

**DEVELOPMENT BANK OF THE PHILIPPINES
VALIDATED 2017 PERFORMANCE SCORECARD**

	Component				Target	DBP Submission		GCG Validation		Supporting Document	Remarks	
	Objective/Measure	Formula	Wt.	Rating System	2017	Actual	Rating	Score	Rating			
CONSTITUENCY	SO 1	Support Government's Priority Programs, Inclusive Growth and Environmental Sustainability Initiatives										
	SM 1	1.a. Total Loan Approvals for LGUs, Water Districts (WDs) and Electric Cooperatives (ECs)	Outstanding Loan Amount	10%	Actual / Target x Weight	₱15 Billion	₱17.212 Billion	10%	₱17.212 Billion	10%	<ul style="list-style-type: none"> Summary and List of Loan Approvals from January to December 2017 	Acceptable. However, it is noted that there was a substantial decline in approved loans for WDs and ECs.
		1.b. Total Loan Portfolio for Schools and Hospitals	Outstanding Loan Amount	10%	Actual / Target x Weight	₱13.795 Billion	₱22.965 Billion	10%	₱22.965 Billion	10%	<ul style="list-style-type: none"> Summary and List of Loan Accounts under Schools and Hospitals' Programs 	Acceptable.
	SM 2	Percentage of Satisfactory Customer Rating	Number of Respondents giving at least satisfactory / Total number of respondents	5%	Actual / Target x Weight	90% respondents giving "Satisfactory Rating" (Based on a Third-party survey)	95% both from its depositors and borrowers	5%	95% of respondents gave DBP with at least a satisfactory rating	5%	<ul style="list-style-type: none"> Copy of DBP Customer Satisfaction Report from PSRC 	Acceptable.
	SO 2	Support the 10-Point Government Socio-Economic Agenda by supporting Public & Private Participants in Government's Infrastructure Program										
SM 3	Total Loan Portfolio for Infrastructure	Outstanding Loan Amount	10%	Actual / Target x Weight	₱78.987 Billion	₱84.546 Billion	10%	₱84.546 Billion	10%	<ul style="list-style-type: none"> Summary and List of Loan Accounts under Infrastructure Programs 	Acceptable.	
	Sub-total		35%				35%		35%			

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FINANCE	SO 3 Reduce Cost of Funds											
	SM 4	Total CASA Deposits	Actual Figure	10%	Actual / Target x Weight Anything below ₱84.649 Billion: 0%.	15% increase	₱172.868 Billion	10%	30.19% (₱172.868 Billion)	10%	<ul style="list-style-type: none"> Summary and List of GL Accounts under CASA CASA deposit amount per RMC 	Acceptable.
	SO 4 Grow and Diversify Loan Portfolio and Improve Asset Quality											
	SM 5	Portfolio Quality - Net Non-Performing Loans (NPL) Ratio	Outstanding NPL - Specific Allowance for Impairment Loss / Outstanding Gross Loan Portfolio	5%	All or Nothing	<2%	0.42%	5%	0.42%	5%	<ul style="list-style-type: none"> DBP Balance Sheet published by BSP 	Acceptable. However, it is noted that the 2016 actual Net NPL was lower by 162.50% than the 2017 actual.
	SO 5 Strengthen Balance Sheet through Sustainable, Efficient and Profitable Operations											
	SM 6	Net Income	Actual Figure	5%	Actual / Target x Weight	P5 Billion	₱5.101 Billion	5%	₱5.489 Billion	5%	<ul style="list-style-type: none"> COA Annual Audit Report 	Acceptable. The 2017 actual was higher by P1.053 Billion or 23.73% compared to the 2016 actual.
	SM 7	Total Capital Adequacy Ratio	Total Qualifying Capital / Total Risk-Weighted Assets	5%	All or nothing	≥ BSP Requirement	15.51%	5%	14.99%	5%	<ul style="list-style-type: none"> Computation of Capital Adequacy Ratio DBP Balance Sheet published by BSP 	2017 Actual accomplishment is at 14.99% using the supporting document presented and validated using data

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											from the Bangko Sentral ng Pilipinas. It is noted that the 2017 Total CAR is lower than the previous year's CAR which was at 15.10%.
		Sub-total					25%		25%		
INTERNAL PROCESS	SO 6	Streamline and Update Existing Credit and Other Operating Processes									
	SM 8	Turn-around Time (TAT) in Processing of Priority Sector Loan Applications	Number of loans processed within TAT / Total number of loans processed	5%	Actual / Target x Weight	80% processed loan applications within 45 workdays TAT	86% of processed loan applications were completed within 45 WD TAT	5%	81.02%	5%	<ul style="list-style-type: none"> Summary and List of Loan Applications per DBP Sector with TAT

