

## **CUSTOMER SERVICE**

One of LANDBANK's major business goals is to provide excellent customer service. Amid the pandemic, the Bank continued to pursue activities that will innovate and upgrade its products and services to become more responsive and attuned to the dynamic banking needs of its growing and diverse customer base. On top of quality customer service and in line with the National Government's priority thrust on inclusive growth, the Bank also puts high premium in reaching out to the unbanked and unserved segments of society by expanding its physical and virtual network through alternative delivery channels, and adoption of innovative platforms to deepen financial inclusion across the country and around the globe.

## **BANK'S DELIVERY CHANNELS**

### **LANDBANK Branches**

During the year, LANDBANK retained its presence in all 81 provinces of the country with its network of branches and extension offices. As of year-end 2020, LANDBANK's branch network reached 411 from 406 as of year-end 2019. The five new branches in 2020 were established in Bolinao (Pangasinan), Barili (Cebu), Lamitan (Basilan), Imelda (Zamboanga Sibugay), and Balingasag (Misamis Oriental).

### **LANDBANK Branch-Lites**

According to the definition of the Bangko Sentral ng Pilipinas, a Branch-Lite is "any permanent office or place of business of a bank, other than its head office, or a branch that performs limited banking activities and records its transactions in the books of the Head Office or the Branch to which it is annexed".

As of year-end 2020, LANDBANK had a total of 66 Branch-Lite units in various municipalities across the country: 43 in Luzon, 12 in the Visayas and 11 in Mindanao. Equipped with ATM, Cash Deposit Machine and other electronic machines, these Branch-Lite units are in far-flung areas providing banking services such as deposit account opening, receipt of loan applications and credit card applications, among others. The 66 Branch-Lite units include five Branch-Lites, 48 LANDBANK Easy Access Facilities (LEAFs), six Telling Booths, two Foreign Exchange Booths and five Agri-hubs. The two new Branch-Lite Units in 2020 were established in Balanga City (Bataan) and Himamaylan (Negros Occidental).

### **LANDBANK Agri-Hubs**

In line with the Bank's thrust to expand reach and touchpoints, LANDBANK established Agri-hubs in top palay-producing provinces. Agri-hubs are envisioned as a way for LANDBANK to provide a one-stop-shop facility where branch banking, lending and agrarian functions can be availed under one roof to respond to the banking requirements of clients, particularly farmers and fishers. In 2020, five Agri-hubs were established in Calabanga (Camarines Sur), Barotac Viejo (Iloilo), Echague (Isabela), Sual (Pangasinan) and Sta. Maria (Ilocos Sur).

## **LANDBANK Lending Units and Lending Centers**

To help facilitate the delivery of the Bank's loan products and services nationwide especially to those needing credit assistance, LANDBANK opened nine new Lending Centers in 2020, bringing to 55 the number of Lending Centers located in the key provinces in the country. These provincial Lending Centers are clustered by major island groups: 17 in the Northern and Central Luzon, 12 in Southern Luzon, 11 in the Visayas, and 15 in Mindanao. In addition, there are eight satellite offices in Kalibo, Eastern Samar, Ozamis, Surigao, Tandag, Cotabato, Mati and Maramag. At the Head Office, there are nine Lending Units which cater to retail, mortgage and corporate lending to borrowers based in the National Capital Region.

## **Automated Teller Machines (ATMs)**

With the 159 newly installed ATMs in 2020, the Bank's ATM network reached 2,320, representing 11% of the total 21,883 ATMs in the Philippine banking industry. These ATMs are strategically located across the country with 394 (17%) in the National Capital Region, 549 (24%) in North and Central Luzon, 448 (19%) in Southern Luzon, 382 (16%) in the Visayas, and 547 (24%) in Mindanao.

The new ATMs were installed in LGUs with 85 units, five in medical centers/hospitals, and seven in schools. The Bank also installed 25 off-site ATMs in government agencies like POEA and DSWD RO VIII – Tacloban; transport terminals such as in Cebu South Bus Terminal and Kumalarang Integrated Bus Terminal in Zamboanga del Sur; and shopping centers such as CSI Supermarket Bonuan in Dagupan City, and SM City Legazpi. Meanwhile, 37 ATMs were installed onsite in various LANDBANK branches.

The Bank's aggressive ATM deployment program in support of its commitment to provide banking convenience to its 15.7 million cardholders as of year-end 2020 enabled LANDBANK to maintain its ranking as the third largest bank in terms of ATM network in the country. This translates to a 6% growth in the Bank's ATM footprint from 2,195 in 2019. The Bank was also able to install ATM units in 85 unbanked municipalities out of the total 519 according to BSP data.

## **Point of Sale (POS)**

POS Cash-Out is an extended Point-of-Sale service that facilitates peso withdrawal transactions from certified POS terminals installed in the premises of partner institutions. Cardholders of LANDBANK and BancNet participating banks can withdraw from any accredited LANDBANK POS Cash-Out agent by simply dipping their peso-denominated debit cards and encoding their Personal Identification Number (PIN) at the POS devices.

LANDBANK continues to expand its POS Cash-Out network to further increase its touchpoints and serve the requirements of its institutional partners and priority sectors. Transaction volume rose by 120% from 1.67 million in 2019 to 3.67 million in 2020, while the transaction value more than doubled from P7.75 billion in 2019 to P16.55 billion in 2020. The substantial growth in partner merchants, transaction volume, and value resulted in a remarkable growth in income by 123% from P13.55 million in 2019 to P30.16 million in 2020. As of year-end 2020, 310 terminals were deployed at 193 POS Cash-Out partners and 75 Agent Banking partners with some partners having more than one POS terminal.

## **Cash Deposit Machine (CDM)**

To increase the pace of over-the-counter (OTC) transactions, LANDBANK provides automated CDMs in all Branch-Lites and selected branches. The CDM is a self-service machine equipped with a cash deposit facility whereby customers are afforded the convenience of doing real-time cash deposit transactions without the need to queue and wait at branch lobbies.

LANDBANK takes credit in being the first government bank to provide an automated delivery channel for deposit transactions. As of 2020, a total of 167 CDMs have been installed in strategic locations throughout the country: 16 in NCR, 42 in Northern and Central Luzon, 37 in Southern Luzon, 31 in the Visayas, and 41 in Mindanao.

