



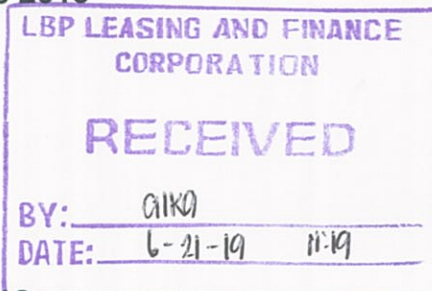
14 June 2019

MR. FRANCISCO J. LEONOR, JR.

President and CEO

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)

15/F SyCip Law Center, 1015 Paseo de Roxas,
Legaspi Village, Makati City



**RE : VALIDATION RESULT OF THE 2018
PERFORMANCE SCORECARD OF LBP-LFC**

Dear PCEO Leonor,

This is to formally transmit the validation result of LBP-LFC's 2018 Performance Scorecard. Based on the validation of documentary submissions, the LBP-LFC gained an over-all score of **90.80%** (see **Annex A**). The same is to be posted in LBP-LFC's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

FOR YOUR INFORMATION AND GUIDANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.

Chairman

MICHAEL P. CLORIBEL

Commissioner

MARITESC. DORAL

Commissioner

cc: COA Resident Auditor - LBP-LFC

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

LBP LEASING AND FINANCE CORPORATION (LBP-LFC)
Validation Result of 2018 Performance Scorecard

Component						LBP-LFC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
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 ₱3 Billion	₱3.750 Billion	₱3.950 Billion	15%	₱3.950 Billion	15%	<ul style="list-style-type: none">• Certified List of Balances of Accounts;• Prudential FS as submitted to BSP;• Reported Year-end Total Portfolio discussed to the Board• Unaudited Notes to 2018 FS as submitted to COA	Acceptable.
	SM 2	Lower Net Past Due Rate	Total Past Due at the end of the period – Deferred leasing income,	10%	(1-(Actual-Target) / Target) x Weight	2.50%	3.07%	7.72%	3.07%	7.72%	<ul style="list-style-type: none">• Total Past Due (loans and leases);• Net Past Due Rate	Acceptable.

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	Objective/ Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
			Unearned credits, and Specific loan loss provision / Total Portfolio		0% = If Above 3.08%						Computation; <ul style="list-style-type: none">Prudential FS as submitted to BSP	
	SM 3	Increase Asset Size	Absolute amount	5%	(Actual/Target) x Weight	₱5.108 Billion	₱4.814 Billion	4.71%	₱4.814 Billion	4.71%	<ul style="list-style-type: none">Prudential FS as submitted to BSP	Acceptable.
	SO 2	Consistently Improve Profitability										
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight 0% = If below ₱108.41 Million	₱120 Million	₱110.364 Million	13.80%	₱110.364 Million	13.80%	<ul style="list-style-type: none">Prudential FS as submitted to BSP	Acceptable.
			Sub-Total	45%				41.23%		41.23%		

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	Objective/ Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
CUSTOMER / STAKEHOLDER	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 / Total portfolio at the end of the year	15%	Below 75% = 0% 75% - 79.9% = 7% 80% and above = 15%	80%	80.04%	15%	80.04%	15%	<ul style="list-style-type: none">List of Accounts with balances included in the priority sectors;Priority Sectors Portfolio Computation	Acceptable.
	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%	95%	Survey was not conducted as when the GCG Guidelines were issued there was not enough time to go thru the procurement process for the engage-	0%	No Survey was conducted	0%	No supporting documents provided	Request for removal of the measure is <u>DENIED</u> . During the Technical Panel Meeting (TPM) for the 2018 scorecard, LBP-LFC was informed that the initiative aims to address, among others, the cause of concerns on the budget implication of the

