



Bolstering Growth through Financial Inclusivity

LANDBANK 2016-2017
Sustainability Report



CONTENTS

Vision and Mission Statement	3
Foreword	4
About LANDBANK	6
LANDBANK Presence	8
About the Report	10
Stakeholder Engagement & Material Topics	12
Financial Highlights	19
Corporate Governance	21
Risk Management & Business Continuity	22
Ethics and Conduct	24
Procurement Practices	26
Compliance	27
Audit	28
Grievance Machinery	29
Sustainability Cornerstones	30
Enterprise Development	32
Community Development	40
Environmental Protection and Management	52
Customer Service	66
Employee development	74
CSR Steering Committee as of December 2017	88
CSR Technical Working Group	90
CSR TWG Alternate Members	92
Appendix	93
GRI Content Index (CORE)	94
GRI Content Index (CORE)	96
GRI Content Index (CORE)	98
GRI Content Index (CORE)	100
Topics Considered Material by Stakeholders	101



ABOUT THE COVER

The cover represents LANDBANK's sustainability cornerstones, namely Enterprise Development, Community Development, Environmental Protection and Management, Employee Development and Customer Service. These cornerstones are deeply ingrained in the Bank's values and efforts to bolster growth through financial inclusion.



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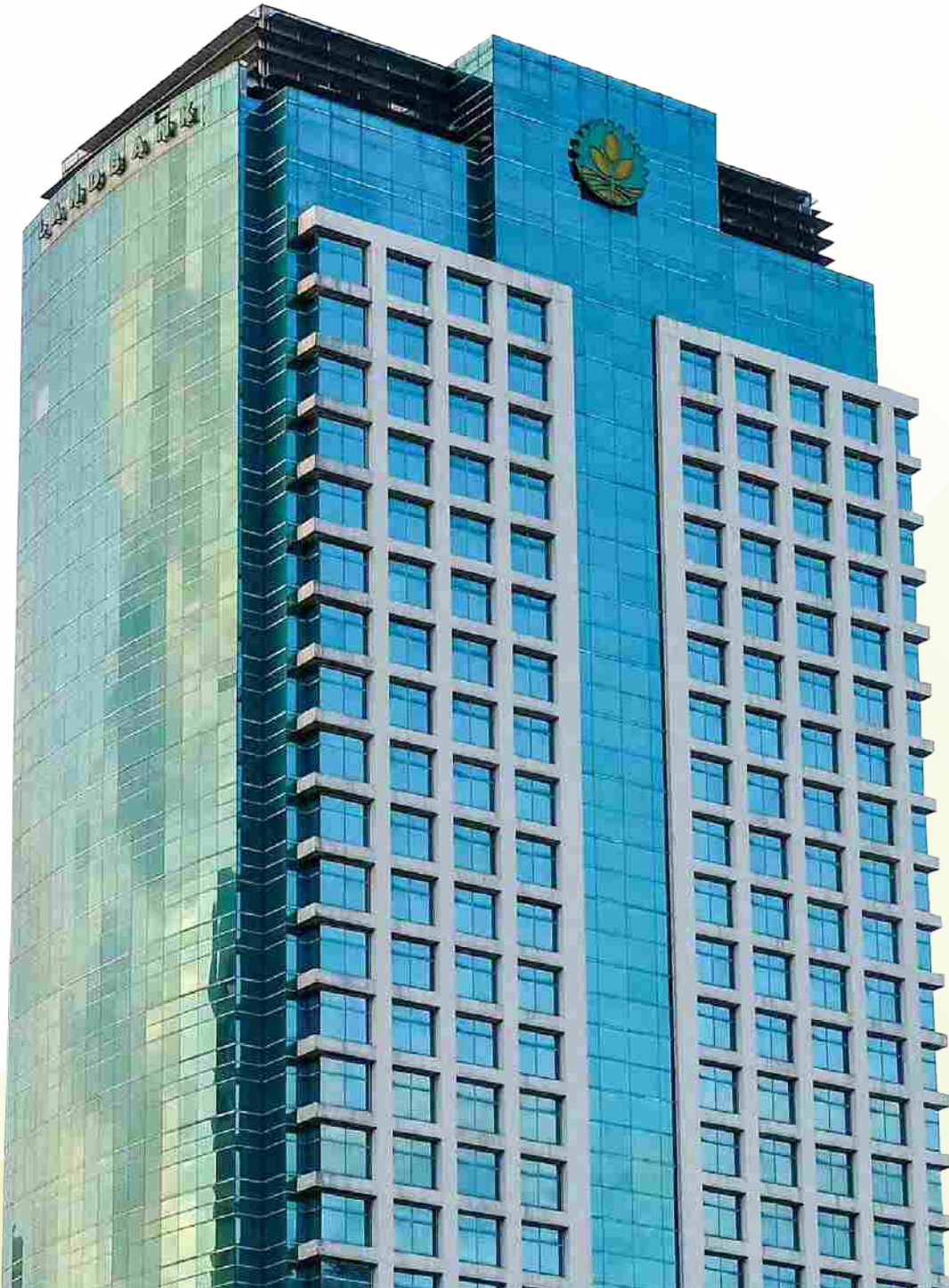
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VISION

By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities, and municipalities.

MISSION

To Our Clients and Publics:

We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.

To Our Employees:

We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.

FOREWORD

Message of the President and CEO

When I was appointed President of LANDBANK in November 2016, my mandate was to promote inclusive growth in rural areas through agriculture. Inclusive banking has since become our overarching goal – to make the Bank’s presence felt in areas where we are needed most, and make banking services accessible to underserved sectors.

The LANDBANK 2016-2017 Sustainability Report (SR) is thus themed “Bolstering Growth through Financial Inclusivity” as it solidifies LANDBANK’s commitment to promote shared and sustainable growth through financial inclusion.

This is the Bank’s first SR that uses GRI Sustainability Reporting Standards, which is the latest standard prescribed by the Global Reporting Initiative (GRI). LANDBANK’s sustainability reporting journey started with the release of its 2009-2010 Sustainability Report and we have since then been following the standards set by GRI. In this report, we present the highlights of the years 2016 and 2017 in terms of LANDBANK’s economic, social, and environmental performances based on our five sustainability cornerstones: Enterprise Development, Community Development, Environmental Protection and Management, Customer Service, and Employee Development.

In the enterprise development front, we remained aggressive in enabling and growing enterprises to make them key economic players and contributors to livelihood and employment generation. As of end-2017, the Bank’s outstanding loans to microenterprises and SMEs reached ₱89.8 Billion, making LANDBANK the biggest contributor to the national government’s accomplishment in MSME loans.

In the area of community development, we intensified our efforts towards implementing and sustaining programs that improve the quality of life and create

positive change in communities nationwide. We remained aggressive in funding training and capability building programs for cooperatives of small farmers and fishers, agrarian reform beneficiaries, and countryside financial institutions.

We also continued to engage local communities, people’s organizations, and various partners in our Corporate Social Responsibility programs that focus on four key areas: livelihood, education, environment, and disaster response. A new program we launched is the LANDBANK VOLUNTEERific Program, which promotes a culture of social awareness and volunteerism within the organization by activating employee-initiated activities that address various needs of communities across the country.

Environmental protection and management is likewise a continuing priority. We remain consistent in incorporating environmental management practices in all aspects of our operations, services, and decisions, while promoting social responsibility and environmental awareness among our employees and stakeholders.

In the area of customer service, we continued to work towards making LANDBANK a more responsive and inclusive bank. We expanded our physical presence to bring convenient banking services closer to more unserved and underserved areas. As of end-2017, LANDBANK remains the only Bank present in all provinces of the country – with 379 branches and 1,777 ATMs nationwide.

A new program piloted in 2016 is the Financial Inclusion Caravan, a nationwide campaign to promote financial literacy, especially in 4th to 6th class municipalities where there are usually very limited numbers of financial institutions – or none at all. The successful pilot run in 2016 gathered close to 4,000 participants from nine (9) 4th to 6th class municipalities, where roughly 50% of the participants opened savings accounts for the first time during the event. Meanwhile, the second run gathered nearly 3,000 participants during the first six legs completed from September to December 2017 – with two more scheduled in early 2018.

To realize the Bank’s aggressive thrust towards financial inclusivity, growing,

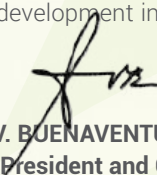
and nurturing our most important resource is of utmost priority. This is why we continue to strengthen our employee development and talent management programs across all ranks to ensure that we attract, retain, and develop competent employees fit to serve as LANDBANK's partners for development. We continuously strive to nurture a culture of excellence and professionalism within the organization, as our employees are the driving force behind LANDBANK's success.

Alongside all these, we remained aggressive in sustaining our financial viability, which is equally important in the fulfillment of our social mandate, as our profits fuel our development initiatives. LANDBANK registered a net income of ₱15.5 Billion in 2017, which is 9.9% higher than the ₱14.10 Billion income in 2016. The Bank also registered double-digit growth in other financial indicators – with assets up to ₱1.6 Trillion from ₱1.4 Trillion in 2016; deposits at ₱1.4 Trillion from ₱1.2 Trillion; and total capital up by 22% to ₱114.0 Billion from ₱93.2 Billion in 2016.

Producing the SR is important for us as we endeavor to communicate to our stakeholders the concrete steps we take towards ensuring that our programs and activities are geared towards developing enterprises, communities, the environment, our customers, and our employees.

Apart from the use of the latest GRI Sustainability Reporting Standards, we have also sustained the practice of incorporating External Assurance in our report, which involves the verification and validation of the performance disclosed in the SR. This is a step we voluntarily take to uphold transparency and accountability in the reporting of our sustainable development efforts.

Moving forward, we at LANDBANK set our sights on doing more and achieving more to further sustainable development by working hand in hand with all our stakeholders. We are committed to continue working towards building an institution that is relevant, responsive, and an active player in helping more Filipinos and promoting inclusive and sustainable development in the countryside and the nation as a whole.



ALEX V. BUENAVENTURA
President and CEO



ABOUT LANDBANK

The Land Bank of the Philippines (LANDBANK) is a Government-Owned and Controlled Corporation (GOCC) with a unique, dual role of promoting countryside development while ensuring financial viability. Over the years, the Bank has successfully managed this tough balancing act while promoting sustainable development and environmental protection. It is the official depository of the government of the Republic of the Philippines; and is mandated to facilitate the land valuation and compensation for landowners of agricultural property under the ongoing Comprehensive Agrarian Reform Program (CARP).

LANDBANK is, today, the largest formal credit institution in rural areas with continued expansion of its loan portfolio in favor of its mandated and priority sectors, especially the farmers and fishers as well as microenterprises and SMEs.

It is also the biggest credit provider to the local government sector, financing projects in agri- and aqua-infrastructure, schools and hospitals, farm-to-market roads, and other development projects.

Through the years, LANDBANK continued to diversify its commercial banking operations – expanding the range of its products and services to address the changing needs of its diverse clientele.

In support of the Philippine Development Plan 2011-2016, LANDBANK has committed to further its thrust towards greater financial inclusion by breaking barriers and expanding its credit outreach to unbanked and underserved areas, especially among its priority sectors. The Bank's priority loan sectors are classified as follows:

- Mandated Sectors: Small Farmers and Fishers and their Associations, and Agrarian Reform Beneficiaries (ARBs)

- Agriculture and Fisheries: Agri-business, Aqua-business and Agri-Aqua related projects of Local Government Units (LGUs) and Government-owned and Controlled Corporations
- Other National Government Priority Programs (including Public-Private Partnership Projects): Micro, Small and Medium Enterprises (MSMEs), Communications, Transportation, Housing (socialized, low-cost, and medium-cost), Education, Health Care, Environment-related projects, Tourism, Utilities, and Livelihood Loans

The Bank promotes financial inclusion through products such as:



Deposit Products



Loan Products



Card Products



E-Banking Products



Investment Products



Remittance Products

Scale of the Organization*



Total Regular Employees & Contractual Employees



Total number of operations



Net income



Total Capitalization

2017	9,421	379 Branches	1,777 ATMs	41 Provincial Lending Centers	₱15.50 Billion	₱114.02 Billion
		9 Head Office based Lending Units	121 Number of Other Banking Units	47 LANDBANK Easy Access Facility (LEAF)		
2016	9,194	6 Telling Booths	6 FX Booths	23 Cash Operating Units (COU)	₱14.10 Billion	₱93.18 Billion
		39 Sub-COU	93 Cash Deposit Machines			
		370 Branches	1,634 ATM's	39 Provincial Lending Centers		

LANDBANK PRESENCE

LANDBANK is the only bank present in all 81 provinces of the country. Its extensive network reaches out across the Philippines, continuously expanding year on year. As of end-2017, the Bank has a total of 379 branches, 1,777 ATMs, 41 Provincial Lending Centers, and 9 Head Office-based lending units. Apart from its branch network, the Bank also operates 6 tellering booths and 6 foreign exchange booths to provide additional banking services.

In 2017, the Bank continued to have strong correspondent banking relationships with 721 foreign banks and maintained deposit accounts with 25 top-tier banks in 13 countries. It likewise nurtured partnerships with 155 foreign and local companies specializing in the remittance and overseas manpower deployment businesses.

New Branches:

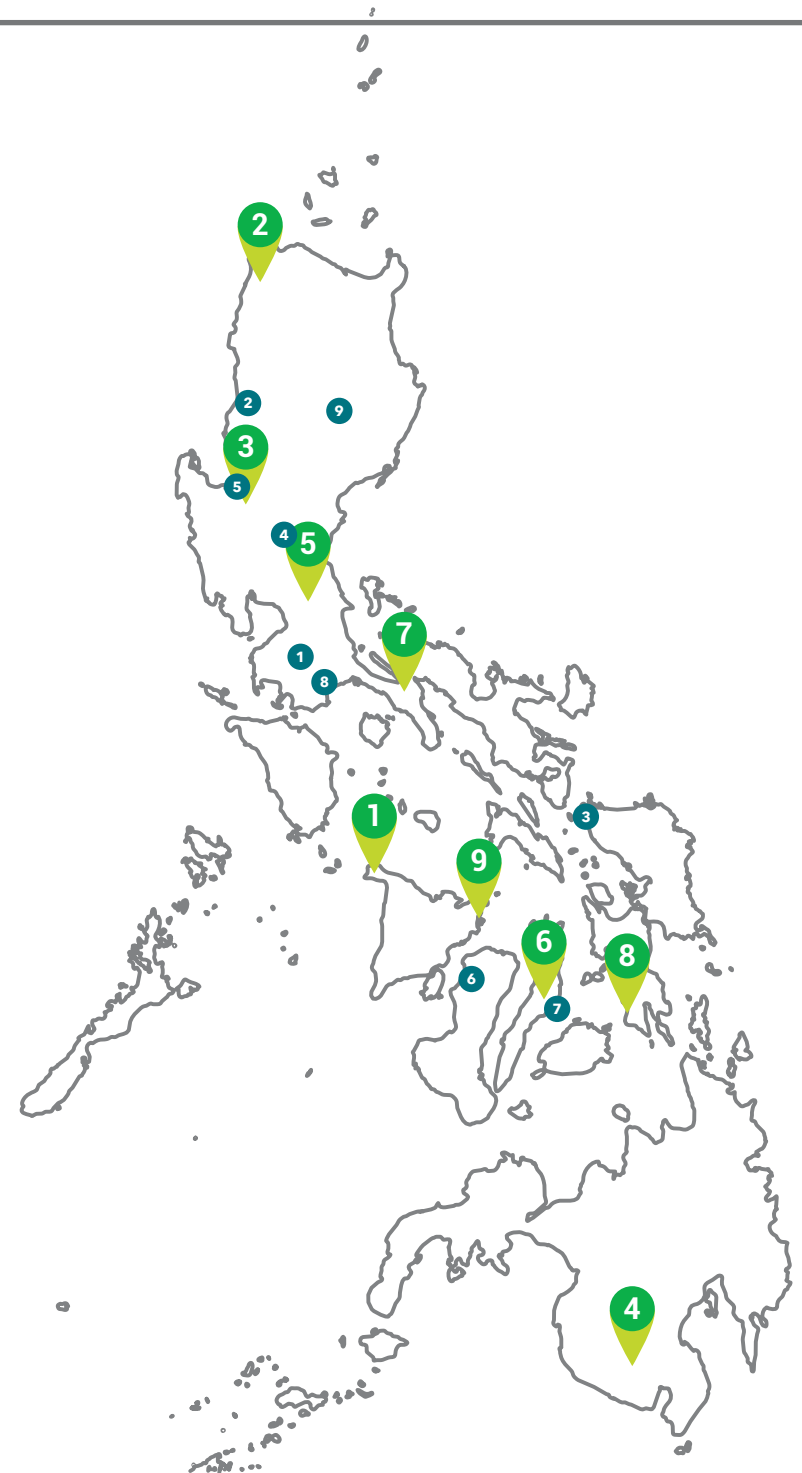
2017

- ① Caticlan EO (Aklan)
- ② San Nicolas EO (Ilocos Norte)
- ③ Binalonan EO (Pangasinan)
- ④ Koronadal EO (South Cotabato)
- ⑤ San Ildefonso EO (Bulacan)
- ⑥ Balamban EO (Cebu)
- ⑦ Lopez EO (Quezon)
- ⑧ Hilongos Branch (Leyte)
- ⑨ Estancia EO (Iloilo)

2016

- ① PEZA Taguig (Taguig City)
- ② Tagudin EO (Ilocos Sur)
- ③ Allen EO (Northern Samar)
- ④ Palayan City EO (Nueva Ecija)
- ⑤ Mangaldan EO (Pangasinan)
- ⑥ Silay EO (Negros Occidental)
- ⑦ Consolacion EO (Cebu)
- ⑧ Nagcarlan EO (Laguna)
- ⑨ San Mateo Isabela EO (Isabela)

102-4,102-6, 102-7



External Charters/Initiatives



Membership of Associations



ABOUT THE REPORT

With the theme **“Bolstering Growth through Financial Inclusivity,”** this Sustainability Report (SR) highlights how LANDBANK is strongly committed to promoting and nurturing financial inclusivity in the Philippines. Understanding that financial inclusion is fundamental to any nation’s sustainable growth. LANDBANK has been relentlessly putting together various initiatives to empower and enable individuals and small businesses to have access to relevant and affordable financial products and services. With inclusive banking, LANDBANK envisions the needs of its stakeholders delivered in a responsible and sustainable manner, covering environmental, economic and social growth pillars. Financial inclusion thus forms a major part of its strategic thrusts as it looks to break across all boundaries and barriers in order to reach out to more Filipinos in various regions across the country.

Since 2009, LANDBANK has been guided by the Global Reporting Initiative (GRI) reporting process that has provided the Bank with a platform to assess its sustainability performance through inputs from both internal and external stakeholders. This LANDBANK 2016-17 Sustainability Report is the Bank’s sixth SR. This report has been prepared in accordance with the GRI Standards: Core option. This report also includes information covering the Financial Services-Specific Disclosures required for financial institutions. The last SR issued by the Bank is its 2014-2015 Sustainability Report, entitled “Enhancing Partnerships, Enriching Lives.” The Bank reports its sustainability performance every two years.

This report discloses LANDBANK’s activities that are material to its stakeholders, which consist of Bank clients, employees and service company workers deployed in the Bank, government agencies, communities, business partners, industry organizations, and service



2009-2010

Standard Used:

G3

GRI Application Level:

Level C (self-declared)



2011

Standard Used:

G3

GRI Application Level:

Level B (self-declared)



2012

Standard Used:

G3

GRI Application Level:

Level A (self-declared)



2013

Standard Used:

G3.1

GRI Application Level:

Level A (self-declared)



firms. LANDBANK understands the value behind stakeholder inputs, and has thus incorporated their feedback in developing this sustainability report. These stakeholders were determined based on discussions by the Bank's Corporate Social Responsibility Technical Working Group (CSR TWG), and was finalized during the Stakeholder Identification Workshop.

Compared to the previous reporting period (2014-2015), changes were noted in the list of material topics and topic boundaries in this report. Specifically, the additional topics deemed important by stakeholders include the Employee Development Cornerstone (Ethical Operations and Management), and Environmental Protection Cornerstone (Financial Risks due to Climate Change and Biodiversity). Disclosures such as Stakeholder Mapping and Engagement, Financial Inclusion and Provision of Loans were also added to the list. Although Environmental Expenditures and Investments, Equal Remuneration for Women and

Men and Diversity and Equal Opportunity were not identified by the stakeholders as material for this reporting year (as the disclosures were already included in the previous reporting period and have been continually addressed since), these information were still included in the report.

The 2016-2017 Sustainability Report discloses information that represents the areas where LANDBANK has operational control and social involvement. The scope covers the Bank's national operations during this period. There are no major restatements for the current report, and all the relevant data parameters have been updated. For questions and/or concerns about this report, you may contact:

Corporate Affairs Department

32/F LANDBANK Plaza, 1598 MH del Pilar cor. Dr. J. Quintos Sts. Malate, Manila (02) 522-0000 local 7374 / 405-7374



2014-2015
Standard Used:
G4
Externally Assured



2016-2017
Standard Used:
GRI Standards
Undergone Materiality
Disclosure Service*

* 2016-2017 SR was reviewed by the Global Reporting Initiative (GRI).
For more information on the scope of the service, please refer to the GRI website at <https://www.globalreporting.org>.



STAKEHOLDER ENGAGEMENT & MATERIAL TOPICS

In pursuit of its thrust towards inclusive growth that covers all components of environmental, economic and social targets, the Bank has incorporated sustainability as a vital part of its Governance strategy. The Bank's Corporate Social Responsibility Technical Working Group (CSR TWG) reviews and identifies sustainability indicators applicable to the Bank, and proposes to the Management Committee (MANCOM)/ CSR Steering Committee the important environmental, social, and economic aspects that the Bank must focus on.

The topics are presented before each of the concerned departments who are responsible for documenting these aspects and present to MANCOM the indicators identified to have significant impact on the Bank.

CSR Technical Working Group

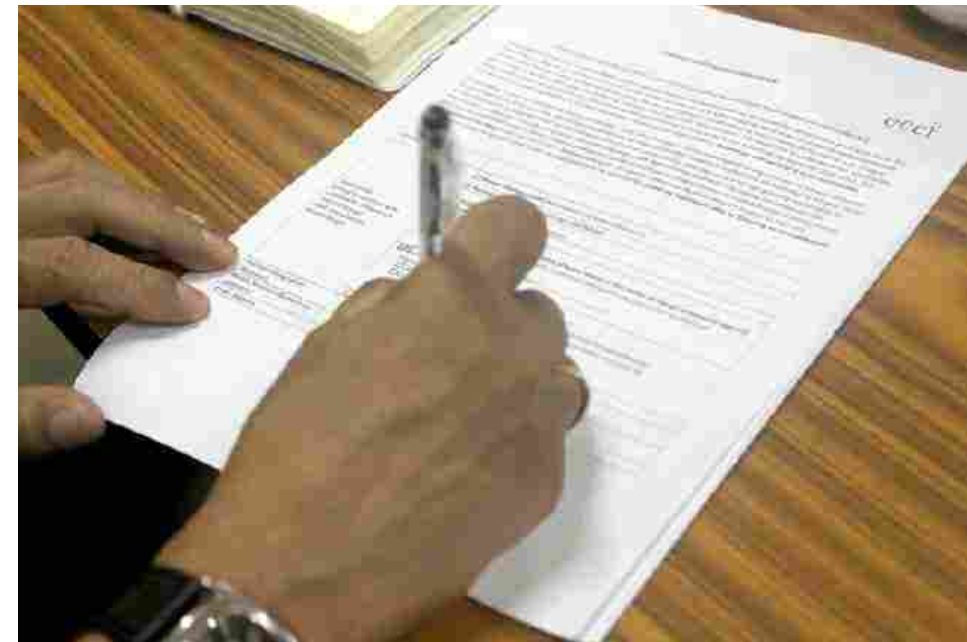
The CSR TWG is in charge of preparing LANDBANK's Sustainability Report (SR). It reviews, identifies and finalizes the relevant sustainability indicators that LANDBANK must include for the reporting period. Through periodic meetings and analysis of internal and external stakeholder inputs, the TWG discusses the contents of the SR and monitors the preparation of the report before it is officially published. Results from the Materiality Workshop and Stakeholder Engagement Sessions, based on the GRI reporting framework, help the CSR TWG determine the topics most relevant to stakeholders during the reporting period.

