

Accelerating Growth, Providing Financial Solutions

#BankingOnTheFilipinoSpirit



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Loans to co-ops, farmers' associations reach P21.45B

LANDBANK has recorded a total of P21.45 Billion in outstanding loans to 1,082 cooperatives and farmers' associations as of end-September 2020.

"As the co-op sector's long-time partner in growth, we in LANDBANK reaffirm our unwavering commitment and solidarity to their noble objectives. We recognize the important role of co-ops in helping revive the local economy, with their presence in communities, especially in the countryside," LANDBANK President and CEO Cecilia C. Borrromeo said.

The Bank recognizes the great role that local co-ops play in getting communities and economies back on their feet amid the global health crisis. The Bank reaffirms its commitment to support this sector during these challenging times.

As of end-September 2020, LANDBANK outstanding loans to the agricultural sector reached P230.34 Billion, of which 9.31% or P21.45 Billion are extended to the co-ops and farmers' associations.

LANDBANK also provided financial literacy training to 220 micro and small co-ops with more than 31,000 members from 92 unbanked municipalities under the Financial Inclusion Through Cooperatives (FIT-Co-op) Program. Through this Program, LANDBANK and the Cooperative Development Authority (CDA) aim to improve the business operations of micro and small co-ops and strengthen their capacity to access formal credit.



Farmer-members of the Malinao Dam Federation of Irrigators' Association (MADFIA), Inc. in Bohol were able to improve their productivity and income using a four-wheeled tractor and two rice combine harvesters that they've procured through the Agricultural Competitive Enhancement Fund (ACEF) Lending Program of the Department of Agriculture and LANDBANK.

"LANDBANK stands shoulder to shoulder with the co-op sector. Together, we will work our way to a new normal that promotes greater cooperation, resilience, and sustained economic growth for one and all," President Borrromeo added.

LANDBANK records P4.3B loans to LGUs for palay procurement

LANDBANK has approved a total of P4.3 Billion in loans to six local government units (LGUs) to assist in the purchase of palay produced by local farmers under the Bank's PALAY ng Lalawigan (PALay aLAY sa Magsasaka ng Lalawigan) Lending Program.

"This fund facility is LANDBANK's answer to the National Government's call to prop up the livelihood of rice farmers heavily affected by the drop of farmgate palay price. Rather than sell to unscrupulous rice traders who offer very low prices, local farmers can now sell their produce to the LGUs," LANDBANK President and CEO Cecilia C. Borrromeo said.

Under the PALAY ng Lalawigan Lending Program, municipal,

city, and provincial governments of palay-producing areas nationwide can procure palay from local farmers at a fixed interest rate of 2% per annum for short-term loan line and 4% per annum subject to re-pricing afterward for term loans until the end of 2022.

Aside from the purchase of palay, eligible projects include the acquisition of farm machineries and post-harvest facilities, as well as the financing of other rice-related activities.

As of end-September 2020, the Bank has approved the loans for six local governments, including the provinces of Nueva Ecija, Isabela, Tarlac and Camarines Sur, Cabanatuan City in Nueva Ecija, and Alicia Municipality in Isabela.

PALAY ng Lalawigan Lending Program *As of September 2020*

P4.3B Approved Loans

Local Government Units:

- Nueva Ecija
- Isabela
- Tarlac
- Camarines Sur
- Cabanatuan City, Nueva Ecija
- Alicia Municipality, Isabela



Karlsruhe cites LANDBANK for environmental policy

For the eighth time in a row, LANDBANK was recognized by the Karlsruhe Sustainable Finance Awards, this time in recognition of its successful implementation of LANDBANK Administrative Order No. 26 or the Enhanced Environmental and Social Safeguards Relative to Credit Delivery.

Administrative Order No. 26 was enhanced to improve and expand the Bank's environmental due diligence (EDD) system, which previously only conducted environmental impacts assessments coupled with environmental risk rating to include climate change vulnerability and social risk assessments on all LANDBANK-financed projects.

The policy enhancement covers identification, assessment, mitigation, monitoring of environmental, climate change, and social risks, aspects, impacts, as well as environmental and social benefits of projects financed by LANDBANK.

Under Administrative Order No. 26, all Bank-financed projects are vetted to their potential environmental impacts, provided recommendations for possible environmental management, and measured and monitored for compliance. This initiative aims to conduct environmental and social due diligence (ESDD) for all Bank-financed projects and accounts to ensure compliance to applicable environmental and social laws and regulations, which in turn minimizes risks associated with

penalties and legal issues due to environmental violations.

The resulting environmental compliance report on the environmental performance of its clients keeps the Bank informed of potential risks, while providing opportunities for clients to put in place mitigation mechanisms that reduce adverse impacts on their project operations.

