



**LANDBANK**

WE HELP **YOU** GROW.

# Global Reporting Initiative (GRI)

## Detailed Content Index

2018 Sustainability Report

# Table of Contents

Vision and Mission.....	1
General Standard Disclosures.....	2
Specific Standard Disclosures.....	11
Economic.....	11
Environmental.....	14
Social.....	19
Financial Services Sector Disclosure.....	43
Annex.....	45

## VISION

By 2023, LANDBANK shall be the leading universal bank that promotes inclusive growth, especially in the unbanked and underserved areas, through the delivery of innovative financial products and services powered by digital banking platforms.

## MISSION

### **To Our Clients and Publics:**

We provide accessible and best technology solutions to deliver timely and responsive financial and support services to meet the needs of our clients, especially Small Farmers and Fishers (SFFs), Micro, Small and Medium Enterprises (MSMEs), Countryside Financial Institutions (CFIs), Local Government Units (LGUs) and government agencies, while promoting sustainable development anchored on good governance.

### **To our Employees:**

We are the employer of choice. We develop and nurture talents who exemplify the highest standards of ethics, social responsibility and service excellence. We support diversity and cultivate a healthy work environment with equal opportunity for professional growth and advancement.

# GRI General Standard Disclosures

## Organizational Profile

### 102-1 Organization name

Land Bank of the Philippines (LANDBANK)

### 102-2 Primary brands, products, and services

As a universal bank with a social mandate, LANDBANK provides its retail and institutional clients with a wide variety of banking and financial products, services and programs detailed as follows:

- Deposit Products
- Loan Products
- Card Products
- E-banking Products
- Investment Products and Services
- Remittance Products
- Agrarian Services

*For a complete list of Bank's products and services, please see Annex B.*

### 102-3 Headquarters location

The Head Office of the Land Bank of the Philippines is located at:

LANDBANK Plaza

1598 M.H. del Pilar corner Dr. J. Quintos Streets

Malate, Manila 1004

### 102-4 Where the organization operates

LANDBANK is the only bank present in all 81 provinces of the country. Its extensive network reaches out across the Philippines, continuously expanding year on year. In 2018, LANDBANK has a total of 396 branches/EOs, 49 LEAFs, 1,969 ATMs, 44 Provincial Lending Centers, and 9 Head Office-based lending units. Apart from its branch network, the Bank also operates 6 tellering booths and 6 foreign exchange booths to provide additional banking services.

This year, the Bank continued to have strong correspondent banking relationships with 232 foreign banks and maintained deposit accounts with 24 top-tier banks in 11 countries. Likewise, the Bank nurtures healthy partnerships with 158 foreign and local companies specializing in the remittance and overseas manpower deployment businesses.

As of end 2018, the Bank already had 31 partner paying agents composed of commercial banks, rural banks and pawnshops. Including LANDBANK branches, the pay-out network is composed of 4,935 outlets.

### 102-5 Nature of ownership and legal form

Government-Owned and Controlled Corporations (GOCCs)

## Markets served

LANDBANK serves the following markets / sectors:

- Mandated Sectors: Small Farmer including Agrarian Reform Beneficiaries (ARB) and Small Fishers, and their associations
- Agriculture and Fisheries: Agri-business, Aqua-business and Agri-Aqua-related projects of Local Government Units (LGUs) and Government-Owned and Controlled Corporations (GOCCs)
- Other National Government Priority Programs (including Public-Private Partnership Projects): Micro, Small and Medium Enterprises (MSMEs), Communications, Transportation, Housing (socialized, low-cost, and medium-cost), Education, Health Care, Environment-related projects, Tourism, Utilities, and Livelihood Loans

For the geographic breakdown of markets served, please refer to LANDBANK Loans to All Sectors (Annex A).

## 102-7 Scale of the organization

New Branches as of 2018:

- |                                      |                                      |
|--------------------------------------|--------------------------------------|
| 1. Samal Island Branch               | 10. San Andres Catanduanes Branch    |
| 2. San Juan Southern Leyte Branch    | 11. Aurora Zamboanga Del Sur Branch  |
| 3. Moalboal Branch                   | 12. Limay Branch                     |
| 4. Tuao Cagayan EO                   | 13. Kapatagan Lanao Del Norte Branch |
| 5. Cabagan Isabela Branch            | 14. Atimonan Quezon Branch           |
| 6. Calamba Misamis Occidental Branch | 15. Romblon Branch                   |
| 7. Muñoz Science City Branch         | 16. Catanauan Quezon Branch          |
| 8. Cataingan Masbate Branch          | 17. Quezon Bukidnon Branch           |
| 9. Claver Surigao Del Norte Branch   |                                      |

Total number of employees	9883 regular and contractual employees
Total number of operations	396 Branches/EOs, 1,969 ATMs, 44 provincial Lending Centers and 9 Head Office-based lending units
Net income	Parent – P 16.59 Billion
Total Paid-up capital	Parent (unaudited) – P 26,290,777,708.00 Million
Quantity of products or services provided	Please refer to 102-2

## Total number of employees by type

As of December 31, 2018, LANDBANK has 9,883 regular and contractual employees broken down as follows:

## Total workforce by employees and supervised workers and by gender

Appointment Status	Female	Male	Total
Employees	5,797	2,802	8,599
Supervised Workers (Service Company Workers - SCWs)	787	497	1,284
Grand Total	6,584	3,299	9,883

### Total number of employees by employment contract and gender

Appointment Status	Female	Male	Total
Permanent	5,780	2,780	8,560
Co-terminous	17	21	38
Temporary	0	1	1
<b>Grand Total</b>	<b>5,797</b>	<b>2,802</b>	<b>8,599</b>

### Total number of permanent employees by employment type and gender

Employment Type	Female	Male	Total
Full-Time	5,797	2,802	8,599
Part-Time	0	0	0
<b>Grand Total</b>	<b>5,797</b>	<b>2,802</b>	<b>8,599</b>

### Total workforce by region and gender

Geographical Location	Female	Male	Total
1 - NCR	2,121	1,109	3,230
2 - CAR	84	37	121
3 - Ilocos Region	230	96	326
4 - Cagayan Valley	221	135	356
5 - Central Luzon	508	210	718
6 - CALABARZON	502	189	691
7 - MIMAROPA	146	64	210
8 - Bicol Region	243	102	345
9 - Western Visayas	344	150	494
10 - Central Visayas	244	111	355
11 - Eastern Visayas	184	72	256
12 - Zamboanga Peninsula	148	99	247
13 - Northern Mindanao	251	110	361
14 - Davao Region	212	109	321
15 - SOCCSKSARGEN	242	139	381
16 - ARMM	38	29	67
17 - Caraga	79	41	120
<b>GRAND TOTAL</b>	<b>5,797</b>	<b>2,802</b>	<b>8,599</b>

#### 102-41 Collective bargaining agreements

7,458 or 100% of rank-and-file employees or 86.73% of the total LANDBANK population are covered by the Collective Negotiation Agreement

## 102-10 Supply chain description

Financial intermediation is a business activity whereby a bank or any formal financial institution pools funds from various sources and these are used for loans and investments.

Among the sources of funds are depositors or savers and investors. The depositors earn income from interest rate by letting other people use their excess funds. On the other hand, the users of funds are loan availers. The fund availers or borrowers pay corresponding interest for expending other people's money.

Funds channelled through banks provide for an organized structure for a more efficient and optimum utilization of financial resources. As a government-owned financial intermediary, LANDBANK ensures that this role is effectively carried out.

## 102-10 Organizational changes during the reporting period

None

## 102-11 Precautionary principle

The Bank takes a precautionary approach in its operations, as well as the innovation and development of new products and technologies. It strictly follows a step-by-step approach of engaging in peer review, and considering the benefits and risks of innovation in a systematic and transparent manner. This way, the Bank prevents any risk of causing any form of harm or negative impacts to the public.

## 102-12 External charters, principles, or other initiatives

- Sustainable Development Goals (SDGs)
- Global Reporting Initiative (GRI)
- World Resources Institute (WRI)
- World Business Council on Sustainable Development (WBCSD)
- United Nations Framework Convention on Climate Change (UNFCCC)

## 102-13 Membership associations

- Association of Development Financing Institutions in Asia and the Pacific (ADFIAP)
- Asia Pacific Rural and Agricultural Credit Association
- Association of Government Accountants of the Philippines
- Association of Government Internal Auditors
- Bankers Institute of the Philippines
- Bank Marketing Association of the Philippines
- Bankers Association of the Philippines
- Development Communication Coordinating Network (DevComNet)
- Government Corporations Athletic Association
- Internet and Mobile Marketing Association of the Philippines (IMMAP)
- International Association of Business Communicators
- Institute of Internal Auditors
- Information Systems Audit and Control Association
- IT Interaction Philippines
- People Management Association of the Philippines
- Philippine Business for the Environment
- Philippine Marketing Association
- Philippine Statistical Association, Inc.
- Philippine Society for Training and Development
- Public Relations Society of the Philippines
- Trust Officers Association of the Philippines
- UN Global Compact
- United Nations Environment Programme Finance Initiative (UNEPFI)

## Identified Material Aspects and Boundaries

### 102-45 Entities included in financial statements

- a. The Parent refers to LANDBANK while the Group included the financial statements of the Parent (LANDBANK) and its wholly-owned subsidiaries - LBP Leasing and Finance Corporation, Masaganang Sakahan, Inc., LBP Resources and Development Corporation and LANDBANK Insurance Brokerage, Inc., and Overseas Filipino Bank
- b. The wholly-owned LANDBANK subsidiaries are not covered in the LANDBANK 2018 Sustainability Report.

### 102-46 Process for defining report boundaries and content

The process will depend on the winning supplier.

### 102-48 Restatements

The answer provided will be provided after the Stakeholder Engagement.

### 102-49 Changes in reporting

2018 SR will shift from a biannual to annual period sustainability reporting

## Report Profile

### 102-50 Reporting period

2018

### 102-51 Date of most recent report

2016-2017 Sustainability Report

### 102-52 Reporting cycle

Annual starting with the 2018 SR

### 102-53 Contact point for questions regarding the report



We appreciate your feedback. To send us your response, take a screenshot of your answer and send it via direct message to [facebook.com/landbankofficial](https://www.facebook.com/landbankofficial) or scan this QR code.

CSR Relations Unit, Corporate Affairs Department  
32/F LANDBANK Plaza  
1598 MH del Pilar cor. Dr. J. Quintos Sts. Malate, Manila  
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### **102-54: Claims of reporting in accordance with the GRI Standards**

The Bank's 2018 Sustainability Report follows the "In accordance: Core" option of the GRI Standards of sustainability reporting.

## **Governance**

### **102-18 Governance structure of the organization**

LANDBANK follows a governance hierarchy that is led from the top by the Board of Directors chaired by the Secretary of the Department of Finance. The Board of Directors functions distinctly and harmoniously through six Committees with oversight responsibilities. These Board-level Committees are: the Audit and Compliance Committee (AC Com), Risk Oversight Committee (Risk Com), Trust Committee (Trust Com), Corporate Governance Committee (CG Com), Related Party Transactions Committee (RPT Com) and the Agri-Agra Social Concerns Committee.

### **102-20 High-level accountability for sustainability topics**

The Bank's Corporate Social Responsibility Technical Working Group (CSR-TWG) is tasked to review and identify sustainability indicators applicable to the Bank, and propose to MANCOM/CSR Steering Committee a matrix of GRI indicators and report outline. The CSR-TWG also regularly meets to discuss the preparation status of sustainability reporting, and it reviews and edits the reports submitted by concerned contributors for inclusion in the report.

