fund Name	NAV (Month End) <i>In Millions</i>	NAVpU	ROI-YOY% (NET)	ROI-YTD% (NET)	ROI-Since Inception% (NET)
Money Market Fund Inception Date : 27 March 2012	₱227.94	1.052567	1.53	1.15	5.26
GS-FI Fund Inception Date : 13 March 2006	₱88.54	1.536621	1.78	0.59	53.66
Growth Fund Inception Date : 24 March 2006	₱72.83	2.179668	(0.88)	(0.96)	117.97
Global \$ Fund Inception Date : 13 March 2006	\$0.460	1.309900	2.54	1.18	30.99

UITF is NOT a deposit account or an obligation of, or guaranteed, or insured by the Land Bank of the Philippines or its affiliates or subsidiaries and, therefore, is not insured or governed by the Philippine Deposit Insurance Corporation (PDIC). Due to the nature of investment, yields and potential yields cannot be guaranteed. Any income or loss arising from market fluctuations and price volatility of the securities held by the Fund, even if invested in government securities, is for the account of the investor. As such, units of participation of the investor in the UITF, when redeemed, may be worth more or be worth less than his/her initial investment/contributions. Historical performance, when presented, is purely for reference purposes and not a guarantee of similar future results. LBP-TBG is not liable for losses, unless upon willful default, bad faith or gross negligence.

LANDBANK Trust Banking Group is supervised by the Bangko Sentral ng Pilipinas.
Telephone No.: (+632)708-7087 / E-mail: consumeraffairs@bsp.gov.ph

Money Market Fund vs Regular Savings Deposit vs Time Deposit 27 March 2012- 30 September 2015



ROI Since Inception

MMF

5.257%

SA

1.065%

TD

2.468%

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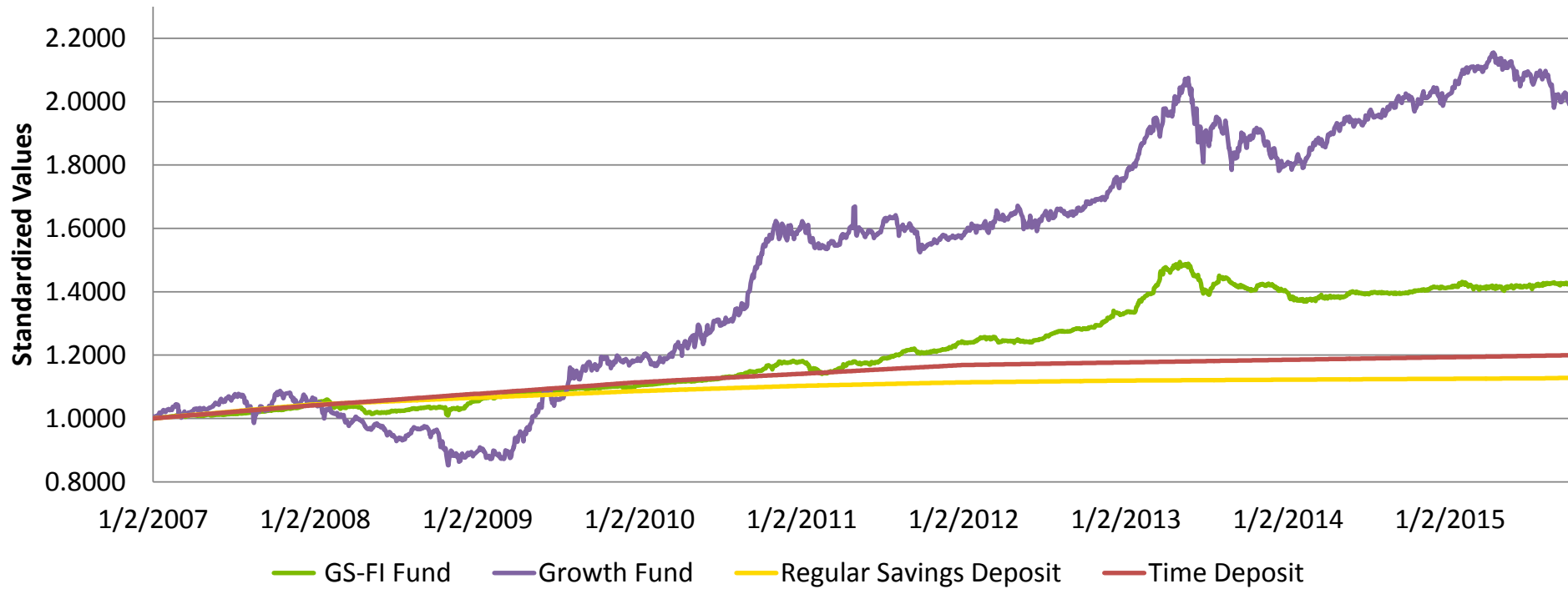
Any income and loss arising from market fluctuations and price volatility of the securities held by the UITF, even if invested in government securities, is for the account of the trustor/investor.

