

**DBP LEASING CORPORATION
2016 PERFORMANCE SCORECARD**

Objective/Measure	Component		DBP-LC Submission		GCG Validation		Supporting Documents	GCG Remarks				
	Formula	Wt.	Target	Rating Scale	Actual	Rating			Actual	Rating		
SO 1	Support the Government's Priorities through the Provision of leasing and Other Asset-based Financing Services											
SOCIAL IMPACT	SM 1	Total Loan and Lease Portfolio (Principal only)	Absolute Amount	20.00%	₱2.25 Billion	(Actual/Target) x Weight	₱2.256 Billion	20.00%	₱2.256 Billion	20.00%	2016 Audited Financial Statements	<p>The mandate of the DBP-LC is to provide public and private enterprises access to relevant leasing and related financing services for the acquisition of machineries, equipment and other assets in support of government priorities and nationwide development.</p> <p>In 2016, DBP-LC was able to expand its business by providing financing in the total amount of ₱2.256 Billion which is significantly higher by 22% compared to 2015.</p>
	SM 2	Ranking in the Finance/Leasing Industry (in terms of total assets)	Ranking from the Philippine Finance Association	5.00%	12 th	(Actual/Target) x Weight	10 th	5.00%	10 th	5.00%	Philippine Finance Association FS Survey 2016	<p>In 2016, DBP-LC's total asset grew by 14.10% amounting to ₱2.33 Billion, thus improving DBP-LC's ranking from 11th to 10th as far as asset size is concerned.</p>
		Sub-total			25.00%			25.00%		25.00%		

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SO 2	Achieve Expected Return on Shareholder Investment by Maximizing Revenues and Minimizing Expenses										
SM 3	ROE - Earnings Before Interest, Taxes, Depreciation and Amortization (EBITDA)	EBITDA/ Ave. Net Worth	10.00%	8%	(Actual/ Target) x Weight	12.67%	10.00%	12.67%	10.00%	2016 Audited Financial Statements	For 2016, DBP-LC was able to significantly grow its EBITDA from ₱68.86 Million in 2015 to ₱128.90 Million. Further, DBP-LC's ROE – EBITDA for 2016 is 12.67%. This is higher than the previous year's accomplishment of 7.62%.
SM 4	ROE - Net Income After Taxes (NIAT)	NIAT/ Ave. Net Worth	5.00%	3%	(Actual/ Target) x Weight	6.68%	5.00%	6.68%	5.00%	2016 Audited Financial Statements	2016 shows significant improvement for DBP-LC as it was able to post a NIAT of ₱67.98 Million which is 164% more than that of 2015. The increase in NIAT thus resulted to an increase in ROE which is at 6.68% by end of 2016.
	Sub-total		15.00%				15.00%		15.00%		

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SO 3	Achieve a High-Level of Customer Satisfaction in the Delivery of Financing Services								
STAKEHOLDER SM 5	Satisfaction Rating (Third Part)	5.00%	Satisfaction Rating	All or Nothing	84% Satisfactory (4.2 on a 5-point Likert Scale)	5.00%	Excellent Customer Satisfaction Rating or 4.2 on a 5-point Likert Scale	5.00%	<p>Customer Satisfaction Survey 2016 Result</p> <p>The survey was conducted via face-to-face interviews to 20 respondents last April 10 to May 11, 2017. The respondents were interviewed regarding their transaction with DBP-LC in 2016.</p> <p>Result shows an Overall Satisfaction Rating of Excellent or 4.2 on a 5-point scale. Moreover, 81% of the respondents – 45% gave Highly Satisfactory while 39% gave Quite Satisfactory Rating.</p> <p>While overall result shows excellent rating, the result also showed the need for DBP-LC to improve its competitiveness and documentation. Further, client relationship shows correlation with satisfaction. DBP-LC is thus recommended to improve on the following aspects of its business: total processing time, documentation requirements, documentation process, Terms and Conditions of lease/loans, and action to request for information and guideline requirements.</p>

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SO 4	Access of DBP Priority Sectors to Leasing Products and Services										
SM 6	Percent of Credit Portfolio - Public Sector	Credit Portfolio-Public Sector/ Total Credit Portfolio	5.00%	20%	(Actual/Target) x Weight	24.18%	5.00%	24.18%	5.00%	Performance Summary and Portfolio Review as of December 31, 2016	Of the ₱2.26 Billion credit granted for 2016, ₱545.51 Million or 24.18% was provided to three government agencies namely: DOLE – ₱101.21 Million, PITC Pharma – ₱.293 Million, and DFA – ₱444 Million.
SM 7	Percent of Credit Portfolio - Private Sector	Credit Portfolio-Private Sector/ Total Credit Portfolio	3.75%	50%	(Actual/Target) x Weight	62.05%	3.75%	62.05%	3.75%	Performance Summary and Portfolio Review as of December 31, 2016 Priority Sector	Majority of the credit granted were provided to the private sector to finance priority projects such as transportation, construction, retail, manufacturing and higher education. This amounts to ₱1.40 Billion.
	Sub-total		13.75%				13.75%		13.75%		
SO 5	Diversify Industry Exposure with Expanded Product Offerings										
SM 8	Number of Industries in Credit Portfolio (4-Digit Level of PSIC Classification)	Absolute Number	5.00%	15	(Actual/Target) x Weight	19	5.00%	19	5.00%	Performance Summary and Portfolio Review as of December 31, 2016	For its credit portfolio, DBP-LC refers to the 4-digit Philippine Standard Industrial Classification (PSIC) which provides a more specific and wider identification of industries served. In 2016, DBP-LC diversified industry exposure with 19 industries in credit portfolio compared to last year's 15.