### **102-22 Composition of the board and its committees**

With LANDBANK considered as a Government-Owned and Controlled Corporation (GOCC), the nomination and selection of its highest governing body is governed by the LANDBANK Charter, the GOCC Governance Act of 2011 and Governance Commission for GOCCs (GCG) Memorandum Circulars.

### **102-23 Whether the chair of the board is also an executive officer**

The Ex-Officio Chairman of the LANDBANK Governing Board, the Secretary of the Department of Finance, is NOT an executive officer of the Bank.

### **102-24 Nomination and selection processes for the board and its committees**

As a GOCC, the Bank's nomination and selection of the highest governing body is governed by the LANDBANK Charter, the GOCC Governance Act of 2011 and Governance Commission for GOCCs (GCG) Memorandum Circulars.

The Bangko Sentral ng Pilipinas (BSP) designates from among the members of the LANDBANK Board the Independent Directors.

### **102-26 Board and executives' roles in the organization's mission statements, strategies, policies, and goals related to sustainability impacts**

The Audit and Compliance Committee assists the Board of Directors in fulfilling its oversight responsibilities over the Bank's financial reporting policies, practices and control, internal and external audit functions, and compliance functions.

The Risk Oversight Committee fulfills statutory, fiduciary, and regulatory services of the Bank. It assists the Board in identifying, defining, and assessing risks at all levels of the Bank, and ensures the alignment of risk objectives with overall business strategies and performance goals. The committee is also in charge of developing a continuing education program to enhance its members' understanding of relevant issues pertaining to the banking industry. It also acts as the oversight committee for the Bank's implementation of the Internal Capital Adequacy Assessment Process (ICAAP).

The Trust Committee serves as the oversight committee on the fiduciary activities of the trust business, and ensures that these are conducted in accordance with applicable laws, rules and regulations, internal policies and procedures, with the required skill, care, prudence, and diligence in the management and administration of fiduciary assets.

The Corporate Governance Committee oversees matters pertaining to the organizational structure of the Bank, its selection and promotion of officers, periodic performance evaluation of the Board, its committees and the executive management, and annual self-evaluation of its performance. Apart from these, the committee also studies and recommends policies to ensure appropriate and effective management through organizational and procedural controls and independent audit mechanisms.

The Related Party Transactions Committee evaluates the transactions involving the Bank and its Related Parties to ensure that RPTs are identified, monitored and vetted. The Committee ensures that RPTs are entered into at arm's length basis and that these are not undertaken on more favorable economic terms compared to transactions with non-RPTs. The Committee ensures timely submission of reports to BSP and regular reporting to the BOD.

The Agri-Agra Social Concerns Committee formulates non-credit policies to improve the delivery of services on CARP and other agri-agra matters; serves as clearing house for CARP-related non-credit programs of the Bank; and monitors the status of implementation of the Banks various non-credit agri-agra and social concerns programs.

#### **102-28 Board performance with respect to governance of sustainability topics**

- a. Performance rating sheets, which was drafted by the Bank with the help of from the Institute of Corporate Directors are disseminated yearly to evaluate the performance of the Board. The individual members evaluate the Board as a body and themselves as individual members. The members of the Board-level Committees also evaluate the Committees as a body. The results of this self-rating system are evaluated and deliberated upon by the Corporate Governance Committee in a duly constituted meeting.

The Governance Commission for GOCCs (GCG) has also developed the internet-based Performance Evaluation for Directors (iPED) System. Director Performance Review (DPR), which is one of the components of the Performance Evaluation for Directors in the GOCC Sector, appraises the performance of the individual members of the GOCC Governing Board. The DPR Forms are accomplished yearly and submitted directly to the GCG by each director thru the iPED System.

- b. Each Board-level committee considers the recommendation/ directives of the Board resulting from the evaluation of the results of the self-rating system.

#### **102-29 Board role in the identification and management of sustainability impacts, risks, and opportunities**

#### **102-30 Board role in reviewing risk management processes for sustainability topics**

The Risk Oversight Committee, a Board-level Committee, regularly reports to the Board, and the Board notes/confirms the reports or makes directives.

### **102-31 Frequency of the board's review of sustainability impacts, risks, and opportunities**

The concerned units of the Bank report at least monthly, which reports include, President's Report, Loan Portfolio Quality Report, Financial Performance Report, and Resolutions approved by the Board-level Committees.

### **102-32 Highest committee or position that formally reviews and approves the organization's sustainability report**

The Bank's Corporate Social Responsibility Technical Working Group (CSR-TWG) is tasked to review and identify sustainability indicators applicable to the Bank, and propose to MANCOM/CSR Steering Committee a matrix of GRI indicators and report outline. The CSR-TWG also regularly meets to discuss the preparation status of sustainability reporting, and it reviews and edits the reports submitted by concerned contributors for inclusion in the report.

### **102-36 Process for determining remuneration**

Basic salary rates of LANDBANK employees are aligned with the National Government's Salary Standardization Law. The grant of salaries, allowances, benefits and incentives are in accordance with the issuances of National Government agencies and regulatory bodies such as administrative/executive orders and memorandum circulars issued by the Office of the President of the Philippines (OP), Department of Budget and Management (DBM), Civil Service Commission (CSC), and Governance Commission for GOCCs (GCG).

## **Ethics and Integrity**

### **102-16 Code of conduct**

As a financial institution built upon the trust of all its stakeholders, LANDBANK ensures that ethical behavior is not only applied within its operations, but also extends to its supply chain. The Code of Conduct for LANDBANK Employees was established and approved by the LANDBANK Board of Directors on November 23, 2006. LANDBANK regularly communicates the Code of Conduct to all its employees. On the other hand, the Code of Conduct for the members of the Board of Directors was approved on January 10, 2017.

The Code of Conduct is aligned with the Bank's core values, and provides guidance for all LANDBANK employees on the right and ethical way to conduct themselves. January of every year is regarded as LANDBANK's Code of Conduct Month, with the theme "I Live by The Code". During this month, all Landbankers are reoriented with all the provisions of the Code of Conduct, and are encouraged to sign the Code of Conduct Compliance Recommitment Certificate. According to the Section 3, Article I of the 6th Collective Negotiation Agreement (CNA) between LANDBANK and the LANDBANK Employees' Association (LBPEA), LBPEA is tasked to assist the Management in inculcating among employees the provisions of the Code of Conduct for LANDBANK employees and pertinent Civil Service laws, rules, and regulations as well as other issuances designed to promote honesty, social responsibility, trust, excellence, professionalism, discipline, efficiency, productivity, and effectiveness of the LANDBANK services.

Integrity is deeply embedded in LANDBANK's core values. The Bank has a zero-tolerance policy towards fraud and corruption, and incidents of corruption or fraud are taken very seriously. The Bank strictly follows the Revised Rules on Administrative Cases in the Civil Service, imposes the Code of Conduct, as well as the provisions of Anti-Corruption laws such as the Ease of Doing Business and Efficient Delivery of Government Services Act of 2017 on all Public Officials and Employees.

### **102-17 Helplines or advice lines for employees**

In order to create a platform for advice and concerns about ethics, LANDBANK established its Ethics Hotline.

The Bank's Ethics Hotline Number 405-7660 or local 7660 was established since 2009 to serve as an additional medium for Bank employees to confidentially report instances of graft and corruption or any complaint on fraudulent acts, wrongdoings, misdeeds and/or irregularities committed or taking place that have adverse or negative effect to the Bank.

The Civil Service Commission's (CSC) Contact Center ng Bayan (CCB) 1-6565 has been implemented since 2012 as a means to receive customer complaints.

#### **102-17 Mechanisms for reporting concerns about unethical or unlawful behaviour**

LANDBANK implemented regulatory and internal mechanisms for reporting concerns about unethical or unlawful behaviour. Complaints or grievances coursed through regulatory channels such as the CSC Contact Center ng Bayan and OP's 8888 Citizen's Complaint Hotline are addressed based on established procedures. The Bank has in place an Ethics Hotline. Internal guidelines on whistleblowing and reporting and the No Gift Policy are implemented in accordance with regulations.

LANDBANK implemented the Revised Guidelines on Internal Whistleblowing and Reporting Policy and established an online link in the Bank's official website to the whistleblowing web portal of the Governance Commission for GOCCs (GCG), [www.whistleblowing.gcg.gov.ph](http://www.whistleblowing.gcg.gov.ph), in compliance with GCG Memo Circular No. 2016-02.

This 2018, The Bank continues to implement the amended LANDBANK No Gift Policy last 2017 to further promote high standard of ethics in public service. Public officials and employees are expected to conduct their duties with utmost responsibility and unbiased professionalism, without expectation of any undue favor or reward.

# Specific Standard Disclosures

## Economic

### Economic Performance

#### 201-1 Direct economic value generated and distributed

LANDBANK's economic performance is consistent with the major business, goals, pursuit of mandate, customer service and institutional viability. The direct economic value generated and distributed is reported in the financial statements in the Annual Report, including financial position, comprehensive income, changes in capital funds, and cash flows.

#### Parent:

- Gross Revenues – P 67.16 Billion
- Operating Costs – P 32.61 Billion
- Employee Compensation and Fringe benefits – P13.37 Billion
- Taxes and Licenses Paid to the government - P 3.79 Billion
- Donations/Contributions to Charitable Organizations (community investments) – P 0.11 Billion
- LANDBANK requested the DOF for dividend relief for the 2018 net earnings and was granted approval in a letter on the following year

#### Consolidated (Group):

- Gross Revenues – P 68.31 Billion
- Operating Costs – P 33.53 Billion
- Employee Compensation and Fringe benefits – 13.85 Billion
- Dividends Paid to National Government – Not applicable

#### Economic Performance

- Financial performance
- Direct economic impact (e.g., employment opportunities, local hiring, local suppliers, and direct flow of money to stakeholder) provision of banking and other financial products and services (e.g., loans, deposits, investments, remittance, etc.)

#### 201-3 Coverage of the organization's defined benefit plan obligations

LANDBANK pays for its employees its share in the Provident Fund (PF) and the Government Service Insurance System (GSIS) equivalent to 30% and 12% of the employee's basic pay, respectively. The corresponding employee's share with the PF is equivalent to 5% of his/her basic pay, and 9% of his/her basic pay for the GSIS. Further, the Bank pays its corresponding share in the employees' premiums for the Philippine Health Insurance Corporation (PHIC) and Home Development Mutual Fund (HDMF).

#### 201-4 Financial assistance received from government

- Tax credits – P 1.65 Billion (Parent)
- 100% owned by the National Government

### Market Presence

#### 202-1 Ratios of standard entry level wage by gender compared to local minimum wage

The Governance Commission for GOCCs (GCG) authorized LANDBANK to adopt the Interim Compensation Framework or Salary Standardization Law (SSL) rates under EO No. 36, s.2017. The basic salaries of LANDBANK employees are now based on SSL rates. The said SSL rates are much higher than the minimum wage.

#### Ratio of basic salary and remuneration of women to men

	No.	Average Basic Salary
<b>Female</b>		
Head Office	1,415	58,927.40
Field Units	4,382	48,241.73
<b>TOTAL FEMALE</b>	<b>5,797</b>	
<b>Male</b>		
Head Office	863	61,011.05
Field Units	1,939	50,983.15
<b>TOTAL MALE</b>	<b>2,802</b>	

#### 202-2 Proportion of senior management hired from the local community at significant locations of operation

Percentage of Senior Management – SVPS and up (PGs 16-18)

Location	No.	% to Total
Head Office/NCR	12	100%
<b>Total</b>	<b>12</b>	<b>100%</b>

LANDBANK's senior management includes the President and CEO and Bank officers holding a Senior Vice President and Executive Vice President position title who heads a group or sector within the organization. They act as members of the Bank's Management Committee and are tasked to formulate the Bank's strategic thrust and directions and regularly review the Bank's business performance, major programs and overall organizational effectiveness. They are all Filipino citizens.