Component						LBP-LFC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
							ment of a service provider as required					requirement to conduct an annual survey.
			Sub-Total	20%				15%		15%		
INTERNAL PROCESS	SO 5	Streamline Credit Processing System										
	SM 7	Average Processing Time of Credit Approval for New Clients	Total Actual No. of processing days for All Application of New Clients from Receipt of Complete Documents / Total No. of Applications Processed or approved	10%	(1-(Actual - Target) / Target) x Weight	40 calendar days	38.38	10%	38.25	10%	<ul style="list-style-type: none">Account Monitoring Sheet/sApplication Forms (samples)ExCom/ Board Resolutions approving credit facilities	Validated actual is based on the supporting documents submitted.
		Percentage of New Clients Credit Application within 40 days				Establish Baseline						
	SM 8	Average Processing Time of Credit Approval for Existing Client	Total Actual No. of Days for All Applications of Existing Clients from receipt of Complete Documents	10%	(1-(Actual - Target) / Target) x Weight	30 calendar days	30.72	9.76%	30.72	9.76%	<ul style="list-style-type: none">Accounting Monitoring Sheet/s;Application Forms (samples);ExCom/ Board	Acceptable.

Component						LBP-LFC Submission		GCG Validation		Supporting Documents	Remarks
Objective/ Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
			over Total No. of Applications Processed / Approved							Resolutions approving credit facilities	
	Percentage of Existing Clients Credit Application processed within 30 days					Establish Baseline					
SO 6 Continuous Improvement of Processes and Systems											
SM 9	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	Completed Trainings & Workshops on ISO QMS Requirements & Documentation: 1. Orientation on ISO 9001: 2015 QMS 2. Training Course on ISO 9001:2015 QMS Requirements and Documentation 3. Workshop on Process Mapping-Risk Based	Met	5%	Completed Trainings & Work-shops on ISO QMS Requirements & Documentation: 1. Orientation on ISO 9001: 2015 QMS 2. Training Course on ISO 9001:2015 QMS Requirements and Documentation 3. Workshop on Process Mapping-Risk Based	5%	<ul style="list-style-type: none">• DAP Confirmation of Trainings & Workshops conducted as of 31 December 2019;• Attendance Sheets• ISO QMS Documents: 1. List of relevant Interested Parties;2. Internal and External Issues Log;	Acceptable.

Component						LBP-LFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/ Measure			Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
						Quality Planning 4. Workshop on QMS documentation 5. Training Course on Root Cause Analysis and Corrective Action Formulation Submit ISO QMS Requirements and Documentation: 1. List of Relevant Interested Parties 2. Internal and External Issues Log 3. Risk and Opportunities Register			Quality Planning 4. Workshop on QMS documentation 5. Training Course on Root Cause Analysis and Corrective Action Formulation ISO QMS Requirements: 1. List of Relevant Interested Parties 2. Internal and External Issues Log 3. Risk and Opportunities Register and its Action Plan 4. Schematic Diagram		3. Risk and Opportunities Register and its Action Plan; 4. Schematic Diagram. • Memorandum of Agreement with DAP • Certificate of Availability of Funds	

Component						LBP-LFC Submission		GCG Validation		Supporting Documents	Remarks	
	Objective/ Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
						4. Schematic Diagram						
			Sub-Total	25%				24.76%		24.76%		
LEARNING AND GORWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions										
	SM 10	Percentage of Employees Meeting Required Competencies	Number of employees meeting required competency / Total number of employees	5%	(Actual / Target) x Weight	80%	77%	4.81%	77%	4.81%	<ul style="list-style-type: none">Employee Competency Assessment Forms;Summary of Assessments	Acceptable. 33 employees showed no gaps out of the 43 assessed.
	SO 8	Optimize Use of Information Technology										
	SM 11	Number of IT Projects Implemented	Actual Accomplishment	5%	All or Nothing	Submit Board-approved ISSP to DICT	Met	5%	Submitted Board-approved ISSP to DICT	5%	<ul style="list-style-type: none">Transmittal Letter to DICTProposed ISSP	Acceptable.
				Sub-Total	10%				9.81%		9.81%	
			TOTAL	100%				90.80%		90.80%		