Stakeholder Engagement

LANDBANK's stakeholder engagement strategy involves soliciting feedback to understand specific concerns and expectations across various groups to holistically build its business development strategy. This covers the full range of efforts to understand and involve the Bank's stakeholders in the activities and decisions of the organization.

LANDBANK identifies its key stakeholders through a detailed analysis, identifying those who are highly influenced by and those who highly influence LANDBANK to ensure inclusivity and completeness, thus ensuring a balance of interests in its approach.

For purposes of the SR preparation, stakeholders were clustered and group discussions, one-on-one meetings, open dialogues, candid discussions, and surveys were conducted to identify key issues, to which the Bank can offer solutions. For the 2016-2017 SR, LANDBANK has engaged with the following groups:





Stakeholder Groups



Internal Stakeholders

Individuals directly working under LANDBANK, directly impacted by LANDBANK's activities.

LANDBANK Officers and Employees



External Stakeholders

Individuals/Groups/Organizations that may not be working under LANDBANK, but are impacted by LANDBANK's business performance, LANDBANK's activities, work with LANDBANK, or have regulatory authority over LANDBANK.

LANDBANK Clients (Government Agencies, LGUs, Retail Bank Clients, and Cooperatives), LANDBANK Subsidiaries, Regulatory Bodies, Partners, CSR Beneficiaries and Suppliers





Stakeholder Management Plan

Stakeholder Engagement	Internal	External	
 Stakeholder Group	LANDBANK Officers and Employees	Clients (Government Agencies, LGUs, Retail Bank Clients, and Cooperatives)	LANDBANK Subsidiaries: LBP Insurance Brokerage, Inc. (LIBI), LANDBANK Countryside Development Foundation, Inc. (LCDFI), LBP Leasing and Finance Corporation (LLC), LBP Resources and Development Corporation (LBRDC), Masaganang Sakahan, Inc. (MSI)
 Type of Engagement	notices, mails, trainings and consultation meetings	consultation meetings, satisfaction surveys, funding, loan provision, capacity building	consultation meetings
 Frequency of Engagement	continuous	need-based interactions	need-based interactions
 Response to Concerns	HR Policy, grievance machinery system to note employee concerns, trainings, promotions, provision of safe working conditions, employee benefits or compensation packages	product and service development/provision, client data protection, customer service	need-based assistance



Regulatory Bodies	Partners	CSR Beneficiaries	Suppliers
compliance to applications, policies, regulations, laws and mandates, consultation meetings with regulatory bodies	financial statements, annual reporting, shareholder/investor meetings, consultation meetings, contractual agreements	field visits and interactions	contracts (eg. Memorandum of Agreement)
continuous	need-based interactions	need-based interactions	need-based interactions
compliance with regulatory standards, corporate governance structure, ethical business practices, performing as per mandates	annual reporting, financial statements, disclosures, sustainability reporting, risk management and business continuity strategies, ethical business practices	community development to include support to livelihood, education, capacity building, disaster response and donations to relevant advocacies	government regulations, ethical procurement



The stakeholder engagement sessions were done across the Philippines – specifically in NCR, Davao City, Cebu City, and Lipa City, consistent with GRI Standards and guided by the Accountability Stakeholder Engagement Standard (AA1000SES). The sessions were conducted in order to identify the issues of high importance, or issues that were “material” for the Bank to report on, according to various stakeholder groups. A series of consultations was done through surveys and focus group discussions. First, a quantitative approach was used by means of a questionnaire that encompasses various environmental, social, and economic parameters. Second, focus group discussions were conducted, where participants were grouped according to stakeholder type. Each group had to select key sustainability topics that they deem material for LANDBANK. The discussions brought to for possible issues that they considered to be material, but were not included in the survey questionnaire. Different stakeholder groups were involved in this activity to ensure holistic feedback across various segments.

The common concerns established across the Stakeholder Groups were:

- LANDBANK’s Financial and Economic Performance
- Access to Financial Services
- Risk Identification and Management
- Business Continuity and Disaster Management
- Ethical Operations and Management

The key topics raised per group are the following:

Stakeholder Group	Key Concerns
Bank Clients (Retail, LGU, Government Agencies and Cooperatives)	Anti-Corruption, Compliance with laws and regulations, Customer Privacy, Security Practices, Loan Policies and Interest Rates
CSR Beneficiaries and People’s Organizations	Biodiversity, Environmental Compliance, Financial Inclusion, Local Community Development, Countryside Project Development
LANDBANK Rank-and-File Employees	Procurement Practices, Training, Hiring and Compensation, Benefits, Occupational Health and Safety
LANDBANK Officers	Market Presence, Promotions, Training, Compensation and Benefits
LANDBANK Subsidiaries	Anti-Competitive Behavior, Market Presence

The concerns of the stakeholders were echoed to relevant departments in the CSR TWG for awareness and possible action, if needed.



Material Topics

LANDBANK places utmost importance on stakeholder inputs in building its development strategy. Materiality is the process that helps LANDBANK determine the environmental, social, and economic issues or topics that are sufficiently important to disclose, in view of both its internal and external stakeholders' concerns and issues. It also helps in determining the boundary of each material topic (internal or external). Through materiality, LANDBANK determines the key focus points that it needs to concentrate on which helps define the report content for the SR.

The materiality assessment exercise was conducted during the Sustainability Reporting Orientation Training of the CSR TWG. Twenty members of the CSR TWG were asked to rate the GRI environment, social and economic topics that they consider most crucial for LANDBANK to focus on.

A one-on-one discussion was also conducted with representatives from different department-members of the CSR TWG to determine the final list and boundary of each material topic, based on the Bank's influence on each topic and relevance to the Bank's sustainability agenda. A combination of external stakeholder inputs and internal CSR TWG inputs was done to determine the final material topics to ensure stakeholder inclusiveness and completeness of data.

The results of these exercises were successful in generating a comprehensive list of topics for the Bank's Sustainability Report which covers both GRI (General Disclosures, Economic, Social, Environment) and Non-GRI topics.





Material Topics Identified by Stakeholders



GENERAL

- Anti-corruption  
- Compliance  
- Corporate Governance 
- Risks, Impacts, Opportunities and Business Continuity  



EMPLOYEE DEVELOPMENT

- Employment-Benefits-Compensation 
- Employee Training and Education 
- Ethical Operations and Management 
- Labor Management Relations/Collective Bargaining Agreements 
- Occupational Health and Safety 



COMMUNITY DEVELOPMENT

- Community Engagement-Capacity-Building and CSR Programs 





ECONOMIC DEVELOPMENT

- Annual reporting, Economic Performance 
- Audit  
- Market Presence  
- Procurement Practices  
















ENVIRONMENTAL PROTECTION

- Biodiversity 
- Energy consumption within the organization 
- Financial risks related to climate change 
- GHG emissions  
- Sustainable programs/products - environment, climate change, communities  
- Waste Management 
- Water consumption within the organization 



STAKEHOLDER RELATIONS

- Customer Health and Safety 
- Customer Privacy  
- Financial Assistance to LGUs  
- Financial inclusion 
- Loan Policies; Interest Rates  
- Marketing and Communications-Customer Satisfaction Surveys, Information and Communication 
- Online and Mobile Banking Software Development  
- Stakeholder Mapping and Engagement  

LEGEND

Stakeholder Type / Boundary:



Internal



External

FINANCIAL HIGHLIGHTS

LANDBANK understands the importance of ensuring strong economic performance as the profits derived from its commercial banking operations are used to finance its developmental programs and initiatives. This dual role makes the Bank unique and also serve as the anchors of its three major business goals: Pursuit of Mandate, Customer Service, and Institutional Viability.

The direct economic value generated and distributed is reported through financial statements in the Bank's Annual Report, including financial position, comprehensive income, changes in capital funds and cash flows. Business units submit their respective financial performance to the LANDBANK Head Office through the Financial Accounting Department which generates the consolidated report. For regulatory purposes, the financial statements are also submitted to the Commission on Audit (COA) and the Bangko Sentral ng Pilipinas (BSP), while the summary of operational costs is submitted to the Department of Budget and Management (DBM). Financial Statements are also regularly posted on the website in the Bank's Transparency Seal as required by the Governance Commission for GOCCs (GCG).

LANDBANK's finances are guided by local and national level regulations, internal policies, as well as international banking standards. The Strategic Planning Group is responsible for aggregating operational highlights as reported by various operational units and indicated in the annual reports.

Financial Highlights of LANDBANK: Parent Company (in Billions Php)

Financial Parameter	2017	2016
ECONOMIC VALUE GENERATED		
Gross Revenues	54.10	47.42
ECONOMIC VALUE DISTRIBUTED		
Operating Costs*	27.34	22.51
Employee Compensation and Fringe Benefits	11.27	8.67
Dividends Paid to National Government	1.96**	Exempted
Taxes and Licenses	3.10	2.73
Donations/ Contributions to Charitable Organizations (community investments)	0.10	0.07

*Inclusive of Employee Compensation and Fringe Benefits

**Cash dividend to be remitted to the National Government in July 2019



LAND BANK OF THE PHILIPPINES

Statement of Management's Responsibility for Financial Statements

The management of the **Land Bank of the Philippines and Subsidiaries (the Group)** and the **Land Bank of the Philippines (the Parent)** is responsible for the preparation and fair presentation of the financial statements as at and for the years ended December 31, 2017 and 2016, including the additional components attached therein in accordance with the prescribed financial reporting framework indicated therein. This responsibility includes designing and implementing internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

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

The Commission on Audit has examined the financial statements of the Group and of the Parent Company in accordance with the International Standards of Supreme Audit Institutions (ISSAI) and has expressed opinion on the fairness of presentation upon completion of such audit, in its report to the Board of Directors.


ANNALENE M. BAUTISTA
SVP, Controlling Group


ALAN V. BORNAS
EVP, Operations Sector


ALEX V. BUENAVENTURA
President and CEO

Signed this 18th day of June 2018.

The following information are included in LANDBANK's consolidated financial statements, which include comprehensive income for the parent and the group:

- Interest Income - Loans, investments, due from Bangko Sentral ng Pilipinas, deposit in banks
- Interest Expense - Deposit liabilities, unsecured subordinated debt, borrowed funds
- Net Interest Income
- Provision for Credit Losses
- Net interest income after provision for credit losses
- Other Operating Income - Gain from sale/redemption/reclass of on trading of financial assets and liabilities, foreign exchange gains from revaluation, dividends, fees and commission, gain from dealings in foreign currency, miscellaneous-net
- Other Operating Expenses - Compensation and fringe benefits, loss on financial assets and liabilities held for trading, taxes and licenses, depreciation and amortization, rent, miscellaneous expenses
- Income Before Tax
- Provision for Income Tax
- Net Income
- Other Comprehensive Income (Net unrealized losses on securities available for sale)

For a more in-depth discussion of LANDBANK's 2016 and 2017 financial highlights and subsidiaries, you may access the LANDBANK 2016 and 2017 Annual Report at www.landbank.com.

CORPORATE GOVERNANCE

In LANDBANK, a solid corporate governance is vital to its sustainability and longevity. Hence, the Bank is guided by a strong governance framework with a corporate structure that is aligned with its long- and short-term institutional goals and objectives, particularly in its thrust of promoting inclusive growth. LANDBANK's governance framework is also anchored on its corporate values which are upheld on all fronts in the conduct of its core operations.

In championing good corporate governance, the Bank strongly adheres to ethical standards and maintains its accountability to its various stakeholders. It also goes beyond complying with legal, institutional and regulatory requirements, and aims to be at par with internationally accepted governance principles and best practices.

Governance Structure

LANDBANK follows a governance hierarchy that is led from the top by the Board of Directors chaired by the Secretary of the Department of Finance. The Board of Directors functions distinctly and harmoniously through six Committees with oversight responsibilities. These Board-level Committees are: the Audit and Compliance Committee (Audit Com), Risk Oversight Committee (Risk Com), Trust Committee (Trust Com), Corporate Governance Committee (CG Com), Investment and Loans Committee (ILC), and the Agri-Agra Social Concerns Committee.

The **Audit and Compliance Committee** assists the Board of Directors in fulfilling its oversight responsibilities over the Bank's financial reporting policies, practices and control, internal and external audit functions, and compliance functions.

The **Risk Oversight Committee** fulfills statutory, fiduciary, and regulatory services of the Bank. It assists the Board in identifying, defining, and assessing risks at all levels of the Bank, and ensures the alignment of risk objectives with overall business strategies and performance goals. The committee is also in charge of developing a continuing education program to enhance its members' understanding of relevant issues pertaining to the banking industry.

The **Trust Committee** serves as the oversight committee on the fiduciary activities of the trust business, and ensures that these are conducted in accordance

with applicable laws, rules and regulations, internal policies and procedures, with the required skill, care, prudence, and diligence in the management and administration of fiduciary assets.

The **Corporate Governance Committee** oversees matters pertaining to the organizational structure of the Bank, its selection and promotion of officers, periodic performance evaluation of the Board, its committees and the executive management, and annual self-evaluation of its performance. Apart from these, the committee also studies and recommends policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms. It also acts as the oversight committee for the Bank's implementation of the Internal Capital Adequacy Assessment Process (ICAAP).

The **Investment and Loan Committee** evaluates and recommends to the Board for consideration and approval investments and loans; and recommends investment and credit policies and guidelines that define the structure, eligible investments and management of investment portfolios.

The **Agri-Agra Social Concerns Committee** formulates non-credit policies to improve the delivery of services on CARP and other agri-agra matters; serves as clearing house for CARP-related non-credit programs of the Bank; and monitors the status of implementation of the Banks various non-credit agri-agra and social concerns programs.



RISK MANAGEMENT & BUSINESS CONTINUITY

LANDBANK has established a business culture that drives the importance of a robust risk management and business continuity program in achieving its sustainability goals. This is reflected in its strategies in all levels of operation.

It has put in place an effective Business Continuity Management Program that maps out the Bank's recovery strategies in the event of risk or disaster. All business units of LANDBANK have a Business Continuity Plan (BCP) that is periodically reviewed and updated. A Recovery Time Objective (RTO) is also set for all critical systems and functions of the Bank which outlines the timeline to get back to active operation after disaster strikes. The RTO is approved by the LANDBANK Board/Risk Oversight Committee, the Management Committee, and the IT Committee. There also exists a Maximum Tolerable Period of Disruption (MTPOD) within which an activity or function needs to be resumed.

BSP mandates conduct of a Business Continuity Risk Assessment and Business Impact Analysis as part of the comprehensive Business Continuity Management (BCM) process. The Bank's BCM provides a comprehensive framework for building organizational resilience that is effective, annually reviewed and periodically tested. LANDBANK's BCP details the orderly and expeditious process of recovery, resumption and restoration of business functions in the event of disruptions. The Bank employs a variety of BCP testing mechanism to ensure that the BCPs are accurate, relevant and operable. LANDBANK's Business Continuity Management Framework and General Policy complies with the requirements of BSP Circular 951, series of 2017 or the Guidelines of Business Continuity Management, and it is also aligned with the International Standards on BCM (ISO 22301:2012).

Risk Management Group (RMG) is the central repository of BCPs of all Business Units. All LANDBANK business sites nationwide were mapped against the Philippine Institute of Volcanology and Seismology (PHIVOLCS) and Mines and Geosciences Bureau's geo-hazard maps to determine risks vulnerabilities from natural disasters. Through this, LANDBANK is able to craft appropriate emergency preparedness and response strategies for possible risks that may arise.

The Bank has an updated and effective BCP which is being tested regularly. This was observed in recent risk events which affected the Bank's operations. During the Marawi siege in May 2017, the preparedness and vigilance of personnel were manifested when they were trapped inside the branch. With available food supply and emergency kits, coupled with survival strategies and awareness of emergency exit routes, branch personnel managed to escape to safety. LANDBANK Marawi's alternate branch in Iligan City was immediately activated to continue servicing its clients.

Regular awareness training on emergency preparedness and business continuity are also being conducted for all Bank personnel to promote a business continuity culture across the organization.



Key Impacts on Sustainability and Effect on Stakeholders

LANDBANK’s core operations in 2016 and 2017 were marked by a solid performance underscoring yet again its dominance as a catalyst for countryside growth. Amidst political changes and other external factors, the Bank remained steadfast, raising the bar higher in its delivery of much-needed products and services to its mandated and priority sectors. Its financing support to small farmers, fishers, and other priority sectors accounted for 90.1% share to total loan portfolio, which by far is the largest share attained by the Bank.

Innovative product delivery was another priority in 2016, hence the Banks’ aggressive move to expand its presence through its network of branches, extension offices, other banking offices, and Automated Teller Machines (ATMs). This is in line with its thrust to bring formal banking services closer to the unbanked and unserved communities in the rural areas, and to make banking more inclusive and accessible to all sectors.

Sustaining its financial viability was given an equal priority, and this contributed to the retention of the Bank’s rank as the country’s top four commercial bank in terms of assets, deposits and loans. In the years 2016 and 2017, LANDBANK was able to garner a number of notable awards and recognitions both locally and globally. These recognitions are a validation of the Bank’s commitment to bring the LANDBANK brand of service excellence across all stakeholders.

102-15, 102-29, 102-30, 102-31, 102-32

Some of the Major Awards Received

2017



Employer of the Year Award
Asian Banking & Finance Retail
Banking Awards 2017

**BAIPHIL Best CSR
for Gawad Patnubay**
BAIPHIL

**BSP Stakeholders Awards –
Outstanding CSF Lending Bank
Gold Hall of Fame**
Bangko Sentral ng Pilipinas

2016



**International Finance Magazine
Awards – Most Socially
Responsible Bank Philippines
Award**
International Finance Magazine

**International Finance Magazine
Awards – Most Innovative
Lending Platform Award**
International Finance Magazine

**Best Agribusiness
Bank Philippines**
Global Banking
and Finance Review

For a complete list of all the awards received by the Bank, you are invited to access the 2016 and 2017 Annual Report through www.landbank.com.

ETHICS AND CONDUCT

As a financial institution built upon the trust of all its stakeholders, LANDBANK ensures that ethical behavior is not only applied within its operations, but also extends to its supply chain. The Code of Conduct for LANDBANK Employees was established and approved by the LANDBANK Board of Directors on November 23, 2006. LANDBANK regularly communicates the Code of Conduct to all its employees. In 2016, revisions were made to the Code, as follows:

1. Internal Whistleblowing and Reporting
2. No Gift Policy
3. Rules on Prohibited Concerted Mass Actions
4. Access and Usage of Official and Personal Social Networking Site (SNS) Accounts
5. Code of Conduct Compliance Recommitment Certificate
6. The Landbanker's Prayer

The Code of Conduct is aligned with the Bank's core values, and provides guidance for all LANDBANK employees on the right and ethical way to conduct themselves. January of every year is regarded as LANDBANK's Code of Conduct Month, with the theme "I Live by The Code". During this month, all Landbankers are reoriented with all the provisions of the Code of Conduct, and are encouraged to sign the Code of Conduct Compliance Recommitment Certificate. According to the Section 3, Article I of the 5th Collective Negotiation Agreement (CNA) between LANDBANK and the LANDBANK Employees Association (LBPEA), LBPEA is tasked to assist the Management in inculcating among employees the provisions of the Code of Conduct for LANDBANK employees and pertinent Civil Service laws, rules, and regulations as well as other issuances designed to promote honesty, social responsibility, trust, excellence, professionalism, discipline, efficiency, productivity, and effectiveness of the LANDBANK services.

Integrity is deeply embedded in LANDBANK's core values. The Bank has a zero-tolerance policy towards fraud and corruption, and incidents of corruption or fraud are taken very seriously. The Bank strictly follows the Revised Rules on Administrative Cases in the Civil Service, imposes the Code of Conduct, as well as the provisions of Anti-Corruption laws such as the Anti-Red Tape Act of 2007 on all Public Officials and Employees.

In order to create a platform for advice and concerns about ethics, LANDBANK established a Bank Ethics Hotline.

The Bank's Ethics Hotline Number



405-7660 or local 7660 was established since 2009 to serve as an additional medium for Bank employees to confidentially report instances of graft and corruption or any complaint on fraudulent acts, wrongdoings, misdeeds and/or irregularities committed or taking place that have adverse or negative effect to the Bank. The Civil Service Commission's (CSC) Contact Center ng Bayan (CCB) 1-6565 has been implemented since 2012 as a means to receive customer complaints.

The **8888** Citizen's Complaint Hotline has been implemented since 2016 to serve as a mechanism where citizens may report complaints and grievances on acts of red tape and corruption of any national government agency, GOCC, GFI and other instrumentalities of the government, and ensure prompt action on public concerns. LANDBANK implemented the Revised Whistleblowing Policy for the GOCC Sector and established an online link in the Bank's official website to the whistleblowing web portal of the Governance Commission for GOCCs (GCG) www.whistleblowing.gcg.gov.ph, in compliance with Memo Circular No. 2016-02 issued by GCG. The Bank also implemented EO No. 068 series of 2017 or the Amended LANDBANK No Gift Policy to further promote high standard of ethics in public service. Public officials and employees are expected to conduct their duties with utmost responsibility and unbiased professionalism, without expectation of any undue favor or reward.

In April 2016, the Bank's Integrity Committee was reconstituted and renamed as Integrity Management Committee (IMC) in compliance with Malacañang Executive Order No. 176 dated December 1, 2014.

This EO institutionalizes the Integrity Management Program (IMP) as the National Corruption Prevention Program in all government departments, bureaus, offices, agencies, including GOCCs, GFIs, SUCs, and LGUs through the establishment of an Integrity Management System (IMS).

The IMP is the Government's national corruption prevention program established to harmonize and simplify integrity development initiatives. It is jointly implemented across the bureaucracy by the Office of the President-Office of the Deputy Executive Secretary for Legal Affairs (OP-ODESLA) and the Office of the Ombudsman (OMB). The following guidelines were formulated by the Bank in 2016:

- **LANDBANK Anti-Bribery and Anti-Graft and Corruption Policy** – to reaffirm the Bank's commitment to implement tighter measures against bribery and corrupt practices.
- **Revised Guidelines in Handling Past Due Financial Obligations of LANDBANK Employees** – to align with the principle of leading simple and modest lifestyles as embodied in the Code of Conduct for LANDBANK Employees and Republic Act No. 6713, an Act Establishing a Code of Conduct and Ethical Standards for Public Officials and Employees.

The Risk Management Group (RMG) collects data on the number and percentage of operations assessed for risks related to corruption and the significant risks identified. RMG disclosed that 671 and 689 Business Units in 2016 and 2017, respectively, were assessed for risks related to corruption based on validated Risk Control Self-Assessment (RCSA).

