

LAND BANK OF THE PHILIPPINES
Interim Performance Scorecard

Indicator	Weight	Target	Accomplishment		CGO-A Validation		Supporting Data	Remarks
	2013	2013	Actual	Rating	Score	Rating		
MFO 1 : Loans and Financing Products and Services								
Financial 1: Percentage of Loans to Priority Sectors	0.00%	≥75%	80.50%	0.00%	80.50%	0.00%	<ul style="list-style-type: none">Loan portfolio report as of 31 December 2013.	LBP has 5 lending groups to process loan applications: North Luzon, South Luzon, the Visayas, Mindanao and Head Office. Upon submission of application, loans are classified based on the type of end-borrower. Monthly reports are generated from the loans system. Review of the 1 st quarter 2014 outstanding loan balances reveal that LBP has almost achieved or exceeded 2014 targets. Consider raising targets for 2014.
Financial 1a: Loans to SFF	9.00%	₱33.5 B	₱34.7 B	9.00%	₱34.7 B	9.00%		

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Financial 1b: Loans to MSMEs	9.00%	₱36.0 B	₱37.5 B	9.00%	₱37.5 B	9.00%		ACCEPTABLE												
Financial 1c: Loans Supporting Agriculture and Fisheries	8.00%	₱68.0 B	₱68.1 B	8.00%	₱68.1 B	8.00%														
Financial 1d: Loans Supporting Other Government Programs	9.00%	₱90.0 B	₱104.3 B	9.00%	₱104.3 B	9.00%														
Quality: Non-Performing Loan Ratio	5.00%	≤2.25%	0.54%	5.00%	0.54%	5.00%	<ul style="list-style-type: none">Report submitted to BSPIndustry average NPLComputation of the NPL consistent with the BSP computation guidelines	<p>NPL is based on the 2013 BSP guidelines. The 0.54% refers to Net NPL. Industry average and LBP's Net NPL is presented below:</p> <table><tr><td>Yr</td><td>Industry</td><td>LBP</td></tr><tr><td>2011</td><td>2.23%</td><td>2.05%</td></tr><tr><td>2012</td><td>1.87%</td><td>2.31%</td></tr><tr><td>2013</td><td>2.13%</td><td>0.54%</td></tr></table> <p>The low NPL ratio of LBP</p>	Yr	Industry	LBP	2011	2.23%	2.05%	2012	1.87%	2.31%	2013	2.13%	0.54%
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								<p>may be traced to the following: (i) write off of accounts in the amount of P886 million; (ii) moratorium in the recognition of past due accounts of individuals and entities affected by typhoon Yolanda affecting some P3.39 Billion of outstanding accounts; (iii) conversion of NPL account to performing loans in the amount of P673 million; and (iv) loan portfolio growth.</p> <p>Without the above, LBP's net NPL would have been 2.34%.</p> <p>LBP is the first bank to develop a credit rating system for all borrowers.</p> <p>ACCEPTABLE</p>
Subtotal of Weights:	40.00%			40.00%		40.00%		

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MFO 2 : Banking Delivery Channels								
Quantity 1: No. of Service Delivery Networks - Branches	6.00%	341	341	6.00%	341	6.00%	<ul style="list-style-type: none">Report submitted to BSP	In addition to branches and ATMs, LBP is setting up Other Banking Offices (OBO) in areas with no branches and ATMs to receive deposits and account payments to government.
- ATMs	6.00%	1,200	1,213	6.00%	1,213	6.00%		According to management, LBP would like to open 10 branches per year. Since LBP's ideal target is 10 branches per year, consider raising the target to 10 per year. ACCEPTABLE
Quantity 2: No. of Enrollees to Alternative Banking Platforms							<ul style="list-style-type: none">Report showing summary of enrollment and utilization rate certified by LBP officers	Consider using utilization rates of the alternative banking platforms or efficiency measures instead of enrollment rates.
- iAccess Enrollment	6.00%	1,000,000	1,070,055	6.00%	1,070,055	6.00%		As of 1 st Quarter this year, LBP already achieved/ exceeded its 2014 full year target. LBP will launch its Mobile

