

CY 2018 CHARTER STATEMENT AND STRATEGY MAP (ANNEX A)

LAND BANK OF THE PHILIPPINES



VISION: *By 2018, LANDBANK will be the top universal bank that promotes inclusive growth and improves the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.*

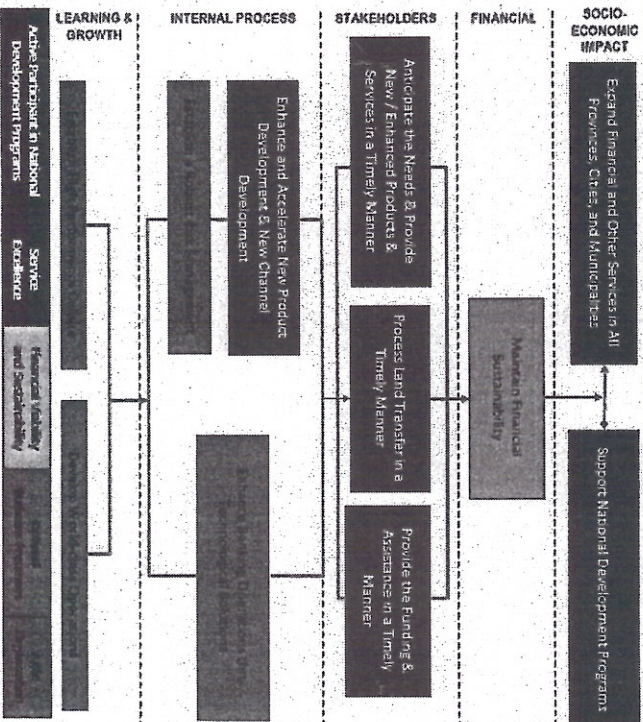
MISSION:

To our Clients and Publics:
We will use the best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.

To our Employees:
We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.

CORE VALUES:

Innovation
Accountability
Customer Focus
Collaboration
Excellence
Social Responsibility



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CY 2018 PERFORMANCE SCORECARD (ANNEX B)

LANDBANK OF THE PHILIPPINES

Component								Baseline Data		Target
Objective/Measure		Formula	Weight	Rating System	2015	2016	2017	2018		
SO 1	Expand Financial and Other Services in All Provinces, Cities, and Municipalities									
SM 1	Grow Amount of Outstanding Loans in the 20 poorest provinces as identified by the PSA	Total outstanding loans to the top 20 poorest provinces	10%	(Actual / Target) x Weight Below ₱36,846 Billion = 0%	₱18.4 Billion	₱25.99 Billion	₱27 Billion	₱40 Billion		
	Increase Amount of Outstanding Loans to Mandated and Priority Sector ¹									
SM 2(a)	Small Farmers and Fisheryfolks (Mandated Sector)	Total Outstanding Loan Amount allocated to the Mandated and Priority Sector	10%	(Actual / Target) x Weight Below ₱40.41 Billion = 0%	₱38.7 Billion	₱40.8 Billion	₱41 Billion	₱47.34 Billion		
SM 2(b)	Agriculture and Fisheries Sector		10%	(Actual / Target) x Weight Below ₱144.02 Billion = 0%	₱98.9 Billion	₱111.0 Billion	₱118 Billion	₱155 Billion		
SO 2	Support National Development Programs ²									
SM 3	Amount of Loans Supporting Other Government Programs	Total Outstanding Loan Amount allocated to the Other National	10%	(Actual / Target) x Weight Below ₱415.64 Billion = 0%	₱246.4 Billion	₱288.6 Billion	₱309 Billion	₱460 Billion		

¹ a) Small Farmers including Agrarian Reform Beneficiaries and their associations, and small fisheryfolk and their associations; and b) Agriculture and Fisheries Sector
² MSMEs, Communications, Transportation, Housing, Education, Health Care, Environment-related projects, Tourism, Utilities, and Others

Component		Baseline Data					Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
Sub-total		40%						
FINANCE								
SO 3	Maintain Financial Sustainability							
SM 4	Increase Net Income	(Interest Income + Other Operating Income) - (Interest Expense + Provision for Credit Losses + Other Operating Expenses + Provision for Income Tax)	10%	(Actual / Target) x Weight	₱13.66 Billion	₱14.11 Billion	N/A	₱15.125 Billion
Sub-total		10%						
STAKEHOLDERS								
SO 4	Provide the Funding & Assistance in a Timely Manner							
SM 5	Percentage of Loan Application Processed within the Applicable Turnaround Time (TAT)	Number of loan proposals processed within prescribed TAT/ Number of loan proposals processed	5%	All or Nothing	Average of 92.5% loan applications processed with TAT	Average of 98.5% loan applications process within TAT	80% of loans applications processed within TAT	95% of loan applications processed within the applicable time

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Component		Baseline Data				Target		
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
Anticipate the Need & Provide New/Enhanced Products & Services in a Timely Manner								
SO 5	Anticipate the Need & Provide New/Enhanced Products & Services in a Timely Manner	Number of respondents who gave a rating of at least Satisfactory and Very Satisfactory / Total number of respondents	10%	(Actual / Target) x Weight Below 90% = 0%	95% of respondents giving "Satisfactory Rating"	98% of respondents giving "Satisfactory Rating"	85% of respondents giving "Satisfactory Rating"	95%
SM 6	Percentage of Satisfied Customers							
Process Land Transfer in a Timely Manner								
SO 6	Process Land Transfer in a Timely Manner	Percentage of CARP Claim Folders Processed within the Processing Time (30 working days)	Number of claims processed within prescribed TAT/ Total number of claims processed	5%	All or Nothing	100% processed at a 21-working day average TAT	100% at 21 working days average turnaround time	100%
SM 7								
Sub-total								
20%								
Enhance Banking Operations Thru Technological Solutions								
SO 7	Enhance Banking Operations Thru Technological Solutions	Percentage of Service Availability of Automated Teller Machines and Internet Banking Services ³	Total service availability in days / 365 days	10%	(Actual / Target) x Weight	N/A	N/A	N/A
SM 8								
INTERNAL PROCESS								
90% ⁴								

³ Based on Information Technology Infrastructure Library (ITIL) version 3 Availability Management. ITIL provides an internationally accepted set of standards on IT services.

⁴ Downtime per year = 36.5 days; Downtime per month = 72 hours; Downtime per week = 16.8 hours

Component			Baseline Data					Target
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
SO 8 Enhance and Accelerate New Product Development & New Channel Development								
SM 9	Number of new products and channels developed	Actual Accomplishment	5%	(Actual / Target) x Weight	Five (5) products and Two (2) channels	Five (5) new products ⁵	Six (6) new products to be developed ⁶	Three (3) new Products ⁷
SO 9 Establish a Robust Risk Management System								
SM 10	Number of Internal Models developed to quantify risk	Number of risk management system implemented	5%	All or Nothing	Five (5) Credit Rating Models ⁸ : Two (2) Risk Measurement for Investment Portfolio ⁹	Five (5) Credit Rating Models ¹⁰ : Two (2) Risk Measurement for Market Risk ¹¹	Three (3) Credit Rating Models ¹² : Two (2) Behavioral Models for Cash Flow Forecasting ¹³	Credit rating model for Countryside Financial Institution (CFI) ¹⁴
Sub-total			20%					

⁵ 1. Agri-Mechanization Program; 2. Oil Palm Financing Program; 3. Climate Resilience Agriculture Program; 4. Personal Equity Retirement Account; and 5. LBP Mastercard Credit Card System
⁶ 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); 5. LBP-Charoen Pokphand Foods Philippines Livestock Contract Growing Farmers Financing Program; and 6. Land Bank Special Program for Environment friendly and Efficiently-Driven (SPEED) Jeepneys
⁷ 1. Farmers Cooperative Financing Program; 2. LBP-DAR-DA Accessible and Sustainable Lending Program for SF; 3. Lending Program for the Locators/Enterprises of Ecozones and for ecozone Site Developers;
⁸ 1. Behavioral Credit Scoring Model (BCSM) for Corporates; 2. BCSM for LGUs; 3. BCSM for Easy Home Loan; and 5. BCSM for SME
⁹ 1. Valuation Models for Investments in Non-Marketable Equity Securities (INMES) and 2. Valuation Models for Unquoted Debt Securities Classified as Loans (UDSC)
¹⁰ 1. Behavioral Model for Cooperatives; 2. Behavioral Model for Livelihood Loans; 3. Behavioral Model for Corporates (Recalibrated); 4. Behavioral Model for LGUs (Recalibrated); and 5. Behavioral Model for SMEs (Recalibrated)
¹¹ 1. Balance Sheet Duration for Interest Rate Risk Management; and 2. Current Exposure Approach for Counterparty Risk
¹² 1. Commercial / Offshore / Foreign Banks; 2. Credit Card; and 3. LANDBANK Mobile Loan Server Facility
¹³ CASA core deposit and Time deposit pre-termination
¹⁴ CFI covers Rural Banks, Cooperative Banks, and Thrift Banks

Component			Baseline Data			Target		
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
LEARNING AND GROWTH								
SO 10	Establish High Performance Culture							
SM 11	Percentage of Employees Meeting Required Competency	Number of Employees meeting the required level / Total number of employees	5%	All or Nothing	Established Competency Framework/Model	28.91% or 1,597 out of 5,524 assessed employees have a rating of below 80% on the required competencies for their positions	30% of employees with identified competency gaps addressed	Forty percent (40%) of employees with competency gaps addressed ¹⁵
SO 11	Develop World-Class Operations							
SM 12	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	LBP achieved the targeted activities for 2015 based on the agreed timeline	Bid for Third-Party Consultant	Approved Quality Manual and Approved Procedures and Work Instructions Manual, including forms, Integrated Quality & Environmental Management System, Manual and Integrated Management System (IMS) Policy, 2. Evidence of ISO 9001-aligned QMS implementation ¹⁶	Integrated Management System Certification (Integration of Quality Management System and Environmental Management System)
Sub-total			10%					
TOTAL			100%					

¹⁵ Improvement of employees shall be determined through the result of competency assessment
¹⁶ (a) Certification of the Head of Agency on the conduct of Internal Quality Audit; and (b) Minutes of the FY 2017 Management Review

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Corporate Secretary
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- Appropriate Action/Reply
Attend/Send Representative
Information/Reference
Comment/Recommendation
Discuss with: _____

Atty. Kirch Gamilla