## **Agent Banking Partners**

The Bank intensified its efforts to support the National Government's financial inclusion initiatives with the full implementation of the Agent Banking Program (ABP) on Feb. 13, 2020. The ABP enables the Bank to extend its reach to the unbanked and underserved areas by partnering with eligible institutions to bring selected banking services. The Agent Banking Partner operates a smart POS terminal that can process Agent Banking (Prepaid) Card Sale with electronic Know-your-client, Cash-out from LANDBANK Peso-denominated Prepaid Cards or participating BancNet ATM cards, cash-in/top-up, balance inquiry, fund transfer, and bills payment.

The ABP Program registered a remarkable increase with 398,414 transactions completed valued at P1.71 billion as of December 2020. Likewise, the number of Agent Banking partners grew significantly from 15 partners in 2019 to 75 partners in 2020.

## **E-BANKING FACILITIES**

### **Digital Onboarding System**

The LANDBANK Digital Onboarding System (DOBS) is a web application that reduces account opening time and simplifies the account enrolment process for individuals and institutional clients (both private and government). It allows applicants to fill out forms in the comfort of their homes, offices, or even via their mobile phones, prior to proceeding to the branch to complete the account opening process and to pick up their LANDBANK cards. This significantly reduces account opening time of clients from 30 minutes to 10 minutes and reduces lobby traffic in the Bank's branches.

The system supports the Bank's thrust to financially include farmers and fishers, as well as OFWs, by providing them with an additional access point. It also promotes the Bank's compliance with regulatory requirements by its efficient gathering of mandatory data from customers and supports government initiatives for "Ease of Doing Business."

DOBS is accessible through the Digital Corner of LANDBANK branches and the Bank's website. It is also interfaced with the LANDBANK iAccess (Internet banking system) to automate enrolment upon opening of deposit account. The System has recently been enhanced to include the capability to update individual customer information without going to a branch or prior to a

branch visit to complete the process. Also, it was enhanced to provide a more precise Customer Risk Profile Rating and search for customer names in the various watch lists (e.g., U.N. Sanctions List, OFAC Sanctions List) as required by regulations.

In 2020, the system made several major innovations and enhancements that became the Bank's competitive and relevant solution. The enhancements made are the Corporate Updating Facility, Corporate Payroll Facility, and the DOBS – Data Entry System for the account onboarding of PSA ID registrants. The DOBS also served as the base platform system in delivering the Overseas Filipino Bank DOBS with Artificial Intelligence via the Mobile Banking App.

The DOBS is an integral part of the Bank's overall thrust to enhance customer service as it invests in digital technologies to provide greater convenience and accessibility to clients that will ensure a "delightful customer experience."

The System is also aligned with the Bank's vision to "promote inclusive growth, especially in the unbanked and underserved areas, through the delivery of innovative financial products and services powered by digital banking platforms." Thus, DOBS plays a significant role in providing access to financial services for unbanked Filipinos through the Bank's branches.

The DOBS is continuously revolutionizing its processes in consonance with the business imperatives of the Bank. For 2021, enhancements will be made available in the system, namely: (1) GSIS account opening; (2) Account opening via Mobile Banking Application using the DOBS Artificial Intelligence Technology; (3) Client Verification System; and (4) System interface with Central Business Portal.

As the official depository bank of the government, LANDBANK branches process a multitude of government transactions daily. Through DOBS, the Bank can better serve both private and government customers – individual and institutional – more efficiently with the shortening and streamlining of the account opening and updating processes. As of Dec. 31, 2020, the total number of deposit accounts opened through DOBS reached 1,263,874 compared with 544,430 accounts in 2019.

### **LANDBANK Mobile Banking Application**

The LANDBANK Mobile Banking Application (MBA) is one of the Bank's popular e-banking channels. This provides clients with convenient access to a wide array of financial and non-financial transactions through their smartphones anytime, anywhere there is Internet. By downloading the MBA from the Google Play or App Store, customers can enjoy mobile banking services such as balance and transaction history of deposits, credit card accounts, checkbook request, cardless withdrawal, intra-bank and inter-bank fund transfers, bills payment to over 80 merchant billers, locking or unlocking of ATM card transactions through Mobilock, Foreign Exchange and Unit Investment Trust Fund rates inquiry, and LANDBANK ATM and Branch locator.

On Nov. 1, 2020, LANDBANK relaunched the MBA with a new look and feel, through which, clients can have a more convenient, updated, and upgraded online banking experience. Aside from this, MBA includes Prepaid Card features, such as fund transfer from a LANDBANK Mastercard Prepaid Card (LMPC) to a LANDBANK account and vice-versa and LMPC to LMPC.

Also available are the LANDBANK Credit Card features, wherein customers can activate/register and change their credit card PIN.

As customers shift from using the browser-based Internet banking system to an app-based mobile banking platform, more users utilize the LANDBANK MBA. The Bank's participation in the National Retail Payment System's Automated Clearing Houses (ACH), namely, PESONet and InstaPay, also resulted in the substantial growth in the volume of fund transfers completed through the app.

Overall, monetary transactions in the LANDBANK MBA grew significantly by 263% from the 2019 volume of 4.27 million to 15.49 million in 2020. Likewise, the value of transactions grew by 201% from P28.29 billion in 2019 to P85.12 billion in 2020. On the other hand, non-monetary transactions increased by 47% from 38.50 million in 2019 to 56.44 million in 2020.

### **LANDBANK weAccess**

The LANDBANK weAccess is the Bank's Internet banking facility for institutional customers which allows private and government entities to manage their transactions online. Further, it enables customers to pay bills, process ATM payroll, re-order checkbooks, sweep funds, and facilitate automatic debit and credit. It also allows them to transfer funds to their account or another account maintained at LANDBANK or with any PESONet and InstaPay participating bank or e-money issuer. Non-financial transactions available in weAccess include Account Summary or Transaction Details, Report Viewing, Institutional Loan, and ACIC File Upload.

The weAccess employs secured encryption, VeriSign digital verification, and two-factor authentication during log-in and authorization of select financial transactions to ensure that transactions and data are protected from online threats.

At the end of 2020, enrolled institutions totaled 39,274. Transaction volume, on the other hand, increased significantly by 30% from 12.54 million in 2019 to 16.24 million in 2020. Transaction value likewise grew by 41% from P280.83 billion in 2019 to P396.67 billion in 2020.