Number of Business Units Assessed for Risks Related to Corruption

LANDBANK Offices, Sectors and Subsidiaries	2017	2016
Office of the Board of Directors	8	-
Office of the President	53	50
Operations Sector	150	154
Branch Banking Sector	386	379
Corporate Services Sector	11	10
Treasury & Investment Banking Sector	13	12
Agricultural & Development Lending Sector	63	61
LANDBANK Subsidiaries	5	5
Total	689	671

LANDBANK takes a precautionary approach in its operations, as well as the innovation and development of new products and technologies. It strictly follows a step-by-step approach of engaging in peer review and considering the benefits and risks of innovation in a systematic and transparent manner. This way, the Bank prevents any risk of causing any form of harm or negative impacts to the public.

Only one case of corruption was reported in 2016, while five cases in 2017. For both years, the cases were resolved according to the approved process.

PROCUREMENT PRACTICES

LANDBANK understands the importance of sustainable and efficient procurement practices that help in establishing a strategic sourcing platform, streamlining processes, and reducing costs of raw materials by identifying better sources of supply.

The Bank constantly works towards optimizing its procurement practices and making its supply chain economical and profitable. The President and CEO of the Bank, being the Head of the Procuring Entity, is responsible for approving the procurement activities of the Bank.

The Bank adheres to the Government Procurement Act or Republic Act (RA) 9184, "An Act Providing for the Modernization, Standardization, and Regulation of the Procurement Activities of the Government and for Other Purposes." The legislation streamlines all procurement of the National Government, its departments, bureaus, offices, and agencies. LANDBANK uses the same to manage its procurement process while it evaluates its performance using inputs from its Internal Audit and the Commission on Audit (COA). The Internal Audit conducts a review of the Bank's procurement operations every three years, while the COA regularly conducts audit of procurement contracts worth ₱2.0 Million and above.

In LANDBANK, procurement decisions are also guided by the Bank's internal policy on achieving a healthier bottom line. The Bank's procurement practices place a huge emphasis on environmental and social due diligence, cost efficiency and local sourcing. This is in cognizance of the importance of environmental, social, and economic criteria in procurement the process.

The Head Office Bids and Awards Committee (HOBAC) is tasked to review and approve procurement requests in accordance to RA 9184. There are also Regional Bids and Awards Committees (RBACs) nationwide tasked to identify local and regional suppliers. Incorporating supplier sustainability into its procurement practices has helped LANDBANK extend its sustainability practices beyond its boundaries. In 2016 and 2017, there were no significant changes in the supply chain, and no non-compliance incidence reported.

Green Procurement



The Bank's Green Procurement practices serve as guidelines when evaluating quality of services and sourcing from suppliers. The Bank gives priority to those suppliers whose products have environmental and social credentials. It partners with providers who lay premium on environmental, social, and health and safety parameters. Understanding the importance of local sourcing, and patronizing local economy boom, LANDBANK sources most of its suppliers locally (Filipino citizens/sole proprietorships and partnerships, corporations, or cooperatives duly organized under the laws of the Philippines) preferring local producers, manufacturers and suppliers that offer competitive pricing. This also reduces transport costs, thus reducing the Bank's carbon footprint. However, in certain situations, procurement from foreign bidders is entertained in the event that the goods that need to be procured are not available locally.

COMPLIANCE

A robust Compliance Risk Management system is embedded in the Bank's core values, developing a culture of integrity and compliance extending across various operational areas.

The Compliance Management Group (CMG) oversees the implementation of the Bank's compliance system which is designed to identify and mitigate compliance risk that may erode the franchise value of the Bank. The system also ensures that business operations are conducted in accordance with laws, rules and regulations, code of conduct and sound policies, and standards of good practice.

CMG identifies and conducts risk assessment of laws, rules and regulations, and other areas with exposure to compliance risk. After the review, requirements are identified and disseminated to the concerned units/personnel through the issuance of compliance bulletins. To monitor compliance, different compliance testing approaches suited to the identified and assessed compliance/regulatory risk are adopted. Pre-testing involves the checking of initial actions taken or plan of action to implement the requirements of new regulatory issuances, while periodic testing covers the regular checking of continuing compliance with existing laws, rules, and regulations.

Independent testing is also conducted, which involves a more detailed review of areas or activities identified to be exposed or vulnerable to high regulatory risks. Anti-money laundering (AML) Compliance Testing is also being done to check the Bank's compliance with AML laws, rules, regulations, and internal policies and guidelines. To foster a compliance culture among Bank personnel, appropriate training strategies to enhance knowledge on regulations are adopted. Lectures on Compliance and AML are also offered through the LANDBANK

in Perspective Program for new hires, various Management and Development Training Programs, and LANDBANK E-learning Access Portal. Compliance advisories, bulletins, and reminders are regularly issued through the Lotus Notes and publication in the Newsgram. These compliance advisories include the regular issuance of the Compliance Nuggets, which are easy-to-read tidbits of information on Compliance and AML.

Further, CMG maintains an updated Compliance Function Database, a repository or central record of laws, rules and regulations easily accessible to Bank employees. The database is used for regulatory guidance/reference in the performance of business units' operational processes and activities. To continuously build and strengthen working relationship with Bank units, periodic meetings with compliance coordinators are held. Advisory service and guidance in managing compliance issues are also being provided through CMG's participation in various committees and Technical Working Groups, and in the preparation of the internal policies and implementing guidelines.

The Bank maintains a cooperative and constructive working relationship with various regulatory agencies. Open and transparent communications and frequent dialogues and consultations to clarify specific concerns on regulations have strengthened and broadened the existing relationship with the regulators. In case of complaints or breaches regarding compliance, the issues are reported to the Senior Management and appropriate measures are put in place.

AUDIT

Internal audit is a strategic function that aids in ensuring good governance, sound risk management, and strong internal control. LANDBANK's Internal Audit Group (IAG) directly reports to the Audit and Compliance Committee, a Board-level committee, and is under the administrative supervision of the President and CEO. To ensure that environmental and social policies and risk assessment procedures are being complied with and implemented by business units, IAG undertakes the following:


- Conduct of Risk-Based Operations of all Business Units as part of its assurance services. Audits are held within the three-year cycle except for those mandated by BSP to be conducted on an annual basis. Any exception or audit finding as a result of such validation is being considered in determining the audit rating of the Business Unit under review.
- IAG, through the Credit Review Department, validates the conformity of projects financed by the Bank with applicable environmental laws, regulations and requirements. This is carried out through the Environmental Assessment Report issued by the Environmental Program and Management Department (EPMD), whose main function, among others, is to implement the environmental policy on credit delivery. EPMD also provides technical support on environmental due diligence and climate change vulnerability assessment of Bank-financed programs and projects. The operations of EPMD are audited by the Head Office and Systems Technology Audit Department (HOSTAD) regularly.
- IAG acts as lead auditor of the Environmental Management System (EMS) internal audit which is an important management tool for verifying and monitoring the effective implementation of the



Bank's EMS. As lead auditor, IAG helps in determining whether the requirements of applicable regulations/EMS standards are complied with, and the areas for improvement, if any, are identified and properly addressed on a timely basis. It covers the annual EMS audit of LANDBANK Plaza and the 39 ISO 14001:2004 - certified branches in NCR and provinces, complementing the annual surveillance EMS audit being conducted by an external service provider. In relation thereto, the Quality Assurance and Support conducts a Quality Assurance Review (QAR) of the EMS internal audit process to provide reasonable assurance to the Environmental Management Representative that the latter was conducted in an effective and efficient manner, and in accordance with ISO 19011:2011.

GRIEVANCE MACHINERY

To cultivate a work culture that fosters open communication, the Bank has a grievance machinery system for employees to voice out and resolve work-related issues and concerns. The grievance machinery is in accordance with Civil Service Commission (CSC) Memorandum Circular No. 02 series of 2001, entitled Revised Policies on Settlement of Grievance in the Public Sector, and Republic Act No. 9825 or the Alternative Dispute Resolution Act of 2004, and its implementing rules and regulations. LANDBANK's grievance policy is communicated to employees during the LANDBANK in Perspective seminar that is conducted for new-hires, in workshops facilitated by the Organization Development Department (ODD) for Line Managers, and during coaching and mentoring of Bank Officers, Managers and Supervisors. Non-adversarial communication seminars are also conducted for target participants.



LANDBANK's vigorous efforts to promote and strengthen inclusivity have helped sustain and improve livelihoods in the countryside are anchored on an established good governance framework that ensures an inclusive, triple bottom line (social, environmental, and economic) approach that is integrated in its development strategy.

SUSTAINABILITY CORNERSTONES

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Bolstering growth through financial inclusivity, LANDBANK continues to serve as a major catalyst in countryside development with a strong commitment to contribute to a better, safer and progressive society. The Bank goes beyond its mandate to fulfil its sustainability goals anchoring on five cornerstones, which are highlighted in this report.

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Enterprise Development

This section features the Bank's significant programs and projects which contribute and/or improve the economic conditions with direct impact and market presence to the various to the presence to the various priority sectors and stakeholders of the Bank.

Community Development

This section highlights the Bank's activities or initiatives that directly and indirectly provide social value to the stakeholders and community.





Environmental Protection & Management

This section focuses on the environmental management practices that are incorporated in the Bank's agrarian and banking operations, services, and decisions. This is also comprised of activities that contribute to the proper management of materials and natural resources, pollution prevention, and climate change mitigation and adaptation.

Employee Development

This section concentrates on activities and programs that promote good labor practices, conducive work environment, professionalism, and volunteerism.



Customer Service

This section emphasizes the programs, projects, and activities that enhance the Bank's products and services, as well as systems that interfere with its internal and external customers, and other stakeholders.





ENTERPRISE DEVELOPMENT

Empowering Filipino Businesses

One of the pillars for the sustainable growth of LANDBANK is enterprise development. In this endeavor, LANDBANK partners with entrepreneurs whose business practices are in line with the Bank's sustainable approach. One such partner is the Malagos Agri-Ventures Corporation, the driving force behind the world-renowned Malagos Chocolates.

The company's venture into cacao growing started in 2003, when founders Roberto and Charita Puentespina leased a cacao farm in Malagos. The farm was developed in 2004 for the rehabilitation of cacao trees. Since the rehabilitation, the cacao trees have started to produce excellent quality beans. In 2007, the sustainability arm of Mars, Incorporated, an American global confectionery manufacturer, reached out to Puentespina Farms to establish the Mars Cocoa Development Center (MCDC). Through the partnership, a portion of the property became a demo facility where farmers from nearby communities were trained to grow and process cacao from the nurseries to post-harvest. In 2009, the farm exported cacao beans to the United States, the first of its kind in the Philippines.

Encouraged by the international response received by their locally-produced cacao beans, the Puentespinas dreamt of further expanding their operations to make world-class chocolates. Malagos sought advice from a European chocolate expert to further improve the quality of their cacao trees and beans which would guarantee production of good quality chocolate. For

this dream to become reality, a dependable source of funding was required. LANDBANK stepped in to help provide the funds to make the Puentespinas' dream come true. With LANDBANK's assistance, Malagos Agri-Ventures Corporation came into fruition, the first venture into developing the Malagos Chocolate.

Through LANDBANK's support, Malagos Agri-ventures was able to purchase European manufacturing equipment, which was then the first step in establishing an enterprise that would eventually produce world-class chocolates. It helped Malagos through the various tree-to-bar stages of chocolate production.

To encourage more Filipinos to grow cacao, the company established the Malagos Chocolate Museum in March 2017. Situated adjacent to the chocolate processing facility, the beautifully-designed museum showcases information on cacao and chocolate-making, an Interactive Zone for educational games, a refreshment center known as the Chocolate Bar, and the Malagos Chocolate Laboratory where one can create their own chocolate. The museum has been another avenue for the enterprise to generate jobs with most of the staff being from the local community in Malagos. Malagos Agri-Ventures has helped make the Malagos brand internationally recognized and paving the way to benefit the community. Since its inception, the tourist

influx to Malagos has increased abundantly, with tourists flocking in to get a taste of their world-class chocolates.

Malagos chocolate has received a lot of worldwide attention and brought in many awards both locally and internationally. A true testament that Filipino enterprises have the skill and talent to produce products that can compete in the international stage. This success would not have been possible without LANDBANK's constant support to turn a dream into reality.



ENTERPRISE DEVELOPMENT

LANDBANK's strong commitment towards countryside development is showcased in its enhanced partnerships and relationships with stakeholders at various levels and regions. The Bank works with utmost dedication to elevate the lives of individuals, enterprises, groups, and government units in and around its operational areas through direct and indirect economic impacts.

Direct and Indirect Economic Impacts

LANDBANK's development endeavors focus on the National Government's efforts towards long-term inclusion, thus creating both direct and indirect economic impacts in and around its operational areas.

In the reporting period 2016-2017, LANDBANK expanded its loan portfolio in favor of priority sectors like farmers and fishers, their associations, agrarian reform beneficiaries (ARBs), agribusiness, aqua business and agri-aqua business of LGUs and GOCCs, and micro, small and medium enterprises. Different programs are created to improve livelihoods and create more inclusive opportunities through improved communications, transportation, housing, education, healthcare, environmental development, tourism, utilities, and livelihood loans.

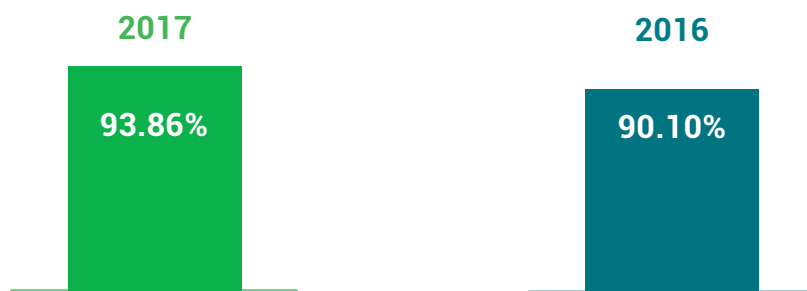
The Bank's efforts have made it the largest formal credit institution in the rural areas. Its credit delivery system has the potential to reach out to a significant percentage of the country's municipalities, thus increasing the coverage of its direct and indirect economic impacts.

In the reporting period 2016-2017, LANDBANK worked relentlessly towards the provision of financial and technical support with accelerated credit assistance to the banked and unbanked sectors, continually supporting priority sectors and projects with high development impact.



Loans to Mandated and Priority Sectors

Total Share of Loans to Mandated and Priority Sectors (%)



Number of Loan Channels and Beneficiaries








	2017	2016
Farmers and fishers cooperatives	1,057	988
Countryside financial institutions	160	155
Irrigators associations	201	163
Small farmers and fishers benefited	837,653	791,852

Total Loans to Mandated and Priority Sectors

	2017	2016
 Total Outstanding Loans to Priority Sector	₱564.1 Billion	₱440.5 Billion
 Total Loans Released to Small Farmers and Fishers	₱62.5 Billion	₱59.4 Billion
 Outstanding Loans to the 20 Poorest Provinces*	₱28.1 Billion	₱26.0 Billion

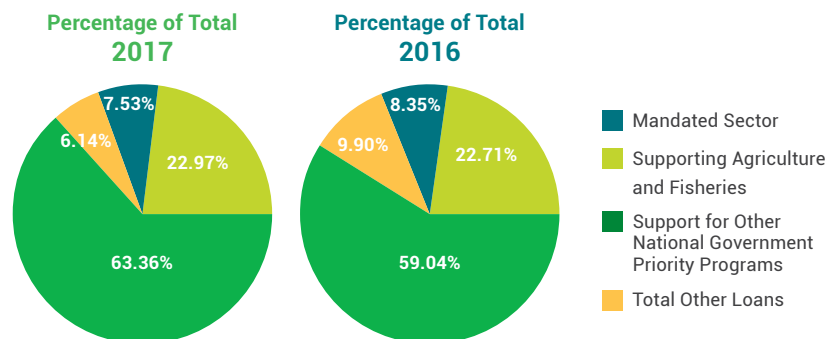
*Identified under the Registry System for Basic Sector of Agriculture of the Department of Agriculture (DA)

Development Impact of LANDBANK Loans

	2017	2016		2017	2016
	51	41		545	1,070
New Hospitals			Additional Classrooms		
	3,088	1,877		137,166	41,495
Additional Hospital Beds			No. of new Households Connected with Potable Water		
	74	114		665,866,912	566,761,536
Additional School Buildings			Additional kWh Produced		
				273	875
			Additional Kilometers of Farm-to-Market Roads		

201-1, 201-2

Loans to All Sectors



SECTORS	2017	2016
A) Mandated Sector		
Small farmers including agrarian reform beneficiaries and their associations	₱45,188.92	₱40,716.69
Small fishers and their associations	₱86.78	₱107.4
Sub Total (A: Mandated Sector)	₱45,275.70	₱40,824.09
B) Support for Agriculture and Fisheries		
Agribusiness	₱82,589.66	₱53,796.43
Aqua Business	₱2,227.26	₱1,296.08
Agri-Aqua related projects of Local Government Units (LGUs) and Government Owned and Controlled Corporations (GOCCs)	₱53,269.90	₱55,908.29
Sub-Total (B: Support for Agriculture and Fisheries)	₱138,086.82	₱111,000.80

SECTORS	2017	2016
C) Support for Other National Government Priority Programs including Public Private Partnership (PPP) Projects		
Micro, Small and Medium Enterprises	₱89,844.12	₱62,768.16
Communications	₱31,281.79	₱28,048.08
Transportation	₱38,898.04	₱30,032.07
Housing (Socialized, Low Cost and Medium Cost)	₱48,113.48	₱40,454.11
Education	₱6,072.72	₱4,534.92
Health Care	₱14,187.43	₱10,167.30
Environment-related projects	₱17,304.45	₱15,389.06
Tourism	₱8,835.08	₱6,530.88
Utilities	₱104,903.98	₱70,445.45
Others	₱21,279.03	₱20,266.11
Sub Total (C: Support for Other National Government Priority Programs)	₱380,720.12	₱288,636.14
Loans to Priority Sector (A+B+C)	₱564,082.64	₱440,461.03
Others		
Other LGU Loans	₱10,582.37	₱10,951.94
Other GOCC Loans		₱14,852.25
Others	₱26,313.85	₱22,589.54
Loans to other Sectors	₱36,896.22	₱48,393.73
Total Loans to all Sectors	₱600,978.86	₱488,854.76

Client Awards and Recognition

In order to acknowledge Bank clients who have contributed significantly to uplift the lives of communities in the countryside, LANDBANK institutionalized the following awards:

- **Gawad PITAK (Pinakatatanging Kooperatiba)** for model agri- and non-agri cooperatives, is an endeavor of LANDBANK to recognize the finest among its partner cooperatives who work hand-in-hand with the Bank in pursuing its mandate of propelling countryside development.
- **Gawad Entrepreneur (Gawad sa Pinakatatanging Entrepreneur)** for successful small and medium enterprises whose project improved the socio-economic conditions of the locality. This is the Bank's annual search among its SME clients to recognize individuals who have exhibited excellence in management and played a crucial role in empowering people and catalyzing change in their respective communities.
- **Gawad CFI (Countryside Financial Institutions)** for outstanding countryside financial institutions which served as partners in delivering financial services to the rural areas. This is an annual award conferred to countryside financial institutions that serve as the Bank's allies in extending credit assistance to clients and priority sectors in the countryside.
- **Gawad Korporasyon ng KAagapay sa Ating GAnap na tagumPAY (GAWAD KAAGAPAY)** for corporate clients who contributed to the Bank's development thrusts, recognizing Bank-assisted corporations for their outstanding performance, and continuing good relationship with LANDBANK.
- **The Gawad Microfinance Institution (Gawad MFI)** recognizes non-government organizations that consciously create conducive spaces for the poor to pursue their dreams outside a life of poverty.



LANDBANK continues to support the growth of enterprises by providing resources and paving way for opportunities and programs with special focus on agriculture and development sectors.

Client Recognition Program

2017



Buenavista Development Cooperative
(Buenavista, Guimaras)



Spouses Grace and Manuel Tan
(Gloria, Oriental Mindoro)



New Rural Bank of San Leonardo, Inc.
(Cabanatuan City)



Megawide Construction Corporation
(Quezon City, Metro Manila)



Center for Agriculture and Rural Development, Inc.
(San Pablo City, Laguna)

2016



Nagkakaisang Magsasaka Agricultural Primary MPC
(Talavera, Nueva Ecija)



Rosalina D. Mapoy / God's Favorite Farm



Cantilan Bank, Inc. (A Rural Bank)



Ana's Breeders Farms, Inc.



ASA Philippines Foundation Inc.

For a complete list of winners, please refer to the LANDBANK 2016 and 2017 Annual Report.



COMMUNITY DEVELOPMENT

Cultivating a Culture of Care

In August 2016, LANDBANK formally launched the Volunteerific Program to articulate the bank's core value of Social Responsibility. Through this program, LANDBANK encourages its employees to look at the social needs of the communities where they operate, and do their share to meet such needs by participating in the different Corporate Social Responsibility (CSR) programs of the Bank; initiating their own volunteer activities; and, inspiring fellow Landbankers and other like-minded organizations to foster the same spirit of volunteerism.

With the Volunteerific Program, the involvement of Landbankers in community development have been reported through various initiatives such as the reduction of the drop-out rate of an elementary school when Landbankers donated a school boat to an island barangay where children are unable to afford transportation cost; or when a rescue boat donated by employees also reduced the mortality rate of another island barangay. Other volunteer activities also included tree-planting, clean-up of coastal areas and other water tributaries, repair and repainting of schools before the start of classes, support to indigenous groups, elderly in homes, orphans, victims of abuse and other marginalized sectors.

Employees also continue to participate in the Bank's CSR programs such as voluntary contribution of salaries for the education of poor but deserving students taking up agriculture and related courses under the Gawad Patnubay Scholarship Program (GPSP), reforestation of LANDBANK-adopted sites in the Gawad Sibol Program, clean-up and other rehabilitation activities under the Manila Bay SUNSET Partnership Program (MBSPPPI) and helping provide access to potable water through the Gawad KATUBIGAN Program in calamity-affected areas of the country.

The volunteerism activities of Landbankers in 2016 and 2017 resulted to over a hundred activities engaging 70% or 6,376 employees nationwide. This has benefited 110 GPSP scholars every school year, continuing cleanup and bioremediation of Manila Bay, recycling of PET bottles into rescue boats, planted 55,000 trees in 60 hectares of Gawad Sibol sites as well as distribution of water filtration systems that benefited 47,060 individuals across the country to name a few.

LANDBANK employees also inspire fellow Landbankers, partners and clients, and communities being assisted, by sharing their volunteer stories through various internal and external communication channels of the Bank. Volunteer activities are also reported

to the Civil Service Commission (CSC) and the Philippine National Volunteer Service Coordinating Agency (PNVSCA) in support of the Volunteer Act of 2007.

This resulted to a commendation from PNVSCA who recognized LANDBANK's Volunteerific Program "as one of the pioneers in implementing an active and sustainable employee-driven volunteering program in the public sector."



CSR PROGRAMS

LANDBANK's commitment towards community development goes beyond its social mandate, as it remains involved in the development of social programs and activities that boost inclusive growth. Community development is at the heart of LANDBANK's operations, embedded deep into its core values, as the Bank constantly strives towards reaching out to vulnerable sectors of the nation through corporate social responsibility (CSR) programs implemented by the Corporate Affairs Department.