## Indirect Economic Impacts

### 203-1 Development and impact of infrastructure investments and services supported

LANDBANK remains committed to its social mandate of promoting countryside development and inclusive growth especially in the unbanked and underserved areas of the country while remaining financially viable. The Bank continued to expand its loan portfolio to its priority sectors: the farmers and fishers, small and medium enterprises and microenterprises, livelihood loans and agribusiness, agri-infrastructure and other agriculture and environment-related projects, socialized housing, schools and hospitals. LANDBANK remains to be by far the largest formal credit institution in the rural areas.

In 2018, LANDBANK continued to provide financial and technical support to its mandated sectors – small farmers and fishers and their associations, and other priority sectors, which include agriculture and aqua-business, agri-aqua related projects of local government units (LGUs) and government-owned and controlled corporations (GOCCs), micro, small and medium enterprises (MSMEs), communications, transportation, housing (socialized, low-cost, medium-cost), education, health care, environment-related projects, tourism, utilities and livelihood loans.

### 203-2 Significant indirect economic impacts, including the extent of impacts

As of 31 December 2018, total Priority Sector loans reached P734,257.57 Million (P734.26 Billion) comprising 91.92% of the Bank's Loans to All Sectors amounting to P798,777.40 Million (P798.78 Billion).

*Please refer to the Gross Loan Portfolio for the breakdown of Loans to All Sectors – Annex A.*

In 2018, loans released to small farmers and fishers reached P62,190.50 Million which were channelled through 1,076 farmers and fishers cooperatives, 153 countryside financial institutions and 163 irrigators' associations and benefited 556,875 small farmers and fishers.

Development Impact of LANDBANK loans as of December 2018 are as follows:

- Additional Hospital Buildings – 29
- Additional Hospital Beds – 2,015
- Additional School Buildings – 41
- Additional Classrooms – 427
- No. of New Households connected with potable water – 1,142,109
- Additional KWH Produced – 4,238,245,085
- Additional kilometers of farm-to-market roads – 398.386

The Bank's outstanding loans to the twenty (20) poorest provinces as identified by the Philippine Statistics Authority amounted to P43,932.44 Million as of end of 2018.

# Environmental

## Energy

### 302-1 Energy consumption within the organization

\*megajoules = MJ

#### ➤ Fuel Consumption

- **Diesel (Vehicles):**

122,189.10 Liters = 4.68 million MJ

- **Gasoline (Vehicles):**

34,215.17 Liters = 1.15 million MJ

- **Diesel (Generator Set):**

146,629.40 Liters = 5.61 million MJ

*\*increase in diesel used for the generator set is due to its continued use from April to June 2018 during the replacement of 400kVA power transformer.*

#### ➤ Electricity Consumption:

(Electricity Utility Source is MERALCO)

10,020,500 kWh = 36.07 million MJ

#### **TOTAL Energy Consumption:**

**47.51 million MJ**

- *Data for total fuel and electricity consumption provided by FPSG-FMD, energy calculations by EPMD.*
- *Source of conversion factors used: US Energy Information Administration website, <http://www.eia.gov/>*

Conversion factors used:

- Gasoline, heat value: 120,333 Btu<sup>2</sup> per US gallon
- Diesel, heat value: 137,381 Btu<sup>2</sup> per US gallon
- 1 US gallon = 3.78541 liters
- 1 Btu = 1,055.05585 joules
- 1 kWh = 3,600,000 joules

### 303-1 Total water withdrawal by source

- Water Utility Source:  
Maynilad Water Services, Inc.
- 2018 Water Consumption:  
69,174 cu.m. per water bills
- Water consumption per capita:  
30.39 cu. M./ employee



## Biodiversity

### 304-1 Operational sites owned, leased, managed in, or adjacent to, protected areas and areas of high biodiversity value outside protected areas

### 304-3 Habitats protected or restored

#### **MANILA BAY SUNSET PARTNERSHIP PROGRAM, INC.**

Manila Bay SUNSET Partnership Program, Inc. or MBSPPI is the flagship Corporate Social Responsibility Program of LANDBANK. It is a public-private collaboration of 28 member institutions (Please see page 17 for the complete list of MBSPPI Partner Institutions) to implement a sustainable approach to help clean and protect the marine and coastal resources of the Manila Bay and promote proper management and correct attitude toward handling garbage.

Part of the on-going priority activities of the program are: 1) monthly clean-up of Manila Bay areas; 2) information, education, and communication (IEC) campaigns in different public schools in the cities of Manila and Las Piñas; 3) fund-raising activities through the Manila Bay Clean-up Run; 4) recovery program of collecting waste polystyrene from partner institutions; and 5) adopting of a Manila Bay tributary/estero and introducing water quality improvement interventions.

#### **Manila Bay Clean-up**

Clean-up activities are conducted at the Manila Bay coasts at esteros connected to the Bay. The clean-up activities have been in a consistent trend of increase in the total number of volunteers. There were 9,306 volunteers in 2018 from 7,998 volunteers in 2017. The total number of truckloads of trash collected also increased to 67 truckloads in 2018 from, 53 truckloads in 2017.

The growth in outputs of the clean-up activities can be attributed to the expansion of the clean-up activities from quarterly to monthly clean-ups which started in 2017. A total of 12 clean-up activities were conducted in 2018 from 9 clean-up activities in 2017.

MBSPPI was able to retrieve 241.89 kilograms of waste polystyrene materials, which will be up-cycled into rulers through one of the MBSPPI partners, the Polystyrene Packaging Council of the Philippines (PPCP). These up-cycled rulers were showcased during MBSPPI's Information, Education, and Communication (IEC) campaign on proper solid waste management.

#### **Mabuhay Balls Program**

The "Mabuhay Balls" Program seeks to expand approaches to sustainable water quality improvement and protection of the coastal resources of Manila Bay by including the clean-up of water channels interconnected to the Bay. The Mabuhay Balls inhibit the growth of algae and break down sludge and silt in the water to help improve clarity and water flow. It also aims to increase community awareness and commitment, including those of stakeholders living near tributaries and "estero" or creek environs.

The program was implemented at Estero de Kabulusan in Tondo, Manila from December 2017 until December 2018. With help from volunteers of LANDBANK and MBSPPI partner institutions, a total of 19,000 pcs. of Mabuhay Balls were made and dropped at the said Estero. DENR's Environmental Management Bureau of NCR (EMB-NCR) conducted water quality sampling to assess the effectiveness of the intervention.

The EMB-NCR conducted monthly water quality monitoring of Estero de Kabulusan based on DENR's Water Quality Guideline and General Effluent Standards under 2016-08. Among the various parameters to assess water quality, the fecal coliform levels showed promising results. Fecal coliform is part of the Total Coliform group but this is specifically found in human or animal waste. The presence of which implies there is improper disposal of sanitary waste. The acceptable value for fecal coliform for Class C Waters is 200 mpn/100 ml. Table below showed the monthly water quality monitoring result from January to December 2018.

Month (2018)	Station 1: Upstream (mpn/100ml.)	Station 2: Midstream	Station 3: Downstream
January	92x10 <sup>8</sup>	16x10 <sup>9</sup>	No data
February	<b>92x10<sup>9</sup></b>	35x10 <sup>9</sup>	No data
March	35x10 <sup>8</sup>	54x10 <sup>8</sup>	No data
April	22x10 <sup>8</sup>	35x10 <sup>8</sup>	No data
May	92x10 <sup>7</sup>	22x10 <sup>8</sup>	No data
June before cleanup	16x10 <sup>8</sup>	28x10 <sup>8</sup>	54x10 <sup>8</sup>
June after cleanup	49x10 <sup>7</sup>	33x10 <sup>7</sup>	33x10 <sup>7</sup>
July	54x10 <sup>7</sup>	35x10 <sup>7</sup>	16x10 <sup>8</sup>
September	92x10 <sup>5</sup>	28x10 <sup>6</sup>	54x10 <sup>6</sup>
October	28x10 <sup>7</sup>	54x10 <sup>6</sup>	92x10 <sup>6</sup>
November	40x10 <sup>6</sup>	54x10 <sup>6</sup>	54x10 <sup>6</sup>
December	<b>35x10<sup>6</sup></b>	11x10 <sup>7</sup>	No data

### Campus Tours

Series of campus tours entitled "Binion School Tour" is MBSPPPI's IEC Campaign designed for public high school students in the City of Manila. This activity aim to instill discipline on proper solid waste and liquid waste management under the concept of "3Rs plus D" or Reduce, Reuse, Recycle plus Discipline.

A total of 10 Binion School tours were conducted wherein 2,058 students participated this 2018 from 1,945 students in 2017. School recipients were identified by the Youth for Environment in Schools Organization (YES-O) of the Division of City Schools (DCS) Manila which include; Osmeña, Nolasco, Villamor, Maceda, Calderon, Lakandula, Magsaysay, EARIST Vocational, and Manila Science High Schools, and Aguinaldo Integrated School.

These students also received up-cycled rulers made from waste polystyrene products from program partner Polystyrene Packaging Council of the Philippines (PPCP). The MBSPPPI-produced video, "That Thing Called Basura," was also shown to the students to help promote proper waste management.

**The Manila Bay SUNSET Partnership  
Program Partners  
As of end-2018**

1. LANDBANK of the Philippines
2. Asian Social Institute
3. City Government of Manila
4. Cooperative Development Authority
5. DENR - Manila Bay Coordinating Office
6. DENR - NCR
7. De La Salle University Manila
8. Department of Finance
9. Department of Public Works and Highways - NCR
10. Division of City Schools- Manila
11. Environmental Management Bureau - NCR
12. LANDBANKOOP
13. LBP Countryside Development Foundation, Inc.
14. LBP Insurance Brokerage, Inc.
15. LBP Leasing and Finance Corporation
16. LBP Resources and Development Corporation
17. Manila Broadcasting Company
18. Manila Ocean Park
19. Manila Yacht Club
20. Masaganang Sakahan, Inc.
21. Maynilad Water Services, Inc.
22. Metropolitan Manila Development Authority
23. Miss Earth Foundation, Inc.
24. Pamantasan ng Lungsod ng Maynila
25. Philippine Information Agency - NCR
26. Polystyrene Packaging Council of the Philippines
27. Polytechnic University of the Philippines
28. Villar Sipag at Tiyaga Foundation, Inc.

## ECOBRIK PROGRAM

The Ecobrick Program of LANDBANK, started in July 2018, is a volunteerism-based activity implemented to manage solid wastes, particularly single-use plastic materials as well as inculcate among LANDBANK employees the value of recycling and develop a paradigm shift on appreciation of used plastics from being value-less to useful raw materials.

In 2018, the Bank received an **Environmental Impact Award** during the 6th Philippine Council of Associations and Association Executives (PCAAE) Associations Summit at Subic Bay Exhibition and Convention Center, Subic Bay Freeport Zone, Olongapo, Zambales last November 23, 2018. The Environmental Impact Award, under the PCAAE's Outstanding Project Awards, is given to organizations that have demonstrated outstanding achievements in helping the environment, empowering people, serving communities, enhancing trade and industry, developing technology solutions, and being agents of change.

LANDBANK was ranked by online global community, [www.gobrick.com](http://www.gobrick.com), as the Number 1 ecobricking community in the world with 2,422 members and 2,877 ecobricks made as of December 31, 2018.

