

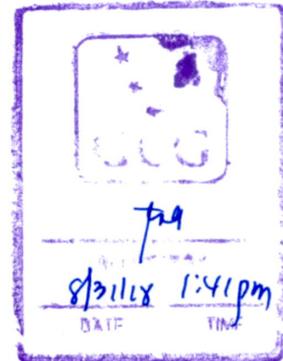


LBP INSURANCE BROKERAGE, INC.
(A LANDBANK Subsidiary)

August 31, 2018

HON. SAMUEL G. DAGPIN, JR.

Chairman
Governance Commission for GOCCs
3rd Floor, Citibank Center
Citibank Plaza, 8741 Paseo de Roxas
Makati City



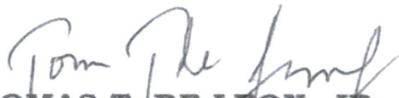
Dear Hon. Dagpin:

As stated in our letter dated August 23, 2018 to submit partially the documents required for the 2019 Performance Evaluation System (PES), we are forwarding herewith the following:

1. Updated Charter Statement and Strategy Map;
2. Proposed Performance Evaluation System (PES) for CY 2019;
3. Measure Profile; and
4. Strategic Initiative Profile

Thank you very much and best regards.

Very truly yours,


TOMAS T. DE LEON, JR.
Acting President & CEO



LBP INSURANCE BROKERAGE, INC.
(A LANBANK Subsidiary)

MEMORANDUM

FOR : THE ACTING PRESIDENT & CEO
THRU : THE GENERAL MANAGER
FROM : THE CORPORATE SECRETARY
DATE : November 21, 2018

Please be informed that during the regular Board of Directors Meeting held on **November 21, 2018** the following resolution was unanimously adopted/approved for your implementation:

BOARD RES. NO. 2018-012-034

“RESOLVED, as it is hereby resolved the Performance Evaluation System (PES) for CY2019 presented by the Management for submission to Governance Commission for GOCCs (GCG) be, as it is hereby noted and approved.”

