

**LAND BANK OF THE PHILIPPINES**  
**STATUS OF IMPLEMENTATION OF MAJOR PROGRAMS AND PROJECTS**  
**As of 30 September 2017**

**Land valuation of private agricultural lands covered by the Comprehensive Agrarian Reform Program**

As an implementing agency of the Comprehensive Agrarian Reform Program, LANDBANK processed and approved 1,065 claim folders for the period January to September 2017. These claim folders covered 7,602 hectares with a total land value of ₱1.4 billion.

**Lending to Mandated and Priority Sectors**

LANDBANK, driven by its countryside development mandate, remains at the forefront of positive and inclusive change in helping the economy and the nation at large grow. It has long provided a financial lifeline to sectors that commercial banks traditionally overlook and expanded its reach to the underserved and unserved sectors of society. Conduits like the countryside financial institutions (rural banks, thrift banks and cooperative banks) and accredited cooperatives were tapped to channel the financial needs of its mandated clients - the small farmers, fishers and agrarian reform beneficiaries and their associations. LANDBANK likewise supports the National Government (NG) by aligning its financing programs to the other identified priority sectors of the Bank comprising microenterprises and small and medium enterprises (SMEs), communications, transportation, housing, education, health care, environment-related projects, tourism, utilities and livelihood loans.

As of 30 September 2017, priority sector loans reached ₱505.5 billion or 93.2% of the Bank's loans to all sectors of ₱542.2 billion.

<b>Sectors</b>	<b>In Billions ₱</b>	<b>% Share to Total</b>
<b>Priority Sectors</b>		
• Small farmers and fisherfolk and their associations	39.1	7.2
• Agri-business & Aqua-business	70.9	13.1
• Agri-aqua related projects of LGUs and GOCCs	53.0	9.8
• Micro, small and medium enterprises	70.9	13.1
• Communications	29.2	5.4
• Transportation	35.7	6.6
• Housing (Socialized, Low-Cost and Medium-Cost)	42.9	7.9
• Education	5.6	1.0
• Health Care	13.2	2.4
• Environment-related projects	17.2	3.2
• Tourism	7.2	1.3
• Utilities	99.2	18.3
• Others (Livelihood/Salary Loans)	21.4	3.9
<b>Total Priority Loans</b>	<b>505.5</b>	<b>93.2</b>
<b>Others</b>	<b>36.7</b>	<b>6.8</b>
<b>Sum of Loans to All Sectors *</b>	<b>542.2</b>	<b>100.0</b>

\* Excludes Interbank Term Loans Receivable (Foreign Regular & FCDU/EFCDU), Loans and Receivables Arising from Resale Agreements/Certificates of Assignment/Participation with Recourse/Securities Lending and Borrowing Transactions, and Domestic Bills Purchased Line; Includes Unsecured Subordinated Debt Facility on Rural Banks

## Loans to Small Farmers and Fishers

As of 30 September 2017, outstanding loans to small farmers and fishers reached ₱39.1 billion. The loans were utilized for crop production, livestock, fishery, agri-processing, manufacturing, trading, livelihood and other business activities.

For January to September 2017, loan releases to small farmers and fishers reached ₱39.6 billion. These loans were channeled through 932 accredited farmers and fishers cooperatives and 115 countryside financial institutions (rural banks, cooperative banks, and development banks), and 172 irrigators' associations.

Of the outstanding loans of ₱39.1 billion, ₱25.7 billion were loans to the 20 poorest provinces as identified under the Registry System for Basic Sector in Agriculture of the Department of Agriculture (DA).

### *Credit Support Programs*

- Food Supply Chain Program

LANDBANK, in partnership with the DA and the Dept. of Finance, launched the Food Supply Chain Program which aims to increase farmers' income by way of providing necessary financial and technical support along the value-added chain of a commodity or industry. It is a synergy program wherein LANDBANK provides financial and technical assistance to agricultural producers, market processors, consolidators and other market players to promote sustainable market linkages to all key players in the agricultural value chain through a Production, Technical and Marketing Agreement.

For the period January to September 2017, a total of ₱10.4 billion was released for 43 projects participated in by 134 farmer cooperatives, farmers' organizations and NGO producers and 43 anchor firms. Cumulative total releases from Oct. 2010 to September 2017 amounted to ₱73.6 billion.

- SIKAT-SAKA Program

The Sikat Saka Program (SSP) is a partnership program launched by the DA and LANDBANK to support DA's Food Staples Sufficiency Program where LANDBANK provides direct financial assistance to the small farmers for their palay production. The program is in recognition of the significant and critical role of individual palay farmers as a major player in supporting rice production towards attaining the government's thrust of food sufficiency.

Aside from the provision of credit, the program offers an integrated support to small palay farmers such as extension services, assured market and irrigation services through the attached agencies of the DA – the National Irrigation Administration and National Food Authority.