413-1, 413-2

Volunteerific Program

Formally launched in August 2016, the LANDBANK Volunteerific Program is an open opportunity platform for employees to express the Bank's core value of Social Responsibility and to extend their time and capabilities to help marginalized sectors of society. The program also supports Republic Act No. 9418 or the Volunteer Act of 2007, and the Civil Service Commission Memorandum Circular No. 23 s.2012 or Volunteer Program in the Public Sector.

In 2017, 70% of 6,376 Landbankers reported volunteer activities which generated an average of 10.62 hours per employee. Because of this, 4 special awards were conferred to outstanding Bank sectors and group whose employees showcased commendable volunteerism;

The first award went to the Central Luzon Branches Group (CLBG), which was awarded the "Most Volunteerific Group" for having an average of 35 volunteer hours for each of its 332 total employees.



The second special award is for the “Sector with Highest Number of Personnel Engaged,” and was given to the Branch Banking Sector (BBS), which has a total of 2,774 volunteers out of 4,382 sector employees.

The third special award is for the “Sector with Highest Total Number of Volunteer Hours per Employee” to the Agricultural and Development Lending Sector (ADLS) for generating an average of 12.42 hours for each 1,079 volunteer employees. ADLS also recorded a total of 13,405 volunteer hours.

ADLS was also recognized as the “Sector with the Highest Percentage of Employee Participation”, with 92% participation rate among its employees (1,079 out of 1,168 employees) for volunteer initiatives nationwide.

Three (3) lending centers were commended for their volunteerism spirit: the (1) South Cotabato Lending Center which engaged 100% of its employees and rendered 60.50 volunteer hours per employee, the (2) Davao Lending Center and (3) Cagayan de Oro lending Center which both engaged 100% of its employees and rendered 25 volunteer hours per employee.

The awarding ceremony aims to recognize employee volunteering efforts and to encourage more employees to participate, initiate, and inspire or be engaged in the Volunteerific Program.



Gawad KATUBIGAN Program

The Gawad KATUBIGAN (Kaakibat na Tulong sa Bayan para sa Inuming Kailangan) is a disaster preparedness and response CSR program of the Bank. It provides disaster-prone areas with preparedness training and access to clean water through portable water filtration systems. The program is implemented in partnership with Waves for Water Philippines (W4W). Under the program, the Bank distributes water filtration systems capable of filtering one million gallons of water per device, which can last from five to ten years if properly maintained. The program also aims to reduce waterborne diseases.

Throughout its activities, a total of 1,016 filters were distributed to 49 municipalities across the country benefiting over 100,000 individuals.

Gawad Patnubay Scholarship Program

With LANDBANK's mandate of helping spur and sustain countryside development, the LANDBANK Gawad Patnubay (Gawad Pag-aaral Tungo sa Maunlad na Bayan) Scholarship Program is an education-to-employment initiative designed to benefit underprivileged, but deserving students who specialize in the fields of agriculture and fisheries.

The program offers both formal and non-formal education in the fields of agriculture and fisheries. Scholars, who are mostly children of agrarian reform beneficiaries or belong to underprivileged families, are provided with 100% subsidy on all school fees, with book and monthly allowances every semester, among others.

The continuing formal track is implemented in partnership with the International Rice Research Institute (IRRI) the non-formal track, which

Under the formal education track, scholars are entitled to the following privileges:



100% subsidy for tuition fees



Very Competitive monthly stipend



Yearly Book allowance



Research grant/thesis funding



Licensure review and examination subsidy



Financial award for honor students from ₱30,000 to ₱50,000 cash incentive



10-week Education-to-Employment (E2E) Internship Program (Inclusive of airfare, accommodation, food, and stipend)

E2E Program

- ✓ Three weeks capacity-building and personal development seminars at the LANDBANK Head Office
- ✓ Seven weeks field internship



is expected to be completed by CY 2018, is implemented by the Pilipinas Association of Rural Families for Education and Development (PARFED).








The financial assistance provided by the program is funded in part by more than 8,000 LANDBANK employees through voluntary salary contribution, with a minimum of one hour's worth of their salary during the last working day of the year.

Additionally, in 2017, LANDBANK provided a 50% counterpart of the total funding for the formal education program which enabled the expansion of the program to 17 universities across the country and supported 110 scholars starting school year 2017-2018.

In 2017, the LANDBANK Gawad Patnubay Scholarship Program was adjudged as the Champion for Best CSR Project by the Bankers Institute of the Philippines (BAIPHIL).



Highlights of Gawad Patnubay Scholarship Program

Particulars	2017	2016
 Number of Graduates	17	10
 Number of Graduates With Honors	8	3
 Number of Licensure Exam Takers	16	4
 Percentage of Licensure Exam Passers	100%	100%
 Number of E2E Participants	16	9
 Percentage of E2E Completed	100%	100%
 Percentage of E2E Interns Placed	100%	100%

List of Partner State Universities and Colleges (SUC) per Region

No.	Region	Name of SUC
1	CAR	Benguet State University (BSU)
2	I (Ilocos Region)	Mariano Marcos State University (MMSU)
3	II (Cagayan Valley)	Isabela State University (ISU)
4	III (Central Luzon)	Central Luzon State University (CLSU)
5	IV-A (CALABARZON)	University of the Philippines Los Baños (UPLB)
6	IV-B (MIMAROPA)	Marinduque State College (MSC)
7	V (Bicol Region)	Central Bicol State University of Agriculture (CBSUA)
8	VI (Western Visayas)	UP Visayas (Miag-ao Campus)
9	VII (Central Visayas)	Bohol Island State University (BISU)
10	NIR (Negros Island)	Negros Oriental State University (NORSU)
11	VIII (Eastern Visayas)	Visayas State University (VSU)
12	IX (Zamboanga Peninsula)	Jose Rizal Memorial State University (JRMSU)
13	X (Northern Mindanao)	Central Mindanao University (CMU)
14	XI (Davao Region)	University of Southeastern Philippines (USEP)
15	XII (SOCCSKSARGEN)	University of Southern Mindanao (USM)
16	XIII (CARAGA)	Surigao del Sur State University (SDSSU)
17	ARMM	Mindanao State University (MSU)

List of E2E Internship Program Partners where Interns were Placed

2017

- Allied Botanical Corporation
- Central Luzon State University
- DTI-Regional Operations Group
- Harbest Agribusiness Corporation (Marawi City)
- Juno Foods Inc.- Lica Farm/Pinkies Farm
- LANDBANK
- LANDBANK Countryside Development Foundation Inc.
- National Institute of Molecular Biology and Biotechnology (BIOTECH-UPLB)
- Northern Mindanao Consortium for Agriculture and Aquatic Resources Research and Development (NOMCAARRD-CMU)
- Philippine Coconut Authority – Zamboanga Research Center
- Philippine Rice Research Institute (PhilRice)
- USM Agricultural Research Center

2016

- Cotabato Sugar Central Co., Inc.
- International Rice Research Institute (IRRI)
- LANDBANK
- LANDBANK Countryside Development Foundation Inc.
- Mira Farm General Santos
- Philippine Rice Research Institute (PhilRice)
- All Asian Center for Enterprise Development (ASCEND)
- University of Southern Mindanao (Faculty)
- USM Agricultural Research Center

Education-to-Employment (E2E) Internship Program under the Gawad Patnubay Scholarship Program

To ensure that the support to the Gawad Patnubay scholars does not end upon graduation, the Bank has established the E2E Internship Program. It aims to provide holistic educational support to the graduates of the scholarship through the following:

- 100% subsidy for their review and examination for the Licensure Exam for Agriculturists (LEA)
- 10-week internship wherein three weeks are spent for classroom lectures at the LANDBANK Plaza and seven week are spent for field internship with partner institutions
- Assistance in securing employment in Lending Centers or partner Institutions

In 2016, 9 scholars graduated and participated in the program. Among the graduates, 3 graduated Cum Laude and the 2 passed the LEA. In 2017, 16 scholars graduated, which automatically qualified them to participate in the program. Also in the same year, 1 graduated Magna Cum Laude, 7 Cum Laude, and 15 passed the LEA.

Gawad e-Dukasyon Program

To reach out to the youth and help educate them about the importance of agriculture, LANDBANK established the Gawad e-Dukasyon Program. This is in partnership with the Knowledge Channel Foundation, Inc. (KCFI), and in cooperation with the Department of Education (DepEd).

The program introduces new media component in education by making use of modern and innovative forms of media such as videos and internet modules. It sends across the Bank's message of promoting agriculture and agriculture studies among the youth to encourage them to pursue agriculture-related courses in college.

Gawad e-Dukasyon Program's primary objective is to produce videos: Crop Production and Harvest, Poultry Raising, and Aquaculture and Fisheries. These videos, entitled "AgriCOOLture," are aired over Knowledge Channel, and the e-Modules are made available on the internet. The videos are also shown over all Knowledge Channel-connected public schools nationwide as supplement for the students' Agriculture subject in the curriculum.

In 2016, this video series reached



5,007,943 learners
of the 6,000+ public
schools connected



10,000+ out-of-school
youth enrolled in the
DepEd Alternative
Learning System (ALS)



100,000+ teachers
teachers of formal
schools and
community learning
centers



Students (public and
private) and their
parents and siblings in
1,500,000+ households
nationwide

Note: Students and teachers with access to K Channel through on-air broadcast, videos on-demand, or on-demand package for ALS



In 2017, the video series, which stars popular young actor Enchong Dee, was able to reach millions of learners from thousands of public schools nationwide.

The Gawad e-Dukasyon Program complements the Bank's Gawad PATNUBAY Scholarship Program, as both Programs bring forward the message that agriculture is a good career path and possible source of income and business to the youth.

Gawad Kabuhayan Program

LANDBANK's Gawad Kabuhayan Program is a "recovery through livelihood" program launched by the Bank in early 2013 in partnership with Habitat for Humanity Philippines (HFHP). The program is the first of its kind which integrates a livelihood component in HFHP's disaster recovery effort. It goes beyond building houses for disaster survivors to equip relocated families with skills that allow them to start income-generating enterprises.

In 2016, LANDBANK and HFHP inaugurated the Macapaya Livelihood Center in Cagayan de Oro City. The livelihood center is designed to cater wholesale selling of rice and other goods to Calaanan Home Partners Phase 3 and to nearby communities. Around 420 direct home partners as well as the greater community of Camaman-an and Indahag with approximately 1,200 households will benefit from this.

One Million Lapis Program

Pledging support to improving education in the country, LANDBANK participated in the “One Million Lapis Campaign”, with lead agencies Council for Welfare of Children (CWC) and the Department of Education.

The campaign worked to collect a million pencils for the benefit of underprivileged students in primary schools across the country. The donations received from Bank employees is part of the efforts to address the lack of school tools necessary for effective learning in the classroom. Together with private establishments and other government institutions, LANDBANK displayed 20 drop boxes for new or old pencil donations in various floors of the LANDBANK Plaza. LANDBANK turned over the donations totalling 54,056 pencils to CWC.



LANDBANK Christmas CSR Program

In the spirit of Christmas, Landbankers joined hand-in-hand in raising funds for books to support the project “One Million Books for One Million Filipino Children” of the Center for Art, New Ventures and Sustainability Development (CANVAS). A total of 850 story books were turned over to students of Nicomedes C. Tolentino Elementary School and Pangyan National High School in Glan, Saranggani in February 2016.

The following year, Landbankers also worked together to donate to the Christmas Bazaar intended for the creation of a LANDBANK Library in the Shalom Science Institute (SSI), a Muslim-Christian school located at the Municipality of Balabagan, Lanao del Sur. At the end of the bazaar, 21 boxes of books were collected and donated to the SSI students. For the program, LANDBANK partnered with Givebay through the Library Renewal Partnership which also gave a counterpart that is twice the number of boxes of books donated by Landbankers.



LANDBANK Countryside Development Foundation, Inc.

Capacity-building

LANDBANK is involved in providing full-fledged capacity-building programs on strategic management and governance to the LANDBANK assisted cooperatives. LANDBANK, through the help of its corporate foundation, LANDBANK Countryside Development Foundation Inc. (LCDFI) has initiatives that showcase the Bank's efforts in reaching out to areas beyond its operations, helping build resilient communities. LANDBANK's efforts towards assisting all its beneficiaries are designed to holistically develop communities by improving financial literacy, developing entrepreneurship, and aiding towards long term sustenance through growth and success. Also included in the LCDFI capacity-building initiatives are Monitoring and Evaluation of Action Plans generated by cooperatives, and Coaching and Mentoring for select LANDBANK-assisted cooperatives.

Parameter	2017	2016
Number of trainings conducted	105	77
Number of cooperative officers trained	2,618	2,036
Number of LANDBANK borrowing cooperatives	741	511

Number of Trainings Requested Per Region	2017	2016
North/Central Luzon and NCR	29	27
Visayas	20	25
South Luzon and Bicol	33	15
Mindanao	23	10

Project Likas Saka

LCDFI also continued to implement Project Likas Saka in 2016 with financial support from LANDBANK and LANDBANK Insurance and Brokerage, Inc. (LIBI). From the two existing project sites from the previous year, the Project expanded to seven more program sites, namely, (a) Cavinti, Laguna; (b) Balasan, Iloilo; (c) Hinigaran, Negros Occidental; (d) Calape, Bohol; (e) Imelda, Zamboanga Sibugay; (f) Claveria, Misamis Oriental; and (g) Sibagay, Agusan del Sur.

LCDFI also partnered with the City Governments of Cavinti, Laguna; Calape, Bohol; and Imelda, Zamboanga Sibugay to provide additional support activities for the Project's beneficiaries. LCDFI also forged a partnership with Balay Mindanaw Foundation, Inc. for the implementation of the project in Claveria, Misamis Oriental.

A major accomplishment in 2016 was that LCDFI was able to link up with University of St. La Salle University-Bacolod (USLS) through the project to provide funding support for the Bahay Pag-Asa Youth Center (BPYC) Organic Mini-Farm Project in Brgy. Granada, Bacolod City. The LANDBANK-BPYC partnership pioneered the integration of sustainable agriculture in the rehabilitation of children in conflict with the law (CICL).



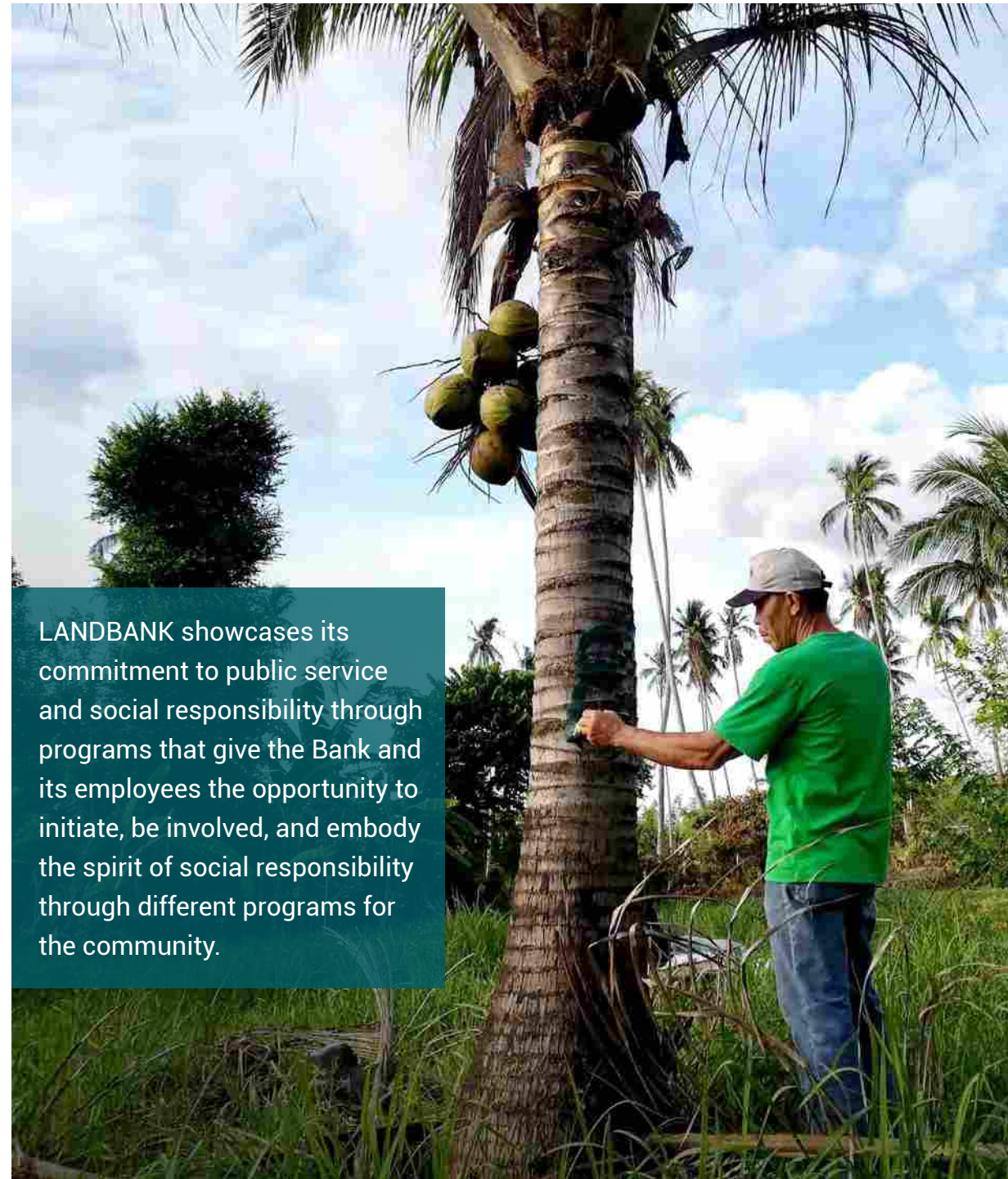
Project Coco-BiNHi

Pursuant to its commitment to spur development in the countryside, the Foundation partnered with LANDBANK and the Philippine Coconut Authority-Zamboanga Research Center (PCA-ZRC) to establish the “Project Coco BiNHi (Bigay and Hiram) in 2017. The project pilot tested an approach that will help small coco farmers increase the productivity of their coconut farms and the income they earn from it by going beyond being mere recipients of dole-outs to becoming credit-worthy borrowers for production purposes.

The project provided capacity-building intervention for selected small holding coconut farmers. The participants were organized into farm-clusters and were given seminars on planting/replanting using improved coconut populations and planting systems to rehabilitate coconut farms through fertilization and intercropping. It granted an initial supply of fertilizers and other farm inputs to farmers. The project also aims to assist in linking farmers to LANDBANK for possible loans to finance additional fertilizers or for the processing of coconut products.

In 2017, the project conducted 4 training batches with 93 participants. Each three-day training seminar consisted of about 30% classroom-type lectures by officials and scientists of PCA-ZRC and 70% field/hands on training demonstrations that introduced coconut farmers to new farming technologies and manufacturing of high value products from coconuts.

Programs	2017	2016
Training Seminars Conducted	14	10
Monitoring and Site Visits Conducted	35	12
Number of ARB/Small Farmer Members Assisted	834	282
Sites Established	10	10
Farmer Clusters Organized	10	10



LANDBANK showcases its commitment to public service and social responsibility through programs that give the Bank and its employees the opportunity to initiate, be involved, and embody the spirit of social responsibility through different programs for the community.



ENVIRONMENTAL PROTECTION AND MANAGEMENT

Championing a Greener Future

Protecting and managing the environment has always been at the forefront of LANDBANK's sustainability thrusts. In doing so, the Bank communicates and encourages the same commitment from its partners and supports them in integrating an environmentally responsible approach in their day-to-day operations. One such partner is the LAMAC Multi-purpose Cooperative (LMPC), a full-fledged multi-sectoral, multi-purpose agricultural cooperative based in Lamac, Pinamungajan, Cebu.

With the help of LANDBANK, LMPC's environmental practices were institutionalized into an Environmental Management System (EMS). The cooperative established a committee to focus on EMS implementation across the organization. In addition to this, the cooperative has allotted 10% of the community development fund every year for its EMS activities.

According to General Manager Maria Elena Limocon, LPMC had always followed its own environmentally responsible practices but they were informal in nature. The cooperative needed guidance in systematizing these endeavors to become more effective and sustainable.

In support of the EMS, LMPC, with continuous assistance from LANDBANK, set up projects and facilities to cover reforestation, water management, reprocessing of animal waste, recycling, and sustainable agriculture. LANDBANK played a key role in supporting LMPC's sustainable agriculture initiatives which included biogas and vermicomposting.

LMPC set up an organic demo farm where vermicomposting has been applied, and the demo farm acts as a training facility for members from other cooperatives and local groups. The production of azula feeds, growing organic turkeys and pigs, production of coco coir and coco sugar takes place at this facility.

In 2016, LANDBANK presented LAMAC with the "Gawad Pitak Platinum Award" (the highest national recognition given by LANDBANK to the country's most outstanding cooperative) recognizing their efforts and a testament of the bank's commitment in supporting endeavors geared towards a sustainable future. LAMAC also won the "Best in Environment Management System Special Award" in the same year.

A future plan for the cooperative is to build and provide low-cost environmentally friendly housing for its members. These houses are also designed to have spaces for raising organic chicken (fed by coco feeds) and landscape growing vegetables which is aligned with the cooperative's goal of encouraging their members to practice sustainable living.

Realizing its relevance, LMPC plans to continue to build on projects in a holistic sustainable manner. With LANDBANK's help in planning a green future, LMPC hopes to continue and strengthen its impact in transforming lives towards a sustainable tomorrow.



ENVIRONMENTAL PROTECTION

LANDBANK constantly optimizes its environmental performance by providing innovative products and services that are tailored to help the Bank achieve its targets and goals towards sustainable development. The Bank exercises environmental protection in its operational sites and extends it across its supply chain in order to lower its carbon footprint, promote efficient resource usage, and enhance ecological balance. LANDBANK's Corporate Environmental Policy provides guidance for the development of environmental management practices that are incorporated in the Bank's operations, services, and decisions.

Environmental Management System (EMS) is embedded in the Bank's daily operations. LANDBANK's environmental policy on credit delivery ensures that all Bank-financed programs are environmentally sound and compliant with relevant laws and regulations. The Bank follows green procurement guidelines that ensure that environmental protection extends across the supply chain.

LANDBANK's Corporate Environmental Policy is communicated through internal and external channels. The EMS Working Committee is comprised of representatives from the various departments that are responsible for the environmental activities of LANDBANK.

Energy Consumption

With strong commitment towards resource efficiency, LANDBANK makes conscious efforts towards efficient energy management within Bank premises. The Bank focused on reducing its energy consumption through the Electricity Conservation Program (ECP), as mandated by Executive Order No. 39. The Bank's ECP serves as a guideline towards energy management, requiring all LANDBANK units to initiate energy

Goals of LANDBANK's Environmental Sustainability Strategy



- To support climate change mitigation and adaptation undertakings
- To evaluate and manage our environmental footprint in our daily operations
- To deliver products and services that are ecologically sound and compliant with applicable environmental laws

conservation measures, and to measure, monitor, and report the results of such measures. This helps the Bank to highlight the energy performance of all its branches that helps to identify areas of improvement.




Every month, self-monitoring reports for electricity consumption are submitted to the Department of Energy. Every floor of the Bank has sub-meters that allow for the recording of floor-by-floor consumption. Data on annual energy use are collected and submitted to the management as part of the EMS report.

