

**DEVELOPMENT BANK OF THE PHILIPPINES (DBP)**  
**Validation Result of the 2020 Performance Scorecard**

		Component			Target	DBP Submission		GCG Validation		Supporting Document	Remarks	
Objective/Measure		Formula	Wt.	Rating System	2020	Actual	Rating	Actual	Rating			
SOCIO-ECONOMIC IMPACT	SO 1	<b>Participate in the Government's 10-Point Socio-Economic Agenda by supporting Public &amp; Private Participants in the Government's Infrastructure Program</b>										
		<b>Increase Loan Portfolio for the following Sectors:</b>										
	SM 1	a. Infrastructure Sector <sup>1</sup>	Outstanding Loan Amount	10%	(Actual / Target) x Weight	₱140 Billion	₱225.89 Billion	10%	₱225.89 Billion	10%	Summary of Loan Portfolio for Infrastructure, Social Services and MSMEs	Loan portfolio reached ₱423 Billion in 2020.  Of the ₱32.85 Billion loan portfolio for the MSME Sector, ₱9.80 Billion is also attributed to Infrastructure Sector and ₱7.72 Billion for the Social Services Sector.
		b. Social Service Sector <sup>2</sup>		10%		₱32 Billion	₱78.90 Billion	10%	₱78.90 Billion	10%		
		c. MSMEs Sector <sup>3</sup>		10%		₱25 Billion	₱32.85 Billion	10%	₱32.85 Billion	10%		
	<i>Sub-Total</i>		30%				<i>n.d.</i>		30%			
CONSTITUENCY	SO 2	<b>Support Inclusive Growth Initiatives</b>										
	SM 2	Number of Customer Touchpoints	Actual number of customer touchpoints (branches, branchlite units, ATMs, POS, Terminals, Cash@POS, DBP and Internet Payment Gateway) as of end of the year	5%	(Actual / Target) x Weight	2,370	2,538	5%	2,538	5%	Database of Customer Touchpoints  Installation and Deployment Report	Reported Accomplishment is acceptable.  228 customer touchpoints opened in 2020.

<sup>1</sup> Transportation, ICT, Water Resources, Energy, Construction and Manufacturing of Cement and Metals

<sup>2</sup> Schools and Hospitals/Medical Services, Solid Waste Management, and Shelter Production/Housing

<sup>3</sup> Based on asset size of retail borrowers and individual enterprises or end-users under wholesale.

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	SM 3	Percentage of Satisfied Customers	No. of Respondents who rated DBP at least "Satisfactory" / Total No. of Respondents <sup>4</sup>	10%	(Actual / Target) x Weight  If less than 80% = 0%	90%	Report not yet available	Weighted score to be reported	90.91%	10%	Results of the Survey conducted by Third-party; Sample Survey Questionnaires Back-checking and Spot-Checking Report	Reported Accomplishment is acceptable.
		<i>Sub-Total</i>		15%			<i>n.d.</i>			<b>15%</b>		
	<b>SO 3</b>	<b>Strengthen Balance Sheet through Sustainable, Efficient and Profitable Operations</b>										
<b>FINANCIAL</b>	SM 4	Increase Net Income before Provisions for Impairment and Income Tax	Total Revenues less Cost of Funds and Administrative Expenses	5%	(Actual / Target) x Weight	₱ 7.273 Billion	₱8.89 Billion	5%	₱8.63 Billion	5%	COA Annual Audit Report	Validated actual based on the COA Audited Financial Statements.

<sup>4</sup> Using sample size of 1,000 or twice of the computed sample size using the GCG-standard methodology, whichever is higher.

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<b>SO 4</b>	<b>Grow and Diversify Loan Portfolio and Improve Asset Quality</b>										
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	Not exceeding the Philippine bank standard as end of the year	1.07%	Weighted score shall be reported upon availability of PBS net NPL ratio as of 12/31/2021	1.07%	5%	Comparative Non-Performing Loans Level, Ratios and Coverage Ratios  BSP Published Balance Sheet  COA Annual Audit Report	Reported Accomplishment is acceptable.  Industry NPL is at 1.98% as of 31 December 2020
<b>SO 5</b>	<b>Reduce Cost of Funds</b>										
SM 6	Increase Total CASA Deposits	Sum of All Demand Deposit (CA) and Regular Savings Deposits (SA) Ledger Balances	10%	(Actual / Target) x Weight	₱232 Billion	₱274.253 Billion	10%	₱ 273.91 Billion	10%	General Ledger; COA Annual Audit Report	Validated actual based on COA AAR following DBP's treatment of the Options Savings and Special Savings as Term or Time Deposit.  Current/ Demand = ₱227.52 Billion Savings = ₱46.39 Billion (Total per DBP GL = ₱318.27 Billion less Options Savings + Special Savings of ₱271.54 Billion)
	<i>Sub-Total</i>		20%				<i>n.d.</i>		<b>20%</b>		