### **LANDBANK iAccess**

The LANDBANK iAccess is a retail Internet banking facility that allows individual costumers to enjoy the convenience of secure online banking services anytime, anywhere. It offers banking services such as fund transfer to own account and nominated third-party accounts, as well as fund transfer to PESONet and InstaPay participating banks or e-wallet.

The number of users enrolled in iAccess decreased to 1.01 million in 2020. However, transaction value increased substantially by 47% from P8.08 billion in 2019 to P11.86 billion in 2020. As expected, transaction volume via the iAccess declined by 38%, from 36.07 million in 2019 to 22.24 million in 2020, due to the shift of depositors to the LANDBANK Mobile Banking App.

### **Electronic Modified Disbursement System (eMDS)**

LANDBANK offers real-time banking convenience to National Government Agencies through the LANDBANK Electronic Modified Disbursement System (eMDS), a secure Internet-based facility that streamlines the tedious and costly processing of MDS transactions and eliminates

physical transmission of required documents and reports. The eMDS covers transactions such as the transmission of Advice of Checks Issued and Cancelled (ACIC), payment of accounts payable to creditors, and fund allocation transfers initiated and approved by the government agency. The requests for checkbooks, on the other hand, are automatically forwarded to the concerned branches for processing.

In 2020, transactions under the eMDS grew by 8% to 1.59 million from 1.48 million in 2019, while transaction value registered a 28% growth from P915.37 billion in 2019 to P1.18 trillion.

## **E-PAYMENT AND COLLECTION SERVICES**

### **LANDBANK Link.BizPortal**

LANDBANK Link.BizPortal is an electronic payment system that allows customers to settle their dues and obligations to government and private institutions. For 2020, Link.BizPortal continued its steady growth in terms of merchants acquired and transactions completed. As of end-2020, Link.BizPortal processed a total of 2.12 million transactions with a value of P7.95 billion, growing in terms of volume by 35% and value by 71% (1.57 million transactions; P4.65 billion in 2019). Income from commissions similarly grew by 34%, from P15.26 million in 2019 to P20.46 million in 2020. This can be attributed to the 10% increase in the total number of new merchants enrolled, from 700 merchants in 2019 to 767 merchants in 2020.

Among the top merchants from the National Government are the Philippine National Police (PNP), Philippine Overseas Employment Agency (POEA), Bureau of Internal Revenue (BIR), Professional Regulation Commission (PRC), Philippine Charity Sweepstakes NCR (PCSO NCR), Land Transportation Office – NCR (LTO NCR), and the Overseas Workers Welfare Administration (OWWA).

### **Electronic Tax Payment System (eTPS)**

LANDBANK continues to complement the Bureau of Internal Revenue's Electronic Filing and Payment System (eFPS) through the development and implementation of the e-Tax Payment System (eTPS), which allows clients with enrolled accounts to enjoy paperless tax filing and online payment via the internet. As of Dec. 31, 2020, the transaction value decreased by 17% from P97.65 billion in 2019 to P80.84 billion in 2020, covering transaction volumes of 441,635 and 406,561, respectively.

## **COLLECTION AND DISBURSEMENT SERVICES FOR THE NATIONAL GOVERNMENT**

### **Conditional Cash Transfer (CCT) Program or Pantawid Pamilyang Pilipino Program (4Ps)**

The CCT or 4Ps Program was created with the objective of building the capacities of poor Filipino families to cross the poverty line through human capital investment. As defined in Republic Act 11310 or the 4Ps Act, the Pantawid Pamilyang Pilipino Program (4Ps) is the national poverty reduction strategy and a human capital investment program that provides conditional cash transfer to poor households to improve the health, nutrition, and education

aspect of their lives. It is anchored on the paradigm of breaking the intergenerational cycle of poverty by keeping children healthy and in school. The provision of cash grants is based on compliance by the beneficiaries with the program conditionalities.

In 2020, a total of P80.06 billion cash grants were distributed to 4,363,000 beneficiaries nationwide.

### **Unconditional Cash Transfer (UCT)/Tax Reform Cash Transfer (TRCT) Program**

The UCT Program also known as Tax Reform Cash Transfer (TRCT) Program is the biggest tax reform mitigation project of the government. It seeks to provide unconditional cash transfer to households in the first to seventh income deciles of the National Household Targeting System for Poverty Reduction (NHTS-PR), Pantawid Pamilyang Pilipino Program, and the Social Pension Program who did not benefit from the lower income tax rates (under the TRAIN Law) but were adversely affected by rising prices of commodities.

For 2020, LANDBANK administered the nationwide distribution of cash grants under the UCT/TRCT Program to 3,923,602 beneficiaries totaling P14.124 billion.

### **Social Amelioration Program**

In view of the passage of Republic Act No. 11469, otherwise known as the “Bayanihan to Heal as One Act of 2020,” the Department of Social Welfare and Development (DSWD), in partnership with Land Transportation Franchising and Regulatory Board (LTFRB), as an agency under the administrative supervision and control of the Department of Transportation (DOTr), and LANDBANK, facilitated the distribution of the Social Amelioration Program in the most expedient way.

The parties provided the utmost commitment in their respective services for the benefit of the low-income drivers of Public Utility Vehicles (PUVs), namely, Public Utility Jeepneys (PUJs), Public Utility Buses (PUBs), Point-to-Point (P2P) Buses, UV Express, Taxi, Shuttle Service, Tourist Transport Service, School bus service, and Transport Network Vehicle Services (TNVS), including drivers of Motorcycle (MC) Taxi who are registered in the Pilot Study currently conducted by the DOTr, and whose daily sustenance is solely dependent on the income they derived therefrom.

For 2020, 24,200 beneficiaries received emergency subsidies of P8,000 each or a total of P193.60 million.

### **Service Contracting Program**

The Service Contracting Program is being undertaken in line with Bayanihan to Recover as One Act to ensure efficient, safe, and financially viable operations of public transportation under these unusual circumstances wherein the government will provide to operators/drivers performance-based subsidy based on vehicle-kilometers travelled and compliance with agreed performance indicators. Under the Program, LANDBANK was able to distribute P1.13 million to 282 beneficiaries for 2020.

### **Cash Subsidy to PUV Operators Program**

This program aims to relieve the critically impacted transport stakeholders through distribution of cash subsidies to cushion the adverse effect of COVID-19 pandemic in their operations. Cash grant for fixed route is P6,500 while for non-fixed route, the grant is P4,500. In 2020, P786.27 million cash grants were distributed to 120,964 PUV operators.

