



09 SEPTEMBER 2019

FRANCISCO J. LEONOR, JR. President and CEO LBP LEASING AND FINANCE CORPORATION (LBP-LFC) 15/F Sycip Law Center, 105 Paseo de Roxas, Legaspi Village Makati City

ACKNOWLEDGEMENT RECEIPT

LETTER 09 SEPTEMBER 2019 DATE:

RE:

SUBMISSION OF LBP-LFC'S SUPPORTING DOCUMENTS FOR THE 2ND QUARTER PES MONITORING REPORT

The said document was officially received by the Governance Commission on 09 September 2019 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers (02) 328-2030 or (02) 318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: <u>0-0214-09-09-2019-014757</u>.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

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Signature over Printed Name

Date and Time

LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

09 September 2019

Chairman Samuel G. Dagpin, Jr. Governance Commission for GOCCs 3rd Flr., Citibank Plaza, 8741 Paseo de Roxas St., Makati City

RE: PES QUARTERLY MONITORING REPORT



KLLLIV

Dear Chairman Dagpin:

Pursuant to your letter dated 28 August 2019 which we received last 03 September 2019, we are submitting herewith the following supporting documents for the 2nd Quarter PES Monitoring Report:

- 1. SM 1: Increase in Total Portfolio
 - a. Reported Total Portfolio as of June 30, 2019
 - b. Schedule of Total Portfolio as of June 30, 2019
- 2. SM 2: Lower Net Past Due Rate;
 - a. Net Past Due Rate Computation as of June 30, 2019
 - b. Total Past Due Leases and Loans as of June 30, 2019
 - c. Schedule of Specific Loan Loss Provision as of June 30, 2019
 - d. Schedule of Total Portfolio as of June 30, 2019
- 3. SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax;
 - a. Reported Results of Operations as of June 30, 2019
 - b. Schedule of Monthly and Quarterly Net Income After Tax
- 4. SM 5: Percentage of Total Portfolio allocated to Priority Sector
 - a. Priority Sectors Portfolio Computation as of June 30, 2019
 - b. List of Accounts Balances included in the Priority Sector
- 5. SM 6: Average Processing Time of Credit Approvals
 - a. Account Monitoring Sheets
 - b. Application Forms
 - c. ExCom/BOD Resolutions approving credit facilities

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

ANCISCO/J. LEONOR/ JR. Presid CEO ar

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LBP LEASING and FINANCE CORPORATION

	COMPONENT						2019 Targets per Quarter				1st QTR 2019		2nd QTR 2019	
		Objective/Measure	Formula	Weight	Rating System	2019 Target	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Actual	Over (Under)	Actual	Over (Under)
FINANCIAL	SO1	SO1 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	P4.125 B	P4.000 B	P4.075 B	P4.100 B	P4.125 B	P4.072 B	РО.072 В	P4.010 B	(P0.065 B)
	SM 2	Lower Net Past Due Rate	Total Past Due 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%	2.50%	2.50%	2.50%	2.50%	2.50%	15.37%	(12.87%)'	12.01%	(9.51%)'
FIL	SM 3	Increase Asset Size	Absolute amount	5%	(Actual / Target) x Weight	P5.360 B	P4.750 B	P5.000 B	P5.250 B	P5.360 B	P4.921 B	P0.171 B	P4.872 B	(P0.128 B)
	SO 2	Consistently Improve Pr	ofitability											
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight 0% = If Below 108.41 Million	P126.000 M	P31.000 M	P31.000 M	P32.000 M	P32.000 M	P15.578 M	(P15.422 M)	P10.253 M	(P20.747 M)
		SUB-TOTAL		45%										
STAKEHOLDERS	SO 3	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 over Total portfolio at the end of the year	15%	Below 75% = 0% 75% - 79.9% = 7% 80% and above = 15%	80%	80.00%	80.00%	80.00%	80.00%	81.06%	1.06%	81.26%	1.26%
/ ST	SO 4	SO 4 Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions												
CUSTOMER/	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%	95%	N.A.	N.A.	N.A.	95%	N.A.	N.A.	N.A.	N.A.
		SUB-TOTAL		20%										
	SO 5 Streamline Credit Processing System													

	COMPONENT						2019 Targets per Quarter				1st QTR 2019		2nd QTR 2019	
		Objective/Measure	Formula	Weight	Rating System	2019 Target	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Actual	Over (Under)	Actual	Over (Under)
	SO1	Ensure Viability and Financial Growth												•
INTERNAL PROCESSES	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%	100%	0%	100%	0%
	SO 6	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.	N.A.	ISO QMS Certification	N.A.	N.A.	N.A.	N.A.
		SUB-TOTAL		25%										
	SO 7 Ensure Availability of Required Competencies for Critical Positions													
GROWTH	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.	N.A.	Address and close competency gaps of 100% of employees based on 2018 YE assessment	N.A.	N.A.	N.A.	N.A.
ğ	SO 8	Optimize Use of Informa	ition Technology											
LEARNING AND	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.	N.A.	Secure DICT approval for ISSP & commence ISSP implementation	N.A.	N.A.	N.A.	N.A.
		SUB-TOTAL		10%										
		TOTAL		100%										
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*Applicable processing time based on LBP-LFC's compliance with RA 11032 or Ease of Doing Business Act of 2018