

PERFORMANCE SCORECARD 2018 (Annex B)

DEVELOPMENT BANK OF THE PHILIPPINES

	Objective/Measure	Component Formula	Weight	Rating System ^{a/}	Baseline Data		Target		
					2015	2016	2017	2018	
SOCIO-ECONOMIC IMPACT	SO 1	Participate in the Government's 10-Point Socio-Economic Agenda by supporting Public & Private Participants in Government's Infrastructure Program							
	SM 1	Increase Loan Portfolio for the following Sectors:							
		a. Infrastructure Sector	Summation of Outstanding Principal Balance Extracted from Loan Data Warehouse (LDW) or Central Management Information System (MIS)	10%	(Actual / Target) x Weight	₱57.386 Billion	₱68.685 Billion	₱79.987 Billion	₱100 Billion
		b. Social Services Sector		10%		₱10.068 Billion	₱11.996 Billion	₱13.795 Billion	₱25 Billion
		c. MSMEs Sector		10%		₱7.36 Billion	₱9.46 Billion	n/a	₱10.137 Billion
Sub-total		30%							
CONSTITUENCY	SO 2	Support Inclusive Growth Initiatives							
	SM 2	Number of Branches/Branch Lites opened in Unbanked/Underserved Areas	Actual Number of Branches opened during the year	5%	(Actual / Target) x Weight	No data	No data	n/a	3 (Dolores, Eastern Samar; Siaton, Negros Oriental; Banga, South Cotabato)

	Objective/Measure	Component		Baseline Data			Target		
		Formula	Weight	Rating System ^{a/}	2015	2016	2017	2018	
	SM 3	Percentage of Satisfied Customers	No. of respondents who rated DBP at least "Satisfactory" / Total no. of respondents ¹	10%	(Actual/Target) x Weight If less than 80% = 0%	94.6% average bankwide rating using existing internal customer survey system	95.73% average bankwide rating using existing internal customer survey system	90% respondents giving "Satisfactory Rating" ²	90% ³
		Sub-total		15%					
	SO 3	Strengthen Balance Sheet through Sustainable, Efficient and Profitable Operations							
FINANCE	SM 4	Increase Net Income	Total Revenues less Total Expenses	5%	(Actual / Target) x Weight	₱4.711 Billion	₱4.202 Billion	₱5.00 Billion	₱5.555 Billion

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

² Based on a Third-party survey

³ Using annual instead of bi-annual survey.

Objective/Measure		Component Formula	Weight	Rating System ^{a/}	Baseline Data			Target
					2015	2016	2017	2018
SM 5	Improve Capital Adequacy Ratio (CAR)	Total Qualifying Capital / Total Risk-Weighted Assets	5%	All or Nothing	16.65%	15.10%	≥ BSP Requirement ⁴	<p>Maintain required risk-based capital adequacy ratio at all times:</p> <ul style="list-style-type: none"> a. Common Equity Tier 1 must be at least 6.0% of risk weighted assets at all times; b. Tier 1 capital must be at least 7.5% of risk weighted assets at all times; c. Qualifying capital (Tier 1 Capital plus Tier 2 Capital) must be at least 10% of risk weighted assets at all times; and d. Capital conservation buffer of 2.5%, comprised of CET1 capital

⁴ BSP requirement for (Basel III) CET 1 is 6% and (Basel III) Total CAR is 10%.

	Objective/Measure	Component			Baseline Data			Target	
		Formula	Weight	Rating System ^{al}	2015	2016	2017	2018	
	SO 4	Grow and Diversify Loan Portfolio and Improve Asset Quality							
	SM 6	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% = If 1.5% and above	1.40%	0.16%	<2%	0.77%
	SO 5	Reduce Cost of Funds							
	SM 7	Increase Total CASA Deposits	Sum of all Demand Deposit (CA) and Regular Savings Deposits (SA) Ledger Balances	10%	(Actual / Target) x Weight	₱110.107 Billion	₱132.777 Billion	₱152.694 Billion	₱190 Billion
		Sub-total		25%					
INTERNAL PROCESS	SO 6	Strengthen Risk Management Regulatory Compliance							
	SM 8	Implementation of Risk Management Application	Actual Accomplishment vs. Project Timeline	5%	All or Nothing	- ICRRS Integrated with Core Banking System - 100% completed ICRRS validation by third-party - training completed	Consultancy Services for bidding approved by ManCom; Adoption of DBP's own Loan Loss Methodology noted by BSP	Risk Asset Classification and Measurement (C & M) Expected Credit Loss Model (ECL) Model	Full roll-out and Implementation of ECL Risk Model and Enhanced Integrated Credit Risk Rating System (ICRRS)

