LAND BANK OF THE PHILIPPINES
Performance Scorecard CY 2015

		Component			Target	Accomplishment		GCG Validation		Supporting Data	Remarks
		Objective / Measures	Weight	Rating Scale	2015	Actual	Rating	Actual	Rating		
	SO 1	**Expand Financial and Other Services in All Provinces, Cities and Municipalities**									
Socio-Economic Impact	SM 1	Amount of outstanding loans in the 20 poorest provinces as identified under the RSBSA of the DA[1]	5%	(Actual Performance/ Target) x 100 x Weight	₱13.0 Billion	₱18.4 Billion	5%	₱18.4 Billion	5%	• Loan breakdown per province for 2014 and 2015	• Loans to the 20 poorest provinces grew by 22%. • Biggest portion of the loan portfolio going to the 20 poorest provinces belongs to Sultan Kudarat (18% of total) and North Cotabato (14% of total). Huge portions of the loans to these areas are for agriculture related purposes. • In total, approximately 1/3 of the loans to these provinces were used for agricultural purposes. The remaining 2/3 were used for various project like construction of farm to market roads, construction of hospitals, construction of water systems, education, financial service activities, and other LGU projects.

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SM 2	Percentage of loans to priority sectors	n/a	n/a	80.0%	88.3%	n/a	88.3%	n/a	• Report on loan with breakdown per sector	• In 2015, gross loans portfolio grew by 17%. Loans to all sectors grew by 13%. • LANDBANK priority sector loans are at the highest share of the total loans in 2015. For long prior to 2011, priority sector loans takes 68% to 73% of its total portfolio. • Through LBP's lending activities: - 270,523 new households connected with potable water - 69,077,817 additional megawatts of power produced - 5 new hospitals with 5,878 additional hospital beds - 192 new school buildings with 1,372 additional classrooms were constructed - 522 additional kilometers of farm to market roads was constructed
SM 3	Amount of outstanding loans to small farmers and fishers	5%	(Actual Performance/ Target) x 100 x Weight	₱36.0 Billion	₱38.7 Billion	5%	₱38.7 Billion	5%	• Report on loan with breakdown per sector	• Loans to SFF are called by LANDBANK their mandated sectors. This has been set forth by its mandate. • In 2015, loans to this sector grew by 15%. Total

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										releases for 2015 amounts to ₱55.6 Bn and benefited 722,408 SFFs. • LANDBANK reaches the SFF sector through its conduits or partner financial institutions (e.g. coops or rural banks) which lend to the SFF through wholesale and retail loans. • Proceeds of these loans are used by the farmers/fishers and their associations for various agricultural purposes like corn production, acquisition of farm equipments, agricultural land acquisition/expansion,
SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	10%	(Actual Performance/ Target) x 100 x Weight	₱80.0 Billion	₱98.9 Billion	10%	₱98.9 Billion	10%	• Report on loan with breakdown per sector	• In 2015, loans to this sector grew by 27% and comprised 23% of the portfolio of loans to borrowers. • Like the loans to SFF, LANDBANK reaches the SAF sector through its conduits or partner financial institutions/associations which lend to the SAF through wholesale and retail loans.

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Financial	SO 2	**Support National Development Programs** (micro, small and medium enterprises, communications, transportation, housing (socialized, low cost and medium cost), education, health care, environment-related projects, tourism and utilities)									
	SM 5	Amount of loans supporting other government programs	10%	(Actual Performance/ Target) x 100 x Weight	₱180.0 Billion	₱246.4 Billion	10%	₱246.4 Billion	10%	• Report on loan with breakdown per sector	• LANDBANK reaches the OGP sector through direct loans or through its conduits or partner financial institutions which lend to the OGP through wholesale and retail loans. • Proceeds of these loans are used for various purposes like mSMEs, utilities, education, etc.
		Sub-Total Weight	**30%**				**30%**		**30%**		
	SO 3	**Maintain Competitive ROE**									
	SM 6	ROE higher than the industry rate	5%	If ≥ industry average = 5% score; if < industry average = 0%	ROE equal or higher than the industry rate	17.51% (industry average Sept. 30,2015 = 10.09%)	5%	17.51% (industry average Dec. 31,2015 =9.80%)	5%	Report on Landbank ROE vis-à-vis industry average signed by the responsible officer	• ROE increased from 17.20% in 2014 to 17.51% in 2015. • Industry average as of December 31,2015 is 9.80%.

