



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



**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: **0-0355-30-10-2024-027170.**

**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](mailto:privacy@gcg.gov.ph). You may lodge your complaint or submit an incident report form in the same email address.



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# LBP LEASING AND FINANCE CORPORATION

(A LANDBANK SUBSIDIARY)

30 October 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 – 3<sup>rd</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 3<sup>rd</sup> Quarter of 2024. Also attached are the following supporting documents:

1. **Accomplished PES Form 4 for the 3<sup>rd</sup> 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 – 3<sup>rd</sup> Quarter 2024
  - b. Account Monitoring Sheets

The result of the 3<sup>rd</sup> 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



# LBP LEASING AND FINANCE CORPORATION

PES Form 4  
3rd Quarter Monitoring Report  
CY 2024

COMPONENTS					2024 Approved Target	3rd Quarter 2024 (July to September)			
	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	P5.630 B	P5.947 B	P0.317 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%	12.21%	(7.21%)
	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
	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)
	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%)
		<b>SUB-TOTAL</b>		<b>50%</b>					
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%	92.09%	2.09%
	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
		<b>SUB-TOTAL</b>		<b>20%</b>					
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
	<b>SUB-TOTAL</b>		<b>20%</b>						

# LBP LEASING AND FINANCE CORPORATION

COMPONENTS						2024 Approved Target	3rd Quarter 2024 (July to September)		
	Objective/Measure	Formula	Weight	Rating System			Target	Actual	Over(Under)
LEARNING AND GROWTH	<b>SO 5</b>	<b>Strengthen organizational competencies</b>							
	<b>SM 10</b>	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
	<b>SO 6</b>	<b>Optimize Linkages and Use of Information Technology</b>							
	<b>SM 11</b>	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
	<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	3rd Quarter 2024 (July to September)			Accomplishment as of September 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	P5.630 B	P5.947 B	P0.317 B	P5.947 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%	12.21%	(7.21%)	12.21%	(44.20%)
<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	P5.850 B	P6.963 B	P1.113 B	P6.963 B	118.02%
<b>SM 4</b>	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%
<b>SM 5</b>	Efficient Utilization of Corporate Operating Budget	Total Disbursement / Board - Approved Corporate Operating Budget (both net of PS cost)	5%	(Actual / Target) x Weight	90%	67.50%	40.40%	(27.10%)	40.40%	44.89%
	<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%	92.09%	2.09%	92.09%	102.32%
<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> To be done by 3rd party service provider (contract already awarded)	-
	<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 December 2024	-
	<b>SUB-TOTAL</b>		<b>20%</b>							

LBP LEASING AND FINANCE CORPORATION

COMPONENTS					2024 Approved Target	3rd Quarter 2024 (July to September)			Accomplishment as of September 30, 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 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 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

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