

CHARTER STATEMENT		2024	2025 PROPOSAL	REMARKS	TPM Remarks
<b>Mission Statement</b>		To provide board spectrum of leasing and financial products and services to government agencies, LBP borrowers, and clients in the priority sectors that support the National Economic agenda.	To provide broad spectrum of leasing and financial products and services to government agencies, LBP borrowers, and clients in the priority sectors that will support the Philippine Development Plan.		*The changes were made to make sure LLFC is aligned with the new issuance on the Performance Scorecard.  This will change to incorporate the merger with ULFC.
<b>Vision Statement</b>		By 2025, LLFC will be among the country's top 5 bank affiliated leasing and finance companies in terms of total assets.	By 2030, LLFC will be among the leading leasing and financing institution, playing a pivotal role in supporting the Philippine Government's efforts to foster a strong and sustainable economic development, through its inclusive and innovative financing solutions.		* LLFC to revisit the objectives to incorporate the new issuance on the Performance Scorecard.
<b>Core Values</b>		(Adopted from LANDBANK) Innovation Accountability Customer Focus Collaboration Excellence Social Responsibility Resilience	(Adopted from LANDBANK) Innovation Accountability Customer Focus Collaboration Excellence Social Responsibility Resilience	No changes.	
<b>Strategic Objectives</b>	<b>Financial</b>	Sustain Capital and Financial Growth through the effective and efficient use of resources	Sustain Capital and Financial Growth through the effective and efficient use of resources		
	<b>Customer/Stakeholder</b>	Provide financial products and services to achieve customer satisfaction and loyalty	Provide financial products that are inclusive and accessible		
		Enhance customer satisfaction through responsive service delivery	Enhance customer satisfaction through responsive service delivery		
	<b>Internal Processes</b>	Enhance delivery of leasing and financing solutions	Develop organizational infrastructures that is sustainable, disaster resilient, and accessible		
		Improve procedures, systems and programs on a continuing basis	Embed a culture of efficiency and quality across all levels of the organization		
	<b>Learning and Growth</b>	Strengthen organizational competencies	Strengthen organizational knowledge, skills and competencies		
Optimize linkages and use of information technology		Institutionalize a culture sustainability, resilience, and inclusion			

For GCG:

  
 MR. NORBERT G. GERMANO, CPA  
 Corporate Governance Officer V

For LLFC:

  
 MR. MICHAEL P. ARANAS  
 President and CEO

SO 1	Objective/Measure	Formula	Weight	Rating System	Baseline				2024		GOCC Proposed 2025 Target	Remarks	TPM Remarks
					2020	2021	2022	2023	Target	3Q Actual			
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	₱4 392 Billion	₱4 746 Billion	₱4 866 Billion	₱5 336 Billion	₱5 700 Billion	₱5 947 Billion	₱6 363 Billion	<p><i>highlights of accomplishment.</i></p> <p>*GCG proposed to reword the measure to "Total Net Portfolio"</p> <p>*EOPL - temporary lodging account.</p> <p>*Deposit on Lease Contract - Lease Receivables will be overstated if DLC will not be deducted.</p> <p>*Starting 2024, LLFC to include a portion in the COA Notes to FS to reflect the computation of the Total Portfolio</p> <p><i>Supporting Documents:</i> System-generated Certified List of Balances of Accounts; COA Audited Financial Statements; and Reported Year-End Total Portfolio as presented to the Board.</p> <p>*LLFC to provide the definition of BIR - Reserves, EOPL and Deposit on Lease Contract.</p> <p>*LLFC to provide justification on the inclusion/exclusion of items in the formula.</p> <p>*LLFC to provide detailed computation on the basis of the proposed target for 2025.</p> <p>*GCG proposed to revise the formula to "Outstanding Loan Portfolio by end of December".</p>	
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	1.98%	2.42%	9.44%	7.25%	5.00%	12.21%	5.00%	<p><i>Supporting Documents:</i> System-generated Total Past Due (Loans and Leases), COA Audited Financial Statements; and Specific BSP Circulars related to the Net Past Due Rate</p> <p>*GCG recommends to revised the measure to "Collection Efficiency". However, LLFC explained that it is not feasible to the corporation.</p> <p>*GCG proposed to reword the measure to "Net Past Due Rate".</p> <p>*LLFC retained the 5% target due the year-end projection of 7-9% Past Due Rate.</p> <p>*LLFC to submit narrative on the efforts in mitigating past due accounts including plans on past due accounts of ULFC.</p>	
SM 3	Increase Asset Size	Absolute amount of Total Assets by end of December	5%	(Actual / Target) x Weight	₱5 04 Billion	₱4 967 Billion	₱5 472 Billion	₱6 165 Billion	₱5 900 Billion	₱6 963 Billion	₱7 200 Billion	<p><i>Supporting Documents:</i> COA Audited Financial Statements</p> <p>*DOF requested LLFC to submit the breakdown of portfolio increases per industry.</p> <p>*GCG recommends retaining the measure and reallocate the weight of SM 6 to the new measures (DRRM and RP).</p> <p>*LLFC to submit the Projected Balance Sheet as of 31 December 2025.</p> <p>*Loan Receivables and EOPL are the direct contributors in the increase of the asset size.</p> <p>*Net assets from ULFC would be enough to cater the required additional paid-in capital.</p>	