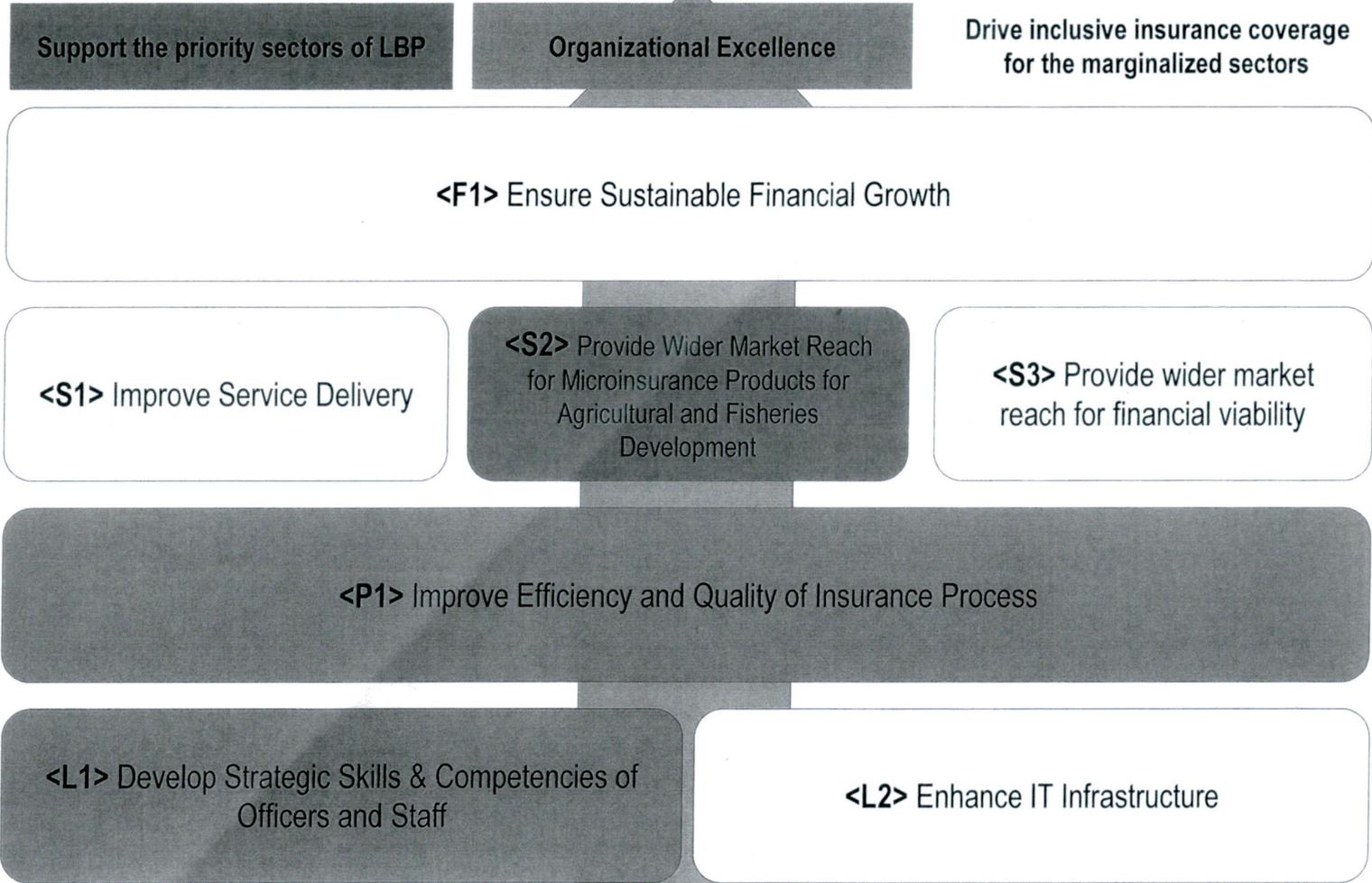

ATTY. DENNIS P. DINGLASAN

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)



2019 LIBI STRATEGY MAP

To be among the top 10 insurance brokerage in terms of premium produced by 2022.



Mission
To provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients. To efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.

Core Values
Social responsibility
Excellence and Professionalism

Tom T. De Leon, Jr.
MR. TOMAS T. DE LEON, JR.
Acting President & CEO

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)
SUMMARY OF AGREEMENTS
C.Y. 2019

2018	2019
Charter Statement	Charter Statement
Mission Statement	Mission Statement
To provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients.	To provide accessible, competitively priced and responsive insurance services to all LBP borrowers and clients.
To efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.	To efficiently facilitate processing of insurance requirements originated by LBP Lending Center Account Officers and LBP Branches.
Vision Statement	Vision Statement
To be among the top 10 insurance brokerage in terms of premium produced by 2022.	To be among the top 10 insurance brokerage in terms of premium produced and customer service by 2022.
Core Values	Core Values:
Social Responsibility: Service to Community and Customer Satisfaction	Social Responsibility: Service to Community and Customer Satisfaction
Excellence: Quality and Competitiveness	Excellence: Quality and Competitiveness
Professionalism: Teamwork, Dedication, Commitment, Competence and Mutual Respect	Professionalism: Teamwork, Dedication, Commitment, Competence and Mutual Respect

For LIBI:


MR. TOMAS T. DE LEON, JR.
 Acting President & CEO

PES Form 2
PERFORMANCE SCORECARD 2019
LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)

