

SUMMARY OF AGREEMENTS
LAND BANK OF THE PHILIPPINES
REVISED 2014 AGREEMENTS

Performance Measures				2013		2014				RENEGOTIATED
Indicator	Formula	Weight 2013	Weight 2014	Accomplishment	Target	Accomplishment (March)	Accomplishment (June)	Accomplishment (Sept)	Target	TARGETS
MFO 1 : Loans and Financing Products and Services										
Financial 1 Percentage of loans to priority sectors	Loans to priority sectors ÷ Total loan portfolio	0%	0%	80.5%	≥75%	80.9%	81.8%	82.7%	≥75%	n/a
Financial 1a Loans to SFFs	Absolute amount	9%	9%	₱34.7 Bn	₱33.5 Bn	₱30.7 Bn	₱31.4 Bn	₱32.6 Bn	₱34.0 Bn	₱33.5 Bn
Financial 1b Loans to MSMEs	Absolute amount	9%	9%	₱37.5 Bn	₱36.0 Bn	₱43.0 Bn	₱45.4 Bn	₱50.7 Bn	₱38.0 Bn	₱51.0 Bn
Financial 1c Loans Supporting Agriculture and Fisheries	Absolute amount	8%	8%	₱68.1 Bn	₱68.0 Bn	₱66.7 Bn	₱70.4 Bn	₱70.2 Bn	₱70.0 Bn	₱73.2 Bn
Financial 1d Loans Supporting Other Government Programs	Absolute amount	9%	9%	₱104.3 Bn	₱90.0 Bn	₱111.0 Bn	₱121.7 Bn	₱133.6 Bn	₱95.0 Bn	₱135.0 Bn
Quality Non-Performing Loan Ratio	The amount of non-performing loans over total loans	5%	5%	0.54%	≤2.25%	0.54%	0.61%	0.66%	2.25%	n/a
MFO 2 : Banking Delivery Channels										
Quantity 2 No. of enrollees to alternative banking platforms										
- iAccess enrollment	Absolute value	6%	6%	1,070,055	1,000,000	1,161,255	1,243,673	1,333,253	1,200,000	1,391,000
- weAccess enrollment	Absolute value	6%	6%	9,443	5,000	10,052	11,238	12,588	5,200	13,360
Financial Amount of Total Deposits from the Private Sector	Absolute amount	6%	6%	₱210.7 Bn	₱161.0 Bn	₱209.1 Bn	₱220.8 Bn	₱222.1 Bn	P 164.0 B	₱225.7 Bn

h.


For GCG:

CÉSAR L. VILLANUEVA
Chairman


MA ANGELA E. IGNACIO
Commissioner


RANIER B. BUTALID
Commissioner

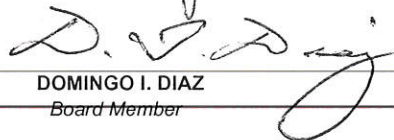
For LBP:


GILDA E. PICO
President and Chief Executive Officer


CRISPINO T. AGUELO
Board Member


VICTOR GERARDO J. BULATAO
Board Member


TOMAS T. DE LEON, JR.
Board Member


DOMINGO I. DIAZ
Board Member



VISION: By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.

MISSION:

To our Clients and Publics:

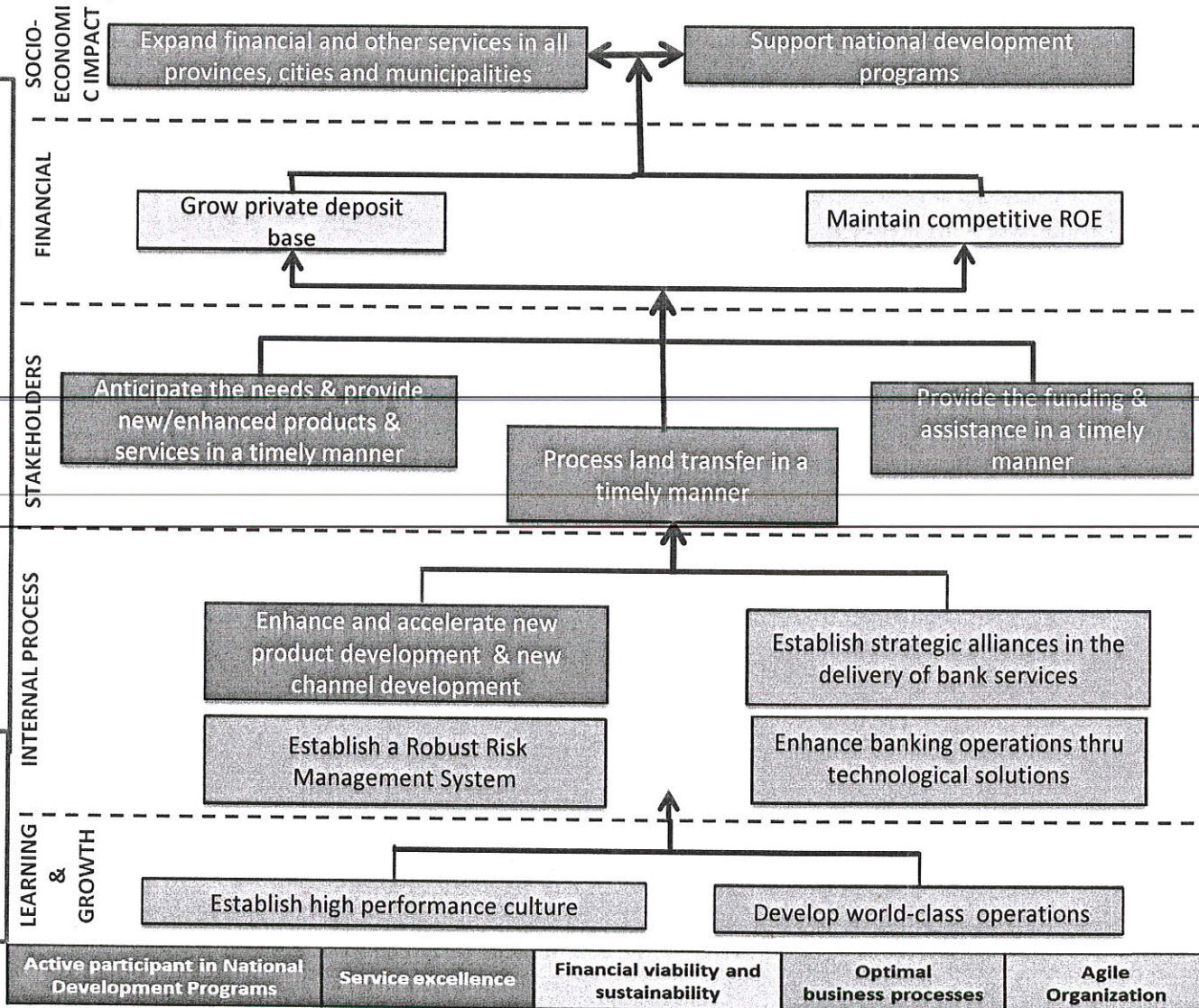
We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.

To our Employees:

We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.

CORE VALUES:

- Social responsibility
- Trust
- Excellence
- Professionalism



For GCG:



CESAR L. VILLANUEVA
Chairman



MA. ANGELA E. IGNACIO
Commissioner



RANIER B. BUTALID
Commissioner

For LBP:



GILDA E. PICO
President and Chief Executive Officer



CRISPINO T. AGUELO
Board Member



VICTOR GERARDO J. BULATAO
Board Member



TOMAS T. DE LEON, JR.
Board Member



DOMINGO I. DIAZ
Board Member


**SUMMARY OF AGREEMENTS
LAND BANK OF THE PHILIPPINES
FY 2015**

GOCC PROPOSAL	AGREED 2013-2014	AGREEMENT
Charter Statement		
Mission Statement	Mission Statement	Mission Statement
<p>To our Clients and Publics:</p> <p>We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.</p> <p>To our Employees:</p> <p>We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.</p>	<p>To deliver responsive financial and non-financial services to the mandated and priority sectors while promoting environmental protection.</p> <p>To have the widest geographical footprint in the Philippine banking industry.</p> <p>To uphold the highest standard of ethics and excellence consistent with global best practices.</p>	<p>To our Clients and Publics:</p> <p>We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.</p> <p>To our Employees:</p> <p>We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.</p>
Vision Statement	Vision Statement	Vision Statement
<p>By 2018, LANDBANK will be the top universal bank promoting inclusive growth and improving the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.</p>	<p>By 2018, LANDBANK shall be the premier universal bank promoting inclusive growth and improving quality of life especially in the countryside, through the delivery of innovative financial and other services in all cities and municipalities using global best practices.</p>	<p>By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.</p>

GOCC PROPOSAL	AGREED 2013-2014	AGREEMENT
Charter Statement		
Mission Statement	Mission Statement	Mission Statement
Core Values	Core Values	Core Values
Social responsibility Trust Excellence Professionalism		Social responsibility Trust Excellence Professionalism

For GCG:

CESAR L. VILLANUEVA
 Chairman

For LBP:

GILDA E. PICO
 President and Chief Executive Officer


MA ANGELA E. IGNACIO
 Commissioner


CRISPINO T. AGUELO
 Board Member


RANIER B. BUTALID
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 Board Member


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 Board Member


DOMINGO I. DIAZ
 Board Member

**PERFORMANCE AGREEMENT NEGOTIATION
FY 2015**

PERFORMANCE AGREEMENT					REMARKS
	Weight	Rating Scale	Full Year 2015 Target		
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 ³ as identified under the RSBSA of the DA	5%	(Actual Performance/Target) x 100 x Weight	₱13.0 Bn
	SM 2	Percentage of loans to priority sectors	n/a	n/a	80%
	SM 3	Amount of outstanding loans to small farmers and fishers ²	5%	(Actual Performance/Target) x 100 x Weight	₱36.0 Bn
	SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	10%	(Actual Performance/Target) x 100 x Weight	₱80.0 Bn
	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 Bn