*Based on Average Time Deposit Rates Accounts from Top 5 banks 364 Term for PhP1,000,000.00 /USD100,000.0 placement **Gross of Withholding Tax***

LANDBANK makes no representation regarding the completeness, accuracy, or timeliness of these information and data or that such information and data will be error-free. Data is for reference purposes only.

GS-FI & Growth Fund vs Regular Savings Deposit vs Time Deposit

January 2007 - 30 September 2015



ROI Since 2007

GSFI	53.66%
Growth	117.97%
SA	16.79%
TD	27.14%

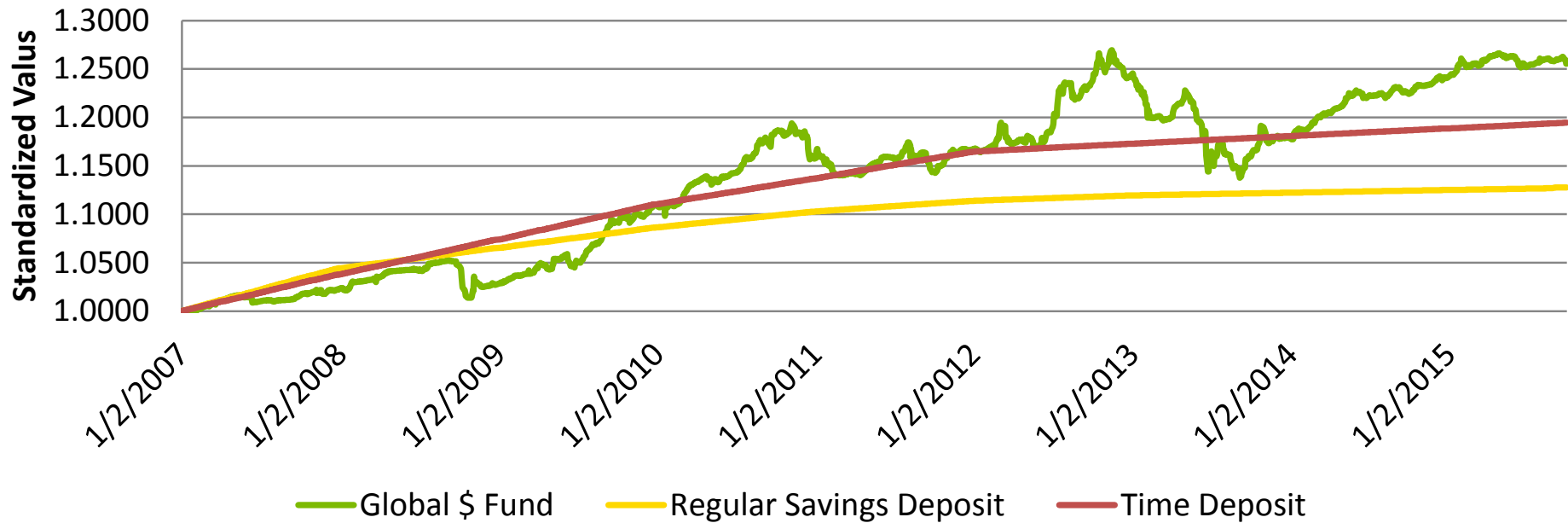
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*Based on Average Time Deposit Rates Accounts from Top 5 banks 364 Term for PhP1,000,000.00 /USD100,000.0 placement **Gross of Withholding Tax***

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Global\$ Fund vs Regular Savings Deposit vs Time Deposit January 2007 - 30 September 2015



