

LANDBANK OF THE PHILIPPINES
Performance Scorecard Evaluation

	Objectives / Measures	Components		Land Bank Submission			CGO-A Evaluation		Supporting Documents	GCG Remarks	
		Weight	Rating Scale	Target	Actual	Rating	Score	Rating			
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 Registry System for Basic Sectors in Agriculture (RSBSA) of the Department of Agriculture (DA)	5.00%	(Actual Performance / Target) x 100 x Weight	₱ 18.5 Billion	₱ 26.0 Billion	5.00%	₱ 25.99 Billion	5.00%	-LBP Gross Loan Portfolio	<p>The outstanding loans for the 20 poorest provinces grew by 41%.</p> <p>The biggest portion of the loan allocated to the poorest provinces went to Sultan Kudarat (17% of total) while North Cotabato and Zamboanga Del Norte both received 13% of the total.</p>
	SM 2	Percentage of Loans to Priority Sectors	N/A	N/A	85%	90.10%	N/A	90.10%	N/A	<p>- LBP Gross Loan Portfolio</p> <p>- Loan breakdown per sector</p> <p>-Published Financial Statement per BSP</p>	<p>The loans to all sectors totaled to ₱488.85 Billion, 90.10% of which goes to the priority sectors (SFF, SAF, and OGP) while 9.90% goes to the Other Loans to LGUs and GOCCs.</p> <p>As compared to 2015, the percentage distribution for the priority sectors grew by 2% in 2016.</p>

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SM 3	Amount of Outstanding Loans to Small Farmers and Fishers	5.00%	(Actual Performance / Target) x 100 x Weight	₱ 37.5 Billion	₱ 40.8 Billion	5.00%	₱ 40.8 Billion	5%	- Loan breakdown per sector	LANDBANK is mandated to provide support for the small farmers and small fisher folks. For 2016, the outstanding loans for the mandated sector totaled to ₱40.8 Billion which is a 6% increase from the 2015 actual of P 38.6 Billion.
SM 4	Amount of Outstanding Loans Supporting Agriculture and Fisheries	10.00%	(Actual Performance / Target) x 100 x Weight	₱ 100.0 Billion	₱ 111.0 Billion	10.00%	₱ 111.0 Billion	10.00%	- Loan breakdown per sector	The other sectors supported by LANDBANK are the Supporting Agriculture and Fisheries (SAF). The covers the Agri-Businesses, Aqua-Businesses, Agri-Aqua related projects of Local Government Units and Government Owned and Controlled Corporations. The loans for SAF sector increased by 12% compared to the 2015 actual of ₱98.9 Billion.
SO 2	Support National Development Programs (micro, small and medium enterprises, communications, transportation, housing (social, low-cost and medium cost), education, health care, environment-related projects, tourism, and utilities)									
SM 5	Amount of Loans Supporting Other Government Programs	10.00%	(Actual Performance / Target) x 100 x Weight	₱ 250.0 Billion	₱ 288.6 Billion	10.00%	₱ 288.6 Billion	10.00%	- Loan breakdown per sector	Based on the loan portfolio, ₱288.64 Billion or 59% were allocated to the support for other National Government Priority Programs. The support for other National Government Priority Programs are the loans allocated for mSMEs.