LANDBANK has Pollution Control Officers who prepare reports to be submitted to DENR and related agencies. They facilitate the renewal of permits related to the environment (discharge permits, permits to operate generator sets, etc.), and assist LANDBANK in its efforts to be compliant with national and local environmental regulations.




Energy Dashboard

Scope: LANDBANK Plaza (2017 - 2,953 employees and 2016 - 2,799 employees)

Total Energy Consumption Within LANDBANK

	2017	2016
 Liters MJ	36,293 1,218,677	37,299 1,252,456
 Liters MJ	132,841 5,089,167	115,340 4,418,806
 Kilowatt-hour MJ	10,164,167 36,591,001	9,527,700 34,299,720

Total Energy Trend

	2017	2016*
 MJ	↓ 33,778 2.70% reduction since 2016	↓ 395,857 24.02% reduction since 2015
 MJ	↑ 670,360 15.17% increase since 2016	↑ 204,332 4.85% increase since 2015
 MJ	↑ 2,291,281 6.68% increase since 2016	↑ 619,920 1.84% increase since 2015

*2015 Data: Gasoline (MJ)-1,648,313, Diesel (MJ)-4,214,474, Electricity (MJ) 33,679,800



Energy Intensity (Energy Consumption per Employee)

2017	2016
↑ 14,527 MJ/employee Total number of employees in LANDBANK Plaza is 2,953	14,280** MJ/employee Total number of employees in LANDBANK Plaza is 2,799

LEGEND

-  Gasoline
-  Diesel
-  Electricity

**Not reported in the Landbank SR 2014-15

Megajoule (MJ)

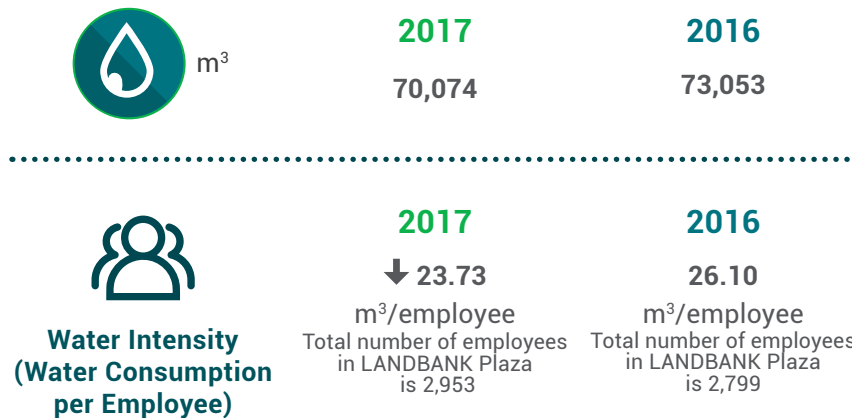
Water Consumption

LANDBANK ensures the responsible and efficient use of water resources across its branches and field units. Integral to the Bank's EMS is the Water Conservation Program mandated by Executive Order No. 20, series of 2008. In an effort to manage and minimize water consumption, LANDBANK has installed storage tanks that recover and recycle water from the four operational cooling towers.

LANDBANK obtains its water supply services from the Maynilad Water Services, Inc. which in turn taps the Angat Dam as water source.

Total Water Consumption Within LANDBANK

Scope: LANDBANK Plaza



*Cubic Meter

Emissions



LANDBANK understands the implications of climate change and greenhouse gas (GHG) emissions and its relation to global warming. With this, the Bank strives to ensure efficient energy management, in order to reduce GHG emissions in its operations and to improve its sustainability performance. The Bank monitors, reviews, and assesses its emissions in order to devise possible mitigation mechanisms. Aligning the Bank's GHG performance with its Corporate Environmental Policy, LANDBANK strategizes GHG management mechanisms and provides guidance for its branches and field units. The GHG Accounting and Reporting Program records the Bank's GHG emissions from various energy types, such as fuels (gasoline and diesel) and electricity in order to understand and monitor its carbon footprint.



Greenhouse Gases (GHG) Dashboard

Scope: LANDBANK Plaza (2017 - 2,953 employees and 2016 - 2,799 employees)

Total Emissions Within LANDBANK - Scope 1

	2017	2016
 MTCO2e	84.93	87.28
 MTCO2e	356.01	309.11

Scope 1 emissions - Emissions from sources that are owned or controlled by the organization

Total Emissions Within LANDBANK - Scope 2

	2017	2016
 MTCO2e	6,541.66	6,132.03




Scope 2 emissions - Emissions from the consumption of purchased electricity

Total Emissions Outside LANDBANK - Scope 3

	2017	2016
 MTCO2e	5,148.15	6,845.19

Scope 3 emissions - Emissions from employee transport

Total GHG Emissions Trend

	2017	2016*
 MTCO2e	↓ 2.35 2.69% reduction since 2016	↓ 27.59 24.02% reduction since 2015
 MTCO2e	↑ 46.90 15.17% increase since 2016	↑ 14.13 4.79% increase since 2015
 MTCO2e	↑ 409.63 6.68% increase since 2016	↑ 1,856.57 43.42% increase since 2015

*2015 Data
Gasoline (MT CO2e) -114.87, Diesel (MT CO2e) -294.98, Electricity(MT CO2e) 4,275.46

The Luzon grid emission factor used in the 2014-2015 SR was 0.457 tCO₂/ MWh; while for the 2016-17 SR, the most recent emission factor - 0.6436 tCO₂/ MWh was used.



GHG Intensity (GHG Emission per Employee)

	2017	2016
	↓ 4.11	4.78**
MTCO2e/employee		
Total number of employees in LANDBANK Plaza is 2,953		Total number of employees in LANDBANK Plaza is 2,799

LEGEND

-  Gasoline
-  Diesel
-  Electricity

305-1, 305-2, 305-3, 305-4, 305-5

**Not reported in the Landbank SR 2014-15

Metric Tons Carbon Dioxide Equivalent (MTCO2e)

Effluents and Waste

Integrated into LANDBANK's Environmental Management System, proper waste management is observed by the Bank through waste reduction strategies, efficient waste handling and disposal, and recycling, whenever possible.







Understanding the importance of waste segregation, the Bank has introduced three-compartment bins in every floor of the LANDBANK Plaza, branches and field units across the nation. This facilitates the recovery of reusable and recyclable materials. Prior to waste disposal, sorting activities are carried out at the LANDBANK Plaza basement to ensure that recyclable materials are recovered.

In order to minimize paper usage, LANDBANK strictly urges various departments to ensure paper reuse whenever possible. Solid wastes are collected by the Bank's service providers. Moreover, LANDBANK donates used computers, printers, and other usable office furniture and equipment to schools and other government agencies.

The Bank also submits self-monitoring reports for hazardous waste in order to keep track of the hazardous wastes generated

LANDBANK has partnered with reputable waste management agencies, to ensure proper disposal of its wastes, and recycling of reusable waste in order to reduce wastes that end up in landfills.

Waste Management Agency Partners

Partner	Type	Agreement	Frequency of Disposal
Linis Ganda	 Paper, Plastic	MOA	Monthly
ABS-CBN Bantay Kalikasan	 Batteries	MOA	Annually
D' Lacoste Enterprise	 Obsolete Documents	Contract	Thrice a year
Polystyrene Packaging Council of the Philippines	 Polystyrene	MOA	Twice a year
Gendiesel	 Used Oil	Contract	Annually
ENVIROCARE Management Precision, Inc.	 Hazardous Wastes	Contract	Annually

Recyclables and Reclaimed Wastes

Recyclable	2017	2016
	Amount of Waste (kg)	Amount of Waste (kg)
Batteries donated to ABS-CBN Foundation Inc. for the Bantay Baterya Program	-	2,020
Recyclable Wastes Collected	52,057	41,165
Obsolete Records Disposed	17,910	20,762.67
Polystyrene collected	232	372

Hazardous Wastes

Particulars	Unit	2017	2016
DENR- Accredited Transporter/Treater		ENVIROCARE Management Precision, Inc.	ENVIROCARE Management Precision, Inc
Empty Ink Cartridge	kg	1,274.97	7.67
Inorganic Chemical Waste (Busted Bulb)	kg	198.5	111
Putrescible Organic Waste (Grease Oil)	L	100.5	0.528
Paint Container	kg	501.73	468
Solvent Based Waste	kg	1,390	19.1
Pathological or Infectious Waste	kg	4	-
Dry Cell/Household Batteries	kg	84.6	-

Wastewater

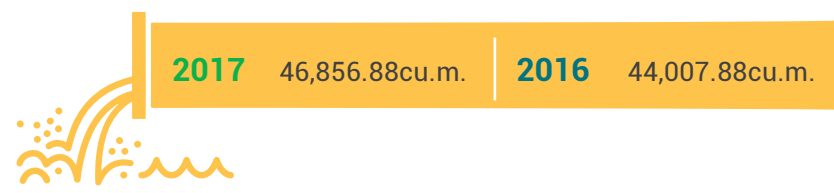
LANDBANK Plaza is equipped with a Sewage Treatment Plant (STP) to ensure efficient handling of wastewater, and to minimize potential water contamination from the release of effluent to surrounding water bodies. The Bank measures its wastewater discharge through volume time determination, as the wastewater is treated in the STP through screening, disinfection and usage of activated sludge. A combination of these steps forms the wastewater monitoring and management strategy for LANDBANK, which ensures that the Bank is compliant with Clean Water Act, the DENR Standards on Effluents, and other environmental standards. The Bank's wastewater is analyzed on a quarterly basis by the Fluid Systems and Design Inc. and Mach Union Water Laboratory.

306-2, 306-4

The Bank's treated water discharge outlet is located in Mabini cor. Dr. J. Quintos Streets Drainage Manhole, which discharges water into the Manila Bay. The Manila Bay is an important maritime resource, as it provides food, livelihood opportunities, employment and recreation to an estimated 23 million Filipinos.

Total Waste Water Discharge

Scope: LANDBANK Plaza



Quality of Waste Water Discharge

Scope: LANDBANK Plaza

Parameters	Jan. to Jun. 2017	Jul. to Dec. 2017	Jan. to Jun. 2016	Jul. to Dec. 2016	Effluent Standard
Biological Oxygen Demand	14	29	40	49	<100 mg/L
Chemical Oxygen Demand	30	51	71	141	<200 mg/L
Total Suspended Solids	40	17	35	120	<150 mg/L
pH	7.62	7.86	6.19	7.70	6.0 – 9.0
Oil and Grease	1.8	1.3	4.2	2.6	<10 mg/L

Based on the maximum allowable for Coastal Water Class SC set by the DAO No. 35, Series of 1990.

Sustainable Banking

LANDBANK understands the importance of extending its sustainability outreach to its stakeholders. By placing a premium on environmental protection and management in lending and investment activities, the Bank ensures that all commercial banking and lending decisions take environmental due diligence into account. Environmental assessments and site visits are conducted by the Bank in order to assess the clients' environmental performance, ensuring good environmental record for LANDBANK.

LANDBANK's Corporate Environmental Policy and Environmental Due Diligence (EDD) are integral in all of its financed projects under the umbrella of loan program offerings. Through the Bank's Environmental Policy, an environmental unit was established, which eventually became the Environmental Program and Management Department (EPMD). This department conducts the EDD on Bank-financed projects, and implements the Carbon Finance Support Facility (CFSF), which is LANDBANK's flagship climate mitigation program for piggy and landfill projects. Evaluation processes and performance reviews are done externally, through the conduct of missions (World Bank, Japanese International Cooperation Agency, among others) and third party validation for the Clean Development Mechanism (CDM) program. Internal review is performed regularly through the Bank's planning conferences and summits, among others.

The Bank's EDD advocates and promotes environmental compliance to ensure that all Bank-financed projects are compliant with environmental laws and regulations. EDD is also a large component for the Bank's credit delivery systems, throughout loan packaging and loan payment. The Bank's comprehensive compliance management system ensures that risks associated with penalties and legal issues due to environmental violations are minimized.

LANDBANK prepares environmental reports that not only state the environmental performance of clients, but also help in keeping the Bank aware of potential impacts and risks. This provides an opportunity for clients to put mitigation mechanisms in place to reduce adverse impacts of their operations. The Bank conducts an environmental risk rating for every project it invests on and continues to evaluate compliance. The Bank also identifies environmental benefits of projects, or the eligibility of certain projects to be included under the CDM. EDD projects entail environmental initiatives like energy management, water management, and waste management, among others. The Bank also encourages project proponents to implement Environmental Management System (EMS) and secure the 14001 certification.

In coordination with Lending Units, EPMD is responsible for screening projects and conducting Environmental Impact Assessments. EPMD identifies the environmental impacts, documents them, recommends environmental management, measures and monitors compliance, especially in the Bank's environmental investments.

The Bank has a key role in developing and implementing an Environmental and Social Management Framework for World Bank and Japanese International Cooperation Agency (JICA) related projects to guarantee compliance of loan clients in accordance with environmental and social parameters. The Bank's responsibility towards effective environmental protection and management is seen in its adherence to its certifications: the ISO 14001:2004 EMS and the ISO 9001:2009. The Bank's EMS is managed by the EMS Secretariat under Facilities Management Department (FMD). The Bank's Green Procurement Policy also shows its commitment towards making environmentally-friendly choices.



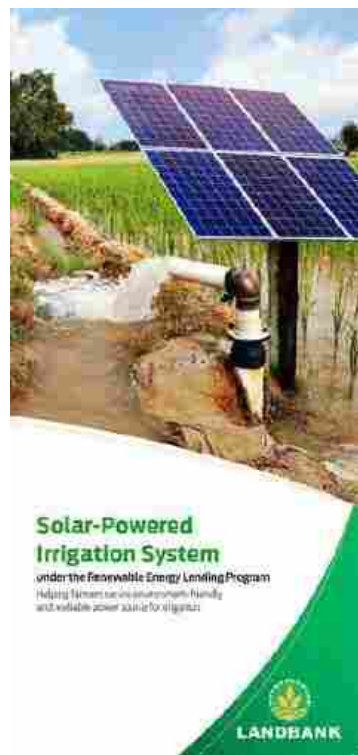
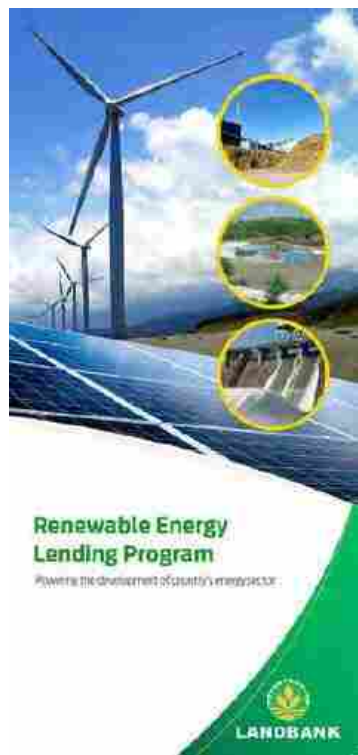
The Bank's Expenditures on Climate Change

As a government bank, LANDBANK regularly reports to the Department of Budget and Management (DBM), and these reports include the Bank's climate change expenditures. For the years 2016 and 2017, the Bank has spent ₱17.7 Million and ₱18.9 Million respectively, which covered the implementation of the following programs:

- **The Carbon Finance Support Facility (CFSF)**, which is LANDBANK's flagship climate mitigation program for piggery and sanitary landfill projects to generate carbon credits.
- **Environmental Due Diligence (EDD)**, which is exercised by conducting environmental assessment for LANDBANK financed projects covered by the Philippine Environmental Impact Statement System (DENR EMB MC 2014-005).
- **Environmental Management System (EMS)**, which is continuously implemented in the conduct of LANDBANK operations and services. In support of the government thrust

to address climate-related risks, the Bank has organized its lending programs for climate change mitigation and adaptation projects under the Climate SMART (Synergistic Mitigation, Adaptation, Resiliency and Transformation) Financing Program.

- ▷ The Bank's Climate Change Mitigation Program is geared towards the reduction of greenhouse gas emissions. Under this category are the following:
 - **Carbon Finance Support Facility (CFSF)** is the carbon credit program for piggery and sanitary landfill projects.
 - **Renewable Energy (RE)** Lending Program provides financing to renewable energy projects in support of the government's thrust of RE development, utilization and commercialization, and accelerating investments in the energy sector.
- ▷ LANDBANK also has its Climate Change Adaptation Program that seeks to address potential climate change impacts prior to their occurrence. Under this category are the following:
 - **Climate SAFE (Special Adaptation Facility for the Ecosystem) Program** aims to provide financing for climate change adaptation projects in support of government implementation of Republic Act 9729 (Climate Change Act of 2009) and Republic Act 10174 (establishment of People's Survival Fund (PSF) to complement financing requirements of eligible borrowers, including LGUs, for their adaptation projects.
 - **Climate Resilient Agriculture Program** is a financing program that targets the promotion of climate change adaptation initiatives towards climate resilient agriculture.



- **Bringing Urbanization and Innovation through LANDBANK's Diverse Engineering Resources Support (BUILDERS) Program** provides business loans to SMEs in the local construction market, forming part of the Bank's contribution to the Public-Private Partnership projects of the National Government by extending credit support to private and public sector players in the industry.
- **Kalikasang Kabuhayan sa Wastong Pamayanan (KAWAYAN)** promotes bamboo as source of livelihood or business to cooperatives, farmer associations, SMEs, NGOs, Agri-business entities and LGUs.

▶ Apart from its mitigation and adaptation programs, the Bank also has a Climate Change Resiliency Program aimed to help communities affected by climate change and natural disasters, allowing them to return to their normal state. This is the **LANDBANK Calamity Rehabilitation Support (CARES) Program**, which is a loan restructuring and rehabilitation credit program for the Bank's existing and new customers who have been severely affected by disasters in areas declared under the state of calamity by the Office of the President or LGUs.

Investments in Biodiversity

The Philippine Eagle

Upholding its environmental preservation commitment, LANDBANK donated funds to the Philippine Eagle Foundation (PEF) in 2017, for the conservation and protection of the Philippine Eagle. The financial support helped in the improvement of Captive Breeding Facilities, as the foundation was able to purchase a brand new cage, repair breeding chambers and construct partition for existing duplex-type cage.

Currently, there are only 400 pairs of the Philippine Eagle remaining in the wild. It is now considered as critically endangered due to illegal hunting and deforestation. PEF hopes to increase the count of these birds through a holistic approach of public education, research, and captive breeding. For 30 years, PEF has been at the forefront of efforts to save the national bird and its forest habitat. It has spearheaded various campaigns dedicated to the conservation and protection of the endangered Philippine Eagle.

Manila Bay SUNSET Partnership Program Inc.

The Manila Bay SUNSET Partnership Program, Inc. or MBSPPPI headed by LANDBANK is the flagship corporate social responsibility program of the Bank. It is a public-private collaboration of 29 member institutions (refer to sidebar for complete list of MBSPPPI Partner Institutions) to implement a sustainable approach to help clean and protect the marine and coastal resources of the Manila Bay, and promote proper management and correct attitude toward handling garbage.

Part of the ongoing priority activities of the program are:

1) monthly cleanup of Manila Bay areas; 2) information, education, and communication (IEC) campaigns in different public schools in the cities of Manila and Las Piñas; 3) fund-raising activities through the Manila Bay Clean-up Run; 4) recovery program of collecting waste polystyrene from partner institutions; and 5) adopting of a Manila Bay tributary/estero and introducing water quality improvement interventions.



304-1, 304-2, 304-3

MBSPPPI Partners As of December 31, 2017



- | | |
|---|--|
| Land Bank of the Philippines | Manila Yacht Club |
| City Government of Manila | Masaganang Sakahan, Inc. |
| Cooperative Development Authority | Maynilad Water Services, Inc. |
| DENR - Manila Bay Coordinating Office | Metropolitan Manila Development Authority |
| DENR - National Capital Region | Miss Earth Foundation, Inc. |
| De La Salle University Manila | Pamantasan ng Lungsod ng Maynila |
| Department of Public Works and Highways - NCR | Polystyrene Packaging Council of the Philippines |
| Environmental Management Bureau – NCR | Polytechnic University of the Philippines |
| LANDBANKOOP | University of the Philippines, Manila |
| LANDBANK Countryside Development Foundation, Inc. | Villar Sipag at Tiyaga Foundation, Inc. |
| LANDBANK Insurance Brokerage, Inc. | Asian Social Institute |
| LANDBANK Leasing and Finance Corporation | Division of City Schools (DCS)-Manila |
| LANDBANK Resources and Development Corporation | Department of Finance (DOF) |
| Manila Broadcasting Company | Philippine Information Agency (PIA) NCR |
| Manila Ocean Park | |

Manila Bay Clean-up

Clean-up activities saw an increase of 64.3% in the total number of volunteers. There were 7,998 volunteers in 2017 from 3,129 volunteers in 2016. The total number of truckloads of trash collected also increased to 53 truckloads in 2017 from 37 truckloads in 2016. MBSPPPI was able to retrieve 273 kilograms of waste polystyrene products, which have been recycled to rulers.

Mabuhay Balls Program

During the Manila Bay clean-up activity held on August 12, 2017, the MBSPPPI launched the Mabuhay Balls Program which started with the Adopt-an-Estero program launched in August 2016. The Mabuhay Balls Program uses Effective Microorganism (EM) technology that utilizes local materials formulated by the Asian Social Institute.

The Mabuhay Balls Program and Adopt-an-Estero program seek to expand approaches to sustainable water quality improvement and protection of the coastal resources of Manila Bay by including the clean-up of water channels interconnected to the Bay. It also aims to increase community awareness and commitment, including those of stakeholders living near tributaries and “estero” or surrounding creeks.

Volunteers from LANDBANK and partner institutions of MBSPPPI who participated in the clean-up in August 2017 worked together to clear trash from the shores of Manila Bay. They also worked together to make 7,500 pieces of Mabuhay Balls which were dropped at Estero de Kabulusan in Tondo, Manila, the beneficiary site of the Mabuhay Balls Program. The Mabuhay Balls inhibit the growth of algae and break down sludge and silt in the water to help improve clarity and water flow.

A total of 9,000 pieces of Mabuhay Balls were produced for the program. The first half was dropped last December 19, 2017, complemented by the application of EM solution to Estero de Kabulusan. The Environmental Management Bureau of NCR (EMB-NCR) conducted water quality sampling to assess the effectiveness of the intervention.

Binion School Tours

The Bank conducted Binion School Tours to educate the youth about the environmental protection. A total of 8 events were conducted in public high schools in Manila and 2 in Las Piñas City, where about 2,000 high school students participated. These students also received up-cycled

rulers made from waste polystyrene products from program partner Polystyrene Packaging Council of the Philippines (PPCP).

The MBSPPPI-produced video, “That Thing Called Basura,” was also shown to the students to help promote proper waste management. The expanded module of the 2017 Binion School Tour highlights the entry of ‘Friends of Binion’, the environmental partners of Binion. This includes the discussion of liquid waste management through Maynilad’s Water Warriors.

Among the active MBSPPPI supporters of this program are the Division of City Schools Manila, LANDBANK Countryside Foundation, Inc., Manila Broadcasting Company, Maynilad, Miss Earth Foundation, PPCP and Villar SIPAG Foundation.

In 2016, MBSPPPI created a Facebook Page titled “Solusyon Ni Binion” to generate more awareness about solid waste management, particularly the value of recycling among high school students. To date, it has generated a total of 8,400 organic “Likes”. For more information about the page, you may visit www.facebook.com/solusyonbinion.