## GAWAD SIBOL PROGRAM

The Gawad Sibol Program started in 2006 with the following objectives: reforest, protect and increase biodiversity of denuded watersheds across the Philippines; contribute to the National Greening Program (NGP) of the Philippine's Department of Environment and Natural Resources (DENR); help mitigate the impact of global warming and climate change, and minimize floods during typhoons in the covered areas; empower local community groups (indigenous people and peoples' organizations) as partner for the program's success and sustainability; and provide volunteerism opportunities to LANDBANK employees.

Now on its third phase, the Gawad Sibol Program accomplished the following:

Particulars	Phase 3 Accomplishments (2016-2018)
No. of trees planted	55,000
No. of Volunteers activated	3,465
No. of sites adopted	13 sites
No. of hectares covered	60 hectares

From 2006 to the end of 2018, the program has increased the number of areas covered across the country to a total 25 sites and 114 hectares in land area.

## PHILIPPINE EAGLE

The Philippine Eagle, with only 400 pairs remaining in the wild, is now considered as critically endangered due to illegal hunting and deforestation. The Philippine Eagle Foundation (PEF) in Davao City hopes to increase the count of these birds through a holistic approach of public education, research, and captive breeding. For 30 years, the PEF has been at the forefront of efforts to save the national bird and its forest habitat. It has spearheaded various campaigns dedicated to the conservation and protection of the endangered Philippine Eagle.

With the financial support from the Bank last 2017, the Captive Breeding Facilities has finally been completed this 2018. For this, LANDBANK was hailed as the sole institution dedicated to finance the "breeding" of the national eagle.

# Social

## Labor Practices and Decent Work

### Employment

#### 401-1 Total number and rates of new employee hires and employee turnover by age group, gender, and region

Total number of employees by employment contract and gender

Appointment Status	Female	Male	Total
Permanent	5,780	2,780	8,560
Co-terminous	17	21	38
Temporary	0	1	1
Grand Total	5,797	2,802	8,599

Total number of permanent employees by employment type and gender

Employment Type	Female	Male	Total
Full-Time	5,797	2,802	8,599
Part-Time	0	0	0
Grand Total	5,797	2,802	8,599

Total workforce by region and gender

Geographical Location	Female	Male	Total
1 - NCR	2,121	1,109	3,230
2 - CAR	84	37	121
3 - Ilocos Region	230	96	326
4 - Cagayan Valley	221	135	356
5 - Central Luzon	508	210	718
6 - CALABARZON	502	189	691
7 - MIMAROPA	146	64	210
8 - Bicol Region	243	102	345
9 - Western Visayas	344	150	494
10 - Central Visayas	244	111	355
11 - Eastern Visayas	184	72	256
12 - Zamboanga Peninsula	148	99	247
13 - Northern Mindanao	251	110	361

Geographical Location	Female	Male	Total
14 - Davao Region	212	109	321
15 - SOCCSKSARGEN	242	139	381
16 - ARMM	38	29	67
17 - Caraga	79	41	120
<b>GRAND TOTAL</b>	<b>5,797</b>	<b>2,802</b>	<b>8,599</b>

**401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees, by significant locations of operation**

**I. STANDARD ALLOWANCES, BENEFITS AND INCENTIVES PROVIDED BY THE BANK TO ALL QUALIFIED EMPLOYEES:**

1. Standard Allowances and Benefits
  - Personnel Economic Relief Allowance
  - Uniform/Clothing Allowance
  - Year-End Bonus and Cash Gift
  - Mid-Year Bonus
  
2. Specific-Purpose Allowances and Benefits
  - Representation Allowance (Pay Grade 8 and up)
  - Transportation Allowance (Pay Grade 8 and up)
  - Per Diem
  - Honoraria
  - Night-Shift Differential
  - Overtime Pay
  - Subsistence Allowance
  - Special Counsel Allowance
  - Overseas and Other Allowances for Government Personnel Stationed Abroad
  
3. Other Allowances and Benefits granted under Specific conditions and situations
  - Magna Carta for Public Health Workers
  - Program on Awards and Incentives for Service Excellence (PRAISE)
    - CSC Honor Award Program
      - ✓ Dangal ng Bayan Award
      - ✓ Presidential Lingkod Bayad Award
      - ✓ Civil Service Commission Pagasa Award

- Awards for Individual Excellence
  - ✓ Perfect Attendance Award
  - ✓ Professional Award
  - ✓ Trailblazing Products and Service Program
  
- Awards for Milestone Years of Service
  - ✓ Loyalty Award
  
- Awards for Group Excellence
  - ✓ Award for Institutional Achievement
  - ✓ Branch Banking Award
  - ✓ ADLS Awards of Excellence for Lending Units
  - ✓ Audit Achiever's Award

#### 4. Incentives

- Anniversary Bonus
- Collective Negotiation Agreement (CNA) Incentive
- Productivity Enhancement Incentive
- Performance Based Bonus

## II. INDIRECT COMPENSATION:

1. Bank Share to Provident Fund
2. Bank Share to GSIS
3. Bank Share to Pag-IBIG
4. Bank share to PHIC

## III. REIMBURSABLE EXPENSES:

1. Mobile Communication Facility
2. Extraordinary and Miscellaneous Expense Fund (PG 13 and Up)

## IV. MEDICAL/HEALTH CARE/LIFE CARE BENEFITS:

1. Financial Assistance for Dreaded Diseases
2. Loss of Life and Disability Benefit Plan
3. Mutual Aid Benefit Program

4. Mandatory Annual Medical Examination
5. Flu Vaccination
6. Access to Emergency Medicines for Field Units Employees

**V. LEAVE BENEFITS:**

1. Sick Leave
2. Vacation Leave
3. Maternity Leave
4. Paternity Leave
5. Maternity and Paternity Leave for Adoptive Parents
6. Parental Leave for Solo Parents
7. Special Emergency Leave
8. Special Leave Privilege
9. Special Leave for Women (Magna Carta of Women)
10. Sick Leave with Full Pay
11. Extension of Sick Leave with Half Pay
12. Rehabilitation Leave
13. Study Leave With Pay
14. Forced Mandatory Leave
15. Compensatory Service
16. 10-Day Leave under Republic Act No. 9262
17. LBPEA Time-Off
18. Muslim Holiday in Areas outside the Autonomous Region
19. Monetization of Leave Credits
20. Terminal Leave

**VI. OTHERS**

1. Financial Assistance for Relief Goods
  2. Floral Wreath for Deceased Employees, their immediate family members and Retirees
- Shuttle Service



## Labor / Management Relations

### 402-1 Minimum notice periods regarding operational changes, including whether these are specified in collective agreements

#### Collective Negotiation Agreements and Freedom of Association

LANDBANK understands the importance of providing freedom of association at the workplace to ensure that employees are provided with a platform where they can share their concerns as a group. The Bank realizes the mutual benefits gained when such freedom is provided. Collective Negotiation Agreement (CNA) embodies the intent and purpose of Management and employees to promote and improve the industrial relations between them. The CNA outlines the terms and conditions of employment to ensure a safe working environment for all employees including proper wages, working hours, health and safety, as well as overtime services.

Respecting the rights of its employees to form associations, LANDBANK ensures that the development and conduct of CNA is guided by laws, rules and regulations issued by the CSC and Public Sector Labor-Management Council. The Bank conducts CNA with LBPEA, representing the rank-and-file employees, every three years. Additionally, monthly meetings and periodic town hall meetings happen between the Management and LBPEA to address issues that have an influence on employee welfare. A representative from the LBPEA is given the opportunity to talk to the Bank's newly-hired employees during the employee orientation seminar also known as LANDBANK in Perspective.

The Bank's 6th CNA specifically stipulates the following provisions in the Philippine Constitution granting to government workers the right to form unions and to collective negotiations:

- Article IX (B) Section 2 (5) – The right to self-organization shall not be denied to government workers.
- Article III Section 8 – The right of the people, including those in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law shall not be abridged.
- Article XIII Section 3 – The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with the law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision making processes affecting their rights and benefits as may be provided by law.

The 6th CNA between LANDBANK and LBPEA was concluded on December 15, 2017. This Agreement was effective for the period 2017 to 2020, which issued amendments to the 5th CNA:

- Article XI Section 1 – The Bank agrees to work for the improvement of existing benefits in accordance with improvement in productivity and service delivery consistent with existing laws, rules, regulations and guidelines.

## Occupational Health and Safety

### 403-1 Percentage of total workforce represented in formal joint management-worker health and safety committees that help monitor and advice on occupational health and safety program

- a. LANDBANK's Health and Safety Committee (HSC) serves as a planning and policy-making body for all matters pertaining to occupational safety and health. Four (4) representatives of the LBP Employees' Association (LBPEA) are members of the HSC representing 100% of rank-and-file employees. The HSC was created to ensure a work environment that is free from occupational safety and health hazards in order to maintain the health, safety and well-being of LANDBANK employees, as well as promote work-productivity.
- b. 100% of rank-and-file employees are represented by the LBPEA which has four seats in the HSC.

### 403-2 Type of injury and rates of injury, occupational diseases, lost days, and absenteeism, and total number of work-related fatalities, by region and by gender

Sex	Type of Injury
1 male*	Knee cap dislocation
2 females**	Laceration
*service company worker **1 service company worker and 1 regular employee	Multiple injuries secondary to fall

### 403-4 Health and safety topics covered in formal agreements with trade unions

- a. The 5th Collective Negotiation Agreement covers health-related aspects, e.g., implementation of Employee Wellness program, administration of health-related benefits as prescribed by law, and special privilege for pregnant and nursing women exempting them from work-related physical exertion.
- b. The 5th CNA includes the following provisions on health and safety:
  - Article VIII, Section 1. Existing Leave Benefits – The Bank shall continue to implement existing leave benefits already enjoyed by all regular employees such as Vacation Leave, Sick Leave, Rehabilitation Privilege, Special Leave Privileges, Paternity Leave, Maternity Leave, Study Leave and all other leaves as may be allowed by law.
  - Article VIII, Section 3. Parental Leave – Pursuant to Republic Act No. 8972, the Bank shall implement the seven (7) – day Parental Leave for solo parents subject to applicable rules and regulations.
  - Article VIII, Section 4. Special Leave Benefits for Women – Pursuant to CSC Memorandum Circular No. 25, s. 2010 (Guidelines on the Availment of the Special Leave Benefits for Women Under RA 9710 [An Act Providing for the Magna Carta of Women]), the Bank shall implement the special leave benefits equivalent to a maximum period of two (2) months with full pay for qualified female employees who have undergone surgery caused by gynecological disorders, provided she has rendered at least six (6) months aggregate government service for the last twelve (12) months prior to surgery.
  - Article VIII, Section 5. Rehabilitation Privilege – The Bank shall ensure the implementation of the Rehabilitation Privilege for wounds and/or injuries sustained while in the performance of official duties in accordance with CSC-DBM Joint Circular No. 01, s. 2006 (Guidelines for

Availing of the Rehabilitation Privilege). It shall provide assistance to employees availing of the Employees' Compensation Program (ECP) being implemented by the Employees' Compensation Commission (ECC).

- Article IX, Section 2. Special privilege for pregnant and nursing women – The concerned employees, upon recommendation of the Bank physician, shall be excused from physical exertion or relieved of heavy work load, or be temporarily reassigned to jobs more suitable to their condition.
- Article IX, Section 4. Wellness Program – The Bank shall consult the LBPEA on the components of the employees' annual Wellness Program with the Bank providing funding for reasonable expenses to be incurred in connection thereto. The Bank shall involve the LBPEA in the implementation of the annual Wellness Program.
- Article IX, Section 7. LANDBANK Day Care Center – The Bank shall continue to support the operation of the LBP Day Care Center in compliance with Executive Order No. 340 which directs national government agencies and government owned and controlled corporations to provide day care services.

