

CY 2018 PERFORMANCE SCORECARD (ANNEX B)

LANDBANK OF THE PHILIPPINES

	Component				Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
SOCIO-ECONOMIC IMPACT	SO 1	Expand Financial and Other Services in All Provinces, Cities, and Municipalities							
	SM 1	Grow Amount of Outstanding Loans in the 20 poorest provinces as identified by the PSA	Total outstanding loans to the top 20 poorest provinces	10%	(Actual / Target) x Weight Below ₱36.846 Billion = 0%	₱18.4 Billion	₱25.99 Billion	₱27 Billion	₱40 Billion
		Increase Amount of Outstanding Loans to Mandated and Priority Sector <sup>1</sup>							
	SM 2(a)	Small Farmers and Fisherfolks (Mandated Sector)	Total Outstanding Loan Amount allocated to the Mandated and Priority Sector	10%	(Actual / Target) x Weight Below ₱40.41 Billion = 0%	₱38.7 Billion	₱40.8 Billion	₱41 Billion	₱47.34 Billion
	SM 2(b)	Agriculture and Fisheries Sector		10%	(Actual / Target) x Weight Below ₱144.02 Billion = 0%	₱98.9 Billion	₱111.0 Billion	₱118 Billion	₱155 Billion
	SO 2	Support National Development Programs <sup>2</sup>							
	SM 3	Amount of Loans Supporting Other Government Programs	Total Outstanding Loan Amount allocated to the Other National	10%	(Actual / Target) x Weight Below ₱415.64 Billion = 0%	₱246.4 Billion	₱288.6 Billion	₱309 Billion	₱460 Billion

<sup>1</sup> a) Small Farmers including Agrarian Reform Beneficiaries and their associations, and small fisherfolk and their associations; and b) Agriculture and Fisheries Sector

<sup>2</sup> MSMEs, Communications, Transportation, Housing, Education, Health Care, Environment-related projects, Tourism, Utilities, and Others

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Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018		
<b>Sub-total</b>		<b>40%</b>							
<b>FINANCE</b>	<b>SO 3</b>	<b>Maintain Financial Sustainability</b>							
	SM 4	Increase Net Income	(Interest Income + Other Operating Income) - (Interest Expense + Provision for Credit Losses + Other Operating Expenses + Provision for Income Tax)	10%	(Actual / Target) x Weight	₱13.66 Billion	₱14.11 Billion	N/A	₱15.125 Billion
	<b>Sub-total</b>		<b>10%</b>						
<b>STAKEHOLDERS</b>	<b>SO 4</b>	<b>Provide the Funding &amp; Assistance in a Timely Manner</b>							
	SM 5	Percentage of Loan Application Processed within the Applicable Turnaround Time (TAT)	Number of loan proposals processed within prescribed TAT/ Number of loan proposals processed	5%	All or Nothing	Average of 92.5% loan applications processed with TAT	Average of 98.5% loan applications process within TAT	80% of loans applications processed within TAT	95% of loan applications processed within the applicable time

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		Component			Baseline Data			Target	
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<b>SO 5</b>	<b>Anticipate the Need &amp; Provide New/Enhanced Products &amp; Services in a Timely Manner</b>								
SM 6	Percentage of Satisfied Customers	Number of respondents who gave a rating of at least Satisfactory and Very Satisfactory / Total number of respondents	10%	(Actual / Target) x Weight Below 90% = 0%	95% of respondents giving "Satisfactory Rating"	98% of respondents giving "Satisfactory Rating"	85% of respondents giving "Satisfactory Rating"	95%	
<b>SO 6</b>	<b>Process Land Transfer in a Timely Manner</b>								
SM 7	Percentage of CARP Claim Folders Processed within the Processing Time (30 working days)	Number of claims processed within prescribed TAT / Total number of claims processed	5%	All or Nothing	100% processed at a 21-working day average TAT	100% at 21 working days average turnaround time	100%	100%	
<b>Sub-total</b>			<b>20%</b>						
<b>INTERNAL PROCESS</b>	<b>SO 7</b>	<b>Enhance Banking Operations Thru Technological Solutions</b>							
	SM 8	Percentage of Service Availability of Automated Teller Machines and Internet Banking Services <sup>3</sup>	Total service availability in days / 365 days	10%	(Actual / Target) x Weight	N/A	N/A	N/A	90% <sup>4</sup>

<sup>3</sup> Based on Information Technology Infrastructure Library (ITIL) version 3 Availability Management. ITIL provides an internationally accepted set of standards on IT services.

