LAND BANK OF THE PHILIPPINES

Component					Baseline				Target
	Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
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	Total outstanding loan	5%	Actual/Target x Weight	N/A	N/A	₱18.4 Billion	₱18.5 Billion	₱27 Billion
SM 2	Percentage of loans to priority sectors	Total outstanding loan to priority sectors / Total outstanding loan portfolio	N/A	N/A	80.50%	85.88%	88.3%	85%	90%
SM 3	Amount of outstanding loans to small farmers and fishers	Total outstanding loan	5%	Actual / Target x Weight	₱34.7 Billion	₱33.7 Billion	₱38.7 Billion	₱37.5 Billion	₱41 Billion
SM 4	Launch of financial inclusion caravans in rural municipalities	Actual Accomplishment	2.5%	Actual / Target x Weight	N/A	N/A	N/A	N/A	Financial inclusion caravans in 6 sites
SM 5	Amount of outstanding loans supporting Agriculture and Fisheries	Total outstanding loan	10%	Actual / Target x Weight	₱68.1 Billion	₱77.9 Billion	₱98.9 Billion	₱100 Billion	₱118 Billion

SOCIAL IMPACT

		Component				Baseline			Target	
		Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
FINANCE	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	Total outstanding loan	10%	Actual / Target x Weight	₱104.3 Billion	₱168.3 Billion	₱246.4 Billion	₱250 Billion	₱309 Billion
		Sub-total		32.5%						
	SO 3	**Maintain Competitive ROE**								
	SM 7	ROE higher than the industry rate	Annualized Net Income / Average Capital	5%	All or nothing	N/A	N/A	17.51% (industry ave-9.80%)	ROE equal or higher than the industry rate	ROE equal or higher than the industry rate
		Sub-total		5%						
STAKEHOLDERS	SO 4	**Provide the Funding & Assistance In A Timely Manner**								
	SM 8a	Percentage of accounts with loan amounts of ≤ ₱15 M processed within Turn-around Time (TAT)[1]	Number of loan proposals processed within prescribed TAT / Number of loan proposals processed	7.5%	All or nothing	N/A	N/A	87% of loan proposals are processed within 15 banking days	80% of loan accounts with amount of < 15M are processed within 15 banking days	80% of loan accounts with amount of < ₱15M are processed within 15 banking days

[1] From receipt of complete documents to loan approval/denial

Component					Baseline			Target	
	Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
SM 8b	Percentage of accounts with loan amounts of > ₱15 M processed within Turn-around Time (TAT)[1]	Number of loan proposals processed within prescribed TAT / Number of loan proposals processed	7.5%	All or nothing	N/A	N/A	98% of loan proposals are processed within 45 banking days	80% of loan accounts with amount of > 15M are processed within 45 banking days	80% of loan accounts with amount of > ₱15M are processed within 45 banking days
SO 5	Anticipate the Needs & Provide New/Enhanced Products & Services In A Timely Manner								
SM 9	Customer Satisfaction based on Third-Party Survey	Number of respondents with a rating of at least satisfactory rating / Total number of respondents	7.5%	All or nothing	N/A	N/A	95% of respondents giving "Satisfactory Rating"	80% of respondents giving "Satisfactory Rating"	85% of respondents giving "Satisfactory Rating"
SO 6	Process Land Transfer In A Timely Manner								
SM 10	Percentage of claim folders processed within the average turn-around time (30 working days) from receipt of complete documents	Number of claims processed within prescribed TAT / Total number of claims processed	5%	All or nothing	100%	100%	100% processed at a 21-working day average TAT	100%	100%
	Sub-total		27.5%						

Component				Baseline			Target	
Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
SO 7 Enhance Banking Operations Thru Technological Solutions								
SM 11 No. of new IT projects implemented	Actual Accomplishment	10%	All or nothing	13	10	6 Projects Implemented	5 IT Projects	3 IT projects to be implemented as follows: 1. New ATM Switch System – EMV-Compliant 2. LANDBANK Phone Access Upgrade Phase II 3. Integrated Treasury System
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.)	Actual Accomplishment	5%	Actual / Target x Weight	N/A	N/A	4 Strategic Alliances Implemented	2 strategic alliances: LBP Mastercard KFW-Yolanda Reconstruction Program	2 strategic alliances to be formed: 1. DEPED Bridge Financing for K-12 Schools 2. LTFRB Cashless Payment Solution
SO 9 Enhance and Accelerate New Product Development & New Channel Development								

