



12 August 2021

MS. CECLIA C. BORROMELO

Chairperson

MR. EDWARD JOHN T. REYES

Officer-In-Charge (OIC)

LBP LEASING AND FINANCE CORPORATION (LLFC)

15/F Sy Cip Law Center, 105 Paseo de Roxas St.,
Makati City

RE : TRANSMITTAL OF 2021 PERFORMANCE SCORECARD

Dear Chairperson Borrromeo and OIC Reyes,

This is to formally transmit the 2021 Charter Statement and Strategy Map (**Annex A**) and 2021 Performance Scorecard (**Annex B**) of LLFC. The same is to be posted in LLFC's website, in accordance with Section 43 of GCG Memorandum Circular No. 2012-07.¹

The LLFC proposed Charter Statement, Strategy Map and Performance Scorecard submitted through letters dated 28 August 2020² and 30 September 2020³ were **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held on 11 November 2020 and evaluation of revised documents submitted through letters dated 07 December 2020⁴ and 29 March 2021.⁵

We take this opportunity to inform LLFC that Item 5 of GCG Memorandum Circular (M.C.) No. 2017-02⁶ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. LLFC is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of its 2nd Quarter Monitoring Report for 2021.

Finally, under GCG M.C. No. 2017-02, GOCCs can no longer renegotiate the targets set in their Performance Scorecards for the current year. Thus, any request for modification in the 2021 Performance Scorecard will instead be considered during the validation of the reported annual accomplishments.

FOR LLFC'S INFORMATION AND COMPLIANCE

Very truly yours,

¹ Code of Corporate Governance for GOCCs dated 28 November 2012.

² Officially received by the Governance Commission on 28 August 2020.

³ Officially received by the Governance Commission on 30 September 2020.

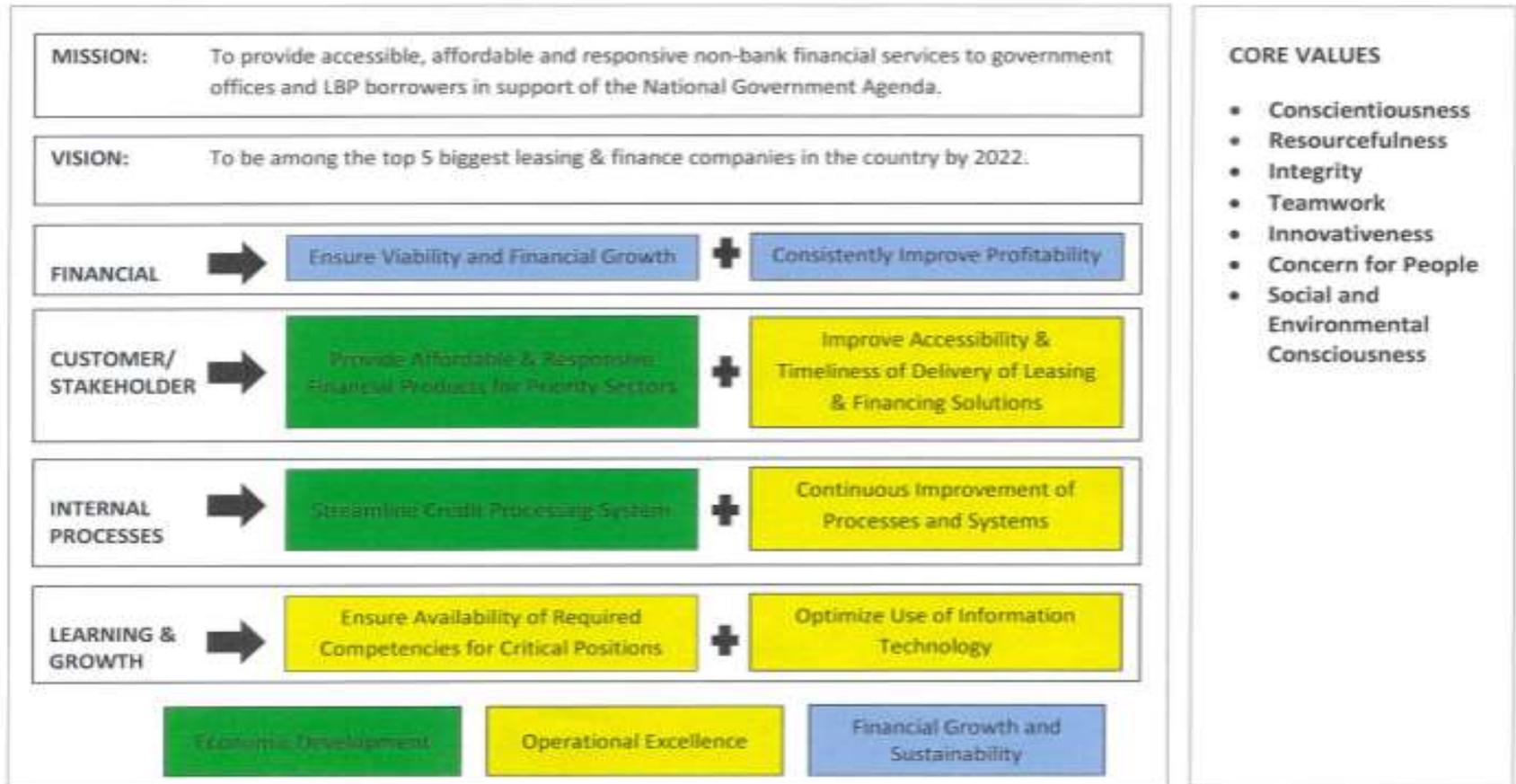
⁴ Officially received by the Governance Commission on 09 December 2020.

