



Office of the President of the Philippines  
**GOVERNANCE COMMISSION**  
 FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
 3/F, BDO Towers Paseo, 8741 Paseo De Roxas, Makati City, Philippines 1226



**01 AUGUST 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 **31 JULY 2024**  
 DATE:

RE: **[E] LETTER FROM LBP-LFC TO GCG SUBMITTING ITS 2ND  
 QUARTER MONITORING REPORT FOR CY2024  
 PERFORMANCE SCORECARD**

The said document was officially received by the Governance Commission on 01 August 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: **0-0430-01-08-2024-019070**.

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Received by:

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Signature over Printed Name

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Date and Time

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# LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

31 JULY 2024

**Atty. Marius P. Corpus**  
**Chairperson**

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

## RE: LBP-LFC PES QUARTERLY MONITORING REPORT – 2<sup>nd</sup> QUARTER CY 2024

Dear **Chairperson Corpus**:

As required, we are submitting herewith the LBP Leasing and Finance Corporation's Quarterly Monitoring Report for the 2<sup>nd</sup> Quarter of 2024. Also attached are the following supporting documents:

1. **Accomplished PES Form 4 for the 2<sup>nd</sup> Quarter of 2024**
2. **Board Resolution approving the result of 2<sup>nd</sup> Quarter PES Accomplishment**
3. **SM 1: Increase in Total Portfolio**
  - a. Schedule of Total Portfolio as of June 30, 2024
  - b. Reported Asset Quality as of June 30, 2024
4. **SM 2: Lower Net Past Due Rate**
  - a. Net Past Due Rate Computation as of June 30, 2024
  - b. Total Past Due Leases and Loans as of June 30, 2024
  - c. Schedule of Specific Loan Loss Provision as of June 30, 2024
  - d. Schedule of Total Portfolio as of June 30, 2024
5. **SM 3: Increase in Asset Size and SM 4: Increase in Net Income After Tax**
  - a. Reported Results of Operations as of June 30, 2024
  - b. Prudential Balance Sheet as of June 30, 2024
  - c. Prudential Income Statement as of June 30, 2024
6. **SM 5: Efficient Utilization of Corporate Operating Budget**
  - a. Budget Utilization Report as of June 30, 2024
7. **SM 6: Percentage of Total Portfolio allocated to Priority Sector**
  - a. Priority Sector Portfolio Computation as of June 30, 2024
  - b. List of Account Balances included in Priority Sector
8. **SM 8: Average Processing Time of Credit Approvals**
  - a. Credit Approvals Monitoring Sheet – 2<sup>nd</sup> Quarter 2024
  - b. Account Monitoring Sheets

We hope these submissions satisfactorily meet your requirements.

Thank you.

Very truly yours,

**MICHAEL P. ARAÑAS**  
President/CEO

15/F SycipLaw Center, No. 105 Paseo de Roxas St., Makati City, 1226, Philippines  
Trunkline No.: 8818-2200 Website: [www.lbplesing.com](http://www.lbplesing.com)



LBP LEASING AND FINANCE CORPORATION

COMPONENTS						2024 Approved Target	2nd Quarter 2024 (April to June)		
	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	P5.559 B	P5.840 B	P0.281 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%	12.97%	(7.97%)
	SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.900 B	P5.800 B	P6.605 B	P0.265 B
	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P80.0M	P20.0M	P6.079 M	(P13.921 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%	45.00%	25.67%	(19.33%)
		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%	91.38%	1.38%
	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	2nd Quarter 2024 (April to June)		
	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
	<b>SUB-TOTAL</b>			<b>10%</b>					
<b>TOTAL</b>			<b>100%</b>						

\*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

COMPONENTS					2024 Approved Target	2nd Quarter 2024 (April to June)			As of June 30, 2024	% of Accomplishment
Objective/Measure	Formula	Weight	Rating System	Target		Actual	Over(Under)			
<b>SO 1</b>	<b>Sustain Capital and Financial Growth through the effective and efficient use of resources</b>									
<b>SM 1</b>	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	P5.559 B	P5.840 B	P0.281 B	P5.840 B	102.46%
<b>SM 2</b>	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%	12.97%	(7.97%)	12.97%	(59.40%)
<b>SM 3</b>	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	P 5.900 B	P5.800 B	P6.605 B	P0.265 B	P6.605 B	111.95%
<b>SM 4</b>	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	P80.0M	P20.0M	P6.079 M	(P13.921 M)	P2.030 M	2.54%
<b>SM 5</b>	Efficient Utilization of Corporate Operating Budget	Total Disbursement / Board - Approved Coporate Operating Budget (both net of PS cost)	5%	(Actual / Target) x Weight	90%	45.00%	25.67%	(19.33%)	25.67%	28.52%
	<b>SUB-TOTAL</b>		<b>50%</b>							
<b>SO 2</b>	<b>Provide financial products to achieve customer satisfaction and loyalty</b>									
<b>SM 6</b>	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%	91.38%	1.38%	91.38%	101.53%
<b>SM 7</b>	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	<b>Ongoing.</b> For 2024, LLFC will be utilizing the CSM of ARTA for the CSS	-
	<b>SUB-TOTAL</b>		<b>20%</b>							
<b>SO 3</b>	<b>Enhance delivery of leasing and financing solutions</b>									
<b>SM 8</b>	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%
<b>SO 4</b>	<b>Improve procedures, systems, and programs on a continuing basis</b>									
<b>SM 9</b>	Implement Quality Management System	Actual accomplishment	5%	All or nothing	Maintenance of ISO 9001:2015 Certification	N/A	N/A	N/A	<b>Ongoing.</b> LLFC continuously implementing the QMS. 2nd Surveillance Audit is scheduled in 4th Quarter 2024	-
	<b>SUB-TOTAL</b>		<b>20%</b>							

LBP LEASING AND FINANCE CORPORATION

COMPONENTS					2024 Approved Target	2nd Quarter 2024 (April to June)			As of June 30, 2024	% of Accomplishment
Objective/Measure	Formula	Weight	Rating System	Target		Actual	Over(Under)			
SO 5	<b>Strengthen organizational competencies</b>									
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	<b>Optimize Linkages and Use of Information Technology</b>									
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.	-
<b>SUB-TOTAL</b>			10%							
<b>TOTAL</b>			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

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