

## LAND BANK OF THE PHILIPPINES

### 2019 Performance Highlights

#### LANDBANK in 2019: “Powering Inclusive Growth in the Countryside

Committed to its mandate of intensifying agricultural productivity and empowering the countryside, LANDBANK continued to be the leading government institution in extending financial assistance to the countryside. Loans to agriculture reached P236.45 billion as of December 2019, exceeding the year-end target of P231.25 billion. Meanwhile, outstanding loans to small farmers, fishers, cooperatives, and other farmers’ associations stood at P44.82 billion, while loans to other players in the agri-business value chain reached P191.49 billion.

The number of assisted farmers and fishers reached 1,032,982 or 103% of the yearend target of one million farmers. By the second half of 2019, LANDBANK extended its assistance to 143,313 new small farmers and fishers from Maguindanao, Palawan, Ilocos Norte, Abra, and Nueva Vizcaya.

Meantime, outstanding loans for the 20 poorest provinces stood at P52.13 billion or 117.15% of the yearend target of P44.50 billion, while the outstanding balance for the HARVEST program is P794.99 million or 105.99% of the yearend target of P.75 billion.

LANDBANK also strengthened its direct lending programs, including those that are jointly implemented with other government agencies.

With a greater focus on the needs of Agrarian Reform Beneficiaries, LANDBANK and the Department of Agrarian Reform introduced the Accessible Funds for Delivery to Agrarian Reform Beneficiaries (AFFORD-ARBs). By the end of 2019, it registered an outstanding loan of P100.86 million to 523 farmer-borrowers and a cooperative.

The Bank also marked increases in loans for the following programs:

- *Expanded Rice Credit Assistance under the Rice Competitiveness Enhancement Fund (ERCA-RCEF)* – implemented in line with the Rice Tarrification Law, the Bank released P358.25 million in loans to 7,468 farmers.
- *Agricultural Competitiveness Enhancement Fund (ACEF)* – P1.04 billion was released benefiting 7,055 farmers and fishers.
- *Socialized Credit Program under the Sugarcane Industry Development Act (SCP-SIDA)* - The total amount of outstanding loans to individual sugarcane farmers, block farms and common service as of December 2019 is P111.37 million with 992 farmers assisted.

LANDBANK and the DA partnered to extend credit assistance to small farmers tilling one hectare and below through the Expanded Survival and Recovery Assistance Program for Rice Farmers (SURE Aid). The Bank released P2.07 billion to provide financial assistance to 136,648 farmers nationwide affected by the drop in palay prices in the market.

To assist the rice-producing provinces to procure palay from its local farmers and acquire farm machinery and post-harvest facilities, the Bank extended the PALay aLAY sa Magsasaka ng Lalawigan (PALAY ng Lalawigan) and approved an aggregated total of P3.2 billion loan for the provinces of Isabela, Nueva Ecija, and Camarines Sur.

LANDBANK launched other lending programs such as Sulong Saka, in support of promoting high-value crops; Green House Farming System, in support of modern and sustainable farming; and the Sustainable Aquaculture Lending Program, in support to aquaculture.

LANDBANK also implemented the Rice Farmers Financial Assistance Program (RFFA), which is not a loan facility but rather cash assistance from the government. Around 600,000 small farmers nationwide are set to benefit from the Program. Just recently, LANDBANK rolled out the RFFA to the provinces of Pangasinan and Nueva Ecija to disburse P5,000 cash assistance to a total of 977 small farmers.

Simplifying processes was also given priority to make our programs more affordable and accessible to small farmers. The loan application form, now on a new format with mostly tick boxes, is condensed to just 1 from 3 documents, while the Promissory Note is trimmed to 1 from 14 pages. In addition, we standardized and reduced interest rate to 5% per annum.

LANDBANK is also working closely with DA to create a unified and updated database of farmers and fishers nationwide. Under the Lista Saka Program, we have completed the mapping of areas for prioritization of Field Units and loading of processed data to our unified Data Warehouse. This updated database of farmers will soon allow us to offer more strategic, targeted, and relevant support interventions to farmers.

To serve more of the unbanked and underserved areas of the country, LANDBANK opened 13 new branches last year, bringing the total number of branches to 406 with three extension offices.

To complement this, LANDBANK installed 238 new ATMs to bring its total number to 2,195 in 519 municipalities nationwide. The Bank also added 41 new Cash Deposit Machines, which brought the total to 160. The Bank also opened two new lending centers in 2019, bringing the total provincial lending units to 46.

Under the Agent Banking Program, the Bank tapped 15 agent partners from client cooperatives, associations, small and medium enterprises, and private entities to help provide banking services in 13 unbanked municipalities.

Financial Inclusion (FI) Forums were also conducted in seven municipalities, wherein 3,772 farmers participated and received Agent Banking Prepaid Cards. These areas were among the 536 unbanked municipalities and cities identified by the Bangko Sentral ng Pilipinas.

Along with the rollout of the FI Forums, the provincial lending units conducted a total of 857 Farmers' Forums in 79 provinces. More than 92,000 farmers, fishers, and agri-MSMEs attended these forums.

The Bank's performance in other key areas includes support to national government social protection programs as follows:

- *Conditional Cash Transfer - P73.98 billion disbursed to 4,363,000 beneficiaries*
- *Unconditional Cash Transfer – P18.15 billion disbursed to 5,160,000 beneficiaries; and*
- *Pantawid Pasada - Programs P2.27B disbursed to 110,434 beneficiaries*

In terms of financial performance, net income also grew by 20% to P18.51 billion. Meanwhile, deposits rose by 7.68% to P1.78 trillion and capital increased by 13% to P149 billion.

LANDBANK also took part in the collaborative programs of the National Government:

- the Expanded Partnership Against Hunger and Poverty Program with 13 other agencies;
- the Tertiary Education Subsidy Program in partnership with the Commission on Higher Education and the Unified Student Financial Assistance System for the Tertiary Education;
- a better fund management of public elementary and secondary schools in partnership with the Department of Education;
- support to the Government's Build, Build, Build Program by extending appraisal services to the Department of Public Works and Highways;
- the FIT-Coop aims to provide financial literacy trainings to micro and small cooperatives in partnership with the Cooperative Development Authority to help prepare them in accessing formal credit assistance;
- the STP for Manila Bay to promote the greener goals of the National Government; and
- the Sustainable Multi-Dimensional Approach Using Revolutionized Technologies (SMART) in City Development Lending Program to support highly-urbanized Local Government Units (LGUs) looking to develop digital

infrastructures, attain environmental sustainability, and improve the city's economic competitiveness.

The Bank's accomplishment with the Digital On-boarding System noted 598,191 new accounts. These were done with ease and in relatively shorter turnaround time. To complement this, the Bank put up Digital Banking Corners in all branches.

Meanwhile, the Link.Biz Portal now has 700 merchants enrolled, six of which operate heavy over-the-counter transactions. The online platform has successfully facilitated 1.5 million transactions, amounting to P4.6 billion. It was also used by the Bureau of the Treasury for its Retail Treasury Bonds Tranche 22 offering and the Premyo Bonds offering.

The LANDBANK Mobile Banking App recently adopted the QR Code feature to facilitate faster intra-bank fund transfers. Since its launch in November, it has already facilitated 596 transactions worth P1.9 million.

The Bank's website has also recently been enhanced and re-designed for easier navigation, with interactive features – online account opening through DOBS and online job application.