

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.

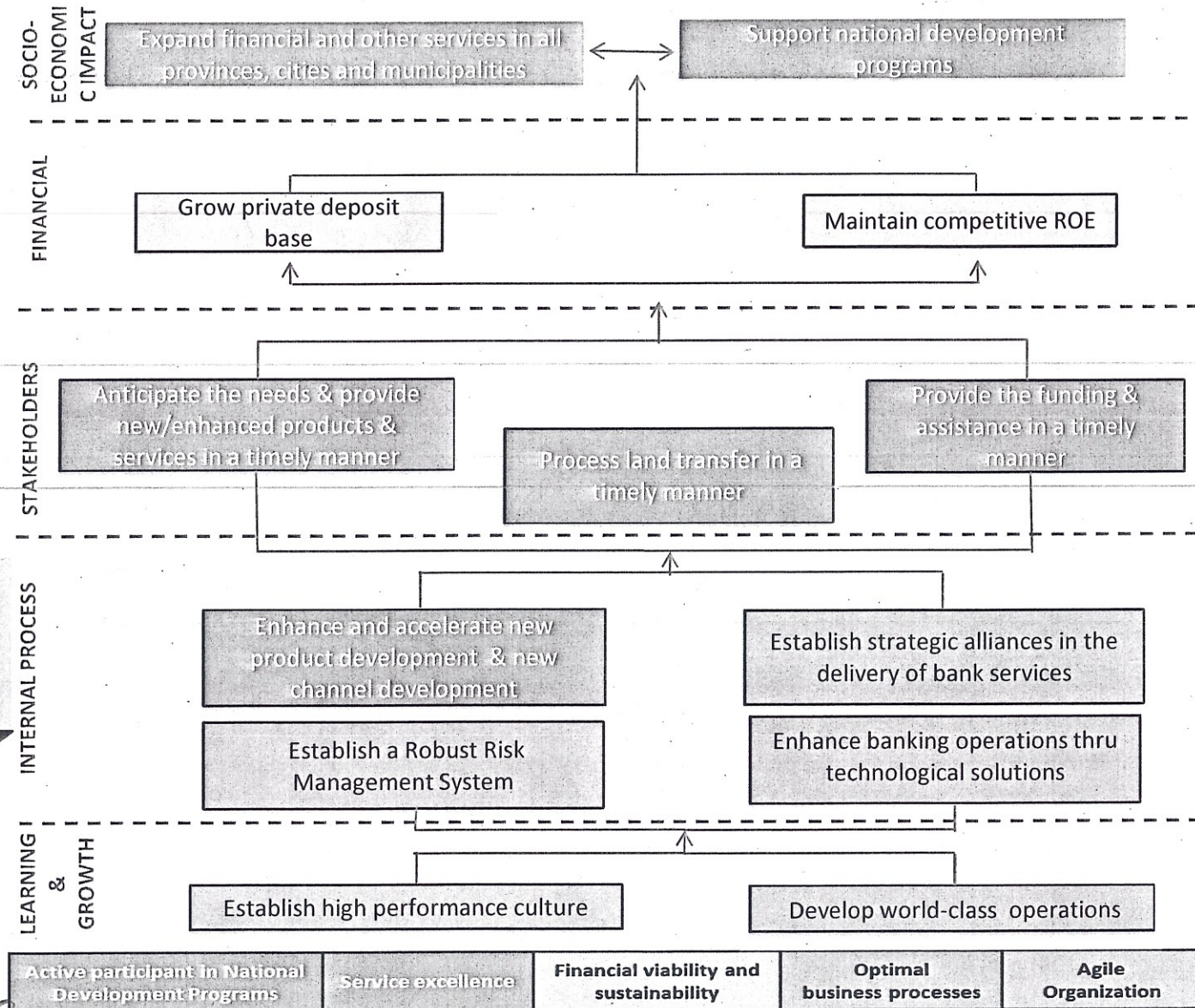
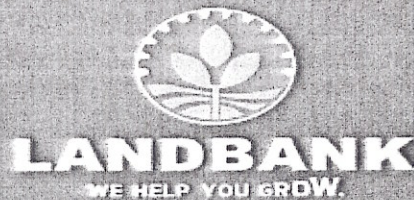
MISSION:

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



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For GCG:



CESAR L. VILLANUEVA

Chairman



MA. ANGELA E. IGNACIO
Commissioner

For LBP:



GILDA E. PICO

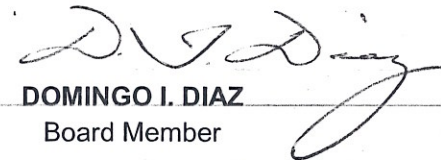
President and Chief Executive Officer



CRISPIN T. AGUELO
Board Member



VICTOR GERARDO J. BULATAO
Board Member



DOMINGO I. DIAZ
Board Member



TOMAS T. DE LEON, JR.
Board Member

**LAND BANK OF THE PHILIPPINES
SUMMARY OF AGREEMENTS
FY 2016**

	Components			2015	2016	Remarks	
	Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
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	₱13.0 Bn	₱18.5 Bn	
	SM 2	Percentage of loans to priority sectors	n/a	n/a	80.0%	85.0%	
	SM 3	Amount of outstanding loans to small farmers and fishers	5%	(Actual Performance/Target) x 100 x Weight	₱36.0 Bn	₱37.5 Bn	
	SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	10%	(Actual Performance/Target) x 100 x Weight	₱80.0 Bn	₱100.0 Bn	

	Components			2015	2016	Remarks	
	Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
	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	₱250.0 Bn	
Financial	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	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	₱248.2 Bn	₱319.0 Bn	
		% change over actual			-13.9%		
	SO 5	Provide the Funding & Assistance in a Timely Manner					
	SM 8a	No. of banking days to process accounts with loan amounts of ≤ 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 ≤P15M are processed within 15 banking days	80% of loan accounts with amount of ≤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	80% of loan accounts with amount of >P15M are processed within 45 banking days	

	Components			2015	2016	Remarks	
	Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
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%	To be replaced with Objective - Percentage of branches passing the Anti-Red Tape Act (ARTA) Report Card Survey of CSC to be released in 2016 with target of 90% and with weight of 5.0%	
	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	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%	

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Components			2015	2016	Remarks
Objective / Measure	Weight	Rating Scale	Target	PAN Agreement	
SO 8	Enhance Banking Operations Thru Technological Solutions				
SM 12			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 average processing time 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	5 IT projects to be implemented as follows: 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 Buck-up Data Centers with Mirroring Capabilities	
	No. of new IT projects implemented	10%	(Actual Performance/ Target) x 100 x Weight		

	Components			2015	2016	Remarks	
	Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
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	<p>The 4 strategic alliances committed by LBP for 2015:</p> <p>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</p> <p>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</p> <p>3. Alliance with a provider to allow for a fast, efficient, specific and meaningful credit information</p> <p>4. Alliance with a provider to establish an LBP Credit Bureau for micro-borrowers</p>	<p>2</p> <p>LBP Mastercard</p> <p>KFW-Yolanda Reconstruction Program</p>	Implement a feasibility study for Yolanda KFW

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Components				2015	2016	Remarks
Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
SO 10	Enhance And Accelerate New Product Development & New Channel Development					
				New products and channels to be developed are: 1. Coffee Financing Program 2. Coconut Financing Program 3. E-vehicle Financing Program 4. Climate Adaptation Financing Program 5. Franchising Financing Program	New Products - 5 1. Agri-Mechanization Program 2. Oil Palm Financing Program 3. Climate Resilience Agriculture Program	
SM 14	No. of new products and channels developed	5%	(Actual No. of Projducts & Channels developed/ Target) x 100 x Weight	New Products New Channels 1. E-payment portal system 2. Investment hubs	4. Personal Equity Retirement Account (PERA) Cash Custodian 5. LBP Visa Prepaid Card (replace with LBP MasterCard Credit Card)	

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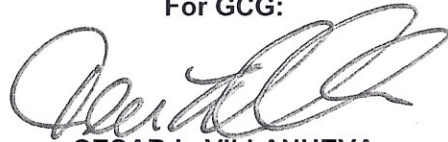
Components				2015	2016	Remarks
Objective / Measure	Weight	Rating Scale	Target	PAN Agreement		
SO 11	Establish A Robust Risk Management System					
		5%	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	Develop 5 out of 9 credit rating models and 2 risk measurement models for investment portfolio	<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>	
SM 15	No. of internal models developed to quantify risk					

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	Components			2015	2016	Remarks
	Objective / Measure	Weight	Rating Scale	Target	PAN Agreement	
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.	Refer LBP timetable for 2015 deliverables (attached) 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; 2017- 2018 Intervention and Assessment (Pls See Attachment 1 for details)
	SO 13 Develop World-Class Operations					
	SM 16	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 is for renegotiations: 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 (Please see Attachment 2 for details)
		100%				

For GCG:



CESAR L. VILLANUEVA

Chairman



MA. ANGELA E. IGNACIO
Commissioner

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GILDA E. PICO

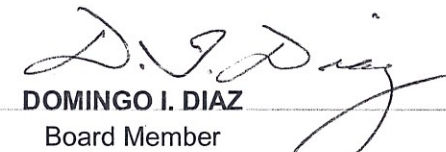
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