In addition to the CNA, the representatives from the LBPEA and even the LBP Middle Management Officers Association, Inc. are represented in the Health and Safety Committee. Membership to these committees is covered by an office order while collegial discussions, deliberations and agreements are documented in minutes of meetings, resolutions and other formal documents.

## **Training and Education**

### **404-1 Average hours of training per year per employee by gender, and by employee category**

#### Investment in Talents

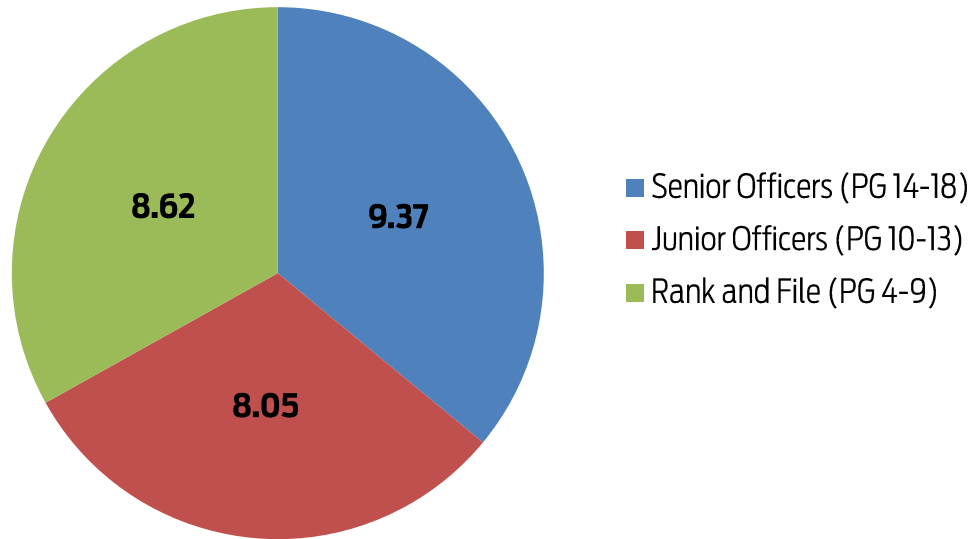
With its mission to develop and nurture its talents, LANDBANK invests in learning and development programs that aide in the professional growth and advancement of its employees. Landbankers are provided with trainings that hone their knowledge, skills and abilities needed in the performance of their functions towards the attainment of the Bank's goals and objectives.

Recognizing the value of its employees, LANDBANK, through the Organization Development Department as its training arm, is generous in providing its talents with various learning and development programs which concretely manifest its concern for employees' welfare and development, from their entry to the organization to their exit.

In 2018, 811 newly-hired employees attended the LANDBANK in Perspective, an employee orientation program which aims to facilitate their smooth integration into the LANDBANK culture. On the other hand, 91 would-be retirees attended the Towards New Horizons: A Pre-Retirement Seminar, to empower them with the right tools needed in making informed decisions to guarantee a productive life beyond LANDBANK.

For this year, a total of 8,532 (or 99.32%) personnel of the Bank were trained.

## Average Number of Training Hours



TOTAL NUMBER OF TRAINING HOURS: 479,763.51  
 TOTAL NUMBER OF TRAINED PERSONNEL: 8,532

**404-2 Programs for skills management and lifelong learning that support the continued employability of employees and assist them in managing career endings**

### Type and Scope of Skills Management Programs Offered in 2018

FUNCTIONAL GROUPING	NUMBER OF PEOPLE TRAINED
BRANCH BANKING	24,009
INTEGRATED MANAGEMENT	13,365
INFORMATION TECHNOLOGY	3,911
CREDIT MANAGEMENT	1,796
CULTURE BUILDING	1,341
FINANCIAL MANAGEMENT	1,339
CUSTOMER SERVICE	1,260

PERSONALITY DEVELOPMENT	1,181
TRADE	1,009
MANAGEMENT AND LEADERSHIP	961
HUMAN RESOURCES	807
COMPLIANCE MANAGEMENT	759
SUPERVISION	675
RISK MANAGEMENT	509
PROPERTY APPRAISAL	411
COMMUNICATION	305
MARKETING	296
AUDIT	281
TREASURY MANAGEMENT	237
LEGAL	212
PROCUREMENT	189
FINANCE MARKET ANALYSIS	145
AGRARIAN	136
TRUST	130
FACILITIES MANAGEMENT	62
SECURITY	61
OFFICE MANAGEMENT	60
DATA ANALYSIS	59
REMITTANCE	51
CORE BANKING	48
ENGINEERING	46
ADMINISTRATIVE	45
INVESTMENT BANKING	22
SYSTEMS DESIGN AND MANUALIZATION	3
<b>TOTAL</b>	<b>55,721</b>

## Learning Management System (LMS)



The Organization Development Department, in strategic partnership with internal subject matter experts, administered 5 new courses via the LANDBANK e-Learning Access Portal (LEAP) in 2018 with an average passing rate of 98.4.

With the creation of the Bank's LEAP, LANDBANKers are given an alternative mode, other than face-to-face classroom trainings, to avail of the Bank's L&D programs.

<b>2018 NEW COURSES OFFERED VIA LEAP</b>	<b>RESPONSE RATE</b>	<b>PASSING RATE</b>
Basic Trade Transactions	96%	100%
BBS On-Line Assessment (4 modules)	99% (per module)	99%
Business Continuity Management Awareness	96%	95%
Enterprise Risk Management	96%	99%
Integrated Management System	93%	99%

## Diversity and Equal Opportunity

**405-1 Composition of governance bodies and breakdown of employees per employee category according to gender, age group, minority group membership, and other indicators of diversity**

### LANDBANK Employees divided by Age Group and Gender

Age Group	Female	Male	Total
Under 30 years old	1862	804	2666
30-50	2921	1350	4271
Over 50 years old	1014	648	1662
Grand Total	5797	2802	8599

Gender	Number	Percentage
Female	5,797	67%
Male	2,802	33%
Grand Total	8,599	100%

## Equal Remuneration for Women and Men

**405-2 Ratio of basic salary and remuneration of women and men**

	Number	Average Basic Salary
<b>Female</b>		
Head Office	1415	58,927.40
Field Units	4382	48,241.73
<b>TOTAL FEMALE</b>	<b>5797</b>	
<b>Male</b>		
Head Office	863	61,011.05
Field Units	1939	50,983.15
<b>TOTAL MALE</b>	<b>2802</b>	

## Human Rights

### Non-Discrimination

#### 406-1 Total number of incidents of discrimination and corrective actions taken

No such incidents

### Freedom of Association and Collective Bargaining

#### 407-1 Operations and suppliers identified in which the right to exercise freedom of association and collective bargaining may be violated or at significant risk, and measures taken to support these rights

There are no operations and suppliers identified in which the right to collective negotiation may be at significant risk.

The 5th Collective Negotiation Agreement (CNA) specifically stipulates the following provisions in the Philippine Constitution granting to government workers the right to form unions and to collective negotiations:

- Art. IX (B), Sec. 2 (5) – The right to self-organization shall not be denied to government workers.
- Art. III, Sec. 8 – The right of the people, including those in the public and private sectors, to form unions, associations, or societies for purposes not contrary to law shall not be abridged.
- Art. XIII, Sec. 3 – The State shall afford full protection to labor, local and overseas, organized and unorganized, and promote full employment and equality of employment opportunities for all. It shall guarantee the rights of all workers to self-organization, collective bargaining and negotiations, and peaceful concerted activities, including the right to strike in accordance with the law. They shall be entitled to security of tenure, humane conditions of work, and a living wage. They shall also participate in policy and decision-making processes affecting their rights and benefits as may be provided by law.

### Security Practices

#### 410-1 Percentage of security personnel trained in the organization's human rights policies or procedures that are relevant to operations

- a. One hundred per cent (100%) of PSO personnel are trained and continually attending seminars/conventions with regards to application of security including utmost treatment of rights of the humanity.
- b. The premise and escort guards hired by the Bank have also attended trainings on the Bank's policy and the government's regulations on human rights as supervised/monitored by PSO.
  1. Premise and Escort guards are required to undergo trainings at Camp Crame / Provincial PNP office, 60 days before their respective security guards' license will expire.
  2. Every first Saturdays of the month, PSO religiously conducts security briefing held at LBP Plaza attended by security guards and armored car personnel deployed in NCR Branches.
  3. PSO personnel conducted security briefings to 1,763 security guards & 816 armored car crews deployed in Provincial Branches / Cash Operations Units (COU).



## Society

### Local Communities

#### 413-1 Percentage of operations with implemented local community engagement, impact assessments, and development programs

##### a. Capacity-building

LANDBANK is involved in providing full-fledged capacity-building programs on strategic management and governance to the LANDBANK assisted cooperatives. LANDBANK, through the help of its corporate foundation, LANDBANK Countryside Development Foundation Inc. (LCDFI) has initiatives that showcase the Bank's efforts in reaching out to areas beyond its operations, helping build resilient communities. LANDBANK's efforts towards assisting all its beneficiaries are designed to holistically develop communities by improving financial literacy, developing entrepreneurship, and aiding towards long term sustenance through growth and success.

Parameter	2018	Number of Trainings Required per Region	2018
Number of Trainings Conducted	119	North/Central Luzon and NCR	34
Number of Cooperative Officers Trained	2,903	Visayas	23
Number of LANDBANK borrowing cooperatives	431	South Luzon and Bicol	41
		Mindanao	21

##### b. Project Likas Saka

LCDFI continued to implement Project Likas Saka in 2018 with financial support from LANDBANK and Sara James Enterprises. From the initial two existing project sites, the Project has expanded to 25 sites, nine (9) in Luzon, 10 in Visayas and six (6) in Mindanao, composed of 30 established farmer clusters. LCDFI has conducted nine (9) seminars that benefited 649 ARB/Small Farmer Members and has engaged 25 Local Farm Technicians (LFTs) who serve as farmer-leaders in each project site.

To determine the needs of the participating farmer clusters, as well as provide updates on the organic agriculture technology, LCDFI has conducted 68 batches of cluster monitoring and visits. LCDFI also partnered with the City Governments of each of the project sites to provide additional support activities for its beneficiaries.

##### c. Project Coco-BinHi

Pursuant to its commitment to spur development in the countryside, the Foundation partnered with LANDBANK and the Philippine Coconut Authority-Zamboanga Research Center (PCA-ZRC) to establish the "Project Coco BinHi (Bigay and Hiram) in 2017. The project pilot tested an approach that will help small coco farmers increase the productivity of their coconut farms and the income they earn from it by going beyond being mere recipients of dole-outs to becoming credit-worthy borrowers for production purposes.

The project provided capacity-building intervention for selected small holding coconut farmers. The participants were organized into farm clusters and were given seminars on planting/replanting using improved coconut populations and planting systems to rehabilitate coconut farms through fertilization

and intercropping. It granted an initial supply of fertilizers and other farm inputs to farmers. The project also aims to assist in linking farmers to LANDBANK for possible loans to finance additional fertilizers or for the processing of coconut products.

In 2018, the project conducted 29 training batches with 456 participants. Each three-day training seminar consisted of about 30% classroom-type lectures by officials and scientists of PCA-ZRC and 70% field/hands on training demonstrations that introduced coconut farmers to new farming technologies and manufacturing of high value products from coconuts.

