LBP LEASING and FINANCE CORPORATION

2017 Quarterly Monitoring Report

Per 2017 GCG-Set Performance Targets

	PAN AGREEMENT						2017 Quarterly Targets				1st QTR 2017		2nd QTR 2017		3rd QTR 2017		4th QTR 2017		
		Component																	
			Weight	Weight	Formula	Full Year 2017 Target	1st	2nd	3rd	4th	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)	Remarks
FINANCIAL	**SO 1**	**Ensure Viability and Financial Growth**																	
	SM 1	Average Monthly Total Portfolio *(Total Portfolio in previous years' targets)*	20%	15%	Absolute Amount	P3.750 B	P3.600 B	P3.690 B	P3.840 B	P4.035 B	P3.529 B	(P0.071 B)	P3.497 B	(P0.193 B)	P3.480 B	(P0.360 B)	P3.535 B	(P0.500 B)	
	SM 2	Net Past Due Rate	5%	10%	Total PD less Deferred Leasing Income/Unearned Credits & Specific Loan Loss Provision over Total Portfolio	3.50%	4.50%	4.00%	3.75%	3.50%	5.65%	(1.15%)	5.53%	(1.53%)	5.80%	(2.05%)	3.08%	0.42%	
	SO 2	**Consistently Improve Profitability**																	
	SM 3	Net Income After Tax	5%	15%	Absolute Amount	P135.000 M	P28.442 M	P28.085 M	P36.474 M	P42.009 M	P24.339 M	(P4.103 M)	P14.858 M	(P13.227 M)	P35.268 M	(P1.206 M)	P33.946 M	(P8.063 M)	
		Sub-Total		**40%**															
	SO 3	**Provide Affordable & Responsive Financial Products for Priority Sectors**																	
CUSTOMERS / STAKEHOLDERS	SM 4	Number of Units under Special Financing/Leasing Programs	10%	10%	Absolute Number	100 new units	25	25	25	25	9	(16)	3	(22)	-	-	-	-	Marketing of the Program was suspended by the Executive Committee on 18 Nov 2016 subject to a comprehensive study by the LLFC Internal Auditor; the suspension was maintained despite the submission of the study.
	SM 5	Percentage of Priority Sectors Portfolio	15%	10%	Percentage of Priority Sectors Portfolio over Total Portfolio	80%	75%	75%	75%	80%	79.63%	4.63%	80.81%	5.81%	81.71%	6.71%	81.17%	1.17%	
	SO 4	**Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions**																	
	SM 6	Customer Satisfaction Rating Based on In-house Survey	15%	5%	Absolute Number	95% of respondents should have rated LBP LC "very good to excellent"				95% of respondents should have rated LBP LC "very good to excellent"	NA	NA	NA	NA	NA	NA			Responses are still being received from recipients of 2017 Survey. Results to be computed before end of 1st Qtr 2018.
	SM 7	Number of Branches / Extension Offices Established		5%	Absolute Number	3				3	NA	NA	NA	NA	NA	NA	1	-	
		Sub-Total		**30%**															

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		Component																	
			Weight	Weight	Formula	Full Year 2017 Target	1st	2nd	3rd	4th	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)	Actual	Over (Under)	Remarks
INTERNAL PROCESS	**SO 5**	**Streamline Credit Processing System**																	
	SM 8	Average Credit Approval Processing Time **New** Clients	2.5%	7.5%	Total Actual No. of Days for all Applications from Receipt of Complete Documents over Total No, of Applications Approved	35 days	40 days	40 days	40 days	35 days	None	(No New Accounts)	42.50 days	(2.50 days)	55.57 days	(15.57 days)	51.38 days	(11.38 days)	
	SM 9	Average Credit Approval Processing Time **Existing** Clients	2.5%	7.5%	Total Actual No. of Days for all Applications from Receipt of Complete Documents over Total No, of Applications Approved	25 days	30 days	30 days	30 days	25 days	29.86 days	0.14 days	28.09 days	1.91 days	29.91 days	0.09 days	30.54 days	(0.54 days)	
	SO 6	**Continuous Improvement of Processes and Systems**																	
	SM 10	ISO QMS Certification	5%	5%	Absolute Number	Certificate of Readiness for ISO 9001:2015 Certification				Certificate of Readiness for ISO 9001:2015 Certification	NA	NA	NA	NA	Approved Quality Policy and Objective	Approved Quality Policy and Objective			Approval of Quality Policy and Objective was the agreed target during the TWG meeting at GCG
		Sub-Total		**20%**															
LEARNING AND GROWTH	**SO 7**	**Ensure Availability of Required Competencies for Critical Positions**																	
	SM 11	Reduce Competency Gap	5%	5%	Percentage of Reduction in Competency Gaps as of Year-End	10% Improvement from past year				10% Improvement from past year	NA	NA	NA	NA	NA	NA			Evaluation of Competencies as of 31 December 2017 on-going; expected completion on or before end of 1st Qtr 2018
	SO 8	**Continuous Improvement of IT Infrastructure**																	
	SM 12	Number of IT Projects Implemented	5%	5%	Absolute Number	1 (Document Mngt. System)				1	NA	NA	NA	NA	NA	NA	1	-	
		Sub-Total		**10%**															
		Total Weight	**100%**	**100%**															