

## **LANDBANK OF THE PHILIPPINES**

### **2020 Performance Highlights**

#### **“Intensifying Support to the Agricultural Sector for Expansive and Inclusive Growth”**

LANDBANK continued to deliver on its mandate and committed to sustain its role as a viable and reliable partner of the government, especially during this time of pandemic.

#### *Financial Performance*

LANDBANK posted marked growth from its 2019 level, an achievement given the economic impact of crisis. Total assets grew to P2.362 Trillion, 16.1% higher from P2.033 Trillion in 2019. Deposits breached the 2 Trillion mark, ending the year with P2.093 Trillion in deposits. Capital likewise rose to P168.3 Billion, higher by 13%.

LANDBANK closed the year with P17.1 billion net income, 7.4% lower than the 2019 net income of P18.5 billion. One factor for the decline is the provisioning for probable losses which is significant at P9.3 billion. This is 44% higher than the P5.2 billion in 2019, and the highest provisioning we’ve ever made in the history of LANDBANK operation.

On financial ratios, return on equity is at 10.8%, higher than the industry average of 8.01%. CET 1 ratio, on the other hand, continued its steady growth year-on-year from 12.74% to 15.17%.

#### *Intensifying Support to the Agricultural Sector*

The Bank remained steadfast in its pursuit of delivering assistance to the agricultural sector despite being hugely affected by the raging crisis. Agri loans has reached P237.62 billion in 2020, which is 96.99% of the Bank’s year-end target of P245 billion.

Cumulative number of farmers and fishers assisted grew to 2.67 million from the 1.03 million farmers in 2019. This is 133.5% accomplishment of the 2 million cumulative target for 2020. The expansion was due mainly to the 718,875 small farmers assisted through the programs of the Department of Agriculture which we jointly implemented. Meanwhile, outstanding loans for the 20 poorest provinces stood at P40.45 billion or 106.46% accomplishment of the revised year-end target.

In line with the Bank’s expanding partnership with the DA, it continued to administer 4 of their lending programs, and one for the Department of Agrarian Reform.

The various loans translated to more infrastructure facilities and basic services is shown below:

- 20,510 kilometers of farm-to-market roads
- eight hospital buildings
- 307 hospital beds
- 15 school buildings

- 234 classrooms, and
- 38,980 households connected with potable water

### *Responding to the National Government's Recovery Efforts*

LANDBANK's contribution to the National Government's COVID Response Programs, as these measures played a critical role in the Whole-of-Nation approach in addressing the crisis at hand.

#### a. Social Amelioration

RA 11469 or the Bayanihan to Heal as One Act, and RA 11494 or the Bayanihan to Recover as One Act put in motion the grant of social amelioration support to Filipinos affected by the pandemic. LANDBANK was at the forefront in the delivery P24.72 billion in total to 5.36 million individual beneficiaries, displaced workers and OFWs, and PUV operators.

#### b. Lending Programs

Still under Bayanihan 1 and 2, LANDBANK introduced five lending facilities for total program funds of P97.5 billion, with P65.96 billion approved loans. These loan programs in particular are offered to LGUs, SMEs, bus operators, private schools and parents of students.

Meantime, following are the lending programs rolled out as well as some programs that were enhanced to help sectors recover from the impacts of COVID-19:

- ***HEAL (Help via Emergency Loan Assistance for LGUs) Lending Program*** – with a program fund of P10 B, launched as emergency funding for local government units on the purchase of goods and procurement of services to support their constituents during the pandemic. This was later rationalized under RISE-UP LGUs Lending Program.
- ***RISE-UP LGUs (Restoration and Invigoration package for a Self-sufficient Economy towards Upgrowth for LGUs) Lending Program\**** – Provincial, city, and municipal local government units may avail of this lending program to finance their development and innovative projects designed to help rebuild their economies and communities, as well as COVID-response and recovery interventions. This program has total approved loans of P61.51 Billion for 183 LGUs nationwide
- ***I-RESCUE (Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprise) by COVID-19 Lending Program\**** – Through this program, the Bank offers credit and loan restructuring under more flexible condition to help SMEs, MFIs, and cooperatives recover from the adverse effects of the pandemic. This program has total approved loans of P3.92 Billion.
- ***ACADEME (Access to Academic Development to Empower the Masses towards Endless Opportunities) Lending Program\**** – LANDBANK allotted a P3-B program fund to support private high schools, private technical and vocational education training institutions, as well as Higher Education Institutions such as

colleges and universities to implement a “study now, pay later” scheme for their students. This program has total approved loans of P526.50M

