

Agri lending, financial inclusion, e-banking solutions:

Moving onward, relentlessly.

#BankingOnTheFilipinoSpirit



Financing for sustained agri production

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- Co-op of coffee farmers in Davao del Sur get boost through LANDBANK loan



Assisting businesses, expanding network of services

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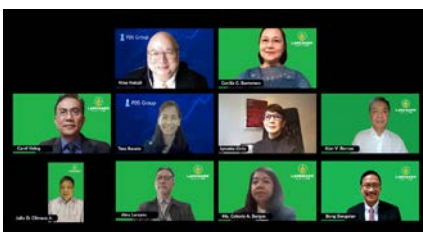
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HARVEST EDITORIAL STAFF

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P15.4B lent for high-value crop production under Sulong Saka

Of LANDBANK's P230.23 Billion outstanding loans to the agriculture sector as of October 2020, P15.4 Billion were released to farmers and agri-enterprises that produce high-value crops under the Sulong Saka Program or High-Value Crops Financing.

Launched in December 2019, Sulong Saka Program is aimed at promoting wider crop diversification, particularly for high-value crops such as vegetables, fruits, industrial crops, and alternative staple crops.

"This Program is part of LANDBANK's aggressive efforts to intensify support interventions to the agriculture sector. We want to encourage farmers to consider engaging in high-value crop production to improve the country's crop diversity, which is currently dominated by traditional crops like rice, corn, and coconut," LANDBANK President and CEO Cecilia C. Borromeo said.

Small farmers and fishers (SFFs), cooperatives and farmers associations, micro, small and medium enterprises (MSMEs), countryside financial institutions (CFIs), large agribusiness enterprises or corporations, microfinance institutions (MFIs), local government units (LGUs), government-owned and controlled corporations (GOCCs), and financial institutions may avail of this lending program to finance their high-value crop production projects. As of end-October 2020, a total of 1,019 borrowers from across the 81 provinces of the country availed of this program.

LANDBANK continues to serve the agriculture sector's growing needs for affordable and accessible credit assistance for their projects, especially amidst this health crisis. As of end-October 2020, the Bank extended assistance to 2.5 Million small farmers and fishers, exceeding the year-end target of 2 Million small farmers and fishers assisted.



Sulong Saka

Salient Features

ELIGIBLE PROJECTS

- Production of High Value Crops such as Vegetables (Highland, Lowland, Spices, Legumes); Fruits (Mango, Banana, Pineapple, Others); Industrial Crops (Abaca, Bamboo, Coffee, Cacao, Rubber, Oil Palm) and Alternative Food Staple Crops (Saba-Cardaba, Soybean, Root Crops)
- Establishment of nursery, budwood/mother plant/parent clone gardens
- New Plantation, Replanting, Rejuvenation, Rehabilitation of old trees
- Post-harvest activities (fermentation, drying,) and processing/manufacturing (roasting, grinding/milling, packaging, storage)
- Trading, Export

LOANABLE AMOUNT

- For Production Loan - standard project cost sharing of 80:20 (90:10 for small farmers)
- For Fixed Assets - not more than 80% of the acquisition/construction cost
- For Commodity Loan - up to 85% of the market price of commodity at the time of availment
- For LGUs - not more than the net borrowing capacity based on BLGF certification

LOAN INTEREST

- 5% per annum for Small Farmers

Client Story

Davao farmers boost coffee production with LANDBANK assistance



File photo

LANDBANK, through its Davao Lending Center, approved a loan amounting to a total of P10 Million to Balutakay Coffee Farmers Agriculture Cooperative (BACOFA) in Bansalan, Davao del Sur on October 2, 2020 to help boost the coffee production of its members.

The loan will be used to augment its re-lending to farmer-members and working capital requirements for coffee trading. BACOFA Manager Marivic C. Dubria said that P3.5 Million will be used for buying the coffee beans of its members while the P6.5 Million will be allocated for loans to members.

