

LANDBANK 2017 PERFORMANCE SCORECARD



LANDBANK
WE HELP YOU GROW.

Component Objective/Measure		Weight	2017 Targets	Performance/ Accomplishments Jan. – Dec. 2017	Rating	
SOCIO-ECONOMIC	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%	₱27.0 Bn	₱28.1 Bn	5%
	SM 2	Percentage of loans to priority sectors	n/a	90%	93.9%	n/a
	SM 3	Amount of outstanding loans to small farmers and fishers	5%	₱41.0 Bn	₱45.3 Bn	5%
	SM 4	Launch of financial inclusion caravans in rural municipalities	2.5%	Financial inclusion caravans in 6 sites	Conducted six (6) Financial Inclusion Caravans in the following sites: 1. Barotac Nuevo, Iloilo 2. Argao, Cebu 3. Sugbongcogon, Misamis Oriental 4. Moncada, Tarlac 5. Braulio E. Dujali, Davao del Norte 6. Kiangnan, Ifugao	2.5%
	SM 5	Amount of outstanding loans supporting Agriculture and Fisheries	10%	₱118.0 Bn	₱138.1 Bn	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, utilities and livelihood/salary loans)				
	SM 6	Amount of loans supporting other government programs	10%	₱309.0 Bn	₱380.7 Bn	10%

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FINANCE	SO 3	Maintain Competitive ROE			
	SM 7	ROE higher than the industry ratio	5%	ROE equal or higher than the industry ratio	14.80 % Industry Average Ratio as of 30 September 2017 - 9.66% (source: BSP)

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STAKEHOLDERS	SO 4	Provide The Funding & Assistance In A Timely Manner				
	SM 8a	Percentage of accounts with loan amounts of ≤ ₱15 M processed within Turnaround Time (TAT) – from receipt of complete documents to loan approval/ denial	7.5%	80% of loan accounts with amount of ≤ ₱15M are processed within 15 banking days	99% of loan proposals are processed within the 15 banking days period	7.5%
	SM 8b	Percentage of accounts with loan amounts of > ₱15 M processed within Turnaround Time (TAT) - from receipt of complete documents)	7.5%	80% of loan accounts with amount of > ₱15M are processed within 45 banking days	98% of loan proposals are processed within the 45 banking days period	7.5%

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STAKEHOLDERS	SO 5	Anticipate The Needs & Provide New/Enhanced Products & Services In A Timely Manner			
	SM 9	Customer Satisfaction based on Third-Party Survey	7.5%	85% of respondents giving "Satisfactory Rating"	<ul style="list-style-type: none"> The Nationwide Customer Satisfaction Survey (NCSS) has been conducted by Nielsen Philippines in the last three years. In 2017, 96% of the respondents gave a "Satisfactory" rating.

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STAKEHOLDERS	SO 6	Process Land Transfer In A Timely Manner			
	SM 10	Percentage of claim folders processed within the average turnaround time (30 working days) from receipt of complete documents	5%	100%	100%

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INTERNAL PROCESS	SO 7	Enhance Banking Operations Thru Technological Solutions			
	SM 11	No. of new IT projects implemented	10%	<p>Three (3) IT projects to be implemented as follows:</p> <ol style="list-style-type: none"> 1. New ATM Switch System – EMV-Compliant 2. LANDBANK Phone Access Upgrade Phase II 3. Integrated Treasury System 	<ol style="list-style-type: none"> 1. Implemented – June 25, 2017 2. Implemented – June 25, 2017 3. Users Acceptance Testing (UAT) Certificate signed on December 29, 2017

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INTERNAL PROCESS	SO 8	Establish Strategic Alliances In The Delivery Of Bank Services			
	SM 12	No. of strategic alliances formed (including outsourcing of services, joint ventures, horizontal & vertical strategic alliances etc.)	5%	Two (2) strategic alliances to be formed <ol style="list-style-type: none"> 1. DEPED Bridge Financing for K-12 Schools 2. LTFRB Cashless Payment Solution 	<ul style="list-style-type: none"> • Completed – Issuance of LANDBANK Executive Order 15 s. 2017 • Done – Launching / Signing of Memorandum of Agreement was held on May 08, 2017

