



22 January 2019

MR. ALEX V. BUENAVENTURA

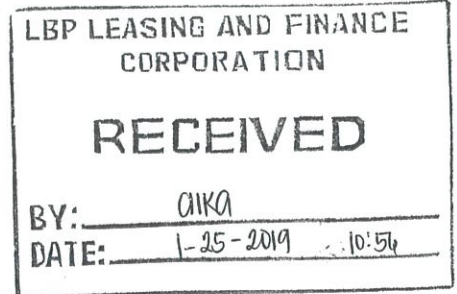
Acting Chairperson

MR. MANUEL H. LOPEZ

President and CEO (PCEO)

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

15/F SyCip Law Center, 105 Paseo de Roxas,
 Legaspi Village, Makati City



RE : TRANSMITTAL OF 2019 PERFORMANCE SCORECARD

San Jh

Dear Acting Chairperson Buenaventura and PCEO Lopez,

This is to formally transmit the 2019 Charter Statement and Strategy Map (**Annex A**), and 2019 Performance Scorecard (**Annex B**) of LBP-LFC. The same is to be posted in LBP-LFC's website, in accordance with Section 43 of GCG Memorandum Circular No. 2012-07¹.

The LBP-LFC proposed Charter Statement, Strategy Map and Performance Scorecard submitted through its letter dated 30 August 2018² were **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held last 15 November 2018 and evaluation of revised documents submitted through its letter dated 29 November 2018³.

We take this opportunity to **REMIND** LBP-LFC that Item 5 of GCG Memorandum Circular No. 2017-02⁴ 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.

FOR YOUR COMPLIANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.

Chairman

MICHAEL P. CLORIBEL

Commissioner

MARITES C. DORAL

Commissioner

¹ Code of Corporate Governance for GOCCs dated 28 November 2012.

² Officially received by the Governance Commission on 30 August 2018.

³ Officially received by the Governance Commission on 3 December 2018 and 4 December 2018.

⁴ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

	Objective/Measure	Component	Baseline Data			Target			
		Formula	Weight	Rating System	2016	2017	2018	2019	
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 P3 Billion	P3.57 Billion	P3.535 Billion	P3.750 Billion	P4.125 Billion
	SM 2	Lower Net Past Due Rate	Total Past Due Rate at the end of the period – Deferred Leasing Income, Unearned Credits & Specific Loan Loss Provision over Total Portfolio	10%	(1-(Actual-Target) /Target) x Weight 0% = if above 3.08%	4.68%	3.08%	2.50%	2.50%
SM 3	Increase Asset Size	Absolute Amount	5%	(Actual/Target) x Weight	P3.975 Billion	N/A	P5.108 Billion	P5.360 Billion ¹	

¹ Target to be revised to P4.750 Billion upon the disposition of the BGC property.

Objective/Measure	Component Formula	Weight	Rating System	Baseline Data		Target		
				2016	2017	2018	2019	
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 P108.41 Million	P90.51 Million	P114 Million	P120 Million	P126 Million ²
	Sub-total		45%					
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%	74.99%	81.06%	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%	99.01% of respondents gave rating of Satisfactory or Higher	76.62% of respondents gave a rating of Very Good to Excellent	95%	95%
	Sub-total		20%					

² Target to be revised to P120 Million upon the disposition of BGC property.

	Objective/Measure	Component				Baseline Data		Target	
		Formula	Weight	Rating System	2016	2017	2018	2019	
	SO 5	Streamline Credit Processing System							
INTERNAL PROCESSES	SM 7	Percentage of Credit Approval Processed within Applicable Time	Total Number of Credit Approval for new and existing clients Processed within Applicable Time/ Total Number of Credit Approvals	20%	(Actual/Target) x Weight 0% = If less than 80%	41.31 days	30.54 days	40 calendar days	100% of credit applications processed within the applicable processing time ³
	SO 6	Continuous Improvement of Processes and Systems							
	SM 8	Implement Quality Management System	Actual accomplishment	5%	All or Nothing	No data	0%	Completed Trainings & Workshops on ISO QMS Requirements & Documentation: 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	ISO 9001:2015 Certification

