

## **PURSUIT OF MANDATE**

As a Government Financial Institution (GFI), LANDBANK's mandate is to provide financial assistance and support services to its mandated and priority sectors – the Small Farmers and Fishers (SFFs), Agrarian Reform Beneficiaries (ARBs) including their associations, agri and aqua businesses and agri-aqua related projects of the Local Government Units (LGUs) and Government-Owned and Controlled Corporations (GOCCs). For more than five decades, the Bank has been promoting countryside development, servicing the financial requirements of the Micro, Small, and Medium Enterprises (MSMEs), Countryside Financial Institutions (CFIs) and other government institutions.

In 2020, the Bank's total loans to its mandated and priority sectors reached P778.5 billion, representing a share of 93.7% of the Bank's total loan portfolio.

## **LOANS TO AGRICULTURE**

LANDBANK remained steadfast in its commitment of delivering and promoting economic growth in the countryside amid the extraordinary challenges posed by the COVID-19 pandemic. As of Dec. 31, 2020, the total loans in support to the country's agriculture sector reached P237.6 billion which translates to a 28.6% share of the Bank's total loans to all sectors of P831.4 billion.

The loans to agricultural sector were comprised of 5.3% or P44.0 billion that were lent to small farmers, fishers, cooperatives, and other farmer's associations, and 23.3% or P193.6 billion assisted the private enterprises and government sector through LGUs and GOCCs that are into agri-aqua related projects.

Also, in 2020, LANDBANK has assisted a cumulative total of 2.67 million SFFs which translates to 133.5% accomplishment rate against the full-year target of two million. This was made possible through the Bank's regular lending facilities and programs jointly administered with the Department of Agriculture (DA) and Department of Agrarian Reform (DAR).

The Bank has also released a total of P8.96 billion under these joint programs which include the Agricultural Competitiveness Enhancement Fund (ACEF), the Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA), the Expanded Rice Credit Assistance under the Rice Competitive Enhancement Fund (ERCA-RCEF), the Survival and Recovery Assistance Program for Rice Farmers (SURE Aid) and DAR's Credit Assistance Program for Program Beneficiaries Development (CAP-PBD).

LANDBANK's loan releases to SFFs had an outstanding balance of P55.7 billion as of Dec. 31, 2020 which was channeled through 764 accredited cooperatives, 76 countryside financial institutions such as, but not limited to rural banks, cooperative banks, thrifts banks and financial institutions and 88 irrigators' associations.

The Bank's continuing support to the mandated and priority sectors is aimed at helping stimulate economic activities and livelihood opportunities which have a multiplier effect in uplifting the quality of life especially in the countryside. This is consistent with the National Government's thrust of suppressing poverty by extending loans amounting to P40.5 billion to the top 20 poorest provinces across the country as identified by the Registry System for Basic Sectors in Agriculture (RSBSA) of the DA.

## **LOANS SUPPORTING OTHER NATIONAL GOVERNMENT PRIORITY PROGRAMS**

LANDBANK supports the priority programs of the National Government (NG) as embodied in the Philippine Development Plan 2017-2022. The Bank continuously extends financial assistance through its various lending programs to help the NG achieve its socioeconomic and developmental goals, specifically for projects involving employment generation, infrastructure, social development, and environment and natural resources preservation programs.

Further, LANDBANK, as guided by the NG's thrusts and directions, extended financial support to strengthen the micro, small and medium enterprises, and helped in growing significant industries such as transportation and communication, utilities and tourism. To boost the socioeconomic welfare of the general public, the Bank also extended financial assistance to basic societal needs including education, housing and health care.

As of Dec. 31, 2020, the total outstanding loans in support of other national government priority programs stood at P540.9 billion, which is 65.1% of the Bank's total loans to all sectors.

- **Loans for Microenterprises and Small and Medium Enterprises**

Over the years, the Bank has been providing financial assistance to support the micro, small and medium enterprises (MSMEs) sector. In 2020, LANDBANK intensified its assistance to help those that were affected by the pandemic.

LANDBANK channeled its microfinance loans through conduits such cooperatives, rural banks, non-government organizations and microfinance institutions. On the hand, loans to SMEs were provided directly to SME borrowers, cooperatives, and financial institutions.

In 2020, the Bank had an outstanding loan of P47.5 billion representing 5.7% of the Bank's total loans to all sectors.

Apart from extending loans to MSMEs, LANDBANK also extended financial assistance to livelihood projects and business ventures of qualified fixed income earners in the government and private sectors. The Bank's outstanding livelihood loans reached P74.7 billion as of Dec. 31, 2020.

- **Overseas Filipino Workers Reintegration Program**

The Overseas Filipino Workers Reintegration Program is a tie-up between LANDBANK and the Overseas Workers Welfare Administration (OWWA) to encourage OFWs to engage in business as an alternative to overseas employment through the provision of credit assistance. LANDBANK has earmarked a P1-billion fund to the various business ventures of returning OFWs. As of Dec. 31, 2020, P661.56 million was released to 788 OFWs with outstanding balance of P454.55 million.

- **Loans for Utilities**

In 2020, LANDBANK provided the financial assistance to the utilities sector. The coverage of loans to this sector includes power generation and distribution, gas exploration, and water generation and distribution. As of Dec. 31, 2020, outstanding loans for utilities reached P151.5 billion or an equivalent of 18.2% share from the Bank's loans to all sectors.

- **Loans for Socialized, Low-cost and Medium-cost Housing**

Through the years, LANDBANK has been a partner of the NG in providing decent and affordable housing for the low-income sector in the society. The Bank provided financial assistance through its lending programs to borrowers that are classified as socialized housing which ranges from P400,000 and below, low-cost housing at P400,000 to P3 million and medium-cost housing that ranges from more than P3 million to P4 million. In 2020, outstanding loans to the housing sector reached P66.5 billion or 8.0% of the Bank's loans to all sectors.

- **Loans for Logistics – Transportation and Communication**

LANDBANK also assisted projects involving the transportation and communication sector that are vital in the efficient delivery of goods and services in the country. Projects under these sectors include the modernization of public transportation facilities and communication systems. As of Dec. 31, 2020, the outstanding loans to the transportation sector reached P64.4 billion representing 7.7% of the Bank's loans to all sectors. Meanwhile, the outstanding loans to communication sector amounted to P53.6 billion or 6.5% of the Bank's loans to all sectors.

- **Loans for Education**

In support to the NG program of providing good and quality education in the country, LANDBANK extended loans for the construction, maintenance and upgrading of educational facilities and equipment. Total outstanding loans in the education sector stood at P10.5 billion as of Dec. 31, 2021

- **Loans for Health Care**

LANDBANK supports the program of the government in improving the delivery of health care services in the country. The Bank financed the construction of hospitals, clinics, and other health-related facilities. In 2020, the outstanding loans to health care reached P27.4 billion or 3.3% of the Bank's loans to all sectors.

- **Loans for Environment-related projects**

In support of the government's effort to promote climate change mitigation and adaptation, LANDBANK pursues a sustainable finance framework by integrating environmental criteria in its financial products. The Bank has been providing credit assistance to various projects aimed at protecting the environment and harnessing the potential of renewable and alternative energy resources while minimizing the harmful effects of climate change. The outstanding loans to environment-related projects stood at P10.9 billion as of Dec. 31, 2020.

- **Loans for Tourism**

Tourism was one of the most affected sectors during the pandemic. To support the government in reviving the tourism industry, LANDBANK extended loans to the construction of hotels and other facilities. As of end 2020, the outstanding loans to the tourism sector increased to P34.0 billion compared to P24.9 billion in 2019.

## DEVELOPMENT IMPACT OF LANDBANK LENDING PROGRAMS

Development Projects	2020	Total (2011 – 2020)
Farm-to-Market Roads (in kilometers)	20,510.180	23,522.893
Number of Hospital buildings 1/	8	206
Additional Hospital Beds /2	307	18,199
No. of School buildings 1/	15	779
Additional Classrooms /2	234	6,050
No. of households newly connected to potable water	38,980	2,045,296
Additional KWH Produced/Year	2,433,943	5,722,180,585

1/ Includes new and renovated buildings

2/ Both for new and renovated buildings

## NEW LENDING PROGRAMS IN 2020

In 2020, the Bank pursued relentlessly the development and implementation of new, timely, and responsive lending programs that contributed significantly to the whole-of-government approach by financially supporting the country's various economic sectors especially those affected by the pandemic such as small farmers and fishers, agrarian reform beneficiaries, MSMEs, LGUs, CFIs, community-based organizations, and the unemployed in rural areas, among others. The credit assistance programs offer low interest rates and flexible terms and conditions to cushion the negative impacts of the pandemic and help revive businesses specifically small-scale enterprises and other vulnerable sectors.

- **LANDBANK Interim REhabilitation Support to Cushion Unfavorably affected Enterprises by COVID-19 (I-RESCUE) Lending Program**

In support of Republic Act No. 11469 or the "Bayanihan to Heal as One Act," the LANDBANK Interim Rehabilitation Support to Cushion Unfavorably affected Enterprises

by COVID-19 (I-RESCUE) Lending Program was launched. It is targeted at Small and Medium Enterprises (SMEs), Cooperatives (Co-ops) and Microfinance Institutions (MFIs). With a fund allocation of P10 billion, the Program aims to provide additional funds and loan restructuring under more flexible terms and conditions. As of year-end 2020, the loan releases under the I-RESCUE Lending Program reached P3.07 billion to 166 borrowers.

