

LANDBANK SERVES



LANDBANK

SERVING THE NATION

CHRONICLES OF GROWTH

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What's inside?

	PAGE
New members of LANDBANK BOD	2
LANDBANK lends more to agri in 2022, tops P261.7-B	
LANDBANK funds 'top-of-the-line' rice mill in Iloilo	
P30-B mark in net income breached in 2022, surges by 38.2%	3
LANDBANK eyes stronger push for nation-building in 2023	
Isabela corn farmer enjoys bountiful harvest with LANDBANK's aid	
GCG, LANDBANK sign performance agreement for 2023	4
LCDFI runs FinLit, natural farming trainings in Lake Sebu	
PCIC, LANDBANK start digitalized crop insurance claims distribution	
New learning center and scholarship program for dependents of SFFs and ARBs launched	5
Fraud Reminders: Beware of fake sites and Facebook pages	



2



2



4



4



5



5

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LANDBANK BOARD OF DIRECTORS

As of March 1, 2023, two new acting members joined the LANDBANK Board of Directors:



ATTY. DAVID D. ERRO
Member,
Agrarian Reform Beneficiary Representative
(vice Virgilio D. Robes)



VIRGINIA N. OROGO
Member,
Agrarian Reform Beneficiary Representative
(vice Jaime L. Miralles)

LANDBANK lends more to agri in 2022, tops P261.7-B

LANDBANK continues to pour significant financial support to the agriculture sector, with outstanding loans reaching P261.7 billion as of Dec. 31, 2022 for a 5.5% year-on-year growth from P247.9 billion in 2021.

LANDBANK's outstanding loans to the agriculture sector likewise sustained its upward trajectory with an average growth rate of 10.4% from 2012 to 2022.

LANDBANK continues to service the growth requirements of all players in the agribusiness value chain, making it the biggest lender to the agriculture sector. The Bank remains committed to delivering timely and accessible credit to boost economic activities in the countryside and the country's overall food production.

Of the total P261.7 billion agri loans, P46.6 billion directly benefited small farmers and fishers, including those which were channeled through cooperatives, farmers' associations, rural financial institutions, and other conduits.

Meanwhile, a total of P166.8 billion supported small, medium, and large agribusiness enterprises, while P48.3 billion backed the agri-aqua-related projects of local government units (LGUs) and government-owned and controlled corporations (GOCCs).

In terms of economic activities, financing for livestock and crop production accounted for P66.5 billion of the Bank's total agri loans, while P107.4 billion was channeled to agri-processing and trading.

The remaining P87.8 billion was used to finance other support services, including the construction and improvement of farm-to-market roads, public markets, irrigation systems, and cold storages, among others.

More farmers and fishers assisted

LANDBANK's intensified support to the agriculture sector has translated to 3.5 million farmers and fishers assisted nationwide. More than 766,000 or 22% of these came from the 20 poorest provinces in the country, further advancing its efforts to promote inclusive and sustainable development.



Meanwhile, the top provinces with the highest number of beneficiaries assisted by the Bank are Nueva Ecija, Maguindanao, Bohol, Leyte, Pangasinan, Cotabato, Isabela, Cagayan, South Cotabato, and Ilocos Sur.

For 2023, the Bank is targeting to increase the number of small farmers and fishers cumulatively assisted to 3.6 million, among other key players in the agri-business value chain.

LANDBANK is also partnering with the Department of Agriculture (DA) and the Department of Agrarian Reform (DAR) to reach and serve more farmers and fishers.

As of end-December 2022, the Bank's cumulative loan releases under the programs jointly implemented with DA have reached P15.3 billion to support over 252,000 borrowers. The Bank also released P751.7 million to 229 agrarian reform beneficiaries' organizations (ARBOs) under the programs it jointly implements with DAR.

LANDBANK is likewise working with LGUs nationwide for the construction and rehabilitation of infrastructure projects crucial to creating an efficient agriculture value chain. These include financing for the construction of 953.7 km. of farm-to-market roads, 4.5 km. of bridges, 50 public markets, and 14 irrigation systems, among others, from January to December 2022 alone.

