DEVELOPMENT BANK OF THE PHILIPPINES
ACCOMPLISHMENT REPORT OF PERFORMANCE TARGETS TO GCG
FOR THE YEAR ENDED 2017

Interim PES Form 3

	Components					Baseline		ACTUAL ACCOMPLISHMENTS		
						ACTUAL	TARGET			
	Objective/Measure		Formula	Weight	Rating System	BANKWIDE FY 2016	BANKWIDE FY 2017	4th Quarter 2017	RR % vs. CY 2017 Target	WEIGHTED Average CY 2016
CONSTITUENCY	SO 1	Support Government's Priority Programs, Inclusive Growth and Environmental Sustainability Initiatives								
	SM 1	**1.a. Total Loan Approvals for LGUs, Water Districts and Electric Cooperatives**	Outstanding Loan Amount	10%	Actual / Target x Weight	₱14,104 Mn	₱15,000 Mn	**₱17,212 Mn**	114.75%	**10.00%**
		1.b. Total Loan Portfolio for Schools and Hospitals	Outstanding Loan Amount	10%	Actual / Target x Weight	P11,996 Mn	P13,795 Mn (est.15% increase based on 2016 Actual)	**₱22,965 Mn**	166.47%	**10.00%**
	SM 2	**Percentage of Satisfactory Customer Rating**	No. of respondents giving at least satisfactory / Total no. of respondents	5%	Actual / Target x Weight	Above 90% Satisfactory Rating using existing internal customer survey	90% respondents giving "Satisfactory Rating" based on third-party survey	DBP exceeded its GCG commitment as it earned a customer satisfaction score of 95% both from its depositors and borrowers.	100.00%	**5.00%**
	SO 2	Support the 10-Point Government Socio-Economic Agenda by supporting Public & Private Participants in Government's Infrastructure Program								
	SM 3	**Total Loan Portfolio for Infrastructure**	Outstanding Loan Amount	10%	Actual / Target x Weight	₱68,685 Mn	P78,987 Mn (est. 15% increase based on 2016 Actual)	**₱84,546 Mn**	107.04%	**10.00%**
		Sub-Total		**35%**						**35.00%**
FINANCE	SO 3	Reduce Cost of Funds								
	SM 4	**Total CASA Deposits**	Actual Figure	10%	Actual / Target x Weight Anything below P84.649 Billion: 0%	P132,777 Mn (21% inc or P22,670 Mn)	P152,694 Mn (est. 15% increase based on 2016 Actual)	**₱172,868 Mn**	113.21%	**10.00%**
	SO 4	Grow and Diversify Loan Portfolio and Improve Asset Quality								
	SM 5	**Portfolio Quality - NPL Ratio (Net)**	Outstanding NPL - specific allowance for Impairment Loss / Outstanding Gross Loan Portfolio	5%	All or Nothing	0.16%	<2%	**0.42%**	100.00%	**5.00%**
	SO 5	Strengthen Balance Sheet through Sustainable, Efficient and Profitable Operations								
	SM 6	**Net Income**	Actual Figure	5%	Actual / Target x Weight	₱4,202 Mn	₱5,000 Mn	**₱5,101 Mn**	102.02%	**5.00%**
	SM 7	**Capital Adequacy Ratio (CAR)**	Total Qualifying Capital / Total Risk-Weighted Assets	5%	All or Nothing	15.10%	≥ BSP Requirement		100.00%	**5.00%**
		BSP (Basel III) CET 1					6%	11.45%*		
		BSP (Basel III) Total CAR					10%	15.51%*		
		Sub-Total		**25%**						**25.00%**