	Objective/Measure	Formula	Weight	Rating System	Baseline				2024		GOCC Proposed 2025 Target	Remarks	TPM Remarks		
					2020	2021	2022	2023	Target	3Q Actual					
FINANCIAL	SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	₱339.56 Million	₱29.92 Million	₱41.067 Million	₱70.198 Million	₱80.0 Million	₱0.24 Million	₱90.100 Million	Supporting Documents: COA Audited Financial Statements	*Around Php30 Million is the projected 2024 NIAT. *LLFC projected to book the PEZA project around first quarter of 2025. LLFC is expecting additional Php10 Million income from the project. *Revenues from the incremental bookings in the 3rd and 4th quarter of 2024 will be realized in 2025. <u>*LLFC to provide to the Projected Income Statement as of 31 December 2025.</u> <u>*LLFC to submit briefer on the PEZA project.</u>	
	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	N/A	N/A	70.30%	76.25%	90%	40.40%	90%	Supporting Documents: COA Audited Financial Statements, and Budget Utilization Report	*GCG proposed to rename the measure to "Budget Utilization Rate" to be consistent with other GOCCs. *LLFC to translate its Budget Utilization Report using the format of COA. <u>*LLFC to provide additional COB portion translated from COA's format of BUR presentation.</u> *The formula will be revised to "Actual Disbursements Divided by Total MOOE, CO, and Financial Expenses as per Board-Approved COB" so that Direct Expenses will not be included.	
	<b>Sub-total</b>														
	BONUS	GAD Budget Utilization	Actual Accomplishment	1%	All or Nothing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	5% of Total Budget	Supporting Documents: COA Audited Financial Statements, and GAD Budget Utilization Report	This measure should not form part of the measures totalling 100% in the PES. It should be a bonus measure right below the 100% total. <u>*LLFC to provide baseline figure for GAD Budget utilization from 2020-2023.</u>
<b>SO 2 Provide financial products that are inclusive and accessible</b>															
CUSTOMER/STAKEHOLDERS	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%	86.51%	85.43%	94.46%	91.95%	90%	92.09%	90%	Supporting Documents: System-generated Report based on the Industry, and List of Accounts included in the Priority Sectors	*GCG proposed to decrease the weight of the measure and reallocate to the new measures (DRRM and RP). *Logistics, Manufacturing and Construction are added in the list of priority sectors on top of LANDBANK's priority sectors. This was approved by the Board. <u>*LLFC to provide the latest Board Resolution approving the priority sectors of the corporation.</u> <u>*LLFC to provide the board approval of the 2025 list of priority sectors once available.</u>	
	<b>SO 3 Enhance customer satisfaction through responsive service delivery</b>														
	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%	100%	99%	98%	100%	95%	N/A	95%	Supporting Documents: Validated CSM Report from ARTA	*GCG will refer to ARTA's CSM validation.	
	SM 8	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	15%	(Actual / Target) x Weight. 0% = If below 80%	100%	97%	97%	98%	100%	100%	100%	100% of credit applications processed within the processing time	Supporting Documents: Credit Approval Monitoring Sheet (Excel File), and Sample Credit Application Forms	<u>*LLFC to provide latest copy of the Citizens Charter.</u>
<b>Sub-total</b>															
<b>SO 4 Develop organizational infrastructures that is sustainable, disaster-resilient, and accessible</b>															