#### **d. Gawad Patnubay Scholarship Program**

The Gawad Patnubay (Gawad Pag-aaral Tungo sa Maunlad na Bayan) Scholarship Program (GPSP) is a unique program funded through voluntary contributions of Landbankers nationwide with a 50% Bank counterpart and implemented in partnership with the International Rice Research Institute (IRRI). The program is intended for students taking up agriculture and related courses who are children of agrarian reform beneficiaries, small farmers or from marginalized families. The scholars are provided with the following privileges:

- 100% subsidy for tuition fees
- Monthly stipend
- Yearly book allowances
- Research grant / thesis funding
- Financial award for honor students from ₱30,000 to ₱50,000 cash incentive

In 2018, a total of 110 scholarships were extended by the Bank through the Gawad Patnubay. Among the 35 scholars who graduated in 2018, 10 graduated with honors and four (4) out of four (4) licensure examinees passed the exam.

The following is the list of partner State Universities and Colleges (SUC) per region:

<b>Region</b>	<b>Name of SUC</b>
CAR	Benguet State University (BSU)
I (Ilocos Region)	Mariano Marcos State University (MMSU)
II (Cagayan Valley)	Isabela State University (ISU)
III (Central Luzon)	Central Luzon State University (CLSU)
IV-A (CALABARZON)	University of the Philippines Los Baños (UPLB)
IV-B (MIMAROPA)	Marinduque State College (MSC)
V (Bicol Region)	Central Bicol State University of Agriculture (CBSUA)
VI (Western Visayas)	UP Visayas (Miag-ao Campus)
VII (Central Visayas)	Bohol Island State University (BISU)

NIR (Negros Island)	Negros Oriental State University (NORSU)
VIII (Eastern Visayas)	Visayas State University (VSU)
IX (Zamboanga Peninsula)	Jose Rizal Memorial State University (JRMSU)
X (Northern Mindanao)	Central Mindanao University (CMU)
XI (Davao Region)	University of Southeastern Philippines (USEP)
XII (SOCCSKSARGEN)	University of Southern Mindanao (USM)
XIII (CARAGA)	Surigao del Sur State University (SDSSU)
ARMM	Mindanao State University (MSU)

### **Couples for Christ - ANswering the Cry Of the Poor (CFC-ANCOP)**

At the end of school year 2017-2018, the scholarship program lists 42 graduates, wherein two (2) graduated "cum laude".

Six (6) scholars undertook an Agricultural Educational Internship Program in Israel (from September 2017 to August 2018) and were extended a semester. While two (2) scholars who are BS Agricultural Engineering majors need to complete their fifth year.

In September 2018, the scholarship program was put to a close after four years of financial assistance and support. However, as of end of second semester school year 2018-2019, all eight scholars graduated, bringing to 50, the total graduated scholars of the LANDBANK-Couple for Christ - ANCOP.

The various majors of the college are the following:

Courses	Number of Scholars
BS Agricultural Technology	11
BS Agriculture major in Soil Science	7
BS Animal Science	5
BS Agricultural Engineering	2
BS Agriculture	10
BS Forestry	4
BS Fisheries	7
BS Agricultural Management	1
BS Agricultural Extension	1
BS Farm Business	2

## CSR Programs

### **VOLUNTEERIFIC PROGRAM**

The LANDBANK Volunteerific Program is an open opportunity platform for employees and partner members of LANDBANK to extend their time and capabilities to help marginalized sectors of society.

This Bank program was initiated to promote and nurture the culture of volunteerism among the workforce, following support of Republic Act No. 9418 or the Volunteer Act of 2007, and the Civil Service Commission Memorandum Circular No. 23 s.2012 or Volunteer Program in the Public Sector. Implementation of the annual program proper is in coordination with the Philippine National Volunteer Service Coordinating Agency (PNVSCA). Under the program, participants are able to spend their off-work time in various programs under the CSR thrust of LANDBANK. These programs include the Gawad Kabuhayan Program, Gawad Patnubay Scholarship Program, Manila Bay SUNSET Partnership Program, Gawad Sibol Program, and Gawad KATUBIGAN Program, among others. Each program is anchored on specific causes, such as livelihood, education, environment, and disaster mitigation.

Information on available volunteer-related activities originates from the Corporate Affairs Department that manages the Bank's CSR programs, and are cascaded to the various sectors of the Bank. LANDBANK allows pursuit of other volunteer efforts under approval of designated authorities or prescribed guidelines.

Time rendered under the Volunteerific Program are verified and recorded for monitoring of volunteer hours per Bank Sector. This is part of the criteria for the granting of a yearly Volunteerism Award to the sector that will garner the most points based on hours served by each employee and combined number of hours within each sector. Specifically, the required time for individuals is 10 hours with at least 60 percent participation of total number of employees per sector.

In 2018, two (2) major and four (4) special awards were conferred to outstanding Bank sectors and group whose employees showcased commendable volunteerism.

This year's "**Volunteerific Champion**" award was given to the Treasury and Investment Banking Sector (TIBS) with 100% Sectoral Employee Participation and 22.91 average volunteer hours per engaged employee.

Agricultural and Development Lending Sector (ADLS) then received the "**Volunteerific Runner-Up**" award wherein they also acquired 100% Sectoral Employee Participation but with 12.94 average volunteer hours per engaged employee.

For the first special award, the Central Luzon Branches Group (CLBG) was awarded with the "**Most Volunteerific Group**" title for having an average of 45.96 volunteer hours per engaged employee.

Another special award is for the "**Sector with Highest Total Number of Volunteers**", and was given to the Branch Banking Sector (BBS), which has a total of 3,729 volunteers out of 4,553 sector employees.

ADLS and TIBS were also recognized as the "**Sector with the Highest Percentage of Employee Participation**", with both 100% employee participation rate among its employees for volunteer initiatives nationwide.

The awarding ceremony aims to recognize employee volunteering efforts and to encourage more employees to participate, initiate and inspire or be engaged in the VOLUNTEERific Program.

Table of Volunteerific Result for 2018 or Year II (July 16, 2017 to June 30, 2018)

Sector	Total No. Of Employees	Total No. Of Volunteers	Total No. Of Volunteerific Hours Rendered	% Of Sectoral Employee Participation	Average Volunteer Hours Per Employee
ADLS	1,212	1,212	15,899.80	100%	12.94
BBS	4,553	3,729	41,285	81.90%	11.07
CSS	547	464	4,236	84.83%	9.13
TIBS	109	109	2,520	100%	22.91
OP	977	816	7,463.73	83.52%	9.15
OS	2,084	1,828	19,135	87.72%	10.47
TOTAL	9,482	8,158	90,539.53	86.23%	11.07

This year's Volunteerific participation was able to exceed the target by 26.23% and increased the average volunteer hours by 1.07 since last year.

Particulars	2018 Targets	2018 Accomplishments
Employee Participation	60%	86.23%
Average No. of Volunteer Hours	10	11.07

With all these internal recognitions, LANDBANK bagged two major awards in 2018 from different award giving bodies.

The first award received was “**Award of Excellence**” from International Association of Business Communicators (IABC), a global network of communications professionals, in its 16<sup>th</sup> Philippine Quill Awards last July 2018.

Lastly, the “**National Outstanding Volunteer Award**” was given by PNVSCA to the Bank last December 2018 for its exemplary volunteerism performance among others.

### GAWAD KATUBIGAN PROGRAM

The Gawad KATUBIGAN (**Ka**akibat na **Tulong sa Bayan** para sa **Inuming Kailangan**) is a disaster preparedness and response program under the Bank's CSR. It provides disaster prone areas with preparedness training as well as access to clean water through portable water filtration systems.

In partnership with Waves for Water International (W4W), the program provides technology transfer and water filtration systems capable of filtering one million gallons of water per device, which can last from five to ten years if properly maintained. The program also aims to reduce waterborne diseases.

In 2018, the Gawad KATUBIGAN Program provided 291 water filtration systems along with knowledge transfer training—giving access to clean drinking water to over 29,000 individuals in 28 municipalities/cities nationwide.

Three years after its inception in 2015, the Program has already provided over 1,300 water filtrations systems to disaster-stricken, disaster-prone, and hard to reach communities around the Philippines. In sum, the Gawad KATUBIGAN has benefitted more than 130,000 individuals in 82 municipalities/cities nationwide.

### **EDUCATION TO EMPLOYMENT (E2E) INTERNSHIP PROGRAM UNDER THE GAWAD PATNUBAY SCHOLARSHIP PROGRAM**

To ensure that the support to the Gawad Patnubay scholars does not end upon graduation, the Bank has established the E2E Internship Program. It aims to provide holistic educational support to the graduates of the scholarship through the following:

- 100% subsidy for their review and examination for the Licensure Exam for Agriculturists / Fisheries / Forestry and Agricultural Engineer
- 10-week internship wherein three weeks are spent for classroom lectures at the LANDBANK Plaza and seven week are spent for field internship with partner institutions
- Assistance in securing employment in Lending Centers or partner institutions

In 2018, 31 graduates automatically participated in the E2E Internship Program. The interns were placed to different agriculture related companies and to the Bank's program partners as follows:

- Land Bank of the Philippines (Lending Centers, DAD, PMD, CAD, CBD)
- Philippine Rice Research Institute (PhilRICE)
- Department of Agriculture
- National Tobacco Administration
- PhilFIDA (Batac)
- Philippine Center for Postharvest Dev't & Mechanization (PhilMech)
- DOST-PCAARD
- University of the Philippines - Visayas
- Central Mindanao University Research Center
- University of Southeastern Philippines

### **GAWAD E-DUKASYON PROGRAM**

To reach out to the youth and help educate them about the importance of agriculture, LANDBANK established the Gawad e-dukasyon Program. This is in partnership with the Knowledge Channel Foundation, Inc. (KCFI), and in cooperation with the Department of Education (DepEd).

The program introduces new media component in education by making use of modern and innovative forms of media such as videos and internet modules. It sends across the Bank's message of promoting agriculture and agriculture studies among the youth to encourage them to pursue agriculture-related courses in college.

Gawad e-Dukasyon Program’s primary objective is to produce videos: Crop Production and Harvest, Poultry Raising, and Aquaculture and Fisheries. These videos, entitled “AgriCOOLture,” are aired over Knowledge Channel, and the e-modules are made available on the internet. The videos are also shown over all Knowledge Channel-connected public schools nationwide as supplement for the students’ Agriculture subject in the curriculum.

The videos and e-modules, benefits an audience of 5,000,000 students from over 6,000 public schools connected to Knowledge Channel (KCh), 10,000+ out-of-school youth and mature learners, and 100,000+ teachers of formal schools and community learning centers with access to KCh.

In 2018, the video series, which is hosted by popular young actor Enchong Dee, was able to reach millions of learners from thousands of public schools nationwide.

The Gawad e-Dukasyon Program complements the Bank’s Gawad PATNUBAY Scholarship Program, as both Programs bring forward the message that agriculture is a good career path and a possible source of income and business.

