





30 OCTOBER 2024

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

ACKNOWLEDGEMENT RECEIPT

LETTER 30 OCTOBER 2024

DATE:

RE:

[E] LETTER FROM LLFC TO GCG SUBMITTING A COPY OF ITS 3RD QUARTER MONITORING REPORT FOR THE CY 2024

AND ITS SUPPORTING DOCUMENTS

The said document was officially received by the Governance Commission on 30 October 2024 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: <u>0-0355-30-10-2024-027170</u>.

THIS RECEIPT IS COMPUTER GENERATED AND DOES NOT REQUIRE SIGNATURE.

Signature over Printed Name

Received by:

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.



ISO 9001:2015



Atty. Marius P. Corpus Chairperson Governance Commission for GOCCs 3rd Flr., Citibank Plaza, 8741 Paseo de Roxas St., Makati City

RE: LBP-LFC PES QUARTERLY MONITORING REPORT - 3rd QUARTER CY 2024

Dear Chairperson Corpus:

30 October 2024

As required, we are submitting herewith the LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 3rd Quarter of 2024. Also attached are the following supporting documents:

- 1. Accomplished PES Form 4 for the 3rd Quarter of 2024
- 2. SM 1: Increase in Total Portfolio
 - a. Schedule of Total Portfolio as of September 30, 2024
 - b. Reported Asset Quality as of September 30, 2024
- 3. SM 2: Lower Net Past Due Rate
 - a. Net Past Due Rate Computation as of September 30, 2024
 - b. Total Past Due Leases and Loans as of September 30, 2024
 - c. Schedule of Specific Loan Loss Provision as of September 30, 2024
 - d. Schedule of Total Portfolio as of September 30, 2024
- 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, 2024
 - b. Prudential Balance Sheet as of September 30, 2024
 - c. Prudential Income Statement as of September 30, 2024
- 5. SM 5: Efficient Utilization of Corporate Operating Budget
 - a. Budget Utilization Report as of September 30, 2024
- 6. SM 6: Percentage of Total Portfolio allocated to Priority Sector
 - a. Priority Sector Portfolio Computation as of September 30, 2024
 - 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 2024
 - b. Account Monitoring Sheets

The result of the 3rd Quarter CY 2024 PES Accomplishment was approved by the LBP-LFC Board of Directors in its meeting on 25 October 2024. As such, the Board Resolution on its approval is not yet available as of now. It will be submitted to GCG as soon as it becomes available.