LANDBANK funds 'top-of-the-line' rice mill in Iloilo



LANDBANK Visayas Lending Group, Senior Vice President Elsie Fe NB. Tagupa (3rd from left) and Restia Rice Milling Corporation Vice President Dolores P. De Vicente (4th from left) lead the signing of a loan agreement for the construction of a rice mill plant and acquisition of various chattels on Jan. 20, 2023 in Leganes, Iloilo. They were joined by LANDBANK Iloilo Lending Center Head, Assistant Vice President Giovanni T. Baoy and Account Officer Lys Lee L. Infante, alongside Restia Rice Milling Corporation Secretary Dennis B. De Vicente, Treasurer Charmaine D. Guiang, and Board Member John Rigor C. Guiang.

Over 10,000 rice farmers from Panay Island in Western Visayas are expected to benefit from the top-of-the-line rice mill plant of Restia Rice Milling Corporation starting June 2023, while also helping to improve rice production and provide post-harvest facilities in the Province of Iloilo.

To be located in Brgy. Calaboa in the municipality of Leganes, the 2,472-square-meter rice mill plant will address the lack of modern production and post-production milling facilities in Iloilo—one of the top rice-producing provinces in the country.

Restia has tapped LANDBANK to fund the construction of its rice mill plant and acquisition of various chattels. It also availed of a short-term loan line to finance its working capital requirements for palay trading, relending to farmers, and rice milling.

Restia's new rice mill plant will boast of modern equipment that can produce high-quality long grain rice and capable of process even wet palay stocks during the rainy season. The plant will be able to process up to 2,900 bags of palay per day, with an estimated production output of 2,400 bags.

Through the new rice mill, farmers from Iloilo and neighboring provinces can market their produce of well-milled and high-grade rice grains at a higher price. They can also sell their harvest directly to Restia to cut logistics expenses and avoid transacting with middlemen, thereby resulting to improved income.

"Nagpapasalamat ako sa LANDBANK sa suportang ipinapaabot nila sa Restia upang mapatayo ang aming rice mill project. Ito ay lubos na makakatulong sa mga rice farmers dito sa Panay upang mabenta nila sa mas mataas na halaga ang kanilang mga produkto," said Restia Rice Milling Corporation Vice President De Vicente.

Restia Rice Milling Corporation is the new flagship business of the Restia Group of Companies which was established to support local farmers and improve the quality of local milled rice. The start-up company is also collaborating with the Department of Agriculture (DA) to establish an efficient logistics system in Panay Island for the benefit of local rice farmers.

P30-B mark in net income breached in 2022, surges by 38.2%

LANDBANK generated a net income of P30.1 billion in 2022—surpassing by almost P5 billion its full-year target of P25.7 billion—for a significant 38.2% expansion from P21.7 billion in 2021.

The Bank breached the P30-billion mark in total net income for the very first time, driven by the substantial interest income from loans and investments, alongside earnings from fees, commissions, and foreign exchange, among other income sources.

LANDBANK’s strong performance in 2022 represents another milestone year, with a solid balance sheet that continues to overcome external headwinds and yield sustainable growth. The Bank looks forward to a more favorable economic environment this year as it takes on a more prominent role in nation-building.

LANDBANK’s assets posted a double-digit growth of 21.5% to reach P3.1 trillion in 2022 from P2.6 trillion in 2021. The increase was propelled by deposits expanding 21.8% to P2.8 trillion from P2.3 trillion year-on-year.

The government sector accounted for the bulk of the Bank’s total deposits at 67.6% or P1.9 trillion. This includes deposits from national government agencies and GOCCs which increased by 48.1% and 22.5%, respectively, over the previous year.

LANDBANK’s capital likewise grew a modest 1.4% to P210.6 billion from P207.7 billion of the previous year. This was accomplished despite the P8.5 billion in special cash dividends remitted to the National Government in June 2022, due to the record net income.

FINANCIAL HIGHLIGHTS



Net Income

P30.1 B
38.2%

Assets

P3.1 T
21.5%

Deposits

P2.8 T
21.8%

Financial Ratios

Return on equity **14.37%**

Return on assets **1.05%**

Net interest margin **2.97%**



Meanwhile, the Bank’s financial ratios remain at healthy levels, with return on equity at 14.37%, return on assets at 1.05%, and net interest margin at 2.97%.

