

DBP LEASING CORPORATION (DBP-LC)
Result of Revalidation of 2018 Performance Scorecard

Component					DBP-LC Submission		GCG Revalidation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
SO 1 Support the Government's Economic Development Priorities through the Provision of Leasing and Other Asset-Based Financing Services												
SOCIAL IMPACT	SM 1	Increase Total Loan and Lease Portfolio (Net as per Balance Sheet)	Absolute Amount	20%	Lower than ₱2.3 Billion = 0% ₱2.3 Billion to ₱2.59 Billion = 10% ₱2.6 Billion to ₱2.75 Billion = 15% Above ₱2.75 Billion = 20%	₱2.96 Billion	₱2.78 Billion	20%	₱2.78 Billion	20%	<u>2018 COA Annual Audit Report</u>	Acceptable.
	SM 2	Maintain Ranking in the Finance/ Leasing Industry (in terms of Total Loans & Lease Portfolio)	Ranking from Philippine Finance Association	5%	All or Nothing	10 th	Available April 2019	5%	<u>9th</u>	<u>5%</u>	<u>Certification from Philippine Finance Association</u>	<u>Actual accomplishment and rating revised based on the submitted supporting document. DBP-LC was able to surpass its annual target by improving to 9th rank for 2018.</u>
	Sub-Total			25%				25%		<u>25%</u>		
SO 2 Achieve Expected Return on Shareholder Investment by Maximizing Revenues and Minimizing Expenses												
FINANCIAL	SM 3	Grow Revenues	Absolute Amount of Total Revenue (Lease, Interest, Service, Miscellaneous and Other Income)	10%	(Actual/ Target) x Weight 0% = If less than ₱150 Million	₱204.84 Million	₱179.79 Million	8.77%	₱179.71 Million	8.77%	<u>2018 COA Annual Audit Report</u>	Reported accomplishment revised using the <u>audited FS</u> . DBP-LC's request ¹ to revise the measure to "EBITDA Rate" is <u>DENIED</u> .

¹ Officially received by the Governance Commission on 13 September 2018.

Revalidation of 2018 Performance Scorecard (Annex A)

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Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
SM 4	Improve Net Income After Tax (NIAT)	Total Revenues – Total Expenses	15%	(Actual/ Target) x Weight 0% = If less than ₱61.53 Million	₱65.20 Million		(₱52.16 Million)	0%	(₱51.69 Million)	0%	<i>2018 COA Annual Audit Report</i>	The GCG-validated accomplishment was based on the <i>audited FS</i> . DBP-LC's request ² to modify the measure to "ROE-Net Income without Tax Savings" and the corresponding rating system is DENIED .
Sub-Total			25%					8.77%		8.77%		
STAKEHOLDERS	SO 3	Achieve a High-Level of Customer Satisfaction in the Delivery of Financing Services										
	SM 5	Percentage of Satisfied Customers	Number of Respondents who gave at least Satisfactory Rating/ Total Number of Respondents	5%	(Actual/ Target) x Weight 0% = If less than 80%	90%	<u>94%</u>	<u>5%</u>	<u>93.90%</u>	<u>5%</u>	<i>Certification of Quality Control</i> <i>Summary of Results Findings</i> <i>Copies of Accomplished Survey Questionnaires</i> <i>Monitoring Sheet of Data Quality Control Activities</i>	<i>Actual accomplishment and rating based on the newly submitted supporting document. DBP-LC exceeded the target.</i>
	SO 4	Improve Access of DBP Priority Sectors to Financial Leases and Other Relevant Financing Services										
SM 6	Percent of Credit Portfolio – Public Sector and SMEs	Credit Portfolio – Public Sector and SMEs / Total Credit Portfolio	5%	(Actual / Target) x Weight	30%	24.48%	4.14%	22.43%	3.74%	<i>2018 COA Annual Audit Report</i> Lease and Loan Portfolio Report as	The GCG-validated accomplishment was based on the supporting document submitted after the onsite validation. One borrower was already re-classified as a	

² Ibid.