BACOFA has 84 coffee farmer-members working on about

109 hectares of coffee farms on the foothills of Mt. Apo.

In 2017, the co-op ranked first in coffee quality grading at the 2nd National Coffee Conference in Baguio.

BACOFA Manager Dubria bagged the championship award in the Arabica category of the Philippine Coffee Quality Competition in 2019. Two other members of BACOFA, Agustin E. Timon and Ma. Luz E. Dubria, also placed in the top 10 of the same categories. Ms. Dubria also received the second place in PCQC in 2018.

BACOFA's coffee beans have also made it to the specialty exposition in the United States of America, the first time was in Seattle in 2018 and then in Boston in 2019.

LANDBANK approached BACOFA in 2019, but the processing of its credit line was delayed due to the series of earthquakes in the last quarter of 2019 and the onset of the COVID-19 in 2020.

According to Davao Lending Center Vice President Jose EneDicto G. Faune, the processing of BACOFA's loan application was done amidst the enhanced community quarantine in Davao City, over emails and phone calls.

Entrepreneurs in Cebu drive poultry value chain

Farmer couple, Aisha Bint and Neil Bryan Castillo, one of the pioneers in modernizing poultry farm production in Cebu, saw the need to introduce farm innovations that traditional farmers and growers may adopt to boost the quality of production and raise profit.

LANDBANK, through Cebu North Lending Center, assisted the poultry business through a Term Loan Facility which partially financed the construction of a single deck tunnel ventilated poultry house with multi-level colony type caging system which has a 120,000-chicken capacity.

Through this venture, the spouses currently employ eight personnel in the farm.

With contract farming as the main business, all chicks grown are directly harvested by the integrator. Moreover, the integrator provides feeds and other inputs in the poultry house. This collaborative effort between contract growers and integrators helps farmers and growers earn supplemental income while ensuring efficiency and consistency in modern poultry production. To-date, the poultry house has successfully completed six growing cycles.

"Hard work is not enough in achieving something great, it requires faith in God Almighty and a good bank that believes in what you can do. Thank you, LANDBANK," said Mr. Castillo.

The poultry farm is equipped with a multi-level (4 levels)

colony type caging system which capacitates the poultry building to house 840,000 birds per year. In addition, the 2,320 sq.m. poultry building is highly mechanized from the loading of chicks to rationing of feeds and cleaning of chicken dungs. The facility has plumbing or sanitary system (septic tank and side canal) and electrical facilities including FIT Climate Control System, Heat Control System, Golden Broiler Prime Colony Cage System as well as automatic bird removal.

In 2019, the business formally started under the management of Mr. Castillo. As an entrepreneur, Mr. Castillo is experienced in the intricacies of the contract growing business as he also manages their family business, Tunnelfarms Corporation, also a contract grower of San Miguel Foods, Inc.



(File photo) From left: Mr. Pavil (Representative from the integrator/supplier), Mr. Neil Bryan Castillo (Client), SVP Elsie Fe NB. Tagupa (Visayas Lending Group Head), VP Eulalio G. Lagapa, Jr. (Cebu North Lending Center Head), Mary Jane A. Sumile (Account Officer)

Network expansion covers more unbanked areas

As part of LANDBANK's aggressive thrust of promoting financial inclusion and bringing banking services closer to remote municipalities in the country, new field units were opened to serve the public:



Lamitan Branch

Quezon Blvd. corner Angela St.,
Brgy. Malinis, Lamitan City, Basilan



Sultan Kudarat Lending Center

2nd Floor, LANDBANK Bldg., Aquino and
Abad Santos St., City of Koronadal



Bataan Capitol Branch-lite

The Bunker, Capitol Compound,
Capitol Road, Balanga City, Bataan



Barili Branch

Barili Municipal Compound, Poblacion,
Barili, Cebu



Davao del Sur Lending Center

2nd Floor, LANDBANK Bldg., Rizal Avenue
cor. Estrada St., Zone II, Digos City,
Davao del Sur



Himamaylan Branch-lite

GM Building, Rizal St., Brgy. 2,
Poblacion, Himamaylan City

Immediate resumption of services: LANDBANK serves Catanduanes after super typhoon Rolly

On November 1, 2020, super typhoon Rolly made its first landfall on the island province of Catanduanes in the Bicol Region. With a minute sustained wind of 315 kph, gustiness of 285 kph and torrential rainfall, it was reported to be the strongest typhoon in 2020.

