

LANDBANK OF THE PHILIPPINES

2021 Performance Highlights

“Building Resiliency and Rising Above Adversity”

LANDBANK rose above the ongoing challenges brought about by the pandemic, aggressively expanding its operations to deliver on its mandate and provided strong support to the National Government (NG).

Financial Performance

LANDBANK’s continued growth in 2021 despite the challenges brought about by the ongoing pandemic, marked significant achievements for the Bank.

LANDBANK realized a net income of P21.5 billion in 2021, 26.9% from P17.14 billion in 2020 and surpassing its annual target of P19.73 billion. The increase in net income was brought about by significant increase in FX profit, fees and commission income and other income, as well as a decline in total expenses compared to the same period last year.

Total Assets stood at P2.59 trillion against target of P2.42 trillion, 9.5% higher year-on-year, as investments posted a significant growth of 23.04% from P982.50 billion to P1.21 trillion, increased investments in government securities and the acquisition of PDIC held UCPB shares which were recognized in September. The increase in Total Liabilities by P184.94 billion from P2.19 trillion in 2020 can be attributed to the growth in deposits which further grew to P2.269 trillion in 2021, P175.64 billion from P2.093 trillion in 2020 and surpassing its target P2.1 trillion which was another milestone for the Bank, breaching the 2 Trillion mark.

The Bank’s capital base rose to P207.68 billion, 23.39% from P168.31 billion the previous year, slightly lower than the P215.98 billion target. The increase was primarily due to the P27.5 billion capital infusion received from the National Government and CY 2021 net income of P21.75Bn. Return on Equity (ROE) and Common Equity Tier 1 (CET1) was at 11.57% and 17.25% respectively, comfortably above minimum regulatory levels.

Intensifying Support to the Agricultural Sector

LANDBANK’s unwavering commitment to its mandated sectors, and as a continued response to the National Government’s initiatives for economic recovery, continued to provide and deliver assistance to small farmers and fishers, agrarian reform beneficiaries, small and medium enterprises and other agri-aqua projects of LGUs. Loans to agriculture amounted to P247.9 billion in 2021, which is 98.57% of the Bank’s revised year-end target of P251.5 billion

A total of 3.24 million farmers and fishers were given assistance in 2021, breaching the 3 million mark from 2.67 million in 2020, mainly attributed to increase in regular loans. This also exceeds the committed target of 3 million farmers and fishers assisted by 2022 to the Office of the President of the Philippines. Meanwhile, loans provided to the 20 poorest provinces amounted to P43.62 billion or 107.44% of the 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:

- 302.65 kilometers of farm-to-market roads
- 33 hospital buildings
- 1,954 hospital beds
- 9 school buildings
- 96 classrooms, and
- 18,303 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 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. Lending Programs

As a continued response to the ongoing pandemic, LANDBANK provided different lending facilities under Bayanihan 1 and 2, with total program funds of P204.5 billion, and P127.82 billion in approved loans. These loan programs 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 a total program fund of P150 billion with approved loans of P96.54 billion for 360 LGUs nationwide as of December 2021, of which P18.12 billion were released to 211 LGUs.
- ***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. Of the P50 billion program fund, total approved loans amounted to P30.37 billion and P29.34 billion was released to 677 beneficiaries.
- ***ACADEME (Access to Academic Development to Empower the Masses towards Endless Opportunities) Lending Program**** – LANDBANK allotted a P3B 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 a total approved loans of P913.997 million and P540.518 million in releases to 19 schools as of December 2021.
- ***I-STUDY (Interim Students’ Loans for Tuitions towards Upliftment of Education for the Development of the Youth) Lending Program**** – with a total program fund of P1.5 billion, 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. Total releases to 43 students amounted to P2.83 million of the P3.29 million approved loans as of year-end 2021.
- ***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. Four (4) corporations and one (1) cooperative have signified interest to apply a loan under the program as of November 2021.

- ***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 P150M 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. Total program fund is P1.0 billion with releases of P933.87 million to 37,367 beneficiaries.

Collaboration with Government Agencies

Under the existing partnership with the DSWD for the CCT Program, LANDBANK disbursed P123.74 billion cash grants to 4.4 million beneficiaries; and P9.9 billion to more than 2.8 million beneficiaries of the UCT Program.

