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03 AUGUST 2020

FRANCISCO J. LEONOR, JR.

President and CEO

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

15/F Sycip Law Center, 105 Paseo de Roxas, p

Legaspi Village Makati City

ACKNOWLEDGEMENT RECEIPT

LETTER 30 JULY 2020

DATE:

RE: **[E] SUBMISSION OF LBP-LFC's 1ST AND 2ND QUARTER MONITORING REPORT FOR CY 2020**

The said document was officially received by the Governance Commission on 03 August 2020 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: **0-1101-03-08-2020-008552**.

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LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

30 July 2020

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 1st and 2nd Quarter of 2020. Also attached are the following supporting documents:

1. SM 1: Increase in Total Portfolio
 - a. Schedule of Total Portfolio as of March 31 and June 30, 2020
2. SM 2: Lower Net Past Due Rate
 - a. Net Past Due Rate Computation as of March 31 and June 30, 2020
 - b. Total Past Due Leases and Loans as of March 31 and June 30, 2020
 - c. Schedule of Specific Loan Loss Provision as of March 31 and June 30, 2020
 - d. Schedule of Total Portfolio as of March 31 and June 30, 2020
3. SM 3: Increase in Asset Size and SM 4: Increase in NIAT
 - a. Balance Sheet and Income Statement as of March 31, 2020 and June 30, 2020
 - b. Quarterly Monitoring Report
4. SM 5: Percentage of Total Portfolio allocated to Priority Sector
 - a. Priority Sector Portfolio Computation as of March 31 and June 30, 2020
5. SM 6: Average Processing Time of Credit Approvals
 - a. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,


FRANCISCO J. LEONOR JR.
President and CEO

2020 Performance Scorecard (As Modified by GCU)										1ST QTR. 2020		2ND QTR. 2020		
COMPONENTS						2020 Target	2020 Targets per Quarter				Actual	Over (Under)	Actual	Over (Under)
	Objective/Measure	Formula	Weight	Rating System			1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.				
FINANCIAL	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	P4.500 B	P4.200 B	P4.300 B	P4.400 B	P4.500 B	P4.255B	P.055B	P4.228B	(P.072B)
	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%	8.77%	(6.27%)	8.74%	(6.24%)
	SM 3	Increase Asset Size	Absolute amount	5%	(Actual / Target) x Weight	P5.400 B	P4.960 B	P5.160 B	P5.260 B	P5.400 B	P5.298B	P0.338 B	P5.268B	P0.108 B
	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	P90.0 M	P22.5 M	P22.5 M	P22.5 M	P22.5 M	P6.495 M	(P16.005 M)	(P9.042 M)	(P31.542 M)
	SUB-TOTAL			45%										
CUSTOMER/ STAKEHOLDERS	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 over Total portfolio at the end of the year	15%	Below 75% = 0%; 75% - 79.9% = 7%; 80% and above = 15%	80%	80%	80%	80%	80%	88%	8%	87%	7%
	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%	95%	NA	NA	NA	95%	NA	NA	NA	NA
	SUB-TOTAL			20%										
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% of credit applications processed within the applicable processing time*	100% of credit applications processed within the applicable processing time*	100% of credit applications processed within the applicable processing time*	100% of credit applications processed within the applicable processing time*	80%	Pass	70%	Fail
	SO 6	Continuous Improvement of Processes and Systems												
	SM 8	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Maintain ISO 9001:2015 Certification	NA	NA	NA	Completion of Certifying Body Surveillance for 2020	NA	NA	NA	NA
SUB-TOTAL			25%											
	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	Improvement on the Competency Level of the Organization based on the 2019 year-end assessment	NA	NA	NA	Address and close gaps of 100% of employees based on 2019 year-end assessment	NA	NA	NA	NA
	SO 8	Optimize Use of Information Technology												

COMPONENTS						2020 Target	2020 Targets per Quarter				1ST QTR. 2020		2ND QTR. 2020	
		Objective/Measure	Formula	Weight	Rating System		1st Qtr.	2nd Qtr.	3rd Qtr.	4th Qtr.	Actual	Over (Under)	Actual	Over (Under)
LEARNING AND GROWTH	SM 10	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	100% completion of ISSP projects planned for 2020: 1. Network Infrastructure Upgrade: PABX Uninterruptible Power Supply, Server, Storage, Laptop Computer, Desktop Computer; 2. Procurement and Upgrade of other ICT Equipment: Printers, CCTV, Audio Video Teleconferencing 3. Enterprise Content Management System	NA	NA	NA	100% completion of ISSP projects planned for 2020	NA	NA	NA	NA
		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