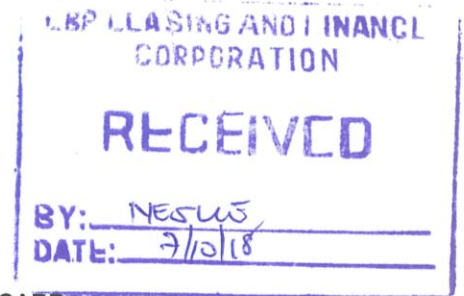




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03 July 2018

MR. MANUEL H. LOPEZ
President and CEO
LBP LEASING AND FINANCE CORPORATION (LBP-LFC)
 15/F SyCip Law Center, 105 Paseo de Roxas,
 Legaspi Village, Makati City



RE : TRANSMITTAL OF 2018 PERFORMANCE SCORECARD

Dear PCEO Lopez,

Sen. J.

This is to formally transmit the 2018 Charter Statement and Strategy Map (**Annex A**) and 2018 Performance Scorecard (**Annex B**) of LBP-LFC.

The proposed Charter Statement, Strategy Map and Performance Scorecard submitted on 29 September 2017 were **MODIFIED** based on the discussions made during the technical panel meeting (TPM) held on 07 March 2018 and evaluation of revised documents submitted on 28 March 2018. The 2018 Performance Scorecard, as attached, shall take effect **IMMEDIATELY**.

We take this opportunity to inform LBP-LFC that Item 5 of GCG Memorandum Circular No. 2017-02 mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter.

In view of the foregoing, LBP-LFC is hereby **DIRECTED** to upload the 1st Quarterly Monitoring Report in its website and submit the same together with validating documents necessary for the review and evaluation of the reported accomplishments. LBP-LFC is given **thirty (30) calendar days** upon the receipt of this letter to comply with the said directive.

FOR YOUR COMPLIANCE.

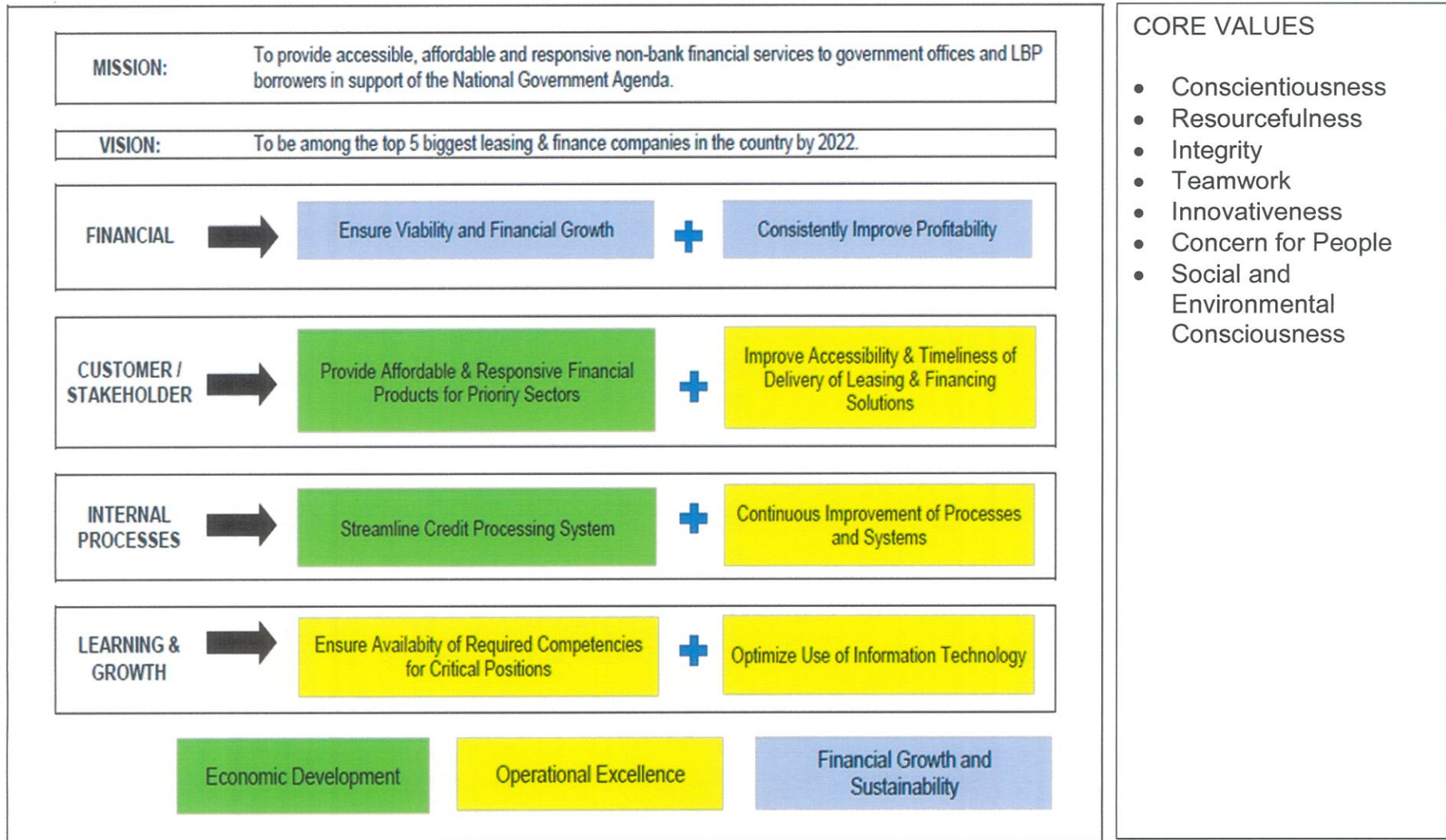
Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman

Michael P. Cloribel
MICHAEL P. CLORIBEL
Commissioner

Marites C. Doral
MARITES C. DORAL
Commissioner

LBP LEASING AND FINANCE CORPORATION



LBP – LEASING AND FINANCE CORPORATION

Component					Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
FINANCIAL	SO 1	Ensure Viability and Financial Growth							
	SM 1	Increase Total Portfolio	Absolute amount of outstanding portfolio by end of December	15%	(Actual/Target) x Weight 0% = If less than ₱3 Billion	₱3.701 Billion	₱3.57 Billion	₱3.74 Billion	₱3.750 Billion
	SM 2	Lower Net Past Due Rate	Total Past Due at the end of the period – Deferred leasing income, Unearned credits, and Specific loan loss provision / Total Portfolio	10%	(1– (Actual–Target) / Target) x Weight 0% = If Above 3.08%	1.74%	4.68%	3.5%	2.50%
	SM 3	Increase Asset Size	Absolute amount	5%	(Actual/Target) x Weight	₱3.965 Billion	₱3.975 Billion	₱4.321 Billion	₱5.108 Billion

		Component			Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
	SO 2	Consistently Improve Profitability							
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight 0% = If below ₱108.41 Million	₱145 Million	₱90.51 Million	₱135 Million	₱120 Million
		Sub-total		45%					
CUSTOMER / STAKEHOLDER	SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors							
	SM 5	Percentage of Portfolio Level allocated to Priority Sectors	Total amount of portfolio allocated to priority sector / Total portfolio at the end of the year	15%	Below 75%=0% 75% - 79.9% = 7% 80% and above = 15%	71.01%	74.99%	80%	80%
	SO 4	Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions							
	SM 6	Percentage of Satisfied Customers	Number of respondents who gave a rating of at least Satisfactory/ Total number of respondents	5%	(Actual / Target) x Weight 0% = If below 80%	68% of respondents should have rated LBP LC "Very Satisfactory" or Higher	99.01% of respondents gave rating of Satisfactory or Higher	95% of respondents gave a rating of Very Good to Excellent	95%
		Sub-total		20%					

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Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018		
SO 5 Streamline Credit Processing System									
INTERNAL PROCESSES	SM 7	Average Processing Time of Credit Approval for New Clients	Total Actual No. of processing days for All Application of New Clients from Receipt of Complete Documents / Total No. of Applications Processed or Approved	10%	$(1 - (\text{Actual} - \text{Target}) / \text{Target}) \times \text{Weight}$	40 days	41.31 days	35 days	40 calendar days
		<i>Percentage of New Clients Credit Application within 40 days</i>							<i>Establish Baseline</i>
	SM 8	Average Processing Time of Credit Approval for Existing Client	Total Actual No. of Days for All Applications of Existing Clients from receipt of Complete Documents over Total No. of Applications Processed / Approved	10%	$(1 - (\text{Actual} - \text{Target}) / \text{Target}) \times \text{Weight}$	32.28 days	29.77 days	25 days	30 calendar days
		<i>Percentage of Existing Clients Credit Application processed within 30 days</i>							<i>Establish Baseline</i>

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Component					Baseline Data		Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
SO 6	Continuous Improvement of Processes and Systems							
SM 9	Implement Quality Management System	Actual accomplishment	5%	All or nothing	No Data	No Data	Certificate of Readiness for ISO 9001:2015 Certification	<p>Completed Trainings & Workshops on ISO QMS Requirements & Documentation:</p> <ol style="list-style-type: none"> 1. Orientation on ISO 9001:2015 QMS 2. Training Course on ISO 9001: 2015 QMS Requirements and Documentation 3. Workshop on Process Mapping and Risk-Based Quality Planning 4. Workshop on QMS documentation 5. Training Course on Root Cause Analysis and Corrective Action Formulation

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Component					Baseline Data		Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
							Submit ISO QMS Requirements and Documentation¹: 1. List of Relevant Interested Parties 2. Internal and External Issues Log 3. Risk and Opportunities Register 4. Schematic Diagram	
		Sub-total	25%					

¹ Documents that will show that LBP-LFC has completed the enhancement of operational controls and procedures.

Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018		
LEARNING & GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions							
	SM 10	Percentage of Employees Meeting Required Competencies	Number of employees meeting required competency / Total number of employees ²	5%	(Actual/Target) x Weight	Competency Framework Approved by the LBP-LFC	Improvement to 25.64% from baseline for 39 employees only	10% Improvement from past year	80%
	SO 8	Optimize Use of Information Technology							
	SM 11	Number of IT Projects Implemented	Actual accomplishment	5%	All or nothing	100% Complete Lease and Loan System	30% Complete Document Management System, 100% Complete Customer Relationship Management	1 (Document Management System)	Submit Board-approved ISSP to DICT ³
			Sub-total	10%					
			TOTAL	100%					

² Conducted competency assessment to 100% employees.

³ ISSP shall contain annual targets; implementation of ISSP shall commence in 2019.