Gawad Sibol Program (Adopt-a-Watershed Program Phase III)

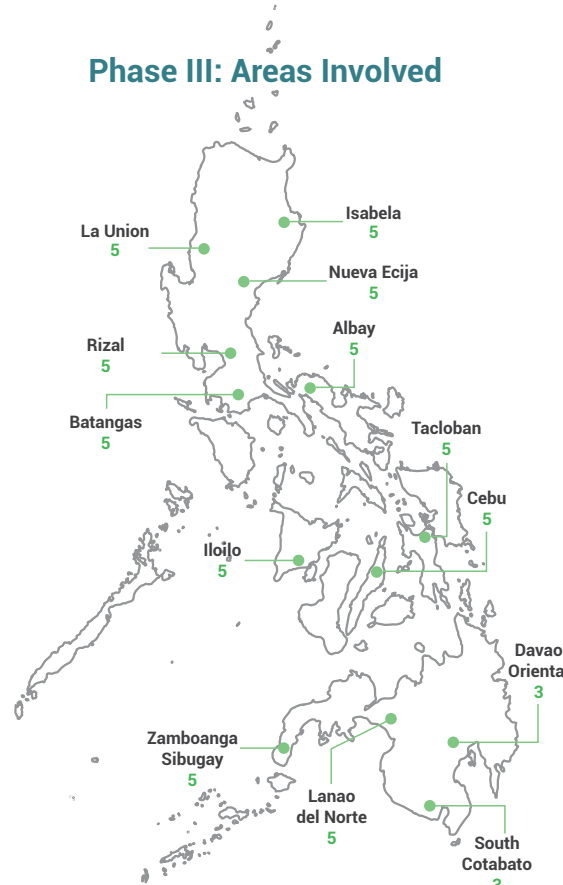
The Gawad Sibol Program is a continuation of the Adopt-A-Watershed Program which started in 2006 with the objectives of reforesting, protecting and increasing biodiversity of denuded watersheds across the Philippines. The program also contributes to the National Greening Program (NGP) of the Department of Environment and Natural Resources (DENR) and helps mitigate the impact of global warming and climate change. Also part of its objectives is to minimize floods during typhoons in the covered areas and empower local community groups (indigenous people and peoples' organizations) as partner for the program's success and sustainability. The program also provides volunteerism opportunities to LANDBANK employees.

By the end of 2017, the program has increased the number of areas covered across the country to a total of 25 sites and 114 hectares in land area.

Based from the continuous monitoring, rigid on-site validation and consultation, and impact assessment and evaluation, the cumulative gains of the Gawad Sibol Program include:

- A total of 132,300 hardwood, mangroves and fruit-bearing trees were planted during the entire course of the program;
- A total of 114 hectares of land covered in various watersheds located in all 18 regions in the Philippines;
- Around 5,000 volunteers from LANDBANK nationwide have participated in the program, where each employee/volunteer planted 20-25 trees each; and
- Achieved 91.48% survival rate among all the trees planted in six sites nationwide during the Phase II of Adopt-A-Watershed

Phase III: Areas Involved



Program	No. of Sites	No. of Hectares
Adopt-A-Watershed Phase I- 2006 to 2011	6	14
Adopt-A-Watershed Phase II- 2012 to 2015	6	40
Gawad Sibol (Adopt-A-Watershed Phase III) - 2016 to 2018	13	60
Total	25	114



Aligned with the country's commitment to reduce its greenhouse gas emissions, LANDBANK sustains its efforts to mitigate and adapt to the effects of climate change and focuses on better management of Bank resources. LANDBANK remains committed to empower the countryside through projects and programs that uphold environmental sustainability.



CUSTOMER SERVICE

Bringing Opportunities Closer to the Countryside

According to the 2015 National Baseline Survey on Financial Inclusion (NBSFI) released by the Bangko Sentral ng Pilipinas (BSP), only four out of 10 Filipino adults (43.2%) have savings. Nearly a fourth (24.5%) has never experienced saving money, while the remaining 32.3% have saved money in the past but have stopped.

Moreover, the Philippines' archipelagic make-up and the persistence of infrastructure gaps have hindered the accessibility of bank products and services in far-flung areas. While progress has been made through various initiatives, many of the municipalities still remain unbanked.

Upholding its mission to promote inclusive growth, LANDBANK organized a Financial Inclusion Caravan in various provinces around the country. This activity was part of the Bank's major activities in 2016 and 2017 as a meaningful undertaking to bring financial awareness, empowerment, and business and livelihood opportunities especially to poor members of the community.

The LANDBANK Financial Inclusion Caravan is a nationwide activity in pursuit of educating more Filipinos on basic and responsible saving activities and equipping them with the knowledge and confidence to make their own informed financial decisions. Entitled "Ipon at Kabuhayan para sa mga Kababayan," the half-day forum included modules on the basics of financial

products and services, tips on saving, and livelihood and investment opportunities.

To encourage attendees to open savings accounts, LANDBANK gave pre-loaded ATM accounts (with ₱200.00) to 200 pre-determined participants (by the LGU) in each area. Exclusive to caravan participants, these savings accounts have special features such as zero initial deposit, no minimum balance, waived dormancy and other fees, among others. Apart from those given pre-loaded ATM cards, many participants opened savings accounts on the spot.

In 2016, a successful pilot was carried out impacting close to 4,500 participants from nine (9) 4th to 6th class municipalities. It was held simultaneously in Sta. Marcela, Apayao; San Antonio, Zambales; Palayan, Nueva Ecija; Alabat, Quezon; Laurel, Batangas; Sta. Margarita, Western Samar; Amlan, Negros Oriental; Sulop, Davao del Sur; and Sinacaban, Misamis Occidental.

In 2017, LANDBANK continued its nationwide financial inclusion (FI) caravan aimed at covering eight (8) municipalities across the country, benefitting over 4,000 participants. The municipalities covered during its 2017 run are Barotac Nuevo, Iloilo; Argao, Cebu; Sugbongcogon, Misamis Oriental; Braulio E. Dujali, Davao del Norte; Kiangnan, Ifugao; Moncada, Tarlac; Cuenca, Batangas; and Pilar, Sorsogon.

The campaign was launched in partnership with BSP, the department of Social Welfare and Development, LGUs and FINTQ – financial technology arm of PLDT and Smart’s Voyager Innovations.

Financial inclusion is thus a continuing priority for LANDBANK in support of the government’s thrust to achieve inclusive and broad-based growth. The Bank has been successful in penetrating all of the 81 provinces in the country through its branch network and has established Other Banking Offices in areas where it has no branch to reach out to unserved sectors in other cities and municipalities.



CUSTOMER SERVICE

LANDBANK believes in building a culture of responsible and strong customer relations through provision of quality financial products and well-devised engagement strategies that are compliant with all legal requirements. The Bank constantly works towards improving its rapport with its customers and building stakeholder trust by meeting the expectations of its customers, business partners or regulators.

LANDBANK works towards strengthening its product portfolio to minimize market risks, and reaching out to more markets. The Bank's efforts towards financial inclusion have widened horizons and expanded its reach to the unbanked areas in the Philippines.

The Bank's customer service strategy revolves around providing responsible products and services, ensuring responsible lending, improving customer experience, and holistically building customer trust. The quality of LANDBANK's processes, products, and delivery systems ease the banking experience for its retail and institutional clients. LANDBANK continues to expand throughout the nation, offering its innovative range of products and services in an inclusive manner.

To promote inclusive development, the Bank makes best use of the latest technologies such as mobile banking to empower communities with the delivery of responsible and sustainable products. The Bank constantly ensures that its services are not only effective and at par with local and international laws, but are also responsive to changing needs of clients and stakeholders.

In 2017, to further support the National Government's drive towards inclusive banking, the Bank launched the very first LANDBANK Inclusive Banking Center (LIBC) with the Land Transportation Franchising Regulatory Board as the pioneer agency benefiting from the project.

Through this facility, client-payers who do not have ATM cards were provided with pre-generated ATM cards. The facility also has ATM Machines and a Cash Deposit Machine for real time deposits to the pregenerated ATM cards.

With an aim to accelerate the financial inclusion journey of marginalized Filipinos from being unbanked or semi-banked to a fully-banked segment of the population, LANDBANK has made inclusive growth more attainable by empowering individuals to become self-sustaining. The financial inclusion program is geared towards building assets, generating income, creating wealth, and psycho-socio-economic development.

It is anchored on the prospect of mobilizing micro-savings linked with conditional cash transfer (CCT) by pulling the liquidity of the poor into the formal banking sector, while incentivizing them to avail livelihood credit which has enormous potential for scalability and sustainability.

In 2016, LANDBANK won the "Asian Bank of the Year" award for its efforts towards financial inclusion and support for farmers, fishers, agribusiness, aqua-businesses and MSMEs.

Product Portfolio Development

LANDBANK endeavors towards developing and delivering a wide range of quality products and services to help its stakeholders grow. The Bank's approach towards providing responsible and innovative products and services make banking more convenient. To increase the efficiency in service delivery, the Bank widened its delivery channels by providing convenient access to banking services, customer-focused bank products and services, and cash management services to the National Government.



Product Responsibility

Product responsibility is at the core of LANDBANK’s sustainability ventures. The Bank’s strategy towards providing optimal services of high caliber ensures improved customer service and improved relationships with stakeholders. This serves as a stepping stone for increased revenue generation and helps the Bank earn customer trust and loyalty through enhanced and sturdy partnerships. The Bank’s product responsibility agenda has an outreach across its value chain. The Bank ensures that it is being responsible towards its customers, and meets its customers’ expectations by incorporating their requirements while building its value chain. It does so by leveraging core banking processes through the use of Quality Management Systems (QMS), increasing transparency and improving its delivery channels to reach out to more stakeholders in need, upgrading its information technology and automation to be head-to-head with competition, making effective partnerships, and recognizing partners with outstanding performance.

416-1, 417-1

LANDBANK is highly transparent about the services it offers. This is evident through the vast plethora of information available on the Bank’s communication channels such as websites, posters and brochures. Services are labelled accordingly and are compliant with all mandated national and local laws and regulations, and have no negative health and safety impacts. The Bank additionally has a range of sustainable banking options that it offers to cater to climate change-relevant issues. The Bank ensures that adequate information is provided to its stakeholders on product specifics. As a responsible government financial institution, the Bank considers environmental and social impacts of in the conceptualization and design of services.

LANDBANK realizes the vital role of coming up with marketing and communications plan to increase operational efficiency and improve outreach to cater to different markets. The Bank’s streamlined marketing tools are compliant with the Corporate Identity Manual and the Manual of Procedures. These marketing tools help LANDBANK ensure a uniform application of its corporate trademark during printed communications, marketing strategies, publicity drives, and other marketing initiatives. In its processes towards marketing and communications in relation to operations, products and services, the Bank ensures that it abides by all laws, standards and voluntary codes, strictly following all of the mandates of the Bangko Sentral ng Pilipinas (BSP) and National Government in the fair design and sale of financial products and services.

Customer Privacy

Customer privacy is an important part of the Bank's development strategy. It forms a crucial part of the Bank's commitment to protect customer data and maintain truthful, long-lasting and loyal relationships with customers. The Bank does not disclose any of the customer information such as information on deposits of current or past customers, among other things, unless it is required by law or with the consent of the depositor. Customer information, likewise, cannot be looked into by any person, may it be a government bureau or office, except in cases specifically sanctioned by law, thus, maintaining such data confidential and further strengthening LANDBANK's relationship with customers.

The Bank restricts employee access to customer information, except in cases where such access is necessary in order to process the customer's transaction with the Bank. Information collected from customers is only used for specific purposes said information is intended to, such as administering customer accounts, complying with local and national laws, protecting customers against fraud, and understanding specific customer requirements. LANDBANK's Compliance Management Group and Legal Services Group, and other authorized units are responsible for handling customer privacy, reviewing policies and guidelines, implementing strategies, establishing internal controls to protect customer data, and ensuring that there are no breaches or leakages of customer data.

LANDBANK's strong commitment towards ensuring data privacy is governed by a rigorous and effective set of frameworks and policies on customer privacy that is deeply embedded in the Bank's Guidelines on Classification, Handling, Access and Disclosure of Information of Assets, Information Security Policy Manual and the Policy on Securing Information Technology Infrastructure and Consumer Protection.

LANDBANK's data privacy is also guided by the Data Privacy Act. The Bank conducts polis to educate employees on the significant role of confidentiality and data privacy of customer's information.

418-1



Customer Satisfaction

Customer satisfaction is of key priority to LANDBANK in its venture to bolster growth through financial inclusion. The Bank works meticulously towards improving customer experience with a strong commitment to build long lasting and responsible relationships with its customers. In its ventures towards building strong customer relations, the Bank works earnestly with a high level of conduct and integrity by providing an easy and safe space for stakeholders to have access to financial products and services. LANDBANK values all its customers by

providing world-class quality services. In order to constantly improve its performance, understand stakeholder inputs and expectations, and analyze if stakeholder expectations are being met, the Bank conducts customer satisfaction surveys to understand organizational performance. The Corporate Affairs Department is responsible for the customer servicing through the Customer Care Center which includes a 24/7 hotline, email, and social media channels for customer inquiries and concerns. On the other hand, the Strategic Planning Group is responsible for customer service, measuring satisfaction and product development.

In 2016, under Republic Act No. 9485 or the Anti-Red Tape Act (ARTA) of 2007, the Bank entered into an agreement with the Civil Service Commission (CSC) for conducting the 2nd run of the self-funded Anti-Red Tape Act Report Card Survey (ARTA-RCS). The survey covered 100 selected LANDBANK Branches and Extension Offices (branch banking operations) nationwide which have not undergone the ARTA-RCS. The results showed that the Bank obtained 100% passing rate with an overall national score of 87.88% equivalent to a "Good" descriptive rating, the same rating obtained by the Bank in the 2015 ARTAR-RCS. This is also one of the commitments of the Bank under its Performance Scorecard required by the Governance Commission for GOCCs.

2016 ARTA Report Card Survey Results



In compliance with the implementing rules and regulations of the ARTA of 2007, the Citizen's Charter for Branch Banking Products and Services was repackaged to make it user-friendly. Further, the Citizen's Charter for Agrarian Products and Services was formulated to provide support to agrarian reform beneficiaries.

In 2016, LANDBANK implemented the Customer Assistance Management System (CAMS). This is part of the Bank's compliance to BSP's thrust on Financial Consumer Protection. This process ensures that all clients' concerns and complaints are properly addressed and resolved. It also serves as an avenue to identify and propose process improvement initiatives which in turn enhance the Bank's corporate image.

In 2017, the third wave of the Bank's Nationwide Customer Satisfaction Survey was conducted by the Nielson Company (Philippines) Inc. The results of the survey show that 96% of the respondents gave a "Satisfactory Rating".

Customer Care Center Performance Highlights

	2017	2016
Calls served	254,755	166,839
Emails Responded	147,938	75,989

LANDBANK's Delivery Channels



Highlights of 2016-2017

In its efforts to reach out to the unserved, underserved and economically disadvantaged sites in rural areas, LANDBANK uses the power potential of world-class banking technology, and quality financial products and services. The Bank continued expanding its LANDBANK Easy-Access Facility (LEAF), the Bank's breakthrough venture to move towards financial inclusion. Through LEAF, customers can easily conduct nontransactional banking activities like ATM withdrawals, self-service cash deposits, submission of loan applications, open accounts, inquire about loans, products and services, and gain access to easy and affordable financial services.

The LANDBANK Easy-Access Facilities have ATMs, Cash Deposit Machines, and the LANDBANK Express Access Machine (LEAM) which allows users to pay taxes. The facilities can also be used for PhilHealth contributions and payments of various bills. LANDBANK continuously increases its network to widen its reach in the delivery of banking products and services, particularly in the countryside. The Bank has established additional nine new Branches/Extension Offices and seven LANDBANK Easy Access Facilities in the remote areas of the country.

The Bank also strengthened the following initiatives during the reporting period:

LINK.BIZPORTAL

Link.BizPortal is an e-payment facility designed to accept payment of fees, dues, and charges from clients of enrolled merchants from both government and private institutions. For example, taxpayers and tax agent's practitioners were able to pay their taxes via the Internet. Likewise, recruitment agencies can also pay the Philippine Overseas Employment Administration (POEA) for processing fees electronically.

Through this service, the client avoids the hassle of lining up, and it provides a safer and more convenient platform of paying fees. The portal allows partner clients and/or agencies to directly interface or interconnect with LANDBANK's Payment Gateway for the payment of goods and services. Link.BizPortal allows clients to pay using their LANDBANK ATM accounts, BancNet-Member ATM accounts, VISA/MasterCard debit/prepaid/credit cards, and Globe G-Cash.

Europay, MasterCard, and Visa (EMV)

EMV replaces magstripe ATM cards with EMV chip-enabled cards that store payment information in a secured chip instead of a magnetic stripe. An EMV card is virtually impossible to counterfeit since the chip is able to perform cryptographic processing during a payment transaction.

Cheque Truncation System (CTS)

Through the CTS, physical cheques are converted into substitute electronic forms for transmission to the paying bank. Cheque truncation reduces or eliminates the physical movement of cheques and reduces the time and cost of processing the cheque clearance system. Under this system, clearing of cheques become shorter from three days to two days.

Purchase Transaction Alert

Credit card holders receive real-time purchase transaction e-mail alert of purchases made to thwart unauthorized use of credit card.

iEasyPadala

LANDBANK Remittance System (LBRS) is a web-based remittance system capable of processing remittance transactions with various delivery channels for the settlement of clients and beneficiaries accounts. The LBRS also implemented system interfaces with various Remittance Agency Partners such as XOOM, Western Union, WIC, etc. for seamless processing of remittance transactions.



Continuing Bank Products, Services, Channels and Facilities

Bank Products

- Deposit Products
- Remittance Products
- Card Products (LANDBANK Visa Debit Card (LVDC); Credit Card)
- Salary Loan Products (LANDBANK Mobile LoanSaver (LMLS); LANDBANK Livelihood Loan Program)

Direct Delivery Channels

- Automated Telling Machines
- Cash Deposit Machine
- LANDBANK Express Access Machines
- Mobile ATMs

Electronic Banking (e-Banking) Products and Services

- Internet Banking
 - LANDBANK weACCESS
 - LANDBANK iACCESS
 - Electronic Modified Disbursement System (eMDS)

- Mobile Banking
 - LANDBANK Mobile Banking Application (MBA)
- Payment and Collection Services
 - Electronic Tax Payment System (eTPS)
 - BOC Pass Electronic Payment System (PAS5 -EPS)
 - Private Collection Services
 - Government Collection Services

Collection and Disbursement Services for the National Government

- Conditional Cash Transfer
- Revenue Collection Services and other services
- Modified Disbursement System (MDS)

Other Facilities

- Phone Banking
- LANDBANK Point-of-Sale (POS) Debit and POS Debit/Credit
- LANDBANK POS Cash-out



LANDBANK continuously prioritizes programs aimed at promoting greater financial inclusion, with wider operations centered on customers. The Bank puts premium on customer service as it continues to provide accessible, convenient, and excellent banking services even for far-flung communities.



EMPLOYEE DEVELOPMENT

Investment in People

LANDBANK considers its employees as its greatest assets. It responds to the value of having a skilled set of professionals with technical capabilities, and expertise in various fields for its sustainable growth, to have an advantage over others in a competitive banking industry. In order to inculcate a culture of high performance, LANDBANK motivates and upgrades its human resources by investing in them—ensuring that they are provided with fair and equal opportunities for learning and development. The Bank has always put a premium on developing a talented and competitive workforce through attendance to various learning and development programs on various disciplines.

The Bank's Management and Leadership Development Program (MLDP) strengthens leadership skills among its high performers, forming a stepping stone for future supervisory and managerial roles in the Bank. A culture of excellence and professionalism is thus strongly nurtured within the organization.

Success of the MLDPs is evident in the numerous recognitions received by the Bank. In 2015, the People Management Association of the Philippines adjudged the MLD framework as a finalist for the People Program of the Year. LANDBANK was also awarded Graduate Employment Programme of the Year – Philippines by the Asian Banking and Finance Magazine in 2016. The following year, the Bank was cited as the Outstanding Development Project under Human Capital Development Category for both its "MLD

Framework” and “Cooperative Immersion” by the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP).

Apart from strengthening the Bank’s succession program, the MLD framework is integrated with the other human resource (HR) processes under a competency-based HR system developed and used consistently across the organization, linking employees to the organization’s tactical and strategic direction.

In order to evaluate the performance of its talent, the Bank initially uses Position Competency Profile (PCP) to develop the competency levels among employees. This is based on individual key performance indicators of specific job roles. The performance evaluation system helps to review the core, leadership and functional competencies of individual employees by identifying gaps in performance, and provides focus points for improvement. With this system, the employees, with the assistance of the supervisors, can create a customized competency-based Individual Development Plan (IDP) which serves as a tool to enlist specific learning and development interventions for individual employees.

As additional opportunities to pursue higher studies, the Bank provides opportunities for its employees to enroll in an in-house Master in Business Administration in partnership with the College of the Holy Spirit Manila. This allows Landbankers to earn a post graduate degree in a span of a year.

The Bank also offers various opportunities for globally-recognized certification programs, especially for those who are involved in highly specialized roles. Other than providing technical skills trainings, the Bank also attempts to inculcate a culture of coaching across its operations, to counsel and mentor individuals to perform to their optimum.

All these initiatives serve as proof that LANDBANK remains committed towards placing great importance on the personal and professional growth of its employees, ensuring that as the Bank grows, the employees grow as well.



EMPLOYEE DEVELOPMENT

With a mission to develop and nurture talents to exemplify the highest standards of ethics and excellence consistent with the best in the world, LANDBANK's talent management strategy ensures that all Landbankers are provided with an excellent platform to showcase their talents and develop as individuals. The Bank understands that its employees play a huge role in helping the Bank achieve its goals and targets, thus it values their contributions by providing them with opportunities to grow career-wise.

LANDBANK's workforce is comprised of talented and motivated individuals who work hand-in-hand with the Bank to help in its long-term success. Employee development is deeply embedded in the Bank's Corporate Strategy, constantly working towards building and enhancing partnerships with employees to improve their capabilities. Human Resources Management Group (HRMG) is responsible for the employee development activities of the Bank.



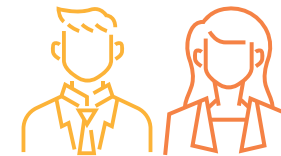
102-8, 405-1, 405-2

Employment

LANDBANK's talent management and recruitment processes are in accordance with government-related mandates. To ensure that the right kind of talent is recruited, the Bank conducts studies to understand region-wise market dynamics in accordance with business needs throughout its regions of operation across the Philippines. Recruitment processes are strategized based on the results of these studies. In hiring employees for permanent positions, LANDBANK's hiring criteria is more detailed as employees need to undergo screening processes. These processes include pre-employment examinations, interviews, medical examinations and background checks. The Bank's diligent steps towards hiring ascertain that only capable and competitive individuals are hired. The Bank understands the importance of having a low turnover rate, hence it puts steps in place to ensure that its employees are satisfied. LANDBANK provides equal pay to both men and women.

2017

9,421
employees and
service company
workers



2016

9,194
employees and
service company
workers

LANDBANK's strong and diverse workforce is composed of multi-talented individuals with various skill-sets. The Bank ensures that equal opportunities are provided to all employees, treating them with the respect and dignity they deserve, regardless of gender, age, regional background, religious beliefs and seniority.