Component					Baseline Data				Proposed 2019 Target	
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight	Rating System	2015	2016	2017	2018			
Financial	SO 1	Ensure Sustainable Financial Growth								
	SM 1	Increase Net Income After Tax (NIAT)	Net Income Less Income Tax	30%	Lower than ₱70 M = 0% ₱71 M to ₱73 M = 10% ₱74 M to ₱76 M = 20% ₱77 M to ₱80 M = 25% Above ₱82 M = 30%	₱72.27 Million	₱71.80 Million	₱74.34 Million	₱80.67 Million	₱82 Million
	Sub-total			30%						
Stakeholders/Customers	SO 2	Improve Service Delivery								
	SM 2	Percentage of Satisfied Customers	Based on GCG issued Customer Satisfaction Survey Guidelines	5%	(Actual / Target) x Weight	93.18% of respondents rated LIBI "Good", "Very Good" and "Excellent"	90.40% of respondents rated LIBI "Very Good" and "Excellent"	90% of respondents rated LIBI "Very Good" and "Excellent"	90% of respondents rated LIBI "Very Good" and "Excellent"	80% of respondents rated LIBI atleast upper three of a 5-point rating scale
	SO 3	Provide Wider Market Reach for Microinsurance Products for Agricultural and Fisheries Development								
	SM 3	Improve Service Approach for Accessible and Sustainable Lending Program for Small Farmers Clients	No. of farmers covered by Accessible and Sustainable Lending Program and Microinsurance	10%	(Actual / Target) x Weight	No Data	No Data	No Data	No Data	100 farmers covered by Accessible and Sustainable Lending and 1,000 farmers covered by Microinsurance
	SO 4	Provide Wider Market Reach for Bancassurance Products for Financial Viability								
SM 4	Increase Premium Volume	Absolute Amount	20%	(Actual / Target) x Weight	₱506.26 Million	₱577.15 Million	₱460.11 Million	₱699.15 Million	₱734.70 Million	
Sub-total			35%							
Internal Processes	SO 5	Improve Efficiency and Quality of Insurance Process								
	SM 5	Average Turnaround Time in Issuance of Policy	Total Processing Time of All Policy Issuance / Total Number Policy Issuance	10%	1-((Actual – Target)/Target) x Weight	No Data	No Data	No Data	19 working days from request for quotation by Lending Unit	10 working days from request for quotation by Lending Unit

Component					Baseline Data				Proposed 2019 Target
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight	Rating System	2015	2016	2017	2018		
<i>Sub-total</i>		10%							
SO 6	Develop Strategic Skills & Competence of Officers and Staff								
SM 6	Percentage of Employees Meeting Required Advance Technical Courses	No. of employees meeting the required advance technical courses / Total no of employees	10%	(Actual / Target) x Weight	100% of Personnel who have Undergone Technical Training / Seminars (Insurance & Forex)	Approved Competency Framework	Assessment of 100% of LIBI Personnel based on Board-approved Competency Model to establish baseline.	100% of employees have met the required competency level for Core Competencies	70% of employees have met the required Advance Techn courses
SO 7	Enhance IT Infrastructure								
SM 7	Improving existing network services, strengthening the data center foundation and establishing Disaster Recovery as a Service and Business Continuity	Actual Accomplishment vs Work Program	15%	(Actual / Target) x Accomplishment	Upgrade of Server System to Improve Capacity and Response Time	Upgrading of IIBS from Version 3.3 to Version 4.0	Implementation of Phase 3: Document Management System and Imaging Desktop	100% Implementation of Structured Re-cabling of Data Center, and Network Security	Upgrade existing network services, procurement of UPS for Servers/Clients PC's, and Disaster Recovery Service
<i>Sub-total</i>		25%							
TOTAL		100%							


MR. TOMAS T. DE LEON, JR.
 Acting President & CEO


MS. ANTONETTE C. SERAPIO
 OIC/Administrative Head

PES Form 2a
 Quarterly Target 2019
LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)

