

LAND BANK OF THE PHILIPPINES

	Component			Baseline			Targets	
	Objective / Measures	Weight	Rating Scale	2013	2014	2015	2016	
Socio-Economic Impact	SO 1	Expand Financial and Other Services in All Provinces, Cities and Municipalities						
	SM 1	Amount of outstanding loans in the 20 poorest provinces as identified under the RSBSA of the DA	5%	(Actual Performance/ Target) x 100 x Weight	₱10.1 Billion	₱13.2 Billion	₱13.0 Billion	₱18.5 Billion
	SM 2	Percentage of loans to priority sectors	n/a	n/a	80.5%	85.9%	80.0%	85.0%
	SM 3	Amount of outstanding loans to small farmers and fishers	5%	(Actual Performance/ Target) x 100 x Weight	₱34.7 Billion	₱33.7 Billion	₱36.0 Billion	₱37.5 Billion
	SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	10%	(Actual Performance/ Target) x 100 x Weight	₱68.1 Billion	₱77.9 Billion	₱80.0 Billion	₱100.0 Billion

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Socio-Economic Impact	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	₱141.8 Billion	₱219.8 Billion	₱180.0 Billion	₱250.0 Billion
	Sub-Total Weight		30%					
Financial	SO 3	Maintain Competitive ROE						
	SM 6	ROE higher than the industry rate	5%	If ≥ industry average = 5% score; if < industry average = 0%	14.3%	15.6%	ROE equal or higher than the industry rate	ROE equal or higher than the industry rate
	SO 4	Grow Private Deposit Base						
	SM 7	Increase in outstanding balance of private deposits	7.5%	(Actual Performance/ Target) x 100 x Weight	₱210.7 Billion	₱288.2 Billion	₱248.2 Billion	₱319.0 Billion
		% change over actual				36.8%	-13.9%	
Sub-Total Weight		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.	53.6% of loan accounts with amount of ≤ ₱15M are processed within 15 banking days	n/a	75% of loan accounts with amount of ≤ ₱15M are processed within 15 banking days	80% of loan accounts with amount of < ₱15M are processed within 15 banking days
	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.	n/a	n/a	75% of loan accounts with amount of > ₱15M are processed within 45 banking days	80% of loan accounts with amount of > ₱15M are processed within 45 banking days
	SO 6 Anticipate the Needs & Provide New/Enhanced Products & Services in a Timely Manner							
SM 9	Percentage of branches passing the Anti-Red Tape Act (ARTA) Report Card Survey of Civil Service Commission	5%	Maximum of 5% for an accomplishment of 95% and higher. Weight to be adjusted based on pro-rata basis	n/a	99% (99 out of 100 Branches / EOs surveyed passed)	n/a	90%	

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Stakeholders	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.	n/a	n/a	75% of respondents giving satisfactory rating	80% of respondents giving "Satisfactory Rating"
	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%	100%	100%
	Sub-Total Weight		22.5%					

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	Objective / Measures	Weight	Rating Scale	2013	2014	2015	2016	
Internal Process	SO 8	Enhance Banking Operations Thru Technological Solutions						
	SM 12	No. of new IT projects implemented	10%	(Actual Performance/ Target) x 100 x Weight	3	10	<p>6 Projects</p> <ol style="list-style-type: none"> 1. Portable Agrarian Reform Collection System (PARCS) <ul style="list-style-type: none"> - reduction in collection cost 2. Capital Adequacy Ratio Consolidator (CARC) <ul style="list-style-type: none"> - increase efficiency in producing CAR reports 3. Online Signature Verification System (OSVS) <ul style="list-style-type: none"> - reduction in average processing time 4. Collateral Management System <ul style="list-style-type: none"> - timely capture of transfer losses, stolen, trade-in and/or damage of assets by Type, Location & Assets Owner for reporting & decision making purposes 5. Data Warehouse (DW) Upgrade Project <ul style="list-style-type: none"> - Reduction in the amount of time to finish standard report 6. MDS Unified Accounts Code Structure (UACS) <ul style="list-style-type: none"> - Facilitate processing of NGA's MDS transactions through LANDBANK system compliant to UACS and Comply with the UACS reportorial requirements of DBM and BTr <p>5 IT projects to be implemented as follows:</p> <ol style="list-style-type: none"> 1. Check Truncation System 2. Collateral Management System, to replace Internet Banking Upgrade (i.e. iAccess/weAccess) 3. New Trust System 4. Security and Network Infrastructure Upgrade 5. New Disk Storage System at both Production and Back-up Data Centers with Mirroring Capabilities 	

2

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	SO 9	Establish Strategic Alliances in the Delivery of Bank Services						
Internal Process	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	n/a	n/a	<p>The 4 strategic alliances committed by LANDBANK for 2015:</p> <ol style="list-style-type: none"> 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 information 4. Alliance with a provider to establish an LANDBANK Credit Bureau for micro- borrowers 	<p>2</p> <p>LBP Mastercard</p> <p>KFW-Yolanda Reconstruction Program</p>

7

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	SO 10	Enhance and Accelerate New Product Development & New Channel Development						
Internal Process	SM 14	No. of new products and channels developed	5%	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	n/a	n/a	<p>5 New products:</p> <ol style="list-style-type: none"> 1. Coffee Financing Program 2. Coconut Financing Program 3. Renewable Energy Program 4. Climate Adaptation Financing Program 5. Poultry Lending Program <p>2 New Channels</p> <ol style="list-style-type: none"> 1. E-payment portal system 2. Investment hubs 	
						<p>5 New products:</p> <ol style="list-style-type: none"> 1. Agri-Mechanization Program 2. Oil Palm Financing Program 3. Climate Resilience Agriculture Program 4. Personal Equity Retirement Account (PERA) Cash Custodian 5. LBP MasterCard Credit Card 		

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	Component			Baseline			Targets	
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Internal Process	SO 11	Establish a Robust Risk Management System						
	SM 15	No. of internal models developed to quantify risk	5%	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	n/a	n/a	Develop 5 out of 9 credit rating models and 2 risk measurement models for investment portfolio	<p>1. Two (2) credit rating models to be developed: >>Behavioral Model for Cooperatives >>Behavioral Model for Livelihood Loans</p> <p>2. Recalibration of three (3) rating models developed in 2015 (refers to remodeling due to changes in data profile, Bank guidelines, model parameters, etc.) >>Behavioral Model for Corporates >>Behavioral Model for LGUs >>Behavioral Model for SMEs</p> <p>3. Two (2) market risk management tools to be developed: >>Balance Sheet Duration for Interest Rate Risk Management >>Current Exposure Approach for Counterparty Risk</p>
	Sub-Total Weight		25%					

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	Component			Baseline			Targets	
	Objective / Measures	Weight	Rating Scale	2013	2014	2015	2016	
Learning & Growth	SO 12	Establish High Performance Culture						
	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.	n/a	n/a	Refer LANDBANK timetable for 2015 deliverables (See attachment 1) Final deliverables are: • Approved functional competencies of BBS, ADLS, and TIBS & Approved functional competencies of OP, CSS, and OS	Development of Baseline Competency Level Per Sector of the Bank. For 2017- 2018 Intervention and Assessment
	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.	n/a	n/a	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.	Bid for ISO 9001:2015 Certification on Core Bank Processes by 2016; ISO 9001:2015 Certification by 2017
		Sub-Total Weight	10%					
	Total Weight	100%						