

DEVELOPMENT BANK OF THE PHILIPPINES  
Revalidation of 2018 Performance Scorecard

Component				Target	DBP Submission		GCG Revalidation		Supporting Document	Remarks		
Objective/Measure	Formula	Wt.	Rating System	2018	Actual	Rating	Score	Rating				
SOCIO-ECONOMIC IMPACT	SO 1	Participate in the Government's 10-Point Socio-Economic Agenda by supporting Public & Private Participants in Government's Infrastructure Program										
		Increase Loan Portfolio for the following Sectors:										
	SM 1	a. Infrastructure Sector	Summation of Outstanding Principal Balance Extracted from Loan Data Warehouse (LDW) or Central Management Information System (MIS)	10%	(Actual / Target) x Weight	P100 Billion	P107.807 Billion	10%	P107.807 Billion	10%	Summary of Loan Portfolio for Infrastructure, Social Services and MSMEs	Acceptable. DBP exceeded the target.
		b. Social Service Sector	10%	P 25 Billion		P41.307 Billion	10%	P41.307 Billion	10%			
		c. MSMEs Sector	10%	P 10. 137 Billion		P 21.107 Billion	10%	P 21.107 Billion	10%			
	<i>Sub-Total</i>		30%			30%		30%				
CONSTITUENCY	SO 2	Support Inclusive Growth Initiatives										
	SM 2	Number of Branches/ Branch Lites opened in Unbanked/ Underserved Areas	Actual Number of Branches opened during the year	5%	(Actual / Target) x Weight	3 (Dolores, Easter Samar, Siaton, Negros Oriental, Banga, South Cotabato)	Branch-lite Units: 1. Banga, South Cotabato - opened October 23, 2018 2. Siaton, Negros Oriental - opened December 27, 2018  New Branch: 1. Dolores, Eastern Samar - opened December 28, 2018	5%	3 (Dolores, Easter Samar, Siaton, Negros Oriental, Banga, South Cotabato)	5%	BSP Permit to Open branches in specified areas  Notice of Opening of Branches officially transmitted to BSP	Acceptable.

## Revalidation of 2018 Performance Scorecard (Annex A)

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SM 3	Percentage of Satisfied Customers	No. of Respondents who rated DBP at least "Satisfactory" / Total No. of Respondents	10%	(Actual / Target) x Weight If less than 80% = 0%	90%	Earned a customer satisfaction score of 89% from DBP's depositors and borrowers.	9.89%	89%	9.89%	Results of the Survey conducted by Third-party  Sample Survey Questionnaire	Acceptable. It was noted that the driver of satisfaction was the Quality of Bank Personnel as they were Helpful and Accommodating. However, the driver for dissatisfaction was the slow speed of service and ATM erratic connection and other technical issues.	
<b>Sub-Total</b>			<b>15%</b>				<b>14.89%</b>		<b>14.89%</b>			
<b>SO 3</b>	<b>Strengthen Balance Sheet through Sustainable, Efficient and Profitable Operations</b>											
<b>FINANCIAL</b>	SM 4	Increase Net Income	Total Revenues less Total Expenses	5%	(Actual / Target) x Weight	P 5.555 Billion	P 5.721 Billion	5%	P 5.722 Billion	5%	COA Audited Financial Statements	Revalidated accomplishment based on the COA Audited Financial Statements.

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SM 5	Improve Capital Adequacy Ratio (CAR)	Total Qualifying Capital / Total Risk-Weighted Assets	5%	All or Nothing	Maintain required risk-based capital adequacy ratio at all times <sup>1</sup> :	BSP (Basel III) CET 1 = 10.84%	5%	CET1 = 10.84%	5%	CAR Report from DBP Controller-ship Group	Acceptable.
						BSP (Basel III) Total CAR = 13.66%		Tier 1 = 10.84%		Basel III Capital Adequacy Report as submitted to COA	
								CAR = 13.66%			
								Conservation Buffer = 4.84%			
SO 4	Grow and Diversify Loan Portfolio and Improve Asset Quality										
SM 6	Improve Portfolio Quality - NPL Ratio (Net)	Outstanding NPL - Specific Allowance for Impairment Loss / Outstanding Gross Loan Portfolio	5%	(1- ((Actual-Target)/ Target)) x Weight  0%= If 1.5% and above	0.77%	0.83%	4.61%	0.83%	4.61%	Comparative Non-Performing Loans Level, Ratios and Coverage Ratios	Acceptable.