Component					Proposed Target					
	Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight	Rating System	Annual	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
Financial	SO 1	Ensure Sustainable Financial Growth								
	SM 1	Increase Net Income After Tax (NIAT)	Net Income Less Income Tax	30%	Lower than ₱70 M = 0% ₱71 M to ₱73 M = 10% ₱74 M to ₱76 M = 20% ₱77 M to ₱80 M = 25% Above ₱82 M = 30%	₱82 Million	₱20.5 Million	₱41 Million	₱61.5 Million	₱82 Million
	Sub-total			30%						
Stakeholders/Customers	SO 2	Improve Service Delivery								
	SM 2	Percentage of Satisfied Customers	Based GCG issued Customer Satisfaction Survey Guidelines	5%	(Actual / Target) x Weight	80% of respondents rated LIBI atleast upper three of a 5-point rating scale	Provide quarterly time bound action plan			
	SO 3	Provide Wider Market Reach for Microinsurance Products for Agricultural and Fisheries Development								
	SM 3	Improve Service Approach for Accessible and Sustainable Lending Program for Small Farmers Clients	No. of farmers covered by Accessible and Sustainable Lending Program	10%	(Actual / Target) x Weight	100 farmers covered by Accessible and Sustainable Lending and 1,000 farmers covered by Microinsurance	25 ASL Farmers; 250 Microinsurance Clients	50 ASL Farmers; 500 Microinsurance Clients	75 ASL Farmers; 750 Microinsurance Clients	100 ASL Farmers; 1,000 Microinsurance Clients
	SO 4	Provide Wider Market Reach for Financial Viability								
SM 4	Increase Premium Volume	Absolute Amount	20%	(Actual / Target) x Weight	₱734.70 Million	₱184 Million	₱368 Million	₱552 Million	₱734.70 Mi	
Sub-total			35%							
Internal Processes	SO 5	Improve Efficiency and Quality of Insurance Process								
	SM 5	Average Turnaround Time in Issuance of Policy	Total Processing Time of All Policy Issuance / Total Number Policy Issuance	10%	1-((Actual – Target)/Target) x Weight	10 working days from request for quotation by Lending Unit	Provide quarterly Turnaround Time Report on Policy Issuance			
Sub-total			10%							

Component					Proposed Target				
Strategic Objective (SO)/ Strategic Measure(SM)	Formula	Weight	Rating System	Annual	1 st Quarter	2 nd Quarter	3 rd Quarter	4 th Quarter	
SO 6 Develop Strategic Skills & Competence of Officers and Staff									
SM 6	Percentage of Employees Meeting Required Advance Technical Courses	No. of employees meeting the required advance technical courses / Total no of employees	10%	(Actual / Target) x Weight	80% of employees have met the required advance technical courses	20%	40%	60%	70%
SO 7 Enhance IT Infrastructure									
SM 7	Improving existing network services, strengthening the data center foundation and establishing Disaster Recovery as a Service and Business Continuity	Actual Accomplishment vs Work Program	15%	(Actual / Target) x Accomplishment	Upgrade existing network services, procurement of UPS for Servers/Clients PC's, and Disaster Recovery Service	Provide quarterly accomplishment report			
Sub-total			25%						
TOTAL			100%						


MR. TOMAS T. DE LEON, JR.
Acting President & CEO

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)

What is the objective?

LIBI objectives are the following:

- Ensures sustainable financial growth
- Improves service delivery
- Provides wider market reach for bancassurance products for agricultural development and for financial viability
- Improves efficiency and quality of insurance process
- Develops strategic skills & competence of officers and staff
- Enhances IT infrastructure

What is the measure?

The measures for the above objectives are the following:

- Net Income After Tax (NIAT)
- Customer Satisfaction Survey
- Service Approach for Accessible and Sustainable Lending Program for Small Farmers Clients
- Premium volume (in million pesos)
- Policy Issuance Turnaround Time
- Percentage of Employees Meeting Required Advance Technical Courses
- Improving existing network services, strengthening the data center foundation and establishing Disaster Recovery as a Service and Business Continuity

What are the reasons behind choosing these measures?

By 2019:

- In order to identify that LIBI is growing in terms of financial capabilities;
- To comply with the requirements set forth by regulating bodies;
- To improve employees competencies;
- To be technologically appraised;
- To enable LIBI to adapt to the changing needs of its clients;
- To enhance LIBI performance in providing better service to its stakeholders;
- To enable LIBI in identifying whether or not it can attain its target;

How is the measure calculated? Clarify the terms in the formula:

By using the rating system as provided by the regulating bodies.

*Lower than ## Million = 0%

Million to ## Million = 10%

Million to ## Million = 20%

Million to ## Million = 25%

Above ## Million = 30%

** $(\text{Actual}/\text{Target}) \times \text{Weight}$

*** $1 - ((\text{Actual} - \text{Target})/\text{Target}) \times \text{Weight}$

**** $(\text{Actual}/\text{Target}) \times \text{Accomplishment}$

Notes:

- *range of premium volume
- **level of customer satisfaction, level of premium volume, service approach level
- ***turnaround time
- ****accomplishment report

Is information about the measure available?

- Currently available
- With minor changes
- Still to be formulated

How often is the measure updated/calculated?

