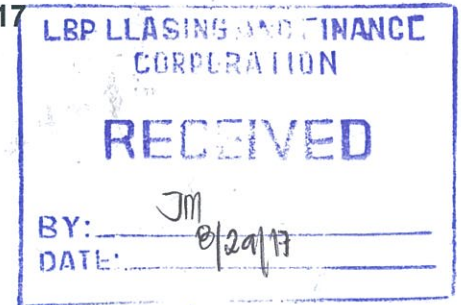




1 August 2017

MR. MANUEL H. LOPEZ
President and CEO
LBP-LEASING AND FINANCE CORPORATION
 15/F SSHG Law Centre
 105 Paseo de Roxas
 Makati City



RE : TRANSMITTAL OF CY 2017 PERFORMANCE SCORECARD

Said

Dear PCEO Lopez,

This is to formally transmit the Charter Statement and Strategy Map (**Annex A**) and 2017 Performance Scorecard (**Annex B**) of LBP-LFC.

The LBP-LFC proposed Charter Statement, Strategy Map and Performance Scorecard submitted on 23 February 2017 were MODIFIED based on the discussions made during the technical working group (TWG) meeting last 14 March 2017. During the TWG meeting, LBP-LFC was requested to revise its submission to reflect the discussions and agreements reached. The submissions, Scorecard revisions and Board Resolution approving these changes requested by the GCG were sent by LBP-LFC on 6 April 2017.

The Governance Commission takes this opportunity to remind LBP-LFC that the CY 2017 Charter Statement, Strategy Map and Performance Scorecard shall take effect IMMEDIATELY. LBP-LFC is reminded to submit the applicable quarterly monitoring reports and upload the same in the GOCC website.

FOR YOUR COMPLIANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.

Chairman

MICHAEL P. CLORIBEL

Commissioner

MARITES CRUZ-DORAL

Commissioner

LBP – LEASING AND FINANCE CORPORATION

Vision: To be among the top 5 biggest leasing & finance companies in the country by 2022.

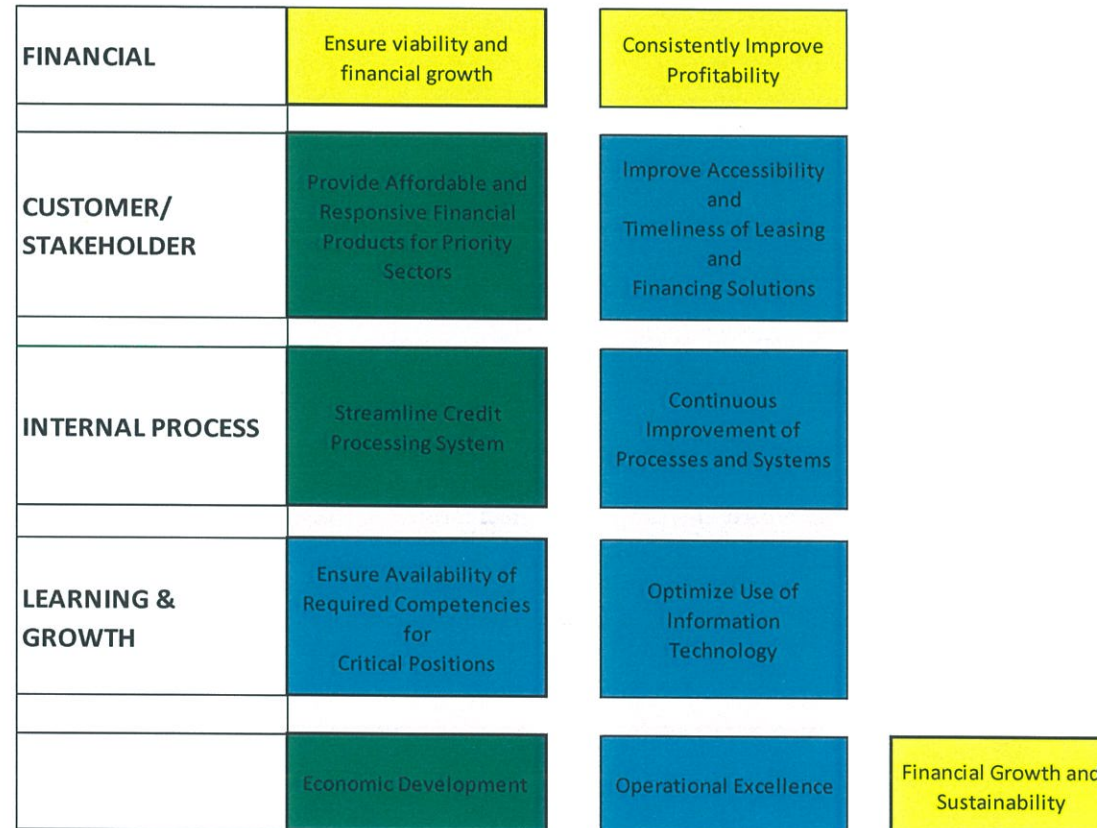
Mission: To provide accessible, affordable and responsive non-bank financial services to government offices and LBP borrowers in support of the National Government Agenda.