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INTERNAL PROCESSES	<b>SO 6</b>	<b>Strengthen Risk Management Regulatory Compliance</b>										
	SM 7	Implementation of Risk Management Application	Actual Accomplishment vs. Project Timeline	5%	All or Nothing	Re-modelling of the Borrower's Risk Rating System for LGUs	The new Borrower's Risk Rating Model for Local Government Units was completed and approved by Board of Directors on December 16, 2020.	5%	Re-modelling of the Borrower's Risk Rating System for LGUs was implemented	5%	Office Circular; Project Closure Report; User Manual; User Acceptance Testing; UAT Result; System Functional Design	Reported Accomplishment is acceptable.
	<b>SO 7</b>	<b>Develop and Utilize Latest Information and Communication Technology (ICT) that is at Par with the Best in the Industry and in the Region</b>										
	SM 8	Implementation of ICT Projects	No. of Projects Completed / Total Number of Projects	5%	(Actual / Target) x Weight	<p>Full implementation and roll out of the following ICT solutions:</p> <p>1. Technological layer upgrade for ROSS General Ledger (ROSS GL) covering Database, Operating System and Internet Application Framework</p>	<p>1. Notice of Award was issued to the winning bidder on December 29, 2020</p> <p>2. The project was fully implemented. Implementation notice was issued on December 17, 2020. The software was ready for use on December 21, 2020.</p>	5%	<p>Full implementation and roll out of the following:</p> <p>1. Data Erasure System</p> <p>2. Integrated Central Disbursement System or iCDS (for local currency transaction) to two branches</p>	3.75%	<p>Various Memoranda on the implementation of ICT Projects</p> <p>Hardware Acceptance Tests</p> <p>User Acceptance Test</p> <p>Board Resolutions</p>	DBP was only able to implement 3 out of 4 projects.

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						2. Data Erasure System  3. Integrated Central Disbursement System or iCDS (for local currency transaction) to two branches  4. Technical upgrade for Purchase Order transactions at the Head Office of the Electronic Requisition, Procurement Inventory Control and Accounting System (eRPICAS) Phase 1	3. The project was fully implemented. Implementation Notice was issued on December 23, 2020.  4. The project was fully implemented. Implementation notice was issued on December 22, 2020.		3. Technical upgrade for Purchase Order transactions at the Head Office of the Electronic Requisition, Procurement Inventory Control and Accounting System (eRPICAS) Phase 1		Timeline of Events leading to the request for modification	

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	<b>SO 8</b>	<b>Streamline Existing Credit and Operating Processes to Meet Current and Future Customer Demand</b>										
	SM 9	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	90% loan applications processed within 65 working day TAT <sup>5</sup>	97% (1,233 out of 1,277 accounts)	5%	94% (1,210 out of 1,277)	5%	CRiB Report on Credit Proposals	Validated actual based on the re-computation of the database provided. The details on the variance for the 23 transactions is provided in <b>Appendix 1</b> .
	SM 10	Percentage Service Availability of ATM	Total Number of ATMs with at least 90% availability / Total number of ATMs	5%	(Actual / Target) x Weight	90% of ATMs with at least 90% service availability	91.17%	5%	91.46%	5%	Monthly ATM Availability Report	Reported Accomplishment is acceptable.
		<i>Sub-Total</i>		20%				<i>n.d.</i>		<b>18.75%</b>		
	<b>SO 9</b>	<b>Empower Personnel for Customer-Centric Decision Making, Wider Participation, and Delivery of Services</b>										
<b>ORGANIZATION</b>	SM 11	Integrated Management System (IMS) Certification	Actual Certificate from Certifying Body (Third-Party)	10%	All or Nothing	Continuing Certification of the Bank's IMS covering core Bank processes	The IMS third party surveillance/certification audit was completed on September 22, 2020 which merited recommendation for DBP's continued certification to	10%	IMS: ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS) Maintained	10%	Copy of Surveillance Audit Report from Certification International, the certifying body of DBP	Reported Accomplishment is acceptable.