- ***I-STUDY (Interim Students’ Loans for Tuitions towards Upliftment of Education for the Development of the Youth) Lending Program\**** – Under this program, parents and guardians of students were able to directly avail up to P300,000 loan from the Bank to cover tuition and other enrollment-related fees of the students
- ***I-RESCUE for BUS Transport (Interim Rehabilitation Support to Cushion Unfavorably-affected Enterprises by COVID-19 for Better Urban Services Transport) Lending Program\**** – aims to offer responsive financing to public utility bus (PUBs) operations to help them in the acquisition of modern PUBs, in support of the Metro Manila Bus Modernization Program of the Department of Transportation and the Land Franchising and Regulatory Board
- ***Countryside Financial Institutions Enhancement Program – 2020 Calamity Assistance Program (CFIEP-2020 CAP)*** – a lending program under the auspices of the CFIEP jointly implemented by the Bangko Sentral ng Pilipinas, LANDBANK, and Philippine Deposit Insurance Corporation to assist countryside financial institutions adversely affected by natural and man-made calamities and disasters, pests and diseases, and viral infections or outbreaks. LANDBANK allocated P150-M program fund from CFIEP fund. The program will assist CFIs with additional working capital for on-lending to their stakeholders
- ***Expanded Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (E-ARISE-ARBs)*** – a joint program of the Department of Agriculture and LANDBANK which provides a contingent credit facility to Agrarian Reform Beneficiaries (ARB) Cooperatives and Farmers Associations which/and/or whose members were adversely affected by natural calamities/disasters pests and diseases and viral infections/outbreaks
- ***Expanded SURE Aid and Recovery Project (SURE Aid COVID-19)*** – a joint program of LANDBANK and the Department of Agriculture-Agricultural Credit Policy Council (DA-ACPC) that 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

#### *Collaboration with Government Agencies*

Under the existing partnership with the DSWD for the CCT Program, LANDBANK disbursed P80.6 Billion cash grants to 4.36 Million beneficiaries; and P20.87 Billion to 5.48 Million beneficiaries of the UCT Program.

The Bank’s new partnership with the Department of Transportation covers six projects under the umbrella of Arangkada Programs, all aimed at building a more resilient and modernized transport system. This includes the shift to safer and efficient vehicles that will benefit the riding public; and the implementation of the Automatic Fare Collection System, which will utilize contactless payment instruments in public transport modes.

The collaboration with CHED and UniFAST has made it possible for more than 400,000 students across the country to receive their stipend in a timely, safe and convenient manner.

Rollout of cards is now underway, and by the end of this month, the student beneficiaries will start accessing the Bank's ATMs for their allowance.

LANDBANK was also an active player in the highly successful Premyo Bonds 2 issuance marking 52% sales share of the total P6.56 billion raised from the offering.

A major and meaningful undertaking LANDBANK is participating in is the PhilSys ID Project where we are co-locating for the opening of transaction accounts for unbanked registrants.

### *eBanking Channels*

2020 has multiplied the utilization of LANDBANK electronic channels, with 21% growth in the number of transactions, and 36% in amount. The LANDBANK Mobile Banking App recorded the highest volume of transactions facilitated at 71.93 Million amounting to P85.12 Billion.

All other e-channels registered an upward movement, a testament that LANDBANK is responding to the growing demand for safe, accessible and convenient digital banking solutions under the new normal.

A total of 1.9 M accounts were opened under the DOBS, of which 694,885 were opened last year.

As part of helping customers transfer much-needed funds to their beneficiaries, LANDBANK continued to waive the fees for fund transfer transactions via InstaPay and PesoNet. Waived fees last year totaled 223 Million, considered as foregone income but added service to our customers.

### *Expanding Reach to more unbanked and Underserved*

Despite the restrictions and delays due to safety protocols, LANDBANK still established its presence to more unbanked and underserved communities. It closed the year with 7 new branches, bringing our network of branches to 411 plus 64 Branch Lites. LANDBANK also added 9 new lending centers, for a total of 55; and opened five Agri-Hubs. A total of 350 ATMs and 10 CDMs were installed, bringing the total to 2,320 and 167 respectively.

### *Increased quad-media presence*

LANDBANK made some strides in growing its presence both in traditional and online channels. The LANDBANK Facebook Page now has 753,000 followers, while likes jumped to 728,000 from only 258,300 in 2019.

### *Delivering Continuous Service despite Health Risks*

LANDBANK also continues to adopt alternative work arrangements (i.e., compressed work week, skeletal workforce, staggered working hours, work-from-home) to ensure the health and safety of its employees and customers, while delivering continued financial services to the general public during the general community quarantine.

## *Awards and Recognitions*

LANDBANK received a total of 10 awards in 2020 that recognized the Bank's initiatives on innovative banking, digital financial inclusion, support to agriculture and environment protection. Following are the major awards that the Bank received during the year:

- Association of Development Financing Institutions in Asia and the Pacific (ADFIAP) Awards 2020
  - “Winner” in the Environmental Development Category for the Green Climate Fund
  - “Merit Award” in the Technology Development Category for the LANDBANK Digital On-Boarding System (DOBS)
- OpenGov Asia – Philippines Recognition of Excellence 2020
  - “Recognition of Excellence award” for DOBS
- Asian Banking and Finance (ABF) – Corporate & Investment Banking Awards 2020
  - Innovation 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
  - Best Agro-Banking Brand – Philippines 2020
- Global Sustainable Finance Network (GSFN) Karlsruhe – Sustainable Finance Awards 2020
  - Best Innovation in Financial Services for the Enhanced Environmental and Social Safeguards
- Normandy Chair for Peace (through DENR) Manila Bay-ani Awards
  - Manila Bay SUNSET Partnership Program, Inc.
- Securities and Exchange Commission (SEC) Founding Anniversary and Recognition
  - Depository Bank of SEC
- Department of Environment and Natural Resources (DENR)
  - Kamagong Award