LANDBANK eyes stronger push for nation-building in 2023

As it celebrates its 60th anniversary this year, LANDBANK has adopted new Vision and Mission statements to better reflect the Bank’s commitment to fulfilling its expanded mandate of serving the nation for the next six years.

LANDBANK is driven this year to take on a more prominent role at the forefront of nation-building. Leveraging on innovation, digitalization, and strategic partnerships, the Bank is geared towards the enhanced delivery of accessible, responsive, and meaningful service to its diverse clientele.

LANDBANK envisions that by 2028, it “shall be at the forefront of nation-building through the promotion

of financial inclusion, digital transformation, and sustainable development that benefits all Filipinos”.

The Bank is likewise focused on its mission to be “the leading universal bank with a government mandate that provides responsive services beyond banking to all clients, publics and stakeholders.”

LANDBANK unveiled its new Vision and Mission statements to the public on Feb. 14, 2023, coinciding with the inauguration of the LANDBANK Leadership and Development Center in Intramuros, Manila, and the launch of the Bank’s “Iskolar ng LANDBANK” program. **(Story on page 5)**



Please scan the QR Code for a copy of the new Vision and Mission Statements

Isabela corn farmer enjoys bountiful harvest with LANDBANK’s aid

Born to a family of farmers in the remote barangay of Sindun Bayabo in Ilagan City, Isabela corn farmer Levy Mateo learned about the value of hard work at a young age.

Levy started helping out in their corn fields as a young student and eventually became a full-time farmer. She relied on the three-hectare corn field she inherited from her parents as a means to support her own family, especially in raising her three children.

But despite Levy’s diligence over the years, she struggled to enjoy her earnings and save for her family’s future, as she had to allocate a large portion of her income to pay the hefty interest from loans she regularly availed from a private lender.

For 12 years, Levy turned to a nearby rice and corn mill that offered loans to farmers in order to sustain her corn production. The mill charged an interest rate of 30% per annum, and as a condition to avail of a loan, required borrowers to sell all of their produce to the mill at a low price—leaving Levy and other farmers with little profit.

“Yung panggastos sana para sa pangangailangan ng aming pamilya, ibabayad pa namin sa napakalaking porsyento ng interes. Pati ang presyo ng mais na ibebenta, sila [rice mill] rin ang nag-didikta,” said Levy.

At the height of the COVID-19 pandemic in 2020, Levy’s income decreased further due to the limited movement of goods and strict imposition of lockdowns in the area. She was then faced with a grim circumstance: if she continued to avail of high-interest loans from the mill, there will be almost nothing left for her family and their daily expenses.

It was during this time that Levy was encouraged by a fellow farmer to avail of a loan under the Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program offered by LANDBANK and the Department of Agriculture (DA).

“Nung nakahiram ako sa LANDBANK, hindi na ako lumipat sa iba. Sa LANDBANK na ako laging lumalapit para sa aming mga pangangailangan sa sakahan. Napakaganda talaga dahil ang baba ng interes ng ACEF,” said Levy.

Under the Program, Levy availed of an initial loan for working capital amounting to P120,000—which has since grown to P600,000—for the purchase of farm inputs such as seedlings and fertilizers.

With the Program’s affordable interest rate of only 2% per annum, Levy was able to provide a more comfortable life for her family while repaying her loan on time. She was also free to choose a buyer in the market who can offer the best price for her produce, which can reach as high as P1,000 per cavan, multiplied by Levy’s average yield of 400 cavans per harvest.

Under the ACEF Lending Program, farmers, fishers, their cooperatives and associations, as well as micro and small enterprises (MSEs) can borrow funds from LANDBANK to boost their agricultural productivity.

LANDBANK has released a total of P9.2 billion in loans under the ACEF Lending Program in support of over 38,900 borrowers composed of small farmers and fishers, cooperatives, and MSMEs nationwide.



GCG, LANDBANK sign performance agreement for 2023



Governance Commission for GOCCs (GCG) Chairperson Alex L. Quiroz (left) and LANDBANK President and CEO Cecilia Cayosa Borromeo (right) signed LANDBANK's Performance Scorecard measures and targets for the year during the Performance Target Conference (PTC) on Jan. 24, 2023 at the GCG Office in Makati City.