The program is being implemented in 45 areas: 23 in Luzon, 9 in the Visayas and 13 in Mindanao.

For the period January-September 2017, loans of ₱1,179.6 million were released. As of 30 September 2017, loans outstanding amounted to ₱1,055.4 million. Since its implementation, it has serviced 14,576 beneficiaries.

- Agrarian Production Credit Program

The Agrarian Production Credit Program (APCP) is a partnership program developed pursuant to the CARPER Law and is jointly implemented by the DA, DAR and LANDBANK to provide credit, technical assistance and other support services to Agrarian Reform Beneficiaries (ARBs) through their organizations. It is a transition program which prepares the organizations to become credit conduits under the regular credit window of LANDBANK within two (2) years.

Eligible borrowers are generally classified as Agrarian Reform Beneficiaries Organizations (ARBOs), Farmers Organizations (FOs) other than ARBOs and conduits - such as cooperative, NGO or rural bank.

The APCP is a five-year credit and capacity development program that aims to extend credit assistance to ARBs, especially those not yet eligible under the Bank's existing regular lending programs, for the acquisition of their farm inputs, other equipment and machineries, and working capital.

As of 30 September 2017, total cumulative releases of ₱4.8 billion which serviced 45,854 beneficiaries.

- Credit Assistance Program for Program Beneficiaries

The Credit Assistance Program for Program Beneficiaries Development is a program partnership with the Department of Agrarian Reform which aims to provide credit assistance to projects of Agrarian Reform Beneficiaries (ARBs) in both Agrarian and non-Agrarian Reform Communities. Specifically, it serves as an incubation stage where borrowers and projects that cannot be accommodated under the LANDBANK regular window are extended credit facilities, with the objective of eventually moving the said borrowers to the LANDBANK regular facilities.

As of 30 September 2017, loan releases reached ₱338.0 million to 94 ARB Organizations and assisted 6,698 borrowers.

#### Loans in Support of Agriculture and Fisheries

- Loans for Agri-business and Aqua-business

LANDBANK supported the financing requirements of private business enterprises that are engaged in agriculture and fishery-related activities. Agri-business projects include agri-processing, manufacturing, packaging, storage and other agri-related services as well as fishing, fish and other marine processing, and exporting of frozen marine products. These activities contribute not only in diversifying and increasing the value of agribusiness and aquabusiness outputs, but also contribute to the inclusive growth and rural development by generating jobs in the countryside.

As of 30 September 2017, outstanding loans to agri-business and aqua-business amounted to ₱70.9 billion.

- Loans for Agri-Aqua Related Projects of Local Government Units and Government-Owned and – Controlled Corporations

LANDBANK financed the agriculture and aqua-infrastructure and related projects of the local government units (LGUs) as these are key components of the entire food supply chain. Projects financed include construction or repair of farm-to-market roads/bridges, seaports, public markets, transport terminals, irrigation systems and fish port complex. These infrastructures help promote the flow of agriculture and fishing commodities from farm to market and to the consuming public.

LANDBANK also financed the credit requirements of government-owned and -controlled corporations (GOCCs) that engage in the marketing of agricultural commodities. The participation of these GOCCs is meant to address the availability of supply and stability of prices of certain agricultural commodities.

As of 30 September 2017, total outstanding loans on agri-aqua-related projects of LGUs and GOCCs reached ₱53.0 billion.

#### Loans in Support of Other Priority Programs of the National Government

- Loans to Microenterprises and Small and Medium Enterprises

Over the years, LANDBANK provided strong financial support to microenterprises and small and medium enterprises (MSMEs) as this sector is a rich source of innovation and ideas. MSMEs generate

the biggest employment and contribute largely to the country's total output as 99 percent of business establishments belong to this sector.

LANDBANK channeled its microfinance loans through conduits such as cooperatives, rural banks, non-government organizations and microfinance institutions. On the other hand, SME loans were extended through direct lending to SME borrowers, cooperatives and financial institutions.

As of 30 September 2017, outstanding loans to microenterprises and small and medium enterprises amounted to ₱70.9 billion.

- Loans for Logistics – Transportation and Communication

Due to rapid increase in population, demand for more efficient transport systems is increasing because it affects people in doing business everyday and in bringing economic progress. Modernization of transport facilitates and logistics results to efficient delivery of goods and services. LANDBANK financed projects to improve both the land and sea-based transport systems.

As of 30 September 2017, outstanding loans to the transport sector amounted to ₱35.7 billion

An efficient communication system, on the other hand, facilitates the ability to connect and do efficient business. LANDBANK financed projects that upgraded and modernized the telecommunication systems.

As of 30 September 2017, outstanding loans to the communication sector reached ₱29.2 billion.

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

LANDBANK supports the housing program of the NG to provide decent housing at affordable cost. LANDBANK provided loans to borrowers classified as socialized housing at ₱400,000 and below, low-cost housing which ranges ₱400,000 to ₱3 million; and medium-cost housing from more than ₱3 million to ₱4 million.