The Bank's 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. Accomplishments as of December 2021 under these programs include:

- Completion of appraisal for 2,385 lots and 9,279 improvements for the North and South Sections;
- Distribution of P6,500 cash subsidy to 145,667 out of 178,244 target beneficiaries for PUV Operators and P4,500 cash subsidy to 4,658 out of 14,610 additional target beneficiaries for Tourist Transport Operators;
- Completion of the initial payout of P129.78 Million to 50 RAP beneficiaries and credited P6.60 Million additional cash entitlement to accounts of 14 RAP beneficiaries;
- On the SPEED PUV, total approved loans amounted to P2.018 billion, 219% higher year-on-year, with P1.680 billion releases in 2021. Overall, a total of 1,005 vehicle units financed, 53 borrowers P49.84 million Government subsidy released in 2021; and
- On the AFCS, necessary preparations were made as well as the submission of total project cost on the proposed arrangement with DOTr, with LANDBANK as the Implementing Agency (IA).

LANDBANK also teamed up with CHED-UniFAST for the issuance of LANDBANK Prepaid Cards to 400,000 student-grantees of the Tertiary Education Subsidy Program to enable them to receive their stipend in a timely, safe and convenient manner.

The Bureau of the Treasury (BTr) tapped LANDBANK again for its various bond offerings in 2021, generating combined total online sales (RTB Online Ordering Facility, Landbank and OFBank Mobile Banking Applications) of P20.2 million, P77.2 million, and P0.3 million for RTB-25, RTB-26 and RDBs, respectively

One of the biggest programs the Bank continues to participate in is the Philippine Identification System (PhilSys), an initiative in support to the National Government to promote financial inclusion especially for the unbanked. Through its Agent Banking Partners (ABPs), partner LGUs and service contract workers, LANDBANK onboarded 7.2 million unbanked PhilSys registrants as of 31 December 2021 through the Bank's co-location strategy with the Philippine Statistics Authority (PSA) in hundreds of registration centers nationwide.

eBanking Channels

Despite the challenges in operations encountered with the ongoing pandemic, LANDBANK was able to further expand its digital banking reach, increasing the number and amount of transactions of its electronic channels with 19% utilization growth in 2021. The LANDBANK Mobile Banking App continued to record the highest volume of transactions at 103.82 million amounting to P172.39 billion.

With the exception of iAccess, all other e-channels recorded increased utilization, catering to the ever-growing demand for secure, accessible and convenient digital banking solutions in the new normal.

The LANBDANK Digital Onboarding System (DOBS) continued to provide clients the convenience of applying for account opening and updating of user information, increasing the total number of accounts opened to 2,121,322 since 2018, of which 857,352 were opened in 2021.

As part of helping customers transfer much-needed funds to their beneficiaries, LANDBANK continued to wave the fees for fund transfer transactions via InstaPay and PesoNet. Waived fees last year totaled P507.4 million, considered as foregone income but added service to our customers.

Expanding Reach to more unbanked and Underserved

Further boosting its reach, LANDBANK aggressively expanded its physical network to serve more clients and cater to their banking needs. The Bank expanded its branch network bring the total number of branches to 418 from 411 in 2020, and 71 branch-lite units. Likewise lending centers reached 58 with 3 new recent openings as of year-end 2021.

Increased quad-media presence

LANDBANK's online media presence continues to grow with its official online media accounts – *Facebook Page* gaining at least 1.6M followers, YouTube account with 25.3K followers, *Twitter* account with 15.1K followers and *Instagram* account with 19.5K followers.

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 varying community quarantines.

In addition to the AWAs, the Bank also took initiative to ensure its employees are vaccinated. Aside from the procured Moderna Vaccines, the Bank also coordinated with the City Government of Manila to conduct onsite vaccination at the LANDBANK Plaza for those willing to avail. As of 31 January 2022, 8,374 employees were fully vaccinated, 1,607 have received booster vaccination and 25 employees are partially vaccinated. Only 97 employees remains to be unvaccinated.

Awards and Recognitions

LANDBANK continued to earn international and local recognitions on the Bank's initiatives on innovative banking, digital financial inclusion, support to agriculture and environment protection, receiving various awards for 2021:

- **Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)**
 - Merit Award for Outstanding Development Project for Local Economic Development
- **Asia CEO Awards**
 - Most Innovative Company of the Year
 - Most Sustainable Company of the Year
- **International Finance Awards**
 - Best Lending Platform - Philippines (2021)
- **Investment House Association of the Philippines (IHAP)**
 - Best Fixed Income Deal (Small-Mid Cap) Award
 - Best Project Finance Deal Award (Large Cap)
- **City Government of Manila**
 - Top Taxpayer of the City of Manila (Araw ng Maynila)
- **LServe Corporation, Inc.**
 - Outstanding Client Partner
- **Philippine Social Media Awards**
 - Brand Star Awards
- **Philippine Society for Industrial Security (PSIS)**
 - Plaque of Appreciation