Three days after the typhoon, LANDBANK Branches in San Andres and Virac, Catanduanes opened their doors to accommodate over-the-counter transactions. A number of clients lined up at the Bank's ATMs as these were the only ATMs that were online in the province.

A special team, led by South East Luzon Branches Group Senior Vice President (SVP) Althon C. Ferolino and made up of personnel from Project Management and Engineering Department (PMED), Network Operations Department (NOD), and Destiny, made a 15-hour trip via land and RORO to reach the island province and check the status of the branches and Bank personnel. The special team brought with them water and food supplies for the staff, as well as a satellite phone to restore connectivity to the branches. They were joined by Legazpi Branch Assistant Vice President Cesar A. Ramirez, who was the first to respond to Catanduanes.



The Special Team led by SVP Althon C. Ferolino with the staff of Virac Branch, led by Acting Head Arelle C. Bagadiiong.

province which catered to the financial needs of the people.

The storm caused widespread power outages in the Bicol Region due to heavily damaged power lines. It also brought severe flash flood and lahar flow from Mayon Volcano in the province of Albay. Crops and livestock were seriously damaged; debris and lahar blocked various roads and many families ended up homeless.



Upon the team's arrival on November 4, 2020, the VSAT satellite dish of both branches was immediately repaired and the online system and ATMs were restored. For two weeks, LANDBANK was the only government bank in the entire

Amid these damages and despite personal damages and inconveniences, all personnel from both LANDBANK San Andres and Virac Branches were able to report for duty, proving Landbankers' resiliency and passion to serve the people.

Virac Branch Executive Assistant Vivienne May Rubio, whose house was extremely damaged by the typhoon, said that she reported for duty right after the holiday because as a staff of a government bank, the people needed them to serve and deliver financial services.

Relief Operations for Typhoon Ulysses

After Typhoon Ulysses wreaked havoc in Luzon, cash donations from LANDBANK Branches Groups were utilized to purchase sacks of rice to provide relief to the affected LANDBANK staff in the Bicol Region. A total of 156 LANDBANK security guards, armored car guards, messengers, and drivers benefited from the donation drive. Below are some of the photos from the relief operations conducted in the area.



Naga Branch



Sipocot Branch



Maraming Salamat Po! Dios Mabalos!

Naga Rotunda Branch



Sorsogon Branch



Goa Branch



Virac, Catanduanes



San Andres, Catanduanes



Siniloan Branch

LANDBANK lists P5B Sustainability Bonds on PDEX

On November 17, 2020, LANDBANK has successfully listed its P5 Billion maiden offering of Sustainability Bonds in a virtual ceremony with the Philippine Dealing and Exchange Corp. (PDEX).

With total bids reaching P16.6 Billion, the issuance of Sustainability Bonds was oversubscribed more than five times of its original issue size leading to the increase from P3 Billion to P5 Billion. LANDBANK closed the offer period on its very first day of offering last October 26, 2020 given the overwhelming market demand for the issue.

PDEX President and CEO Antonino A. Nakpil mentioned in his welcome remarks the timely issuance of the bonds, given that it came just a few days after a succession of typhoons in the country. He also congratulated the Bank for being recognized for its climate financing and digital banking initiatives.