Workforce Dashboard

Scope: LANDBANK Plaza and Branches



Male Employees



Female Employees

Total workforce by employees and supervised workers by gender

Total number of employees by employment contract and gender

Total workforce by employees and supervised workers by gender

Total number of employees by employment contract and gender

2017

2,616
Employees

551
Supervised Workers

2,593
Permanent

22
Co-terminous

1
Temporary

Total: 2,616

5,369
Employees

885
Supervised Workers

5,357
Permanent

12
Co-terminous

0
Temporary

Total: 5,369

2016

2,622
Employees

498
Supervised Workers

2,626
Permanent

17
Co-terminous

1
Temporary

Total: 3,142

5,190
Employees

862
Supervised Workers

5,176
Permanent

14
Co-terminous

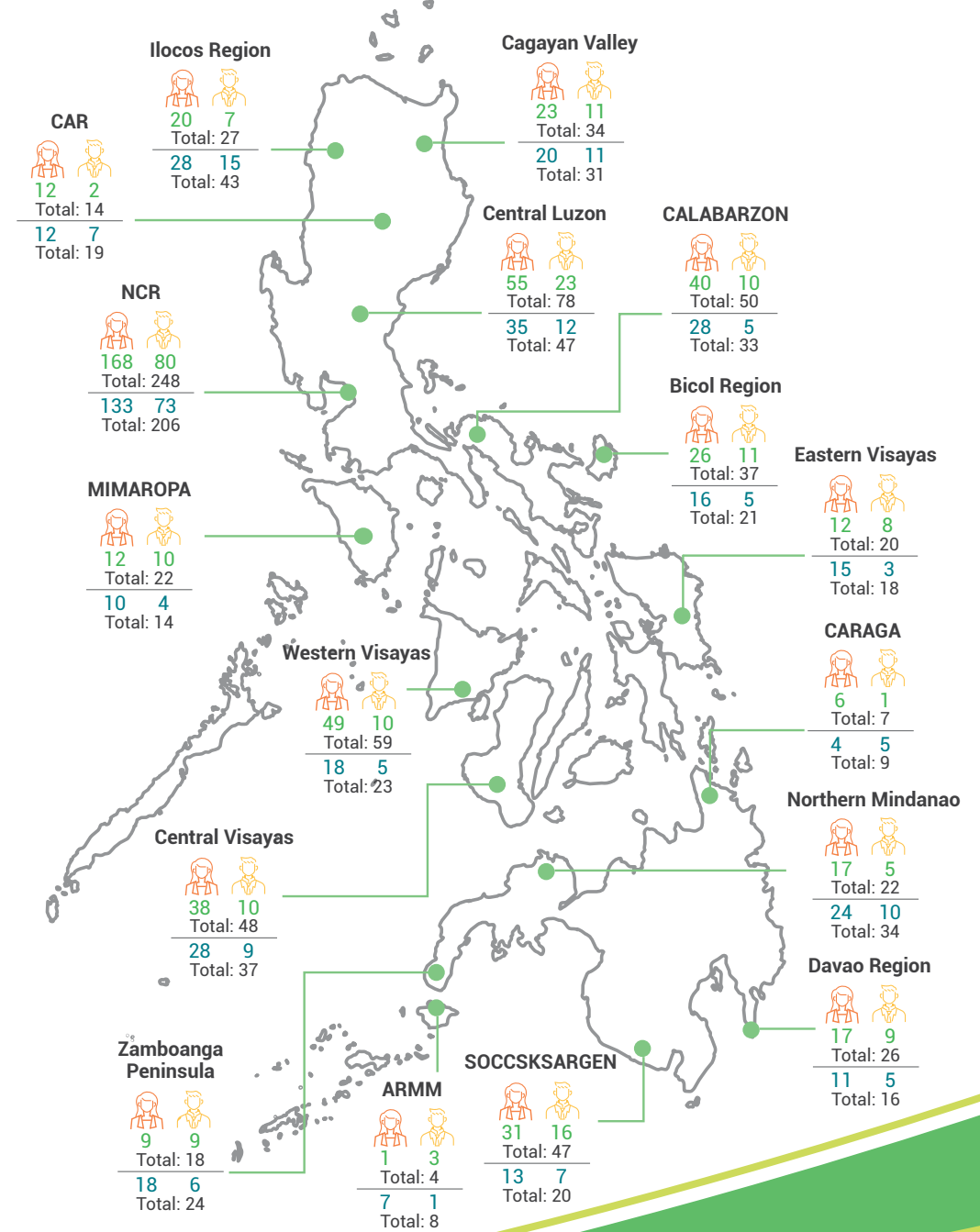
0
Temporary

Total: 5,190

Total Number of Employees by Region and Gender

Appointment Status	2017			2016		
	Female	Male	Total	Female	Male	Total
NCR	2,552	1,427	3,979	2,463	1,372	3,835
CAR	78	38	116	71	33	104
Ilocos Region	238	100	338	230	96	326
Cagayan Valley	223	131	354	215	131	346
Central Luzon	524	212	736	513	224	737
CALABARZON	505	195	700	490	201	691
MIMAROPA	145	69	214	140	68	208
Bicol Region	236	102	338	224	108	332
Western Visayas	343	157	500	311	162	473
Central Visayas	249	108	357	234	108	342
Eastern Visayas	168	79	247	174	77	251
Zamboanga Peninsula	160	98	258	171	99	270
Northern Mindanao	249	120	369	248	125	373
Davao Region	219	110	329	212	117	329
SOCCSKSARGEN	247	150	397	240	146	386
ARMM	37	29	66	43	28	71
CARAGA	81	42	123	73	47	120
Total	6,254	3,167	9,421	6,052	3,142	9,194

New Employee Hires by Region and Gender



Number of Employees by Age and Gender

Age Group	2017			2016		
	Female	Male	Total	Female	Male	Total
25 and below	1,445	588	2,033	1,260	527	1,787
26-35	1,604	867	2,471	1,438	768	2,206
36-45	1,443	649	2,092	1,518	652	2,170
46-49	703	353	1,056	778	394	1,172
50-55	908	550	1,458	856	573	1,429
56-59	136	137	273	177	197	374
60 and up	15	23	38	25	31	56
Total	6,254	3,167	9,421	6,052	3,142	9,194

Number of Employee Hires by Age and Gender

Age Group	2017			2016		
	Female	Male	Total	Female	Male	Total
25 and below	397	152	549	312	122	434
26-35	125	63	188	97	52	149
36-45	10	5	15	8	6	14
46-49	2	2	4	1	0	1
50-55	1	1	2	1	0	1
56-59	1		1	0	0	0
60 and up		2	2	1	3	4
Total	536	225	761	420	183	603

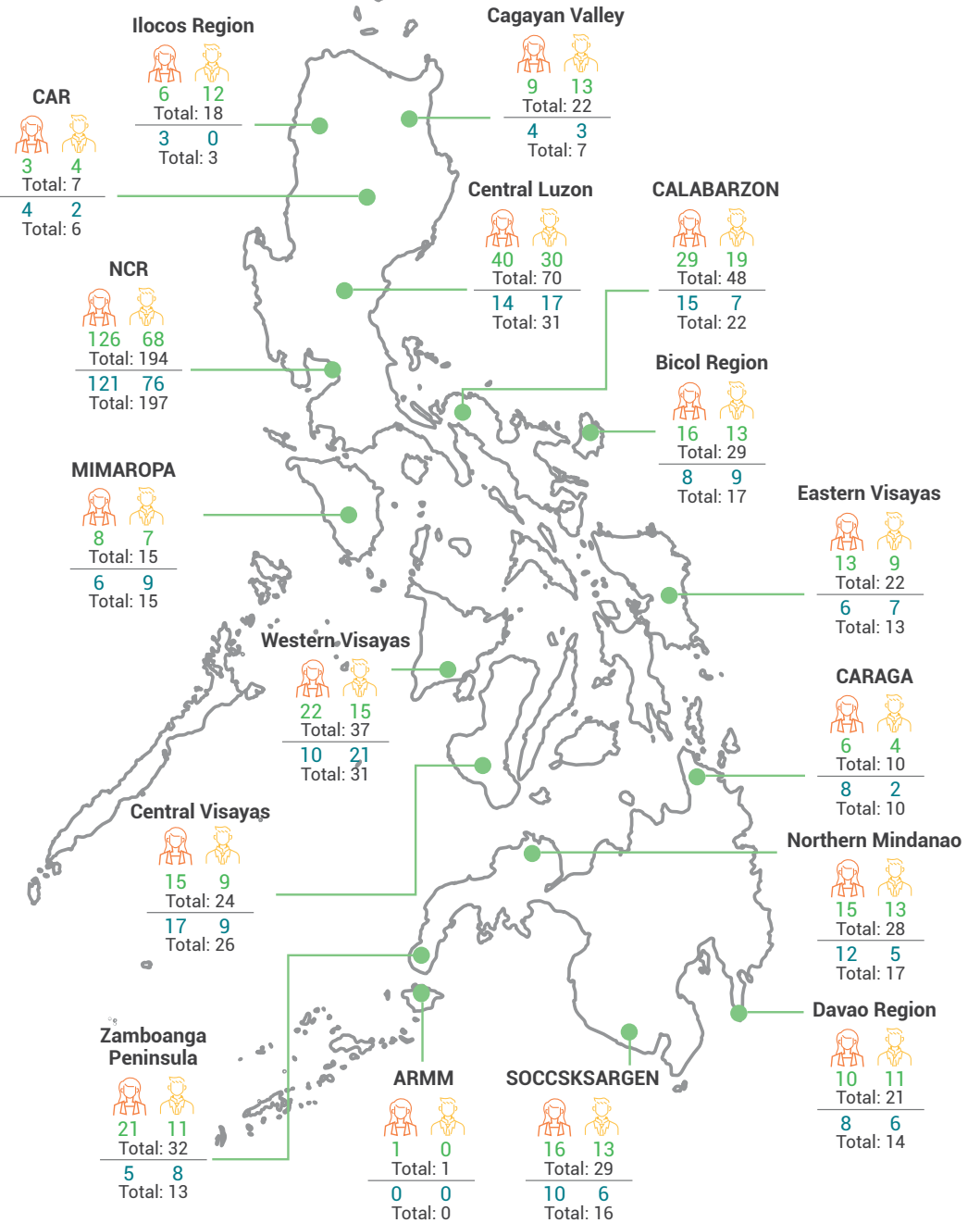
Number of Separated Employees by Age Group and Gender

Age Group	2017			2016		
	Female	Male	Total	Female	Male	Total
25 and below	23	13	36	15	8	23
26-35	38	21	59	40	24	64
36-45	51	16	67	35	18	53
46-49	39	11	50	27	10	37
50-55	84	52	136	45	42	87
56-59	91	105	196	50	50	100
60 and up	30	33	63	39	35	74
Total	356	251	607	251	187	438



401-1, 405-1

Total Number of Separated Employees by Gender and Region



EMPLOYEE BENEFITS



Personnel Economic Relief Allowance

Uniform/Clothing Allowance

Year-End Bonus and Cash Gift

Mid-Year Bonus

Standard Benefits/Allowances

Specific Purpose Benefits/ Allowances (including Magna Carta Benefits)

- Children's Allowance
- Representation Allowance (for Pay Grade 8 and up)
- Transportation Allowance (for PG 8 and up)
- Housing Allowance (for PG 10 and up assigned in the field)
- Teller's Allowance
- Compensation Package for Overseas Remittance Officers
- Overtime Pay
- Night Differential Pay
- Legal Assistance and Indemnification Plan
- Travel Allowance Per Diem
- Mobile Communication Facility
- Honoraria
- Magna Carta for Public Health Workers
- Longevity Pay
- Meal Allowance

Rewards, Incentives and Performance-based Pay Benefits

- Anniversary Cash Gift
- Collective Negotiation Agreement (CNA) Incentive
- Productivity Enhancement Incentive
- Performance-Based Bonus
- CSC Honor Award Program
 - Dangal ng Bayan Award
 - Presidential Lingkod Bayan Award
 - Civil Service Commission Pagasa Award
- Awards for Individual Excellence
 - Perfect Attendance Award
 - Professional Award
 - Trailblazing Products and Services Program
- Awards for Milestone Years of Service
 - Loyalty Award
- Awards for Group Excellence
 - Branch Banking Award
 - Awards of Excellence for Lending Units
 - Audit Achiever's Award
 - Awards for Institutional Achievement
- Merit Increase Program

Medical/Health Care/Life Care Benefits

- Total Annual Medical Benefit
- Financial Assistance for Dreaded Diseases
- Loss of Life and Disability Benefit Plan
- Mutual Aid Benefit Program
- Mandatory Annual Medical Examination
- Flu Vaccination
- Access to Emergency Medicines for Field Unit Employees
- Access to Medical Clinic/ Retainer Physician's Services

Leave Benefits

- Sick Leave
- Vacation Leave
- Maternity Leave
- Paternity Leave
- Maternity and Paternity Leave Benefits for Adoptive Parents
- Parental Leave for Solo Parents
- Special Emergency Leave
- Special Leave Privilege
- Special Leave Benefits for Women (Magna Carta for the women)
- Sick Leave with Pay
- Extension of Sick Leave with Half Pay
- Rehabilitation Privilege
- Study Leave with pay
- Forced Mandatory Leave
- Compensatory Service
- 10-Day Leave under Republic Act No. 9262
- LBPEA Time-Off
- Muslim Holiday in Areas outside the Autonomous Region
- Monetization of Leave Credits
- Terminal Leave

Bank's/Employer's Share

- Bank's Provident Fund Share
- GSIS
- PHIC
- HDMF

Others

- Christmas Gift Package/Raffle
- Financial Assistance and Relief Goods
- Floral Wreath for Deceased Employees, their Immediate Family Members and Retirees
- Shuttle Service

Employees Availing Rehabilitation Privilege

Type of Privilege	2017	2016
Rehabilitation Privilege	8	2
SL with Full Pay	21	24
SL with Half Pay	-	4

Parental Leaves Taken

Type of Leave	2017	2016
Maternity	247	242
Paternity	64	78
Solo Parent Leave	122	112



LABOR MANAGEMENT RELATIONS

LANDBANK understands the key role that labor management and good communication have in its success as an organization. In order to improve relations with its employees, the Bank recognizes the formation of employee associations. The Bank supports its employee association and ensures that it is completely transparent in its communications with them regarding various aspects, especially operational changes. Currently, two associations are institutionalized in the Bank – the Land Bank of the Philippines Employees Association (LBPEA) and the LANDBANK Middle Management Officers Association Incorporated (MMOAI). The LBPEA was identified as the sole and exclusive negotiating representative of all regular employees of the Bank for the purpose of collective negotiations.

To maintain strong communications between managers and employees, the Bank ensures that it has a strong social media channel such as the website, human resources Facebook page, and Twitter account among others. The Bank also conducts regular HR town hall meetings, State of the Bank Address, circulates the weekly internal newsletters, and communicates regularly with elected officers of the LBPEA and the MMOAI to further strengthen communications. The Bank's communications strategies have improved transparency within the organization and have provided a portal for the Management to promulgate information to its employees about the Bank's goals, plans, programs, strategies and expectations.

The Bank also ensures that employees are provided with a platform where they can voice out their concerns, in aid of policy decisions or conflict resolutions. With a view in mind to promote a harmonious relationship between employees and the management, the Bank has introduced a formal grievance mechanism that helps in addressing complaints and grievances. Together, LANDBANK and LBPEA ensure that the working

conditions provided to Landbankers are compliant with all relevant laws, rules and regulations. This helps the Bank achieve the maximum level of working efficiency, constantly improving employee welfare.

Collective Negotiation Agreements and Freedom of Association

LANDBANK understands the importance of providing freedom of association at the workplace to ensure that employees are provided with a platform where they can share their concerns as a group. The Bank realizes the mutual benefits gained when such freedom is provided. Collective Negotiation Agreement (CNA) embodies the intent and purpose of Management and employees to promote and improve the industrial relations between them. The CNA outlines the terms and conditions of employment to ensure a safe working environment for all employees, including proper wages, working hours, health and safety, as well as overtime services.

Total LANDBANK population covered by the Collective Negotiation Agreement (CNA)





Respecting the rights of each of its employees to form associations, LANDBANK ensures that the development and conduct of CNA is guided by laws, rules and regulations issued by the CSC and Public Sector Labor-Management Council. The Bank conducts CNA with its employees who are represented by the LBPEA every three years. Additionally, monthly meetings and periodic townhall meetings happen between the Management and LBPEA to address issues that have an influence on employee welfare. A representative from the LBPEA is given the opportunity to talk to the Bank's newly-hired employees during the employee orientation seminar also known as LANDBANK in Perspective.

- Article XIII Section 3 – The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with the law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision making processes affecting their rights and benefits as may be provided by law.

The Bank's 5th CNA specifically stipulates the following provisions in the Philippine Constitution granting to government workers the right to form unions and to collective negotiations:

The 5th CNA between LANDBANK and LBPEA was concluded on October 24th, 2014. This Agreement was effective for the period 2014 to 2017, which issued amendments to the 4th CNA:

- Article IX (B) Section 2 (5) – The right to self-organization shall not be denied to government workers.
- Article III Section 8 – The right of the people, including those in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law shall not be abridged.
- Article III Section 6 – Accreditation of attendance to employee organization leadership seminars as relevant training of LBPEA officers and members.
- Article III Section 10 – Right of the LBPEA to give suggestions and recommendations in the issuance of guidelines or policies directly affecting their rights and welfare.

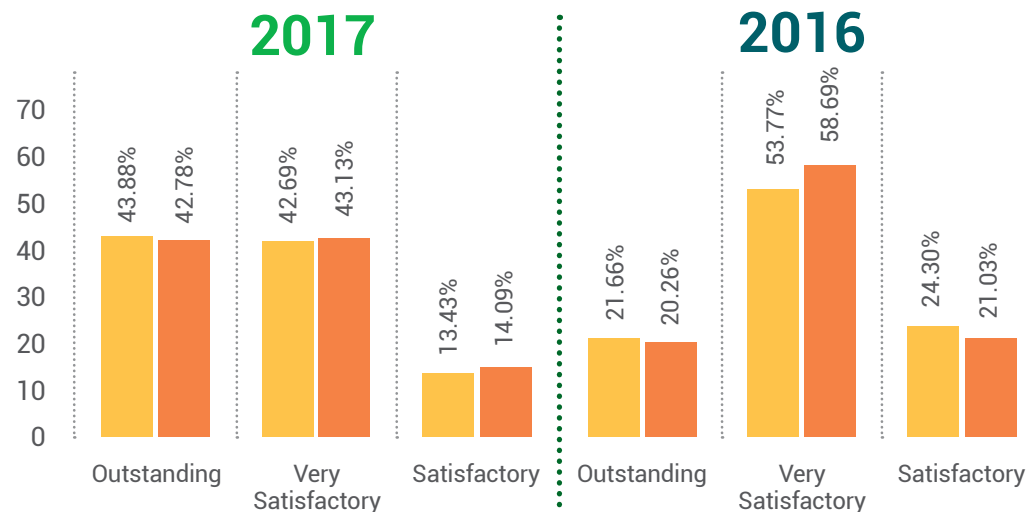


Investment in People

With the Landbankers as its greatest asset, the Bank responds to the value of having a skilled set of professionals with technical capabilities and expertise through various trainings.

Average Number of Training Hours	2017	2016
Senior Officers (PG 14-18)	14.09	11.60
Junior Officers (PG 9-13)	10.04	8.95
Rank-and-File (PG 4-8)	9.85	9.88

Breakdown of Officers Performance Rating (%)



Legend: Male Employee (Yellow), Female Employee (Orange)

Training hours provided to employees



*Total number of trained personnel is 8,147

404-1, 404-2, 404-3

OCCUPATIONAL HEALTH AND SAFETY

LANDBANK understands the importance of providing a healthy and safe environment for all its employees. In its venture to provide such, the Bank constantly puts efforts to improve employee wellness and boost workplace safety. By providing safe and healthy working conditions, the Bank reduces risks due to unsafe practices, enhances productivity of employees, and reduces the costs that could be incurred due to lost time.

LANDBANK makes sure that it provides a safe working environment for its employees in order to reduce occupational diseases and work-related accidents. The Bank ensures that it is constantly compliant with all relevant occupational health and safety standards. It caters to employees' health needs by offering nutrition counselling services, disease prevention services, risk control programs and socio-emotional health promotion activities that the employees can avail of. The LANDBANK Plaza offers facilities like the Medical Clinic, Health Gym and Fitness Center, and Lactation Center as part of its various efforts to promote employee health and wellness.

Employee representatives from LBPEA and MMOAI play a significant role in the promotion of occupational health and safety in the Bank, as these groups form part of the Health and Safety Committee (HSC). The Bank's HSC serves as a planning and policy-making body for all matters pertaining to occupational safety and health. Four representatives of the LBPEA are members of the HSC representing 100% of rank-and-file employees. The HSC was created to ensure a work environment that is free from occupational safety and health hazards in order to maintain the health, safety and well-being of LANDBANK employees.

Upholding transparency about its health and safety provisions, the Bank includes workplace health and safety as a part of the employee orientation program so that the newly-hired employees are equally

informed as the rest of the employees. To ensure that employees are of good health, LANDBANK requires them to undergo an annual medical examination and provides them with medical consultation and health counselling. This happens at the worksite medical clinic or at the Health Maintenance Organization (HMO)-accredited facilities, conducted by experienced healthcare professionals. The Bank has implemented a Bank-wide Employee Wellness Program that has been strategized to improve employee health and well-being in a holistic manner. LANDBANK's Employee Wellness Program activities cater to improve employees physical and mental health. The Bank's Employee Wellness Program include learning sessions, stress management workshops, psychological interventions like critical stress incident debriefing, counselling and case management by mental health professionals.



Number of Injuries

Gender	Type of Injury	Duration of leave of absence
2 males	Laceration	2 days
	Fall	5 days
2 females	Fall	2 months
	Fall	0 months

Absentee Rate

Gender	Number of Employees
Female	7
Male	1
Total	8



Human Rights and Security Practices

LANDBANK believes in upholding and protecting the human rights of all stakeholders across its operations, subjecting all regions to Human Rights Assessments. The Bank has a strong commitment towards conducting its business in an ethical manner. The Employee Relations Department, the Organization Development Department, Personnel Administration Department and the Human Resources Management Group are responsible for carefully managing and ensuring that all activities related to the Bank happen in a moral and ethical manner, preserving human rights and conduct.

The 5th CNA further strengthens the Bank's mission towards protecting and upholding human rights. Section 5, Article I of the 5th CNA states that the Bank and the LBPEA promote equality among men and women without any gender biases, and that all Landbankers need to carry out their duties and responsibilities in a courteous and respectful manner, without regard to race, religion, region, ethnicity, gender or political affiliation. Human Rights Training is provided to 100% of LANDBANK's employees, and is a part of the employee orientation program.

LANDBANK understands the key role that good security practices have in maintaining efficient and safe operations. The Bank's Physical Security Office (PSO) is responsible for undertaking and monitoring the security operations and for the general implementation and/or enforcement of the provisions of the Bank's Security Program. The security personnel, primarily the premise and escort guards are required to undergo security re-training at Camp Crame/Provincial Philippine National Police (PNP) office 60 days before the expiration of their respective licenses.

