

LBP LEASING AND FINANCE CORPORATION (LLFC)
Validation Result of 2019 Performance Scorecard

	Component					LLFC Reported		GCG Validation		Supporting Documents	Remarks	
	Objective/Measure	Actual	Rating	Rating Scale	Target	Actual	Rating	Actual	Rating			
FINANCIAL	SO 1	Ensure Viability and Financial Growth										
	SM 1	Increase Total Portfolio	Amount of outstanding portfolio by end of December	15%	(Actual /Target) x Weight 0%= If less than ₱3 Billion	₱4.125 Billion	₱4.348 B	15%	₱4.325 Billion	15%	<ul style="list-style-type: none"> Report on Total Portfolio Result of Operations and Year-End Portfolio presented to the Board Consolidated Statement of Condition (CSOC) Validation Result from BSP COA Audit Report 	<p>Acceptable.</p> <p>Includes Loans and Lease Receivables, Deferred Leasing Income, and Equipment and Other Properties for Lease, net but excludes Deposits on Lease Contract and Miscellaneous Liabilities.</p>
	SM 2	Lower Net Past Due Rate	Total Past Due Rate at the end of the period - Deferred Leasing Income, Unearned Credits & Specific Loan Loss Provision over Total Portfolio	10%	(1-(Actual /Target) x Weight 0% = If above 3.08%	2.50%	8.66%	0%	9.43%	0%	<ul style="list-style-type: none"> List of Past Due Accounts Schedule of Loss Provision List of Total Portfolio COA Audit Report 	Total Past Due Accounts amounted to ₱556.73 Million and Specific Loan Loss Provisions of ₱149.01 Million; amounts were computed using the COA Audit Report and formula provided which only covers the Deferred

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											Leasing Income, Unearned Credits & Specific Loan Loss Provision as deductions.
SM 3	Increase Asset Size	Absolute Amount	5%	(Actual /Target) x Weight	₱5.360 Billion	₱5.354 Billion	4.99%	₱5.275 Billion	4.92%	COA Audited Financial Statement	Acceptable.
SO 2	Consistency Improve Profitability										
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual /Target) x Weight 0% = if below ₱108.41 Million	₱126 Million	₱31.229 Million	0%	₱18.52 Million	0%	COA Audited Financial Statement	Target not met and validated actual below minimum requirement.
	Sub-total		45%				19.99%		19.92%		
SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors										
SM 5	Percentage of Portfolio Level Allocated to Priority Sectors	Total Amount of portfolio allocated to priority sector / Total Portfolio at the end of the year	15%	Below 75% = 0% 75% - 79.9% = 7% 80% and above = 15%	80%	87.73%	15%	87.69%	15%	<ul style="list-style-type: none"> Portfolio in Priority Sectors List of Accounts Balances included in the Priority Sector 	Target exceeded. Total loan portfolio allocated to priority sectors amounted to ₱3.793 Billion.

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CUSTOMER/ STAKEHOLDER	SO 4	Improve Accessibility & Timeliness of Delivery of Leasing & Financing Solutions										
	SM 6	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%	97%	5%	97%	5%	<ul style="list-style-type: none"> Report from the third-party provider Samples of Actual Survey Questionnaire 	Acceptable.
		Sub-total			20%			20%		20%		
INTERNAL PROCESSES	SO 5	Streamline Credit Processing System										
	SM 7	Percentage of Credit Approval Processed within Applicable Time	Total Number of Credit Approval for new and existing clients Processed within Applicable Time / Total Number of Credit Approvals	20%	(Actual / Target) x Weight 0% = if less than 80%	100% of credit applications processed within the applicable processing time	87.88%	17.58%	87.88%	17.58%	<ul style="list-style-type: none"> Application Monitoring Sheets Application Forms Board Resolutions approving the credit facilities 	Acceptable.
		SO 6	Continuous Improvement of Processes and Systems									
	SM 8	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Certification	ISO 9001:2015 Certified	5%	ISO 9001:2015 Certified	5%	Certificate of Registration	Acceptable. Certificate covers the Provision of Financial Lasing Services
	Sub-total			25%			22.58%		22.58%			