<sup>4</sup> Downtime per year = 36.5 days; Downtime per month = 72 hours; Downtime per week = 16.8 hours

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<b>SO 8</b>	<b>Enhance and Accelerate New Product Development &amp; New Channel Development</b>							
SM 9	Number of new products and channels developed	Actual Accomplishment	5%	(Actual / Target) x Weight	Five (5) products and Two (2) channels	Five (5) new products <sup>5</sup>	Six (6) new products to be developed <sup>6</sup>	Three (3) new Products <sup>7</sup>
<b>SO 9</b>	<b>Establish a Robust Risk Management System</b>							
SM 10	Number of Internal Models developed to quantify risk	Number of risk management system implemented	5%	All or Nothing	Five (5) Credit Rating Models <sup>8</sup> :  Two (2) Risk Measurement for Investment Portfolio <sup>9</sup>	Five (5) Credit Rating Models <sup>10</sup>  Two (2) Risk Measurement for Market Risk <sup>11</sup>	Three (3) Credit Rating Models <sup>12</sup>  Two (2) Behavioral Models for Cash Flow Forecasting <sup>13</sup>	Credit rating model for Countryside Financial Institution (CFI) <sup>14</sup>
<b>Sub-total</b>			<b>20%</b>					

<sup>5</sup> 1. Agri-Mechanization Program; 2. Oil Palm Financing Program; 3. Climate Resilience Agriculture Program; 4. Personal Equity Retirement Account; and 5. LBP Mastercard Credit Card System

<sup>6</sup> 1. Harnessing Agri-business Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST); 2. Lending to Young Entrepreneurs; 3. Franchising Lending; 4. LBP-Sugar Regulatory Administration (SRA) Socialized Credit Facility for small sugarcane farmers under the Sugarcane Industry Development Act (SIDA); 5. LBP-Charoen Pokphand Foods Philippines Livestock Contract Growing Farmers Financing Program; and 6. Land Bank Special Program for Environment friendly and Efficiently-Driven (SPEED) Jeepneys

<sup>7</sup> 1. Farmers Corporative Financing Program; 2. LBP-DAR-DA Accessible and Sustainable Lending Program for SFF; 3. Lending Program for the Locators/Enterprises of Ecozones and for ecozone Site Developers;

<sup>8</sup> 1. Behavioral Credit Scoring Model (BCSM) for Corporates; 2. BCSM for LGUs; 3. BCSM for Livelihood Loans; 4. BCSM for Easy Home Loan; and 5. BCSM for SME

<sup>9</sup> 1. Valuation Models for Investments in Non-Marketable Equity Securities (INMES) and 2. Valuation Models for Unquoted Debt Securities Classified as Loans (UDSCL)

<sup>10</sup> 1. Behavioral Model for Cooperatives; 2. Behavioral Model for Livelihood Loans; 3. Behavioral Model for Corporates (Recalibrated); 4. Behavioral Model for LGUs (Recalibrated); and 5. Behavioral Model for SMEs (Recalibrated)

<sup>11</sup> 1. Balance Sheet Duration for Interest Rate Risk Management; and 2. Current Exposure Approach for Counterparty Risk

<sup>12</sup> 1. Commercial / Offshore / Foreign Banks; 2. Credit Card; and 3. LANDBANK Mobile Loan Server Facility

<sup>13</sup> CASA core deposit and Time deposit pre-termination

<sup>14</sup> CFI covers Rural Banks, Cooperative Banks, and Thrift Banks

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	LEARNING AND GROWTH	<b>SO 10</b>	<b>Establish High Performance Culture</b>						
SM 11		Percentage of Employees Meeting Required Competency	Number of Employees meeting the required level / Total number of employees	5%	All or Nothing	Established Competency Framework/Model	28.91% or 1,597 out of 5,524 assessed employees have a rating of below 80% on the required competencies for their positions	30% of employees with identified competency gaps addressed	Forty percent (40%) of employees with competency gaps addressed <sup>15</sup>
<b>SO 11</b>		<b>Develop World-Class Operations</b>							
SM 12		Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	LBP achieved the targeted activities for 2015 based on the agreed timeline	Bid for Third-Party Consultant	Approved Quality Manual and Approved Procedures and Work Instructions Manual, including forms, Integrated Quality & Environmental Management System, Manual and Integrated Management System (IMS) Policy. 2. Evidence of ISO 9001-aligned QMS implementation <sup>16</sup>	Integrated Management System Certification (Integration of Quality Management System and Environmental Management System)
	<b>Sub-total</b>		<b>10%</b>						
	<b>TOTAL</b>		<b>100%</b>						

<sup>15</sup> Improvement of employees shall be determined through the result of competency assessment

<sup>16</sup> (a) Certification of the Head of Agency on the conduct of Internal Quality Audit; and (b) Minutes of the FY 2017 Management Review

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