



31 OCTOBER 2023

RAIZZA L. GONZALES

Officer-in-Charge

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

rlgonzales@lbpleasing.com

ACKNOWLEDGEMENT RECEIPT

LETTER **31 OCTOBER 2023**
DATE:

RE: **[E] LETTER FROM LLFC TO GCG SUBMITTING ITS
3RD QUARTER MONITORING REPORT FOR CY
2023**

The said document was officially received by the Governance Commission on 31 October 2023 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) 5328-2030 or (02) 5318-1000. Please cite the GCG Document Management System (DMS) Barcode Number: **0-0656-31-10-2023-023958**.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Received by:

Signature over Printed Name

Date and Time

PRIVACY NOTICE: Any or all personal data you provided will only be used to process your transaction with the GCG and for other compatible purposes. All collected data will be kept secure and confidential, unless otherwise authorized by law. They will be disposed of as soon as the purpose for their use has been achieved. Only aggregate or anonymized data shall be subject to further processing. We respect your rights under the Data Privacy Act. Should you wish to invoke any such rights in relation to our processing of your personal data, or have questions or clarifications relative to privacy and data protection, you may contact the GCG – Data Privacy Team at privacy@gcg.gov.ph. You may lodge your complaint or submit an incident report form in the same email address.



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LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

31 October 2023

Chairperson Atty. Marius P. Corpus

Governance Commission for GOCCs

3rd Floor, Citibank Plaza,

8741 Paseo de Roxas St.,

Makati City

RE: LBP-LFC PES QUARTERLY MONITORING REPORT – 3rd QUARTER CY 2023

Dear **Chairperson Quiroz**:

As required, we are submitting herewith the LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 3rd Quarter of 2023. Also attached are the following supporting documents:

- 1. Accomplished PES Form 4 for the 3rd Quarter of 2023**
- 2. SM 1: Increase in Total Portfolio**
 - a. Schedule of Total Portfolio as of September 30, 2023
 - b. Reported Asset Quality as of September 30, 2023
- 3. SM 2: Lower Net Past Due Rate**
 - a. Net Past Due Rate Computation as of September 30, 2023
 - b. Total Past Due Leases and Loans as of September 30, 2023
 - c. Schedule of Specific Loan Loss Provision as of September 30, 2023
 - d. Schedule of Total Portfolio as of September 30, 2023
- 4. SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax**
 - a. Reported Results of Operations as of September 30, 2023
 - b. Prudential Balance Sheet as of September 30, 2023
 - c. Prudential Income Statement as of September 30, 2023
- 5. SM 5: Efficient Utilization of Corporate Operating Budget**
 - a. Budget Utilization Report as of September 30, 2023
- 6. SM 6: Percentage of Total Portfolio allocated to Priority Sector**
 - a. Priority Sector Portfolio Computation as of September 30, 2023
 - b. List of Account Balances included in Priority Sector
- 7. SM 8: Average Processing Time of Credit Approvals**
 - a. Credit Approvals Monitoring Sheet – 3rd Quarter 2023
 - b. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

RAIZZA L. GONZALES

Officer-In-Charge

LBP LEASING AND FINANCE CORPORATION

PES Form 4
3rd Quarter Monitoring Report CY 2023

COMPONENTS					2023 Modified Target	3RD QUARTER 2023 (JULY TO SEPTEMBER)			As of September 30, 2023	% of Accomplishment
	Objective/Measure	Formula	Weight	Rating System		Target	Actual	Over(Under)		
SO1	Sustain Capital and Financial Growth through the effective and efficient use of resources									
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	P 5.418 B	P5.341 B	P5.063 B	(P0.278 B)	P5.063 B	93.45%
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	5.00%	5.00%	9.32%	(4.32%)	9.32%	-13.40%
SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.700 B	P5.622 B	P5.947 B	P0.325 B	P5.947 B	104.33%
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P60.0M	P15.0M	P17.91M	P2.91M	P32.052M	53.42%
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	90%	75%	46.63%	(28.37%)	46.63%	46.63%
	SUB-TOTAL		50%							
SO 2	Provide financial products to achieve customer satisfaction and loyalty									
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%	90%	90%	93.68%	3.68%	93.68%	104.09%
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%	95%	N/A	N/A	N/A	Ongoing. For 2023, LLFC will be utilizing the CSM of ARTA for the CSS	-
	SUB-TOTAL		20%							
SO 3	Enhance delivery of leasing and financing solutions									
SM 8	Percentage of Credit Approvals Processed within the 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% of credit applications processed within the applicable processing time*	100% of credit applications processed within the applicable processing time*	100%	100%	100%	100%
SO 4	Improve procedures, systems, and programs on a continuing basis									
SM 9	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Maintenance of ISO 9001:2015 Certification	N/A	N/A	N/A	Ongoing. LLFC continuously implementing the 1st Surveillance Audit scheduled in November 2023	-
	SUB-TOTAL		20%							

LBP LEASING AND FINANCE CORPORATION

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SO 5	Strengthen organizational competencies									
SM 10	Percentage of Employees Meeting Required Competencies	Actual accomplishment	2.5%	All or nothing	Board Approved Revised Competency Framework	N/A	N/A	N/A	Ongoing. LLFC and its technical consultant had started working on the deliverables which is expected to be completed by end of the year	-
			2.5%		Competency Assessment of all eligible employees**					-
SO 6	Optimize Linkages and Use of Information Technology									
SM 11	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	100% completion of 2023 target ISSP Projects based on BOD approved or DICT endorsed ISSP	N/A	N/A	N/A	Ongoing. IT Unit is actively working on the completion of various ISSP Projects intended for the year 2023. To date, 62% of the projects have been implemented	-
	SUB-TOTAL		10%							
	TOTAL		100%							

* Applicable processing time will be based on LLFC's compliance with Republic Act No. 11032

**The competency baseline of the organization shall pertain to the average percentage required competencies met which can be computed using the formula

Prepared by:

ANGELIQUE D. JAVIER
Administrative Specialist I
Date: 10.19.2023

Reviewed by:

RAIZZA L. GONZALES
VP/ Head - Corporate Services Group
Date:

Approved by:

MICHAEL P. ARAÑAS
President and CEO
Date:

PETER PAUL I. RIGOR
VP/Head- Account Management Group
Date: 10.19.2023

LBP LEASING AND FINANCE CORPORATION

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