Core Values:

- Conscientiousness
- Resourcefulness
- Integrity
- Teamwork
- Innovativeness
- Concern for People
- Social and Environmental Consciousness

Strategy:

“LBP-LFC is the only provider of non-bank financial services needed by LBP borrowers”



LBP-LEASING AND FINANCE CORPORATION

Component					Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	
FINANCIAL	SO 1	Ensure Viability and Financial Growth						
	SM 1	Average Monthly Total Portfolio	Absolute Amount	15%	Below ₱3.5 Billion = 0% ₱3.50 Billion - ₱3.60 Billion = 5% ₱3.61 Billion - ₱3.75 Billion = 10% ₱3.76 Billion and Above = 15%	₱3.7 Billion	₱3.51 Billion	₱3.75 Billion
	SM 2	Net Past Due Rate	Total PD less Deferred Leasing Income/Unearned Credits & Specific Loan Loss Provision over Total Portfolio	10%	Greater than 4% = 0% 3.1% - 3.9% = 5% 3% and lower = 10%	1.74%	4.68%	3.5%
	SO 2	Consistently Improve Profitability						
	SM 3	Net Income After Tax	Absolute Number	15%	Lower than ₱109.5 Million=0% 109.6 Million-125 Million=5% 125.1 Million-140 Million=10%	₱148 Million	₱109.5 Million	₱135 Million

Component					Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	
				Above 140 Million=15%				
		Sub-Total	40%					
STAKEHOLDERS	SO 3	Provide Affordable and Responsive Financial Products for Priority Sectors						
	SM 4	Number of Units under Special Financing/ Leasing Programs	Absolute Number	10%	(Actual / Target) x Weight	56	72	100 new units
	SM 5	Percentage of Priority Sectors Portfolio	Amount of portfolio allocated to Priority Sectors/Total Portfolio	10%	70% - 74.9% = 0% 75% - 79.9% = 5% 80% and Above = 10%	71%	75.4%	80%
	SO 4	Improve Accessibility and Timeliness of Delivery of Leasing and Financing Solutions						
	SM 6	Customer Satisfaction Rating based on In-House Survey	Number of respondents who gave a rating of Very Good to Excellent/ Total Number of Respondents	5%	All or Nothing	95.71% of respondents rated LBP LC "Satisfactory" or higher	99.01% of respondents rated LBP LC "Satisfactory" or higher	95% of respondents gave a rating of Very Good to Excellent
	SM 7	Number of Branches/ Extension Offices Established	Absolute Number	5%	(Actual / Target) x Weight	0	0	3
			Sub-Total	30%				

	Component				Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	
INTERNAL PROCESS	SO 5	Streamline Credit Processing System						
	SM 8	Average Credit Approval Processing Time for New Clients	Total number of processing days for all applications processed from receipt of complete documents/Total number of Applications Processed	7.5%	(Actual / Target) x Weight	N/A	41 Days	35 Days
	SM 9	Average Credit Approval Processing Time for Existing Clients	Total number of processing days for all applications from receipt of complete documents/Total number of Applications Processed	7.5%	(Actual / Target) x Weight	N/A	30 Days	25 Days
	SO 6	Continuous Improvement of Processes and Systems						
	SM 10	ISO QMS Certification	Actual Accomplishment	5%	All or Nothing	N/A	N/A	Certificate of Readiness for ISO 9001:2015 Certification
		Sub-Total	20%					
LEARNING	SO 7	Ensure Availability of Required Competencies for Critical Positions						
	SM 11	Reduce Competency Gap	Percentage of Reduction in	5%	(Actual / Target) x Weight	N/A	27% Reduction in Baseline	10% Improvement from past year

Component					Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	
		Competency gaps by Year-End						
	SO 8	Optimize Use of Information Technology						
	SM 12	Number of IT Projects Implemented	Actual Number of IT Projects Implemented	5%	All or Nothing	N/A	1	1 (Document Management System)
			Sub-Total	10%				
		TOTAL		100%				