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									communications, transportations, housing, education, health care, environment-related projects, tourism, utilities, and others. In 2016, loan allocation for the support for other National Government Priority Sectors totaled to 288.6 Billion which a 17% increase from the 2015 actual of P246.39 Billion.		
	Sub-Total	30.00%				30.00%		30.00%			
FINANCIAL	SO 3	Maintain Competitive ROE									
	SM 6	ROE higher than the Industry Rate	5.00%	If ≥ industry average = 5% score; if < industry average = 0%	ROE equal or higher than the industry rate	16.42% Industry Average Ratio as of 30 September 2016 - 9.97% (source: BSP)	5.00%	15.03%	5.00%	- Industry Average Return on Equity Ratio (Jan- Dec 2016) from BSP - COA Audited Financial Statement	Based on the report of Bangko Sentral ng Pilipinas (BSP), the industry average Return on Equity (ROE) ratio for Universal and Commercial Bank Group is 10.49% as of 31 December 2016. The ROE of LANDBANK is 15.03% as computed from the COA Audited FS.
	SO 4	Grow Private Deposit Base									
SM 7	Increase in Outstanding Balance of Private Deposits	7.50%	(Actual Performance / Target) x 100 x Weight	P 319.0 Billion	P 405.6 Billion	7.50%	P 405.3 Billion	7.50%	- COA Audited Financial Statement - Deposit Liabilities	The initial submission of LANDBANK used the Prudential amount wherein the private deposits totaled to P405.6 Billion But based on the COA Audited Financial Statement which includes the adjustment for the	

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								classified as to type of deposit	float items, the total outstanding private deposits is P 405.3 Billion. The total outstanding deposits from private sector grew by 18.95% from P340.9 Billion in 2015 to P405.3 Billion in 2016.		
	Sub-Total	12.50%					12.50%	12.50%			
STAKEHOLDERS	SO 5	Provide the Funding & Assistance in a Timely Manner									
	SM 8a	No. of Banking Days to Process Accounts with Loan Amounts of ≤ P 15 Million - 15 Banking Days (from receipt of complete documents)	5.00%	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	80% of Loan Accounts with Amount of <P15 Million are processed within 15 banking days	99% of loan proposals are processed within 15 banking days	5.00%	98.75% of loan proposals are processed within 15 banking days	5.00%	- Performance Turn-around time for all lending units per lending group	Out of the 7,612 Credit Facilities Proposal (CFPs), 7,517 CFPs or 98.75% were processed within 15 days while 1.25% were processed beyond the prescribed days. The GCG validated score is based on the actual computation without rounding -off the actual average turnaround time.
	SM 8b	No. of Banking Days to Process Accounts with Loan Amounts of > P 15 Million - 45 Banking Days (from receipt of complete documents)	5.00%	Maximum of 5% for an accomplishment of 75% or higher. Weight to be adjusted on a pro-rata basis.	80% of Loan Accounts with Amount of >P15 Million are processed within 45 banking days	99% of loan proposals are processed within 45 banking days	5.00%	99% of loan proposals are processed within 45 banking days	5.00%	- Performance Turn-around time for all lending units per lending group	Accounts with Loan Amounts of > 15 Million shall need the approval of the Credit Committee, Investment and Loan Committee, and Board of Directors. Of the 997-loan proposals with an amount of > P 15 Million, 989 were processed within 45 days.

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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 Civil Service Commission	5.00%	Maximum of 5% for an accomplishment of 95% and higher. Weight to be adjusted based on pro-rata basis	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.	5.00%	100% passing rate for 51 branches/ extension offices	5.00%	- 2015 Anti- Red Tape Act Report Card Survey result from Civil Service Commission - 2015 ARTA - RCS National results as published by CSC on 25 January 2016. Based on the CSC report, the survey was conducted on 27 April – 14 August 2015. The LANDBANK scored highest on the No hidden costs with 99.32% while lowest in Public Assistance and Complaints Desk (PACD) with 74.75%. Overall, the final numerical rating that LANDBANK achieved was 88.14 equivalent to "Good" rating. The survey result shows that the 51 or 100% of the branches surveyed were able to pass the ARTA Report Card Survey.
SM 10	Customer Satisfaction	2.50%	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.	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	2.50%	98% of respondents giving "Satisfactory Rating"	2.50%	- Customer Satisfaction Survey from Nielsen Company (includes methodology, overall results, and number of total respondent) Nielsen Phils. conducted the customer satisfaction survey for LANDBANK. The sample size for the survey was 6,460 respondents consisting of LANDBANK depositors, e-banking services customers, and loan clients. 98% of the total respondents gave a rating of Satisfied to Extremely Satisfied. The result is a 3% increase from the satisfaction survey conducted in 2015.