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours

MICHAEL P. ARAÑAS

President/CEO





Solution Capital and Financial Growth through the effective and efficient use of resources SM 1 Increase Total Portfolio SM 2 Lower Net Past Due Rate Total Past Due at the end of the period - Deterred Leasing Income, Loss Provision over Total Portfolio and Loss Provision over Total Portfolio SM 3 Increase Asset Size SM 4 Increase Net Income After Tax Absolute amount of Total Assets by 5% (Actual / Target) X Weight SM 5 Efficient Utilization of Corporate Operating Budget SM 5 Efficient Utilization of Corporate Operating Budget SM 6 Level allocated to priority sectors SM 6 Percentage of Portfolio SM 7 Percentage of Satisfied Control of the percentage of Credit Approvals Processed within the Applicable Time of Total Number of Credit Approvals Forcessed within the Applicable Time Approvals Processed within the Applicable Processing Time Approvals Processed within the Applicable Time Applicable Processing Time Applicable Time Applicable Processing Approvals Processed within the Applicable Processing Approvals Processed Within the Applicable Processing Time Applicable Processing Approvals Processed Within the Applicable Processing Approvals Processed Within the Applicable Processing Applications Processed Within the Applic	SM	O1 Sustain W1 1 Increa W1 2 Lower N W1 3 Incre	n Capital and Finantse Total Portfolio Net Past Due Rate	Absolute amount of outstanding portfolio by end of December Total Past Due at the end of the period - Deferred Leasing Income, Unearned Credits, & Specific Loan	nd efficie	nt use of resources (Actual / Target) x Weight; 0% = If less than P3 Billion	Target			Over(Under) P0.317 B
SO1 Sustain Capital and Financial Growth through the effective and efficient use of resources	SM	O1 Sustain W1 1 Increa W1 2 Lower N W1 3 Incre	n Capital and Finantse Total Portfolio Net Past Due Rate	Absolute amount of outstanding portfolio by end of December Total Past Due at the end of the period - Deferred Leasing Income, Unearned Credits, & Specific Loan	nd efficie	nt use of resources (Actual / Target) x Weight; 0% = If less than P3 Billion	P 5.700 B	P5.630 B	P5.947 B	P0.317 B
SM 1 Increase Total Portfolio Absolute amount of outstanding portfolio by end of December 15% Weight Weight P 5.700 B P 5.630 B P 5.947 B P 0.317		M 1 Increa	ise Total Portfolio Net Past Due Rate	Absolute amount of outstanding portfolio by end of December Total Past Due at the end of the period - Deferred Leasing Income, Unearned Credits, & Specific Loan	15%	(Actual / Target) x Weight; 0% = If less than P3 Billion	P 5.700 B	P5.630 B	P5.947 B	P0.317 B
SM 2 Lower Net Past Due Rate period - Deferred Leasing Income, Loss Provision over Total Portfolio Loss Provision for Loss Provision From Loss Provision From Loss Provision Provision Provision Loss Provision Provisi	FINANCIAL	VI 3 Incre		period - Deferred Leasing Income, Unearned Credits, & Specific Loan	10%	(4 (4-1-1-				
SM 4 Increase Net Income After Tax Total Revenues Less Total Expenses 15% (Actual / Target) x Weight P80.0M P20.0M P0.24 M (P19.76 f New After Tax Total Disbursement / Board - Approved Coporate Operating Budget (both net of PS cost) SM 5 SUB-TOTAL So 2 Provide financial products to achieve customer satisfaction and loyalty Sector over Total portfolio allocated to priority sector over Tota	SM SM		ease Asset Size				5.00%	5.00%	12.21%	(7.21%)
After Tax Indicated to Efficient Utilization of Corporate Operating Budget (both net of PS cost) SM 5 Efficient Utilization of Corporate Operating Budget (both net of PS cost) SUB-TOTAL SO 2 Provide financial products to achieve customer satisfaction and loyalty SM 6 Percentage of Portfolio Level allocated to priority sector over Total portfolio at the end of the year the end of the year SM 7 Percentage of Satisfied Customers Number of respondents SUB-TOTAL SM 7 Percentage of Satisfied Customers Number of respondents SM 8 Percentage of Credit Approvals for New and Existing Clients Processed within the Applicable Processed within the Applicable Processed within the Applicable Processed within the Applicable Processing Time / Total Number of Credit Approvals SM 9 Imprement Quality Adual secondishment Approvals Processed within the Applicable Processing Time / Total Number of Credit Approvals Approvals Processed within the Applicable Processing Time / Total Number of Credit Approvals Approvals Processed within the applicable Processing Time / Total Number of Credit Approvals Approvals Processed within the applicable processing time** Approvals Processed within the applicable processing time** Weight: 0% = If below 80% Approvals Processed within the applicable processing time** Approvals Processed within the applicable processing time** Approvals Processed within the applicable processing time** Approvals Processed within the applications processed within the applicable processing time**			0000 / 1000t OIZ6		5%		P 5.900 B	P5.850 B	P6.963 B	P1.113 B
SM 5 Corporate Operating Budget (Both net of PS cost) SUB-TOTAL SM 6 Percentage of Satisfied Customers SM 7 Percentage of Satisfied Customers SUB-TOTAL SO 3 Enhance delivery of leasing and financing solutions SM 8 Percentage of Credit Approvals SM 8 Percentage of Credit Approvals SM 8 Percentage of Credit Approvals SM 8 Implement Quality Approvals Processed within the Applicable Time SM 9 Implement Quality Approvals Processed Satisfied Processing Time / Total Number of Credit Approvals SM 9 Implement Quality Apple Cappage Satisfied Processing Time / Total Number of Credit Approvals Approvals Approvals Processed within the Applicable Time Approvals Approvals Processed within the Applicable Time Approvals Approvals Approvals Processed within the Applicable Time Approvals	SM	VI 4		Total Revenues Less Total Expenses	15%		P80.0M	P20.0M	P0.24 M	(P19.76 M)