### **Rice Farmer Financial Assistance (RFFA) Program**

The RFFA Program aims to assist small palay farmers for the projected reduction or loss of farm income arising from the tariffication of quantitative import restrictions on rice. For 2020, LANDBANK conducted payouts of P5,000 cash grant each to 244,776 farmers in 27 provinces across the country. Total amount distributed was P1.22 billion.

### **Financial Subsidy to Rice Farmers (FSRF) Program**

The FSRF Program provides cash aid that is part of the Department of Agriculture's initiatives to assist rice farmers who are affected by the Rice Tariffication Law, especially those who plant about or less than a hectare, located in 34 provinces.

The fund of P3 billion was earmarked under the General Appropriations Act (GAA) of FY 2020 to be used to provide direct cash transfers to rice farmers through LANDBANK, which the rice farmers can use for procurement of needed inputs to improve productivity and profitability.

In 2020, LANDBANK distributed cash grants totaling P2.68 billion to 536,119 beneficiaries in 27 provinces in the country.

### **Modified Disbursement System (MDS)**

As the primary depository bank of the National Government, LANDBANK services the disbursement system of government funds through the MDS, in coordination with the Department of Budget and Management (DBM) and the Bureau of the Treasury (BTr).

For the year 2020, LANDBANK processed 90% of the total Notice of Cash Allocations (NCAs) released by the DBM. The total disbursement of 39 departments of the government amounted to P3.28 trillion with a total volume of 2.55 million MDS transactions (ADA/checks). These disbursements included payments and fund releases of the government for development projects, operating expenses and salaries/benefits of government personnel posted a 14% increase from P2.88 trillion in 2019.

### **Revenue Collection Services**

With its network of branches spread all over the country, LANDBANK becomes a strategic conduit where individuals, corporations and government agencies can pay duties and taxes. In 2020, a total of P334.29 billion in taxes were collected by the Bank for the National Government with total of 6.15 million transactions. Of the total collections, P132.71 billion involving 4.33 million transactions were for the Bureau of Internal Revenue (BIR), P192.82 billion involving 1.79 million transactions were for the BTr and P8.76 billion involving 33,244 transactions were for tariffs and duties collected for the Bureau of Customs (BOC). Total revenues collected in 2020 decreased by 2% compared to the P339.75 billion collection in 2019, which may be attributed to the COVID-19 pandemic. Collection for BIR and BOC declined by 25% and 48%, respectively.



## **Government Collection Services**

LANDBANK serves as the collection arm of various government institutions. In 2020, a total of P16.47 billion were collected for Philippine Health Insurance Corporation, Home Development Mutual Fund, Social Housing Finance Corporation, National Home Mortgage and Finance Corporation, City Government of Valenzuela City, Philippine Charity Sweepstakes Office, Philippine National Police, and other government agencies. Despite of COVID-19 pandemic, these government collections in 2020 posted a 5% increase from P15.75 billion in 2019.

## **Private Collection Services**

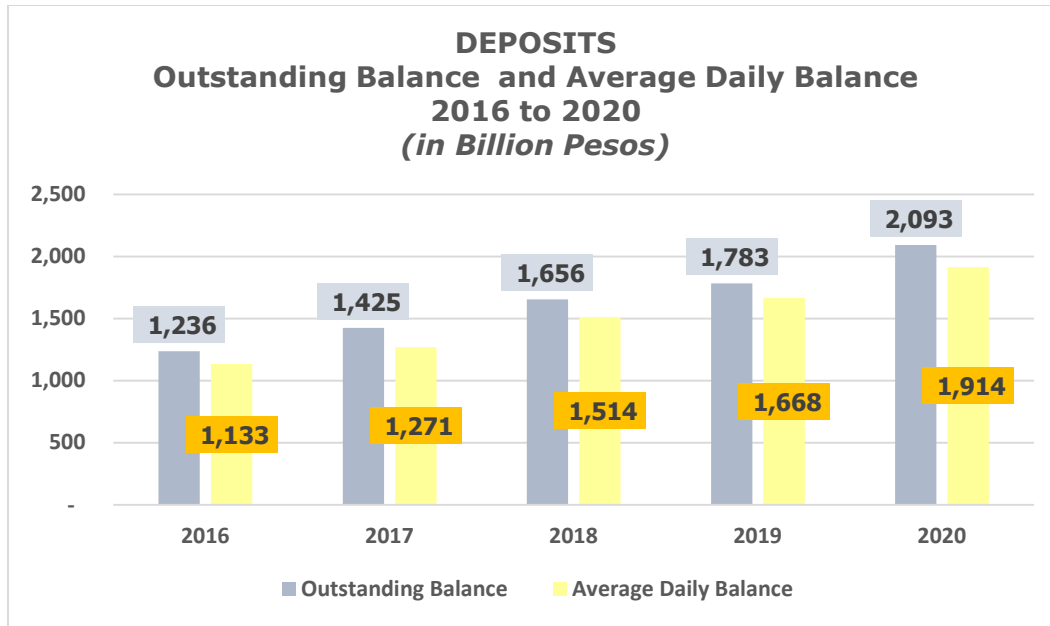
LANDBANK serves as the collection support of various private institutions. In 2020, a total of P16.46 billion were collected for Global Point-of-Sale, Meralco, Manila Water, Philippine Long Distance Telecommunication, Maynilad Water, Globe Telecom Inc., Innove, Smart, Sky Cable, Dragonpay, Mapua University and various other merchants. There was a 22% increase in private collections in 2020 from P13.52 billion in 2019.

# **BANK PRODUCTS AND SERVICES**

## **Deposits**

The Bank has achieved sustained expansion in its deposit base with growth across all depositor categories. LANDBANK's deposit liabilities rose to P2.09 trillion as of December 2020 and recorded a faster growth with an increase of P310 billion or 17.4% from P1.78 trillion in 2019. With considerably improved public trust in LANDBANK, private deposits posted a bigger share of increase amounting to P171 billion as compared to the P139 billion growth in government deposits. Consequently, the share of private deposits improved to 37% from 34% in 2019. The Bank's average growth rate in deposits for five years was 15%.