ROI Since Inception

Global \$	30.99%
SA	16.79%
TD	27.14%

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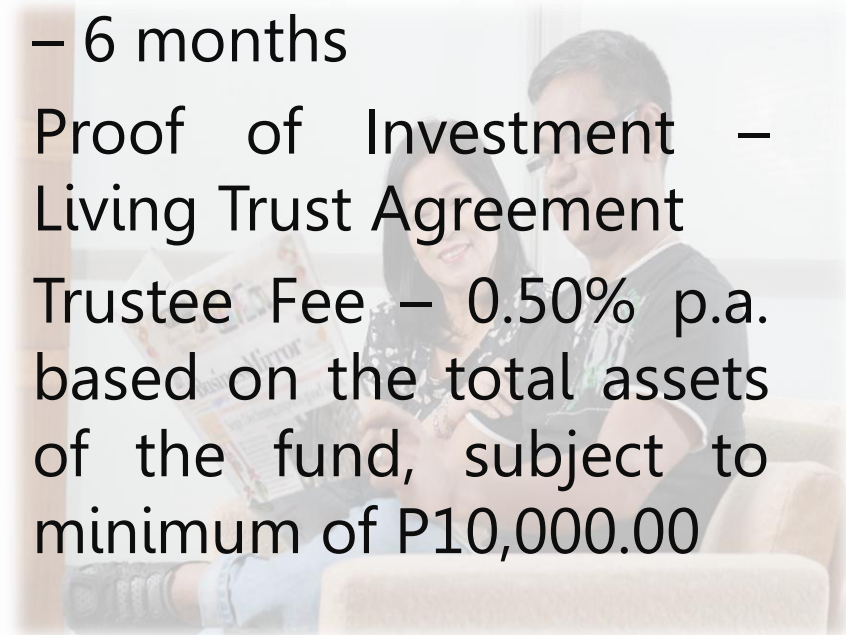
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Living Trust Account

- Created during the lifetime of the Trustor, for the benefit of assigned beneficiary/ies
- Assets of the creator/trustor are transferred to a Trustee for management
- Trust created for a specific purpose/s:
- Minimum investment – PhP100K
- Preferred holding period – 6 months
- Proof of Investment – Living Trust Agreement
- Trustee Fee – 0.50% p.a. based on the total assets of the fund, subject to minimum of P10,000.00



Living Trust Account



Asset

Trustor



Trustee



treasury bonds
market price volatility
duration **stocks** risk
dividends treasury bills
treasury notes coupons
par value corporate bonds
diversification



Benefit



Beneficiary/ies



Compounding

Income + Principal



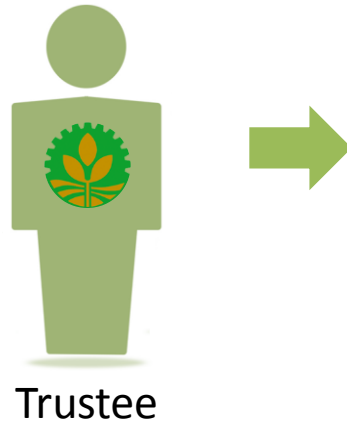
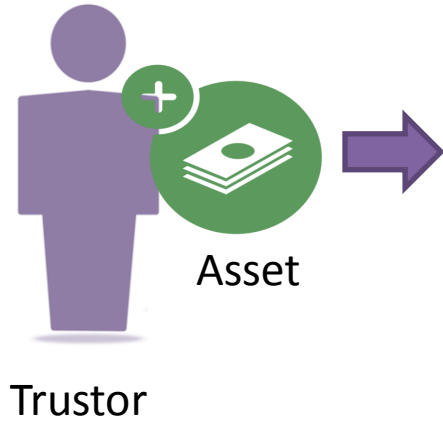
Your Stewards for Growth and Good Governance

Personal Retirement Trust Account

- PRTA is a trust arrangement where personal funds are contributed/invested by the Trustor
- Trustor need not be a retiree or nearing retirement age.
- TBG shall manage the funds according to the needs of the Trustor
- Minimum investment – PhP500K /PhP2.0Mn; US\$25k / US\$5K
- Preferred holding period – One (1) year
- Proof of Investment – Personal Retirement Trust Agreement
- Trustee Fee – 0.50% p.a. based on the total assets of the fund, subject to minimum of P10,000.00



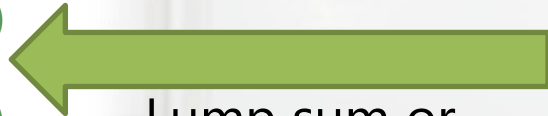
Personal Retirement Trust Account



treasury bonds
market price volatility
duration **stocks** risk
dividends treasury bills
treasury notes coupons
par value corporate bonds
diversification



