

DBP LEASING CORPORATION (DBP-LC)
Validation Result of 2019 Performance Scorecard

Component					DBP-LC Submission ¹		GCG Validation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
SO 1 Support the Government's Economic Development Priorities by Providing Leasing and Other Asset-Based Financing Services to Various Industries												
SOCIAL IMPACT	SM 1	Increase Total Loan and Lease Portfolio (Net as per Balance Sheet)	Absolute Amount ²	25%	Lower than ₱2.30 Billion = 0% ₱2.30 Billion to ₱2.59 Billion = 10% ₱2.60 Billion to ₱2.75 Billion = 15% ₱2.76 Billion to ₱3.39 Billion = 20% Above ₱3.40 Billion = 25%	₱3.40 Billion	₱3.171 Billion	20% (23.32%) ³	₱3.171 Billion	20%	2019 COA Audited Financial Statements	Target not met. Request for reconsideration of target is DENIED . The target set was set as a 14.84% (2015-2017 average growth rate) increase from the 2018 target. Rating scale corrected to align the graduated rating scale with the weight of the measure.
	SM 2	Maintain Ranking in the Finance/ Leasing Industry (in terms of Total Loans & Lease Portfolio)	Ranking from Philippine Finance Association (Leasing/Financing Companies Only)	5%	All or Nothing	Within Top 10	Pending PFA Ranking	5%	Cannot be validated	0%	DBP-LC's e-mail to PFA dated 26 August 2020	Ranking from the Philippine Finance Association (PFA) is not yet available as of date of validation; hence no rating was given to this measure. However, the rating provided herein shall be without prejudice to the subsequent submission of the official ranking from the PFA.
	Sub-Total			30%				25% (28.32%)		20%		

¹ Based on 09 September 2020 submission. Officially received by the Governance Commission on 09 September 2020.

² Net per Balance Sheet is composed of Financial Lease (Principal excluding Interest)/Loan Receivable + Residual Value (Financial Lease)

³ Based on (Actual/Target) x Weight

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FINANCIAL	SO 2 Achieve Expected Return on Shareholder Investment by Growing Revenues through the Expansion of Credit Portfolio and by Efficient Management of Resources											
	SM 3	Improve Net Income After Tax (NIAT)	Total Revenues – Total Expenses	20%	(Actual / Target) x Weight If Less Than ₱25.78 Million = 0%	₱62.73 Million	₱44.10 Million	14.06%	₱44.36 Million	14.14%	2019 COA Audited Financial Statements	Target not met. GCG-validated actual performance is based on the 2019 COA Audited Financial Statements. It should be noted that the 2019 accomplishment exhibits a significant improvement from the 2018 baseline, which was a net loss of ₱51.69 Million. Request to adopt the proposed measure of "ROE-Net Income" is DENIED as NIAT provides an immediate information on the profitability of the company.
	Sub-Total			20%				14.06%		14.14%		
STAKEHOLDERS	SO 3 Achieve a Satisfactory Rating from Customers in the Delivery of Financing Services											
	SM 4	Percentage of Satisfied Customers	Number of Respondents who gave at least Satisfactory Rating/Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	99%	5%	99%	5%	Customer Satisfaction Survey Result Samples of Accomplished Survey Forms Data Collection Quality Control Report	Target exceeded.
SO 4 Provide Access of DBP Priority Sectors and SMEs to DBP-LC Financing Services												

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		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating	
	SM 5	Increase Percentage of Clients within the DBP Priority Sector and SMEs	Number of Clients within the DBP Priority Sector and SMEs / Total Number of Clients	5%	(Actual / Target) x Weight	76%	77.94%	5%	77.94%	5%	Lease and Loan Portfolio Monitoring Report as of 31 December 2019 Sample Loan Documents such as Credit Applications, Credit Approvals, Official Receipt, Lease/Loan Agreement, Credit Risk Rating, Lease Schedule Balance Sheet of Sampled SMEs	Target exceeded. The validated accomplishment refers to the 53 (30 from the DBP Priority Sector and 23 SMEs) out of the 68 clients of DBP-LC.
	Sub-Total			10%				10%		10%		
INTERNAL PROCESS	SO 5 Diversify Industry Exposure with Expanded Market Coverage and Product Offerings											
	SM 6	Increase the Number of New Accounts Approved	Absolute Number	5%	(Actual / Target) x Weight If Less Than 10 = 0%	18	28	5%	28	5%	Summary of New Accounts Approved in 2019 with TAT Details Approved Credit Application Forms Application Documents of	Target exceeded.