- **Access to Academic Development to Empower the Masses towards Endless Opportunities (ACADEME) Lending Program**

In support of the National Government's goal of nation building and its commitment to provide quality education to every Filipino, the LANDBANK ACADEME (ACcess to Academic Development to Empower the Masses towards Endless Opportunities) Lending Program was created. It aims to provide credit assistance to Private/non-DepEd high schools, Private Technical-Vocational and Education Training (TVET) Institutions and Private Higher Education Institutions (HEIs) such as colleges and universities in providing continuing education to their students by allowing the students to avail of the enroll now, pay later scheme. The total loan releases under the Program reached P73.31 million to 15 institutions benefiting 5,222 students as of year-end 2020.

- **Interim Students' Loan for Tuitions towards Upliftment of Education for the Development of the Youth (I-STUDY) Lending Program**

The Interim Students' Loan for Tuitions towards Upliftment of Education for the Development of the Youth (I-STUDY) Lending Program aims to help parents send their children to school by financing tuition fee requirements, and the acquisition of gadgets needed as aids in the online educational system. The Program also assists students with repayment capacity to continue their studies by financing their tuition fee needs and the purchase of gadgets. As of year-end 2020, the total loan disbursements amounted to P0.19 million to four borrowers.

- **Interim REhabilitation Support to Cushion Unfavorably affected Enterprises by COVID19 for Better Urban Services (I-RESCUE BUS)**

The Interim REhabilitation Support to Cushion Unfavorably affected Enterprises by COVID-19 for Better Urban Services (I-RESCUE BUS) Transport Program is the Bank's support program for bus operators by providing them interim measures through the acquisition of Modern Public Utility Buses. The Program is designed to provide loan assistance to the holder of transport franchise. However, the LTFRB is yet to decide whether to award the franchise to individual bus operators or to the newly created consortium for each identified zone.

- **Enhanced Partnership Against Hunger and Poverty (EPAHP) Lending Program**

In support of the government's effort to address hunger, poverty, food and nutrition security, and encourage community participation in government contracts, the Bank launched the Enhanced Partnership Against Hunger and Poverty (EPAHP) Lending Program in November 2020 to provide credit assistance to qualified community-based organizations. The Bank has undertaken innovative marketing strategies and other promotional initiatives to reach out to prospective borrowers to avail of the Program.

- **Restoration and Invigoration Package for a Self-Sufficient Economy towards UPgrowth for LGUs (RISE UP LGUs) Lending Program**

The program's objective is to support LGUs in responding to the effects of COVID-19 pandemic and implement economic recovery plans to revive the local economy. The RISE UP LGUs (Restoration and Invigoration Package for a Self-Sufficient Economy towards UPgrowth for LGUs) Lending Program can help stimulate the local economies of provinces, cities or municipalities by extending financial assistance to LGUs in their task of providing basic and support services for local enterprises; encouraging LGUs to facilitate the regional and local development in their areas by integrating the different actors or players in the agricultural value-chain; and financing other innovative programs of LGUs which can bring back the confidence of their constituents in the local economy. As of December 2020 loan releases to 23 LGUs reached P1.56 billion out of total approved loans of P61.51 billion to 183 LGUs.

- **Commercial Fishing Vessel Financing Program**

Launched in November 2020, the Commercial Fishing Vessel Financing Program aims to provide credit assistance to commercial fishing operators in acquiring fishing vessels for domestic or overseas use in consonance with the policy of the government to liberalize vessel acquisitions. During the year, the Bank has rolled out marketing campaigns to promote the financing program to target clients.

- **Socialized Credit Facility to Qualified Agrarian Reform Beneficiaries (ARBs) and Small Farmers and Fisherfolk (SFF) through Qualified Partner Financial Institutions (PFIs)**

The Socialized Credit Facility to Qualified Agrarian Reform Beneficiaries (ARBs) and Small Farmers and Fisherfolk (SFF) through Qualified Partner Financial Institutions (PFIs) is a program that aims to provide socialized credit facility to qualified small farmers and fishers and agrarian reform beneficiaries through qualified conduits or partner financial institutions, thereby expanding the Bank's outreach to the agricultural sector. This is also in compliance with the provisions of RA No. 10878 and its related IRR per BSP Circular No. 1090, particularly on the socialized credit facility to qualified program beneficiaries.

LANDBANK shall allocate at least 5% of its regular loan portfolio for socialized credit to intended beneficiaries which shall qualify as part of the Bank's compliance with the mandatory agricultural and agrarian reform credit, pursuant to RA 10000. The Program's implementing rules and regulations were issued in November 2020.

- **Expanded SURE Aid and Recovery Project (SURE Aid COVID-19)**

The Expanded SURE Aid and Recovery Project (SURE Aid COVID-19) is a program tie-up between the Department of Agriculture-Agricultural Credit Policy Council (DA-ACPC) and LANDBANK which aims to finance the emergency and production capital requirements of small farmers and fishers whose sources of livelihood and income are affected by the COVID-19 pandemic to help them regain the capacity to continue their agricultural activities and contribute to sustained food production. The DA-ACPC has allocated P1.0 billion targeting 40,000 small farmers and fishers to avail of the Program.

- **Rural Agro-Enterprise Partnership for Inclusive Development (RAPID) and Growth Credit Facility (RAPID Growth Credit Facility)**

The Rural Agro-Enterprise Partnership for Inclusive Development (RAPID) and Growth Credit Facility (RAPID Growth Credit Facility) is a new collaborative undertaking by LANDBANK and the Department of Trade and Industry (DTI) that aims to increase the income of small farmers and unemployed rural men and women, initially in selected provinces of Region 8 and Mindanao. The market-driven and value chain-based RAPID intends to provide strategic business development interventions on cacao, coffee, coconut, and processed fruits & nuts farming, from nursery operation, production, processing to marketing. The implementation of the said Program in 2021 shall be subject to the downloading of grant funds and endorsement of loan applicants by the DTI.

- **Countryside Financial Institutions Enhancement Program 2020 Calamity Assistance Program (CFIEP 2020 CAP)**

Under the auspices of CFIEP, jointly implemented with the Bangko Sentral ng Pilipinas and Philippine Deposit Insurance Corporation, the CFIEP 2020 CAP (Countryside Financial Institutions Enhancement Program 2020 Calamity Assistance Program) aims to assist eligible Countryside Financial Institutions adversely affected by natural calamities and man-made disasters, pests and diseases, viral infections/outbreak; and enhance and sustain their long-term viability. Launched in May 2020, the total releases under the Program amounted to P10.00 million, benefiting 488 sub-borrowers who were affected by the COVID-19 pandemic.

- **Municipal Development Fund Office (MDFO) Assigned Loans**

Pursuant to Republic Act No. 11494 and DOF Circular No 006-2020, the unutilized or unreleased balance in the Municipal Development Fund (MDF), including investments and undrawn portions of all loans and outstanding loans as of Dec. 15, 2020, were transferred to LANDBANK. The total outstanding loans transferred stood at P9.4 billion.

## **AGRICULTURAL EXPANSION CREDIT PROGRAMS**

- **Sikat Saka Program**

The Sikat Saka Program is a special program of the Department of Agriculture (DA) and LANDBANK which provides direct credit assistance and other support services to small palay and corn farmers with the objective of increasing the farmers' productivity and income. Since 2012, the cumulative loan releases have reached P11.82 billion with outstanding balance of P1.23 billion involving a total of 17,949 small farmers and fishers assisted under the Program.

- **Accessible Funds for Delivery to ARBs (AFFORD ARBs Program)**

The Accessible Funds for Delivery to ARBs (AFFORD ARBs Program) is a partnership program between the DAR and LANDBANK, which provides direct credit assistance to agrarian reform beneficiaries (ARBs) engaged in the production of palay, corn and high-value crops. DAR provides the list of ARBs and mobilizes them to attend the Loan Orientation and Financial Literacy seminar to ensure that the borrowers are equipped with the basic knowledge on how to manage their finances and do farm planning and budgeting. The cumulative loan releases under the Program amounted to P231.69 million with outstanding balance of P111.09 million as of end of 2020. The Program has assisted a total of 791 ARBs and one cooperative with 827 beneficiaries.

- **Agrarian Production Credit Program (APCP)**

Launched in October 2012, the Agrarian Production Credit Program (APCP) is a tie-up among the DA, DAR, Department of Environment and Natural Resources (DENR) and LANDBANK which provides credit assistance for agriculture and fisheries production, agri-enterprise and/or livelihood projects to agrarian reform beneficiary organizations (ARBO), people's organizations (POs), farmers organizations other than ARBOs and other conduits, that are not generally qualified to borrow under the regular lending window of the Bank. DAR and DENR mobilize and capacitate the ARBOs and POs and their members to make them credit eligible and creditworthy borrowers. As of Dec. 31, 2020, the cumulative loan releases amounted to P9.23 billion while total outstanding loans stood at P1.81 billion. A total of 886 ARBOs with 68,963 beneficiaries were assisted under the Program.