Since the EDD was implemented, environmental and social risks are mitigated, as it brought awareness on the importance of compliance to environmental and social laws or regulations which benefited both stakeholders and the host community. As a result, natural habitats, physical cultural property or heritage sites, and protected areas are preserved.

A total of 4,728 project and account assessments have been conducted since the EDD system was first implemented in 2004 up to December 2019. Of this number, 461 were accomplished using the enhanced ESDD tool under the Bank's Administrative Order No. 26.

Further, in consideration and to comply with the requirements of BSP Circular 1085, Series of 2020 or the Sustainable Finance Framework, Administrative Order No. 26, Series of 2018 was amended to Executive Order No. 098, Series of 2020 as approved by the LANDBANK Board of Directors on August 21, 2020.

LANDBANK's maiden 'green' bonds raise P5B sales

LANDBANK's maiden offering of its Sustainability Bonds was met with strong market demands from investors on the first day of its availability on October 26, 2020. The issuance was oversubscribed by more than five times, reaching P16.6 Billion of total bids leading to an increase in the total issue size from P3 Billion to P5 Billion.

"With the pandemic posing both as a pressing challenge and opportunity, it strengthens LANDBANK's commitment all the more, with a sharpened focus in supporting sectors and activities for sustainable recovery," said LANDBANK President and CEO Cecilia C. Borromeo.

The bond was priced at a coupon rate of 2.5872% per annum payable quarterly, which is the lowest so far based on recent similar issuances. It has a tenor of two years to mature in 2022. The minimum investment amount is P50,000 and in multiples of P10,000 thereafter.

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

Standard Chartered Bank (SCB) is the Sole Arranger and Bookrunner of the Bonds. It also acted as a Selling Agent together with LANDBANK.

The LANDBANK Sustainability Bonds will be listed at the Philippine Dealing and Exchange Corporation on November 17, 2020.



LANDBANK bagged two awards for its Green Climate Finance Project and Digital Onboarding System at the Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Development Awards 2020. The awards were presented to LANDBANK during the 43rd ADFIAP Virtual Annual Meeting on October 28-29, 2020.

The Bank also participated in the plenary presentations of various Development Financial Institutions through Executive Vice President Julio D. Climaco, Jr., the Bank's Branch Banking Sector Head.

For more information on the awards that LANDBANK received, please refer to Harvest October 2020 Issue at <https://www.landbank.com/harvest>.





Palompon Municipality improves water system operation through LANDBANK Water Supply Loan

More than 60,000 residents of Palompon Municipality in the northwestern coast of Leyte had suffered from poor water management before the operation of its municipal water system was re-acquired by the Local Government Unit (LGU) in 1998.

Prior to it being taken over and managed by the LGU, the municipal water system was poorly managed. The residents also experienced low water pressure and intermittent supply, and outbreaks of water-borne diseases often occurred.



When the management of the water system was returned to the LGU during Mayor Ramon C. Oñate's term in 1998, the operation for its piped potable water supply has greatly improved.

Through the P190-Million Water Supply Loan from LANDBANK, the municipality was able to develop its water supply operations, which is now a Level III Water Supply System that serves approximately 90% of its population in 40 lowland barangays.

By following health protocols in operating its water system, the Municipality was also able to prevent water-borne disease from occurring.

At present, the Municipal Government prioritized water security amongst its going concerns. They planted endemic trees on water shed areas and they also plan to construct four 15-thousand-liter capacity concrete ground water storage tank as buffer to the ever-growing demand for water.

One of LANDBANK's main objectives is to support LGUs nationwide in their development plans and projects, extending a total of P51.38 Billion in loans as of end-September 2020.

Zamboanga del Sur partners with LANDBANK for mobile POS Cash-out

The Provincial Government of Zamboanga del Sur, in partnership with LANDBANK Pagadian Branch, has launched the Agent Banking Partnership Mobile Point of Sale Cash-out (AB-mPOS) last October 1, 2020 with the aim to provide banking services to unbanked areas of the province.

LANDBANK Pagadian Branch, led by DM Susan N. Soria-Jurado, turned over 12 POS terminals, which will be deployed to far-flung municipalities and barangays of Zamboanga del Sur. This partnership with LANDBANK allows the Provincial Government to extend its services to the marginalized sector in different parts of the province.

Provincial Governor Victor J. Uy emphasized that the Pantawid Pamilyang Pilipino Program (4Ps) beneficiaries are the primary sector that this facility aims to serve. He said that he had witnessed the difficulties that the 4Ps beneficiaries had to go through to withdraw their cash grants, especially during this health crisis.

