

DEVELOPMENT BANK OF THE PHILIPPINES (DBP)

|                       |                                 | Component   |                         |                            | Baseline Data              |                 | Target          |                |                 |  |
|-----------------------|---------------------------------|---|-------------------------|----------------------------|----------------------------|-----------------|-----------------|----------------|-----------------|--|
|                       |                                 | Objective/Measure   | Formula                 | Weight                     | Rating System              | 2018            | 2019            | 2020           | 2021            |  |
| SOCIO-ECONOMIC IMPACT | SO 1                            | Support the National Government in its efforts towards building a stronger and more resilient Philippine Economy, particularly through broader financial inclusion and sustainable infrastructure development |                         |                            |                            |                 |                 |                |                 |  |
|                       | SM 1                            | Increase Loan Portfolio for the following Sectors:  |                         |                            |                            |                 |                 |                |                 |  |
|                       |                                 | a. Infrastructure Sector  | Outstanding Loan Amount | 10%                        | (Actual / Target) x Weight | ₱107.81 Billion | ₱208.55 Billion | ₱140 Billion   | ₱181.81 Billion |  |
|                       |                                 | b. Social Infrastructure Sector   |                         | 5%                         |                            | ₱41.31 Billion  | ₱27.51 Billion  | ₱32 Billion    | ₱84.79 Billion  |  |
|                       |                                 | c. MSMEs Sector   |                         | 5%                         |                            | ₱21.11 Billion  | ₱27.75 Billion  | ₱25 Billion    | ₱32.57 Billion  |  |
|                       |                                 | d. Environment Sector   |                         | 5%                         |                            | Not applicable  | Not applicable  | Not applicable | ₱47.95 Billion  |  |
|                       |                                 |   |                         |                            |                            |                 |                 |                |                 |  |
| SM 2                  | Percentage of Countryside Reach | Percentage of municipalities/ cities in the countryside with DBP Branches, branch lite units, ATMs and/or loans   | 5%                      | (Actual / Target) x Weight | Not applicable             | Not applicable  | Not applicable  | 65%            |                 |  |
|                       |                                 | <b>Sub-total</b>  | <b>30%</b>              |                            |                            |                 |                 |                |                 |  |

|                | Component         |  |   |               | Baseline Data                             |                | Target          |   |   |
|----------------|-------------------|--|---|---------------|---|----------------|-----------------|---|---|
|                | Objective/Measure | Formula  | Weight  | Rating System | 2018                                      | 2019           | 2020            | 2021  |   |
| <b>FINANCE</b> | <b>SO 2</b>       | <b>Build Robust Asset Base through Quality Investments, Low-Cost Fund Sources, and Improve Asset Quality</b> |   |               |   |                |                 |   |   |
|                | SM 3              | Increase Total Assets  | Total Asset   | 5%            | (Actual / Target) x Weight                | Not Applicable | Not Applicable  | Not Applicable  | ₱1.109 Trillion   |
|                | SM 4              | Increase Total CASA Deposits   | Sum of all Demand Deposit (CA) and Regular Savings Deposits (SA) Ledger Balances            | 10%           | (Actual / Target) x Weight                | ₱199.8 Billion | ₱250.23 Billion | ₱232 Billion  | ₱ 293.45 Billion  |
|                | SM 5              | Improve Portfolio Quality - NPL Ratio (Net)  | Outstanding NPL - specific Allowance for Impairment Loss / Outstanding Gross Loan Portfolio | 5%            | {1-[(Actual - Target) / Target] x Weight} | 0.83%          | 1.17%           | Not exceeding Philippine standard as of the end of the year | Not exceeding the Philippine bank standard as of 31 December 2021 |
|                | <b>SO 3</b>       | <b>Strengthen the Bank's Capital Structure to Support its Growth and Countryside Expansion Mission</b>       |   |               |   |                |                 |   |   |
|                | SM 6              | Increase Net Income  | Total Revenues less Total Expenses  | 5%            | (Actual / Target) x Weight                | ₱5.72 Billion  | ₱5.60 Billion   | Not applicable <sup>5</sup>                                 | ₱3.732 Billion <sup>6</sup>                                       |
|                |                   |  | <b>Sub-total</b>  | <b>25%</b>    |   |                |                 |   |   |