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SM 9	Implementation of ICT Projects	Actual Accomplishment	10%	Actual / Target x Weight	1. Check imaging Clearing Sys (CICS) - Remote Deposit Service on Checks (formerly named as Client Services Facilities Corporate Scanning); 2. EMV Acquiring/Certification (VISA, Bancnet and Mastercard) 3. Cash Mgt. Sys Port to Prod'n 4. Mobile banking - Card Banking Facility 5. User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL	1. 100% completion for Check Imaging Clearing System (CICS) 2. 100% completion for EMV Acquiring Certification 3. 100% completion for Cash Management System (Port to Production) 4. Mobile Banking Facility; and 5. 90% completion for (5) User Acceptance testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL	9.80%	Completed Projects: 1. Check Image Clearing System (CICS) – Remote Deposit Service on Checks 2. EMV Acquiring Certification 3. Cash Management System (Port to Production) 4. Mobile Banking – card Banking Facility	8%	CICS: 1. Porting Request Form 2. UAT Certificate 3. Test Result Form 4. Memo and Implementing Guidelines on CICS Production 5. SLA between DBP and AAIBP EMV Certification: 1. Confirmation Email from VISA and Mastercard 2. Test Report by FIME on BancNet Terminal Integration Certificate dated 24 October and 15 November 2017 Cash Management System: 1. Letter to BSP for Approval of DBP Digital Banking Portal dated 04 May 2017 2. BSP Letter dated 07 June 2017 3. UAT Certificate	DBP completed and implemented 4 out of the 5 projects committed in 2017. No score was provided to the User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL since the said target was not fully accomplished.

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										4. Memo on DBP's Digital Banking Portal Public Launching Mobile Banking: 1. Letter for Approval to BSP dated 18 December 2017 2. Certificate of Compliance to the requirements under MORB 3. Sign-off Document for the Guidelines in the Implementation User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL: Email for the Round 2 Plan of UAT	
SO 8	Strengthen Risk Management and Regulatory Compliance										
SM 10	Automation of Risk Management System	Actual Accomplishment	5%	All or Nothing	Risk Asset Classification and Measurement (C&M)	Business Requirements for C&M and ECL were documented as completed on 14	5%	Completed Classification and Measurement of	0%	<ul style="list-style-type: none"> Memo for the accomplishment of DCTs dated 25 September 2017 	Phase 1 of the Risk Model Application which is the Classification and Measurement (C&M) was completed on 15

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				Expected Credit Loss (ECL) Model	<p>September 2017. Key activities and high-level recommendations were identified to enable the Bank to be PFRS 9-compliant.</p> <p>The Bank's ECL implementation road map has been devised which covers the following work streams: data, model, people, policies and processes and systems is phase 2 of the PFRS 9 Project. Key next step, aside from mobilization for data collection for model development and equipping DBP modelers with necessary skills, is the usual public bidding process</p>		the Risk Model Application		<ul style="list-style-type: none"> Secretary's Certificate Approving the update on PD Models and changes in the timelines previously committed to BSP BSP Letter dated 28 July 2017 Secretary's Certificate for approval of Procurement of Consultancy Services BAC Approval on Procurement of Consultancy Services PFRS 9 Business Requirements Document SGV Report on C & M and ECL Models DBP Implementation Roadmap for ECL Models 	<p>September 2017 upon completion of the final report and recommendations by SGV and Co.</p> <p>However, development of ECL models were not completed in 2017. This was evidenced by the letters of DBP to the Bangko Sentral ng Pilipinas requesting consideration as the Bank will be able to use the ECL model by June 2018 instead of the previous committed date of January 2018.</p>

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						for the consultancy service with systems acquisition and implementation in the first semester of 2018.						
		Sub-total										
			20%				19.80%		13%			
ORGANIZATION	SO 9	Grow Capable, Motivated and Results-Oriented Professionals with Enhanced Competencies										
	SM 11	Integration of the Competency Standards	Actual Accomplishment	10%	All or Nothing	Completion of Competency Profiling and Gap Assessment of 100 Lending Officers	157 Lending Officers were assessed by their respective supervisors to validate the responses	10%	Assessed 157 Lending Officers whose responses were validated by their respective supervisors	10%	<ul style="list-style-type: none"> Assessment result and tabulation per employee 	Acceptable
	SO 10	Integrate Certified Management Systems for Streamlined Operations and Decision-Making, Wider Participation and Efficiency										
SM 12	Establish QMS/EMS	Actual Accomplishment	10%	All or Nothing	Certification of the Bank's IMS to 9001:2015 (QMS) ISO 14001:2015 (EMS) for the 14 Bank processes covering the Head Office, RMCs and 80 Branches	The Bank Recommended for Certification of the Bank's IMS to 9001:2015 (QMS) ISO 14001:2015 (EMS) for the 14 Bank processes covering the Head Office, RMCs and all Branches by	10%	ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS) Certified	10%	<ul style="list-style-type: none"> Certification International Audit Report ISO 9001:2015 and ISO 14001:2015 Certificate 	Acceptable. IMS certificate covers 14 Bank processes, 15 RMCs and 113 Branches	

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						Certification International Philippines (CIP)					
		Sub-total					20%		20%		
		Total					99.80%		93%		