The new performance scorecard is aligned with the Bank's 2023-2028 Medium-Term Plan that supports the National Government's priority agenda. The performance agreement between GCG and the Bank has been executed pursuant to GCG MC Nos. 2013-02 and 2017-02, which provide the framework for setting the organizational targets of a GOCC.

LCDFI runs FinLit, natural farming trainings in Lake Sebu



LANDBANK President and CEO Cecilia Cayosa Borromeo (3rd from right) receives a plaque of commendation from Lake Sebu Mayor Floro S. Gandam (4th from right) during the Financial Literacy Training Program and Natural Farming Management Workshop in Lake Sebu, South Cotabato on Jan. 20, 2023. They were joined by (L to R) LCDFI Chairperson Consuelo N. Padilla, HCCCI Chairman Nathaniel S. Caballero, HCCCI President Marivet S. Caballero, and LANDBANK Senior Vice Presidents Ma. Celeste A. Burgos and Leila C. Martin.

LANDBANK, through its foundation, successfully conducted trainings on financial literacy and natural farming in Lake Sebu, South Cotabato, in line with the Bank's commitment to advance financial inclusion while extending support to the agriculture sector.

In partnership with the Holy Child Central Colleges, Inc. (HCCCI) and the local government of Lake Sebu, the trainings were designed to enhance the technical capacity and livelihood skills of farmers, fishers, small and medium entrepreneurs, and LGU employees in the area.

LANDBANK President and CEO Cecilia Cayosa Borromeo observed the training proceedings, together with Lake Sebu Mayor Floro S. Gandam, HCCCI Chairman Nathaniel S. Caballero, HCCCI President Marivet S. Caballero, LANDBANK Senior Vice Presidents Ma. Celeste A. Burgos and Leila C. Martin, and LANDBANK Countryside Development Foundation, Inc. (LCDFI) Chairperson Consuelo N. Padilla.

Apart from offering accessible credit, LANDBANK also provides innovative capacity-building interventions to its partners.

The Bank continues to promote financial inclusion to advance economic opportunities and help spur sustainable development in local communities.

Among the farmer organizations who participated in the one-day training workshop were the Lake Sebu Vegetable Association (LAS VEGAS), Lake Sebu Indigenous Women and Farmers Association (LASIWFA), and the MNLF Luhib Lake Sebu Coconut Farmers Organization (MLLSCFO).

Since July 2022, LCDFI has conducted 32 training sessions that benefited a total of 6,000 farmers, fishers, and farm laborers from all the barangays of Lake Sebu.

They form part of the total 300,300 training participants that LCDFI has supported nationwide from July 2020 until December 2022, located in 196 unbanked municipalities in 53 provinces.

The LCDFI is a non-stock, non-profit corporate foundation of LANDBANK, and serves as its training arm to strengthen cooperatives and assist farmers and fishers in their development.

PCIC, LANDBANK start digitalized crop insurance claims distribution

Leveraging on digital solutions to facilitate the fast and efficient delivery of government assistance, LANDBANK and the Philippine Crop Insurance Corporation (PCIC) piloted the disbursement of crop insurance claims via LANDBANK Prepaid Cards to farmers from Urdaneta, Pangasinan whose crops were affected by calamities and disasters.

The first batch of seven farmer-beneficiaries from Region 1 received a combined P46,400 worth of initial indemnity claims credited through their LANDBANK Prepaid Cards, with five of them present during the ceremonial distribution activity.

Through its partnership with PCIC, LANDBANK aims to enhance the delivery of insurance claims and make our banking services more accessible to farmers. This forms part of the Bank's digital thrust of promoting financial inclusion to make banking more convenient for every Filipino.

As of Jan. 27, 2023, PCIC has requested LANDBANK to produce a total of 52,236 Prepaid Cards for its farmer-beneficiaries.

Of this number, LANDBANK has released 34,847 Prepaid Cards to PCIC, who will facilitate the card distribution to its farmer-beneficiaries. The farmer-recipient will be able to conveniently receive their indemnity claims in succeeding disbursements schedules.

The Bank is also ramping-up the card production for 17,389 farmer-beneficiaries nationwide as endorsed by PCIC.