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PROCESS SM 9	Number of New Accounts Approved	Absolute Number	7.50%	20	(Actual/Target) x Weight	16	6.00%	16	6.00%	Report on New Accounts Approved	<p>In its letter dated 07 September 2016 and 18 November 2016, DBP-LC requested to modify the target to "Number of New Accounts Approved". Per justification of DBP-LC, its current evaluation standards for new accounts acquisition activities follow a long and rigorous due diligence process. Availment or "booking" of an approved financing facility is at client's discretion.</p> <p>Request to modify the target to Number of New Accounts Approved is acceptable.</p> <p>In 2016, DBP-LC had 16 new accounts approved.</p>
	SO 6	Streamline Processes based on Industry Best Practices									
SM 10	Average TAT of Approval of Applications Upon Receipt of Complete Documentation (URCP)	Total number of working days to approve applications/ Total number of applications	5.00%	40 working days	(1-(Actual-Target)/Target) x Weight	27.10 working days	5.00%	27.10 working days	5.00%	Report on the 2016 Turnaround Time	For 2016, there are 29 accounts with average TAT of 27.10 working days. In comparison to the 2015, this is an improvement from the 30 accounts with an average TAT of 41.03 working days.

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SO 7	Achieve High Quality Portfolio through Enhanced Credit Evaluation, Account and Remedial Management										
SM 11	Percent of Real & Other Properties Acquired (ROPA)	Total ROPA/ Total Assets	8.75%	<6%	(1- (Actual-Target)/ Target) x Weight	0.75%	8.75%	0.75%	8.75%	2016 Audited Financial Statements (FS)	<p>In its letter dated 07 September 2016 and 18 November 2016, DBP-LC proposed to add < prefix to the target (hence <6% target) since they should be targeting a lower percentage. DBP-LC clarified that a zero ROPA ratio is the ideal situation, hence a lower ratio (%) is actually more desirable than a high percentage.</p> <p>Request for adjustment of target from 6% to <6% is acceptable with the corresponding change to the rating scale.</p> <p>Based on the 2016 COA-audited FS, the DBP-LC's foreclosed properties and total assets amount to ₱17.48 Million and ₱2.33 Billion, respectively, resulting to a 0.75% ROPA percentage.</p>
SM 12	Past Due	Total Past Due/Total Portfolio	10.00%	<3%	(1- (Actual-Target)/ Target) x Weight	0.75%	10%	0.75%	10%	List of Delinquent Accounts as of December 31, 2016	<p>In 2016, only 0.75% of DBP-LC's accounts are past-due compared to the 0.88% in 2015. 2016 past due amounts to ₱19.50 Million.</p> <p>The lower the past due, the better, hence the rating scale.</p>
	Sub-total		36.25%				34.75%		34.75%		

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SO 8	Ensure Personnel Complement Best Fit to Achieve Organizational Objectives									
SM 13	Achieve Proficiency Training	5%	Assessment of Competency Level	All or Nothing	none	0.00%	No accomplishment	0.00%	None	DPB-LC was unable to provide assessment of its competency level in 2016. While DBP-LC requested to change this measure to Phase 2 of Competency Framework/Model, DBP-LC was still unable to complete the requested target by end of 2016. DBP-LC also did not submit any status report/accomplishment for this measure.
SM 14	Percent of Employees Retained	No. of Employees Retained at the end of the year / Total No. of Employees at the end of the Year 2.50%	85%	(Actual/Target) x Weight	85.00%	2.50%	85.71%	2.50%	2016 Manpower Inventory of DBP-LC as certified by its HR Specialist	In 2016, nine (9) employees were hired from January to December of the same year. There were four (4) regular employees that resigned. By end of 2016, DBP-LC had 28 regular employees retained.

LEARNING & GROWTH

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SO 9	Develop and Implement Complementary Management and Technological Systems to Support Business Operations										
SM 15	Percentage of Compliance with Information Systems Strategic Plan (ISSP)	Tasks & Activities Completed for Year/ Tasks Planned for the Year	2.50%	100% Compliance with ISSP	(Actual/Target) x Weight	90% of LFMS	2.25%	90% of LFMS developed	0.00%	Project Status Report of DBP-LC Leasing and Financial Management System (LFMS) as certified by the Intelligent Touch Corporation	<p>The Leasing and Financial Management System (LFMS) is the first stage of the DBP-LC's ISSP 2015-2019. LFMS runs a holistic business application that focuses on the automation of the leasing operation and financial management of the DBP-LC.</p> <p>Following the ISSP 2015-2019 of DBP-LC, the LFMS should have been implemented in 2016. Since the measure targets 100% compliance to ISSP (meaning that it has been rolled-out/ implemented), the 90% accomplishment pertaining to the development of the system only is not acceptable.</p>
	Sub-total		10.00%				4.75%		2.50%		
	Total		100.00%				93.25%		91.00%		