- **Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) Project**

HARVEST (Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation) Project is a special lending program of LANDBANK to support the peace building and economic growth efforts in the Bangsamoro Autonomous Region in Muslim Mindanao (BARMM), and other conflict affected areas in Mindanao by extending credit and technical assistance to farmers' organizations and cooperatives, partner financial institutions (PFIs) and small and medium enterprises (SMEs). The Bank's cumulative loan releases under the Project stood at P1.07 billion benefiting 161 SMEs and 26 cooperatives with P115.42 million in outstanding loans as of Dec. 31, 2020.

- **Credit Assistance Program for Program Beneficiaries Development (CAP-PBD)**

The Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) is a joint program of the DAR and LANDBANK which provides credit assistance and support services to ARBs through their respective organizations for crop production, agri-enterprise/livelihood and other agri-related projects. The Program was designed as a flexible credit facility for farmers' cooperatives and associations, otherwise known as ARBOs that are not yet qualified to borrow under the regular lending window of LANDBANK. DAR provides capacity building and enterprise development interventions to ARBOs to strengthen and improve their organizations/operations with the objective of mainstreaming them to the regular lending window of LANDBANK. As of year-end 2020, the cumulative loan releases under CAP-PBD reached P403.13 million with outstanding loans of P172.35 million. It has assisted a total of 113 ARBOs with 6,975 beneficiaries.

- **Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (E-ARISE-ARBs)**

E-ARISE-ARBs (Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders) is a joint program of the DAR and LANDBANK which provides a contingent credit facility to ARBOs, whose members were adversely affected by natural calamities or disasters, pest and diseases and other viral infections or outbreaks. The cumulative loan releases amounted to P17.81 million benefiting 16 ARBOs with 1,132 ARBs.



- **Expanded Survival and Recovery Assistance Program for Rice Farmers (SURE Aid) Lending Program**

The Expanded Survival and Recovery Assistance Program for Rice Farmers (SURE Aid) Lending Program is a tie-up between the DA-ACPC and LANDBANK which aims to provide a one-time loan assistance to rice farmers whose incomes were affected by the drop in the price of palay in 2019, either through direct lending or through service conduits (farmer's cooperatives and associations). The cumulative loan releases amounted to P2.52 billion benefiting a total of 165,963 rice farmers.

- **Palay at Mais ng Lalawigan (PALAY NG LALAWIGAN PROGRAM)**

With a program fund of P10 billion, the Palay ng Lalawigan Program is a joint program of the DA and LANDBANK that caters to the financing requirements of Municipal, City and Provincial Local Government Units (LGUs) for the purchase of *palay* and corn of local farmers, thus ensuring a ready market and steady price for these produce. The LGUs can also avail of farm machineries and post-harvest equipment for their corn and buying activities. As of year-end 2020, six LGUs availed of the Program with cumulative loans of P80 million.

- **Agricultural Competitiveness Enhancement Fund (ACEF)**

By virtue of RA 8178 (Agricultural Tariffication Act) as amended by RA 10848 (Agricultural Competitiveness Enhancement Fund Extension Act), the Program was established to help increase the productivity of small-scale farmers and fishers and their cooperatives and associations, and MSEs by extending affordable credit assistance for the purchase of farm inputs and acquisition of agricultural fixed assets, with minimal requirements. The cumulative loan releases totaled P4.61 billion with outstanding loans of P3.46 billion benefiting 36,623 small farmers and fishers, 181 MSEs and 94 cooperatives/associations.

- **Expanded Rice Credit Assistance-Rice Competitiveness Enhancement Fund(ERCA-RCEF)**

ERCA-RCEF is the credit assistance component of RA 11203 (Rice Tariffication Law) to help improve the productivity, efficiency and profitability of rice farmers and their cooperatives. From 2019 to 2024, LANDBANK is granted P500 million annually to extend affordable credit assistance for the purchase of farm inputs and acquisition of agricultural fixed assets, with minimal requirements. Since the implementation of ERCA-RCEF, the Program benefited 5,597 farmers and 77 cooperatives in terms of loans amounting to P884.91 million with an outstanding balance of P587.47 million.

- **Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)**

Created under RA No. 10659 or the Sugarcane Industry Development Act of 2015, the SCP-SIDA (Socialized Credit Program under the Sugarcane Industry Development Act) is a financing facility, which supports productivity improvement to boost sugarcane production and increase the income of sugarcane farmers and farm workers. As of year-end 2020, the cumulative loan releases under the Program amounted to P345.27 million with outstanding loans of P295.24 million assisting 2,090 farmers, three cooperatives, three associations and one foundation.

- **Agri-Mechanization Financing Program**

This Agri-Mechanization Financing Program was designed to provide credit assistance to promote mechanization of production and post-production processes from planting, harvesting, and processing to increase efficiency, reduce post-harvest losses and lower costs of production. The Program assisted 40 MSEs and 11 cooperatives/associations with cumulative loan releases totaling P575.89 million and P71.96 million loans outstanding as of Dec. 31, 2020.

- **Coconut Production and Processing Financing Program**

This program provides support to the coconut industry stakeholders, particularly coconut farmers, by financing projects, such as planting or replanting, rehabilitation, fertilization and processing of coconuts and its by-products. A total of P2.56 billion in loans was released as of year-end 2020 with outstanding loans of P1.33 billion. There were two MSMEs and one cooperative assisted.

- **Farm Tourism Financing Program**

The Farm Tourism Financing Program was designed to assist farm tourism operators to develop farm tourism camps or activities that allow visitors to enjoy farming or fishing experience through education, recreation, or leisure. As of Dec. 31, 2020, the loan releases to two Micro and Small Enterprises (MSE)-beneficiaries reached P9.75 million with outstanding loans of P4.41 million.

- **Financing Program for Greenhouse Farming System**

The Financing Program for Greenhouse Farming System supports the financial requirements of farmers' organizations and other agri-entrepreneurs in their shift towards modern farming system through the adoption of greenhouse technology. The cumulative loan releases as of Dec. 31, 2020 amounted to P8.64 million with outstanding loans of P5.25 million, benefiting two MSE-borrowers.

- **Masustansiyang Inumin para sa Likas na Kalusugan (MILK) Program**

The MILK (Masustansiyang Inumin para sa Likas na Kalusugan) Program is a partnership between the Bank and the National Dairy Authority (NDA) in support of the National Government's thrust of improving the local dairy industry and reducing the country's dependence on dairy imports. The NDA provides technical assistance while LANDBANK supports the financing needs of eligible borrowers for dairy production, processing, marketing and other dairy-based economic activities. A total of P247.62 million in loans were released under the MILK Program as of year-end 2020 to four MSEs and two cooperatives with outstanding loans of P91.06 million.

- **Poultry Lending Program**

The Poultry Lending Program provides funding for poultry business-related projects, including production, working capital and fixed asset investment that promote sustainable, competitive and self-sufficient poultry production. As of year-end 2020, the loan releases accumulated to P22.82 billion with P11.61 billion outstanding. A total of 348 MSEs and 58 other borrowers were assisted under the Program.

- **Sugarcane Financing Program**

The Sugarcane Financing Program extends credit assistance to value-chain players in the sugarcane industry such as planters, millers, traders and farmer's cooperatives. Total cumulative loans of P13.54 billion were released under the Program as of year-end 2020 to 72 MSEs and 35 cooperatives/associations with outstanding loans of P2.22 billion.

- **Sulong Saka Program (High-Value Crops Financing)**

The Sulong Saka Program (High-Value Crops Financing) is a credit assistance program for farmers cultivating high-value crops such as banana, cacao, coffee, oil palm, rubber, vegetables, among others, and for various qualified stakeholders to support their production, processing, marketing and other agribusiness projects. The Program benefited 195 MSEs, 298 cooperatives/associations and 72 other borrowers amounting to a total of P17.15 billion with an outstanding balance of P11.30 billion.

- **Sustainable Aquaculture Lending Program (SALP) or Pagsasakang Pantubig**

The SALP (Sustainable Aquaculture Lending Program or Pagsasakang Pantubig) is anchored on institutional buyers or processing/canning companies linked with fishers' cooperatives/associations or MSMEs as growers/suppliers. The Bank's cumulative loan releases under the Program stood at P5.63 billion benefiting 68 MSEs, six cooperatives/associations and 11 other borrowers with P826.24 million in outstanding loans as of Dec. 31, 2020.

- **Young Entrepreneurs from School to Agriculture Program (Yes to Agriculture Program or YESAP)**

The Young Entrepreneurs from School to Agriculture Program (Yes to Agriculture Program or YESAP) is designed to promote agri-entrepreneurship among the youth through the provision of credit and other support services as well as encourage enterprising young individuals to prioritize farming and agribusiness enterprise. The Bank has undertaken marketing initiatives to further promote the Program.

- **Empowering Barangays in Remote Areas Thru Credit and Enterprises (EMBRACE) Lending Program**

The EMBRACE (Empowering Barangays in Remote Areas Thru Credit and Enterprises) Lending Program aims to expand credit outreach to farmers, fishers, MSEs, especially in unserved areas for financial inclusivity in line with the Bank's mission and mainstream these sectors to the regular window of the Bank. The total loan releases under the Program reached P489.25 million involving 34 farmers and 18 MSEs with outstanding loans of P7.54 million as of year-end 2020.

- **Partner Financial Institutions-Additional Credit for Countryside Outreach and Rural Development (PFI-ACCORD) Program**

The PFI-ACCORD (Partner Financial Institutions-Additional Credit for Countryside Outreach and Rural Development) Program aims to facilitate easy access to short-term credit needs of the Bank's valued and good performing PFIs; provide additional short-term working capital requirements to PFI borrowers particularly for their clients such as, SFFs, MSMEs and agribusiness entities (ABEs); and encourage the Bank's PFIs to avail of short-term loan at competitive interest rates, thus, expanding the Bank's loan portfolio and outreach. The cumulative loan releases amounted to P118.62 billion with

outstanding balance of P9.65 billion. The Program assisted 63 cooperatives, 12 CFIs and one NGO.

## **OTHER LENDING PROGRAMS**

- **LANDBANK Lending Program for Former Rebels**

The LANDBANK Lending Program for Former Rebels aims to complement the Philippine Government's Enhanced Comprehensive Local Integration Program (E-CLIP) and show the government's sincere support to former rebels by providing credit assistance for their small businesses and agri-enterprise projects and reintegrate them to the economic mainstream. As of Dec. 31, 2020, there were seven former rebels from Northern Samar and Pampanga who availed of P0.47 million loans under the Program.

- **LGU Lending Program**

The LGU Lending Program assists the LGU's financing requirements for their local infrastructure and other socio-economic development projects that will enhance social services and help improve the living conditions of their constituents. A total 649 LGUs availed of this lending program with cumulative loans released amounting to P85.92 billion and outstanding balance of P54.47 billion as of year-end 2020.

- **BUILDERS (Bringing Urbanization and Innovation thru LANDBANK's Diverse Engineering Resource Support) Program**

In response to the financing needs of contractors, the BUILDERS (Bringing Urbanization and Innovation thru LANDBANK's Diverse Engineering Resource Support) Program was created to augment the working capital requirements and assist in the business expansions of contractors to enhance their role in the government's infrastructure-building projects. A total of 474 contractors availed of a total of P123.11 billion and outstanding balance of P33.87 billion as of year-end 2020.

- **Health-Progressive Lending for Upgraded Services Program (Health-PLUS)**

The Health-PLUS (Health-Progressive Lending for Upgraded Services Program) is designed for the health sector to improve access of the populace to quality and updated medical health goods and services. As of December 2020, approved loans amounted to P49.92 billion while outstanding loans stood at P22.54 billion. A total of 176 borrowers benefited from loan releases totaling P29.51 billion.

- **Public Transport Financing Program**

This is the umbrella program of existing lending programs of the Bank for the public transportation sector, namely: (1) Special Package for Environment-friendly and Efficiently- Driven Public Utility Vehicles (SPEED PUV); (2) Ferry Boat Inclusive Financing Program; (3) TeRrain and Naval Special Program On Reliable means of Transport (TRANSPORT); and (4) Lending Program for Motor Vehicle Inspection Centers (MVICs). As of year-end 2020, the Program was able to finance the acquisition of 313 PUVs and eight boats, establishment of two MVICs, and the fleet improvement of a transport cooperative. Out of a total of P1.51 billion approved loans, P794.28 million were released to 31 borrowers with P752.75 million in loans outstanding.

- **Access of Small Enterprises to Sound Lending Opportunities (ASENSO)**

ASENSO (Access of Small Enterprises to Sound Lending Opportunities) is a credit program supporting MSMEs to start or expand their existing businesses. Cumulative loans released under the Program amounted to P61.50 billion benefiting a total of 19,019 MSMEs.

- **LANDBANK CARES (Calamity Assistance and Rehabilitation Support) Program**

The LANDBANK CARES (Calamity Assistance and Rehabilitation Support) Program is the Bank's response to support the credit requirements of those affected individuals or entities in officially declared natural and man-made calamities or disasters and/or in pests and diseases-affected/damaged/devastated areas. It serves as the Bank's ready program for financial assistance every time there is an occurrence of a calamity or disaster and/or pests and disease outbreak, in support of the government's continuing effort to restore economic and social activities of both public and private sectors in affected areas. Of the total approved loans of P5.85 billion, P3.62 billion was released to 202 borrowers with P1.72 billion in loans outstanding.

- **H2OPE (Water Program for Everyone)**

The H2OPE (Water Program for Everyone) is LANDBANK's unified program for the water and sanitation sector to make the lending operations of the Bank more responsive and relevant to the expanded projects and borrowers of the said sector. H2OPE has a sub-program called STP (Solutions in Terminating Pollution) for Manila Bay, which was created in support of Administrative Order No. 16 creating the Manila Bay Task Force with vested powers and functions to complete rehabilitation, restoration, and conservation of Manila Bay. The Program aims to provide financing to private and government entities located onshore or offshore identified by DENR as contributors to the pollution of Manila Bay. The eligible projects under the Program include the construction or development of decentralized individual sewerage treatment plants, sewage/septage management technology or equipment, landfill and material recovery facility or rehabilitation or expansion of existing sewage/septage treatment plant or system, landfill, and material recovery facility.

Out of the Program's total approved loan amount of P5.66 billion, the loan releases stood at P3.68 billion and outstanding loans totaled P2.15 billion benefiting 32 borrowers.

- **HOME (Housing Opportunities Made Easy) Program**

The HOME (Housing Opportunities Made Easy) Program aims to address the growing housing backlog in the country which requires financing both buyers and developers of residential units. It offers facilities, such as: (1) The EASY Home Loan, which helps the borrower buy or construct his dream home. It also allows existing homeowners to refinance their current and existing home loan from other banks or financing firms or developer's in-house financing; (2) The Developers' End-Buyers Financing Tie-up helps the borrower buy a home through an accredited developer. It also helps developers grow their business by financing their client's home acquisition, after an accreditation process. (3) The Bahay para sa Bagong Bayani (3B) is a special lending program designed for OFWs to acquire, build, or renovate their own homes at relaxed and flexible terms. (4) Housing Projects Developers provides financing to housing project developers in the construction of residential condominium buildings, residential subdivisions, integrated community housing projects as well as commercial and office spaces, sports or health, amusement or entertainment, and environmental protection facilities as part of the integrated housing projects.

The HOME Program has financed four borrowers as of December 2021 amounting to a total of P7.18 billion out of P8.90 billion approved loan and outstanding loans of P5.62 billion.

- **BRIGHTNESS (Bringing Inclusive Growth in every Household Through National Electrification Support Service) Program**

BRIGHTNESS (Bringing Inclusive Growth in every Household Through National Electrification Support Service) Program aims to support the government direction on strengthening reforms in the rural power sector and place the Bank in a prime position to restructure the power industry as well as to encourage the use of renewable energy and support meaningful developmental projects of rural electric cooperatives that translate to lower electricity rates for the Filipino customers. As of year-end 2020, the Program has served 3.46 million power connections amounting to P5.20 billion loan releases to 26 borrowers.

- **Sustainable Multi-dimensional Approach using Revolutionized Technologies (SMART) in City Development Lending Program**

The SMART (Sustainable Multi-dimensional Approach using Revolutionized Technologies) in City Development Lending Program aims to provide financial support to cities, highly urbanized LGUs, SMEs, corporations, cooperatives, NGOs, GOCCs and other viable enterprises for the development and adoption of digital infrastructures and applications with the use of cutting-edge technologies like Internet of Things (IOT), robotics and automation, and Artificial Intelligence to improve the quality of living, attain environmental sustainability, and make the city economically competitive. As of December 2020, one borrower availed of a P70-million loan with loan releases of P54.95 million.

- **K-12 Bridge Financing Program**

The K-12 Bridge Financing Program was designed to provide timely bridge or short-term financing to participating Non-DepEd schools while awaiting disbursement of their government subsidy under the Senior High School Voucher Program. As of year-end 2020, 105 schools availed of P1.69 billion loans under the Program while P558.97 million loans remain outstanding.

- **Credit Facility for State Universities and Colleges (SUCs)**

To support the needs of SUCs, the Credit Facility for State Universities and Colleges (SUCs) was created to finance their infrastructure expansion, fixed asset acquisition and other income generating or agri-related projects. As of year-end 2020, loan releases totaled P77.12 million out of P80.51 million approved loans, while outstanding loans stood at P16.53 million.

- **Franchising Lending Program**

The Franchising Lending Program is the credit program of the Bank for qualified players in the franchising industry, particularly the franchisees and franchisors. The total loan releases under the Program stood at P13.5 million with outstanding loans of P12.00 million as of year-end 2020.

## **SUPPORT FOR AGRICULTURAL PROGRAMS**

- **Agricultural Guarantee Fund Pool (AGFP)**

The Agricultural Guarantee Fund Pool (AGFP) is a credit guarantee program initiated by the DA that consists of a pool of contributions from various participating GOCCs and GFIs. In support of the National Government's agricultural programs, AGFP was set to encourage financial institutions and other credit conduits to lend to small farmers. From 2012 to December 2020, the cumulative AGFP guarantee coverage reached P9.57 billion, through which 86,626 farmers benefited covering 224,045.33 hectares of farmland. For the year 2020, the guarantee coverage amounted to P760.29 million benefiting 5,953 farmers covering 18,810.79 hectares.