***As of November 2017. Updated CAR figure as of December 2017 are 11.08% for CET 1 and 14.99% for Total CAR.**

DEVELOPMENT BANK OF THE PHILIPPINES
ACCOMPLISHMENT REPORT OF PERFORMANCE TARGETS TO GCG
FOR THE YEAR ENDED 2017

Interim PES Form 3

	Components					Baseline	TARGET	ACTUAL ACCOMPLISHMENTS	RR	WEIGHTED Average
		Objective/Measure	Formula	Weight	Rating System	ACTUAL BANKWIDE FY 2016	BANKWIDE FY 2017	4th Quarter 2017	% vs. CY 2017 Target	CY 2016
INTERNAL PROCESS	SO 6	Streamline and Update Existing Credit and Other Operating Processes								
	SM 8	**TAT in Processing of Loan Applications**	Number of loans processed within TAT / Total number of loans processed	5%	Actual / Target x Weight	73% of loan applications processed within 45 work days TAT	80% processed loan applications within 45 work days TAT	For the period January to December 2017, 86% of processed loan applications were completed within 45 WD TAT, above 80% target. Working Days (WD) = 31 WD	100.00%	**5.00%**
	SO 7	Develop and Utilize Latest Information and Communication Technology (ICT) at Par with the Best in the Industry								
	SM 9	**Implementation of ICT Projects**	Actual Accomplishment	10%	Actual / Target x Weight	1. Vendor Mgt Sys. - 100% completed/implemented on 6/20/2016 2. Insurance Mgt Sys. - 100% completed/implemented on 12/28/2016 3. Westpac (Australian Remittance Sys.)- 100% completed/implemented on 07/22/2016 4. Cash Mgt Sys. - 90% complete; implementation moved to Feb 2017 due to priority resources shift toward EMV project 5. Card Mgt Sys. - 100% completed/implemented on 12/01/2016 6. Check Truncation - 95% completed; implementation moved to Jan 16, 2017 by PCHC due to add'l requirements late in the project	1. Check Imaging Clearing Sys. (CICS) - Remote Deposit Service on Checks (formerly named as Client Service Facilities Corporate Scanning); 2. EMV Acquiring Certification (VISA, Bancnet and Mastercard) - formerly Mastercard Issuing, Acquiring and Certification 3. Cash Mgt. Sys. - Port to Production 4. Mobile Banking - Card Banking Facility 5. User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL	1. 100% completion for Check Imaging Clearing System (CICS); 2. 100% completion for EMV Acquiring Certification; 3. 100% completion for Cash Management System - Port to Production; 4. Mobile Banking -Card Banking Facility; and 5. 90% completion for (5) User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL. The original date of the User Acceptance Testing (UAT) for the Deposits Module and Core GL was targeted for 01 July 2017. However, during the User Training in May 2017, lack of customization was observed which led to re-discussion of DBP's requirements and what the system had to capture prior to the UAT. This also influenced DBP to conduct software quality assurance (SQA) activity which was originally estimated at 20 WD, but the issues identified and corresponding time of providing fixes extended the activity much longer. To settle the issues, the Bank and the JV settled on a final date of when the fixes for the identified issues are to be provided and finally agreed to start the UAT Round 1 on 27 November 2017. UAT Round 1 was finished on 04 December 2017 and Round 2 started on 27 December 2017.	98.00%	**9.80%**
	SO 8	Strengthen Risk Management and Regulatory Compliance								
	SM 10	**Implementation of Risk Management Application**	Actual Accomplishment	5%	All or Nothing	Consultancy Services for bidding approved by ManCom; Adoption of DBP's own Loan Loss Methodology noted by BSP	- Risk Asset Classification & Measurement (C&M) - Expected Credit Loss (ECL) Model	Business requirements for C&M and ECL were documented as completed on September 14, 2017. Key activities and high-level recommendations were identified to enable the Bank to be PFRS 9-compliant. The Bank's ECL implementation road map has been devised which covers the following work streams: data, model, people, policies and processes, and systems is phase 2 of the PFRS 9 Project. Key next step, aside from mobilization for data collection for model development and equipping DBP modelers with necessary skills, is the usual public bidding process for the consultancy service with system acquisition and implementation in the first semester of 2018.	100.00%	**5.00%**
		Sub-Total		**20%**						**19.80%**

DEVELOPMENT BANK OF THE PHILIPPINES
ACCOMPLISHMENT REPORT OF PERFORMANCE TARGETS TO GCG
FOR THE YEAR ENDED 2017

Interim PES Form 3

	Components					Baseline		ACTUAL ACCOMPLISHMENTS		
						ACTUAL	TARGET			
		Objective/Measure	Formula	Weight	Rating System	BANKWIDE FY 2016	BANKWIDE FY 2017	4th Quarter 2017	RR % vs. CY 2017 Target	WEIGHTED Average CY 2016
ORGANIZATION	SO 9	Grow Capable, Motivated and Results-Oriented Professionals with Enhanced Competencies								
	SM 11	**Integration of the Competency Standards**	Actual Accomplishment	10%	All or Nothing	- Competency baseline requirements per position level were incorporated in the Job Descriptions of various roles and positions; reflected in publication of vacant positions - Job-specific or functional competencies also established initially for sales career track	Completion of Competency Profiling and Gap Assessment of 100 Lending Officers	The Competency Profiling and Gap Assessment of 100 Lending officers were completed on October 30 ,2017, wherein 353 Account Officers participated in the assesment and 157 of them were assessed by their respective supervisors to validate the responses.	100.00%	**10.00%**
	SO 10	Integrate Certified Management Systems for Streamlined Operations and Decision Making, Wider Participation, and Efficiency								
	SM 12	**Integrated Management System (IMS) Certification**	Actual Accomplishment	10%	All or Nothing	Recertification of the IMS to ISO9001:2008 (QMS) and ISO 14001:2004 (EMS) for 14 Bank processes covering the HO, 15 RMCs and 96 Branches per CIPI letter to DBP dated Oct. 19, 2016	Certification of the Bank's IMS to 9001:2015 (QMS) ISO 14001:2015 (EMS) for the 14 Bank processes covering the Head Office, RMCs and 80 Branches	The Bank Recommended for Certification of the Bank's IMS to 9001:2015 (QMS) ISO 14001:2015 (EMS) for the 14 Bank processes covering the Head Office, RMCs and all Branches by Certification International Philippines (CIP)	100.00%	**10.00%**
		Sub-Total		**20.0%**						**20.00%**
	TOTAL OF WEIGHTS			**100.00%**						**99.80%**