<sup>5</sup> Target under the 2020 Recalibrated Pertains to Net Income before Tax

<sup>6</sup> Target is based on the Corporate Operating Budget and pertains to Net Income After Tax.

|                     | Component  |   |   |                | Baseline Data              |                | Target         |  |                                       |
|---------------------|--|---|---|----------------|----------------------------|----------------|----------------|--|---------------------------------------|
|                     | Objective/Measure  | Formula   | Weight  | Rating System  | 2018                       | 2019           | 2020           | 2021   |                                       |
| <b>CONSTITUENCY</b> | <b>SO 4</b>  | <b>Provide Quality Customer Experience throughout all Bank channels</b>           |   |                |                            |                |                |  |                                       |
|                     | SM 7   | Percentage of Satisfied Customers   | No. of Respondents who rated DBP at least "Satisfactory" / Total No. of Respondents   | 10%            | (Actual / Target) x Weight | 89%            | 93%            | 90%  | 90%                                   |
|                     | SM 8   | Number of Customer Touchpoints  | Actual No. of customer touchpoints (branches, branch lite units, ATMs, POS Terminals, Cash@POS, DBP2 and Internet Payment Gateway as of end of year | 5%             | Actual / Target x Weight   | Not Applicable | Not Applicable | Not Applicable   | 2,665 touchpoints as of December 2021 |
|                     |  |   | <b>Sub-total</b>  | <b>15%</b>     |                            |                |                |  |                                       |
|                     | <b>SO 5</b>  | <b>Integrate sustainability measures into the Bank's Operations and Processes</b> |   |                |                            |                |                |  |                                       |
| SM 9                | Institutionalization of Sustainability Principles per BSP Cir. No. 1085, s. 2020-Sustainable Finance Framework | Actual Accomplishment   | 5%  | All or Nothing | Not Applicable             | Not Applicable | Not Applicable | Completion of the following milestones/ targets per approved transition plan:<br>a. Stakeholder Engagement |                                       |

|                         |       | Component  |  |                  |   | Baseline Data    |                  | Target   |   |
|-------------------------|-------|--|--|------------------|---|------------------|------------------|--|---|
|                         |       | Objective/Measure  | Formula  | Weight           | Rating System   | 2018             | 2019             | 2020   | 2021  |
|                         |       |  |  |                  |   |                  |                  |  | Strategy Plan Completed; and<br>b. One (1) Stakeholder Engagement Conducted |
|                         |       |  | <b>Sub-total</b>   | <b>5%</b>        |   |                  |                  |  |   |
|                         |       | <b>SO 6</b>  | <b>Improve Bank-Wide Data Management, Operational Synchronicity and Process Efficiency</b> |                  |   |                  |                  |  |   |
| <b>INTERNAL PROCESS</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<br><br>0% = If less than 80% | Not applicable   | Not applicable   | 90% loan applications processed within 65 working days | 100% <sup>7</sup> loans processed within the applicable TAT                 |
|                         | SM 11 | Percentage of Service Availability of ATMs                             | Total Number of ATMs with at least 90% availability / Total number of ATMs                 | 5%               | (Actual / Target) x Weight                              | No baseline data | No baseline data | 90% of ATMs with at least 90% service availability     | 90% of ATMs with at least 90% service availability <sup>8</sup>             |
|                         |       |  |  | <b>Sub-total</b> | <b>10%</b>  |                  |                  |  |   |

<sup>7</sup> Applicable processing time will be based on DBP's compliance with Republic Act No. 11032 and as provided in DBP's Citizen's Charter.