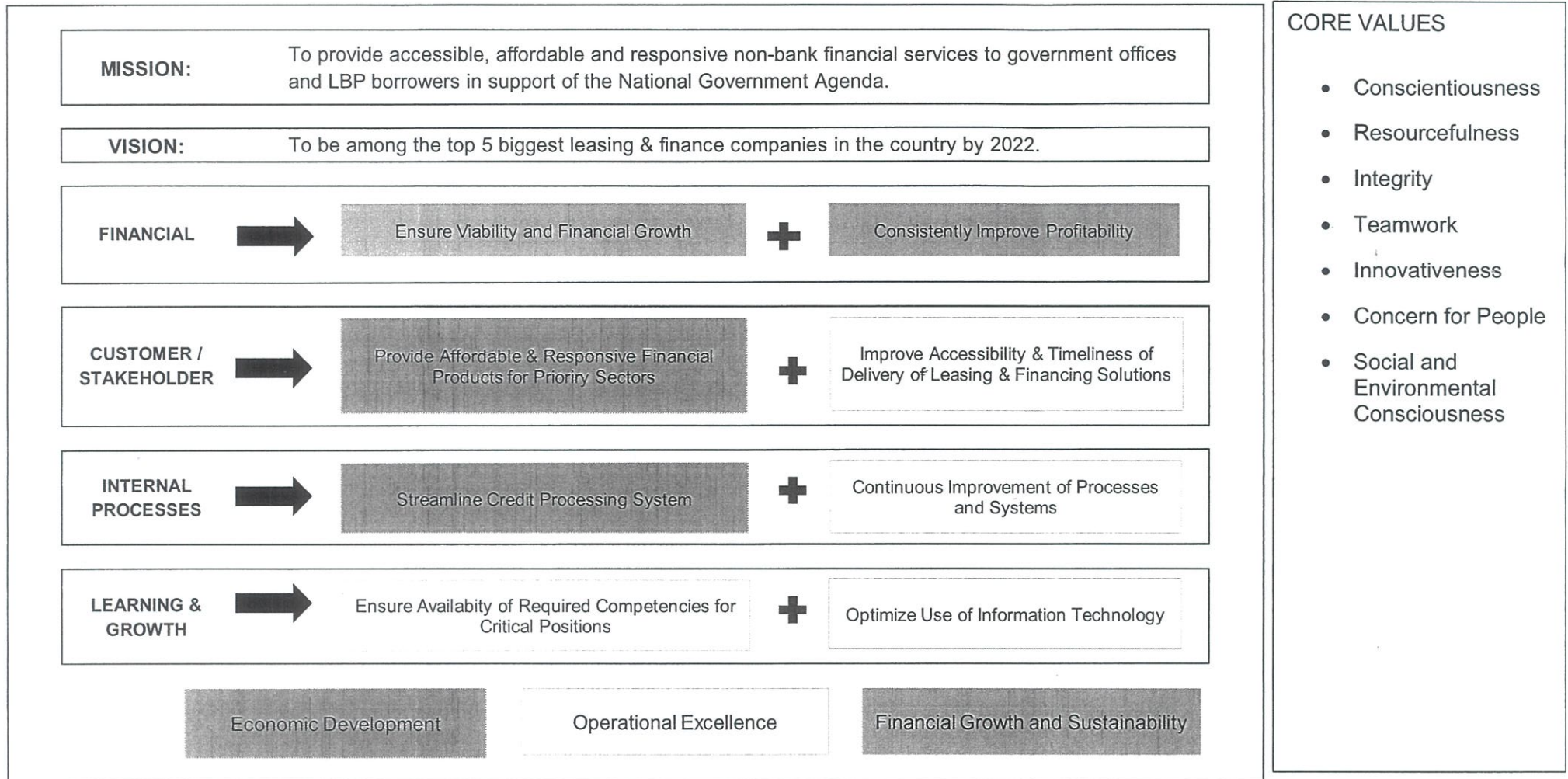
³ Applicable processing time based on LBP-LFC's compliance with Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

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	Objective/Measure	Component			Baseline Data		Target		
		Formula	Weight	Rating System	2016	2017	2018	2019	
							documentation		
							5. Training Course on Root Cause Analysis and Corrective Action Formulation		
							Submit ISO QMS Requirements and Documentation: 1. List of Relevant Interested Parties		
							2. Internal and External Issues Log		
							3. Risk and Opportunities Register		
							4. Schematic Diagram		
		Sub-total							
			25%						
LEARNING AND GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions							
	SM 9	Percentage of Employees Meeting Required Competencies	Number of employees Meeting Required Competencies / Total Number of Employees as identified by LBP-LFC	5%	(Actual/Target) x Weight	Improvement to 25.64% from baseline for 39 employees only	44% of employees assessed have no competency gaps	80%	Address and close competency gaps of 100% of employees based on 2018 year-end assessment

		Component				Baseline Data			Target	
Objective/Measure		Formula	Weight	Rating System	2016	2017	2018	2019		
SO 8	Optimize Use of Information Technology									
SM 10	Implementation of IT Projects	Actual accomplishment	5%	All or Nothing	30% complete Document Management System, 100% Complete Customer Relationship Management	1 (Document Management System)	1 (Document Management System)	100% completion of ISSP projects planned for 2019		
Sub-total			10%							
TOTAL			100%							

2019 CHARTER STATEMENT AND STRATEGY MAP (Annex A)



INTERNAL PROCESSES	SO 5	Streamline Credit Processing System											
	SM 7	Percentage of Credit Approval Processed within the Applicable Time	Total Number of Credit Approval for existing and new clients Processed within Applicable Time / Total Number of Credit Approvals	20%	(Actual/Target) x Weight 0% = if less than 80%	100% of credit applications processed within the applicable processing time*	100%	100%	100%	100%	0%	100%	0%
		Percentage of New Clients Credit Application within 40 days											
		Percentage of Existing Clients Credit Application processed within 30 days				ISO QMS Certification							
	SO 6	Continuous Improvement of Processes and Systems											
SM 8	Implement Quality Management System	Actual accomplishment	5%	All or nothing	ISO QMS Certification	N.A.	N.A.	ISO QMS Certification	N.A.	N.A.	N.A.	N.A.	
					Address and close competency gaps of 100% of employees based	N.A.	N.A.	ISO QMS Certification					
	SUB-TOTAL		25%										
LEARNING AND GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions											
	SM 9	Percentage of Employees Meeting Required Competencies	Number of employees meeting required competency/Total number of employees as identified by LBP-LFC	5%	(Actual/Target) x Weight	Address and close competency gaps of 100% of employees based on 2018 YE assessment	N.A.	N.A.	Address and close competency gaps of 100% of employees based on 2018 YE assessment	N.A.	N.A.	N.A.	N.A.
	SO 8	Optimize Use of Information Technology											
	SM 10	Number of IT Projects Implemented	Actual accomplishment	5%	All or nothing	100% completion of ISSP projects planned for 2019	N.A.	N.A.	Secure DICT approval for ISSP & commence ISSP implementation	N.A.	N.A.	N.A.	N.A.
	SUB-TOTAL		10%										
	TOTAL		100%										

*Applicable processing time based on LBP-LFC's compliance with RA 11032 or Ease of Doing Business Act of 2018