LIBI updates its measure yearly.

What is the unit of measure used?

Unit used are in millions, percentages, and time-bound.

When will this info be available?

Quarterly

What data is required in calculating the measure?

- A. Financial Statement
- B. Customer Satisfaction Survey Result
- C. List of Accessible and Sustainable Lending Program for Small Farmers Clients
- D. Production Report
- E. Trainings Programs and Certifications
- F. IT Roadmap

Where/how is it acquired?

- A. Accounting Unit through generation of financial records and reports
- B. LIBI in partnership with government service provider
- C. Marketing Unit through insurance cover
- D. Marketing Unit through policy booking
- E. Various training centers
- F. LIBI technology appraise

Who is responsible for setting targets?

The Top Management together with Board of Directors is responsible for setting the targets.

Who is accountable for targets?

The Marketing, Accounting and Administrative Unit are accountable for the targets.

Who is responsible for tracking & reporting targets?

All the Department Heads

BASELINE

2015	2016	2017	2018
See attached PES as the Baseline			

TARGETS

2019	2020
See attached PES as the Target 2019	NA
	NA
	NA

LBP (Land Bank of the Phil.) Insurance Brokerage, Inc. (LBP-IBI)

I. STRATEGIC INITIATIVE PROFILE I

Name of Project: Customer Satisfactory Survey

Contact Person/Project Team Head: Administrative Department

Project Description: To ensure the compliance of government offices under the jurisdiction of GCG with the Standard Guideline on the Conduct of Customer Satisfaction Survey of the GOCCs.

Project Milestones: 2019

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Inception activities	1st week	5th week	1,100,000.00	Corporate Fund	For implementation
Data gathering <ul style="list-style-type: none"> • Training of phone interviewers • Preparation of Data Gathering Plan • Conduct of survey 	5th week	12th week		Corporate Fund	For implementation
Processing and analysis of survey results	12th week	23rd week		Corporate Fund	For implementation
Preparation and finalization of reports <ul style="list-style-type: none"> • Draft final report • Final report 	23rd week	31st week		Corporate Fund	For implementation
Project closure <ul style="list-style-type: none"> • Technology Transfer • Project Debriefing 	31st week	34th week		Corporate Fund	For implementation
TOTAL (PHP) :			1,100,000.00		

Measures Affected:

II. STRATEGIC INITIATIVE PROFILE II

Name of Project: Improving existing network services, strengthening the data center foundation and establishing Disaster Recovery as a Service and Business Continuity

Contact Person/Project Team Head: IT Personnel

Project Description: To improve LIBI existing network services thru upgrading existing internet service provider that provides key improvements in terms of bandwidth, latency, scalability, reliability and application performance; to strengthen the data center foundation by replacement of old data switches, routers and access points; and get hold of the disaster recovery services that guarantees enterprise organizations' continuous business operations, utilization of robust and scalable digital infrastructure, as well as world-class 24/7 technical support capabilities, allowing organizations to focus on their core competencies.

Project Milestones: 2019

Activities	Timeline		Budget	Funding Source	Status
	Start	End			
Procurement for the project of Upgrade from conventional internet data cable to Fiber Optic Internet	1 st Quarter	1 st Quarter	700,000.00	Corporate Fund	For implementation
Upgrade from conventional internet data cable to Fiber Optic Internet	1 st Quarter	1 st Quarter		Corporate Fund	For implementation
Procurement of Uninterruptible power supply (UPS) for Server & Client PC's and Data Switches, routers and access points	2 nd Quarter	2 nd Quarter	250,000.00	Corporate Fund	For implementation
Acquire and implementation of Uninterruptible power supply (UPS) for Server & Client PC's and Data Switches, routers and access points	3 rd Quarter	3 rd Quarter		Corporate Fund	For implementation
Procurement for the project of Disaster Recovery Services	3 rd Quarter	3 rd Quarter	500,000.00	Corporate Fund	For implementation
Implementation of Disaster Recovery as a Service and Business Continuity for Data Backup and Protection Services	4 th Quarter	4 th Quarter		Corporate Fund	For implementation
TOTAL (PHP) :			1,450,000.00		

Measures Affected: