

LAND BANK OF THE PHILIPPINES (LANDBANK)
Revalidation Result of 2018 Performance Scorecard

Component						LandBank Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SOCIO-ECONOMIC IMPACT	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%	₱40 Billion	₱43.932 Billion	10%	₱43.93 Billion	10%	-Gross Loan Portfolio Summary -List of Loans under ADLS and BBS	Acceptable.
	SM 2(a)	Increase Amount of Outstanding Loans to Mandated and Priority Sector ¹										
		Small Farmers and Fisherfolks (Mandated Sector)	Total Outstanding Loan Amount allocated to the Mandated and Priority Sector	10%	(Actual / Target) x Weight Below ₱40.41 Billion = 0%	₱47.34 Billion	₱49.346 Billion	10%	₱49.29 Billion	10%	-Gross Loan Portfolio Summary -List of Loans under ADLS and BBS	Validated accomplishment based on the submitted supporting documents.

¹ a) Small farmers including Agrarian Reform Beneficiaries and their associations, and small fisherfolk and their associations; and b) Agriculture and Fisheries Sector

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	SM 2(b)	Agriculture and Fisheries Sector		10%	(Actual / Target) x Weight Below ₱144.02 Billion = 0%	₱155 Billion	₱172.706 Billion	10%	₱ 172.71 Billion	10%	-Gross Loan Portfolio Summary -List of Loans under ADLS and BBS	Validated accomplishment based on the submitted supporting documents.
	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 Government Programs	10%	(Actual / Target) x Weight Below ₱415.64 Billion = 0%	₱460 Billion	₱512.205 Billion	10%	₱546.63 Billion	10%	-Gross Loan Portfolio Summary -List of Loans under ADLS and BBS	Validated accomplishment based on the submitted supporting documents.
	Sub-total			40%				40%		40%		

² MSMEs, Communications, Transportation, Housing, Education, Health Care, Environment-related Projects, Tourism, Utilities, and Others

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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	₱15.125 Billion	₱15.478 Billion	10%	₱16.590 Billion	10%	2018 COA Annual Audit Report	Validated accomplishment using the 2018 COA Annual Audit Report
	Sub-total			10%			10%		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%	Actual/Target x Weight	95% of Loan Applications Processed within the Applicable Time.	100% of Loan Proposals are processed within the 15 Banking Days Period 99% of Loan Proposals are processed within the 45	5%	90.64% (81.61% of loan applications under LOS processed within 15 banking days 99.66% of loan applications	4.77%	- Accomplishment Report on Turnaround Time - Data extracted from LOS and Manually processed loan applications	Validation of the data set provided showed that LandBank only reported loan applications which were approved but excluded those which remained pending for approval.

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							Banking Days Period		processed manually within 45 banking days)		<p>-CASA Manual of the Bank</p> <p>It should be noted that the measure pertains to the <u>processing</u> of loan applications and not limited to approved loan applications only. Considering the difference in the interpretation of formula, the rating scale was revised from “All or Nothing” to “Actual/Target”.</p> <p>Based on the representation of LandBank, applicable TAT for 2018 is based on the CASA Manual. However, the CASA Manual only indicated the signing authority depending on the loan transaction/limit. Hence, the validation was based on the previous years’ TAT: 15 days for LOS and 45 days for Manual processing</p>

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												(see Appendix 1 for details).
SO 5 Anticipate the Need & Provide New/Enhanced Products & Services in a Timely Manner												
	SM 6	Percentage of Satisfied Customers	Number of Respondents who gave a Rating of at least Satisfactory and Very Satisfactory / Total Number of Respondents	-	(Actual / Target) x Weight Below 90% = 0%	95%	LandBank has obtained an overall “Satisfactory Rating” of 99% for CY 2018 carried out by a third-party service provider, The Nielsen Company (Phils.)	10%	<u>Excluded</u>	<u>0%</u>	<u>-Summary report of LandBank’s Customer Satisfaction Survey Result</u> <u>- Supervision and Quality Check by Nielsen Company</u> <u>- Customer Satisfaction Report by Nielsen Company</u> <u>-Sample Answered Questionnaire s</u>	<u>Measure excluded.</u>

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	SO 6	Process Land Transfer in a Timely Manner									
	SM 7	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%	100%	5%	98.51%	4.92%	-Land Transfer Claim Processing Accomplishment Report -Sampled Claim Folders Revalidated accomplishment based on the re-submitted report showed that the total claim folders received in 2018 were 1,676. The total claim folders processed were, 1,640 net of claim folders tagged as “returned to DAR”. Of the 1,640 folders considered for processing, only 1,615 claim folders were processed within the processing time (98.48% accomplishment). The 25 claim folders processed beyond the processing time involved complex land transfer claims Note: Rating Scale was revised from “All or Nothing” to

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											“Actual Accomplishment”
			Sub-total	10%				20%		9.69%	
INTERNAL PROCESS	SO 7	Enhance Banking Operations Thru Technological Solutions									
	SM 8	Percentage of Service Availability of Automated Teller Machines and Internet Banking Services ³	<u>Actual Accomplishment</u>	10%	(Actual / Target) x Weight	90% ⁴	Average ATM Availability: 91.57% Average Internet Banking Availability ⁵ : 99.52%	10%	90%	10%	-Monthly report on availability and downtime for ATM and Internet Banking - Statement of Services for Internet Banking -Summary report of availability for ATM and Internet Banking Review of the submitted documents showed that total downtime of ATMs in 2018 totaled to 29.44 days or an average of 58.91 hours per month while internet banking services were down for a total of 13.67 days or 14.11 hours per month. Using ITIL version 3 Availability Management standards, the percentage availability of ATMs and internet banking services was determined to be at 90%. GCG notes that the above-mentioned

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

⁵ Retail Internet Banking System (iAccess): 99.29%; Institutional Internet Banking Facility (WeAccess): 99.32%; LandBank Mobile Banking Application (MBA): 99.32%

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Objective/Measure			Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual		
											standards and determination of availability of services was inconsistent with the originally prescribed formula of “ <i>Total Service Availability in Days / 365 Days</i> ”. Hence, GCG revised the formula to “ <i>Actual Accomplishment</i> ” since the ITIL standard already provides the formula for the purpose of determining the percentage availability.

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	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	Three (3) New Products ⁶	Farmers Corporate Inclusive Financing Program ⁷ LBP-DAR-DA Accessible and Sustainable Lending Program for SFF ⁸ Lending Program for the Economic Zone Developers ⁹	5%	Three (3) New Products: 1. Farmers Corporate Inclusive Financing Program 2. LBP-DAR-DA Accessible and Sustainable Lending Program for SFF 3. Lending Program for the Economic Zone Developers	5%	-Copies of the Administrative Orders and Board approval of the products; -Copies of brochures, news publications, and other marketing paraphernalia.	Acceptable.

⁶ 1. Farmers Corporate Financing Program; 2. LBP-DAR-DA Accessible and Sustainable Lending Program for SFF; 3. Lending Program for the Locators/Enterprises of Ecozones and for ecozone Site Developers.

⁷ Approved by the LandBank Board: Administrative Order No. 77 dated 24 April 2018; Administrative Order No. 105 dated 23 October 2018; and Administrative Order No. 151 dated 11 December 2018.

⁸ Approved by the LandBank Board: Administrative Order No. 73 dated 13 June 2018; and Administrative Order No. 134 dated 09 October 2018.

⁹ Approved by the LandBank Board: Administrative Order No.136 dated 25 September 2018.

