

LBP LEASING AND FINANCE CORPORATION (LLFC)
Validation Result of 2021 Performance Scorecard

Component					LLFC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
SO 1	Ensure Viability and Financial Growth											
FINANCIAL	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	₱4.8 Billion	₱4.748 Billion	14.84%	₱4.746 Billion	14.83%	<ul style="list-style-type: none"> • Loan/Lease Portfolio; • Memorandum on the Asset Quality Report as of 31 December 2021; and • COA Annual Audit Report 	<p>Acceptable.</p> <p>Total Portfolio includes Loans and Lease Receivables, Deferred Leasing Income, and Equipment and Other Property for Lease less the Deposit on the Lease Contract.</p> <p>Validated accomplishment based on COA Audit Report.</p>
	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	8.0%	2.84%	15%	2.42%	10%	<ul style="list-style-type: none"> • Net Past Due Rate Computation; • Past Due Accounts; • Schedule of Loss Provision • Total Loan Portfolio as of 31 December 2021; and • COA Annual Audit Report 	<p>Acceptable.</p> <p>Past due receivables, past due – restructured accounts, and items in litigation were taken from the COA Annual Audit Report.</p>

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SM 3	Increase Asset Size	Absolute Amount of Total Assets by end of December	5%	(Actual/Target) x Weight	₱5.40 Billion	₱5.007 Billion	9.27%	₱4.967 Billion	4.60%	<ul style="list-style-type: none"> Memorandum to the Board of Directors on the Results of Operations for December 2021; and COA Annual Audit Report 	Target not met. Validated accomplishment based on COA Report.
SO 2	Consistently Improve Profitability										
SM 4	Increase Net Income After Tax	Total Revenues Less Total Expenses	15%	(Actual/Target) x Weight	₱25.0 Million	₱33.37 Million	15%	₱29.92 Million	15%	<ul style="list-style-type: none"> Memorandum to the Board of Directors on the Results of Operations for December 2021; and COA Annual Audit Report 	Acceptable. Reported accomplishment based on COA Report.
Sub-total			45%				54.11%		44.43%		
CUSTOMER/STAKEHOLDERS	SO 3	Provide Affordable & Responsive Financial Products for Priority Sectors									
	SM 5	Percentage of Portfolio 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%	80%	85.43%	15%	85.43%	15%	<ul style="list-style-type: none"> Summary Report on the Portfolio Allocation in Priority Sectors; and COA Annual Audit Report

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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 less than 80%	95%	99%	5%	99%	5%	<ul style="list-style-type: none"> • 2021 CSS Final Report from the Third Party; • Sample Accomplished Survey Questionnaire; • Backchecking and Spot-checking Reports; and • Database of Responses. 	Target exceeded.
	<i>Sub-total</i>		20%				20%		20%		
SO 5	Streamline Credit Processing System										

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SM 7	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	20%	(Actual/Target) x Weight; 0% = if less than 80%	100% of credit applications processed within the applicable processing time ¹	96.80%	9.68%	96.77%	19.35%	<ul style="list-style-type: none"> Database of Application Processed in 2021; Application Monitoring Sheets; and Executive Committee/ Board Approval of the applications 	LLFC was able to process 30 out of 31 applications within the applicable processing time. Details are attached in Appendix 1 .
SO 6	Continuous Improvement of Processes and Systems										
SM 8	Implement Quality Management System	Actual Accomplishment	5%	All or Nothing	Maintain ISO 9001:2015 Certificate	Passed	5%	Maintained ISO 9001:2015 Certification	5%	<ul style="list-style-type: none"> ISO 9001:2015 Certification; and Surveillance Audit Report 	Acceptable.
	Sub-total		25%				14.68%		24.35%		
SO 7	Ensure Availability of Required Competencies for Critical Positions										

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

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SM 9	Percentage of Employees Meeting Required Competencies	Competency Baseline ² 2021 – Competency Baseline 2020	5%	(Actual/Target) x Weight	Improvement on the Competency Level of the Organization based on the 2020 year-end assessment	Improved Competency based On 2020 year-end assessment	5%	Improved Competency based on the 2020 year-end assessment	5%	<ul style="list-style-type: none"> Summary of Competency Assessment for 2021; Competency Assessment Forms; and Result of the 2020 and 2021 Competency Assessment 	Target met. LLFC has improv Competency Leve 97.10% in 202 98.19% in 2021.
SO 8	Optimize the Use of Information Technology										

² The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[\frac{\sum_{a=1}^A \left(\frac{\text{Actual Competency Level}}{\text{Required Competency Level}} \right)_a}{A} \right]_b}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

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SM 10	Number of IT Projects Implemented	Actual Accomplishment	5%	All or Nothing	100% completion of ISSP projects planned for 2021, including the Remaining Projects due for 2020	100% completion of ISSP projects planned for 2021, including the Remaining Projects due for 2020	5%	100% completion of ISSP projects planned for 2021, including the Remaining Projects due for 2020	5%	<ul style="list-style-type: none"> IT Project Work Program; Inspection and Acceptance Report; Report on Non-replacement of the Laser Jet Printer and the Uninterruptible Power Supply (UPS); Memorandum on Procurement of Laptop Units; and Delivery Receipts and other Procurement Documents. 	Acceptable.
Sub-total			10%				10%		10%		
Grand Total			100%				98.79%		98.78%		

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