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SO 4	**Grow Private Deposit Base**									
SM 7	Increase in outstanding balance of private deposits	7.5%	(Actual Performance/ Target) x 100 x Weight	₱248.2 Billion	₱340.9 Billion	7.5%	₱340.9 Billion	7.5%	Memo from the VP of the Financial Accounting Department for the AVP of Corporate Planning & Economics and Policy Department	• In 2015, total industry deposits grew by 8%. • LANDBANK's total deposits grew by 15%. 2015 deposits increased to ₱1.05 Tn. 48.33% of which is from the private sector. • Private sector deposits grew by 18% from ₱288.20 in 2014 to ₱340.92 in 2015. Top 3 branches in terms of private to government deposit balance as of end-December are: 1. Bonifacio Global City 2. Makati Business Center Branch 3. España Branch
	Sub-Total Weight	**12.5%**				**12.5%**		**12.5%**		

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Stakeholders	**SO 5**	**Provide the Funding & Assistance in a Timely Manner**								
	SM 8a	No. of banking days to process accounts with loan amounts of ≤ ₱15 M – 15 banking days (from receipt of complete documents)	5%	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	75% of loan accounts with amount of ≤₱15M are processed within 15 banking days	87% of loan proposals are processed within 15 banking days	5%	87% of loan proposals are processed within 15 banking days	5%	• Summary table of loan transactions for 2015 (report as of end-December) • Excel file of submitted summary table of transactions	• 96% of loan applications were processed in 2015. • Only 87% were processed within 15 days. • TAT is monitored through the use of the Loan Origination System
	SM 8b	No. of banking days to process accounts with loan amounts of > ₱15 M – 45 banking days (from receipt of complete documents)	5%	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	75% of loan accounts with amount of >₱15M are processed within 45 banking days	98% of loan proposals are processed within 45 banking days	5%	98% of loan proposals are processed within 45 banking days	5%	• Summary table of loan transactions for 2015 (report as of end-December) • Excel file of submitted summary table of transactions	• TAT is monitored manually through the loan action sheets and reported monthly. • All loan applications were processed in 2015. • 98% were processed within 45 days.

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Stakeholders	**SO 6**	**Anticipate the Needs & Provide New/Enhanced Products & Services in a Timely Manner**									
	SM 9	Percentage of LANDBANK Mobile Loan Saver (LMLS) (livelihood) loan applications processed and released (if approved) in 3 banking days after e-filing of the application	5%	Maximum of 5% for an accomplishment of 95% and higher. Weight to be adjusted based on pro-rata basis	95%	**96%** (LMLS Phase 1 – Government Employees (Excluding Teachers, Military and Police)	5%	**96%** (LMLS Phase 1 – Government Employees (Excluding Teachers, Military and Police)	5%	Sample loan approval and summary documents for LMLS	As of December 31,2015, the LMLS facility disbursed loans of ₱5.3 Bn to 36,319 borrowers nationwide with an outstanding balance totaling ₱4.39 Bn.
	SM 10	Customer Satisfaction	2.5%	Maximum of 2.5% for an accomplishment of 75% (and higher) of respondents giving satisfactory rating. Weight to be adjusted on a pro-rata basis.	75% of respondents giving "Satisfactory Rating"	95% of respondents giving "Satisfactory Rating"	2.5%	95% of respondents giving "Satisfactory Rating"	2.5%	Survey documentation and results from 3rd party global information and measurement company	• The survey was conducted nationwide by an independent 3rd party • Sample size is 5,954 and covers 351 branches and 43 lending units • Lending units samples were done through online survey while branch samples were conducted either face-to-face or online. • Individual branch banking clients score highest overall. • Majority of respondents belong to the government sector (66%) • Generally, LANDBANK was rated by customers with good performance. • At an individual-branch level, 49% of respondents bank with LANDBANK

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											because their payroll accounts are with LANDBANK. • For those respondents which accounts were non-payroll, 44% banks with LANDBANK because it was recommended by family/ friends. Only 10% answered that bank accessibility drives patronage and only 17% likes the company image. • A lot of institutional lending clients bank with LANDBANK because it is where they availed of a loan • Common pain points for branch transactions, regardless of segments, are the waiting lines and personnel's efficiency of service. • Common pain point for e-banking platforms is user-friendliness of applications.