- **Credit Surety Fund (CSF)**

Aimed to increase the creditworthiness of MSMEs, cooperatives, and non-government organizations (NGOs), the Bangko Sentral ng Pilipinas developed the Credit Surety Fund (CSF) as a credit enhancement scheme for the sector. The CSF generated from contributions of well-capitalized and well-managed cooperatives or NGOs, LGUs, GFIs, Industrial Guarantee and Loan Fund (IGLF) and other institutions or government agencies serves as security for the loans of qualified borrowers of the CSF Cooperative. As of Dec. 31, 2020, the cumulative CSF covered loans reached P4.49 billion, which benefited 87,411 farmers, 235 cooperatives and 38 MSMEs. Total releases during the year amounted to P494.06 million.

## **SUPPORT TO THE COMPREHENSIVE AGRARIAN REFORM PROGRAM**

Republic Act No. 6657 (Comprehensive Agrarian Reform Law of 1988) mandated LANDBANK as the financial intermediary of the Comprehensive Agrarian Reform Program (CARP). This law was further amended in 2009 by Republic Act No. 9700 which strengthened the CARP and extended the acquisition and distribution of all agricultural lands acquired by the national government. CARP is founded on the right of the landless farmers and farmworkers to own, directly or indirectly, the lands they till. The primordial objective is a more equitable distribution and ownership of land to improve the quality of their lives through greater productivity. The Department of Agrarian Reform (DAR), as the lead agency in the implementation of the agrarian reform program, has jurisdiction over the coverage or acquisition of agricultural lands under CARP and their distribution to agrarian reform beneficiaries (ARBs).

### **Land Transfer Claim Processing**

LANDBANK computes the valuation of compensable private agricultural lands acquired by the government upon receipt of the claim folders (CF) containing the complete documents from the DAR. In 2020, DAR transmitted a total of 1,050 CFs to LANDBANK for land transfer claim processing. Out of these, 1,035 CFs with a total area of 6,833 hectares were valued, while 14 CFs consisting of 110 hectares were returned to the DAR for re-documentation. The remaining one CF consisting of 38 hectares is pending for processing by LANDBANK.

### **Landowners Compensation**

As of Dec. 31, 2020, the total payment to landowners amounted to P79.44 billion, broken down into P3.35 billion for PD 27/ EO No. 228; P.073 billion for LOI 1180; P.024 billion for

RA 3844; P54.99 billion for RA 6657; and P21.00 billion for RA 9700. The amount is inclusive of the P9.36 billion statutory subsidy by the government and the P3.71 billion increase in valuation because of just compensation cases.

### **Agrarian Reform Bond Trading and Marketing**

In 2020, AR Bonds sold amounted to P272.46 million, generating a total income of P5.32 million, assisting 442 bondholders with a total of 539 AR Bond certificates issued.

### **Collection of Land and Loan Amortizations**

As one of the CARP implementing agencies, LANDBANK is also tasked to collect land amortization payments from ARBs. The amount collected is remitted to the Bureau of the Treasury (BTr) as revenue of the National Government. In 2020, collections from Agrarian Reform Receivables (ARR) amounted to P542.69 million with a collection rate of 61%. On the other hand, collections from Agrarian Reform Loans (ARL) amounted to P0.17 million. The total collection of P478.08 million was remitted to the BTr, while the remaining P64.77 million was earmarked for remittance in January 2021.

## **LANDBANK’S SUSTAINABLE FINANCE FRAMEWORK**

### **LANDBANK’s P 5.0 billion Fixed Rate ASEAN Sustainability Bonds**

LANDBANK successfully issued its maiden offering of P5.0 billion Fixed Rate ASEAN Sustainability Bonds, which were listed at the Philippine Dealing and Exchange Corporation on Nov. 17, 2020.

LANDBANK Sustainability Bonds are designed to finance various loan programs that support sustainable green and social projects in accordance with the LANDBANK’s Sustainable Finance Framework. The said framework has been verified by Sustainalytics, a Second Party Opinion provider, to be credible and impactful, and aligns with the Sustainability Bond Guidelines 2018, Green Loan Principles 2018 and ASEAN Sustainability Bond Standards 2018.

LANDBANK intends to allocate an amount equal to the incremental net proceeds of the Sustainability Bonds to finance loans that lead to environmental and social sustainability. Green projects are defined as those that contribute to environmental objectives such as climate change mitigation and adaptation, natural resource and biodiversity conservation, and pollution prevention and control.

<b>Categories</b>	<b>Eligible Green Projects</b>
<i>Renewable Energy</i>	Projects such as solar, wind, ocean, hydropower (capacity of 25MW and below), biomass (excluding those that compete with food production) and geothermal energies, e.g., loans under LANDBANK’s Renewable Energy Lending Program, and investments into its own operations which have positive



	environmental impact
<i>Energy Efficiency</i>	Development, production or installation of products or technologies that reduce industrial energy consumption, such as improved chillers, improved lighting technology and enhanced battery capacity, e.g., loans for Go Green Program, and investments into LANDBANK's own operations that reduce energy consumption in office buildings and facilities
<i>Green Buildings</i>	Commercial and residential buildings that meet recognized standards such as Philippines BERDE Green Building Rating System (4 stars and above), LEED (Gold and above) or belonging to the top 15% of low carbon buildings in their respective categories and local context
<i>Clean Transportation</i>	Electric vehicles, infrastructure for electric vehicles such as charging stations, as well as public mass-passenger transportation, passenger, and freight rail infrastructure (excluding rail transport dedicated to fossil fuels), and motorized transportation, e.g., loans for SPEED PUV Program
<i>Sustainable Water Management</i>	Construction, operation or upgrading of infrastructure for water collection, storage, treatment or distribution or upgrade of infrastructure for flood protection or drought resilience, e.g., loans for Water Program for Everyone (H2OPE)
<i>Pollution Prevention and Control</i>	Construction or upgrading of recycling infrastructure such as waste minimization, waste prevention, recycling, and reuse. Also included are energy/emission-efficient waste-to-energy power plants that use environment-friendly technologies, e.g., LANDBANK's Metro Manila Water Management Project and Solutions in Terminating Pollution for Manila Bay Lending Program dubbed as "STP for Manila Bay"
<i>People Centric Urban Development</i>	To improve quality of life living in urban areas, to provide convenience while at the same time conserving limited resources for sustainable and greener environment, e.g., Smart in-City Development Lending

Social projects are those that directly aim to help address or mitigate a specific social issue and seek to achieve positive social outcomes.

<b>Categories</b>	<b>Eligible Social Projects</b>
<i>Basic Infrastructure</i>	Construction, operation or upgrading of basic infrastructure, such as clean drinking water, sewers, sanitation, and roads, e.g., loans for Bringing Urbanization and Innovations thru LANDBANK's Diverse Engineering Resources Support (BUILDERS) Program
<i>Affordable Housing</i>	Loans for development or purchase of "Socialized Housing" and "Economic Housing" as defined by the Housing and Land Use Regulatory Board of the Philippines, e.g., LANDBANK's loans for Housing Opportunities Made Easy (HOME) Program
<i>Essential Services</i>	Healthcare (public hospitals, elderly care, and the like) and education (public schools, universities, vocational training, sheltered workshops), e.g., LANDBANK's loans for Health Progressive Lending for Upgraded Services (PLUS) Program
<i>Employment Generation</i>	Loans to micro, small, and medium enterprises as defined by the Bangko Sentral ng Pilipinas Manual of Regulation for Banks, e.g., LANDBANK's loans for Access of Small Enterprise to Sound Lending Opportunities Program, agricultural credit support project

	(predicated towards poverty reduction)
<i>Food Security</i>	Growing and processing raw produce such as rice, vegetables, fruits as well as farming and fishing for underserved populations
Socioeconomic Advancement and Empowerment	Loans to minority, underserved, and low-income individuals, such as smallholder farmers and fishers, e.g., loans for LGU program

The LANDBANK Sustainability Bonds offering was five times oversubscribed, with total bids reaching P16.6 billion, leading to an increase in the total issue size from P3 billion to P5 billion. The Bank closed the offer period on its very first day of offering on Oct. 26, 2020.

LANDBANK President and CEO Cecilia C. Borromeo mentioned that amidst the backdrop of a recovering economic environment, the Bank is very grateful for the strong investor confidence in its stable financial position. She added that the strong interest is also a clear reflection of the conscious and growing demand for environmental and socially responsible programs and initiatives that the Bank is promoting.

The LANDBANK Sustainability Bonds were priced at a coupon rate of 2.5872% per annum, payable quarterly. It has a tenor of two years, maturing in 2022. The minimum investment amount is P50,000 and in multiples of P10,000 thereafter.

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

## **LANDBANK'S CREDIT PROGRAMS FOR ENVIRONMENTAL PROTECTION AND SUSTAINABLE DEVELOPMENT**

LANDBANK has been implementing various programs dedicated to environmental protection and sustainable development.

**1. Carbon Finance Support Facility (CFSF)** is a climate change-mitigation program of LANDBANK under the Clean Development Mechanism (CDM) Program of the United Nations Framework Convention on Climate Change (UNFCCC). It is an institutionalized response to the worldwide challenge of reducing impacts of global warming and climate change, through implementation of methane recovery initiatives and programs eligible under the CDM.