Since 2016, the video series was able to reach the following:

- 5,007,943 learners of the 6,000+ public schools connected to K Channel through on-air broadcast and videos on-demand
- More than 10,000 out-of-school youth and mature learners enrolled in the DepEd Alternative Learning System (ALS) with access to K-Channel On-Demand package for ALS
- Over 100,000 teachers of formal schools and community learning centers with access to K Channel
- Learners of private and public schools, and their parents and siblings in over 1,500,000 households all over the country with access to K Channel broadcast
- The general public with access to K Channel through its online learning portal

## GAWAD KABUHAYAN PROGRAM

LANDBANK’s Gawad Kabuhayan Program now in its third phase and has evolved into a natural farming program in line with the Bank’s Gawad Sibol Program in partnership with the LANDBANK Countryside Development Foundation, Inc. (LCDFI). In 2018, it has adopted the following sites:

Particulars	Location	Cooperative
Beneficiaries of natural vegetable farming and livestock farming	Sitio San Ysiro, Brgy. San Jose, Antipolo City, Rizal Province	San Isiro Upland and Lowland Farmers’ Association (SIULFA)
	Brgy. Buot, Cebu City, Province of Cebu	Buot Livelihood Association (BULAI)
	Sitio Lower Talubek, Lamlahak, ake Sebu, South Cotabato	Talubek Unified Development Association (TUDA)

## **LANDBANK CHRISTMAS CSR PROGRAM**

In 2018, Landbankers supported a book gift-giving activity to 600 indigenous children from Loacan Elementary in Brgy. Loacan, Itogon, Benguet.

The LANDBANK Corporate Social Responsibility Relations Unit (CSRRU) together with Volunteer Landbankers from La Union Lending Center headed by DM Jesus Alegre, went with representatives from CANVAS last December 1, 2018 to distribute the books to the children.

Each children received a copy of “Karapat Dapat”, a book on children’s rights by the Center for Art, New Ventures and Sustainable Development (CANVAS), a non-profit organization that works with the creative community to promote children’s literacy, explore national identity, and broaden public awareness for Philippine art, culture, and environment. Storytelling sessions and art workshop was also conducted.

Head Office-based Landbankers participated in the initiative by purchasing items from CANVAS during the LANDBANK Christmasaya Bazaar held from November 5 to 16, 2018. For every book purchased, a corresponding donation was made to avail a book. Also, for every CANVAS card set purchase, an additional card was given on which they wrote messages of inspiration to children-beneficiaries. Moreover, CANVAS offered caricatures during the Bazaar, the proceeds of which were also used for the activity.

## **SHARE-A-GIFT 2018**

For the 2018 National Volunteer Month, LANDBANK conducted a feeding and gift-giving outreach program for almost 500 street children in the City of Manila last December 8, 2018.

Children beneficiaries aged 7-12 years old were identified by the City of Manila through the Manila Department of Social Welfare (MDSW). The event was held at the Del Pan Sports Complex, Tondo, Manila which accommodated 500 street children with their respective parents or guardians and around 150 volunteers from LANDBANK.

They were given (1) Christmas basket containing spaghetti, cheese, fruit cocktail and pear-shaped ham; (2) kilos of rice; (3) meal; and (4) gift items from the voluntary contribution of LANDBANK employees. The gifts consist of toys, shirts, and educational materials such as coloring books, crayons, and puzzles.

Apart from the funds provided by LANDBANK, the program was augmented by the contributions of Landbankers. Volunteer employees also helped wrap the gifts and participated in the gift-giving.



## Anti-corruption

### 205-1 Number and percentage of operations assessed for risks related to corruption and the significant risks identified

The Risk Management Group (RMG) collects data on the number and percentage of operations assessed for risks related to corruption and the significant risks identified. RMG disclosed that 689 and 702 Business Units in 2017 and 2018, respectively, were assessed for risks related to corruption based on validated Risk and Control Self-Assessment (RCSA) for People Risk.

Number of Business Units Assessed for Risk Related to Corruption

LANDBANK Offices, Sectors and Subsidiaries	2018	2017
Office of the Board of Directors	8	8
Office of the President	53	53
Operations Sector	153	150
Branch Banking Sector	394	386
Corporate Services Sector	11	11
Treasury and Investment Banking Sector	13	13
Agricultural and Development Lending Sector	65	63
LANDBANK Subsidiaries	5	5
Total	702	689

LANDBANK takes a precautionary approach in its operations, as well as the innovation and development of new products and technologies. It strictly follows a step-by-step approach of engaging in peer review and considering benefits and risks of innovation in a systemic and transparent manner. This way, the Bank prevents any risk of causing any form of harm or negative impacts to the public.

## Compliance

### 419-1 Monetary value of significant fines and total number of non-monetary sanctions for non-compliance with laws and regulations

Report significant fines and non-monetary sanctions in terms of:

Total monetary value of significant fines/penalties which the Bank has paid:

- In 2018, the Bank did not pay any material monetary sanction for non-compliance with laws, rules and regulations.

Total number of non-monetary sanctions (If the organization has not identified any non-compliance with laws or regulations a brief statement of this fact is sufficient):

- In 2018, the Bank did not incur any non-monetary sanction for non-compliance with laws, rules and regulations.

Cases brought through dispute resolution mechanisms:

- Due to the confidentiality of the information, the same cannot be disclosed.

## Customer Health and Safety

### **416-1 Percentage of significant product and service categories for which health and safety impacts are assessed for improvement**

The development of high-quality and innovative financial service and support goes hand-in-hand with responsible business practice.

LANDBANK's financial products and services are designed to be compliant with Bangko Sentral ng Pilipinas (BSP) rules and regulations, and relevant laws of the Philippine Government, and there has been no incident of non-compliance with these regulations. These products and services do not directly affect the health and safety of the Bank's customers and stakeholders.

### **416-2 Total number of incidents of non-compliance with regulations and voluntary codes concerning the health and safety impacts of products and services during their life cycle, by type of outcomes**

No such incidents; The Bank has been consistently compliant with the Monetary Board and Bangko Sentral ng Pilipinas (BSP)'s regulatory guidelines, with the BSP as the regulatory agency of the Philippine financial sector.

LANDBANK's financial products and services are designed to be compliant with the Monetary Board guidelines, BSP rules and regulations, and relevant laws of the Philippine Government, and there has been no incident of non-compliance with these regulations. These products and services do not directly affect the health and safety of the Bank's customers and stakeholders.

## Product and Service Labelling

### **G4-PR5/102-43 Results of surveys measuring customer satisfaction**

#### **Data Privacy**

##### Customer Satisfaction Survey

LANDBANK has obtained an overall "Satisfactory Rating" of 99% for CY 2018 carried out by a third-party service provider, The Nielsen Company (Phils.)

## Marketing Communications

### 417-3 Total number of incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, by types of outcomes

For the reporting period, there have been no incidents of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship.

## Customer Privacy

### 418-1 Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data

No reported complaints regarding breaches of customer privacy and losses of customer data.

## Customer Care Performance Highlight

	2017	2018
SERVICE LEVEL		
RECEIVED	489,461	415,813
ANSWERED	254,755	358,430
<b>ANSWER RATE</b>	<b>52.05%</b>	<b>86.20%</b>
EMAIL SERVICE		
RECEIVED	209,709	177,750
RESPONDED WITHIN TAT	147,938	160,793
<b>RESPONSE RATE</b>	<b>70.54%</b>	<b>90.46%</b>
COMPLAINT MGMT.		
RECEIVED	505	889
CLOSED (as of Dec 31)	471	863
<b>RESOLUTION RATE</b>	<b>93.27%</b>	<b>97.08%</b>

\*unresolved cases are still within the designated turnaround time (TAT); received by December 2018

## Compliance

### 419-1 Monetary value of significant fines for non-compliance with laws and regulations concerning the provision and use of products and services

In 2018, the Bank did not pay any monetary sanction for non-compliance with laws or regulations concerning the provision and use of products and services.

# Financial Services Sector Disclosure

## Product Portfolio

**G4-FS7 Monetary value of products and services designed to deliver a specific social benefit for each Business line broken down by purpose**

*Please refer to LBP Loans to All Sectors - Annex A.*

**G4-FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose**

*Please refer to LBP Loans to All Sectors - Annex A.*

**Audit-DMA Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures (former FS9)**

To ensure its independence, the Internal Audit Group (IAG) reports functionally to the Board-designated Audit and Compliance Committee (AC Com) and reports administratively to the President and CEO.

The IAG plays a key role in assisting the Board of Directors, thru the AC Com, in the discharge of its corporate governance responsibilities (1) by performing an independent and objective evaluation/assessment of management controls and operations performance, including technology risk management processes and IT controls; and (2) by determining the degree of compliance with laws, regulations, managerial policies, accountability measures, ethical standards and contractual obligations. It covers an appraisal of the plan of organization and all the coordinated methods and measures, in order to recommend courses of action on matters relating to operations and management controls. Moreover, in compliance with international standards, internal auditing also adds value to LANDBANK's operation by evaluating its risk management and governance processes.

As provided for in the approved IAG Charter, with strict accountability for confidentiality and safeguarding records and information, IAG is authorized to have unrestricted access to any and all Bank documents, records, properties, personnel, and information technology assets pertinent to carrying out an engagement and is relatedly authorized to require any personnel of the audited units to supply information and/or explanation as needed; and have discussions with any personnel of the auditable units during reasonable office time.

The results of its assurance services, consulting services, special/fraud audits and other services aim to draw attention to any breakdown in internal control or significant issues so that (1) remedial action may be undertaken; (2) improvements in procedures and systems to prevent waste, extravagance and fraud are recommended; and (3) appropriate system of controls and other accounting and operational matters are advised. The IAG also provides periodic reports on the internal audit activity's purpose, authority, and responsibility, as well as performance relative to its plan including significant risk exposures and control issues, fraud risks, governance issues, and other matters needed or requested.

The IAG is also responsible for reporting to Senior Management and the AC Com on the internal audit activity's Quality Assurance and Improvement Program, including results of on-going assessments and external assessments conducted at least every year and every five years, respectively, including the status of compliance on the agreed corrective actions/plans on unresolved audit issues.

Meanwhile, to ensure that environmental and social policies and risk assessment procedures are being complied with and implemented by business units, IAG provided the following services to the Bank in 2018:

- Conducted risk-based operations audit of business units as part of its assurance services which covered, among others, compliance with EMS good practices implemented by the Bank
- Reviewed the conformity of projects financed by the Bank with applicable environmental laws, regulations and requirements by determining whether they are supported by Environmental Compliance Certificate issued by the Environmental Program and Management Department (EPMD). In addition, internal audit also validated whether the lending units ensured the conduct of site validations by EPMD and that other documentary requirements are complied with
- Conducted a limited scope operations audit of EPMD whose main functions, among others, are to implement the environmental policy on credit delivery and provide technical support on environmental due diligence and climate change vulnerability assessment on Bank-financed programs and projects.
- Provided assistance as resource persons to the Quality Management Department on its Integrated Management System project (integration of the EMS and QMS standards) and participated in the IMS internal assessments as one of the assessors.

Moreover, IAG enhanced its Audit Risk Scoring System of business units to consider the Risk and Control Self-Assessment results on residual and actual losses which are relevant in prioritizing units to be audited in 2018. It had also implemented the limited scope audit to cover more business units by focusing on selected sub-processes that are assessed as high risk areas.