Benefit



Income + Principal

Investment Management Account (IMA)

- Acts as Investment Manager of the fund for
 - yield maximization
 - capital preservation
 - risk-return optimization
 - assurance of sufficient liquidity
 - relieves the investor of the intricacies of day to day management of the fund
- Two Types of IMA:
 - Discretionary
 - Directional

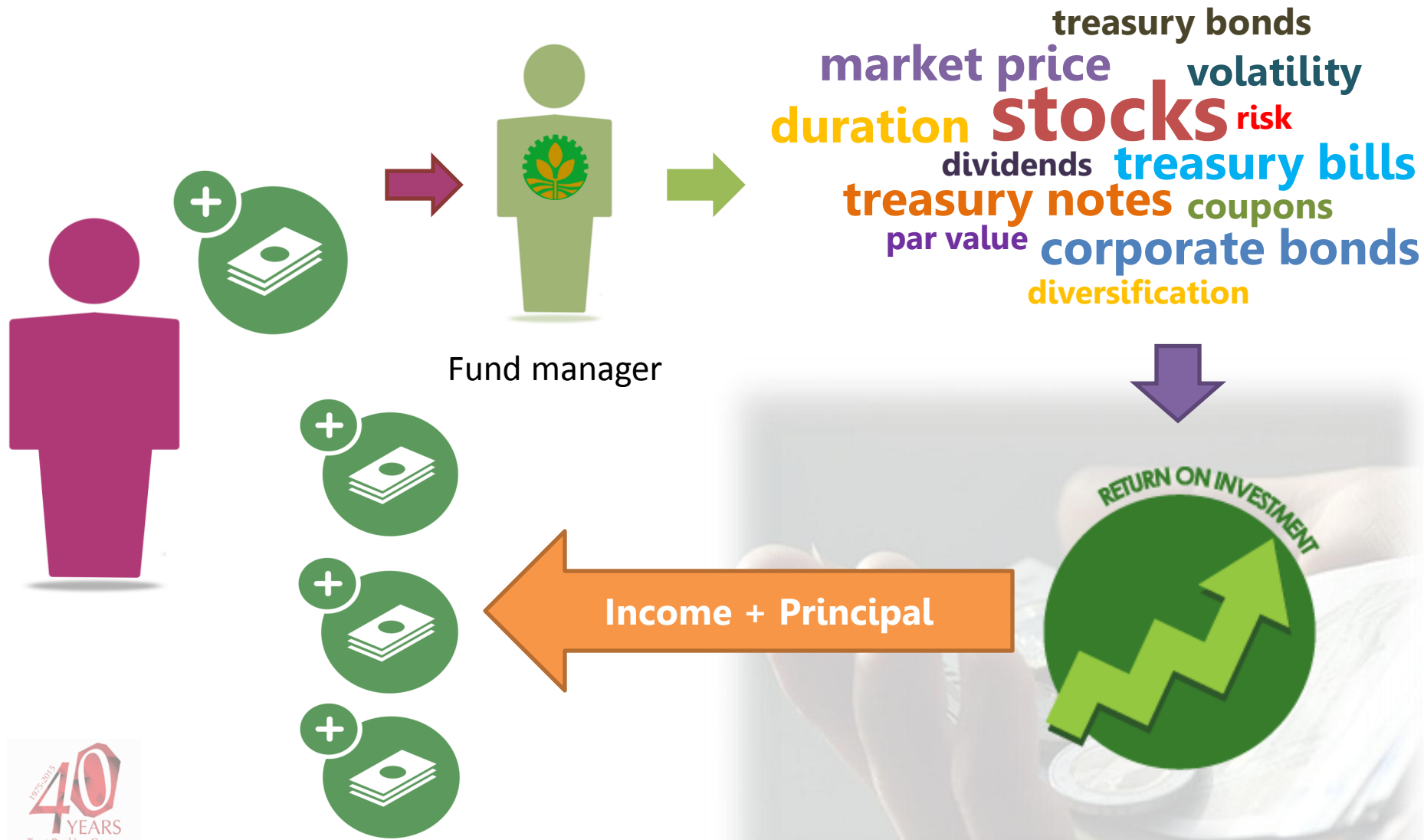


Investment Management Account (IMA)

- Minimum investment - PhP1.0 million
Preferred holding period – One (1) year
- Proof of Investment – Investment Management Agreement
- Trustee Fee – 0.50% p.a. based on the total assets of the fund, subject to minimum of P10,000.00
- Target Market/Client
 - Government institutions
 - Corporations/Institutions
 - High networth individuals
 - High income earners
 - Retirees



Investment Management Account (IMA)



Employee Benefit Trust



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and Good Governance



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What is an Employee Benefit Trust?