"We understand that congratulations are also in order for LANDBANK for being recognized in the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Development Awards 2020 for its Green Climate Fund (GCF) Program, as well as its and Digital Onboarding System (DOBS)," said PDEX President and CEO Nakpil.

The LANDBANK Sustainability Bonds were priced at 2.5872% coupon rate per annum, payable quarterly, the lowest rate among comparable issuers. The bonds have a tenor of two years, maturing in 2022. The minimum investment amount was P50,000 and in multiples of P10,000 thereafter.

"Amidst the backdrop of a recovering economic environment,

we are pleased with the strong investor confidence in LANDBANK's stable financial position. The strong interest is also a clear reflection of the conscious and growing demand for environmental and socially responsible programs and initiatives that LANDBANK promotes," said LANDBANK President and CEO Cecilia C. Borrromeo.

The Sustainability Bonds are designed to finance various loan programs that support sustainable green and social projects in accordance with LANDBANK's Sustainable Finance Framework.

Standard Chartered Bank (SCB) is the Sole Arranger and Bookrunner of the bonds, as well as co-Selling Agent with LANDBANK.



From left to right: PDEX PCEO Nakpil, LANDBANK PCEO Borrromeo, LANDBANK EVP Carel D. Halog, Philippine Depository & Trust Corporation PCEO Ma. Theresa B. Ravalo, SCB CEO and Head of Global Banking Lynette V. Ortiz, LANDBANK EVP Alan V. Bornas, LANDBANK EVP Julio D. Climaco, Jr., LANDBANK SVP Alex A. Lorayes, LANDBANK SVP Ma. Celeste A. Burgos, and LANDBANK FVP Gonzalo Benjamin A. Bongolan

New online payment system for SEC

In line with the growing demand for safe and contactless payment channels during the COVID-19 pandemic, LANDBANK has been designated as the depository and financial settlement bank of the Securities and Exchange Commission (SEC) for online payments.

Under the agreement, LANDBANK will ensure the efficient collection and settlement of payments made by SEC clients through PayMaya, as well as the timely remittance of fees due to the Bureau of the Treasury (BTr).

LANDBANK will maintain current and clearing accounts for SEC and BTr, respectively, to credit payments accepted and deposited by PayMaya through the LANDBANK weAccess facility. LANDBANK will also open a Guaranty Deposit account

for PayMaya equivalent to the average total daily collection or in the amount agreed by both parties.

The collaboration was formalized in a Memorandum of Agreement (MOA) virtually signed by SEC Commissioner Kelvin Lester K. Lee, National Treasurer Rosalia V. de Leon, LANDBANK President and CEO Cecilia C. Borrromeo, and PayMaya Philippines, Inc. Founder and CEO Orlando B. Vea on November 18, 2020.

The MOA signing was witnessed by SEC Commissioner Javey Paul D. Francisco, BTr Deputy Treasurer Sharon P. Almanza, BTr Asset Management Service OIC-Director Eduardo Anthony G. Mariño III, LANDBANK Branch Banking Sector Executive Vice President Julio D. Climaco, Jr., and PayMaya Enterprise Head of Government Sector Marvin Santos.

"LANDBANK welcomes this collaboration and will ensure the efficient settlement and remittance of SEC fees and other payments. Rest assured that LANDBANK is one with you in the continued delivery of public services, and boosting government collection rates toward revitalizing our economy," LANDBANK President and CEO Borrromeo said.

In 2017, LANDBANK and SEC entered into an agreement to utilize LANDBANK's Electronic Payment Portal (ePP) to provide a convenient and secure means of processing payments for the SEC iView and other transactional fees.

From 2017 to October 30, 2020, the LANDBANK ePP has successfully facilitated for the SEC a total of 6,439 transactions amounting to P28.4 Million.



From left to right, top to bottom: SEC Commissioner Lee, BTr Deputy Treasurer Almanza, National Treasurer de Leon, PayMaya Founder and CEO Vea, and LANDBANK PCEO Borrromeo