**LBP GROSS LOAN PORTFOLIO**  
**As of 31 December 2018**  
(P Millions)

	SECTORS	AMOUNT	% SHARE TO TOTAL
<b><u>Mandated Sector</u></b>			
	Small farmers including agrarian reform beneficiaries and their associations	49,267.96	6.17%
	Small fishers and their associations	78.18	0.01%
	Sub-Total	49,346.14	6.18%
<b><u>Support for Agriculture and Fisheries</u></b>			
	Agri-business	151,236.62	18.93%
	Aqua-business	2,417.99	0.30%
	Agri-aqua related projects of Local Government Units and Government Owned and Controlled Corporations	19,051.50	2.39%
	Sub-Total	172,706.11	21.62%
<b><u>Support for Other National Government Priority Programs</u></b>			
<b><u>(Including PPP Projects)</u></b>			
	Micro, small and medium enterprises	135,312.22	16.94%
	Communications	44,681.67	5.59%
	Transportation	51,733.44	6.48%
	Housing (Socialized, low-cost and medium-cost)	58,965.93	7.38%

Education	8,108.47	1.02%
Health care	19,175.83	2.40%
Environment-related projects	10,924.97	1.37%
Tourism	22,117.70	2.77%
Utilities	133,751.23	16.74%
Others	27,433.86	3.43%
Sub-Total	512,205.32	64.12%
<b>TOTAL PRIORITY SECTOR LOANS</b>	<b>734,257.57</b>	<b>91.92%</b>
<b><u>Others</u></b>		
Local Government Units - Others	11,614.95	1.45%
Government Owned and Controlled Corporations - Others	1,642.77	0.21%
Others	51,262.10	6.42%
<b>TOTAL LOANS TO OTHERS</b>	<b>64,519.83</b>	<b>8.08%</b>
<b>LOANS TO ALL SECTORS*</b>	<b>798,777.40</b>	<b>100.00%</b>
Less : Unsecured Subordinated Debt Facility on Rural Banks	195.00	
Add : Domestic Bills Purchased Lines	626.87	
<b>REGULAR LOAN PORTFOLIO</b>	<b>799,209.27</b>	
Add : Treasury Loans	68,087.52	
<b>GROSS LOAN PORTFOLIO</b>	<b>867,296.79</b>	

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



**DEPOSIT PRODUCTS**

1. Regular Passbook Savings Account
2. ATM Savings Account
3. Regular Current Account
4. Current Account with ATM Access
5. Peso E.A.S.Y (Earning Access & Sure Yield) Check
6. Peso E.A.S.Y (Earning Access & Sure Yield) Check with ATM Access
7. Regular Peso Time Deposit
8. Easy Savings Plus (ESP)
9. High Yield Savings Account (HYSA)
10. US \$ Dollar Savings Deposit
11. US \$ Dollar Time Deposit
12. Easy \$ Dollar Pension
13. Euro Savings Account
14. Euro Time Deposit Account
15. High Yield U.S. Dollar Time Deposit (HYUSDTD)
16. Auto Save Deposit Account
17. Overseas Filipino (OF) Deposit Account

**e-BANKING PRODUCTS**

1. i-Access (Retail Internet Banking Facility)
2. weAccess (Institutional Internet Banking Facility)
3. LANDBANK E-Card
4. LANDBANK Cash Card
5. Easy Padala
6. LANDBANK Phone Access
7. Globe G-Cash
8. Radio Frequency Identification Card (RFID)
9. eTax Payment System (eTPS)
10. LANDBANK Credit Card
11. Electronic Modified Disbursement System (EMDS)
12. LANDBANK Mobile Banking Application (MBA)
13. LANDBANK Link.BizPortal
14. Cash Deposit Machine (CDM)
15. LANDBANK ATM Regular Card
16. LANDBANK VISA Debit Card

## **AGRARIAN SERVICES**

1. Land Transfer Claims
2. Bond Transactions
3. Assistance to Landowners and Agrarian Reform Beneficiaries (ARBs)

## **LOANS**

### **HOUSING and MORTGAGE PROGRAMS**

1. Home Program (LANDBANK Housing Opportunities Made Easy)
2. Developers End Buyers Financing Tie-Up
3. Bahay Para sa Bagong Bayani (3-B) Program
4. Mortgage Loan

### **EQUITY INVESTMENT PROGRAMS**

1. Consolidation Program for Rural Banks (CPRB)

### **MOBILE LOAN SAVER**

## **LENDING PROGRAMS**

### **AGRICULTURAL LENDING PROGRAMS**

#### **I. Lending Programs with Partner-Agencies**

1. Agrarian Production Credit Program (APCP)
2. Agricultural and Fisheries Financing Program (AFFP)
3. Agricultural Competitiveness Enhancement Fund (ACEF) Lending Program
4. Agricultural Credit Support Project (ACSP)
5. Assistance to Restore and Install Sustainable Enterprises for Agrarian Reform Beneficiaries and Small Farm Holders (ARISE-ARBs) Program
6. Consolidation Program for Rural Banks (CPRB)
7. Credit Assistance Program for Program Beneficiaries Development (CAP-PBD) Window III Program Extension
8. Harnessing Agribusiness Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST)
9. LANDBANK Lending Program for Former Rebels
10. LBP-BFAR Partnership for the Promotion of Mariculture Parks
11. LBP-DAR-DA Accessible and Sustainable Lending (ASL) Program for Small Farmers
12. LBP-SRA Socialized Credit Program under the Sugarcane Industry Development Act (SIDA)
13. LBP-NDA Masustansyang Inumin para sa Likas na Kalusugan (MILK)

14. Sikat Saka I and Sikat Saka II Program (SSP I & II)
15. Upland Southern Mindanao Credit and Institution Building Program (USM CIBP)

## **II. Commodity Programs**

1. Banana Financing Program
2. CACAO 100 Financing Program
3. Coconut Production and Processing Financing (Coco-Financing) Program
4. Coffee 100 Financing Program
5. Integrated Support for the Development of Aquaculture (ISDA)
6. Kalikasang Kabuhayan Para sa Wastong Pamayanan (KAWAYAN)
7. Oil Palm Financing Program
8. Onion Financing Program
9. Poultry Lending Program
10. Rubber Financing Program
11. Seaweed Financing Program
12. Sugarcane Financing Program

## **III. Other Lending Programs**

1. Agri-Mechanization Financing Program
2. Climate SAFE (Special Adaptation Facility For The Ecosystem)
3. Climate Resilient Agriculture Financing Program
4. Empowering Barangays in Remote Areas through Credit and Enterprises (EMBRACE)
5. Farm Tourism Financing Program
6. Farmers Corporative Inclusive Financing Program
7. LBP – SMC Corn/Cassava Assemblers and Consolidators Financing Program
8. LBP-CPFP Livestock Contract Growing and Shrimp Production Inclusive Financing Program (LBP-CPFP)
9. LBP-Rural Bank Lending to LGU Employees Partnership Program (LBP-RB Partnership)
10. Microfinance Program For Microfinance Institutions (MFI) – Retailers
11. Partner Financial Institutions - Additional Credit for Countryside Outreach and Rural Development (PFI-ACCORD) [formerly “Step-up Loan Program”]
12. Retail CLF CREAM / CLF CREAM
13. Young Entrepreneurs from School (YES!) to Agriculture Program (YESAP)

## **NON-AGRICULTURAL LENDING PROGRAMS**

### **I. Joint Program with Agencies**

1. Innovation and Technology (I-TECH) Lending Program
2. LANDBANK SPEED PUVs (Special Program for Environment-friendly and Efficiently-Driven Public Utility Vehicles)
3. LANDBANK-PNOC RC Go Green Program for LGUs
4. Metro Manila Waste Water Management Project (MWMP)
5. OFW Reintegration Program (OFW RP)
6. LANDBANK Lending Program for Economic Zone Developers

### **II. Other Lending Programs**

1. Access of Small Enterprises for Sound Lending Opportunities (ASENSO)
2. Bahay Para sa Bagong Bayani Program (3B) under HOME Program
3. Bringing Inclusive Growth in Every Household Through National Electrification Support Services (BRIGHTNESS )
4. Bringing Urbanization And Innovations Thru Landbank's Diverse Engineering Resources Support (BUILDERS)
5. Carbon Finance Support Facility (CFSF)
6. Easy Home Loan (EHL) under HOME Program
7. Franchising Lending Program
8. Health Progressive Lending For Upgraded Services Program (HEALTH PLUS)
9. K-12 Bridge Financing Program
10. LANDBANK Calamity Rehabilitation Support Program (LANDBANK CARES)
11. LANDBANK CARES Program for Islamic City of Marawi and Other LGUs in Lanao del Sur
12. LANDBANK Ferry Boat Inclusive Financing Program
13. LANDBANK Go Green Inclusive Financing for SMEs and LGUs Program
14. LBP ENDBUYERS Financing Tie-Up with Developers under HOME Program
15. LGU Lending Program/Omnibus Term Loan Facility
16. Renewable Energy Lending Program
17. SSS Lending Program
18. State Universities and Colleges (SUCs) Loan Program
19. TerRain And Naval Special Program On Reliable means of Transport (TRANSPORT) Financing Program
20. Water Program for Everyone (H2OPE)

## **FCDU PRODUCTS AND SERVICES**

### **DEPOSIT TRANSACTION**

1. Clearing of FX Check Deposited in an FCDU Account via Cash Letter Service
2. Clearing of FX Check Drawn against a Local Bank via Collection Letter Service
3. FX Check
4. FX Currencies
5. Incoming Local Remittance PDDTs via GSRT Mode/EOD Netting
6. Incoming Foreign Remittance

### **WITHDRAWAL TRANSACTION**

1. Via Foreign Currency Demand Draft
2. Via FX Currencies
3. Via Outgoing PDDTs - GSRT Mode
4. Via Outgoing Foreign Electronic Fund Transfer
5. Via Philippine Peso

### **FX CURRENCY PURCHASE TRANSACTION**

1. Outright Purchase of FX Currencies
2. Outright Purchase of FX Instruments

### **FX CURRENCY SALE TRANSACTION**

1. Sale of FX Currency Notes
2. Sale of FX thru Telegraphic Transfer
3. Sale of FX thru Demand Draft

### **INWARD REMITTANCE**

1. Incoming Foreign Remittance from any Foreign Bank
2. Incoming Local Remittance PDDTs via GSRT Mode/End-of-Day (EOD) Netting
3. Inward Remittance

## **INTERNATIONAL TRADE SERVICES**

### **EXPORT**

1. Advice of Export LCs/Amendments
2. Export Collections/Outward Bills for Collection (OBC)
3. Export Bills Purchase (EBP)
4. Collection of Documentary Stamp Fees
5. Inward Remittances

## **IMPORT**

1. Opening or Issuance of Foreign Commercial LC
2. Opening or Issuance of Domestic Commercial LC
3. Processing of Commercial LC Amendment (Foreign & Domestic)
4. Issuance of Shipping Guaranty/Advance Release
5. Processing of Import Bills
6. Processing of Domestic Bills (DB)
7. Processing of Direct Remittance Import (DRI)
8. Processing of Advance Import Payments (AIP)
9. Opening or Issuance of Stand-By LC
10. Issuance of Guaranty (against Foreign Bank Counter – Guaranty
11. Collection of Import Duties
12. Processing of Open Accounts (O/A)
13. Processing of Documents Against Acceptance (D/A)
14. Documents Against Payment (D/P)
15. Processing of Trust Receipt (TR)

## **INVESTMENTS**

### **TRUST PRODUCTS AND SERVICES**

1. Trust Arrangements
  - a. Unit Investment Fund (UITF)
  - b. Personal Equity & Retirement Account - Unit Investment Trust Fund (PERA-UITFs)
2. Institutional Trust Accounts
3. Other Institutional Services
4. Investment/Portfolio Management (PhP or US\$)
5. Special Purpose Trust
6. Basic Documentary Requirements for Account Opening

### **TREASURY PRODUCTS**

1. Government Securities
2. Corporate Securities
3. LANDBANK Issues

### **INVESTMENT BANKING**

1. Debt and Equity Underwriting
2. Financial Advisory

3. Loan Syndication
4. Privatization
5. Project Finance
6. Merger and Acquisition

#### **ANCILLARY PRODUCTS**

1. Deposit Pick-Up Services
2. Payroll Services
3. Revenue Collection Agreement
4. Safety Deposit Box
5. Manager's Check
6. LANDBANK Gift Check