



02 MAY 2023

MS. RIZA M. HERNANDEZ

Officer-In-Charge

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

15th Flr., SSGH Law Center Bldg. 105 Paseo de Roxas St., Makati City

ACKNOWLEDGEMENT RECEIPT

LETTER **27 APRIL 2023**
 DATE:

RE: **[E] LETTER FROM LLFC TO GCG RE SUBMISSION OF ITS 1ST QUARTER MONITORING REPORT FOR CY 2023 AND SUPPORTING DOCUMENTS**

The said document was officially received by the Governance Commission on 02 May 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: **0-1231-02-05-2023-008492.**

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.

“Upholding a Transparent and Responsive GOCC Sector for the Filipino People”





LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

27 April 2023

Chairperson Alex L. Quiroz

Governance Commission for GOCCs
3rd Flr., Citibank Plaza,
8741 Paseo de Roxas St.,
Makati City

RE: LBP-LFC PES QUARTERLY MONITORING REPORT – 1st QUARTER CY 2023

Dear **Chairperson Quiroz**:

As required, we are submitting herewith the LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 1st Quarter of 2023. Also attached are the following supporting documents:

1. **Accomplished PES Form 4 for the 1st Quarter of 2023**
2. **SM 1: Increase in Total Portfolio**
 - a. Schedule of Total Portfolio as of March 31, 2023
 - b. Reported Asset Quality as of March 31, 2023
3. **SM 2: Lower Net Past Due Rate**
 - a. Net Past Due Rate Computation as of March 31, 2023
 - b. Total Past Due Leases and Loans as of March 31, 2023
 - c. Schedule of Specific Loan Loss Provision as of March 31, 2023
 - d. Schedule of Total Portfolio as of March 31, 2023
4. **SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax**
 - a. Reported Results of Operations as of March 31, 2023
 - b. Prudential Balance Sheet as of March 31, 2023
 - c. Prudential Income Statement as of March 31, 2023
5. **SM 5: Efficient Utilization of Corporate Operating Budget**
 - a. Budget Utilization Report as of March 31, 2023
6. **SM 6: Percentage of Total Portfolio allocated to Priority Sector**
 - a. Priority Sector Portfolio Computation as of March 31, 2023
 - b. List of Account Balances included in Priority Sector
7. **SM 8: Average Processing Time of Credit Approvals**
 - a. Credit Approvals Monitoring Sheet – 1st Quarter 2023
 - b. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

RIZA M. HERNANDEZ
Officer-In-Charge

LBP LEASING AND FINANCE CORPORATION

PES Form 4
1st Quarter Monitoring Report CY 2023

COMPONENTS						2023 Modified Target	1ST QUARTER 2023 (JANUARY TO MARCH)		
	Objective/Measure	Formula	Weight	Rating System			Target	Actual	Over(Under)
FINANCIAL	SO 1	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	P5.212 B	P4.826 B	(P0.386 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) x Weight	5.00%	5.00%	6.83%	(1.83%)
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.700 B	P5.486 B	P5.515 B	P0.029 B
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P60.0M	P15.0M	P8.6 M	(P6.4 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%	25%	7.72%	(17.28%)
		SUB-TOTAL		50%					
CUSTOMER/STAKEHOLDERS	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%	94.25%	4.25%
	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
		SUB-TOTAL		20%					
L PROCESSES	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%	0

LBP LEASING AND FINANCE CORPORATION

COMPONENTS						2023 Modified Target	1ST QUARTER 2023 (JANUARY TO MARCH)		
		Objective/Measure	Formula	Weight	Rating System		Target	Actual	Over(Under)
INTERNA	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
			SUB-TOTAL		20%				
LEARNING AND GROWTH	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
				2.5%		Competency Assessment of all eligible employees**		N/A	N/A
			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
		SUB-TOTAL		10%					
TOTAL				100%					

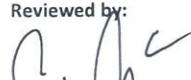
* Applicable processing time will be based on LLFC's compliance with Republic Act No. 11032

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

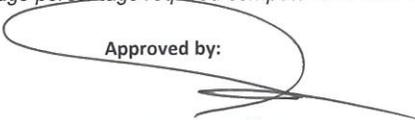
Prepared by:


ANGELIQUE B. JAVIER
Administrative Specialist
Date: 24 APRIL 2023

Reviewed by:


RAIZZA L. GONZALES
VP/ Head - Corporate Services Group
Date: 04/24/2023

Approved by:


MICHAEL P. ARAÑAS
President and CEO
Date: 04/24/2023


PETER PAUL I. RIGOR
AVP/OIC - Account Management Group
Date: 04.24.23


KENNETH S. STA. ROSA
Head - Accounting Unit
Date: 24 APRIL 2023

LBP LEASING AND FINANCE CORPORATION

COMPONENTS					2023 Modified Target	1ST QUARTER 2023 (JANUARY TO MARCH)			As of March 31, 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	P5.212 B	P4.826 B	(P0.386 B)	P4.826 B	89.07%
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%	6.83%	(1.83%)	6.83%	86.60%
SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.700 B	P5.486 B	P5.515 B	P0.029 B	P5.515 B	96.75%
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P60.0M	P15.0M	P8.6 M	(P6.4 M)	P8.6 M	14.33%
SM 5	Efficient Utilization of Corporate Operating Budget	Total Disbursement / Board - Approved Coporate Operating Budget (both net of PS cost)	5%	(Actual / Target) x Weight	90%	25%	7.72%	(17.28%)	7.72%	8.58%
	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%	94.25%	4.25%	94.25%	104.72%
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	Conduct of 3rd Party CSS is to be scheduled	-
	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%	0	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	1st Surveillance Audit is scheduled in November 2023	-
	SUB-TOTAL		20%							

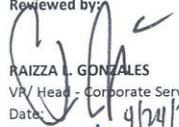
LBP LEASING AND FINANCE CORPORATION

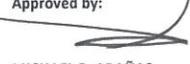
COMPONENTS	COMPONENTS				2023 Modified Target	1ST QUARTER 2023 (JANUARY TO MARCH)			As of March 31, 2023	% of Accomplishment	
	Objective/Measure	Formula	Weight	Rating System		Target	Actual	Over(Under)			
LEARNING AND GROWTH	SO 5	Strengthen organizational competencies									
	SM 10	Percentage of Employees Meeting Required Competencies	Actual accomplishment	2.5%	All or nothing	Board Approved Revised Competency Framework	N/A	N/A	N/A	Procurement for services of technical consultant to complete the project is ongoing	-
				2.5%		Competency Assessment of all eligible employees**		N/A		N/A	-
	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	ISSP Project Implementation in process	-
SUB-TOTAL			10%								
TOTAL			100%								

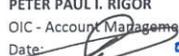
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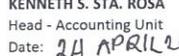
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ANGELIQUE B. JAVIER
Management Services Analyst
Date: 24 APRIL 2023

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