

**LBP 2016
PERFORMANCE
ACCOMPLISHMENTS ON
TARGETS COMMITTED
WITH GCG**



LANDBANK
WE HELP YOU GROW.

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 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%	₱18.5 Bn	P 26.0 Bn	5%
	SM 2	Percentage of loans to priority sectors	na	85%	90.1%	n/a
	SM 3	Amount of outstanding loans to small farmers and fishers	5%	₱37.5 Bn	P 40.8 Bn	5%
	SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	10%	₱100.0 Bn	P 111.0	10%
	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%	₱250.0 Bn	P 288.6 Bn	10%

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 2016		
FINANCE	SO 3	Maintain Competitive ROE				
	SM 6	ROE higher than the industry rate	5%	ROE equal or higher than the industry rate	16.42 % Industry Average Ratio as of 30 September 2016 - 9.97% (source: BSP)	5%
	SO 4	Grow Private Deposit Base				
	SM 7	Increase in outstanding balance of private deposits	7.5%	₱319.0 Bn	P 405.6 Bn	7.5%

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 2016		
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%	80% of loan accounts with amount of ≤ ₱15M are processed within 15 banking days	99% of loan proposals are processed within 15 banking days	5%
	SM 8b	No. of banking days to process accounts with loan amounts of > ₱15 M – 45 banking days (from receipt of complete documents)	5%	80% of loan accounts with amount of > ₱15M are processed within 45 banking days	99% of loan proposals are processed within 45 banking days	5%

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
STAKEHOLDERS	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 CSC	5%	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.

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 2016		
STAKEHOLDERS	SO 6	Anticipate The Needs & Provide New/Enhanced Products & Services In A Timely Manner				
	SM 10	Customer Satisfaction	2.5%	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.	2.5%
	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%	100%	100% @ 21 working days average turnaround time	5%

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 2016		
INTERNAL PROCESS	SO 8 Enhance Banking Operations Thru Technological Solutions					
	SM 12	No. of new IT projects implemented	10%	5 IT projects to be implemented as follows: 1. Check Truncation System	Completed Ready for Implementation Date: December 31, 2016	10%
				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	

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
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%	2	5%
			<ul style="list-style-type: none"> LBP Mastercard 	<ul style="list-style-type: none"> 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 	
			<ul style="list-style-type: none"> KFW-Yolanda Reconstruction Program 	<ul style="list-style-type: none"> 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. 	

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
INTERNAL PROCESS	SO 10	Enhance And Accelerate New Product Development & New Channel Development			
	SM 14	No. of new products and channels developed	5%	<p><u>New Products = 5</u></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 	<p><u>New Products</u></p> <ol style="list-style-type: none"> 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. <p>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.</p>

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
INTERNAL PROCESS	SO 10	Enhance And Accelerate New Product Development & New Channel Development			
	SM 14	No. of new products and channels developed	5%	<u>New Products = 5</u> 5. LBP MasterCard Credit Card	<u>New Products</u> 1. The system for MasterCard – branded LANDBANK Credit Card went “live” on 05 December 2016. 2. Issued and activated five (5) pilot credit cards 3. Successful e-commerce and Point of Sale (POS) transactions were made on December 22 and 28, 2016, respectively.

Component		Weight	Target	Performance/ Accomplishments	Rating	
Objective/Measure			2016	Jan.-Dec. 2016		
INTERNAL PROCESS	SO 11	Establish A Robust Risk Management System				
	SM 15	No. of internal models developed to quantify risk	5%	<p>1. Two (2) credit rating models to be developed:</p> <ul style="list-style-type: none"> • Behavioral Model for Cooperatives • Behavioral Model for Livelihood Loans <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.)</p> <ul style="list-style-type: none"> • Behavioral Model for Corporates • Behavioral Model for LGUs • Behavioral Model for SMEs 	<p>Complied</p> <p>The Risk Oversight Committee, per its Res. No. 2016-(12)-330 dated 19 December 2016 approved the following credit rating models:</p> <p>1. Development of two (2) credit rating models:</p> <ul style="list-style-type: none"> • Behavioral model for Cooperatives • Behavioral model for Livelihood Loans <p>2. Recalibration of three (3) rating models developed in 2015:</p> <ul style="list-style-type: none"> • Behavioral model for Corporates • Behavioral model for LGUs • Behavioral model for SMEs 	5%

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
INTERNAL PROCESS	SO 11	Establish A Robust Risk Management System			
	SM 15	No. of internal models developed to quantify risk	5%	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

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
LEARNING AND GROWTH	SO 12 Establish High Performance Culture				
	SM 16	Average Competency Level of the Organization	5%	<p>Development of Baseline Competency Level Per Sector of the Bank</p> <p>For 2017-2018 Intervention and Assessment</p>	<p>1. Management approval for the following:</p> <p>a. Engagement of Willis Towers Watson (WTW) for the Competency Framework Cascade (April 8, 2016)</p> <p>b. Engagement of Strata Philippines for the Online Competency Assessment (May 11, 2016)</p> <p>c. Communications Plan for the competency Framework Cascade and Online Competency 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. 11 batches for Department Heads from July 27 – September 16, 2016</p> <p>c. 15 batches for Supervisors below Department heads from September 10-30, 2016</p> <p>3. 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>

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
SO 13 Develop World-Class Operations					
SM 17	Establishment of Quality Management System (QMS)	5%	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 <ul style="list-style-type: none"> - 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 	5%

Component		Weight	Target	Performance/ Accomplishments	Rating
Objective/Measure			2016	Jan.-Dec. 2016	
SO 13 Develop World-Class Operations					
SM 17	Establishment of Quality Management System	5%		<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. 	
TOTAL OF WEIGHT		100%			100%