Deposits are largely composed of Local Government Unit (LGU) and Government Owned and Controlled Corporation (GOCC) deposits which share the same contribution at 24% each. This is succeeded by personal depositors at 16% and National Government Agencies (NGAs) at 15%. Banks and private corporations accounted for 10% and 8%, respectively of the Bank's total deposit base in 2020.

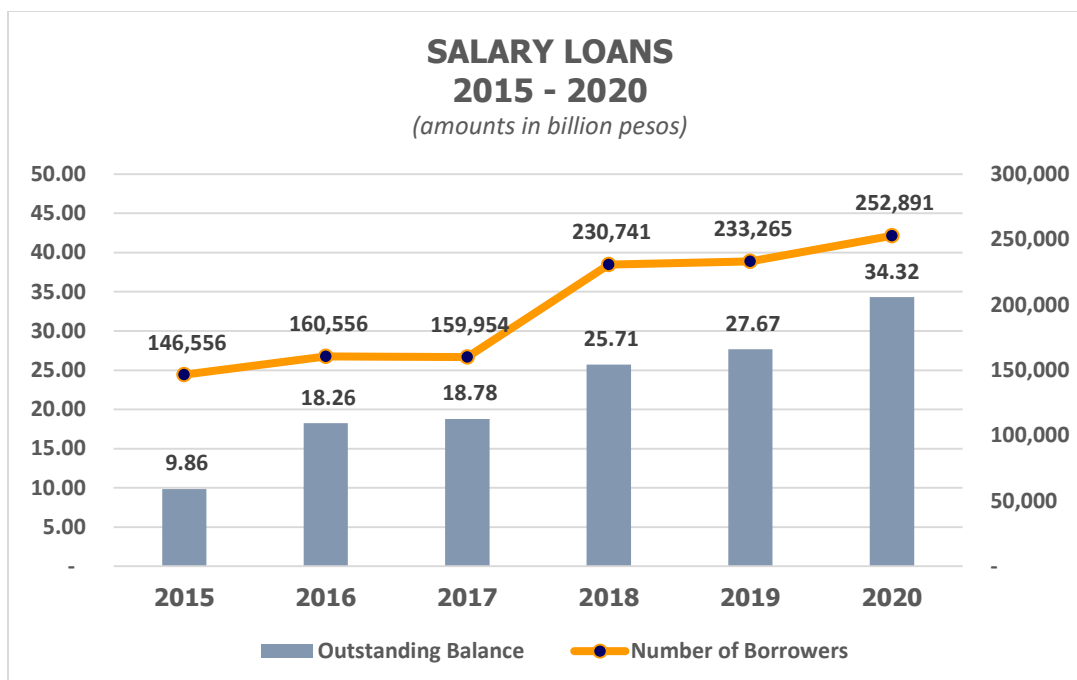


### Salary Loans

The Bank provides credit windows to augment the financial needs of government and private sector employees through its salary loan facility.

Salary loans grew at a robust pace in the last five years at an average increase of 19%. In 2020, salary loans increased significantly by 24%, with the portfolio reaching P34.4 billion from P27.8 billion in 2019. This benefited 252,891 personal borrowers from 22,446 government and private institutions.

LANDBANK's policies on Salary Loans are continuously being reviewed to align with the growing demand and customer requirements.



## Overseas Remittance

With the implementation of overseas deployment restrictions, Overseas Filipino Workers (OFW) repatriations, and worldwide mobility controls in response to the COVID-19 pandemic, 2020 became a very challenging year for cross-border remittances. However, despite the difficulties, overseas Filipinos persevered to continue sending funds to their loved ones in the Philippines, and this caused the Bank to still post a growth in remittance volume.

In 2020, LANDBANK attained a total of USD 2.258 billion worth of remittances – higher than the USD 2.204 billion remittances generated in 2019 or before the pandemic. These remittances were sourced from the Bank’s foreign correspondent/depository banks and remittance partners in the Asia-Pacific, Middle East, USA, Canada, and Europe.

The Bank adapted to the call for enhanced digital presence to surmount the physical divide by capitalizing on technology to conduct financial literacy webinars and digital marketing initiatives through social media to encourage online remittance activities, while maintaining vigilance on cybersecurity threats. As a result, the inflow of funds continued, and the Bank maintained an Average Daily Balance (ADB) of P3.7 billion from the low-cost deposits of remittance partners, Overseas Filipinos, and OFW beneficiaries.

LANDBANK continued to pursue additional touchpoints for remitters. It forged a Service Level Agreement with the Overseas Filipino Bank (OFB) to assist in the digital onboarding of overseas Filipinos and beneficiaries, as well as introduce them to simple investments such as the Retail Treasury Bonds. Partnership with Remitly, a leading online remittance platform in the USA and Australia, was launched, and the digital integration with Western Union generated a very substantial 207% increase in transactions. LANDBANK forged partnerships with Cebuana Lhuillier and PETNET for cash pickup remittances, increasing its payout network in the country to more than 8,000 pickup locations. This provided both senders overseas and their

beneficiaries more options to conveniently choose where the remittances are released or claimed.

With overseas deployment expected to slightly improve in 2021, LANDBANK intends to continue handholding with overseas remittance partners to ensure the continuous flow of funds to the Philippines for household expenses, payments, savings, and investments.

## **NATIONAL CUSTOMER SATISFACTION SURVEY**

In pursuit of its policy for quality, LANDBANK measures its ability to deliver products and services that effectively address the needs and meet the expectations of customers. Thus, for a period of three years from 2018 to 2020, LANDBANK commissioned the services of a third-party research firm, The Nielsen Company (Philippines), Inc., to conduct a Nationwide Customer Satisfaction Survey (NCSS) among different customer segments such as depositors and clients of the Bank's lending, e-banking, treasury, and trust banking units.

By using face-to-face interviews and online surveys, the NCSS intended to capture customer sentiments and measure the overall customer satisfaction level regarding the delivery of the Bank's various products and services. However, with the COVID-19 situation in 2020, telephone interviews were adopted as the main methodology and as a safety precaution for both the interviewers and interviewees. The results of the survey served as bases for continuous customer service and corporate improvement initiatives, as well as business growth for LANDBANK.

In 2020, NCSS surveyed 2,280 randomly selected customer-respondents. The result of the survey showed an overall customer satisfaction rating of 90%. The annual customer satisfaction survey results are submitted to the LANDBANK Management Committee and the LANDBANK Board of Directors as part of the Bank's commitment to listen to the voice of the customer and in compliance with the performance agreement and client satisfaction measurement required by the Governance Commission on GOCCs and the Anti-Red Tape Authority, respectively.