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					and 48 lending units.						
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	5.00%	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted on a pro-rata basis.	100%	100% at 21 working days average turnaround time	5.00%	100% at 21 working days average turnaround time	5.00%	- Formula and computation on how to compute for the average turn-around time -Land Transfer Claim Processing Accomplishment Report	The Claim Folders- inventory formula measures the rate at which a Claim Folders is processed over a measurement period. For 2016, the total land transfer claim folders processed is 1,952. All of which were processed within the prescribed turn-around time of 21 days.	
Sub-Total		22.50%				22.50%		22.50%			
SO 8 Enhance Banking Operations Thru Technological Solutions											
INTERNAL PROCESS	SM 12	No. of New IT Projects Implemented	10.00%	(Actual Performance/ Target) x 100 x Weight	5 IT Projects to be Implemented: 1. Check Truncation System 2. Collateral Management System, to replace Internet Banking Upgrade (i.e. iAccess/weAccess) 3. New Trust	10.00%	1. Check Truncation System 2. Collateral Management System Release 3. Security and Network Infrastructure Upgrade 4. New Disk Storage System	10.00%	Implemented and rolled-out five (5) IT Projects 1. Check Truncation System 2. Collateral Management System 3. Next Generation Intrusion	- Board Approved IT Plans and Programs for 2016 - LBP Board Resolution No. 16-058 on 13 Jan 2016 • Process Flow, User Manuals, User Acceptance	Acceptable. For 2016, LANDBANK implemented and rolled-out five (5) IT systems as per target.

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Components					Land Bank Submission		CGO-A Evaluation		Supporting Documents	GCG Remarks
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			System 4. Security and Network Infrastructure Upgrade 5. New Disk Storage System at both Production and Back-up Data Centers with Mirroring Capabilities	at both Production and Back-up Data Centers with Mirroring Capabilities 5. New Trust System for Data Migration of Use-Defined fields and production catch up of Client Relationship Management / Client On-Boarding (CRM/COB)		Prevention System (NGIPS) 4. All-Flash Storage System 5. Client On-Boarding Module for Trust Banking System		Testing Certifications, and output from the systems		
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.)	5.00%	(Actual Performance/ Target) x 100 x Weight	1. LBP Mastercard 2. KfW-Yolanda Reconstruction Program	5.00%	1. LBP Mastercard 2. KfW-Yolanda Reconstruction Program	5.00%	-Copy of Contract with Mastercard Technology Pvt. Ltd. And Mastercard Asia Pacific PTE Ltd. - Accomplishment report on the KfW- Yolanda Reconstruction Program	Acceptable. For 2016, LANDBANK was able to form strategic alliances with Mastercard for the roll out LBP Mastercard and Project Implementation Consultant (PIC) for the grant of KfW-Yolanda Reconstruction Program.	

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						- 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.			-List of Grantees and Projects to be implemented	
SM 10	Enhance and Accelerate New Product Development & New Channel Development									
SM 14	No. of New Products and Channels Developed	5.00%	(Actual No. of Products & Channels Developed / Target) x 100 x Weight	5 New Products: 1. Agri-Mechanization Program 2. Oil Palm Financing Program 3. Climate Resilience Agriculture Program 4. Personal Equity Retirement	1. Agri-Mechanization Program Executive Order No. 105, Implementing Guidelines on LANDBANK Agri-Mechanization Financing Program, was approved on 11 August 2016. 2. Oil Palm Financing	5.00%	1. Agri-Mechanization Program 2. Oil Palm Financing Program 3. Climate Resilience Agriculture Program 4. Personal Equity Retirement Account	5.00%	-Copy of Executive Order No. 105 – Implementing Guidelines on Landbank Agri-Mechanization Financing Program -Copy of Executive Order No. 080 – Implementing Guidelines on Landbank Oil	Acceptable. For 2016, five (5) new products were approved by the Board as per target.

