



07 February 2023

**MS. CECILIA C. BORROMELO**

*Chairperson*

**MR. MICHAEL P. ARAÑAS**

*President and CEO (PCEO)*

**LBP LEASING AND FINANCE CORPORATION (LLFC)**

15/F SycipLaw Center, 105 Paseo de Roxas,  
 Makati City

**RE: TRANSMITTAL OF 2023 PERFORMANCE SCORECARD**

Dear Chairperson Borrromeo and PCEO Arañas,

This is to formally transmit the Charter Statement and Strategy Map (**Annex A**) and 2023 Performance Scorecard (**Annex B**) of LLFC. The same is to be posted in LLFC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.<sup>1</sup>

The LLFC-proposed Charter Statement, Strategy Map, and Performance Scorecard submitted through its letter dated 26 August 2022<sup>2</sup> were **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held on 25 October 2022, evaluation of revised documents submitted through its letter dated 17 November 2022,<sup>3</sup> and finalized during the Performance Target Conference (PTC) held on 07 February 2023.

We take this opportunity to remind LLFC that Item 7 of GCG M.C. No. 2023-01<sup>4</sup> 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. LLFC is thus directed to submit its revised Quarterly Targets based on the attached Scorecard within fifteen (15) calendar days from receipt of the GCG-approved Performance Scorecard. The Quarterly Monitoring Reports should disclose substantial changes in circumstances that were unforeseen during the TPM that may affect the timely achievement of targets.

**FOR LLFC'S INFORMATION AND COMPLIANCE.**

Very truly yours,

*Alex Quiroz*  
 Justice ALEX L. QUIROZ (ret.)

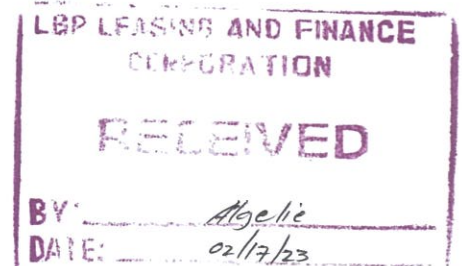
*Chairperson*

FEB 15 2023  
 4:25 PM

*Gideon MorTEL*  
 Atty. GIDEON D.V. MORTEL, D.C.L.  
*Commissioner*

*Geraldine Marie B. Berberabe-Martinez*  
 Atty. GERALDINE MARIE B. BERBERABE-MARTINEZ  
*Commissioner*

cc: LLFC Employees Association



<sup>1</sup> CODE OF CORPORATE GOVERNANCE FOR GOCCs.