<sup>5</sup> 65-WD TAT refers to the approval stage only.

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		Formula	Wt.	Rating System	2020	Actual	Rating	Actual	Rating			
							ISO Standards covering 14 Bank processes in the Head Office, Provincial Lending Groups, Branch Banking Groups, Branches and Lending Centers					
<b>SO 10 Grow Capable, Motivated and Results-Oriented Professionals with Market-driven Competencies</b>												
SM 12	Integration of Competency Standards	Actual accomplishment	5%	All or Nothing	Establish competency baseline of the whole organization for all the competencies	Completed the competency baseline of the whole organization and reported to ManCom. HRCom and Board per BR No. 941 dated December 16, 2020  DBP has an overall competency baseline rating of 2.59	5%	Competency Baseline of 2.588 established	5%	Database of competency assessment  Sample of competency assessment forms  Third party assessment report	Validated actual is interpreted as Exceeds Standards based on the 3-point rating scale. 66% of DBP employees exceeds standard, 33% is at standard, and 1% needs development.	

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							equivalent to "Exceeds Standards"				
							Of the 3,063 employees, 66% Exceeds Standards; 33% are At Standard, and 1% Needs Development				
			<i>Sub-Total</i>					<i>n.d.</i>		<b>15%</b>	
			<b>TOTAL</b>					<b>84.28%</b>		<b>98.75%</b>	



**Details of Transactions with Variance for SM 9: Percentage of Loan Applications Processed within Turnaround Time (TAT)**

NO.	Department/Lending Center	Customer No.	CP No.	Approving Authority	Submission Date	Approval Date	TAT based on Submission Date	GCG computation TAT
1	Cebu North Lending Center	Customer 0025	19-0087	EXCOM	25/10/2019	01/31/20	64	69
2	Cebu South Lending Center	Customer 0027	19-0088	EXCOM	29/10/2019	01/31/20	62	67
3	Iloilo Lending Center	Customer 0029	19-0082	EXCOM	30/10/2019	01/31/20	61	66
4	Tacloban Lending Center	Customer 0033	19-0107	SLC	04/11/2019	02/07/20	64	68
5	Tagum Lending Center	Customer 0035	19-0034	EXCOM	06/11/2019	02/12/20	65	69
6	Baguio Lending Center	Customer 0047	19-0032	BOD	13/11/2019	02/19/20	65	69
7	Cebu North Lending Center	Customer 0049	19-0097	EXCOM	14/11/2019	02/19/20	64	68
8	Butuan Lending Center	Customer 0044	19-0108	CRECO	11/11/2019	03/03/20	45	79
9	Butuan Lending Center	Customer 0056	19-0104	CRECO	22/11/2019	03/03/20	26	70
10	General Santos Lending Center	Customer 0016	19-0111	EXCOM	04/10/2019	03/04/20	54	106
11	Iloilo Lending Center	Customer 0037	19-0090	SLC	07/11/2019	03/06/20	34	84
12	Public Sector Department (PSD)	Customer 0008	19-0010	EXCOM	16/09/2019	03/11/20	28	125
13	General Santos Lending Center	Customer 0066	19-0125	EXCOM	28/11/2019	03/11/20	64	72
14	General Santos Lending Center	Customer 0075	19-0123	EXCOM	03/12/2019	03/17/20	53	73
15	Butuan Lending Center	Customer 0073	19-0110	CRECO	02/12/2019	03/18/20	40	75
16	Tagbilaran Lending Center	Customer 0157	20-0004	BOD	17/01/2020	04/22/20	65	66
17	Butuan Lending Center	Customer 0391	20-0042	EXCOM	18/03/2020	06/24/20	65	66
18	Davao Lending Center	Customer 0455	20-0034	EXCOM	08/04/2020	07/15/20	65	66
19	Laoag Lending Center	Customer 0592	20-0006	CRECOM	05/06/2020	06/10/2020	48	84
20	Cagayan de Oro Lending Center	Customer 0593	20-0056	EXCOM	07/06/2020	07/10/2020	61	84
21	Cagayan de Oro Lending Center	Customer 0823	20-0068	CRECOM	10/08/2020	18/12/2020	58	88
22	Tuguegarao Lending Center	Customer 1274	20-0074-CAG	GH	11/11/2020	12/14/2020	21	-
23	Tuguegarao Lending Center	Customer 1276	20-0038	GH	11/4/2020	12/14/2020	26	-