As of 30 September 2017, loans outstanding for socialized, low-cost and medium-cost housing reached ₱42.9 billion.

- Loans for Education

Education is fundamental to development and growth. Investment in education is a strategic tool to achieve inclusive growth. LANDBANK extended loans for the construction and maintenance of educational institutions and upgrading of its facilities and equipment.

As of 30 September 2017, outstanding loans for education stood at ₱5.6 billion.

- Loans for Health Care

To address the increasing demand for health care facilities, LANDBANK financed the construction of hospitals, clinics and other health-related facilities to facilitate the delivery of health care services.

As of 30 September 2017, outstanding loans to health care reached ₱13.2 billion.

- Loans for Environment-related Projects

The effects of global warming have become one of the primary concerns of the National Government. LANDBANK supports the government's thrust to adapt to and mitigate the effects of global warming by extending loans to projects that enhance the environment, harness the potential of renewable and alternative energy resources and promote climate change adaptation. Among the projects that the Bank financed were for the construction of flood control systems, waste management and recovery facilities, sewerage treatment plants, hydro-electric power plants, production of biofuel, sanitary landfills and energy efficiency projects

As of 30 September 2017, loans for environment-related projects amounted to ₱17.2 billion.

- Loans for Tourism

Tourism is one of the booming industries in our country that needs aggressive approach. In support of the development of tourism in the country, LANDBANK provided loans for the construction of hotels and resort and other facilities.

As of 30 September 2017, outstanding loans for tourism amounted to ₱7.2 billion.

- Utilities

LANDBANK financed projects to the utilities sectors that are vital in the operation and expansion of various industries in the country. Projects under this sector include water generation and distribution, gas exploration and production, and power distribution, transmission and generation facilities).

As of 30 September 2017, loans outstanding for utilities reached ₱99.2 billion.

- Salary/Livelihood Loans

LANDBANK also extends financial assistance for livelihood projects and business endeavors of qualified fixed income earners in the government and private sector.

As of 30 September 2017, outstanding salary/livelihood loans amounted to ₱21.4 billion.

## **Delivery of banking services in the countryside**

- Branch Network

In the banking industry, LANDBANK has the most extensive branch network being the only bank with presence in all of the country's 81 provinces.

As of 30 September 2017, LANDBANK has 376 branches, extension offices and servicing unit - 240 branches are located in Luzon of which 87 are in the National Capital Region while 62 branches are in the Visayas and 74 branches are in Mindanao.

- Automated Telling Machines Network

As of 30 September 2017, LANDBANK's Automated Telling Machines (ATMs) network reached 1,694. The ATMs are strategically located across the country, with 362 units (22%) in the National Capital Region, 401 units (24%) in North and Central Luzon, 312 units (18%) in Southern Luzon, 257 units (15%) in the Visayas and 362 units (21%) in Mindanao.

To remain competitive, LANDBANK installed ATMs in strategic locations such as government facilities/offices, commercial centers and other high-traffic areas such as malls and train stations.

- Mobile ATMs

LANDBANK likewise deployed mobile ATMs to provide banking convenience and bring LANDBANK services closer to the ground. The mobile ATMs are used to support the distribution of cash grants to the beneficiaries of the government's Conditional Cash Transfer Program in far flung areas; and are also deployed to complement operations of a LANDBANK branch. The mobile ATMs also proved useful as part of a disaster recovery support in calamity-stricken areas.

As of 30 September 2017, LANDBANK deployed 10 mobile ATMs.

- LANDBANK Easy Access Facility

To promote financial inclusion, the LANDBANK Easy Access Facility (LEAF) was established in municipalities where the Bank has no deposit taking conduits. The LEAFs are Other Banking Offices (OBOs) which engage in non-transactional banking-related services such as deposit, withdrawal and bills payment thru machines. As such, the LEAF hosts the ATM, Cash Deposit Machine and LANDBANK Express Access Machine.

As of 30 September 2017, there were 47 LEAFs established all over the country.

- Cash Deposit Machine

The Cash Deposit Machine (CDM) is a lobby-type machine with self-service, real-time cash deposit functionality. It allows the customer to make cash deposits to a LANDBANK ATM peso deposit account and provides information on the outstanding balance and withdrawable balance on a real-time basis.

As of 30 September 2017, there were 92 CDMs deployed in selected Branches (on-site - 46 and off-site - 46).

- LANDBANK Express Access Machine (LEAM)

The LANDBANK Express Access Machine (LEAM) provides a convenient alternative payment channel by eliminating the need to queue up to a bank teller for tax payments. The machine is designed to allow dropping of payments and tax returns through an envelope chute or drop box. The LEAM is expected to help manage customer traffic in LANDBANK branches.

As of 30 September 2017, there were 50 on-site LEAMs deployed.