The CDM emerged as one of the “flexibility mechanisms” of the Kyoto Protocol convention of 1997, which allows for industrialized nations to purchase carbon credits from developing countries with projects that reduce GHG emissions, to achieve the emission targets of participating industrialized nations.

It is through the CFSF that LANDBANK can implement a voluntary coordinated action by introducing and supporting projects with CDM-eligibility potentials, which could lead to GHG emission reductions, and at the same time, provide incentives through generation of additional revenue in the form of carbon credits. As of Dec. 31, 2020, LANDBANK has enrolled 25 piggery farms with animal waste-to-energy projects and two proponents with landfill gas-to-energy projects, which are the two biggest landfills serving Metro Manila.

LANDBANK, through the Environmental Program and Management Department (EPMD)

serves as the Coordinating and Managing Entity (CME) for the following CDM Program of Activities (PoA) which were developed and registered with the UNFCCC, with assistance from the World Bank (WB): *CDM PoA 6707* – Landfill gas recovery and combustion with renewable energy generation from sanitary landfill sites; and *CDM PoA 5979* – Methane recovery and combustion with renewable energy generation from anaerobic animal manure management systems.

As the CME, LANDBANK sells carbon credits earned by registered projects to the WB, on behalf of Spain, Sweden, and Norway. Payment proceeds earned by the projects from selling Certified Emission Reductions (CERs) may be used as additional source of loan repayment/security.

As of end- 2020, a total of 525,730 CERs have been issued by the UNFCCC-CDM Program based in Bonn, Germany to LANDBANK's CFSF and delivered to WB pursuant to the Emission Reduction Purchase Agreements between LANDBANK and WB, with 26,937 CERs contributed by the animal waste-to-energy projects and 498,793 CERs contributed by landfill gas-to-energy projects. The total represents 64.17% of contracted deliverables to WB for piggery and landfill PoAs in 2020.

- 2. LANDBANK Green Climate Fund (GCF) Financing Program** is a climate finance program involving loans and grants from GCF intended for climate change adaptation and mitigation projects. This Program of the Bank can access GCF grants and loans, either for project funding and/or on-lending/blending with own internal funds or crowd-in with other funds to finance climate action projects.

The GCF is a financial mechanism under the UNFCCC which helps fund climate finance investment in low-emission, climate-resilient development through mitigation and adaptation projects and programs in developing countries. Established with a mission to advance the goal of keeping the temperature increase on our home planet below 2°C, the GCF is a unique global initiative to respond to climate change by investing into low-emission and climate-resilient development.

With the accreditation of LANDBANK in October 2018 as the first Direct Access Entity in the Philippines, the Multi-Hazard Impact Based Forecasting-Early Warning System (MH-IBF-EWS) was approved by the GCF Board in November 2019. The Project is the recipient of USD 10 million grant from the GCF for implementation of activities led by PAGASA and eight other Project Executing Entities. This Project has no loan component. At present, LANDBANK is processing the issuance of the Special Presidential Authority (SPA) by the Office of the President for the execution of the Funded Activity Agreement (FAA) to start the implementation of the country's first GCF-approved project.

Aside from this project, LANDBANK has a total of 12 projects in the pipeline for GCF funding covering the fields of agriculture and irrigation; fisheries; off-grid renewable energy; land transport; health; flood management and ecosystem enhancement through nature-based solutions; energy efficiency; and watershed preservation and land-use management. Among these 12 projects, three had their Project Concept Notes (PCNs) duly reviewed and endorsed by the Climate Change Commission (CCC), as the National Designated Authority (NDA) to the GCF Secretariat. The other projects have their PCNs under development in coordination with the respective proponents.

In 2020, LANDBANK received recognition from the ADFIAP Outstanding Development Project Awards as the Environmental Development Winner for the Bank's GCF Program.

3. **Renewable Energy (RE) Lending Program** provides financing to renewable energy/energy-efficient projects in support of the National Government's thrust of promoting RE development, utilization and commercialization, and accelerating investments in the energy sector. The Program caters to projects such as hydropower, ocean, solar, wind, biofuel, biomass, geothermal and other RE projects. As of December 2020, the Bank released a total of P13.39 billion to 56 borrowers with outstanding loans of P9.26 billion.
4. **LANDBANK Go Green Inclusive Financing for SMEs and LGUs Program (GO GREEN)** is the Bank's support program to the National Government's policy of reducing electricity consumption by promoting the use of energy-efficient solutions. As of December 2020, total loan releases to three borrowers under GO GREEN amounted to P26.86 million.
5. **Special Package for Environment-Friendly and Efficiently-Driven Public Utility Vehicles (SPEED PUV)** is a program aimed to expand financial support in providing adequate, effective, and efficient transport facilities in modern Public Utility Vehicles (PUVs). As of year-end 2020, the Program's total loans approved amounted to P1.19 billion for the acquisition of 313 PUVs. Loans released amounted to P671.1 million with outstanding balance of P629.58 million.
6. **Climate Resilient Agriculture Financing Program** provides financing to promote climate change adaptation initiatives towards climate resilient agriculture. Under the Program, the loan releases as of December 2020 reached P1.86 billion with outstanding balance of P831.27 million.
7. **Enhanced Environmental and Social Safeguards Relative to Credit Delivery** – Committed to its corporate mission of promoting sustainable development anchored on good governance, LANDBANK has institutionalized in its internal lending operations a policy that requires all Bank-financed projects to be environmentally sound and compliant with applicable environmental laws and regulations through the Credit Policy Issuance (CPI) Nos. 2004-02 and 2009-002.

These policies were further improved and expanded to include not only environmental risks assessment but also climate change vulnerability and social risks assessments on all LANDBANK- financed projects through the Administrative Order No. 26 Series of 2018 (AO 26 s.2018) entitled "Enhanced Environmental and Social Safeguards Policy Relative to Credit Delivery" issued on March 6, 2018.

Further policy enhancements were made through the issuance of Executive Order No. 98 on August 21, 2020 superseding AO 26 s.2018. These policy amendments further improved and updated the systems and methods; parameters of reporting in terms of identification, assessment, mitigation, monitoring of environmental, climate change and social risks, as well as environmental and social (E&S) benefits of projects financed by the Bank.

Considering threats of the COVID-19 pandemic to the health and safety of the Bank personnel and clients from the conduct of Environmental and Social Assessment (ESA) that requires travels, actual project site visits, and face-to-face interviews, the Bank issued Executive Order No. 107, Series of 2020 allowing EPMD to implement ESA

through Interim Approaches or Online/Remote Assessment utilizing the available telecommunication facilities, online search engines and environmental assessment tools. Despite the challenges of the pandemic, the Bank, through EPMD, has accomplished a total of 446 E&S project assessments or 97% of the projects scheduled for environmental and social performance monitoring for CY 2020, bringing the total to 5,168 project assessments made since Program implementation in 2004.

These projects financed by the Bank have complied with basic environmental and social laws, rules, regulations, and standards. A total of 391 or 88% projects have implemented environmental programs or initiatives while 304 or 68% have addressed occupational health and promoted safety awareness in the workplace. It is noteworthy that no account/project was issued a DENR Cease and Desist Order due to environmental violations. This can be attributed to the effective and efficient implementation of EO 98 and EO 107, continued focused group discussions with the Bank's Account Officers and Account Assistants in the provincial Lending Units, and information dissemination through the e-learning training program wherein the Bank's clients were strongly encouraged and assisted to comply with the environmental and social laws and regulations and implement various best practices in E&S management by the EPMD personnel, concerned handling AOs/AAs and their Lending Center Heads. Through ESDD, clients are encouraged to implement environmental program awareness and initiatives as well as made aware of social issues in their respective workplace.

Along with the issuance of EO 107, EPMD also conceptualized and developed a total of 17 ESDD Standardized Evaluation Tool (SET) for ESA of major industries financed by the Bank to expedite report preparation. This standardized tool served as a guide/ready reference in the conduct of ESA and aimed for efficiency and uniformity in report preparation, among others. The Bank will continue its effort to align its existing policies, rules and regulations with the BSP Circular 1085, s. of 2020 or the Sustainable Finance Framework and be compliant with international standards like the Equator Principle and World Bank, JICA, and Green Climate Fund standards, among others.

For CY 2020, the Bank's ESDD Program has been selected among the contenders to successfully bag the Karlsruhe Sustainable Finance Awards Certificate of Merit on Outstanding Sustainable Project Financing Category.

**8. Environmental Management System** – Since 2004, the Bank has been continuously implementing a Bank-wide Environmental Management System (EMS) to ensure that its internal operations employ the best practices in environmental management and comply with environmental laws and regulations. The LANDBANK Head Office and 39 branches are already ISO 14001: 2015 Certified.