One of the objectives of the AB-mPOS is to provide lower transaction cost and save travelling expenses for 4Ps



LANDBANK Pagadian Branch Head/DM Susan N. Soria-Jurado (2nd from left) turned over 12 POS Terminals to Provincial Governor Victor J. Yu (center), witnessed by Zamboanga del Sur 1st District Congresswoman Divina Grace C. Yu, Department of Social Welfare and Development representative Sarah Jane T. Diagbel (right), and Pagadian Branch EA Stephen Lloyd R. Jubay.

beneficiaries, as personnel from the Provincial Government will go to their areas instead.

Zamboanga del Sur is the first Provincial Government to avail of this LANDBANK facility.

DOTr, LANDBANK roll out six partnership programs



Secretary Arthur P. Tugade
Department of Transportation



Cecilia C. Borrromeo
LANDBANK President and CEO

The Department of Transportation and its attached agencies, the Land Transportation and Franchising Regulatory Board (LTFRB) and the Philippine National Railways (PNR) entered into Memorandums of Agreement with LANDBANK for six partnership programs designed to deliver technical assistance, financing, and support to modernize the country's transportation systems and services.

Transportation Secretary Arthur P. Tugade and LANDBANK President and CEO Cecilia C. Borrromeo led the virtual Memorandum of Agreement signing on October 12, 2020 to formalize the collaboration among the said government institutions. They were joined by LTFRB Chairman Martin B. Delgra III and PNR General Manager Junn B. Magno.

The Programs covered by the DOTr-LANDBANK partnership are the North-South Commuter Railway Extension (NSCR-Ex) Appraisal Project, Resettlement Action Plan Entitlements Distribution Mechanism, Distribution of Cash Subsidy for Operators, Automatic Fare Collection System (AFCS) Pilot Production Testing, SPEED PUV (Support Package for Environment-friendly and Efficiently-Driven PUV) Program, and the I-RESCUE for BUS Transport (Interim REhabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 for Better Urban Services Transport) Lending Program.

"These six programs represent the numerous efforts we have been pushing to improve and enhance the public transport system in the country," Transport Secretary Tugade said, adding that this partnership between LANDBANK and DOTr will answer the call of the National Government to give Filipinos a more comfortable life.

LANDBANK President Borrromeo welcomed the opportunity to contribute to the continuous development and modernization of transport systems. "Our combined efforts will fast-track the delivery of much-needed programs and services for the sector amid the ongoing pandemic," she said.

As part of the agreement, LANDBANK will appraise properties that will be affected by the construction of the NSCR-Ex Project, which covers 15 clustered sites, composed of five sites in Bulacan and Pampanga, and 10 sites in Manila, Makati, and Laguna.

LANDBANK will also serve as the distribution agent of the Resettlement Action Plan (RAP) Entitlement Distribution Mechanism, wherein the Bank will deliver entitlements to eligible residents and other Project-Affected Persons (PAP).

Under the RA 11494 or the Bayanihan to Recover as One Act, LANDBANK, in coordination with the LTFRB, will distribute cash subsidy to PUV operators who have been affected by the suspension of public transportation operations and reduced ridership due to the COVID-19. At least 178,224 qualified PUV units will be given a one-time cash grant amounting to P6,500. The Bank will facilitate the cash release through the Pantawid Pasada Program (PPP) fuel cash cards, existing LANDBANK accounts, other bank accounts via InstaPay or PESONet, and over-the-counter payouts.

Further, the DOTr and LANDBANK will also jointly conduct the Pilot Production Testing of the AFCS, which will use Mastercard EMVCo-compliant contactless cards as payment instruments in public transportation. The testing will verify the entire AFCS under a real-time operating condition in preparation for its full and commercial implementation.

DOTr also signed a MOA with LANDBANK to ensure that the plans, procedures, and rules of the Bank's transport lending program namely, the SPEED PUV Program and the I-RESCUE for BUS Transport Program are aligned with the Public Utility Vehicle Modernization Program (PUVMP).

Under the SPEED PUV Program, LANDBANK offers to finance the purchase of modernized jeepneys for public transport cooperatives or corporations. They can borrow up to 95% of the total acquisition cost at an affordable interest rate of 6% per annum payable up to seven years. As of end-August 2020, the Bank has approved P737.21 Million in loans to 16 borrowers nationwide for the purchase of 407 modern jeepneys.

LANDBANK also offers a similar program for bus operators under its recently launched I-RESCUE for BUS Transport Lending Program to support the Metro Manila Bus Modernization Program of the DOTr and the LTFRB. Qualified public transport cooperatives and corporations may borrow up to 80% of the acquisition cost at an affordable fixed interest rate of 5% per annum for the first three years—payable up to seven years, inclusive of the two-year grace period on principal.

