



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226



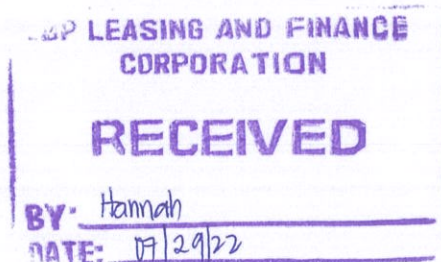
Management
System
ISO 9001:2015
www.tuv.com
ID: 910500109

29 JULY 2022

MICHAEL P. ARANAS
President/CEO
LBP LEASING AND FINANCE CORPORATION (LBP-LFC)
15/F Sygiplaw Center, No. 105, Paseo De Roxas Makati City

ACKNOWLEDGEMENT RECEIPT

LETTER 29 JULY 2022
DATE:



RE: **[E] LETTER FROM LBP-LFC TO GCG RE SUBMISSION OF
QUARTERLY MONITORING REPORT FOR THE 2ND QUARTER OF
2022 AND ITS SUPPORTING DOCUMENTS**

The said document was officially received by the Governance Commission on 29 July 2022 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: **0-0122-29-07-2022-013470.**

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.



LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

29 July 2022

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

RE: LBP-LFC PES QUARTERLY MONITORING REPORT – 2nd QUARTER CY 2022

Dear **Chairman Dagpin**:

As required, we are submitting herewith, LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 2nd Quarter of 2022. Also attached are the following supporting documents:

- 1. Accomplished PES Form 4 for the 2nd Quarter of 2022**
- 2. SM 1: Increase in Total Portfolio**
 - a. Schedule of Total Portfolio as of June 30, 2022
 - b. Reported Asset Quality as of June 30, 2022
- 3. SM 2: Lower Net Past Due Rate**
 - a. Net Past Due Rate Computation as of June 30, 2022
 - b. Total Past Due Leases and Loans as of June 30, 2022
 - c. Schedule of Specific Loan Loss Provision as of June 30, 2022
 - d. Schedule of Total Portfolio as of June 30, 2022
- 4. SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax**
 - a. Reported Results of Operations as of June 30, 2022
 - b. Prudential Balance Sheet as of June 30, 2022
 - c. Prudential Income Statement as of June 30, 2022
- 5. SM 5: Efficient Utilization of Corporate Operating Budget**
 - a. Budget Utilization Report as of June 30, 2022
- 6. SM 6: Percentage of Total Portfolio allocated to Priority Sector**
 - a. Priority Sector Portfolio Computation as of June 30, 2022
 - b. List of Account Balances included in Priority Sector
- 7. SM 8: Average Processing Time of Credit Approvals**
 - a. Credit Approvals Monitoring Sheet – 2nd Quarter 2022
 - b. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

MICHAEL P. ARAÑAS
President and CEO

	COMPONENTS					2022 Modified Target	2nd Quarter 2022 (April to June)		
		Objective/Measure	Formula	Weight	Rating System		Target	Actual	Over(Under)
FINANCIAL	SO 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	P5.160 B	P4.850 B	P5.206 B	P0.356 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%	$(1 - [(Actual - Target) / Target]) \times Weight$	6.00%	6.00%	3.92%	2.08%
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P5.400 B	P5.275 B	P5.230 B	(P0.045 B)
	SO 2	Consistently Improve Profitability							
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P40.0 M	P10.0 M	P9.5 M	(P0.5 M)
	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%	50%	67.11%	17.11%
		SUB-TOTAL		50%					
CUSTOMER/ STAKEHOLDERS	SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors							
	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% - 79.9% = 7%; 80% and above = 15%	85%	85%	96.36%	11.36%
	SO 4	Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions							
	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%	NA	N/A	N/A
		SUB-TOTAL		20%					
INTERNAL PROCESSES	SO 5	Streamline Credit Processing System							
	SM 8	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	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%	0%
	SO 6	Continuous Improvement of Processes and Systems							
	SM 9	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Re-certification of ISO 9001:2015	N/A	N/A	N/A
		SUB-TOTAL		20%					

	COMPONENTS					2022 Modified Target	2nd Quarter 2022 (April to June)		
		Objective/Measure	Formula	Weight	Rating System		Target	Actual	Over(Under)
LEARNING AND GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions							
	SM 10	Percentage of Employees Meeting Required Competencies	Competency Baseline 2021 - Competency Baseline 2020	5%	(Actual/Target) x Weight	Improvement on the Competency Level of the Organization based on the 2021 year-end assessment	N/A	N/A	N/A
	SO 8	Optimize Use of Information Technology							
	SM 11	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	100% completion of 2022 target ISSP Projects based on BOD approved or DICT endorsed ISSP	N/A	N/A	N/A
	SUB-TOTAL			10%					
	TOTAL			100%					

Prepared by: -


 ANGELIQUE D. JAVIER
 Management Services Analyst

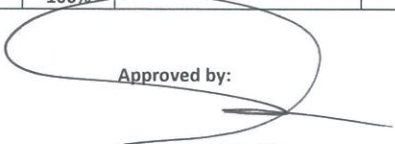
Reviewed by:


 RAIZAL L. GONZALES
 VP/ Head - Corporate Services Group


 PETER PAUL I. RIGOR
 OIC - Account Management Group


 KENNETH S. STA. ROSA
 Head - Accounting Unit

Approved by:


 MICHAEL P. ARAÑAS
 President and CEO