

LAND BANK OF THE PHILIPPINES

Component					Baseline Data			Target
Objective/Measure	Formula	Weight	Rating System ^{-a/}	2012	2013	2014	2015	
SO 1	Expand Financial And Other Services In All Provinces, Cities And Municipalities							
SM 1	Amount of outstanding loans in the 20 poorest provinces ¹ as identified under the RSBSA of the DA	(Actual Performance/Target) x 100 x Weight	5%	Absolute Amount	₱8.9 Bn	₱10.1 Bn	n/a	₱13.0 Bn
SM 2	Percentage of loans to priority sectors	n/a	n/a	Absolute Rate	79%	80.5%	≥ 75%	80%
SM 3	Amount of outstanding loans to small farmers and fishers ²	(Actual Performance/Target) x 100 x Weight	5%	Absolute Amount	₱29.8 Bn	₱30.1 Bn	₱33.5 Bn	₱36.0 Bn
SM 4	Amount of outstanding loans supporting Agriculture and Fisheries	(Actual Performance/Target) x 100 x Weight	10%	Absolute Amount	₱66.5 Bn	₱68.0 Bn	₱70.0 Bn	₱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	(Actual Performance/Target) x 100 x Weight	10%	Absolute Amount	₱116.0 Bn	₱141.8 Bn	₱135.0 Bn	₱180.0 Bn
SUB TOTAL OF WEIGHTS			30%					

SOCIO-ECONOMIC IMPACT

Component					Baseline Data			Target	
Objective/Measure	Formula	Weight	Rating System ^{-a/}	2012	2013	2014	2015		
FINANCE	SO 3 Maintain Competitive ROE								
	SM 6	ROE higher than the industry rate	If \geq industry average = 5% score; if $<$ industry average = pro-rated	5%	Absolute value	13.60%	14.33%	n/a	ROE equal or higher than the industry rate
	SO 4 Grow Private Deposit Base								
	SM 7	Outstanding balance of private deposits	(Actual Performance/Target) x 100 x Weight	7.5%	Growth Rate Formula	₱155.2 Bn	₱210.7 Bn	₱225.7 Bn	₱248.2 Bn
SUB TOTAL OF WEIGHTS			12.5%						
STAKEHOLDERS	SO 5 Provide The Funding & Assistance In A Timely Manner								
	SM 8a	No. of banking days to process accounts with loan amounts of \leq ₱15 M – 15 banking days (from receipt of complete documents)	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	5%	No. of loan accounts with amounts of \leq ₱15M processed within 15 banking days / total no. of loan accounts with amounts of \leq ₱15M	n/a	53.6% of loan accounts with amount of \leq ₱15M are processed within 15 banking days	n/a	75% of loan accounts with amount of \leq ₱15M are processed within 15 banking days

Component					Baseline Data			Target	
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STAKEHOLDERS	SM 8b	No. of banking days to process accounts with loan amounts of > ₱15 M – 45 banking days (from receipt of complete documents)	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	5%	No. of loan accounts with amounts of > ₱15M processed within 15 banking days / total no. of loan accounts with amounts of > ₱15M	n/a	n/a	n/a	75% of loan accounts with amount of >₱15M are processed within 45 banking days
	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	Maximum of 5% for an accomplishment of 95% and higher. Weight to be adjusted based on pro-rata basis	5%	No. of LMLS (livelihood) loan applications approved and released in 3 banking days / total no. of LMLS (livelihood) applications	n/a	n/a	n/a	95%
	SM 10	Customer Satisfaction	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.	2.5%	% of respondents giving satisfactory rating	n/a	n/a	n/a	75% of respondents giving satisfactory rating

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STALEHOLDERS	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)	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted on a pro-rata basis.	5%	Absolute Rate	100% completion on the processing of processable folders received from DAR by the end of Oct. 2012	100% The 1,784 claim folders were processed and approved within the GCG metrics of 30-working days TAT	100%	100%
	SUB TOTAL OF WEIGHTS			22.5%					
	SO 8	Enhance Banking Operations Thru Technological Solutions							
INTERNAL PROCESS	SM 12	No. of new IT projects implemented	(Actual Performance/Target) x 100 x Weight	10%	Absolute Value	10	3	10	6 ³
	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.)	(Actual Performance/Target) x 100 x Weight	5%	Absolute Value	n/a	n/a	n/a	4 ⁴
L	SO 10	Enhance And Accelerate New Product Development & New Channel Development							

Component					Baseline Data			Target	
Objective/Measure		Formula	Weight	Rating System ^{-a/}	2012	2013	2014	2015	
	SM 14	No. of new products and channels developed	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	5%	Absolute Value	n/a	n/a	n/a	7 ⁵
SO 11 Establish A Robust Risk Management System									
	SM 15	No. of internal models developed to quantify risk	(Actual No. of Products & Channels developed/ Target) x 100 x Weight	5%	Absolute Value	n/a	n/a	n/a	Develop 5 out of 9 credit rating models and 2 risk measurement models for investment portfolio
SUB TOTAL OF WEIGHTS				25%					
LEARNING AND GROWTH	SO 12 Establish High Performance Culture								
	SM 16	Development of the Bank's Competency Framework	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted based on pro-rata basis.	5%	n/a	n/a	n/a	n/a	Refer to LBP timetable for 2015 deliverables (attached)
A	SO 13 Develop World-Class Operations								

Component					Baseline Data			Target
Objective/Measure		Formula	Weight	Rating System ^{a/}	2012	2013	2014	2015
SM 17	Establishment of Quality Management System	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.	5%	Absolute Rate	n/a	n/a	n/a	Refer to LBP timetable (attached)
SM 18	Realignment of structures in the organization to make the Bank responsive to emerging trends in the financial sector	n/a	0%	n/a	n/a	n/a	n/a	Bank's structure realigned
SUB TOTAL OF WEIGHTS			10%					
TOTAL SUM OF WEIGHTS			100%					

a/ But not to exceed the weight assigned per indicator

¹ Top 20 poorest provinces are:

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

² Excludes salary/livelihood loans to rural banks

³ 6 IT projects targeted for 2015 are:

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

⁴ The 4 strategic alliances committed by LBP for 2015:

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

⁵ New products and channels to be developed are:

New Products

1. Coffee Financing Program
2. Coconut Financing Program
3. E-vehicle Financing Program
4. Climate Adaptation Financing Program
5. Franchising Financing Program

New Channels

1. E-payment portal system
2. Investment hubs