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SO 7	**Process Land Transfer in a Timely Manner**									
SM 11	Percentage of claim folders processed within the average turn-around time (30 working days) from receipt of complete documents	5%	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted on a pro-rata basis.	100%	100% processed at a 21-working day average TAT	5%	100% processed at a 21-working day average TAT	5%	Summary of processing time for land transfer processing for 2015	• There are 2,798 claim folders to be processed for the year. • All of which were processed within the TAT.
	Sub-Total Weight	**22.5%**				**22.5%**		**22.5%**		
SO 8	**Enhance Banking Operations Thru Technological Solutions**									
SM 12	No. of new IT projects implemented	10%	(Actual Performance/ Target) x 100 x Weight	**6 Projects** 1. Portable Agrarian Reform Collection System (PARCS) - reduction in collection cost 2. Capital Adequacy Ratio Consolidator (CARC) - increase efficiency in producing CAR reports 3. Online Signature Verification System (OSVS) - reduction in	**6 projects implemented** 1. PARCS – implemented in April 2015 2. CARC – implemented in August 2015 3. OSVS – implemented in June 2015 4. LANDBANK Phone Access Upgrade – Implemented in May 2015 5. DW Upgrade project – implemented	10%	**6 projects implemented** 1. PARCS – implemented in April 2015 2. CARC – implemented in August 2015 3. OSVS – implemented in June 2015 4. LANDBANK Phone Access Upgrade – Implemented in May 2015 5. DW Upgrade project – implemented in October 2015	10%	User Acceptance Testing Certifications for each project.	1. PARCS – designed to receive and post payments from farmer beneficiaries online. Highlight of the features are: Online posting of payments, generation of e-receipts using SIM-based hand-held device and generation of monthly report on collection by AOC and by province. 2. CARC – an enhancement of the implementation of the revised risk-based capital adequacy framework (BASEL III). This is to facilitate the CAR reporting to BSP. 3. OSVS – to enable online access of clients'

(left vertical label: Internal Process)

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	Objective / Measures	Weight	Rating Scale	2015	Actual	Rating	Actual	Rating		
				average processing time	in October 2015		6. MDS UACS – implemented in January 2015			information of own branch accounts and other branches' accounts to expedite over-the-counter servicing.
				4. LANDBANK Phone Access Upgrade	6. MDS UACS – implemented in January 2015					4. LANDBANK Phone Access Upgrade – allows the account holder to do self-service banking transactions such as bills payment, fund transfer, checkbook order, request for bank statement and inquire check status and balances.
				5. Data Warehouse (DW) Upgrade Project - Reduction in the amount of time to finish standard report						
				6. MDS Unified Accounts Code Structure (UACS) - Facilitate processing of NGA's MDS transactions through LANDBANK system compliant to UACS and Comply with the UACS reportorial requirements of DBM and BTr						5. DW Upgrade project – this is an enterprise system that provide users a warehouse of homogenous information. DW is designed to optimized access to information, enhance reports acquisition, increase data quality and make information available to a greater number of users in the bank.
										6. MDS UACS – The UACS will be used by all departments and agencies of the National Government. MDS UACS will establish the accounts and codes needed in reporting the financial

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			.								transactions of the NG.
Internal Process	**SO 9**	**Establish Strategic Alliances in the Delivery of Bank Services**									
	SM 13	No. of strategic alliances formed (including outsourcing of services, joint ventures, horizontal & vertical strategic alliances etc.)	5%	(Actual Performance/ Target) x 100 x Weight	**The 4 strategic alliances committed by LANDBANK for 2015:** 1. Alliance with a provider to allow LANDBANK to immediately issue branded prepaid cards that can be used internationally and for online purchases at no cost to the Bank 2. Alliance with a provider for asset verification and collection for past due card transaction to help reduce past due credit card balance and improve the credit card portfolio 3. Alliance with a provider to allow for a fast, efficient, specific and meaningful credit	4 strategic alliances were implemented in 2015	5%	4 strategic alliances were implemented in 2015	5%	Copies of agreement documents between LANDBANK and counter-party	Strategic Alliances are LANDBANK's partnerships with institutions to enable it to deliver its services and comply with regulatory requirements.

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				information 4. Alliance with a provider to establish an LANDBANK Credit Bureau for micro- borrowers						
SO 10	**Enhance and Accelerate New Product Development & New Channel Development**									
SM 14	No. of new products and channels developed	5%	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	**New products to be developed are:** 1. Coffee Financing Program 2. Coconut Financing Program 3. Renewable Energy Program 4. Climate Adaptation Financing Program 5. Poultry Lending Program	All 5 products and 2 channels were developed /implemented in 2015.	5%	All 5 products and 2 channels were developed /implemented in 2015.	5%	Program briefers Enabling/Referen ce Documents (EOs)	1. Coffee Financing Program – to provide credit assistance to coffee industry stakeholders aligned with the Coffee Industry Master Plan/Road Map of 2013-2016. There is ₱34.0 Mn loans outstanding as of end-2015. 2. Coconut Financing Program – to provide credit to coconut industry stakeholders particularly coconut farmers for their planting/replanting, rehabilitation and fertilization needs. There is ₱2.87 Mn loans outstanding

