

## **LAND BANK OF THE PHILIPPINES**

### **2022 Performance Highlights**

#### **“Taking the Lead in Serving the Nation”**

##### *Financial Performance*

LANDBANK recorded new milestones in 2022, in addition to surmounting the enduring effects of the COVID-19 pandemic and new challenges.

LANDBANK recorded a Net Income of P30.06 billion in 2022, which is a 38.2% increase from an already impressive P21.7 billion net income in 2021. This surpassed the 2022 target income of P25.7 billion due to a significant increase in gross revenues, mainly brought about by an increase in interest income on loans, income on investments and other income from sale of assets as a result of the LANDBANK-UCPB merger.

Total Assets exceeded the three-trillion-mark to P3.14 trillion in 2022, 21.54% year-on-year (y-o-y), which may be attributed to the increase in deposits which in turn funded the growth in loan portfolio by P238.26 billion. Total liabilities of P2.93 trillion is higher by P554.14B or 23.30% from P2.38 trillion in 2021 largely due to deposit liabilities which posted a y-o-y growth rate of 21.77%.

LANDBANK remains to be the fourth largest Bank in terms of Capital with P210.59 billion by end-2022 from P207.68 billion in 2021. The increase was mainly due to the net income in 2022 despite the remittance to the National Government of P8.45 billion special cash dividends in June 2022 and decrease in other comprehensive income.

##### *LANDBANK-UCPB Merger*

On 24 September 2021, UCPB was recognized as a subsidiary of LANDBANK who acquired P12 billion worth of UCPB Special Preferred Shares from PDIC. UCPB shareholders approved the merger plan with LANDBANK during its stockholders' meeting on December 14, 2021. The legal merger between LANDBANK and UCPB took effect on 01 March 2022.

As of 31 December 2022, most transition activities based on the integration plan have been completed while remaining activities on loans, systems conversion and migration, audit of remaining former UCPB branches, as well as closure or conversion of former UCPB branches are targeted to be accomplished on or before second quarter of 2023.

### *Intensifying Support to the Agricultural Sector*

LANDBANK remains steadfast in delivering financial and development assistance to its mandated sectors – small farmers and fishers, agrarian reform beneficiaries, small and medium enterprises and other agri-aqua projects – and other key players in the agri-business value chain.

Loans to agriculture amounted to P261.7 billion, 5.5% higher from P247.9 billion in 2021, of which P46.6 billion directly benefitted small farmers and fishers including those channeled through different conduits (cooperatives, farmers' associations, rural financial institutions). A total of P166.8 billion supported small, medium and large agri-business enterprises, and the remaining P48.3 billion for agri-aqua related projects of LGUs and GOCCs.

LANDBANK is also the largest lender to LGUs with outstanding loans of P91.5 billion. These were channeled to various developmental projects including those that are agri-related, provision of the needed infrastructure facilities, hospitals, schools and the provision of water and power.

A total of 3.406 million farmers and fishers were given assistance in 2022, achieving the 3.4 million target for the year which is attributed to an increase in regular loans. Meanwhile, loans provided to the 20 poorest provinces amounted to P66.54 billion or 164% of the year-end target.

Moreover, in collaboration with the Department of Agriculture (DA), various programs continue to address the needs of small farmers and fishers in the country:

1. **Agricultural Competitiveness Enhancement Fund (ACEF)** with cumulative releases amounting to P9.2 billion in 2022 benefitting 35,961 small farmers and fishers, 2,341 Medium, Small and Medium Enterprises (MSMEs) and 96 Cooperatives and associations.
2. **Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)** for individual sugarcane farmers and block farms. Loan released amounted to P645 million directed towards 2,490 beneficiaries including MSMEs and cooperatives for the same period.
3. **Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF)** implemented in line with the Rice Tariffication Law wherein LANDBANK released P1.9 billion in loans to 6,642 farmers and 55 cooperatives.
4. **Survival and Recovery Assistance Program for Rice Farmers Program (SURE Aid)**, which extends credit assistance to small farmers affected by the drop in palay prices. Under the program, P2.5 billion in loans was released to extend immediate financial assistance to 165,963 farmers nationwide.
5. **Survival and Recovery Assistance COVID-19 (SURE Aid)** which released a total of P980 million with 39,194 farmers assisted.

Meanwhile, in partnership with the Department of Agrarian Reform (DAR), LANDBANK continuously offers the loan facility, Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) to address the financing requirements of newly-accessing Agrarian Reform Beneficiaries Organizations (ARBOs) and the existing CAP-PBD borrowers for agricultural production and other livelihood / agri-enterprise projects. Cumulative releases for this facility reached P751 million assisting 229 cooperatives and associations.

### *Other Developmental Projects*

Through the various loan programs provided to the different sectors of the economy, LANDBANK continues to contribute to employment growth and livelihood opportunities nationwide. The various loans translated to more infrastructure facilities and basic services are as follows:

- 24,779.29 kilometers of farm-to-market roads
- 259 hospital buildings
- 21,653 hospital beds
- 808 school buildings
- 6,373 classrooms, and
- 2.7 million households connected with potable water

### *Support to the National Government*

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 Protection and Amelioration Programs

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. As such, LANDBANK continues to serve as the distribution arm of the government's social welfare programs for the poorest sector of the country through the Conditional Cash Transfer (CCT) with a total disbursement of P92.4 billion to 4.4 million beneficiaries and the Unconditional Cash Transfer (UCT) with a total disbursement of P11.5 billion to more than 3 million beneficiaries as of year-end 2022 of the Department of Social Welfare and Development (DSWD). was at the forefront in the delivery of P0.2 billion (P155.1 million from Bayanihan Act II and P0.3 million from SAP – LTFRB) in total to 40,271 individual beneficiaries, displaced workers and OFWs, and PUV operators.