SO 2 Provide financial products to achieve customer satisfaction and loyalty SM 6 Percentage of Portfolio Level allocated to priority sector over Total portfolio at the end of the year SM 7 Percentage of Satisfied Customers Number of respondents who gave a rating of at least Satisfactory/Total number of respondents SUB-TOTAL SO 3 Enhance delivery of leasing and financing solutions Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals Weight; O''s = If below 80% (Actual / Target) x Weight; O''s = If below 80% Inplement Quality Actual processed within the applicable processing time** Maintenance of ISO Maintenance of ISO Maintenance of ISO Maintenance of ISO	SM	VI 5 Corpo	orate Operating Budget	Approved Coporate Operating	5%		90%	67.50%	40.40%	(27.10%)
SM 6 Percentage of Portfolio Level allocated to priority sector over Total portfolio at the end of the year SM 7 Percentage of Satisfied Customers Number of respondents who gave a rating of at least Satisfactory/Total number of respondents SUB-TOTAL SO 3 Enhance delivery of leasing and financing solutions Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals SO 4 Improve procedures, systems, and programs on a continuing basis Implement Quality Percentage of Portfolio Level allocated to priority sector over Total portfolio at the end of the year 15% Selow 75% = 0%; 75% - 79.9% = 7%; 80% and above = 15% So (Actual / Target) x Weight; 0% = If below 80% So (Actual / Target) x Weight; 0% = If below 80% So (Ac										
SM 6 Level allocated to priority sectors over Total portfolio at the end of the year SM 7 Percentage of Satisfied Customers Number of respondents who gave a rating of at least Satisfactory/Total number of respondents SM 8 SUB-TOTAL SO 3 Enhance delivery of leasing and financing solutions Total Number of Credit Approvals for New and Existing Clients 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 SO 4 Improve procedures, systems, and programs on a continuing basis Indicated to priority sector over Total portfolio at the end of the year 15% 75% - 79.9% = 7%; 80% and above = 15% Weight; 0% = If below 80% 15% (Actual / Target) x Weight; 0% = If below 80% Indicated to priority sector over Total portfolio at the end of the year 15% 80% and above = 15% Weight; 0% = If below 80% 15% (Actual / Target) x Weight; 0% = If below 80% Indicated to priority sector over Total portfolio at the end of the year 15% 05% and above = 15% N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A N/A SM 8 Weight; 0% = If below 80% Meight; 0% = If below 80	SO 2	2 Provide	financial product	s to achieve customer satisfaction	and loyalt	у				
SUB-TOTAL SO 3 Enhance delivery of leasing and financing solutions Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals SM 8 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 SM 9 Improve procedures, systems, and programs on a continuing basis SM 9 Implement Quality Actual / Target) x Weight; 0% = If below 80% Weight; 0% = If below 80% All or nothing Maintenance of ISO Maintenance of ISO Maintenance of ISO	OLDERS WS	VI 6 Level all	llocated to priority	priority sector over Total portfolio at	15%	75% - 79.9% = 7%; 80% and above =	90%	90%	92.09%	2.09%
SO 3 Enhance delivery of leasing and financing solutions Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals SM 8 Percentage of Credit Approvals Processed within the Applicable Processing Time / Total Number of Credit Approvals SM 9 Improve procedures, systems, and programs on a continuing basis SM 9 Implement Quality Actual compositions (Actual / Target) x Weight; 0% = If below 80% Now = If below 80% All or pething Maintenance of ISO Maintenance of ISO	STAKEH			rating of at least Satisfactory/Total	5%	Weight;	95%*	N/A	N/A	N/A
SO 3 Enhance delivery of leasing and financing solutions Percentage of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals 15% Weight; O% = If below 80% 15% Weight; O% = If below 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** 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** 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** 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** 100% of credit applications processed within the applicable processing time** 100% of credit applications processed within the applicable processing time** 100% of credit		SUB-TO	OTAL		20%					
SM 8 Percentage of Credit Approvals Processed within the Applicable Processing Time / Total Number of Credit Approvals SO 4 Improve procedures, systems, and programs on a continuing basis Percentage of Credit Approvals Processed within the Applicable Processing Time / Total Number of Credit Approvals SM 9 Implement Quality Actual / Target) x Weight; 0% = If below 80% New and Existing Clients Processed within the Applications processed within the applicable processing time** SM 9 Implement Quality Actual / Target) x Weight; 0% = If below 80% New and Existing Clients Processed within the Applications processed within the applicable processing time** All or nothing Maintenance of ISO Maintenance of ISO	so			ng and financing solutions						
SO 4 Improve procedures, systems, and programs on a continuing basis SM 9 Implement Quality Actual accomplishment 5% All or nothing Maintenance of ISO N/A N/A N/A	PROCESSES	VI8 Approva	age of Credit	New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit	15%	Weight;	applications processed within the applicable	applications processed within the applicable processing	100%	-
SM 9 Implement Quality Actual accomplishment 5% All or nothing Maintenance of ISO N/A	₹ so	0 4 Improve	e procedures, syst	tems, and programs on a continuing	basis					
Management System Management System 9001:2015 Certification N/A N/A	INTER	Impl	lement Quality	Actual accomplishment	5%	All or nothing		N/A	N/A	N/A
SUB-TOTAL 20%		SUB TOTAL								

