

DEVELOPMENT BANK OF THE PHILIPPINES

	Component			Baseline				Target	
	Objective / Measures	Weight	Rating Scale	2012	2013	2014	2015	2016	
CONSTITUENCY (STAKEHOLDERS)	SO 1	Support Government Priority Programs and Inclusive Growth Initiatives							
	SM 1	Percentage Growth of Loan Portfolio to: 1a. <u>Priority Areas</u> Infrastructure & Logistics, Social Services, MSMEs, Environmental Protection	12.5%	Actual / Target x Weight	₱80,868 Mn	₱78,606 Mn	₱92,894 Mn	₱104,598 Mn	10% increase from the 2015 actual (est. ₱106,310 Mn based on actual)
		1b. <u>Other Priority Areas</u> Manufacturing, Construction, Real Estate Renting, Wholesale and Retail Trade, Agri-business, Financial Intermediation	12.5%	Actual / Target x Weight	₱41,769 Mn	₱50,896 Mn	₱52,687 Mn	₱60,000 Mn	10% increase from the 2015 actual (est. ₱64,610Mn - based on actual)
SM 2	Percentage of Satisfactory Customer Rating	5%	Actual / Target x Weight	no exact data available	no exact data available	86%	90% average bankwide rating using existing internal customer survey system	90% of respondents giving "Satisfactory Rating" (based on third-party survey)	

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CONSTITUENCY (STAKEHOLDERS)	SO 2	Expand Credit Access for the Following Sectors: LGUs, Water Districts and Electric Cooperatives							
	SM3	Total Loan Approvals for LGUs, Water Districts And Electric Cooperatives	11%	Actual / Target x Weight	n/a	₱6,000 Mn	₱25,000 Mn	₱20,000 Mn	₱15,000 Mn (to complete the P60 Bn target amount of loans)
	Sub-total Weight		41%						
FINANCE	SO 3	Intensify Deposit Generation Capabilities							
	SM 4	Percent Increase in Total CASA Deposits	10%	Actual / Target x Weight	4%	18%	31%	20%	15% increase
	SM 5	Percent Increase in Total Deposits from the Countryside	10%	Actual / Target x Weight	13%	10%	27%	9%	23%
	SO 4	Improve the Quality and Balance of Loan Portfolio							
	SM 6	Net Income	5%	Actual / Target x Weight	₱4,133 Mn	₱5,186 Mn	₱4,600 Mn	₱4,500 - if MRTC has not been sold ₱3,600 - if MRTC has been sold	₱5,000 Mn (if MRTC has not been sold)
SM 7	Return on Equity	3%	Actual / Target x Weight	9.75%	12.83%	11.01%	10.60% - if MRTC has not been sold 8.45% - if MRTC has been sold	11.09%	

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FINANCE	SM 8	Portfolio Quality - NPL Ratio (Net)	3%	All or nothing	1.35%	1.9%	1.31%	1.50% Retain rating system	1.50%
	SO 5	Strengthen Balance Sheet and Improve Credit Rating							
	SM 9	Maintain Adequate Capital	2%	If below 8.5% = 0 score If 8.5% or above = 2% score	24.05% (BASEL II)	24.33% (BASEL II)		18% (5% above the 12.5% BSP CAR requirement)	18% (CET1 8.5%; Total CAR 10% BSP requirement)
	SM 10	Credit Rating, i.e. S&P & Fitch	1%	All or Nothing	BB+	BBB/BB+	n/a	Maintain current rating BBB/BB+	Maintain current standing BBB/BB+
	Sub-total Weight		34%						
INTERNAL PROCESS	SO 6	Streamline and Update Existing Credit and Other Processes							
	SM 11	TAT in Processing of Loan Applications (above ₱10 Mn)	5%	Actual / Target x Weight	n/a	n/a	n/a	To achieve 44% reduction in TAT based on actual 87.5 working days as baseline	80% processed loan applications within 45 days TAT

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INTERNAL PROCESS	SO 7	Develop and Utilize ICT Toward Improved and Diversified Services							
	SM 12	Percentage of Completion of Integration of DBP Core Systems	5%	Actual / Target x Weight	100% (7 new projects complete d)	100% (4 new major projects completed covering deposits, loans, investments and off-book transactions, and customer information/ central liability system)	The following are already completed as of end of December 2014: a) Integrated Liability System b) Upgrade of Network Routers c) Treasury Single Account d) Unlad Kawani e) Online Signature Verification f) Automation of BSP Reports; and g) Enhancement of Automated Tellers' Validation (Bidding of the Integrated Core Banking Solution)	Implementation of: a) Credit Appraisal System - shortening of TAT for loan processing b) Integrated Central Disbursement System - shorter processing time and more accurate recording of disbursements c) Centralized Procurement - cost efficiency through bulk purchases d) Signature Verification System - efficient service to clients and allow withdrawals from any branches	Full implementation of the following systems: 1. Vendor Mgmt System 2. Insurance Mgmt System 3. Westpac (Australian Remittance System) 4. Cash Mgmt System 5. Card Mgmt System 6. Check Truncation

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INTERNAL PROCESS	SO 8	Strengthen Risk Management and Regulatory Compliance							
	SM 13	Automation of Risk Management System	5%	All or Nothing	n/a	n/a	n/a	Integrate ICRRS into core banking system. Completion of the ICRRS Validation by the third party expert/external consultant and knowledge transfer/training to enable internal ICRRS validation	Successful bidding out of the Risk Model Application with consultancy services.
	Sub-total Weight		15%						
ORGANIZATION (LEARNING AND GROWTH)	SO 9	Innovate and Grow Capable, Motivated, Committed and Results-Oriented Professionals							
	SM 14	Improve Competency Level of Employees	5%	All or Nothing	n/a	n/a	n/a	Develop Competency Model	Set baseline for competency level

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ORGANIZATION (LEARNING AND GROWTH)	SO 10	Integrate Certified Management Systems For Streamlined Operations And Decision-Making, Wider Participation and Efficiency in Resource Use							
	SM 15	Establish QMS/EMS	5%	All or Nothing	Total: Thirteen (13) Bank Processes	Total: Thirteen (13) Bank Processes/ five (5) RMCs /host branches	Total: Fourteen (14) Head Office Bank Processes/ ten (10) RMCs / ward branches. Completion of the recertification audit in December 2014, thus the Bank is being recommended for IMS Certification by third party body CIPI.	Recertification of the Bank's Integrated Management System. Per process Management, certification is done from various process within respective business units.	2016 IMS Target: Re-certification of the Bank's Integrated Management System (IMS) to ISO 9001:2008 (Quality Mgmt System) and ISO 14002:2004 (Environment Mgt. System) for the 14 Bank processes covering the Head Office, 15 RMCs and 96 Branches
	Sub-total Weight		10%						
	Total of Weights		100%						

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