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- weAccess Enrollment	6.00%	5,000	9,443	6.00%	9,443	6.00%		Banking facility this year. The system is currently undergoing User Acceptance Training (UAT).
- Mobile Banking Enrollment	0.00%	n/a	n/a	n/a	n/a	0.00%		We recommend revising targets to percentage of accounts rather than absolute levels. ACCEPTABLE
Financial: Amount of Total Deposits from the Private Sector	6.00%	P161.0 B	P210.7 B	6%	P210.7 B	6.00%	<ul style="list-style-type: none"> Report submitted to BSP. 	<p>LBP already exceeded its 2014 target as of the 1st quarter of the year by 27.50%. Its end-1st quarter level is P209.1 B compared with the 2014 full year target of P164.0 B.</p> <p>Consider increasing the 2014 target.</p> <p>ACCEPTABLE</p>
Timeliness:	n/a	n/a	n/a	n/a	n/a	n/a		<ul style="list-style-type: none"> System to be used is for bidding this 2014.

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Percentage of Deposit Transactions Processed Within the TAT								ACCEPTABLE
Subtotal of Weights:	30.00%			30.00%		30.00%		
MFO 3 : Services and Assistance to CARP								
Timeliness 1: Percentage of claim folders processed within the average TAT (30 working days) from receipt of complete documents	10.00%	100%	100% The 1,784 claim folders were processed and approved within the GCG metrics of 30-working days turn-around time.	10.00%	100%	10.00%	<ul style="list-style-type: none"> Report summarizing no. of processable claims from various regions and the computation of the average TAT Photocopy of sample routing slips attached to the claim folders Photocopy of sample tracking documents and payment acknowledgment receipt. 	Process starts after submission of complete documents by the DAR. Claim folders with incomplete requirements are returned to DAR. Each folder has a tracking sheet attached as a cover page. LBP works with DAR in land valuation. ACCEPTABLE
Timeliness 2:	10.00%	100%	The land transfer proceeds were	10.00%	100%	10.00%		

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Percentage of accounts credited for land transfer payments from receipt of complete documents from the landowners within an average of 5 working days			released to the landowners within the 5-working days benchmark set by the GCG. 100%					
Subtotal of Weights:	20.00%			20.00%		20.00%		
Organizational Effectiveness and Financial Viability (i.e. General Administrative Services)								
Quantity: Number of Information Technology (IT) Projects Implemented	4.00%	10	13	4.00%	13	4.00%	<ul style="list-style-type: none"> Copies of UAT for each IT project implemented. Pictures IT systems. 	Reckoning point is when the projects have gone through the User's Acceptance Testing (UAT). ACCEPTABLE
Financial 1:	4.00%		20.10%	4.00%	20.10%	4.00%	<ul style="list-style-type: none"> Report submitted to BSP Unaudited financial 	The minimum CAR set by the BSP is 10%. LBP's 2010 to 2012 CAR is as follows:

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CAR Within the Commitment Under the Capital Adequacy Assessment Process		≥ 13% (higher than the 10% BSP regulatory requirement)					statement.	2010 – 17.82% 2011 – 16.47% 2012 – 20.25% 2013 – 20.10% Since 2010, CAR has always been above the BSP minimum and the 13% PA Target. It is not clear what LBP gains from excessively high CAR. ACCEPTABLE
Financial 2: Amount of Net Income	2.00%	₱11.0 B	₱11.7 B /b	2.00%	₱11.47 B /c	2.00%	<ul style="list-style-type: none"> Report submitted to BSP Unaudited financial statement. Restated 2013 FS, attached to submissions, indicate a ₱11.47 B NI. 	Consider raising the 2014 NI target of ₱11.5 B which has been exceeded in 2013. Lending and financing activities in the 1 st Quarter 2014 also indicate possibility of higher NI for 2014. ACCEPTABLE
Subtotal of Weights:	10.00%			10.00%		10.00%		
TOTAL	100.00%			100.00%		100.00%		

/a Audited

/b Unaudited; submitted last February 2014

/c Restated unaudited; submitted on April 2014