For the past 16 years, LANDBANK has also been consistent in incorporating the following environmental and social commitments toward sustainability in all aspects of its operations and services to protect the Bank against systemic environmental and social risks such as climate change, as well as influence clients and stakeholders in making similar responsible business decisions:

#### *8.1 Environmental Commitments*

- a. Certified Environmental Management System ISO 14001
- b. Maintained Environmental Policy
- c. Monitored Electricity, Fuel and Water Conservation Measures

- d. Recycled water for use in cooling towers
- e. Has Pollution Control Officers accredited by DENR and LLDA
- f. Installed pollution control facilities/eco-friendly or energy efficient equipment
- g. Implemented No Smoking and Anti-Belching Policy
- h. Conducted environmental awareness programs for employees and practiced Linis Day
- i. Fulfilled environmental activities/programs for the community and partner organizations with advocacies on waste segregation and proper disposal of recyclable materials

### 8.2 *Social Commitments and Programs*

- a. Programs to address occupational health issues, promote safety awareness in the workplace and promote a secure work environment for employees
  - Constructed meeting rooms at the Ground Floor and upgraded LANDBANK Plaza with the replacement of Air Handling Units and Generator Sets
  - Centralized receiving for internal/external at Ground Floor and 10<sup>th</sup> Floor
  - Approved Incident Action Plans and Incident Management Teams
  - Established standard criteria to ensure that equipment is maintained with the issuance of guidelines on replacement of building equipment and furniture and fixture
- b. Programs for the welfare of stakeholder communities and address customer health and safety concerns
  - Awarded by DENR with the first-ever Gawad Kamagong for the Bank's unwavering support to environmental advocacy through long-term volunteer programs on the protection and rehabilitation of watersheds and for uplifting the livelihood of its partner community organizations
  - MOA with ABS-CBN Lingkod Kapamilya Foundation, Inc. in support of the Bantay Langis and Bantay Baterya Projects

### 8.3 Environmental and Social Laws and Regulations Compliance

- a. Self-Monitoring Report submitted to DENR-EMB
- b. Environmental Compliance Certificate
- c. Wastewater Discharge Permit
- d. Permit to Operate Air Pollution Source Installation
- e. Hazardous Waste Generators ID
- f. Hazardous Waste Transport and Treatment Certificate
- g. Pollution Control Officers Accreditation Certificate
- h. Water Permit

## 9. **Green Procurement Initiatives**

- Guidelines on the Implementation of the Green Procurement Program issued in 2011, with the objective to reduce the use of environmentally harmful goods and services being utilized by the Bank
- Procurement Manual 2020 version included “environmental interface” in the specifications and list of CSEs and NCSEs with their respective “Green Procurement” specifications
- Use of certifications/labels in defining requirements such as Philippine Standard Safety Certification Mark, Energy Star, CE Mark, and ISO 14001:2015

## **LANDBANK's Compliance with the BSP Circular No. 1085**

On April 29, 2020, the BSP issued Circular No. 1085 on the Sustainable Finance Framework (SFF) requiring all banks to “embed sustainability principles and environmental and social governance (ESG) in their (1) corporate strategies and directions as well as in their (2) corporate governance and (3) risk management frameworks in a manner that is consistent with their size, risk profile and complexity of operations. Since the issuance of the Circular, LANDBANK has been undertaking various initiatives aligned with the SFF to fully comply within the three-year transition period provided by the BSP.

1. A Transition Plan containing the corporate strategies with corresponding timelines was prepared and approved by the Management Committee and the LANDBANK Board on Nov. 5 and Nov. 11, 2020, respectively, and is ready for submission to the BSP.
2. A Project Working Team (PWT) composed of officers from various Bank Units, was created per Special Order No. 785 issued on Dec. 21, 2020 to craft the framework for the Bank and facilitate the implementation of the Board-approved Transition Plan for the Bank’s full compliance with the BSP Circular 1085 on or before May 16, 2023.
3. The mid-term review of the Bank’s Medium-Term Plan (2019-2023) and Strategy Map is one of the activities to be prioritized in 2021 to evaluate its relevance and alignment with the Philippine Development Plan 10-point agenda, UN’s Sustainable Development Goals, and the BSP Circular No. 1085. The expected output of this activity is an updated Strategy Map with adjusted strategic objectives, measures and targets integrating the Bank’s sustainability agenda.
4. The Environmental and Social Risk Management System (ESRMS), containing policy issuances, procedures, and practices of the Bank on risk management as well as the risks tools and methodologies for monitoring and assessment, shall be prepared following the BSP standards.
5. Relative to the Bank’s implementation of the Integrated Management System (IMS), the Bank shall continually validate and assess the Bank’s processes and practices against sustainability principles and standards. Activities shall include (1) review of the alignment of EMS objectives and IMS policy with international standards and objectives setting; (2) compliance to applicable regulatory requirements and EMS-related issuances, and (3) conduct of IMS Assessments and third-party Certifying Body’s Surveillance Audit.
6. To integrate the Bank’s sustainability agenda in the existing performance appraisal system, a study on the inclusion of a uniform percentage weight for the KRA on SFF in the existing Individual Performance Commitment and Review (IPCR) shall be undertaken by the Human Resource Management Group for possible implementation in CY 2022.

The Compliance Management Group and Internal Audit Group shall also revisit the Bank’s policies and procedures on compliance testing and audit of Bank Units’ adherence to the E&S risk management.

## **AWARDS AND RECOGNITIONS**

Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Awards 2020 – Oct. 28-29, 2020

- “Winner” – Environmental Development Category for the Green Climate Fund
- “Merit Award” – Technology Development Category for the LANDBANK Digital Onboarding System (DOBS)

OpenGov Asia 2020 - April 23, 2020

- OpenGov Asia – Philippines Recognition of Excellence 2020

Asian Banking and Finance – *Aug. 7, 2020*

- Innovative Deal of the Year – Philippines for the “Premyo Bonds Para sa Bayan”
- Corporate Client Initiative of the Year – Philippines for the BALAI Bonds

Global Brands Magazine Awards 2020 – *Aug. 3, 2020*

- Best Agro-Banking Brand – Philippines 2020

Karlsruhe Sustainable Financial Awards 2020 – *Sept. 30, 2020*

- “Certificate of Merit – Best Innovation in Financial Services” for Enhanced Environmental and Social Safeguards Relative to Credit Delivery

Normandy Chair for Peace (through DENR) – *Sept. 19, 2020*

- Manila Bay-ani Awards – Manila Bay SUNSET Partnership Program, Inc.

Securities and Exchange Commission (SEC) – *Nov. 20, 2020*

- Depository Bank of SEC

Department of Environment and Natural Resources (DENR) – *Dec. 15, 2020*

- Kamagong Award – Gawad Sibol Program

## **CORPORATE SOCIAL RESPONSIBILITY**

### **LANDBANK CSR Statement**

LANDBANK’s Corporate Social Responsibility (CSR) embodies its commitment to the institution’s social mandate with programs and activities that contribute to a better, safer and more progressive society, redounding to an improved quality of life for people of the present and future generations.

### **Manila Bay SUNSET Partnership Program, Inc.**

In 2020, LANDBANK received a Certificate for Gratitude from four international environmental organizations at the Manila Bay-ani Awards for the Bank’s flagship program for the environment.

The Manila Bay SUNSET (**S**ocially Responsible and **U**nited in **N**urturing and **S**ustaining the Environment) Partnership Program, Inc. (MBSPPi) was recognized for its “sincere dedication and noble efforts to help restore the glory and the splendor of Manila Bay” by the International Council of Environmental Law (ICEL-Madrid, Spain); the Institute for Governance and Sustainable Development (IGSD-Washington, DC); the Normandy Chair for Peace (NCP-France); the Asia-Pacific Center for Environmental Law-National University of Singapore (APCEL-Singapore); and the Manila Yacht Club.

With the aim of promoting sustainable conversion and improvement of the marine and coastal resources of Manila Bay and its tributaries, the MBSPPi is made up of 30 public and private member-institutions which include government agencies, non-governmental organizations, private companies, and academic institutions.

Included in the past initiatives of the MBSPPi were the monthly and annual clean-ups, fund raising activities through the annual Manila Bay Clean-up Run, collection of waste polystyrene to recycle into rulers for Manila public schools’ students; improving the Bay’s



water quality using Effective Microorganism (EM) Bokashi Mud Balls; PET bottle rescue boat-making; and ecobrick-making from plastic food wrappers, among others.

### **Gawad Sibol Program**

For its steadfast efforts to support environmental advocacy through long-term volunteer work, LANDBANK was recognized by the Department of Environment and Natural Resources (DENR) with the first-ever Gawad Kamagong Award in 2020. Considered as the highest recognition for volunteer partners, the Gawad Kamagong was awarded to LANDBANK for implementing volunteer programs that support the protection and rehabilitation of watersheds and for uplifting the livelihood of its partner community organizations.

From 2006 until the program completion in 2019, LANDBANK partnered with the DENR to implement the Gawad Sibol Program (formerly known as the “Adopt-a-Watershed Program”) to promote the reforestation, protection, and increase biodiversity of denuded watersheds across the country.

The Program aimed to contribute to the National Greening Program of the DENR; help mitigate the impact of global warming and climate change and minimize floods during typhoons in the covered areas; empower local community groups, which includes indigenous people and peoples’ organizations (POs), as partners for the program’s success and sustainability; and provide volunteerism opportunities to LANDBANK employees.

Over the course of its run, the Program engaged thousands of volunteers from LANDBANK who helped replant trees in adopted areas in various watersheds across the country. In 2019, the Program completed the turnover of 13 adopted sites to the respective POs that managed and cultivated the areas, which gave them additional livelihood and financial opportunities.