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INTERNAL PROCESS	SO 9	Enhance And Accelerate New Product Development & New Channel Development			
	SM 13	No. of new products and channels developed	5%	<p>Six (6) new products to be developed:</p> <ol style="list-style-type: none"> 1. Harnessing Agri-business Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) 2. Lending to Young Agri – 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 (LBP-CPFP) Livestock Contract Growing Farmers Financing Program 6. LANDBANK Special Program for Environment- friendly and Efficiently- Driven (SPEED) Jeepneys 	<ol style="list-style-type: none"> 1. JICA declared loan effectivity 09 June 2017 2. Completed – Issuance of LBP Executive Order 115 s. 2017 Effective 28 December 2017 3. Completed – Issuance of LBP Executive Order 110 s. 2017 Effective 10 December 2017 4. Completed – Issuance of LBP Executive Order 117 s. 2017 Effective 28 December 2017 5. Completed – Issuance of LBP Executive Order 75 s. 2017 Effective 31 July 2017 6. Completed – Issuance of LBP Executive Order 58 s. 2017 Effective 26 April 2017

Component Objective/Measure		Weight	2017 Targets	Performance/ Accomplishments Jan. – Dec. 2017	Rating
INTERNAL PROCESS	SO 10	Establish A Robust Risk Management System			
	SM 14	No. of internal models developed to quantify risk	5%	<p>Three (3) Credit rating models to be developed:</p> <ol style="list-style-type: none"> 1. Commercial/ Offshore/ Foreign Banks 2. Credit Card 3. LANDBANK Mobile Loan Saver Facility 	<ol style="list-style-type: none"> 1. <u>Developed</u> Deliberated and approved by the Credit Committee (CreCom) on 28 November 2017 and complied instructions on 11 December 2017 2. <u>Developed</u> Deliberated and approved by the Branch Operations Committee (BOC) on 28 November 2017 per Resolution No. 2017-1128-153 3. <u>Developed</u> Deliberated and approved by the Branch Operations Committee (BOC) on 22 December 2017 per Resolution No. 2017-1221-183

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INTERNAL PROCESS	SO 10	Establish A Robust Risk Management System			
	SM 14	No. of internal models developed to quantify risk	5%	<p>Two (2) behavioral models to be developed for cash flow forecasting</p> <ol style="list-style-type: none"> 1. CASA core deposit 2. Time deposit pre-termination 	<p>Guidelines for the two behavioral models were approved by Asset and Liability Committee (ALCO) on 24 November 2017, Risk Oversight Committee (ROC) on 27 November 2017 and the Board of Directors (BOD) on 12 December 2017</p>

Component Objective/Measure		Weight	2017 Targets	Performance/ Accomplishments Jan. – Dec. 2017	Rating
LEARNING AND GROWTH	SO 11	Establish High Performance Culture			
	SM 15	Average Competency Level of the Organization	5%	<p>30 % of employees with identified competency gaps addressed by providing the following interventions:</p> <ol style="list-style-type: none"> 1. In-house and external formal classroom trainings; and 2. Job Knowledge Enhancement (JKE) sessions 	<p>Completed as scheduled</p> <p>In 2017, the Bank focused on improving and enhancing the competencies of a total of 1,453 employees (or 98% of 1,475) whose assessment results are below 80% by providing them with at least one formal or classroom training. Majority of these training courses belong to the top five functional groups while Job Knowledge Enhancement (JKE) sessions on the employees' specific department's functions, processes and systems were also provided.</p>

Component Objective/Measure		Weight	2017 Targets	Performance/ Accomplishments Jan. – Dec. 2017	Rating	
SO 12 Develop World-Class Operations						
LEARNING AND GROWTH	SM 16	Establishment of Quality Management System	5%	<ol style="list-style-type: none"> 1. Approved Quality Manual and approved Procedures and Work Instructions Manual, including forms, Integrated Quality & Environmental Management System Manual and Integrated Management System Policy. 2. Evidence of ISO 9001-aligned QMS implementation: <ul style="list-style-type: none"> ✓ Certification of the Head of Agency on the conduct of Internal Quality Audit; and ✓ Minutes of the FY 2017 Management Review 	<ol style="list-style-type: none"> 1. Training-Workshop on IMS Internal Assessment 2. Conduct of IMS Internal Assessment (Quality and Environment) of selected Bank units 3. Compliance to GQMC 2017-01 requirements: <ul style="list-style-type: none"> • Posting of IMS Manual • Minutes of Management Review • Conducted ISO 9001 and 14001 audit/assessment 	5%
	TOTAL OF WEIGHT		100%			100%

Certified Correct:


ELCID C. PANGILINAN
FVP, Strategic Planning Group
Date 27 Feb 2018


ANNALENE M. BAUSTISTA
FVP/OIC, Operations Sector
Date 27 Feb 2018

Approved by:


ALEX V. BUENAVENTURA
President and CEO
Date 28 Feb 2018


CARLOS G. DOMINGUEZ III
Chairman, Board of Directors
Date 05 MAR 2018