

Land Bank of the Philippines
Targets vs. Accomplishments
 CY 2016

The Bank's CY 2016 performance accomplishments vs. targets committed with Governance Commission for GOCCs (GCG), as reported in LBP 2016 Performance Scorecard are as follows:

Strategic Objectives (SO) and Measures (SM)		Targets	Accomplishments
SO1	<i>Expand Financial and Other Services in all Provinces, Cities and Municipalities</i>		
SM1	Amount of outstanding loans in the 20 poorest provinces as identified under the RSBSA of the DA	P18.5 billion	P26.0 billion
SM2	Percentage of loans to priority sectors	85%	90.1%
SM3	Amount of outstanding loans to small farmers and fishers	P37.5 billion	P40.8 billion
SM4	Amount of outstanding loans supporting Agriculture and Fisheries	P100.0 billion	P111.0 billion
SO2	<i>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.</i>		
SM5	Amount of loans supporting other government programs	P250.0 billion	P288.6 billion
FINANCE			
SO3	<i>Maintain Competitive ROE</i>		
SM6	ROE higher than the industry rate	ROE equal or higher than the industry rate	16.42% Industry Average Ratio as of 30 September 2016 is 9.97% (source BSP)
SO4	<i>Grow Private Deposit Base</i>		
SM7	Increase in outstanding balance of private deposits	P319.0 billion	P405.6 billion
STAKEHOLDERS			
SO5	<i>Provide The Funding & Assistance In A Timely Manner</i>		
SM8a	No. of banking days to process accounts with loan amounts of ≤ ₱15 M – 15 banking days (from receipt of complete documents)	80% of loan accounts with amount of <₱15M are processed within 15 banking days	99% of loan proposals are processed within 15 banking days
SM8b	No. of banking days to process accounts with loan amounts of > ₱15 M – 45 banking days (from receipt of complete documents)	80% of loan accounts with amount of >₱15M are processed within 45	99% of loan proposals are processed within 45 banking days

Strategic Objectives (SO) and Measures (SM)		Targets	Accomplishments
		banking days	
SO 6 Anticipate The Needs & Provide New/Enhanced Products & Services In A Timely Manner			
SM9	Percentage of branches passing the Anti-Red Tape Act (ARTA) Report Card Survey of CSC	90%	LANDBANK obtained 100% passing rate for 51 branches/extension offices based on the letter submitted by the Civil Service Commission to LBP on 05 May 2016.
SM10	Customer Satisfaction	80% of respondents giving "Satisfactory Rating"	98% of respondents giving "Satisfactory Rating" based on customer satisfaction survey conducted by The Nielsen Company (Phils.) from August to October 2016 covering 361 branches/extension offices and 48 lending units.
SO 7 Process Land Transfer In A Timely Manner			
SM11	Percentage of claim folders processed within the average turn-around time (30 working days) from receipt of complete documents (targets sustained)	100%	100% @ 21 working days average turnaround time

INTERNAL PROCESS

SO 8 Enhance Banking Operations Thru Technological Solutions			
SM12	No. of new IT projects implemented	5 IT projects to be implemented as follows:	
		1. Check Truncation System	Completed Ready for Implementation Date: December 31, 2016
		2. Collateral Management System	Release 1: Post Implementation Phase Release 2: Implemented – Nov 2016
		3. Security and Network Infrastructure Upgrade	Implemented - March 2016
		4. New Disk Storage System at both Production and Back-up Data Centers with Mirroring Capabilities	Implemented - 4th Quarter 2016
		5. New Trust System	Data migration of User-Defined fields and production catch up of Client Relationship Management/Client On-Boarding (CRM/COB) and full implementation on December 2016

Strategic Objectives (SO) and Measures (SM)	Targets	Accomplishments
SO 9 Establish Strategic Alliances In The Delivery Of Bank Services		
SM13 No. of strategic alliances formed (including outsourcing of services, joint ventures, horizontal & vertical strategic alliances etc.)	2 • LBP Mastercard • KFW-Yolanda Reconstruction Program	The Tripartite Agreement with MasterCard and Electra Card Services for the LANDBANK Credit Card was signed and executed by all parties on 27 June 2016 The Project Implementation Consultant (PIC) has certified that all the Nineteen (19) Detailed Engineering Design (DED) of sub-projects eligible to receive financial/grant assistance from the KFW-funded Yolanda Reconstruction Program were technically sound and complete.
SO10 Enhance And Accelerate New Product Development & New Channel Development		
SM14 No. of new products and channels developed	New Products = 5 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	New Products 1. Executive Order No. 105, Implementing Guidelines on LANDBANK Agri-Mechanization Financing Program was approved on 11 August 2016. 2. Executive Order No. 080, Implementing Guidelines on LANDBANK Oil Palm Financing Program, was approved on 17 June 2016. 3. Executive Order No. 116, Implementing Guidelines on LANDBANK Climate Resilient Agriculture Financing Program, was approved on 20 September 2016. 4. LANDBANK thru its Trust Banking Group's Third Party Custodianship and Registry Department (TCRD) was accredited by the BSP last 09 November 2015 to act as the PERA Cash Custodian. PERA system was launched by the Bangko Sentral ng Pilipinas (BSP) last 16 December 2016 and accounts were accepted/opened through the Administrators starting 19 December 2016. 5.1 The system for MasterCard – branded LANDBANK Credit Card went “live” on 05 December 2016. 5.2 Issued and activated five (5) pilot credit cards