⁵ Officially received by the Governance Commission on 06 April 2021.

⁶ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

2021 CHARTER STATEMENT AND STRATEGY MAP (Annex A)

LBP LEASING AND FINANCE CORPORATION (LLFC)



LBP LEASING AND FINANCE CORPORATION (LLFC)

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2018	2019	2020	2021	
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	₱3.951 Billion	₱4.325 Billion	₱4.500 Billion	₱4.8 Billion
	SM 2	Lower Net Past Due Rate	Total Past Due at the end of the period - Deferred Leasing income, Unearned Credits, and Specific Loan Loss Provision over Total Portfolio	10%	{1-(Actual-Target)/Target} x weight	3.07%	9.43%	2.5%	8.0%
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	₱4.8414 Billion	₱5.275 Billion	₱5.40 Billion	₱5.40 Billion
	SO 2	Consistently Improve Profitability							
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	₱110.364 Million	₱18.52 Million	₱90.0 Million	₱25.0 Million
			Sub-total	45%					

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2018	2019	2020	2021	
CUSTOMERS/STAKEHOLDERS	SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors							
	SM 5	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%	80.04%	87.69%	80%	80%
	SO 4	Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions							
	SM 6	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%	N/A	97%	95%	95%
			Sub-total	20%					
INTERNAL PROCESSES	SO 5	Streamline Credit Processing System							
	SM 7	Percentage of Credit approval Processed within Applicable Time	Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Processing Time / Total Number of Credit Approvals	20%	(Actual / Target) x Weight; 0% = If below 80%	N/A	87.88% 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 ¹

¹ Applicable processing time based on LLFC's compliance with Republic Act No. 11032.

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2018	2019	2020	2021	
	SO 6	Continuous Improvement of Processes and Systems							
	SM 8	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Completed Trainings and Workshops on ISO QMS Requirements and Documentation; Submitted ISO QMS Requirements and Documentation	ISO QMS Certified	Maintain ISO 9001: 2015 Certificate	Maintain ISO 9001: 2015 Certificate
			Sub-total	25%					
LEARNING & GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions							
	SM 9	Percentage of Employees Meeting Required Competencies	Competency Baseline ² 2021 – Competency Baseline 2020	5%	(Actual / Target) x Weight	77%	30%	Improvement on the competency level based on 2019 year-end assessment	Improvement on the competency level of the organization based on the 2020 year-end assessment

² The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[\frac{\sum_{a=1}^A (\text{Actual Competency Level})_a}{A} \right]_b}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

Component					Baseline Data		Target		
	Objective/Measure	Formula	Wt.	Rating System	2018	2019	2020	2021	
	SO 8	Optimize Use of Information Technology							
	SM 10	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	Submitted Board-approved ISSP to DICT	Accomplished and Implemented 61.54% ISSP Projects planned for 2019	50% completion of ISSP Projects planned for 2020	100% completion of ISSP projects planned for 2021 including the Remaining Projects due for 2020
			Sub-total	10%					
			TOTAL	100%					