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					Account (PERA) Cash Custodian 5. LBP MasterCard Credit Card	<p>Program Executive Order No. 080, Implementing Guideline on LANDBANK Oil Palm Financing Program, was approved on 17 June 2016.</p> <p>3. Climate Resilience Agriculture Program Executive Order No. 116, Implementing Guidelines on LANDBANK Climate Resilient Agriculture Financing Program, was approved on 20 September 2016.</p> <p>4. Personal Equity Retirement Account (PERA) Cash Custodian</p> <p>LANDBANK thru its Trust Banking Group's Third Party</p>		5. LBP Mastercard Credit Card System		<p>Palm Financing Program</p> <p>-Copy of Executive No. 116 – Implementing Guidelines on Landbank's Climate Resilient Agriculture Financing Program</p> <p>-Program launching agenda for the Personal Equity and Retirement Account (PERA) and the BSP approval to be the PERA Cash Custodian</p> <p>-Go-Live Sign Off for Credit-Mastercard EMV Issuance</p>	

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				<p>Custodianship and Registry Department (TRCD) was accredited by the BSP last 09 November 2015 to act as the PERA Cash Custodian.</p> <p>5.LBP MasterCard Credit Card The system for MasterCard - branded LANDBANK Credit Card went "live" on 05 December 2016.</p>					
SO 11 Establish a Robust Risk Management System									
SM 15	No. of Internal Models Developed to Quantify Risk	5.00%	(Actual No. of Products & Channels Developed / Target) x 100 x Weight	<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)</p>	<p>Complied</p> <p>The Risk Oversight Committee, per its Resolution No. 2016-(12)-330 dated 19 December 2016 approved the following credit rating models:</p>	5.00%	<p>1. Development of two (2) credit rating models: - Behavioral Model for Cooperatives - Behavioral Model for Livelihood Loans</p> <p>2. Recalibration of three (3)</p>	<p>5.00%</p> <p>-Credit Rating Models for Cooperatives and Calibrated Credit Rating Models for Corporations, LGUs, and SMEs -ROC Resolution No. 2016(12)330 approving the</p>	<p>Acceptable. For 2016, LANDBANK was able to develop and recalibrate models to quantify risks as per target.</p>

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					<p>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 Cooperates - Behavioral Model for LGUs - Behavioral Model for SMEs <p>3. Two (2) Market Risk Management tools to be developed.</p> <ul style="list-style-type: none"> - Balance Sheet Duration for Interest Rate Risk Management - Current Exposure Approach for Counterparty Risk 	<p>1. Development of two (2) credit rating models:</p> <ul style="list-style-type: none"> - Behavioral Model for Cooperates - 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 Cooperates - Behavioral Model for LGUs - Behavioral Model for SMEs <p>The two (2) market risk management tools were developed and approved:</p> <ul style="list-style-type: none"> - LBP Board Resolution No. 16-758 dated 13 December 2013. 		<p>Rating Models developed in 2015:</p> <ul style="list-style-type: none"> - Behavioral Model for Cooperates - Behavioral Model for LGUs - Behavioral Model for SMEs <p>3. Developed two (2) Market Risk Management tools</p> <ul style="list-style-type: none"> - Balance Sheet Duration for Interest Rate Risk Management - Current Exposure Approach for Counterparty Risk 		<p>proposed Credit Risk Frameworks Rating Models for:</p> <ul style="list-style-type: none"> • Credit Risk Rating Model Validation Framework • Credit Risk Stress Testing Framework • Application Credit Rating Model & Implementing Guidelines for new Livelihood Loan System (LLS) Borrower; and • Behavioral Credit Rating Model and Implementing Guidelines for existing LLS Borrower 	