#### b. PhilSys ID Project

In partnership with the Philippine Statistics Authority (PSA), LANDBANK participated in the step two registration centers by opening transactional accounts for the previously unbanked PhilSys ID registrants. Through collocation, LANDBANK provided them formal access to basic banking and other financial services.

A total of 8.35 million previously unbanked Filipinos has been onboarded as of end-2022, of which 4.23 million have been issued transactional cards.

#### *Digital Banking Initiatives*

LANDBANK continues to take strides in expanding its digital banking reach through the LANDBANK Mobile Banking App (MBA), iAccess, weAccess, Link.biz Portal and Electronic Modified Disbursement System (eMDS). A total of 158 million transactions or P13,969 billion worth of transactions were recorded as of end-2022.

The LANDBANK MBA remains the topmost utilized digital banking channel with 123.6 million transactions amounting to P227 billion in 2022. The Link.Biz portal recorded a 49% increase or 5.8 million transactions valued at P11.6 billion, while the iAccess reported a total of 5.2 million transactions valued at P17.7 billion.

Other alternative banking channels such as the eMDS and weAccess registered 2.5 million and 16.9 million transactions amounting to P2.1 trillion and P3.1 trillion, respectively.

Moreover, LANDBANK launched the LANDBANKPay in April 2022 – an all-in-one mobile wallet providing customers versatile mobile payment options to pay bills, load mobile phones and tollway RFID accounts, perform online purchases and fund transfers.

The LANDBANK Digital Onboarding System (DOBS) continued to provide clients the convenience of applying for account opening and updating of user information, of which 1.4 million accounts were opened in 2022 alone.

#### *Network expansion*

LANDBANK further widened its reach across the country, expanding its touchpoints to more unbanked and underserved areas, providing customers convenient access to financial products and services.

As of 31 December 2022, LANDBANK had a total of 683 branches, including 76 branch-lite units and agri-hubs, the increase of which was brought about the LANDBANK-UCPB merger. LANDBANK inaugurated five new branches and branch-lites in 2022 and opened six additional agri-hubs. 67 lending centers (LCs) are strategically located across the

country, while a total of 1,056 agent banking partners (ABPs) have been onboarded where 1,723 point-of-sale (POS) machines have been installed.

The Bank also ended the year with the expansion of its Automated Teller Machine (ATM) network by 19% to 2,997 and a total of 228 Cash Deposit Machines (CDMs). On 8 June 2022, LANDBANK, in partnership with Pito Axm Platform, Inc. (PAPI) and Philippine Seven Corporation (PSC), held its inauguration for its collaboration to allow LANDBANK customers to make balance inquiry and cash withdrawals in selected 7-Eleven ATMs for free. Adding 2,323 ATMs in 7-Eleven stores brings the Bank's total ATM network to 5,320 as of end-2022.

### *Awards and Recognitions*

LANDBANK continued to gain various accolades in 2022, both international and local, on the Bank's initiatives development financing, financial inclusion, innovation, support to agriculture and environment protection, among others:

- 1. Association of Development Financing Institutions in Asia the Pacific (ADFIAP)**
  - a. *"Merit Award"*
    - Environmental Development for LANDBANK Renewable and Efficient Alternative (REAL) Financing Program
    - Infrastructure Development – Right-of-Way Appraisal of DPWH and DOTr Infrastructure Projects
    - Financial Inclusion – Enhanced Partnership Against Hunger and Poverty (EPAHP) Lending Program
- 2. 13<sup>th</sup> Asia CEO Awards**
  - a. *Circle of Excellence Awards*
    - Innovation – LANDBANKPay
    - Wellness – LANDBANK Employee Wellness
    - LANDBANK LGU Lending Programs
- 3. 17<sup>th</sup> Philippine Dealing System (PDS) Annual Awards Night**
  - Top Three Fixed Income Dealing Participants
  - Top Five Corporate Issue Managers / Arrangers
- 4. International Association of Business Communicators (IABC) Philippine Quill Awards**
  - Special and Experiential Events – the Virtual Launch of the OFBank, as the Digital only branchless bank
  - Social Media – LANDBANK Social Media Campaigns

5. **Department of Agriculture (DA) – Agricultural Credit Policy Council (ACPC) - Gawad Lingap Award**
6. **Philippine Air Force (PAF) 75<sup>th</sup> Anniversary Night - Outstanding Stakeholder**
7. **Governance Commission for GOCCs (GCG)**  
*Plaque of Recognition for being one of the top GOCCs in the 2021 Corporate Governance Scorecard for GOCCs*
8. **86<sup>th</sup> Securities and Exchange Commission (SEC) Anniversary and Recognition Ceremony**  
*Plaque of Recognition for the invaluable support to the SuperVision of the SEC as the premier investor champion*
9. **Department of Transportation (DOTr) – National Capital Region (NCR)**  
*Plaque of Appreciation for the successful implementation of the LTO-NCR Online Payment*
10. **Department of Science and Technology (DOST) - Technology Application and Promotion Institute (TAPI)**  
*Plaque of Appreciation for LANDBANK's Support to DOST's TAPI Innovation and Technology Lending Program*
11. **Department of Education (DepED) 2022 Partners' Appreciation Program**  
*Plaque of Appreciation for the continued support to all learners*