- Employee Benefit Plan
- An arrangement whereby a company provides systematically for the payment of definitely determinable benefits to employees
- A Trust arrangement that provides for the management and administration of Employee Benefit Plan



Benefits of Employee Benefit Trust



For the Employee

- Provides financial support after employment or event of death, sickness or disability
- Tax qualification promotes accumulation of wealth due to tax savings
- Provides financial cushion in event of company's retrenchment or redundancy



For the Employer

- Improves morale of employees and increases productivity and loyalty
- Promotes the company's image with labor and social commitments
- Reduces tax since employer's contribution is tax deductible

Provident Plan Administration



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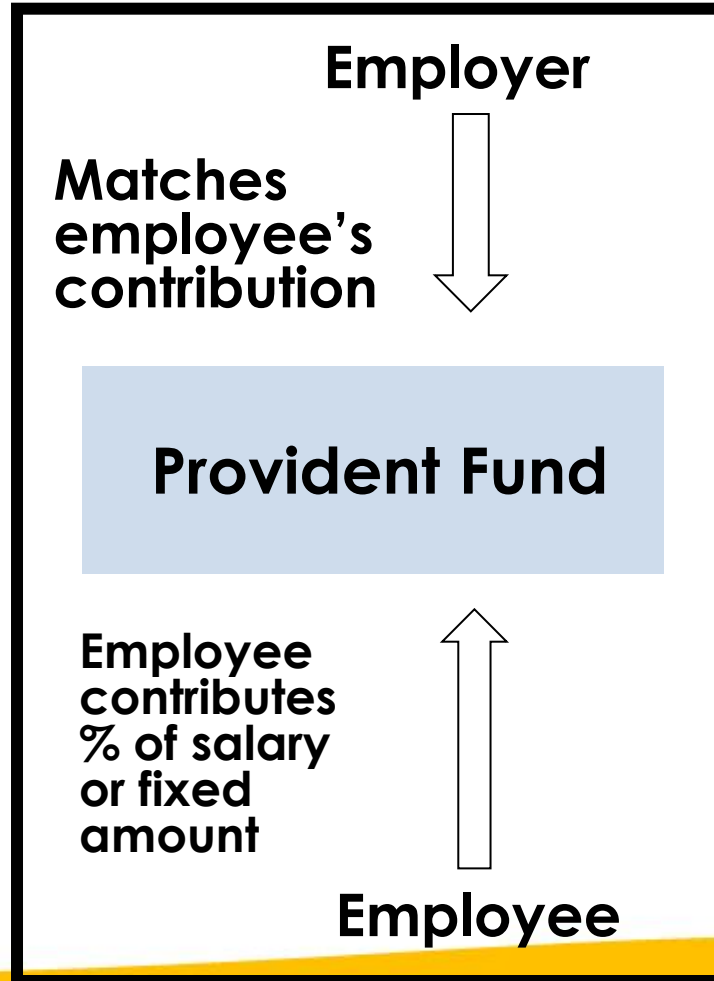
What is a Provident Fund

- An employee benefit plan where the employer and employee contributes to the fund.
- Under this set up, individual ledgers are maintained for each of the institution's employees to record the institution's and employees' contribution as well as the earnings.
- Contributions are returned to the employee upon separation or retirement.