INTERNAL PROCESS

		Component				Baseline			Target	
		Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
	SM 13	No. of new products and channels developed	Actual Accomplishment	5%	Actual / Target x Weight	N/A	N/A	All 5 products and 2 channels were developed/implemented in 2015	5 New products	6 new products to be developed: 1. Harnessing Agri-business Opportunities through Robust and Vibrant Entrepreneurship Supportive of Peaceful Transformation (HARVEST) 2. Lending to Young Entrepreneurs 3. Franchising Lending 4. LBP-Sugar Regulatory Administration (SRA) Socialized Credit Facility for small sugarcane farmers under the Sugarcane Industry Development Act (SIDA)

Component				Baseline			Target	
Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
								5. LBP-Charoen Pokphand Foods Philippines Livestock Contract Growing Farmers Financing Program 6. Land Bank Special Program for Environment friendly and Efficiently-Driven (SPEED) Jeepneys
SO 10 **Establish A Robust Risk Management System**								
SM 14 No. of internal models developed to quantify risk	Actual Accomplishment	5%	All or nothing	N/A	N/A	5 credit rating models were developed and approved in 2015: 1. Behavioral Credit Scoring Model (BCSM) for Corporates 2. BCSM for LGUs 3. BCSM for Livelihood Loans	2 credit rating models to be developed: >>Behavioral Model for Cooperatives >>Behavioral Model for Livelihood Loans Recalibration of 3 rating models developed in 2015 (refers to remodeling due to	3 credit rating models to be developed: Commercial/Offshore/Foreign Banks Credit Card LANDBANK Mobile Loan Saver Facility 2 behavioral models to be developed for cash flow forecasting: CASA core deposit

Component				Baseline			Target	
Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
						4. BCSM for Easy Home Loan 5. BCSM for SME 2 risk measurement models for investment portfolio were developed and approved in 2015: 1. Valuation Models for Investments in Non-Marketable Equity Securities (INMES) 2. Valuation Models for Unquoted Debt Securities Classified as Loans (UDSCL)	changes in data profile, Bank guidelines, model parameters, etc.): >>Behavioral Model for Corporates >>Behavioral Model for LGUs >>Behavioral Model for SMEs 2 market risk management tools to be developed: >>Balance Sheet Duration for Interest Rate Risk Management >>Current Exposure Approach for Counterparty Risk	Time deposit pre-termination

Component					Baseline			Target	
	Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
	Sub-total		25%						
SO 11	**Establish High Performance Culture**								
SM 15	Average Competency Level of the Organization	Actual Accomplishment	5%	All or nothing	N/A	N/A	LBP achieved the targeted activities for 2015 based on the agreed timeline	Development of Baseline Competency Level Per Sector of the Bank; 2017- 2018 Intervention and Assessment	30% of employees[2] with identified competency gaps addressed by providing the following interventions: 1. In-house and external formal classroom trainings; and 2. Job Knowledge Enhancement (JKE) sessions
SO 12	**Develop World-Class Operations**								
SM 16	Establishment of Quality Management System	Actual Accomplishment	5%	All or nothing	N/A	N/A	LBP achieved the targeted activities for 2015 based on the agreed timeline	Bid for ISO 9001:2015 Certification on Core Bank Processes by 2016; ISO 9001:2015	1. Approved Quality Manual and approved Procedures and Work Instructions Manual, including forms, Integrated

[2] 1,496 personnel were identified with competency gaps during the 2016 bank-wide competency assessment. Land Bank plans to address 30% of employees with competency gaps by 2017, 40% by 2018, and the remaining 30% by 2019.

Component				Baseline			Target	
Objectives / Measures	Formula	Weight	Rating System	2013	2014	2015	2016	2017
							Certification by 2017	Quality & Environmental Management System Manual and Integrated Management System (IMS) Policy. [3] 2. Evidence of ISO 9001-aligned QMS implementation: (a) Certification of the Head of Agency on the conduct of Internal Quality Audit; and (b) Minutes of the FY 2017 Management Review.
Sub-total		**15%**						
Total		**100%**						

[3] The approach that the Management approved in October 2016 is an Integrated Management System (IMS) approach where both certification to Quality Management System (QMS) and Environment Management System (EMS) will be simultaneously undertaken to remove unnecessary duplications and reduce costs. Note that there will still be separate certifications for QMS (ISO 9001) and EMS (ISO 14001).