Revalidation of 2018 Performance Scorecard (Annex A)

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Objective/Measure		Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual			Rating
										of 31 December 2018 Balance Sheet of the SME Clients Credit Approvals Lease/ Loan Agreement Official Receipts	large corporation and should not have been included in the computation.
SM 7	Percent of Credit Portfolio – Private Priority Sector	Credit Portfolio – Private Priority Sector / Total Credit Portfolio	5%	(Actual / Target) x Weight	60%	62.34%	5%	62.34%	5%	Lease and Loan Portfolio Report as of 31 December 2018 Sample Loan Documents such as Credit Applications, Credit Approvals, Official Receipt, Lease/ Loan Agreement, Term Loan Review, Credit Risk Rating Sheet, Lease Schedule	Acceptable.
Sub-Total			15%				14.14%		13.74%		

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	Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
INTERNAL PROCESS	SO 5 Diversify Industry Exposure with Expanded Market Coverage and Product Offerings											
	SM 8	Percent of Real & Other Properties Acquired (ROPA) to Total Assets	Total ROPA/ Total Assets	5%	(1-((Actual-Target)/ Target)) x Weight 0% = If 2% and higher	≤1%	0.43%	5%	0.43%	5%	<u>2018 COA Annual Audit Report</u>	Acceptable.
	SM 9	Number of New Accounts Approved	Absolute Number	5%	(Actual/ Target) x Weight 0% = If less than 15	18	15	4.16%	15	4.17%	Summary of New Accounts Approved in 2018 with TAT Details Credit Application	Request to lower down target from 18 to 15 and change the rating scale are DENIED .
	SO 6 Streamline Processes Based on Industry Best Practices											
	SM 10	Percentage of Applications and New Accounts Processed Upon Receipt of Complete Documents (URCD) within Thirty (30) Working Days	Number of Applications and New Accounts Processed URCD within 30 Working Days / Total Number of Applications and New Accounts	5%	(Actual / Target) x Weight 0% = If less than 95%	100%	97%	4.85%	97%	4.85%	Summary of Accounts Approved in 2018 with TAT Details E-mail Correspondence of Sampled Clients Credit Approval of Sampled Clients	The request ³ to retain the old measure and to modify the corresponding rating scale is DENIED .
	SO 7 Achieve High Quality Portfolio through Enhanced Credit Risk Evaluation and Account Management											
	SM 11	Improve Past Due Rate	Total Past Due and Non-Performing Loan / Total Portfolio	10%	(1-((Actual-Target)/ Target)) x Weight	≤5%	10.13%	0%	10.13%	0%	<u>2018 COA Annual Audit Report</u>	Target not met.

³ Ibid.

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Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
			0% = If more than 8%						Schedule of Past Due Accounts Ledger for the Past Due Accounts			
Sub-total		25%				14.01%		14.02%				
LEARNING AND GROWTH	SO 8 Ensure Personnel Complement Best Fit to Achieve Organizational Objectives											
	SM 12	Achieve Organizational Proficiency	Actual Accomplishment	5%	(Actual / Target) x Weight	Assessment and Establishment of the Competency Level of the Organization (100%)	Assessment and Establishment of the Competency Level of the Organization (100%)	5%	31% - need intervention, 17% - more opportunities 17% - approaching the competency standard 34% - met the competency standard	5%	Competency Modeling and Position Profiling for all employees (done by the Development Academy of the Philippines)	Acceptable.
	SO 9 Develop and Implement Complementary Management and Technological Systems to Support Business Operations											
	SM 13	Percentage of Compliance with Information Systems Strategic Plan (ISSP)	Tasks & Activities Completed for the Year/ Tasks & Activities Planned for the Year	5%	All or Nothing	Account Management System (AMS) awarded to Third-Party Service Provider	Account Management System (AMS) awarded to Third-Party Service Provider	5%	Account Management System (AMS) awarded to Third-Party Service Provider	5%	Copy of Notice of Award dated 23 November 2018	Acceptable.
Sub-Total		10%					10%		10%			
TOTAL		100%					71.92%		71.53%			