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	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	Credit Rating Model for Countryside Financial Institution (CFI) ¹⁰	Parameters for the Statistically-based Credit Rating Model for the CFI per Board Resolution No. 18-1020 dated 18 December 2018	5%	Parameters for the Statistically-based Credit Rating Model for the CFI per Board Resolution No. 18-1020 dated 18 December 2018	5%	Copy of the Board Resolution approving the Parameters to be used in the statistically-based Credit Rating Model for Countryside Financial Institutions (CFIs)	Acceptable.
	Sub-total		20%				20%		20%			
LEARNING & 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	Forty Percent (40%) of Employees with Competency Gaps Addressed ¹¹	Total of 636 employees or 40% of 1,592 target employees ¹²	5%	<u>40% of the total number of targeted employees with competency gaps are addressed</u>	5%	- Summary of Employees with Addressed Competency Gaps - Copies of Ten (10) Results of the	Revalidated accomplishment was based on LandBank's submitted summary list providing the total number of required competency gaps per employee.

¹⁰ CFI covers Rural Banks, Cooperative Banks, and Thrift Banks

¹¹ Improvement of Employees shall be determined through the result of competency assessment

¹² Competency Gaps of 445 Employees (whose assessment results are below 80%) were addressed. On the other hand, competency assessment results of 191 personnel were invalidated due to reassignment to another unit or separation. To date, a total of 1,289 employees (or 81% of 1,592 target employees) with competency gaps were already addressed or closed. This reduces the number of employees to be closed in 2019 to 202 or 19% of total number of target employees.

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											<p>Online Competency Assessment and Competency-Based Individual Development Plan</p> <p>LandBank also submitted the actual Competency-Based individual Development Plan (CIDP) signed by Unit/Branch Head and immediate Supervisor for randomly selected employees. The CIDP lists down the competency gaps of an employee and the corresponding required proficiency level. The CIDP also lists the various interventions provided to address the competency gap and a note whether the gaps were addressed or not.</p> <p>Note: Formula was revised from “Number of Employees meeting the Required Level / Total Number of</p>

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Objective/Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
											Employees” to “Total Number of Employees with Addressed Competency Gaps / Total Number of Targeted Employees with Competency Gaps”
	SO 11	Develop World-Class Operations									
	SM 12	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	Procurement of a Certifying Body Documentation Audit – Stage 1	Implemented various activities ¹³	5%	Procurement of Certification International Philippines (CIP) as certifying body	2.5%	-Copies of Management Committee Resolutions -Certification from IMS Consultant / Trainer -Copies of Procurement Request Forms -Copies on Memorandum Requests -Copy of Purchase Order Revalidated accomplishment was based on LandBank’s request to equally distribute the total weight of 5% into the two deliverables for 2018: (1) Procurement of a certifying body, and (2) Documentation Audit – Stage 1. While it is acknowledged that the audit commenced in

¹³ Conducted Bankwide IMS LEAP Examination; Finalized the Objectives, targets and Plans as requirements for ISO 14001 EMS; Disseminated Masterlist of Information Assets template to Bus Completed the conduct of IMS Assessment in 70 multi-field unit sites subject to the IMS (QMS & EMS) Certification; Approval of the Implementing Guidelines on EMS Good Practices (AO 128 s. of 2018); Cascaded IMS to various HO Support Groups (ODD, RMG, FLSD, AC); Approval of the direct Contracting Mode of Procurement for Certifying Body; PO No. 20181003-1570 dated 03 October 2018; and Kicked off the Stage 1 3rd Party Certification Audit thru the Opening Meeting with the Management Committee dated 03 December 2018

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											-Copy of Contract Agreement -Notice of Award -Notice to Proceed -IMS Certification Audit Schedule 2018, the full score of 5% cannot be granted considering the partial accomplishment by end of 2018. A partial score of 2.5% was awarded for this measure to acknowledge the accomplishment of procuring a certifying body.
	Sub-total			10%				10%		7.5%	
	TOTAL			90%						87.19%	
				100%				100%		<u>96.88%</u>	