What is a Provident Fund



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START UP PROCESS



Your Stewards for Growth

1

Secure Board Approval to Set Up a Provident Fund

- Define benefits to be granted to employees
- Computation of required contributions
- Drafting of Provident Plan Rules and Regulations

2

Documentation

- Execute Trust Agreement
- Submit documentary requirements

3

Funding of Contribution

- Remit Initial Contribution to the Trustee Bank

4

Secure BIR Approval for Tax Exemption

- Submit the following documentary requirements to BIR
 - BIR Form 1760
 - Employee Benefit Plan Rules and Regulations

The Banker



Bank of the Year 2014

PHILIPPINES



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Provident Fund Administration



Trustor

(Companies, SMEs, Coops, etc)



Asset

Min. PhP1.0Mn /
US\$50.0K



Trustee



treasury bonds
market price volatility
stocks risk
dividends treasury
treasury notes coupons
par value corporate
bills
diversification
bonds

Based on the Trust Agreement

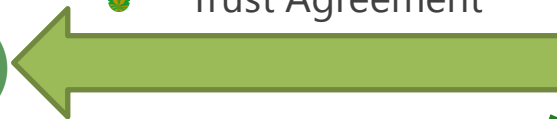


Compounding

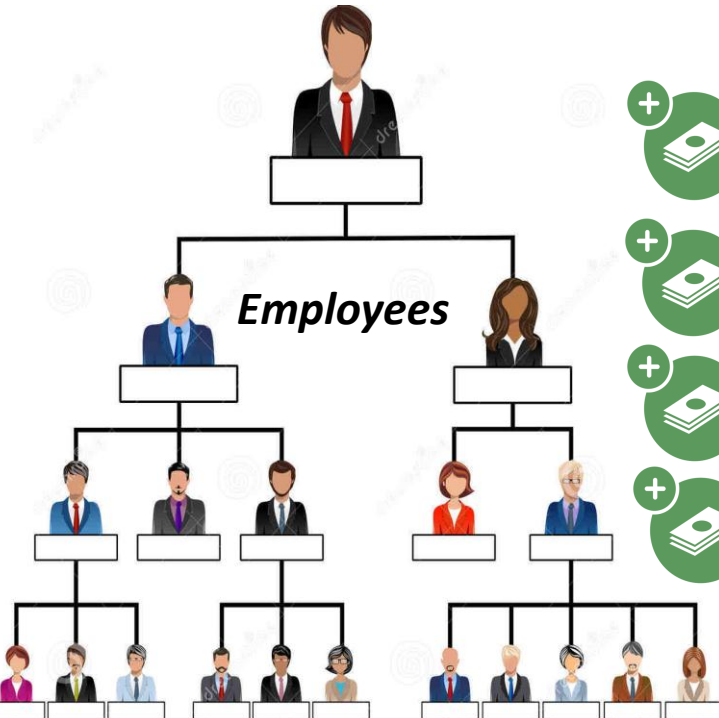
***Income + Principal**



Trust Agreement



Employees



**Trust products are deposit products and are not insured by PDIC. Due to the nature of investment, yields and potential yield cannot be guaranteed. Historical yields are purely for reference purposes and do not guarantee similar future results.*

Any income and loss arising from market fluctuations and price volatility of the securities held by the Trust product, even if invested in government securities, is for the account of the trustor/investor.

Benefits of Engaging a Trust

- Relieves the institution the day to day fund administration which include:
 - Fund management activities
 - Maintenance of employees' records:
 - ✓ Enrolment;
 - ✓ Updating of contribution;
 - ✓ Proper distribution of income
 - ✓ Other disbursements
- Transparency and proper accounting

Advantages of Trust Business

Monitored and managed by Professional Portfolio Managers

- usually provides potential higher rate on investment over the long-term; evaluates core holdings and trade holdings.

Fee Based

- not based on spreads; all earnings go to clients less Trust fees and taxes, if any

Diversification

- minimize risk of “putting all eggs in one basket”

Perform Risk Management

- regularly monitor to manage risk and minimize losses and possibly preserve assets

Best Execution

- canvasses and executes the best rates available

All gains will accrue to the Principal

- proper accounting and recording of gains; realized and unrealized

Duties of the Trustee

- Assists in the setting up of Provident Fund;
- Sets investment guidelines
- Performs fund management activities
- Collects fund contributions and processes payments of benefits to the employees
- Maintain employees' records/ledgers; and
- Prepares and submits quarterly financial reports.



Disclosure Requirements

- Excluded from Deposit Insurance Coverage
- No Guarantee of Income and Yield
- Any Income / Losses shall be for the Account of the Trustor.



FOR INQUIRIES, YOU MAY CONTACT:

TRUST BANKING GROUP

Telephone Numbers:

- (02) 405.7351
- (02) 405.7100
- (02) 405.7671
- (02) 551.2200 loc. 2429

E-mail: LBP-TRUST@mail.landbank.com



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https://twitter.com/LBP_Official

Thank
you



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