	Objective/Measure	Formula	Weight	Rating System	Baseline				2024		GOCG Proposed 2025 Target	Remarks	TPM Remarks	
					2020	2021	2022	2023	Target	3Q Actual				
INTERNAL PROCESSES	SM 9	Implementation of IT Projects	Actual accomplishment	5%	All or nothing	Completed 57% of ISSP Projects Planned for 2020	100% completion of ISSP projects planned for 2021, including the remaining projects due for 2020	Completed 100% of the 2022 ISSP Projects	100% completion of 2023 target ISSP Projects	100% completion of 2024 ISSP projects based on BOD approved or DICT endorsed ISSP	N/A	100% completion of target ISSP projects planned for 2025 based on BOD-approved or DICT endorsed ISSP	<p><b>Supporting Documents:</b>                      Copy of the Board-approved or DICT-endorsed ISSP for 2025, User Acceptance Testing (UAT) Report, and Procurement Documents.</p>	<p>*GCG proposed to rename the measure to "number of ISSP projects completed"</p> <p>*GCG to use the 2022-2024 ISSP for 2024 target. 2025-2027 ISSP is for approval of the Board.</p> <p><i>LLFC to provide the indicative systems to be completed and their percentage of completion for 2025 year-end.</i></p>
	SO 5	<b>Embed a culture of efficiency and quality across all levels of the organization</b>												
	SM 10	Implement Quality Management System	Actual accomplishment	2.5%	All or nothing	Maintained ISO 9001:2015 Certification	Maintained ISO 9001:2015 Certification	ISO 9001:2015 Re-certified	Maintained ISO 9001:2015 Certification	Maintenance of ISO 9001:2015 Certification	N/A	ISO 9001:2015 Re-certified	<p><b>Supporting Documents:</b>                      Copy of the ISO 9001:2015 Certificate</p>	<p>*The target date for recertification is on November 2025. The procurement and awarding on the 3rd party provider is on 2nd quarter of 2025.</p>
	BONUS	Secure Certification on Environmental Management System	Actual accomplishment	0.5%	All or nothing	N/A	N/A	N/A	N/A	N/A	N/A	ISO 14001:2015 Certification	<p><b>Supporting Documents:</b>                      Copy of the ISO 14001:2015 Certification</p>	<p>* These bonus measures should not form should not form part of the measures totalling 100% in the PES. It should be a bonus measure right below the 100% total.</p>
		Secure Certification on Business Continuity Management System (BCMS)	Actual accomplishment	0.5%	All or nothing	N/A	N/A	N/A	N/A	N/A	N/A	ISO 14001:2015 Certification	<p><b>Supporting Documents:</b>                      Copy of the ISO 14001:2015 Certification</p>	<p>* These bonus measures should not form should not form part of the measures totalling 100% in the PES. It should be a bonus measure right below the 100% total.</p>
	<i>Sub-total</i>		7.5%											
SO 6	<b>Strengthen organizational knowledge, skills and competencies</b>													
SM 11	Percentage of Employees Meeting Required Competencies	Competency Baseline 2023 - Competency Baseline 2024	2.5%	(Actual / Target) x Weight	Overall Organization Competency declined by 0.54%	Improved Competency Based on the 202 year-end assessment	100%	Revised Competency Framework was approved by BR No. 23-270 dated 15 December 2023	Assessment of Employees was done in February 2024	Improvement on the Competency Level based on the 2023 year-end Assessment	N/A	Improvement on the competency level based on 2024 year-end assessment	<p><b>Supporting Documents:</b>                      Employee Assessment Forms, and Database of the Result of the Competency Assessment for 2024 and 2025</p>	<p>*The schedule of competency assessment is on January 2025</p> <p>*GCG proposed that the 2025 formula would be "Plantilla Employees Meeting Required Competencies Divided by Total Filled Plantilla as of Year-end"</p> <p><i>LLFC to provide revised percentage of employees meeting required competencies based on the training plan and provide baseline for 2023-2025.</i></p>
LEARNING AND GROWTH												Submission of Complete Requirements for EP to the GDS on or before 06 August 2025		<p>*LLFC to proposed the weight for this measure.</p> <p><i>LLFC to provide a brief on the efforts made on Reorganization Plan including the timeline of procurement of consultant and budget.</i></p>
	SO 7	<b>Institutionalize a culture of sustainability, resilience, and inclusion</b>												
SM 12	Development and Implementation of Disaster Risk Reduction and Management (DRRM) Plan	Actual accomplishment	2.50%	All or nothing	N/A	N/A	N/A	N/A	N/A	N/A	N/A	2025 Board-approved DRRM Plan	<p><b>Supporting Documents:</b>                      Copy of the Board-approved DRRM Plan</p>	<p>*The standard weight for this measure is 5%</p> <p>*LLFC has no decision yet if it will craft the DRRM plan internally or outsourced.</p>


Objective/Measure	Formula	Weight	Rating System	Baseline				2024		GOCC Proposed 2025 Target	Remarks	TPM Remarks
				2020	2021	2022	2023	Target	3Q Actual			
SM 13 Number of Training Programs on Sustainability, Resilience, and Inclusivity Completed by Employees	Actual accomplishment	2.5%	All or nothing	N/A	N/A	N/A	N/A	N/A	N/A	Conduct at least 3 trainings on sustainability, resilience, and inclusivity	Supporting Documents: Copy of the Training Certificates, and Attendance Sheets.	*GOCC proposed to remove this measure.
<b>Sub-total</b>		<b>7.50%</b>										
<b>TOTAL</b>		<b>100%</b>										

For GGG:



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