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				New Channels 1. E-payment portal system 2. Investment hubs						as of end-2015. 3. Renewable Energy Program – to provide enhanced access/financing programs to promote renewable energy development, utilization and commercialization. Eligible loan purposes are project preparation, working capital, permanent working capital and capital expenditures. 4. Climate Adaptation Financing Program – to support the government in the implementation of RA No. 9729 or the "Climate Changed Act of 2009" and RA No. 10174 of the establishment of the People's survival fund. 5. Poultry Lending Program – to promote sustainable, competitive and self-sufficient poultry production I view of the growth in demand of the poultry industry. There is ₱1.5 Bn loans outstanding as of end-2015. NEW CHANNELS: 1. E-payment portal system – an internet-based payment channel designed to accept payments of fees, dues and

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											charges from clients of enrolled merchants (government or private). 2. Investment Hubs – clients can invest through LANDBANK through its investment hubs housed in some of its branches. Each investment hub covers a specific area. To date, there are 9 LANDBANK investment hubs which were able to perform 3,468 transactions for 1,063 clients in 2015.
	SO 11	Establish a Robust Risk Management System									
Internal Process	SM 15	No. of internal models developed to quantify risk	5%	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	Develop 5 out of 9 credit rating models and 2 risk measurement models for investment portfolio	5 credit rating models were developed and approved in 2015: 1. Behavioral Credit Scoring Model (BCSM) for Corporates 2. BCSM for LGUs 3. BCSM for Livelihood Loans 4. BCSM for Easy Home Loan 5. BCSM for SME 2 risk measurement	5%	5 credit rating models were developed and approved in 2015: 1. Behavioral Credit Scoring Model (BCSM) for Corporates 2. BCSM for LGUs 3. BCSM for Livelihood Loans 4. BCSM for Easy Home Loan 5. BCSM for SME 2 risk measurement	5%	• Approval by the Investment and Loan Committee of the Credit Rating System for Corporates • Approval by the Investment and Loan Committee of the Proposed Recalibrated Local Government Unit Behavioral Credit Scoring Model (Version 2)	The application models are used as one of the criteria in determining whether the loan will be approved or not. The behavioral models are used for pricing the accounts.

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						models for investment portfolio were developed and approved in 2015: 1. Valuation Models for Investments in Non-Marketable Equity Securities (INMES) 2. Valuation Models for Unquoted Debt Securities Classified as Loans (UDSCL)		models for investment portfolio were developed and approved in 2015: 1. Valuation Models for Investments in Non-Marketable Equity Securities (INMES) 2. Valuation Models for Unquoted Debt Securities Classified as Loans (UDSCL)			
		Sub-Total Weight	**25%**				**25%**		**25%**		
	SO 12	**Establish High Performance Culture**									
Learning & Growth	**SM 16**	Average Competency Level of the Organization	5%	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted based on pro-rata basis.	Refer LANDBANK timetable for 2015 deliverables (See attachment 1) Final deliverables are: • Approved functional competencies of BBS, ADLS, and	LBP achieved the targeted activities for 2015 based on the agreed timeline (Annex A)	5%	LBP achieved the targeted activities for 2015 based on the agreed timeline (Annex A)	5%	• Performance Agreement Negotiation agreed 2015 Timeline for Development of Competency Framework • Functional competencies developed in	No further comments.

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					TIBS & Approved functional competencies of OP, CSS, and OS					2015.	
SO 13		**Develop World-Class Operations**									
SM 17		Establishment of Quality Management System	5%	Maximum of 5% for an accomplishment of 75% (and higher) of Bank units implementing uniform documentation. Weight to be adjusted on a pro-rata basis.	All committed actions for 2015 will be completed by Dec. 2015 except for (1) activity which has been renegotiated (See attachment 2): Integration of QMS Audit Function in IAG Operational Audit.	LBP achieved the targeted activities for 2015 based on the agreed timeline (Annex B)	5%	LBP achieved the targeted activities for 2015 based on the agreed timeline (Annex B)	5%	• Performance Agreement Negotiation Agreed 2015 Timeline for ISO Quality Management Timetable • Certification from the Head of the Quality Management Office that Basic QMS Orientation (ISO 9001:2008) has been conducted	No further comments.
		Sub-Total Weight	**10%**				**10%**		**10%**		
		Total Weight	**100%**				**100%**		**100%**		

[1]Top 20 poorest provinces are: Abra, Agusan del Sur, Apayao, Camarines Sur, Davao Oriental, Eastern Samar, Ifugao, Kalinga, Masbate, Mt. Province, North Cotabato, Northern Samar, Romblon, Sarangani, Siquijor, Sultan Kudarat, Surigao del Norte, Surigao del Sur, Western Samar, and Zamboanga del Norte.