## **DEVELOPING WORLD-CLASS OPERATIONS**

### **Integrated Management System (Quality and Environmental Management Systems)**

LANDBANK aims to develop world-class operations by promoting a culture of excellence and commitment to quality and environmental sustainability. The Bank adopted the Integrated Management System (IMS) Framework to help attain these goals, as well as to facilitate and maintain its certification to the ISO 9001:2015 - Quality Management System (QMS), and ISO 14001:2015 - Environmental Management System (EMS) standards.

LANDBANK started its IMS journey in 2017, when an IMS Working Team was formed. After conducting gap assessments on the coverage of QMS and EMS at that time, trainings, and

awareness sessions, as well as preparations for the certification audit simulations, ensued in 2018. Certification International Philippines, Inc. (CIP) was also engaged as the Bank's third-party certifying body.

In 2019, CIP conducted Stage 1 - Certification Audit (Document Review) and Stage 2 - Implementation Audit. The audits showed the Bank's compliance to ISO 9001:2015 QMS and ISO 14001:2015 EMS, which resulted in the conferment of these certifications.

In early 2020, with the adjustments in work arrangements due to the pandemic, the Bank's internal IMS Assessment Team conducted remote IMS assessments and coaching sessions to selected field units and head office processes that represented the Bank's operations. These activities prepared LANDBANK for the CIP's IMS surveillance audit, which resulted in the continued certification of Bank against the international standards.

LANDBANK's continued certification to the ISO 9001:2015 QMS is part of its 2020 performance commitments to the Governance Commission for GOCCs (GCG). The following are LANDBANK's IMS-related accomplishments in 2020:

1. Passed the remote surveillance audit with no new non-conformities cited by CIP
2. Complied with the GCG performance commitment to implement and maintain QMS certification. These certifications are posted in the Bank's transparency seal.
3. Established Guidelines on LANDBANK's Integrated Management System (Executive Order 124, s. 2020)
4. Established Guidelines on the Management of Documented Information (E.O. 123, s. 2020)
5. Introduced the Integrated Context of the Organization and Planning template which was utilized by field units and head office-based units to comply with ISO requirements on the analysis of the context of the organization and planning
6. Updated EMS-related documents, such as Work Instructions, Aspects and Impacts, Objectives, Targets and Programs, and Compliance Obligations
7. Conducted gap assessment and review of implementing guidelines on EMS Good Practices (Administrative Order 128 s. 2018)

LANDBANK acknowledges the importance of being a dynamic and agile organization by fostering a high-performance culture. To achieve operational excellence, the Bank also continues to search, benchmark against, and adopt global best practices.

## **INFORMATION TECHNOLOGY SUPPORT AND BANK PROCESS AUTOMATION**

### **IT Projects and Initiatives Implemented in 2020**

- **Asset-Liability and Risk Management System: Enterprise Market Risk Management** - The system was implemented in June 2020 and enables portfolio analysis and manages enterprisemarket risk.
- **OFBank as Digital Bank** – During the year 2020, the transformation of the OFBank to a digital only bank was launched covering transactions/functionalities, such as Digital Account

Opening, Website (Release 1, Covered Transaction Report, New Website (Release 2), OFW Multi-purpose Loans – (Release 1) and AML-Alerts.

- **Information Switching Technology Enhancement** - This covered the migration of the Cash Card from OCM24 to IST and the improvements of features and functionalities implemented in September 2020.
- **Digital Lending System Phase I, Release 1** – This involved the implementation of the Back-End system (SURE-AID Subsidiary Ledger) and SURE-AID Full payment module.
- **Internet Banking Upgrade Phase (iAccess)** - The project covers the migration to the latest and secured platform of the iAccess and enhancement of the Bank's e-Banking services in September 2020.
- **Participant Readiness Enablement BancNet InstaPay** – Completed in October 2020, the project involved the assessment of the bank's current Real Time Payment readiness and identification of gaps for InstaPay 2.0 deployment.
- **LANDBANK Phone Access Phase III - Account Management System** – The system enabled the Phone Access users since November 2020 to register an existing eligible account, and link multiple Fund Transfer accounts to enrolled LANDBANK accounts.
- **Loan Origination System – Collateral Management System Interface** – The interface of the two systems was implemented in December 2020 to synchronize client and collateral information for uniformity and integrity of data.
- **Electronic Payment System (EPS)** - The enhancements to the EPS included the Global Payments Asia Pacific as payment gateway for Visa, Mastercard, JCB transactions and the Bureau of the Treasury (BTr) Retail Treasury Bonds Tranche 23. It also enabled LANDBANK accountholders to pay Land Registration Authority fees and other dues in real-time.
- **Mobile Banking Application and LANDBANK Phone Access** - These e-banking facilities were improved in 2020 to include security-related enhancements (multi-factor authentication, masking of credit card numbers and encryption of cardholder data); cardless transaction functionality; replacement of existing database call for bills payment merchant clearing accounts via Web Service; and the inclusion of Cignal and Bayantel as additional merchants.
- **Credit Exposure System** – This is a web-based BSP reporting system on LANDBANK's credit exposure used by the accounting units of the Bank.
- **Digital Onboarding System** - Some enhancements were put in place, such as (i) the development of an uploading facility for watchlist; (ii) updating of customer record via public website; (iii) record updating facility for corporate customers; and (iv) corporate payroll account.
- **TSA Reporting and Monitoring System Consolidator Enhancement** – This initiative was undertaken to comply with the latest versions of TRAMS Collection v.4.1 and Disbursement Hand-Off File Specifications v2.1.