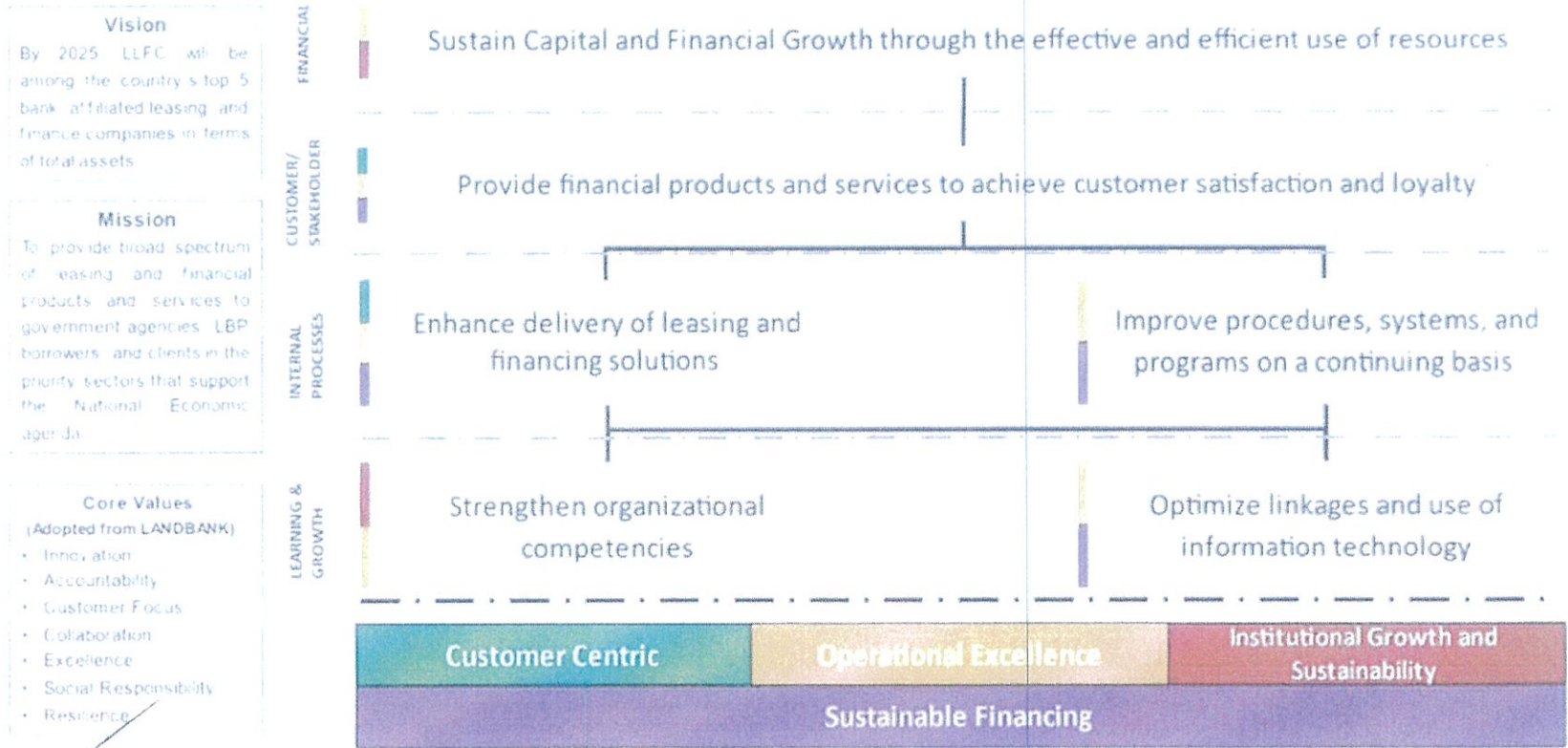
<sup>2</sup> Officially received by the Governance Commission on 26 August 2022.

<sup>3</sup> Officially received by the Governance Commission on 17 November 2022.

<sup>4</sup> PERFORMANCE EVALUATION SYSTEM (PES) FOR THE GOCC SECTOR, dated 19 January 2023.

## 2023 CHARTER STATEMENT AND STRATEGY MAP (Annex A)

### LBP LEASING AND FINANCE CORPORATION



2023 PERFORMANCE SCORECARD (Annex B)

LBP LEASING AND FINANCE CORPORATION (LLFC)

Component					Baseline Data		Target		
Objective/Measure	Formula	Wt.	Rating System	2020	2021	2022	2023		
<b>SO 1</b>	<b>Ensure Viability and Financial Growth</b>								
<b>FINANCIAL</b>	SM 1	Increase Total Portfolio	Total Outstanding Financing and Leasing Portfolio (based on Net Exposure) by End of December	15%	(Actual / Target) x Weight  0% = If less than P3 Billion	₱4.392 Billion	₱4.746 Billion	₱5.160 Billion	₱5.418 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 over Total Portfolio	10%	{1-(Actual-Target)/Target} x weight	1.98%	2.42%	6.0%	5.0%
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	₱5.04 Billion	₱4.967 Billion	₱5.40 Billion	₱5.70 Billion