<sup>1</sup> a. Common Equity Tier 1 must be at least 6.0% of risk weighted assets at all times; b. Tier 1 capital must be at least 7.5% of risk weighted assets at all times; c. Qualifying capital (Tier 1 Capital plus Tier 2 Capital) must be at least 10% of risk weighted assets at all times; and d. Capital conservation buffer of 2.5% comprised of CET 1 capital

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	SO 5	Reduce Cost of Funds									
SM 7	Increase Total CASA Deposits	Sum of All Demand Deposit (CA) and Regular Savings Deposits (SA) Ledger Balances	10%	(Actual / Target) x Weight	P190 Billion	P199.804 Billion	10%	P199.804 Billion	10%	Report on the Outstanding Deposit Liabilities	Acceptable.
		<i>Sub-Total</i>	25%				24.61%		24.61%		
	SO 6	Strengthen Risk Management Regulatory Compliance									
SM 8	Implementation of Risk Management Application	Actual Accomplishment vs. Project Timeline	5%	All or Nothing	Full roll-out and implementation of ECL Risk Model and Enhanced Integrated Credit Risk Rating System (ICRRS)	a. The ECL Risk Model Development and ICRR Enhancement have been completed. <sup>2</sup> b. The financial statement disclosure of the bank has been updated to incorporate the new requirements under PFRS 9 <sup>3</sup>	5%	Full roll-out and Implementation of ECL Risk Model and ICRRS	5%	COA Audited Financial Statements	The request for reconsideration is <b>ACCEPTED</b> . However, DBP is reminded to coordinate with the Commission on Audit to address the audit observation on the conformance of its ECL Risk Model with PFRS 9.
	SO 7	Develop and Utilize Latest Information and Communication Technology (ICT) that is at Par with the Best in the Industry and in the Region									
SM 9	Implementation of ICT Projects	No. of Projects Completed / Total Number of Projects	5%	(Actual / Target) x Weight	Full implementation and roll out of the following ICT solutions:	1. 50% completion for ICBS - Deposits Module and CIF which cover the	4.10%	1. 100% completion for iLearn - the DBP eLearning	5%	Various Memoranda on the implementation	<i>Request for reconsideration is ACCEPTED. The full implementation and</i>

<sup>2</sup> The 54 Models for the Philippine Financial Reporting Standards (PFRS) 9 - Expected Credit Loss (ECL), which covers all financial instruments subject to PFRS 9 ECL, have been approved by the Board of Directors under Board Resolution No. 0557 dated November 21, 2018.

<sup>3</sup> Financial Statement disclosure includes the following: Significant accounting policies for PFRS 9 C&M and ECL; New accounting standards effective January 1, 2018; New ECL disclosure requirements (narrative and table format).

Revalidation of 2018 Performance Scorecard (Annex A)

Component				Target	DBP Submission		GCG Revalidation		Supporting Document	Remarks
Objective/Measure	Formula	Wt.	Rating System	2018	Actual	Rating	Score	Rating		
				1. Integrated Core Banking System - Deposits Module and Customer Information File  2. Integrated Core Banking System - Trade Finance  3. iLearn - the DBP e-Learning Management System  4. Integrated Treasury Management System  5. Anti-Distributed Denial of Service	following items:  -CIF Module already in production. - Deposits Module UAT Round 2 still on-going.  2. 60% completion for ICBS - Trade Finance which covers the following items: - Preparation of Test Scripts - UAT Round 1 - UAT Round 1 also served as End User Training  3. 100% completion for iLearn - the DBP eLearning Management System  4. 100% completion for Integrated Treasury Management System		Management System  2. 100% completion for Integrated Treasury Management System  3 100% completion for Anti-DDOS		of the ICT Projects	<u>roll-out of the two (2) ICT ICBS projects were significantly affected by the lapses of former DBP officials with pending criminal and administrative cases with the Office of the Ombudsman. Also, based on the submitted timeline of events, the Board of Directors unanimously decided to discontinue the ICBS Projects in its Board Resolution No. 0089.</u>

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						5. 100% completion for Anti-DDOS					
<b>SO 8 Streamline Existing Credit and Operating Processes to Meet Current and Future Customer Demand</b>											
SM 10	Percentage of Loan Applications Processed within Turnaround Time (TAT)	No. of Loans Processed within TAT/ Total no. of Loans Processed	5%	(Actual / Target) x Weight 0% = If less than 80%	90% of Loan Applications Processed within 45 working days TAT	88.33% or 1, 257 out of 1, 423 loan applications were processed within 45 working days TAT based on the Credit Information Builder (CrIB) Report for 2018.	4.91%	88.33%	4.91%	Crib Report on Credit Proposals	Acceptable.
<b>Sub-Total</b>			<b>15%</b>				<b>14.01%</b>		<b>12.91%</b>		
<b>SO 9 Empower Personnel for Customer-Centric Decision Making, Wider Participation, and Delivery of Services</b>											
SM 11	Integrated Management System (IMS) Certification	Actual Certificate from Certifying Body (Third-Party)	10%	All or Nothing	Maintain ISO Certification of the Bank's IMS:  ISO 9001: 2015 (QMS) ISO 14001: 2015 (EMS) for the 14 Bank processes covering the Head Office, RMCs and all branches	Maintained IMS: ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS)	10%	Maintained IMS: ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS)	10%	Result of 2nd stage IMS ISO 3rd Party Audit	Acceptable.
<b>SO 10 Grow Capable, Motivated and Results-Oriented Professionals with Market-driven Competencies</b>											
SM12	Percentage of Employees	No. of Employees meeting the	5%	(Actual / Target) x Weight	a. Profiling and Gap Assessment of	2018 Competency Profiling and	5%	a. Profiled and conducted Gap	0%	Results of the 2018 Competency	<i>Request _____ for reconsideration _____ is DENIED.</i>

ORGANIZATION