Strategic Objectives (SO) and Measures (SM)	Targets	Accomplishments
		5.3 Successful e-commerce and Point of Sale (POS) transactions were made on December 22 and 28, 2016, respectively.
SO11	Establish A Robust Risk Management System	
SM 15	No. of internal models developed to quantify risk	The Risk Oversight Committee, per its Res. No. 2016-(12)-330 dated 19 December 2016 approved the following credit rating models:
	1. Two (2) credit rating models to be developed: <ul style="list-style-type: none"> • Behavioral Model for Cooperatives • Behavioral Model for Livelihood Loans 	
	2. Recalibration of three (3) rating models developed in 2015 (refers to remodeling due to changes in data profile, Bank guidelines, model parameters, etc.) <ul style="list-style-type: none"> • Behavioral Model for Corporates • Behavioral Model for LGUs • Behavioral Model for SMEs 	1. Development of two (2) credit rating models: <ul style="list-style-type: none"> • Behavioral model for Cooperatives • Behavioral model for Livelihood Loans 2. Recalibration of three (3) rating models developed in 2015: <ul style="list-style-type: none"> • Behavioral model for Corporates • Behavioral model for LGUs • Behavioral model for SMEs
	3. Two (2) market risk management tools to be developed: <ul style="list-style-type: none"> • Balance Sheet Duration for Interest Rate Risk Management • Current Exposure Approach for Counterparty Risk 	The two (2) market risk management tools were developed and approved: <ul style="list-style-type: none"> • LBP Board Res. No. 16-758 dated 13 December 2013 • LBP Board Res. No. 16-717 dated 29 November 2016

LEARNING AND GROWTH

SO12	Establish High Performance Culture	
SM 16	Average Competency Level of the Organization	1. Management approved the following:
	Development of Baseline Competency Level Per Sector of the Bank For 2017-2018 Intervention and Assessment	a. Engagement of Willis Towers Watson (WTW) for the Competency Framework Cascade (April 8, 2016); b. Engagement of Strata Philippines for the Online Competency Assessment (May 11, 2016); and c. Communications Plan for the competency Framework Cascade and Online Competency

Strategic Objectives (SO) and Measures (SM)	Targets	Accomplishments
SO13 Develop World-Class Operations	Bid for ISO 9001:2015 Certification on Core Bank Processes by 2016; ISO 9001:2015 Certification by 2017	<p>Assessment Training (June 29, 2016).</p> <p>2. Communication Cascade and Assessment Training:</p> <p>a. Four (4) batches of Train-the-Trainers from July 21-26, 2016;</p> <p>b. Eleven batches for Department Heads from July 27 – September 16, 2016; and</p> <p>c. Fifteen batches for Supervisors below Department heads from September 10-30, 2016.</p> <p>On-going data mining and analysis by WTW and Strata Inc., of competency assessment ratings of 1,386 raters vis-à-vis required proficiency level of their respective staff (results will be used in recommending to the Management the percentage ranges in prioritizing developmental interventions)</p>
SM17 Establishment of Quality Management System (QMS)	Bid for ISO 9001:2015 Certification on Core Bank Processes by 2016; ISO 9001:2015 Certification by 2017	<p>As reflected in the LANDBANK scorecard for 2nd Quarter 2016, the Bank pursued the adoption of the Integrated Management System (IMS). In line with this, the following were accomplished:</p> <ul style="list-style-type: none"> • On adoption and deployment of Quality Management System (QMS) best practices, learning from operational challenges and integration of best practices in all levels of operation - Establishment of a QMS matrix for branch banking and lending operations - Continued deployment of the integrated Environmental Management System (EMS)/5S checklist for quality workplace in all field units - Continuous monitoring of quality objectives nationwide: <ul style="list-style-type: none"> ✓ account opening TAT, ✓ 3-day LMLS loan approval, ✓ transaction reversals, ✓ incidence of overage/shortage ✓ quality workplace audit score - Validated nominees for Branch Banking Sector Best in Quality Workplace entries - Cascade sessions with all lending units on QMS matters

Strategic Objectives (SO) and Measures (SM)	Targets	Accomplishments
		<ul style="list-style-type: none"> • On pursuit of initiatives with respect to ISO 9001:2015 and IMS - Completed initial gap analysis of LBP processes with ISO 9001:2015 requirements - MANCOM approved the adoption of IMS to cover ISO 9001:2015 QMS & ISO 14001:2015 EMS - Procured the services of a Consultant for the implementation of IMS - Partially completed the Phase I of the work plan as of December 2016 – current QMS/EMS systems appraisal and design/configuration of the Quality Environment (QE)-IMS - Phase II activities (awareness and capability building of the LBP Management and Core Teams were also planned in December 2016.