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						- LBP Board Resolution No. 16-717 dated 29 November 2016.				-Executive Order No. 002 series of 2017 – Guidelines for Monitoring of Pre-Settlement Risk (PSR) on Treasury related transactions – On-Current Exposure Approach (CEA) - Executive Order No. 009 Series of 2017 – Guidelines for the Preparation of Balance Sheet Duration/ Duration Gap Analysis Report	
		Sub-Total	25.00%				25.00%		25.00%		
LEARNING & GROWTH	SO 12	Establish High Performance Culture									
	SM 16	Average Competency Level of the Organization	5.00%	Maximum of 5% for an accomplishment of 100%. Weight to be adjusted based on pro-rata basis.	Development of Baseline Competency Level Per Sector of the Bank. For 2017-2018 Intervention	1. Management approval for the following: a. Engagement of Willis Towers Watson (WTW) for the Competency Framework	5.00%	Established Baseline – Identified the Current competencies, Ideal Competencies, and Competency	5.00%	-Summary report of competency assessment result -Number of Personnel Identified with	Out of the 5,524 employees assessed, 28.91% (1,597 employees) were determined to have a rating of below 80% on the competencies needed for their positions. LANDBANK determines the top competencies that needed

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						<p>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>		Gaps of Employees per Sector		<p>Competency Gaps</p> <p>intervention from three (3) categories as follows: leadership, knowledge, and skills/ functional competencies.</p> <p>Leadership, coaching, people development, strategic thinking, and visioning shall be addressed. For knowledge, the competencies that need intervention are CASA, bank products and services, AMLA rules & regulations, risk management, and operations manual. For skills/functional category, there are five (5) competencies that need to be addressed, these are problem solving/ decision making, analytical thinking, risk assessment and management, marketing, and selling.</p>

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					c. 15 batches for Supervisors below Department heads from September 10-30, 2016. 3. On-going data mining and analysis by WTW and Strata Inc., of competency assessment ratings of 1,386 raters vis-a-vis required proficiency level of their respective staff (results will be used in recommending to the Management the percentage ranges in prioritizing development interventions)					
SO 13	Develop World-Class Operations									
SM 17	Establishment of Quality Management System (QMS)	5.00%	Maximum of 5% for an accomplishment of 75% (and higher) of Bank	Bid for ISO 9001:2015 Certification on Core Bank	Adoption of the Integrated Management System (IMS). In line with this, the	5.00%	Bid for Third-Party Consultant	0.00%	-Notice to Proceed dated 04 January 2017	On 11 November 2016, the LBP Board of Directors approved the Procurement of Consulting Services for an IMS (QMS and EMS). The IMS covers two (2)

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			Units implementing uniform documentation. Weight to be adjusted on a pro-rata basis.	Processes by 2016;	<p>following were accomplished:</p> <ul style="list-style-type: none"> - Adoption and deployment of QMS best practices, learning from operational challenges and integration of best practices in all levels of operation - Initiatives with respect to ISO 9001:2015 and IMS 				<p>-Notice of Award dated 04 January 2017 issued to Mr. Romeo M. Ramirez</p> <p>-Purchase Order dated 04 January 2017</p>	<p>Management Systems: [1] Quality Management System 9001:2015 (QMS), and [2] Environmental Management System ISO 14001:2015 (EMS).</p> <p>LandBank procured a third-party consultant to provide technical assistance to the Bank's adoption and implementation of IMS. Based on the Notice of Award dated 04 January 2017, the contract with the third-party consultant shall cover the design, establishment, documentation, and implementation of IMS.</p> <p>For 2016, the target is to bid for a ISO 9001: 2015 certifying body to ensure that in 2017 LandBank shall secure a ISO 9001:2015 certification. However, the submitted supporting documents is not aligned with the target. Hence, LandBank receives a zero score for the measure.</p>
		Sub-Total	10.00%				10.00%		5.00%	
		TOTAL	100.00%				100.00%		95.00%	