<sup>8</sup> ATM Monitoring Status equivalent for a downtime/unavailability of the machine: Offline/No Connection; Cash Dispenser Error; Card Reader Error; and No Cash Available

|                     |             | Component  |                       |        |                | Baseline Data  |  | Target   |   |
|---------------------|-------------|--|-----------------------|--------|----------------|--|--|--|---|
|                     |             | Objective/Measure  | Formula               | Weight | Rating System  | 2018   | 2019   | 2020   | 2021  |
| <b>ORGANIZATION</b> | <b>SO 7</b> | <b>Develop motivated, competent, values-oriented development Bankers</b> |                       |        |                |  |  |  |   |
|                     | SM 12       | Integration of Competency Standards <sup>9</sup>                         | Actual Accomplishment | 5%     | All or Nothing | 46 out of 125 Branch Heads (36.8%)<br>1 out of 37 Treasury and Corporate Finance Officers (2.7%)<br>44 out of 198 AOs (22.22%)<br>49 out of 162 AOs (30.25%) | Established the competency baseline of 100% of employees under LAD (80/80) and FDSOD (29/29)<br>Out of 207 AOs, 75% (156 AOs are meeting required competencies)<br>Out of 127 BHs, 76% (96 BHs) are meeting required competencies<br>Out of the 37 personnel under the Treasury and Corporate Finance Sector, 70% (26 personnel) are meeting required competencies | Establish competency baseline of the whole organization for all the competencies | Improvement on the competency level of the whole organization from the 2020 competency baseline |

<sup>9</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

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

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

|  |             | Component  |  |        | Baseline Data              |  | Target   |   |   |
|--|-------------|--|--|--------|----------------------------|--|--|---|---|
|  |             | Objective/Measure  | Formula  | Weight | Rating System              | 2018   | 2019   | 2020  | 2021  |
|  | <b>SO 8</b> | <b>Build the Foundations for a Digitally Competitive DBP</b> |  |        |                            |  |  |   |   |
|  | SM 13       | Implementation of ICT Projects                               | No. of Projects Completed / Total Number of Projects | 5%     | (Actual / Target) x Weight | 1. 100% completion for iLearn- the DBP eLearning Management System<br>2. 100% completion for Integrated Treasury Management System<br>3. 100% completion for Anti-DDOS | 1. Audit Management System (AMS)<br>2. DNS-DHCP IP Address<br>3. Sharepoint for the Knowledge Management Portal<br>4. Security Operations<br>5. Enhanced HO Network – Proxy Server | Full implementation and roll out of the following ICT solutions:<br><br>1. Technological layer upgrade for ROSS General Ledger (ROSS GL) covering Database, Operating System and Internet Application Framework<br><br>2. Data Erasure System<br><br>3. Integrated Central Disbursement System or iCDS (for local currency transaction) to two branches<br><br>4. Technical upgrade for Purchase Order transactions at the Head Office of the Electronic Requisition, Procurement Inventory Control and Accounting System (eRPICAS) Phase 1 | 100% implementation of the ISSP Projects planned for 2021 |

|  |             | Component  |   |             | Baseline Data  |   | Target   |   |  |
|--|-------------|--|---|-------------|----------------|---|--|---|--|
|  |             | Objective/Measure  | Formula   | Weight      | Rating System  | 2018  | 2019   | 2020  | 2021   |
|  | <b>SO 9</b> | <b>Deepen the DBP quality and sustainability culture</b> |   |             |                |   |  |   |  |
|  | SM 14       | Integrated Management System (IMS) Certification         | Actual Certificate from certifying body (third-party) | 5%          | All or Nothing | ISO 9001:2015 (QMS) and ISO 14001: 2015 (EMS) Certified | Maintained IMS: ISO 9001: 2015 (QMS) and ISO 14001: 2015 (EMS) | 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, Provincial Lending, Groups and all branches/lending centers | Recertification of ISO 9001:2015 and ISO 14001: 2015 Certification |
|  |             |  | <b>Sub-total</b>                                      | <b>15%</b>  |                |   |  |   |  |
|  |             |  | <b>Total</b>  | <b>100%</b> |                |   |  |   |  |