

LBP LEASING AND FINANCE CORPORATION (LLFC)
Validation of 2023 Performance Scorecard

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
SO 1	Sustain Capital and Financial Growth through the effective and efficient use of resources											
FINANCIAL	SM 1	Increase Total Portfolio	Total Outstanding Financing and Leasing Portfolio (based on the Net Exposure) by End of December	15%	(Actual / Target) x Weight 0% = If less than ₱3 Billion	₱5.418 Billion	₱5.336 Billion	14.77%	₱5.336 Billion	14.77%	<ul style="list-style-type: none"> 2023 COA-AAR Total Portfolio Computation based on 2023 COA AAR Schedule of Total Portfolio as of 31 December 2023 Reported Asset Quality as of 31 December 2023 	Target not met.
	SM 2	Lower Net Past Due Rate	Total Past Due at the end of the period – Deferred Leasing Income, Unearned Credits, and Specific Loan Loss Provision over Total Portfolio	10%	{1-(Actual-Target)/Target} x weight	5.0%	7.61%	4.78%	7.25%	5.5%	<ul style="list-style-type: none"> Net Past Due Rate Computation as of 31 December 2023 Total Past Due Computation based on 2023 COA AAR Total Past Due Loans and Leases Schedule of Specific Loan Loss Provision Schedule of Total Portfolio 2023 COA AAR 	Target exceeded.

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
SM 3	Increase Asset Size	Absolute Amount of Total Assets by end of December	5%	(Actual / Target) x Weight	₱5.700 Billion	₱6.164 Billion	5%	₱6.165 Billion	5%	<ul style="list-style-type: none"> 2023 COA AAR Memorandum on Result of Operations – December 2023 as presented to the LLFC Board of Directors dated 17 January 2024 	Target exceeded.
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual / Target) x Weight	₱60.0 Million	₱73.446 Million	15%	₱70.198 Million	15%	<ul style="list-style-type: none"> 2023 COA AAR 	Target exceeded.
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%	67.86%	3.77%	76.25%	4.24%	<ul style="list-style-type: none"> Budget Utilization Report as of 31 December 2023 ICRS SAAOBDB 	Target not met.
		Sub-total	50%				43.32%		44.51%		
SO 2	Provide financial products to achieve customer satisfaction and loyalty										
CUSTOMER/STAKEHO	SM 6	Percentage of Portfolio Level allocated to priority sectors	15%	Below 75% = 0%; 75% to less than 90% = 7.5%; 90% and above = 15%	90%	92.24%	15%	91.95%	15%	<ul style="list-style-type: none"> Priority Sector Portfolio Computation List of Account Balances Included in the Priority Sector 2023 COA AAR 	Acceptable.

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
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%	99.81%	5%	99.81%	5%	<ul style="list-style-type: none"> Harmonized Client Satisfaction Measurement (CSM) result endorsed by ARTA 	Acceptable.	
		Sub-total	20%				20%		20%			
SO 3	Enhance delivery of leasing and financing solutions											
INTERNAL PROCESS	SM 8	Percentage of Credit approval Processed within Applicable Time	Total Number of Credit Approvals for New and Existing Clients Processed within the Applicable Time / Total Number of Credit Approvals	15%	(Actual / Target) x Weight; 0% = If below 80%	100% of credit applications within the applicable time ¹	100%	15%	97.5%	14.63%	<ul style="list-style-type: none"> Application Monitoring Sheet Credit Approvals Monitoring Sheet ExCom/BOD Resolutions Approving Credit Facilities Copy of Additional Requirements from Clients 	LLFC was able to process 39 out of 40 or 97.5% of credit applications within the applicable processing time. Details of the Credit Applications Approved Within Applicable Time is attached as Appendix 1.

¹ Applicable processing time will be based on LLFC's compliance with Republic Act No. 11032.

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
SO 4	Improve procedures, systems, and programs on a continuing basis										
SM 9	Implement Quality Management System	Actual Accomplishment	5%	All or nothing	Maintain ISO 9001:2015 Certification	Passed	5%	Maintained ISO 9001:2015 Certification	5%	<ul style="list-style-type: none"> • Copy of ISO 9001:2015 Certificate • Copy of the Surveillance Audit Report from the third-party 	Acceptable.
		Sub-total	20%				20%		19.63%		
SO 5	Strengthen organization competencies										
SM 10	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or nothing	Board Approved Revised Competency Framework	Revised competency framework was approved by the BOD on 20 December 2023	2.5%	Revised Competency Framework was approved through Board Resolution No. 23-270 dated 15 December 2023	2.5%	<ul style="list-style-type: none"> • Copy of the Board-approved Revised Competency Framework • Board Resolution No. 23-270 	Acceptable.

LEARNING & GROWTH

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating		
				Competency Assessment of all eligible employees	Assessed all eligible employees CY 2023	2.5%	Assessment of Employees was done in February 2024	0%	<ul style="list-style-type: none"> • Database of the employee assessment result • Employee Assessment Forms 	<p>According to the revised framework, the second competency assessment for the July to December period should be completed in the succeeding year, on or before the second week of January. However, the GCG noticed that the assessment of employees was done in February 2024. Moreover, the assessment date of some employees was not provided. Please see Appendix 2.</p>

hjo

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
SO 8 Optimize Linkages and Use of Information Technology											
SM 11	Implementation of IT Projects	Actual Accomplishment	5%	All or nothing	100% completion of 2023 target ISSP Project based on Board-approved or DICT endorsed ISSP.	Completed 100% of the 2022 ISSP Project based on Board-approved or DICT endorsed ISSP.	5%	100% completion of 2023 target ISSP Project based on Board-approved or DICT endorsed ISSP	5%	<ul style="list-style-type: none"> • DICT-endorsed ISSP for 2022-2024 • Approved Work Program • Inspection and Acceptance Report • Delivery Receipts • Memorandum of Deferment of ISSP Project for 2023 dated 06 November 2023 	Acceptable.
		Sub-Total	10%				10%		7.5%		
		TOTAL	100%				93.32%		91.64%		

hs