Security Briefings Conducted in Provincial Branches/Cash Operations Units

Number of Personnel	2017	2016
Security guards	1,740	1,217
Armoured car crews	807	602



LANDBANK, valuing the importance of having a skilled set of professionals with technical capabilities and expertise, puts efforts into building and sustaining capable and driven talent through capacity-building and development programs on different disciplines. The Bank continues to foster the Landbanker identity that is tantamount to quality and excellence.

CSR STEERING COMMITTEE as of December 2017



Alex V. Buenaventura
President and CEO
Chairperson
CSR Steering Committee



EVP Edward John T. Reyes
Head
Agricultural and Development
Lending Sector
Member
CSR Steering Committee



EVP Liduvino S. Geron
Head
Branch Banking Sector
Member
CSR Steering Committee



EVP Julio D. Climaco, Jr.

Head
Corporate Services Sector

Member
CSR Steering Committee



EVP Alan V. Bornas

Head
Operations Sector

Member
CSR Steering Committee



EVP Carel D. Halog

Head
Treasury and Investment
Banking Sector

Member
CSR Steering Committee

CSR TECHNICAL WORKING GROUP



FVP Catherine Rowena B. Villanueva

*Head
Corporate Affairs
Department*

*Chairperson
CSR TWG*

AVP Prudencio E. Calado III

*Head
Environmental Program
Management Department*

*Vice Chairperson
CSR TWG*

VP Dina Melanie R. Madrid

*Head
Facilities and Procurement
Services Group*

*Member
CSR TWG*

FVP Amelia S. Amparado

*Head
Compliance Management
Group*

*Member
CSR TWG*

VP Efren S. Tedor

*Head
Physical Security Office*

*Member
CSR TWG*

VP Maria Edelwina D. Carreon

*Head
Internal Audit Group*

*Member
CSR TWG*

FVP Noel B. Marquez

*Head
Legal Services Group*

*Member
CSR TWG*



Gaudioso Carlos A. Garcia VI

*Executive Director
LANDBANK Countryside
Development Foundation Inc.*

*Member
CSR TWG*

VP Elenita C. Rapanut

*Head
Branch Banking Support
Development*

*Member
CSR TWG*

FVP Elcid C. Pangilinan

*Head
Strategic Planning Group*

*Member
CSR TWG*

FVP Emellie V. Tamayo

*Head
Lending Program
Management Department*

*Member
CSR TWG*

FVP Sofia C. Ladores

*Head
Risk Management
Group*

*Member
CSR TWG*

Mira Leah B. Patio

*Head
Employee Relations
Department*

*Member
CSR TWG*

FVP Alden F. Abitona

*Head
Technology
Management Group*

*Member
CSR TWG*

CSR TWG ALTERNATE MEMBERS



Strategic Planning Group

Ms. Sheila Marie Encabo
Ms. Luzviminda Lindaya
Ms. Maria Anna Elizabeth Lado-ing

Risk Management Group

Mr. Froilan Valmocena

Legal Services Group

Atty. Romina Dalagan

Internal Audit Group

Ms. Nerissa Loma

Facilities and Procurement Services Group

Mr. Alexander Lazaro

Compliance Management Group

Ms. Evelyn Villaruel

Technology Management Group

Ms. Marites Laserna

Environmental Program and Management Department / Lending Program Management Group

Ms. Pauline Angelic Roxas

Employee Relations Department

Ms. Salve Trinidad Malijan

Branch Banking Support Department

Mr. Dennis Malveda
Ms. Carla Mirabueno

Physical Security Office

Mr. Edgardo Flores

LANDBANK Countryside Development Foundation, Inc.

Ms. Regina Cañizares

Corporate Affairs Department / CSR TWG Secretariat

Ms. Julienne Picato
Ms. Hazel Elizes

From L-R: Ms. Luzviminda Lindaya, Ms. Julienne Picato, Ms. Maria Anna Elizabeth Lado-ing, Mr. Alexander Lazaro, Mr. Froilan Valmocena, Mr. Edgardo Flores, Ms. Marites Laserna, Ms. Regina Cañizares, Atty. Romina Dalagan, Ms. Pauline Angelic Roxas, Ms. Evelyn Villaruel, Ms. Nerissa Loma, and Ms. Carla Mirabueno.

Appendix

Loans to All Sectors in 2016 (Millions of Php)

SECTORS	Luzon	Visayas	Mindanao	Head-Office Based Loans	Total
Mandated Sector					
Small farmers including agrarian reform beneficiaries and their associations	20,319.91	10,207.46	9,720.32	469.00	40,716.69
Small fisherfolk and their associations	52.69	22.81	31.90	-	107.40
Sub Total	20,372.60	10,230.27	9,752.22	469.00	40,824.09
Support for Agriculture and Fisheries					
Agribusiness	10,393.27	10,296.24	13,630.96	19,475.96	53,796.43
Aqua-business	-	10.20	476.95	808.93	1,296.08
Agri-Aqua related projects of Local Government Units (LGUs) and Government Owned and Controlled Corporations (GOCCs)	7,933.15	4,116.27	6,222.69	37,636.18	55,908.29
Sub Total	18,326.42	14,422.71	20,330.60	57,921.07	111,000.80
Support for National Government					
Priority Programs					
Micro, small and medium enterprises	19,584.39	7,680.00	10,095.82	25,407.95	62,768.16
Communications	114.69	133.39	-	27,800.00	28,048.08
Transportation	5,163.05	5,694.07	3,585.66	15,589.29	30,032.07
Housing	4,162.76	3,110.69	222.49	32,958.17	40,454.11
Education	1,671.04	218.42	518.47	2,126.98	4,534.90
Healthcare	3,971.71	926.92	986.56	4,282.12	10,167.31
Environment-related projects	796.18	229.20	1,026.21	13,337.47	15,389.06
Tourism	1,238.00	437.89	1,595.55	3,259.44	6,530.88
Utilities	2,942.35	3,310.45	1,571.62	62,621.03	70,445.45
Others	11,686.08	2,633.82	5,946.21	-	20,266.11
Sub-Total	51,330.25	24,374.85	25,548.58	187,382.45	288,636.14
TOTAL PRIORITY SECTOR LOANS	90,029.27	49,027.83	55,631.40	245,772.52	440,461.02
Others					
Other LGU Loans	4,741.32	2,487.24	1,941.05	1,782.33	10,951.94
Other GOCC Loans	-	-	-	14,852.25	14,852.25
Others	1,707.34	6,206.48	4,806.74	9,868.98	22,589.54
TOTAL OTHER SECTOR LOANS	6,448.66	8,693.72	6,747.79	26,503.56	48,393.73
LOANS TO ALL SECTORS	96,477.93	57,721.55	62,379.19	272,276.08	488,854.75

GRI Content Index (CORE)



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report.

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 101: Foundations 2016				
GRI 102- General Disclosures 2016				
<i>Organizational Profile</i>				
GRI 102	102-1	Name of the organization	Reported	6
GRI 102	102-2	Activities, brands, products, and services	Reported	6
GRI 102	102-3	Location of headquarters	Reported	11
GRI 102	102-4	Location of operations	Reported	8
GRI 102	102-5	Ownership and legal form	Reported	6
GRI 102	102-6	Markets served	Reported	6-8
GRI 102	102-7	Scale of the organization	Reported	7-8
GRI 102	102-8	Information on employees and other workers	Reported	76-79
GRI 102	102-9	Supply chain	Reported	26
GRI 102	102-10	Significant changes to the organization and its supply chain	Reported	26
GRI 102	102-11	Precautionary principle or approach	Reported	25
GRI 102	102-12	External initiatives	Reported	9
GRI 102	102-13	Membership of associations	Reported	9
<i>Strategy</i>				
GRI 102	102-14	Statement from senior decision-maker	Reported	4-5
GRI 102	102-15	Key impacts, risks, and opportunities	Reported	23
<i>Ethics and Integrity</i>				
GRI 102	102-16	Values, principles, standards, and norms of behavior	Reported	3, 24-25
GRI 102	102-17	Mechanisms for advice and concerns about ethics	Reported	24-25
<i>Governance</i>				
GRI 102	102-18	Governance structure	Reported	21
GRI 102	102-19	Delegating authority	Reported	12

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 102	102-20	Executive-level responsibility for economic, environmental, and social topics	Reported	12
GRI 102	102-21	Consulting stakeholders on economic, environmental, and social topics	Reported	12-13
GRI 102	102-22	Composition of the highest governance body and its committees	Reported	21
GRI 102	102-23	Chair of the highest governance body	Reported	21
GRI 102	102-24	Nominating and selecting the highest governance body	Reported	21
GRI 102	102-28	Evaluating the highest governance body's performance	Reported	21
GRI 102	102-29	Identifying and managing economic, environmental, and social impacts	Reported	12, 22-23
GRI 102	102-30	Effectiveness of risk management processes	Reported	12, 22
GRI 102	102-31	Review of economic, environmental, and social topics	Reported	12, 22
GRI 102	102-32	Highest governance body's role in sustainability reporting	Reported	12, 22-23
<i>Stakeholder Engagement</i>				
GRI 102	102-40	List of stakeholder groups	Reported	12-13
GRI 102	102-41	Collective Bargaining Agreements	Reported	82-83
GRI 102	102-42	Identifying and selecting stakeholders	Reported	12-13
GRI 102	102-43	Approach to stakeholder engagement	Reported	12-16
GRI 102	102-44	Key topics and concerns raised	Reported	14-16
<i>Reporting Practice</i>				
GRI 102	102-45	Entities included in the consolidated financial statements	Reported	20
GRI 102	102-46	Defining report content and topic boundaries	Reported	17-18

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 102	102-47	List of material topics	Reported	17-18
GRI 102	102-48	Restatements of information	Reported	10-11
GRI 102	102-49	Changes in reporting	Reported	10-11
GRI 102	102-50	Reporting period	Reported	10-11
GRI 102	102-51	Date of most recent report	Reported	10-11
GRI 102	102-52	Reporting cycle	Reported	10-11
GRI 102	102-53	Contact person for questions regarding the report	Reported	This report has been prepared in accordance with the GRI Standards: Core option
GRI 102	102-54	Claims of reporting in accordance with GRI Standards	Reported	10-11
GRI 102	102-55	GRI content index	Reported	94
Economic Performance				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	19
GRI 103	103-2	The management approach and its components	Reported	19
GRI 103	103-3	Evaluation of the management approach	Reported	19
<i>GRI 201: Economic Performance 2016</i>				
GRI 201	201-1	Direct economic value generated and distributed	Reported	19, 34-37
GRI 201	201-2	Financial implications and other risks and opportunities due to climate change	Reported	34-37, 61
GRI 201	201-4	Financial assistance received from government	Reported	Tax Credits Used in 2016: ₱1.08 Billion 2017: ₱1.10 Billion
Market Presence				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	76
GRI 103	103-2	The management approach and its components	Reported	76, 82-83
GRI 103	103-3	Evaluation of the management approach	Reported	76, 83

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
<i>GRI 202: Market Presence 2016</i>				
GRI 202	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	Reported	Employees are paid in accordance with governmental laws and regulations
GRI 202	202-2	Proportion of senior management hired from the local community	Reported	All senior management from local community, as per governmental laws and regulations
Indirect Economic Impacts				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	34
GRI 103	103-2	The management approach and its components	Reported	34-37
GRI 103	103-3	Evaluation of the management approach	Reported	36
<i>GRI 203: Indirect Economic Impact 2016</i>				
GRI 203	203-1	Infrastructure investments and services supported	Reported	34
GRI 203	203-2	Significant indirect economic impacts	Reported	34
Procurement Practices				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	26
GRI 103	103-2	The management approach and its components	Reported	26
GRI 103	103-3	Evaluation of the management approach	Reported	26, 60
<i>GRI 204: Procurement Practices 2016</i>				
GRI 204	204-1	Proportion of spending on local suppliers	Reported	All procured goods are local, unless the goods are not available locally.

GRI Content Index (CORE)

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
Anti-corruption				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	24
GRI 103	103-2	The management approach and its components	Reported	24-25
GRI 103	103-3	Evaluation of the management approach	Reported	25
<i>GRI 205: Anti-corruption 2016</i>				
GRI 205	205-1	Operations assessed for risks related to corruption	Reported	24
GRI 205	205-2	Communication and training about anti-corruption policies and procedures	Reported	24
Energy				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	54
GRI 103	103-2	The management approach and its components	Reported	54, 60
GRI 103	103-3	Evaluation of the management approach	Reported	54, 60
<i>GRI 302: Energy 2016</i>				
GRI 302	302-1	Energy consumption within the Organization	Reported	54-55
GRI 302	302-3	Energy intensity	Reported	54-55
GRI 302	302-4	Reduction of energy consumption	Reported	54-55
Water				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	54
GRI 103	103-2	The management approach and its components	Reported	54, 56, 60
GRI 103	103-3	Evaluation of the management approach	Reported	56, 60
<i>GRI 303: Water 2016</i>				
GRI 303	303-1	Water withdrawal by source	Reported	56
GRI 303	303-2	Water sources significantly affected by withdrawal of water	Reported	56

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
Biodiversity				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	62
GRI 103	103-2	The management approach and its components	Reported	60, 63-65
GRI 103	103-3	Evaluation of the management approach	Reported	63-65
<i>GRI 304: Biodiversity 2016</i>				
GRI 304	304-1	Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas	Reported	63-65
GRI 304	304-2	Significant impacts of activities, products, and services on biodiversity	Reported	63-65
GRI 304	304-3	Habitats protected or restored	Reported	62-65
Emissions				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	54
GRI 103	103-2	The management approach and its components	Reported	54, 56, 60-61
GRI 103	103-3	Evaluation of the management approach	Reported	56, 60
<i>GRI 305: Emissions 2016</i>				
GRI 305	305-1	Direct (Scope 1) GHG emissions	Reported	57
GRI 305	305-2	Energy indirect (Scope 2) GHG emissions	Reported	57
GRI 305	305-3	Other indirect (Scope 3) GHG emissions	Reported	57
GRI 305	305-4	GHG emissions intensity	Reported	57
GRI 305	305-5	Reduction of GHG emissions	Reported	57
Effluents and Waste				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	54

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 103	103-2	The management approach and its components	Reported	54, 58-59, 60
GRI 103	103-3	Evaluation of the management approach	Reported	58-59, 60
GRI 306: Effluents and Waste 2016				
GRI 306	306-2	Waste by type and disposal method	Reported	58-59
GRI 306	306-4	Transport of hazardous waste	Reported	59
Environmental Compliance				
GRI 103: Management Approach 2016				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	27
GRI 103	103-2	The management approach and its components	Reported	27
GRI 103	103-3	Evaluation of the management approach	Reported	27, 60
GRI 307: Environmental Compliance 2016				
GRI 307	307-1	Non-compliance with environmental laws and regulations	Reported	27
Supplier Environmental Assessment				
GRI 103: Management Approach 2016				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	26
GRI 103	103-2	The management approach and its components	Reported	26
GRI 103	103-3	Evaluation of the management approach	Reported	26
GRI 308: Supplier Environmental Assessment 2016				
GRI 308	308-1	New suppliers that were screened using environmental criteria	Reported	26
GRI 308	308-2	Negative environmental impacts in the supply chain and actions taken	Reported	26
Employment				
GRI 103: Management Approach 2016				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	76
GRI 103	103-2	The management approach and its components	Reported	76
GRI 103	103-3	Evaluation of the management approach	Reported	76, 79-80

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 401: Employment 2016				
GRI 401	401-1	New employee hires and employee turnover	Reported	79-80
GRI 401	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Reported	81
GRI 401	401-3	Parental leave	Partially Reported	81
Labor/Management Relations				
GRI 103: Management Approach 2016				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	82
GRI 103	103-2	The management approach and its components	Reported	82
GRI 103	103-3	Evaluation of the management approach	Reported	82
GRI 402: Labor/Management Relations 2016				
GRI 402	402-1	Minimum notice periods regarding operational changes	Reported	27, 82
Occupational Health and Safety				
GRI 103: Management Approach 2016				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	85
GRI 103	103-2	The management approach and its components	Reported	85
GRI 103	103-3	Evaluation of the management approach	Reported	85-86
GRI 403: Occupational Health and Safety 2016				
GRI 403	403-1	Workers representation in formal joint management-worker health and safety committees	Reported	85
GRI 403	403-2	Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	Partially Reported	86

GRI Content Index (CORE)

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
Training and Education				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	74, 84
GRI 103	103-2	The management approach and its components	Reported	74, 76
GRI 103	103-3	Evaluation of the management approach	Reported	75-76, 84
<i>GRI 404: Training and Education 2016</i>				
GRI 404	404-1	Average hours of training per year per employee	Reported	84
GRI 404	404-2	Programs for upgrading employee skills and transition assistance programs	Reported	84
GRI 404	404-3	Percentage of employees receiving regular performance and career development reviews	Reported	84
Diversity and Equal Opportunity				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	76
GRI 103	103-2	The management approach and its components	Reported	76
GRI 103	103-3	Evaluation of the management approach	Reported	76
<i>GRI 405: Diversity and Equal Opportunity 2016</i>				
GRI 405	405-1	Diversity of governance bodies and employees	Partially Reported	76-80
GRI 405	405-2	Ratio of basic salary and remuneration of women to men	Reported	76, Equal remuneration for men and women
Non-Discrimination				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	76
GRI 103	103-2	The management approach and its components	Reported	76
GRI 103	103-3	Evaluation of the management approach	Reported	76

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
<i>GRI 406: Non-discrimination 2016</i>				
GRI 406	406-1	Incidents of discrimination and corrective actions taken	Reported	No such incidents
GRI 407: Freedom of Association and Collective Bargaining				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	82
GRI 103	103-2	The management approach and its components	Reported	82-83
GRI 103	103-3	Evaluation of the management approach	Reported	82-83
<i>GRI 407: Freedom of Association and Collective Bargaining 2016</i>				
GRI 407	407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Reported	82
Security Practices				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	86
GRI 103	103-2	The management approach and its components	Reported	86-87
GRI 103	103-3	Evaluation of the management approach	Reported	87
<i>GRI 410: Security Practices 2016</i>				
GRI 410	410-1	Security personnel trained in human rights policies or procedures	Reported	86-87
Human Rights Assessments				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	86
GRI 103	103-2	The management approach and its components	Reported	86
GRI 103	103-3	Evaluation of the management approach	Reported	86
<i>GRI 412: Human Rights Assessment 2016</i>				
GRI 412	412-2	Employee training on human rights policies or procedures	Reported	86-87

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 412	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	Reported	86-87
Local Communities				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	42
GRI 103	103-2	The management approach and its components	Reported	42-51
GRI 103	103-3	Evaluation of the management approach	Reported	50
<i>GRI 413: Local Communities 2016</i>				
GRI 413	413-1	Operations with local community engagement, impact assessments, and development programs	Reported	42, 48-49
GRI 413	413-2	Operations with significant actual and potential negative impacts on local communities	Reported	42, No such impacts
Supplier Social Assessment				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	26
GRI 103	103-2	The management approach and its components	Reported	26
GRI 103	103-3	Evaluation of the management approach	Reported	26
<i>GRI 414: Supplier Social Assessment 2016</i>				
GRI 414	414-1	New suppliers that were screened using social criteria	Reported	26
GRI 414	414-2	Negative social impacts in the supply chain and actions taken	Reported	No such impacts
Customer Health and Safety				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	68-69
GRI 103	103-2	The management approach and its components	Reported	68-69
GRI 103	103-3	Evaluation of the management approach	Reported	69

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
<i>GRI 416: Customer Health and Safety 2016</i>				
GRI 416	416-1	Assessment of the health and safety impacts of product and service categories	Reported	68-69
GRI 416	416-2	Incidents of non-compliance concerning the health and safety impacts of products and services	Reported	No such incidents; The Bank has been consistently compliant with the Monetary Board and BSP's regulatory guidelines, with the BSP as the regulatory agency of the Philippine financial sector.
Marketing and Labeling				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	68-69
GRI 103	103-2	The management approach and its components	Reported	68-69
GRI 103	103-3	Evaluation of the management approach	Reported	69
<i>GRI 417: Marketing and Labeling 2016</i>				
GRI 417	417-1	Requirements for product and service information and labelling	Reported	68-69
GRI 417	417-2	Incidents of non-compliance concerning product and service information and labelling	Reported	No such incidents; The Bank prided itself for being generally compliant with the regulations and voluntary codes concerning marketing communications that include aspects like advertising, promotion and sponsorship initiatives.
Customer Privacy				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	70
GRI 103	103-2	The management approach and its components	Reported	70

GRI Content Index (CORE)

GRI Index Reference Number	Disclosure Number	Disclosure Title	Reporting Status	Page Number
GRI 103	103-3	Evaluation of the management approach	Reported	70
<i>GRI 418: Customer Privacy 2016</i>				
GRI 418	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Reported	70
Socio-Economic Compliance				
<i>GRI 103: Management Approach 2016</i>				
GRI 103	103-1	Explanation of the material topic and its boundary	Reported	27
GRI 103	103-2	The management approach and its components	Reported	27
GRI 103	103-3	Evaluation of the management approach	Reported	27
<i>GRI 419: Socioeconomic Compliance 2016</i>				
GRI 419	419-1	Non-compliance with laws and regulations in the social and economic area	Reported	27

Topics Considered Material by Stakeholders

Disclosure Number	Material Topic	Nationwide Stakeholder Engagement (153 Representatives)- Clients, CSR Beneficiaries, LGU's, Government Agencies, Bank Officers and Rank and File Employees	Internal Materiality Workshop (22 Representatives from Technical Working Group)	Boundary
102-6	Market Presence	✓		Internal
102-9, 308-1,2,414-1,2	Supply Chain/Procurement - Environmental, Social			Internal and External
102-15	Key impacts, risks, and opportunities	✓	✓	Internal and External
102-17	Ethical Behavior			Internal and External
102-18	Corporate Governance	✓	✓	Internal
102, 40,41,42,43,44	Stakeholder Engagement			Internal and External
201-1	Economic impact generation and annual reporting	✓	✓	Internal
201-2	Financial implications and other risks and opportunities due to climate change	✓		Internal and External
203-1,2	Indirect Economic Impacts	✓		External
205-1,2	Anti-Corruption	✓	✓	Internal and External
302-1	Energy Consumption within the Organization	✓		Internal
303-1	Water withdrawal by source	✓		Internal
305-1,2,3	GHG Emissions	✓		Internal
306-2	Waste by type and disposal method	✓		Internal
307-1	Environmental Compliance	✓	✓	Internal and External
401-1	Employment - hiring, benefits, compensation	✓	✓	Internal
402	Labor Management Relations		✓	Internal
403-1	Occupational Health and Safety	✓	✓	Internal
404-1	Employee Training	✓	✓	Internal
407-1	Collective Bargaining Agreements		✓	Internal
410-1	Security Practices	✓		Internal
413-1	Community Engagement	✓	✓	External
416-1	Customer Health and Safety	✓		External
417-1	Marketing, Communications and Labelling	✓		External
418-1	Customer Privacy	✓		External
419-1	Compliance with laws and regulations in the social and economic area	✓	✓	Internal and External
Non GRI	Business Continuity and Risk Management	✓	✓	Internal
Non GRI	Audit	✓	✓	Internal and External
Non GRI	Sustainable Products- Climate Change, Environment, Communities	✓	✓	Internal
Non GRI	Financial Inclusion	✓	✓	Internal and External
Non GRI	Banking Products	✓		Internal
Non GRI	Loans, Financial Assistance to LGU's	✓		Internal and External



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