- **Raffle System** – A stand-alone raffle system was developed in March 2020 specifically for the BTr’s issuance of **Prize Bonds**. – **Premyo Bonds?**
- **Link.BizPortal** – The enhancements to the Link.BizPortal included (i) enrolment / Onboarding of new merchants (total of 767 as of December 2020); (ii) enabling of payment for the RTB24 Progreso Bonds, a retail treasury bond offered by the Bureau of the Treasury; and (iii) provision of support to the issuances of BTr’s Premyo Bonds via online ordering through various participating banks (i.e., LANDBANK, DBP, FMIC, China Bank).
- **Symbols Loan System** – The system was enhanced to allow transaction encoding, screen inquiry, and report viewing on accounts handled by the Accounting Center.
- **Electronic Modified Disbursement System (eMDS)** – The Bulk Credit System Phase 1 on the manual handling of debit and credit for the SAP, loans, and other benefits from partner agencies and the bulk credit processing for the DSWD’s Social Amelioration Program were the additional enhancements to the eMDS.
- **Livelihood Loan System and Human Resources Information System** – In May 2020, both systems were enhanced to include the application of loan moratorium in compliance with the Bayanihan Act.
- **LANDBANK Work from Home Reporting Tool** – This browser-based application was implemented in 2020 to provide (i) attendance and productivity monitoring of LANDBANK employees and service company workers performing office functions under the work-from-home arrangement; and (ii) Personnel Health Survey.
- **Proximity Cards for Head Office personnel** – The proximity cards were put in place in 2020 for health and safety reasons to replace the hand punch used by Head Office-based personnel.
- **OFBank – Mobile Banking Application** - The enhancement enabled the Bureau of the Treasury Retail Treasury Bonds (RTB) purchase/order link in November 2020

## IT Projects and Initiatives Started and Ongoing in 2020

- **Agri - Customer Relationship Management System (Farmers’ Database/MIS)** - The system is a platform for a single and holistic view of the agri- and agra players that the Bank can assist.
- **Credit Risk Engine System Enhancement** - The solution will provide the Bank with a tool to develop statistics-based credit rating models for the automated credit rating of borrowers and estimate Probability of Default.
- **Digital Lending System Phase I** - The system shall enable the implementation of lending programs via digital means.
- **New Human Resource Information System** - The project shall cover the development of a comprehensive and fully integrated solution that provides a single platform for human resource operations.

- **Asset-Liability and Risk Management System Phase II** - The system enables liquidity risk management, fund transfer pricing, advanced liquidity and forecasting scenarios to protect the earnings and maximize the economic value of the Bank.
- **Deposit System Upgrade** - The project covers the development and implementation of an upgraded version of the deposit system from version 205 to 218.
- **Digitization of Bank Documents** - The project aims to convert hard copies of bank documents to digital images in compliance with Anti-Money Laundering Council regulations.
- **Internet Banking Upgrade Phase II** - The project covers the migration to the latest and secured platform of the weAccess and enhance the Bank's e-Banking services.
- **OFBank as Digital Bank** - The project aims to enhance existing IT systems to address OFBank requirements.
- **VOCALINK (InstaPay 2.0)** – This is a new system provided with the managed services agreement of BancNet with Mastercard that will replace the current InstaPay 1.0.
- **New Telling System** - The project covers the development of a new system with improved features and functionalities.
- **Loans Origination System – Job Tracking and Mobile Appraisal System Interface** - The interface of the two systems aims for a seamless flow of transactions between the two systems.
- **Digital Onboarding System** – The integration of Mastercard and Cash Card with the Information Switching Technology is being included as enhancement.
- **Trust Banking System** – An interface of the Mobile Banking Application for Unit Investment Trust Fund will be included in the Trust Banking System.
- **Link.BizPortal** – The system is being enhanced to include additional bills payment merchants, particularly government agencies.
- **Interface payment systems of the Bank to PESONet and InstaPay** – The project covers the integration of Electronic Modified Disbursement System with the DBM's Budget and Treasury Management System to allow fund transfer to other banks via PESONet using CA/SA account and support fund transfer requirement of partner-agencies to other banks via InstaPay using MDS account as source.
- **Transaction Gateway** – The initiative involves revisions in the core application to support upgrade of the Deposit System and direct processing of e-banking account-based transactions via Transaction Gateway.
- **Various ATM Switch/e-Banking Systems** – The project covers enhancements for InstaPay, PESONet, BancNet, and PCHC mandates (e.g., Vocalink, P2M, Acquirer-based Fee charging for ATMs among others).



## IT Projects and Initiatives for 2021

- **Contact Center System** - The system is an integration of various communication channels (i.e., phone, email, and social media) to support the customer service operations of the Bank.
- **Portable Agrarian Reform Collection System Enhancement –Microloan System** – The system is a custom-designed application for loan processing and payment collection of Agrarian Reform Beneficiaries.
- **ATM Monitoring Solution** – The solution is an enhancement of the Bank’s existing tool for the management and administration of ATMs.
- **Business Analytics with Data Sandbox (Big Data Solution)** – The project will develop a platform to be used for the analysis of bank information to aid management in decision-making.
- **Subsidiary Ledger Upgrade** – The technical upgrade is for the utilization of system functionalities related to Asset and Budget Management.
- **New Legal Management Information System** – The project covers a centralized database that contains all cases, legal referrals, documentation and opinions handled by the Legal Services Group.
- **Contract Management System** – The system will be a central repository of the Bank’s contracts that covers origination, management, and retirement of contracts.
- **Integrated Treasury System Upgrade** - The technical upgrade covers the migration to the latest platform of the system to maximize its features and functionalities.

## CUSTOMER CARE CENTER

### Customer Care Department

The LANDBANK Customer Care Department (CuCD) is operational 24/7 and works in line with the Bank’s continuing efforts to comply with the Financial Consumer Protection Circular of the Bangko Sentral ng Pilipinas (BSP), specifically its requirement of a Consumer Assistance Management System (CAMS).

In 2020, CuCD received a total of 1,154,336 inquiries, requests, and incident reports from clients. It is equivalent to 47% increase from previous year’s volume of 785,041. A significant increase in the volume of clients’ queries via email and social media from 2019 to 2020 was observed, with a recorded growth rate of 96.7%.

Period	Calls Received	Email	Social Media	Total
2019	459,026	258,650	67,365	<b>785,041</b>
2020	513,184	478,243	162,909	<b>1,154,336</b>

Majority or 92.98% (1,073,268) of the total volume of customer concerns that CuCD received in 2020 were inquiries, followed by requests with 5.15%, and incidents or complaints with the remaining 1.87%.