### **GABAY Program**

Responding to the needs and assisting with the recovery of Marawi City after the devastation left behind by the siege, LANDBANK launched the Gawad Angat Bayan (GABAY) Program in 2019. It provided psycho-social support (PSS) to thousands of residents, especially children, who were traumatized by the violence brought about by the armed conflict.

Funded by the Department of Finance (DOF) under the Kreditanstalt für Wiederaufbau-Interest Differential Fund (KfW-IDF), and in partnership with Balay Mindanaw Foundation, Inc. (BFMI) as Program Implementer, the two-year program was completed last Dec. 31, 2020.

The PSS activities, dubbed as “Mashwara Para Ko Kapamulong” (Conversations for Healing), included processing and debriefing; post-activity support communication; and other interventions needed by the participating internally displaced persons (IDPs) such as organic farming as eco-therapy.

The Program also trained the participants to conduct PSS activities for them to cascade to their fellow IDPs. The GABAY Program has achieved the following:

- Conducted PSS activities for over 1,500 youth and children IDPs;
  - 2019 – 455
  - 2020 – 1,195

- Conducted PSS activities for 2,273 adult IDPs;
  - 2019 – 1,673
  - 2020 – 600
- Trained 127 adult IDPs in conducting PSS to fellow IDPs.
  - 2019 – 100
  - 2020 – 27

The GABAY Program was also made possible in cooperation with Task Force Bangon Marawi (TFBM), LANDBANK Countryside Development Foundation, Inc. (LCDFI), and the local government and people of Marawi City. The Program embodied LANDBANK’s commitment to help communities grow and recover, giving the people of Marawi City and Lanao del Sur hope and the courage to look beyond the tragedy with renewed spirits as they restore their community, and rebuild their lives.

### Contributions to Communities

As a good corporate citizen, LANDBANK assists Local Government Units (LGUs), National Government Agencies (NGAs), Government-Owned or Controlled Corporations (GOCCs) and private entities through donations for humanitarian purposes, financial inclusion, environmental preservation and education.

A total of P10.31 million was donated to 156 LGUs and one educational institution affected by typhoons that hit the country in 2020, as well as the eruption of Taal Volcano.

LANDBANK also provides secondhand fixed assets as in-kind donations to schools, LGUs and other organizations.

Donation Particulars	Amount (In P)
Financial assistance to <b>104 LGUs</b> affected by typhoon “Ursula” in December 2019 in the provinces of <i>Biliran, Leyte, Northern Samar, Samar, Eastern Samar</i> and <i>Southern Leyte</i>	6,415,000.00
Financial assistance to <b>44 LGUs</b> affected by the eruption of Taal Volcano in January 2020 in the provinces of Laguna, Batangas and Cavite	3,300,000.00
Financial Assistance to Pamplona Institute due to heavy flooding brought by typhoon “Tisoy” in December 2019	200,000.00
Financial assistance to <b>8 LGUs</b> in Eastern Samar affected by the typhoon “Ambo” in May 2020	400,000.00
<b>In-kind Donations</b>	
5 Computers sets for Alapan 1 Elementary School in Imus City	
20 Computer sets for Pamplona Institute in Pamplona, Cagayan	
5 Computers sets for Barangay Caluyahan in Motiong, Samar	
10 Computer sets for Irosin Municipality in Sorsogon	
Various properties from PVCID Bohol Field Team to Mansasa District Elementary School in Tagbilaran City, Bohol	
Various properties from General Santos Lending Center to Datal Salvan High School in General Santos City	
Various properties from Agoo Branch to Don Eufemio F. Eriguel Memorial National High School in Agoo, La Union	
Various properties from Camarines Sur Lending Center to Buelva-Belleza National High School in Lagonoy, Camarines Sur	

### Gawad Patnubay Scholarship Program

The Gawad Patnubay (Gawad PAg-aaral TuNgo sa MaUnlad na BAYan) Scholarship Program continues to support underprivileged but deserving students specializing in the field of agriculture and related courses. In 2020, the Program was funded through voluntary contributions of Landbankers nationwide with a 50% Bank counterpart. The Program provides scholarship to children of small farmers and fishers with 100% subsidy covering tuition fees, monthly stipend, yearly book allowances, research grant or thesis funding, and financial awards of P30,000 to P50,000 for honor students.

For SY 2019-2020, there was a total of 97 scholars and as of November 2020, 31 scholars have already graduated while four scholars will be graduating in February 2021. For SY 2020-2021, there are 64 scholars who received allowances/stipend amounting to P6,301,048.56.

## **SUSTAINING EMPLOYEE VOLUNTEERISM AMIDST CHALLENGING TIMES**

LANDBANK's Social Responsibility Program contributes to the institution's goal of developing and improving the quality of life of all its stakeholders. Employees realize this by performing their duties and responsibilities with a consciousness and mindset to act for the benefit of others and by demonstrating sensitivity toward nation-building as well as social, environmental, cultural, and economic issues.

### **2020: A Year of Challenges and Opportunities for Landbankers to become #BankHeroes**

LANDBANK employees have been very much engaged in volunteerism initiatives even before the institutionalization of the "LANDBANK Volunteerific Program."

However, 2020 proved to be a year of challenges in view of various calamities that beset the Filipino nation and the world. The start of the new year saw the residual effects of the disasters that occurred during the latter part of 2019 such as typhoons and the Mindanao earthquake. In January 2020, Taal Volcano erupted which led to the evacuation and dislocation of numerous families in Southern Luzon. In the later part of the year, the country experienced the adverse impact of Typhoons Quinta, Rolly and Ulysses. The major challenge faced by the modern world is the ongoing COVID-19 pandemic. People around the globe continue to grapple as to how to effectively deal with this unprecedented event.

While most workers had to stay at home especially during the early part of the mandated community quarantines, LANDBANK employees, together with partner service providers, continued to provide essential banking services to clients. Likewise, the rest of the workforce did not stop performing their duties and responsibilities as public servants as they worked from the confines of their homes even before the Civil Service Commission (CSC) mandated the adoption of alternative work arrangements.

While 2020 was rife with challenges, the year also brought opportunities for reigniting the Filipino "bayanihan" spirit. The pandemic did not hinder LANDBANK employees from sharing a part of themselves. Although done mostly in a remote fashion, the sincere, charitable and passionate commitment to help others is still present in the hearts and minds of the employees and they actually made it happen. This way, they were able to creatively reshape volunteerism.

### **Volunteerism Opportunities**

Despite having limited mobility and the directive to continue performing their work during this global crisis, 7,393 LANDBANK employees were able to register a combined total of 41,000

Volunteer Hours rendered. They comprise 79% of the total employee population. Average volunteer hours per engaged employee clocked in at 5.22 hours. For 2020, the focus was on fund generation and limited deployment of volunteers.

The LANDBANK “Hour Time to Share” fund generation campaign had a significant contribution to the relative success of this year’s Volunteer Program. Through this donation drive, which ran from December 2019 up to June 2020, LANDBANK employees were able to donate a total of 15,785 volunteer hours which is equivalent to P5.204 million for our 2020 CSR initiatives. From this amount, our employees were able to donate P1.60 million for the purchase of personal protective equipment for the medical practitioners and frontliners of eight COVID-19 centers in Baguio, Metro Manila, Cebu and Davao.

Moreover, through the Hour Time to Share campaign, LANDBANK employees also support scholars who are taking up agriculture courses. As of 2020, there are 99 scholars in 17 schools from 17 regions in the country. LANDBANK, as an institution, supports the academic requirements of the scholars but it is the employees who provide support to the internship or the Education-to-Employment aspect of the program. However, due to the COVID-19 pandemic, the internship program did not push through in 2020 and the P3.604 million allotted for this will have to be repurposed or may be carried over to 2021.

Also, in place since 2019 is the LANDBANK Alternative Mechanism of Benevolent Assistance for the Greater-Good (AMBAG) System whereby donations collected are given to those affected by calamities or fortuitous events, whether these are colleagues from LANDBANK or citizens of severely affected areas. In 2020, a total of P1.94 million was generated, which benefited fellow Landbankers and communities affected by the Mindanao Earthquake, Taal Volcano Eruption and Typhoons Rolly and Ulysses.

### **Other Volunteerism Initiatives**

LANDBANK employees assigned at the Head Office also participated in the Brigada Eskwela Program of Manuel Araullo High School in Ermita, Manila by financing the purchase of materials for module production, while various schools in Leyte and the Province of Cebu received in kind donations from LANDBANK branches in the areas.

During this time of pandemic, the Bank also participated in the National Government’s call for support in the fight against COVID-19 through the deployment of LANDBANK personnel to assist the operations of the Palacio De Maynila Mega Swabbing Center in Malate, Manila.

Some employees donated food packs to frontliners in their respective areas while others conducted a coastal clean-up drive. Several employees donated materials and supplies for candle making as their support to the alternative livelihood program for the urban poor in their community.

The spirit of Christmas was stoked by the continued conduct of the “LANDBANK Share-A-Gift” Program in partnership with the City of Manila. In 2020, 500 street dwellers and their children in selected communities in the City of Manila benefited from the activity. The families received Noche Buena packs donated by LANDBANK as an institution, while school supplies and accessories were purchased using donations from the employees.