		Component			Baseline Data			Target
Objective/Measure	Formula	Weight	Rating System ^{a/}	2015	2016	2017	2018	
SO 7	Develop and Utilize Latest Information and Communication Technology (ICT) that is at Par with the Best in the Industry and in the Region							
SM 9	Implementation of ICT Projects	No. of Projects Completed / Total Number of Projects	5%	(Actual / Target) x Weight	Completed: 1. Integrated Central Disbursement 2. Centralized Procurement 3. Signature Verification System - 97% 4. Credit Appraisal System	Completed: 1. Vendor Management System - 100% 2. Insurance Management System - 100% 3. Westpac (Australian Remittance System) - 100% 4. Cash Management System - 90% 5. Card Management System - 100% 6. Check Truncation - 95%	1. Check Image Clearing System - Remote Deposit Service on Checks (formerly named as Client Services Facilities Corporate Scanning); 2. EMV Acquiring / Certification (VISA, Bancnet and Mastercard) 3. Cash Management System Port to Production 4. Mobile Banking - Card Banking Facility 5. User Acceptance Testing (UAT) Cycle 2 for the Integrated Core Banking System (ICBS) Deposit & Core-GL	Full implementation and roll out of the following ICT solutions: 1. Integrated Core Banking System - Deposits Module and Customer Information File 2. Integrated Core Banking System - Trade Finance 3. iLearn - the DBP e-Learning Management System 4. Integrated Treasury Management System 5. Anti - Distributed Denial of Service
SO 8	Streamline Existing Credit and Operating Processes to Meet Current and Future Customer Demand							
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 0% = If less than 80%	44.8% reduction in TAT attained based on actual 87.5 working days as baseline	72.70% of loan applications processed within 45 work days average TAT	80% processed loan application within 45 work days TAT	90% loan applications processed within 45 working days TAT
	Sub-total		15%					

	Component				Baseline Data			Target	
	Objective/Measure	Formula	Weight	Rating System ^{al}	2015	2016	2017	2018	
	SO 9	Empower Personnel for Customer-Centric Decision Making, Wider Participation, and Delivery of Services							
ORGANIZATION	SM 11	Integrated Management System (IMS) Certification	Actual Certificate from certifying body (third-party)	10%	All or Nothing	Recertification of the Bank's IMS to ISO 9001;2008 (QMS) and ISO 14001:2015 (EMS) for 14 core Bank processes covering the Head Office, 15 RMCs and 113 Branches	Recertification of the Bank's IMS to ISO 9001;2008 (QMS) and ISO 14001:2015 (EMS) for 14 core Bank processes covering the Head Office, 15 RMCs and 113 Branches	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	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, RMCs and all branches

		Component			Baseline Data			Target
Objective/Measure	Formula	Weight	Rating System ^{a/}	2015	2016	2017	2018	
SO 10	Grow Capable, Motivated and Results-Oriented Professionals with Market-driven Competencies							
SM 12	Percentage of Employees Meeting Required Competencies ⁵	No. of employees meeting the required competency level / Total no. of employees	5%	(Actual / Target) x Weight	DBP Competency Model approved by the DBP PCEO	Competency baseline requirements per position level were incorporated in the Job Descriptions of Various roles and positions; reflected in publication of vacant positions Job Specific or functional competencies also established initially for sales career track	Completion of Competency Profiling and Gap Assessment of 100 Lending Officers	a.) Profiling and Gap Assessment of other sales-related functional roles, establishing the competency baseline of 100% (filled) Branch Heads and 100% (filled) Treasury Marketing Officers b.) 157 Account Officers met required competencies c.) Establish competency baseline of 196 Account Officers participated in 2017 competency assessment
	Sub-total		15%					
	Total		100%					

a/ But not to exceed the weight assigned per indicator

⁵ Implementation of the DBP Competency Model shall follow the timeline provided in Appendix A.