



30 OCTOBER 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 30 OCTOBER 2019

DATE:

RE: SUBMISSION OF LBP-LFC'S QUARTERLY MONITORING REPORT FOR

THE 3RD QUARTER OF 2019

The said document was officially received by the Governance Commission on 30 October 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: **0-0207-30-10-2019-017948**.

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LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

30 October 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



Dear Chairman Dagpin:

As required, we are submitting herewith, LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 3rd Quarter of 2019. Also attached are the following supporting documents:

- 1. SM 1: Increase in Total Portfolio
 - a. Reported Total Portfolio as of September 30, 2019
 - b. Schedule of Total Portfolio as of September 30, 2019
- 2. SM 2: Lower Net Past Due Rate
 - a. Net Past Due Rate Computation as of September 30, 2019
 - b. Total Past Due Leases and Loans as of September 30, 2019
 - c. Schedule of Specific Loan Loss Provision as of September 30, 2019
 - d. Schedule of Total Portfolio as of September 30, 2019
- 3. SM 3: Increase in Asset Size and SM 4: Increase in NIAT
 - a. Reported Results of Operations as of September 30, 2019
 - b. Schedule of Monthly and Quarterly NIAT
- 4. SM 5: Percentage of Total Portfolio allocated to Priority Sector
 - a. Priority Sector Portfolio Computation as of September 30, 2019
 - b. List of Accounts Balances included in 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,

FRANCISCO J. LEONOR JR. President and CEO July

> 15/F SycipLa∯ Center, No. 105 Paseo de Roxas, Makati City 1226, Philippines Trunkline No.: 818-2200 • Fax No.: 819-6176 • Website: www.lbpleasing.com

LBP LEASING and FINANCE CORPORATION

	COMPONENT							2019 Tar	gets per Quarte	r	1st Q1	R 2019	2nd QTR 2019		3rd QTR 2019	
		Objective/Measure	Formula	Weight	Rating System	2019 Target	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)
	SO1	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	P4.125 B	P4.000 B	P4.075 B	P4.100 B	P4.125 B	P4.072 B	P0.072 B	P4.010 B	(P0.065 B)	P3.664 B	(P0.436 B)
FINANCIAL	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%)'	13.36%	(10.86%)
	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)	P4.567 B	(P0.683)
ı	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)	P13.750 M	(P18.250M)
		SUB-TOTAL		45%												
	SO 3	3 Provide Affordable & Responsive Financial Products for Priority Sectors														
EHOLDERS	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%	86.38%	6.38%
¥	SO 4	Improve Accessibility &	Timeliness of Delivery of Leasing &	Financing	Solutions											
CUSTOMER/ STAKEHOLDERS	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.	N.A.	N.A.
		SUB-TOTAL		20%												

	COMPONENT					1		2019 Tar	gets per Quarte	r	1st Q	TR 2019	2nd QTR 2019		3rd QTR 2019	
		Objective/Measure	Formula	Weight	Rating System	2019 Target	1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)
INTERNAL PROCESSES	SO 5	Streamline Credit Proces	ssing 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%	100%	0%	100%	0%	100%	0%
8	SO 6	Continuous Improvemen	ontinuous Improvement of Processes and Systems													
IN	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.	N.A.	N.A.
		SUB-TOTAL		25%												
	SO 7	SO 7 Ensure Availability of Required Competencies for Critical Positions														
AND 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.	N.A.	N.A.
è	SO 8	8 Optimize Use of Information Technology														
LEARNING AN	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.	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