			COMPONENTS			2024 Approved	3rd Quarter 2024 (July to September)			
	10 12.7.7	Objective/Measure	Formula	Weight Rating System		Target	Target	Actual	Over(Under)	
	SO 5	Strengthen organizational	Competencies							
	SM 10	Percentage of Employees Meeting Required Competencies	Competency Baseline 2024** - Competency Baseline 2023	5%	(Actual/Target) x Weight	Improvement on the competency level based on 2023 year-end assessment ***	N/A	N/A	N/A	
	SO 6	Optimize Linkages and Us	se of Information Technology							
LEARNING AND	SM 11	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	100% completion of 2024 target ISSP Projects based on BOD aproved or DICT endorsed ISSP	N/A	N/A	N/A	
		SUB-TOTAL								
		TOTAL		100%						

Noted by:

MICHAEL P. ARAÑAS

President/CEO

Prepared by:

ANGELICO D. JAVIER Admin. Specialist I Reviewed by:

RIZA M. HERNANDEZ

VP/Head - Account Servicing Group

-de

PETER PAUL I. RIGOR

VP/Head - Account Management Group

RAIZŽA L. GOMZALES

VP/Head - Corporate Services Group

^{*}Based on ARTA Client Satisfaction Measure

^{**}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

		COMPONENTS			2024 Approved	3rd C	Quarter 2024 (July to Septe	Accomplishes		
	Objective/Measure	Formula Weight Rating System			Target	Target	Actual	Over(Under)	Accomplishement as of September 30, 2024	% of Accomplishment
SO1		nancial Growth through the effective	and office	cient use of resource		· · · · · · · · · · · · · · · · · · ·				
SM 1	Increase Total Portfolio	Absolute amount of outstanding	15%	(Actual / Target) x Weight; 0% = If less than P3 Billion	P 5.700 B	P5.630 B	P5.947 B	P0.317 B	P5.947 B	102.46%
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%	12.21%	(7.21%)	12.21%	(44.20%)
SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.900 B	P5.850 B	P6.963 B	P1.113 B	P6.963 B	118.02%
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P80.0M	P20.0M	P0.24 M	(P19.76 M)	P2.28 M	2.85%
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%	67.50%	40.40%	(27.10%)	40.40%	44.89%
	SUB-TOTAL		50%							
SO 2	Provide financial prod	ucts to achieve customer satisfactio	n and loy	alty						
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%	90%	90%	92.09%	2.09%	92.09%	102.32%
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. To be done by 3rd party service provider (contract already awarded)	-
	SUB-TOTAL		20%							
SO 3	Enhance delivery of lea	asing 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%
SO 4	Improve procedures, s	ystems, and programs on a continui	ng 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 QMS. 2nd Surveillance Audit is scheduled in December 2024	-
	SUB-TOTAL		20%							

COMPONENTS				2024 Approved	3rd C	Quarter 2024 (July to Septe	Accomplishement			
	Objective/Measure Formula		Weight Rating System		Target	Target	Actual	Over(Under)	as of September 30, 2024	% of Accomplishment
SO 5	Strengthen organization		Weight	reading bystein		The state of the s	CONTRACTOR STATE OF THE STATE OF	Contract and an additional and a second		
SM 10	Percentage of Employees Meeting Required Competencies	Competency Baseline 2024** - Competency Baseline 2023	5%	(Actual/Target) x Weight	Improvement on the competency level based on 2023 year-end assessment ***	N/A	N/A	N/A	Ongoing. Trainings continuing; 1st Sem competency assessment is completed. 2nd Sem assessment scheduled by end of the year.	-
SO 6	Optimize Linkages and	Use of Information Technology								
SM 11	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	100% completion of 2024 target ISSP Projects based on BOD aproved 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 2024.	-
	SUB-TOTAL		10%							
	TOTAL		100%							

Noted by:

MICHAEL P. ARAÑAS

President/CEO

***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 Reviewed by:

RIZA M. HERNANDEZ

VP/Head - Account Servicing Group

PETER PAUL I. RIGOR

VP/Head - Account Management Group

RAIZZA L. GONZALES

VPVHead - Corporate Services Group

^{*}Based on ARTA Client Satisfaction Measure

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