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2020	2021	2022	2023	
CUSTOMER/STAKEHOLDER	SO 2	Consistently Improve Profitability							
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	₱339.56Million	₱29.92 Million	₱40.0 Million	₱60.0 Million
	SM 5	Efficient Utilization of Corporate Operating Budget	Total Disbursement / Board-approved Corporate Operating Budget (both net of PS Cost)	5%	(Actual / Target) x Weight	N/A	N/A	Not lower than 90% and not exceeding 100%	90%
			<b>Sub-total</b>	<b>50%</b>					
	SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors							
	SM 6	Percentage of Portfolio Level allocated to priority sectors	Total amount of portfolio allocated to priority sector over Total portfolio at the end of the year	15%	Below 75% = 0%; 75% to less than 90% = 7.5%; 90% and above = 15%	86.51%	85.43%	85%	90%

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2020	2021	2022	2023	
	<b>SO 4</b>	<b>Improve Accessibility &amp; Timeliness of Delivery of Leasing &amp; Financing Solutions</b>							
	SM 7	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%	100%	99%	95%	95%
			<i>Sub-total</i>	<b>20%</b>					
<b>INTERNAL PROCESSES</b>	<b>SO 5</b>	<b>Streamline Credit Processing System</b>							
	SM 8	Percentage of Credit approval Processed within Applicable Time	Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals	15%	(Actual / Target) x Weight;  0% = If below 80%	100%	96.77%	100% of credit applications processed within the applicable processing time <sup>1</sup>	100% of credit applications processed within the applicable processing time <sup>2</sup>

<sup>1</sup> Applicable processing time will be based on LLFC's compliance with Republic Act No. 11032.

<sup>2</sup> Applicable processing time will be based on LLFC's compliance with Republic Act No. 11032.

Component					Baseline Data		Target	
Objective/Measure	Formula	Wt.	Rating System	2020	2021	2022	2023	
<b>SO 6</b>	<b>Continuous Improvement of Processes and Systems</b>							
SM 9	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Maintained ISO 9001:2015 Certification	Maintained ISO 9001:2015 Certification	Re-certification of ISO 9001:2015	Maintain ISO 9001:2015 Certification
		<i>Sub-total</i>	<i>20%</i>					
<b>SO 7</b>	<b>Ensure Availability of Required Competencies for Critical Positions</b>							
LEARNING & GROWTH SM 10	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	2.5%	All or Nothing	Overall Organization Competency declined by 0.54%	Improved Competency based on 2020 year-end assessment	Improvement on the competency level based on 2021 year-end assessment	Board Approved Revised Competency Framework
			2.5%					Competency Assessment of all eligible employees <sup>3</sup>

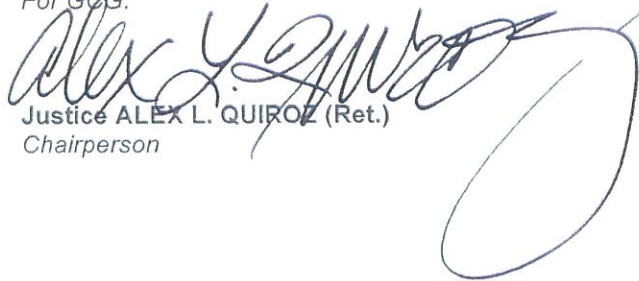
<sup>3</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^A \left( \frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right)}{A} \times B$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

Component					Baseline Data		Target	
Objective/Measure	Formula	Wt.	Rating System	2020	2021	2022	2023	
SO 8	Optimize Use of Information Technology							
SM 11	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	Completed 57% of ISSP Projects Planned for 2020	100% completion of ISSP projects planned for 2021 including the Remaining Projects due for 2020	100% completion of 2022 target ISSP Project based on Board-approved or DICT endorsed ISSP	100% completion of 2023 target ISSP Project based on Board-approved or DICT endorsed ISSP
		<b>Sub-total</b>	<b>10%</b>					
		<b>TOTAL</b>	<b>100%</b>					

For GGG:



Justice ALEX L. QUIROZ (Ret.)  
Chairperson

For LLFC:



MR. MICHAEL P. ARANAS  
President and CEO (PCEO)