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LEARNING AND GROWTH	SO 7	Ensure Availability of Required Competencies for Critical Positions										
	SM 9	Percentage of Employees Meeting Required Competencies	Number of employees meeting required competencies / Total number of employees as identified by LBP-LFC	5%	(Actual / Target) x Weight	Address and close competency gaps of 100% of employees based on the 2018 year-end assessment	30%	1.5%	30%	1.5%	<ul style="list-style-type: none"> Summary of Competency Assessment Employees' Competency Assessment Forms 	Acceptable.
	SM 10	Implementation of IT Projects	Actual Accomplishment	5%	All or Nothing	100% completion of ISSP projects planned for 2019	70%	0%	Only 61.54% of projects targeted for the year were accomplished and implemented	3.08%	<ul style="list-style-type: none"> Board-approved ISSP Purchase Order, Notice of Award, Notice to Proceed, Invoices, Delivery Receipts Certificate of Project Deliverable Accepted. 	Only 8 out of 13 projects reflected in the approved ISSP was accomplished and implemented. See Appendix 1 for details.
		Sub-total			10%			1.5%		4.58%		
	TOTAL			100%			64.07%		67.08%			

VALIDATION RESULT OF SM 10: IMPLEMENTATION OF ICT PROJECTS

The ISSP endorsed by the DICT on 10 October 2019 presents the following timeline:

PART V – DEVELOPMENT AND INVESTMENT PROGRAM				
A. ICT PROJECTS IMPLEMENTATION SCHEDULE				
	Name of ICT Projects	2019	2020	2021
1	Upgrade of Network Infrastructure			
2	Establishment of Backup System and Disaster Recovery Plan			
3	Development and Enhancement of Various Information System			
B. INFORMATION SYSTEMS (IS) IMPLEMENTATION SCHEDULE				
	Name of IS	2019	2020	2021
1	Corporate Messaging System (CMS)			
2	Enterprise Content Management System (ECMS)			
3	Enterprise Resource Planning System (ERPS)			

Validation Result:

Target	Accomplishment	Supporting Document
Upgrade of Network Infrastructure		
1. Access Points	Procured and Deployed	Supplier's Sales Invoice, Delivery Receipt and Purchase Order
2. Uninterruptible Power Supply	Procured and Deployed	Notice of Proceed, Notice of Award, Purchase Order, Supplier's Sales Invoice and Delivery Receipt
3. Internet Subscription	Procured and Deployed	Billing Statement and Customer Acceptance Form
4. Anti-Virus Subscription	Procured and Deployed	Notice to Proceed, Notice of Award, Supplier's Sales Invoice and Delivery Receipt
Back-Up System and Disaster Recovery Plan Implementation		
5. Back Up Software	No accomplishment	No accomplishment
6. Back Up Server	No accomplishment	No accomplishment
7. Back up Storage	No accomplishment	No accomplishment
8. Cloud Subscription	No accomplishment	No accomplishment
9. ICT Training	No accomplishment	No accomplishment
Development of Info System Corporate Messaging System (CMS)		
10. GSM Modem	Replaced by a web-based system. Hence, a hardware modem is no longer needed to support the messaging system.	Supplier's Proforma Invoice, Sales Order, Work Order and Service Agreement
11. CMS Software License	Procured and Implemented	Supplier's Proforma Invoice, Sales Order, Work Order and Service Agreement

Target	Accomplishment	Supporting Document
Upgrade of Network Infrastructure		
12. ICT Training	Provided by web-based supplier	Supplier's Proforma Invoice, Sales Order, Work Order and Service Agreement
13. SMS and Service Subscription	Procured and Implemented	Supplier's Proforma Invoice, Sales Order, Work Order and Service Agreement