



07 MAY 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 **02 MAY 2024**
 DATE:

RE: **[E] LETTER FROM LLFC TO GCG SUBMITTING ITS
 1ST QUARTER MONITORING REPORT FOR CY 2024
 WITH SUPPORTING DOCUMENTS**

The said document was officially received by the Governance Commission on 07 May 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: **0-0206-07-05-2024-011648.**

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.



Management System
 ISO 9001:2015
 www.tuv.com
 ID 9105080109



LBP LEASING AND FINANCE CORPORATION

02 MAY 2024 (A LANDBANK SUBSIDIARY)

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 – 1st QUARTER CY 2023

Dear **Chairperson Corpus**:

As required, we are submitting herewith the LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 1st Quarter of 2024. Also attached are the following supporting documents:

1. **Accomplished PES Form 4 for the 1st Quarter of 2024**
2. **Board Resolution approving the result of 1st Quarter PES Accomplishment**
3. **SM 1: Increase in Total Portfolio**
 - a. Schedule of Total Portfolio as of March 31, 2024
 - b. Reported Asset Quality as of March 31, 2024
4. **SM 2: Lower Net Past Due Rate**
 - a. Net Past Due Rate Computation as of March 31, 2024
 - b. Total Past Due Leases and Loans as of March 31, 2024
 - c. Schedule of Specific Loan Loss Provision as of March 31, 2024
 - d. Schedule of Total Portfolio as of March 31, 2024
5. **SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax**
 - a. Reported Results of Operations as of March 31, 2024
 - b. Prudential Balance Sheet as of March 31, 2024
 - c. Prudential Income Statement as of March 31, 2024
6. **SM 5: Efficient Utilization of Corporate Operating Budget**
 - a. Budget Utilization Report as of March 31, 2024
7. **SM 6: Percentage of Total Portfolio allocated to Priority Sector**
 - a. Priority Sector Portfolio Computation as of March 31, 2024
 - b. List of Account Balances included in Priority Sector
8. **SM 8: Average Processing Time of Credit Approvals**
 - a. Credit Approvals Monitoring Sheet – 1st Quarter 2024
 - b. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

MICHAEL P. ARAÑAS
President/CEO

LBP LEASING AND FINANCE CORPORATION

COMPONENTS						2024 Approved Target	1st Quarter 2024 (January to March)		
	Objective/Measure	Formula	Weight	Rating System	Target		Actual	Over(Under)	
FINANCIAL	SO1	Sustain Capital and Financial Growth through the effective and efficient use of resources							
	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	P 5.700 B	P5.489 B	P5.653 B	P0.164 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%	13.77%	(8.77)
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.900 B	P5.750 B	P6.564 B	P0.814 B
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P80.0M	P8.368M	(P4.049 M)	(P4.319 M)
	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%	22.50%	14.18%	(8.32%)
		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% - 79.9% = 7%; 80% and above = 15%	90%	90%	91.33%	1.33%
	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%					
INTERNAL 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%	-
	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%						

LBP LEASING AND FINANCE CORPORATION

COMPONENTS						2024 Approved Target	1st Quarter 2024 (January to March)		
SO	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	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 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
	SUB-TOTAL			10%					
TOTAL			100%						

*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

Prepared by:


ANGELIQUE D. JAVIER
Admin. Specialist I

Reviewed by:


RIZA M. HERNANDEZ
VP/Head - Account Servicing Group


PETER PAUL I. RIGOR
VP/Head - Account Management Group


RAIZZA L. GONZALES
VP/Head - Corporate Services Group

Noted by:


MICHAEL P. ARAÑAS
President/CEO

LBP LEASING AND FINANCE CORPORATION

PES Form 2b
Quarterly Target 2024

COMPONENTS					2024 Approved Target	1st Quarter 2024 (January to March)			As of March 31, 2024	% of Accomplishment
Objective/Measure	Formula	Weight	Rating System	Target		Actual	Over(Under)			
SO 1	Sustain Capital and Financial Growth through the effective and efficient use of resources									
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	P 5.700 B	P5.489 B	P5.653 B	P0.164 B	P5.653 B	99.18%
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%	13.77%	(8.77)	13.77%	-75.40%
SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.900 B	P5.750 B	P6.564 B	P0.814 B	P6.564 B	111.25%
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P80.0M	P8.368M	(P4.049 M)	(P4.319 M)	(P4.049 M)	-20.25%
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%	22.50%	14.18%	(8.32%)	14.18%	15.76%
	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% - 79.9% = 7%; 80% and above = 15%	90%	90%	91.33%	1.33%	91.33%	101.48%
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. For 2024, LLFC will be utilizing the CSM of ARTA for the CSS	-
	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%	-	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	Ongoing. LLFC continuously implementing the QMS. 2nd Surveillance Audit is scheduled in 4th Quarter 2023	-
	SUB-TOTAL		20%							

LBP LEASING AND FINANCE CORPORATION

COMPONENTS					2024 Approved Target	1st Quarter 2024 (January to March)			As of March 31, 2024	% of Accomplishment
Objective/Measure	Formula	Weight	Rating System	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	Ongoing. Trainings and Coaching	-
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 approved 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%							

*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

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
VP/Head - Corporate Services Group

Noted by:



MICHAEL P. ARAÑAS
President/CEO



LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

BOARD RESOLUTION NO. 24-084

In the meeting of the Board of Directors of LLFC held on 25 April 2024 via Face-to-Face meeting and Zoom video-conferencing, during which a valid quorum was present, the following resolution was adopted by the Board:

Bd. Res. No. 24-084: LLFC's 1st QUARTER PES 2024
- Approved

RESOLVED, as it is hereby resolved, that LLFC's 1st Quarter PES 2024 Monitoring Report for submission to GCG, the details of which were contained in the Memorandum for the Board dated 18 April 2024 be, as hereby, APPROVED.

ATTY. REOS. ANDARINO