LANDBANK Senior Vice President Ma. Belma T. Turla (2nd from right) and PCIC Acting Senior Vice President Segundo H. Guerrero, Jr. (8th from right) lead the pilot delivery of crop insurance claims to farmer-beneficiaries via LANDBANK Prepaid Cards on Jan. 30, 2023 at the LANDBANK Pangasinan Corporate Center. They are joined by PCIC Regional Manager Raul A. Servito (leftmost) and LANDBANK Urdaneta Branch Head Marlene M. Mendoza (rightmost).

Under a Memorandum of Agreement (MOA) signed in April 2022, LANDBANK targets to provide Prepaid Cards and facilitate the timely crediting of insurance proceeds to around 1.8 million PCIC beneficiaries.

Through the LANDBANK Prepaid Cards, farmers can conveniently withdraw cash from 2,997 LANDBANK ATMs in the country. They can likewise perform cash withdrawals free-of-charge from 2,323 ATMs at selected 7-Eleven convenience stores.

New learning center and scholarship program for dependents of SFFs and ARBs launched by LANDBANK



LANDBANK President and CEO Cecilia Cayosa Borromeo led the unveiling of the marker, together with (from right) Manila Vice Mayor John Marvin C. Nieto, Director Jaime L. Miralles, National Treasurer Rosalia V. De Leon, GCG Chairperson Justice Alex L. Quiroz (Ret.), DA Usec. Agnes Catherine T. Miranda, DOLE Usec. Benedicto Ernesto R. Bitonio, GCG Commissioner Atty. Gideon D.V. Mortel, D.C.L, and PLM President Emmanuel A. Leyco.



(1) President Borromeo introduced the Bank's new Vision and Mission and the Iskolar ng LANDBANK Program during the event; (2) Manila Vice Mayor John Marvin C. Nieto delivered Manila Mayor Honey Lacuna-Pangan's special message for LANDBANK; and (3) National Treasurer Rosalia V. De Leon served as the keynote speaker on behalf of Finance Secretary and LANDBANK Chairman Benjamin E. Diokno.

LANDBANK officially inaugurated the LANDBANK Leadership and Development Center (LLDC) on Feb. 14, 2023. The three-story learning facility will host in-house learning and development programs for its personnel.

Located along Cabildo Street in Intramuros, Manila, the LLDC will provide a conducive environment for learning, with nine training rooms that can accommodate over 200 participants. The center also features a lodging facility for the Bank's employees coming from outside Metro Manila, and additional rooms dedicated for program trainers and facilitators.

The establishment of the LLDC forms part of the Bank's efforts to ensure that Landbankers consistently exemplify the highest standards of service excellence.

Launch of Iskolar ng LANDBANK Program

During the event, LANDBANK also launched its newest scholarship program, the Iskolar ng LANDBANK. Under this Program, the Bank has allotted a total of P128 million to cover the educational expenses of 360 scholars from 2023 to 2028.

The Iskolar ng LANDBANK Program carries the theme: "600@60: Developing scholars and nurturing talents towards serving the nation," representing the Bank's target 600 scholar graduates—which include graduates from the Bank's previous scholarship program—in celebration of LANDBANK's 60th anniversary this year.

Eligible scholars under the Program are the children and grandchildren of ARBs and small farmers and fishers who are high school graduates, with a minimum average grade of 90% or belonging to the top 10% of their class.

The scholarship will support 60 new scholars annually starting this year until 2028, and provide each with P100,000 per year to cover allowance and expenses for books, clothing, and other course requirements. Special cash incentives will also be awarded to scholars who will graduate with honors.

The scholars have 12 eligible courses to choose from, namely horticulture, animal science, food technology, data analytics, information technology, accounting, agribusiness management, and agricultural, IT, industrial or management, civil, and mechanical engineering.

Iskolar graduates will also be offered on-the-job (OJT) training in LANDBANK Branches and Lending Centers, including the Bank's partner agencies and institutions.

The Iskolar ng LANDBANK Program will be managed by the LANDBANK Countryside Development Foundation, Inc. (LCDFI), the Bank's corporate foundation which provides trainings and capacity-building programs.



The LANDBANK Leadership and Development Center is located along Cabildo St. in Intramuros, Manila.

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