PERFORMANCE AGREEMENT					REMARKS
		Weight	Rating Scale	Full Year 2015 Target	
FINANCE	SO 3	Maintain Competitive ROE			
	SM 6	ROE higher than the industry rate	5%	If \geq industry average = 5% score; if $<$ industry average = pro-rated	ROE equal or higher than the industry rate
	SO 4	Grow Private Deposit Base			
	SM 7	Percentage increase in outstanding balance of private deposits	7.5%	(Actual Performance/Target) x 100 x Weight	₱248.2 Bn
	SO 5	Provide the Funding & Assistance in a Timely Manner			
	SM 8a	No. of banking days to process accounts with loan amounts of \leq P15 M – 15 banking days (from receipt of complete documents)	5.0%	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 \leq P15M are processed within 15 banking days
	SM 8b	No. of banking days to process accounts with loan amounts of $>$ P15 M – 45 banking days (from receipt of complete documents)	5.0%	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 $>$ P15M are processed within 45 banking days

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PERFORMANCE AGREEMENT					REMARKS
		Weight	Rating Scale	Full Year 2015 Target	
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	5%	Maximum of 5% for an accomplishment of 95% and higher. Weight to be adjusted based on pro-rata basis	95%
	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

PERFORMANCE AGREEMENT					REMARKS
		Weight	Rating Scale	Full Year 2015 Target	
	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 (targets sustained)	5%	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted on a pro-rata basis.	100%
	SO 8	Enhance Banking Operations Thru Technological Solutions			
					6 IT projects to be finished in 2015:
					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 average processing time
	SM 12	No. of new IT projects implemented	10%	(Actual Performance/ Target) x 100 x Weight	6
					4. Collateral Management System - 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 - 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 LBP system compliant to UACS and Comply with the UACS reportorial requirements of DBM and BTR

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PERFORMANCE AGREEMENT					REMARKS	
		Weight	Rating Scale	Full Year 2015 Target		
	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	4	<p>The 4 strategic alliances committed by LBP for 2015:</p> <ol style="list-style-type: none"> 1. Alliance with a provider to allow LBP 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 LBP Credit Bureau for micro- borrowers

PERFORMANCE AGREEMENT					REMARKS
		Weight	Rating Scale	Full Year 2015 Target	
	SO 10	Enhance And Accelerate New Product Development & New Channel Development			
	SM 14	No. of new products and channels developed	5%	(Actual No. of Projducts & Channels developed/ Target) x 100 x Weight	7
					<p>New Products</p> <ol style="list-style-type: none"> 1.Coffee Financing Program 2.Coconut Financing Program 3.E-vehicle Financing Program 4.Climate Adaptation Financing Program 5.Franchising Financing Program <p>New Channels</p> <ol style="list-style-type: none"> 1.E-payment portal system <ul style="list-style-type: none"> - A payment facility that will accept payments of fees, dues, and charges from clients of enrolled merchants through the internet providing convenience and efficiency to both government and private institutions. 2. Investment hubs <ul style="list-style-type: none"> - Investment hubs in selected provinces will be established to increase trust and investment/underwriting business.

PERFORMANCE AGREEMENT					REMARKS
		Weight	Rating Scale	Full Year 2015 Target	
LEARNING & GROWTH	SO 11	Establish A Robust Risk Management System			
	SM 13	No. of internal models developed to quantify risk	5%	(Actual No. of Projducts & Channels developed/ Target) x 100 x Weight	Develop 5 out of 9 credit rating models and 2 risk measurement models for investment portfolio
	SO 12	Establish High Performance Culture			
	SM 14	Development of the Bank's Competency Framework	5%	Maximum of 5% for an accomplishment of 100%. Weight to be adjus-ted based on pro-rata basis.	Refer LBP timetable for 2015 deliverables (attached)
	SO 13	Develop World-Class Operations			
	SM 15	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.	Refer to LBP timetable (attached)
SM 16	Realignment of structures in the organization to make the Bank responsive to emerging trends in the financial sector	0%	n/a	Bank's structure realigned	
Total Weight		100.0%			

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PERFORMANCE AGREEMENT				REMARKS
	Weight	Rating Scale	Full Year 2015 Target	

- 1/ Full year target based on CY 2013 Agreement
- 2/ Excludes salary/livelihood loans to rural banks
- 3/ Top 20 poorest provinces are :

- | | |
|-------------------|-------------------------|
| 1. Abra | 11. North Cotabato |
| 2. Agusan del Sur | 12. Northern Samar |
| 3. Apayao | 13. Romblon |
| 4. Camarines Sur | 14. Sarangani |
| 5. Davao Oriental | 15. Siquijor |
| 6. Eastern Samar | 16. Sultan Kudarat |
| 7. ifugao | 17. Surigao del Norte |
| 8. Kalinga | 18. Surigao del Sur |
| 9. Masbate | 19. Western Samar |
| 10. Mt. Province | 20. Zamboanga del Norte |

[Signature]
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PERFORMANCE AGREEMENT				REMARKS
	Weight	Rating Scale	Full Year 2015 Target	

 h.


DOMINGO I. DIAZ
 Board Member