#### **Breakdown According to Type**

<b>Year</b>	<b>Inquiries</b>	<b>Request</b>	<b>Incidents</b>	<b>Total</b>
2019	687,405	72,726	24,910	<b>785,041</b>
2020	1,073,268	59,477	21,591	<b>1,154,336</b>

#### **LANDBANK Phone Access as Customer Service Channel**

The LANDBANK Phone Access (LPA) is the primary system used by CuCD in the efficient management of clients' queries that are coursed through the customer service hotline. It is also an alternative service delivery channel through which LANDBANK clients can do self-service banking transactions such as balance inquiry (Peso and credit card accounts), bills payment, fund transfer, checkbook reorder, request for bank statement through fax, and inquiry on check status and balances, blocking of lost or stolen ATM card, and cash card.

As of Dec. 31, 2020, there were 902,245 eligible accounts registered in the LPA. During the year, a total of 681,071 financial and non-financial transactions were processed. Total financial transactions amounted to P92.6 million involving fund transfer and bills payment.

#### **Complaints Management**

The Bank has two general classification of complaints – complaints for special handling (CSH) and common incidents.

**Complaints for Special Handling** are those coursed through government regulatory bodies and agencies (i.e., BSP, CSC Contact Center ng Bayan, Malacañang Presidential Complaint Center) and forwarded to CuCD. These complaints are documented using the Customer Service Incident Reports (CSIR). These may also refer to other incidents received by customer-facing units (e.g., branches, lending centers, AOCs and Treasury Hubs) as reported by customers and resolved at their level, which are documented via Complaint Tracking Sheet (CTS) and forwarded to CuCD as central repository of complaints documentation.

**Common Incidents** refer to concerns raised or reported by clients directly to CuCD. These incidents are documented via an incident tracking tool or ticketing system for monitoring. These are usual cases, which can be resolved through the existing processes of the Bank.

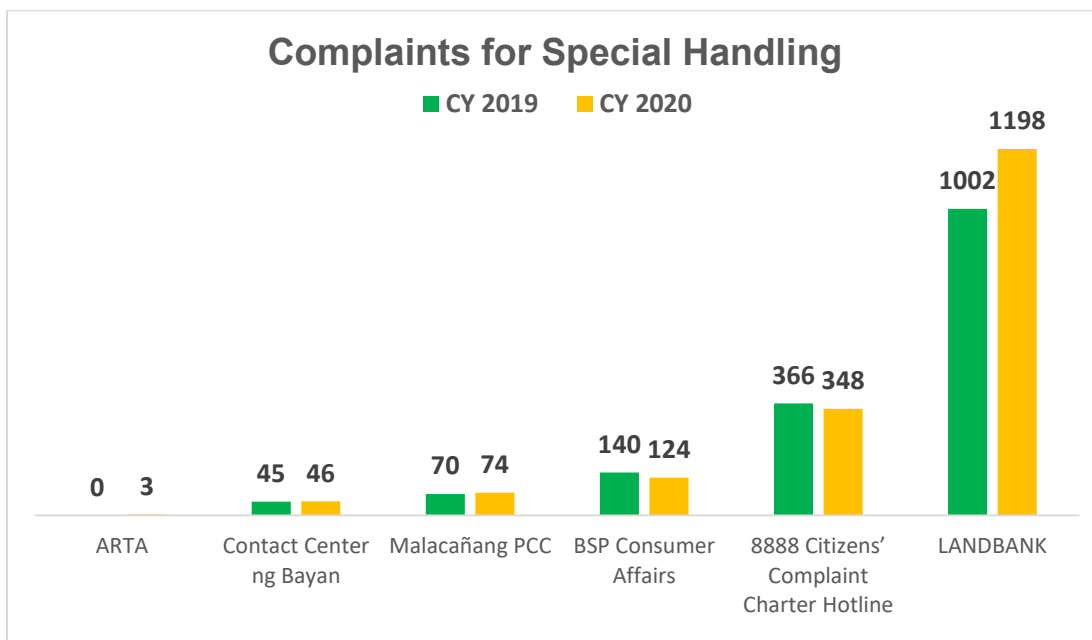
For the year 2020, a total of 1,793 complaints for special handling (CSH) were recorded from different channels. Majority or 1,198 were received through LANDBANK channels, closing the year with a 10.5% growth from 1,623 CSH in 2019.

As regards the external sources of CSH, the 8888 Citizen's Complaint Center remains as the top source with a 19.4% share of the total CSH coming from it.



Meanwhile, a total of 21,591 common incidents were received in 2020, posting a decline rate of 13.32% from the total volume recorded in the previous year. Of the total 2020 figure, 19,008 common incident cases or 88% were resolved within the standard turn-around time (TAT). The CSH cases, on the other hand, recorded a resolution rate of 90% within TAT.

For two years in a row, LANDBANK recorded a 100% resolution rate for complaints filed via the Contact Center ng Bayan under the Civil Service Commission.



## EASE OF DOING BUSINESS

Relative to the issuance of Republic Act No. 11032, also known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018, LANDBANK formulated its Citizen's Charter. The Charter provides the detailed processes on how to avail the service, comprehensive list of requirements, fees, and charges to be paid, expected turn-around time, as well as the personnel in-charge of the processing and delivery of service, thus, will deter graft and corruption practices.

Also, in compliance with the Anti-Red Tape Authority (ARTA) Memorandum Circular No. 2020-07, LANDBANK created a Committee on Anti-Red Tape (CART). The CART is tasked to identify, develop, implement, and review policies and monitor processes to ensure the Bank's compliance with Republic Act No. 11032, its implementing rules and regulations and issuances by ARTA.

Further, as part of the Bank's commitment to provide quality service, as well as to adopt with the current situation brought about by the pandemic, enhancements to certain products/services were made for accessibility and convenience of the transacting public, (e.g., online application for activation of monetary transactions for iAccess, and online processing of requests and applications based on electronic copies of documents, among others). Such updates/changes were reflected in the LANDBANK Citizen's Charter issued and submitted to ARTA in May, July, and December 2020 and posted in the LANDBANK offices, website, and other information billboards.

## **CORPORATE INFORMATION**

### **The LANDBANK website**

The LANDBANK website, [www.landbank.com](http://www.landbank.com), provides information about LANDBANK including its products and services, network, as well as its history, and profiles of Management and the LANDBANK Board of Directors, among others. Links that will direct users to the login pages of the Bank's various electronic banking channels are also present in the LANDBANK website.

As the pandemic and the need to maintain physical distancing pushed the public to go online for their various activities, more users relied on LANDBANK's online channels for information about the Bank and to conduct their banking transactions. [See pages XXX for details on the Bank's e-banking channels.](#)