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Objective/Measure	Component				DBP-LC Submission ¹			GCG Validation		Supporting Documents	GCG Remarks
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
										Sampled Accounts	
SM 7	Ensure Geographical Spread of Credit Accounts	Actual Accomplishment	5%	All or Nothing	Board-Approved Roadmap ⁴	Roadmap Approved August 2019	5%	Board-Approved Roadmap	5%	Board-Approved Roadmap Board Resolution No. 2019-11-012	Target met.
SO 6 Achieve High Quality Portfolio through Adoption of Best Practices in Account Management and Credit Risk Due Diligence											
SM 8	Improve Past Due Rate	Total Past Due and Non-Performing Loan / Total Portfolio	5%	{1-[(Actual-Target) / Target]} x Weight If More Than 8% = 0%	≤5%	5.82%	4.18%	6.24%	3.76%	2019 COA Audited Financial Statements	Performance below target. The computed accomplishment is based on the total past due loan portfolio of ₱197.88 Million and actual total portfolio of ₱3.17 Billion.
SM 9	Percentage of Real and Other Properties Acquired (ROPA) to Total Assets	Total ROPA / Total Assets	5%	All or Nothing	≤1%	0.38%	5%	0.38%	5%	2019 COA Audited Financial Statements	Target met. Per the 2019 COA Audited Financial Statements, DBP-LC's ROPA amounted to ₱12.56 Million. With total assets equivalent to ₱3.30 Billion.
SO 7 Streamline Processes based on Industry Best Practices											
SM 10	Percentage of Applications Processed	Number of applications processed	5%	(Actual / Target) x Weight	100%	100%	5%	91.84%	4.59%	Summary of Accounts Approved in	Target not met. The validated accomplishment refers to

⁴ Should include long-term (end goal) and annual targets in terms of asset distribution (NCR vs. Areas Outside NCR; number of accounts and value of accounts, etc.) and programs/products to be developed.

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Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
	Within Prescribed Period from Receipt of Complete Requirements	within prescribed period / Total number of applications with complete documents		If Less Than 95% = 0%						2019 with TAT Details Approved Credit Application Forms Application Documents of Sampled Accounts Last Documents Submitted by the Applicant Policy on Signing Authority	45 out of 49 accounts processed within 20 working days. The supporting documents for four (4) accounts could not support the reported start date.	
SM 11	Attain Quality Management Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Certification	Certified 15 January 2019	5%	ISO 9001:2015 Certification	5%	ISO 9001:2015 Certification	Acceptable.	
Sub-total		30%					29.18%		28.35%			
LEARNING AND GROWTH	SO 8 Ensure Personnel Complement Best Fit to Achieve Organizational Objectives											
	SM 12	Achieve Organizational Proficiency	Number of Employees with Identified Competency Gap/s Addressed / Total Number of Employees with Identified Competency Gap/s	5%	(Actual / Target) x Weight	Improve Competency Baseline of 80% of Employees	Improved Performance Appraisal of 65% of Employees ⁵	4.06% (4.81%) ⁶	Cannot be validated	0%	Internal Memorandum on the Result of Performance Appraisal 2019 vs 2018 Performance Appraisal Computation per Employee	Submitted documents do not support the reported accomplishment.
	SO 9 Develop and Implement Complementary Management and Technological Systems to Support Business Operations											

⁵ Company Performance Evaluation In lieu of Competency Assessment

⁶ Based on 77% of Employees with "Above Average" Performance

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Objective/Measure	Component			DBP-LC Submission ¹		GCG Validation		Supporting Documents	GCG Remarks		
	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating	
SM 13	Implementation of Information Systems Strategic Plan (ISSP)	Actual Accomplishment	5%	All or Nothing	Roll-out of the Asset Management System (AMS) Board-Approved ISSP 2020-2022 as Submitted to DICT	Roll-out the Asset Management System (AMS) Approved and Submitted December 2019	5%	Asset Management System Rolled Out Board-Approved ISSP 2020-2024 submitted to DICT on 20 December 2019	5%	Certificate of Final Acceptance under the "Contract for Consultancy Service for the Development of an MS Access-Based Management Database System"; Copy of "DBP-LC ISSP 2020-2024" as received by the DICT; DBP-LC Board Resolution No. 2019-12-003.	Target met.
Sub-Total		10%					9.06% (9.81%)		5%		
TOTAL		100%					87.30% (91.37%)		77.49%		