

2019 PERFORMANCE SCORECARD (Annex B)

DEVELOPMENT BANK OF THE PHILIPPINES (DBP)

	Objective/Measure	Component	Weight	Rating System ^{a/}	Baseline Data		Target		
		Formula			2016	2017	2018	2019	
SOCIO-ECONOMIC IMPACT	SO 1	Participate in the Government's 10-Point Socio-Economic Agenda by supporting Public & Private Participants in the 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	₱68.685 Billion	₱84.546 Billion	₱100 Billion	₱115 Billion
		b. Social Services Sector		10%		₱11.996 Billion	₱22.965 Billion	₱25 Billion	₱29 Billion
		c. MSMEs Sector		10%		₱9.46 Billion	₱9.22 Billion	₱10.137 Billion	₱21 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 / Branch Lites opened during the year	5%	(Actual / Target) x Weight	No data	2	3 (Dolores, Eastern Samar; Siaton, Negros Oriental; Banga, South Cotabato)	3

A-

		Component			Baseline Data			Target	
Objective/Measure		Formula	Weight	Rating System ^{a/}	2016	2017	2018	2019	
	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%	95.73% average bankwide rating using existing internal customer survey system	95% of respondents gave DBP at least a satisfactory rating	90% ²	90%
		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 If less than ₱4.90 Billion ³ = 0%	₱4.202 Billion	₱5.489 Billion	₱5.555 Billion	₱5.972 Billion
	SM 5	Improve Capital Adequacy Ratio (CAR)	Total Qualifying Capital / Total Risk-Weighted Assets	5%	All or Nothing	15.10%	14.99%	Maintain required risk-based capital adequacy ratio at all times: a. Common Equity Tier 1 must be at least 6.0% of risk weighted assets at all times;	Maintain required risk-based capital adequacy ratio at all times: a. Common Equity Tier 1 (CET1) must be at least 6.0% of risk weighted assets at all times;

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

² Using annual instead of bi-annual survey.

³ Based on the computed 5-year actual average from 2013 to 2017.

Objective/Measure	Component		Baseline Data				Target	
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						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 Capital conservation buffer of 2.5%, comprised of CET1 capital	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 Capital conservation buffer of 2.5%, comprised of CET1 capital	
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%	All or Nothing	0.16%	0.42%	0.77%	Not exceeding the Philippine bank standard as of end of the year
SO 5	Reduce Cost of Funds							
SM 7	Increase Total CASA Deposits	Sum of all Demand Deposit (CA) and Regular Savings	10%	(Actual / Target) x Weight	₱132.777 Billion	₱172.868 Billion	₱190 Billion	₱216 Billion

1-

	Objective/Measure	Component			Baseline Data			Target	
		Formula	Weight	Rating System ^{al}	2016	2017	2018	2019	
		Deposits (SA) Ledger Balances		0% = If less than ₱110 Billion					
	Sub-total		25%						
INTERNAL PROCESS	SO 6	Strengthen Risk Management and Regulatory Compliance							
	SM 8	Implementation of Risk Management Application	Actual Accomplishment vs. Project Timeline	5%	All or Nothing	Consultancy Services for bidding approved by ManCom; Adoption of DBP's own Loan Loss Methodology noted by BSP	Completed Classification and Measurement of the Risk Model Application	Full roll-out and Implementation of ECL Risk Model and Enhanced Integrated Credit Risk Rating System (ICRRS)	Full roll-out and Implementation of the Operational Risk Information System (ORIS) ⁴
	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. Vendor Management System - 100% 2. Insurance Management System - 100% 3. Westpac (Australian Remittance System) - 100% 4. Cash	Completed Projects: 1. Check Image Clearing System (CICS) – Remote Deposit Service on Checks 2. EMV Acquiring Certification 3. Cash Management System (Port to Production)	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	Full implementation and roll out of the following ICT solutions: 1. Audit Management System 2. Multiple Network Link Load Manager Appliance 3. DNS-DHCP IP Address	

⁴ 2020 target shall be the automation of the Expected Credit Loss (ECL) Model consistent with the timetable presented by DBP.

1

	Component				Baseline Data			Target	
	Objective/Measure	Formula	Weight	Rating System ^{al}	2016	2017	2018	2019	
					Management System - 90% 5. Card Management System - 100% 6. Check Truncation - 95%	4. Mobile Banking – Card Banking Facility	3. iLearn - the DBP e-Learning Management System 4. Integrated Treasury Management System 5. Anti – Distributed Denial of Service	4. Enhance Firewall	
	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%	72.70% of loan applications processed within 45 work days average TAT	81.02% of loan applications processed within 45 work days average TAT	90% loan applications processed within 45 working days TAT	90% loan applications processed within the prescribed TAT ⁵
		Sub-total		15%					
	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	ISO 9001:2015 (QMS) and ISO 14001:2015 (EMS) Certified	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	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, Provincial Lending Groups/Branch Banking Groups and all branches/lending centers

⁵ Subject to compliance with the Ease of Doing Business Act (R.A. 11032)

Objective/Measure	Component		Baseline Data			Target		
	Formula	Weight	Rating System ^{a/}	2016	2017	2018	2019	
				Head Office, 15 RMCs and 113 Branches				
SO 10 Grow Capable, Motivated, Committed and Results-Oriented Professionals with Market-driven Competencies								
SM 12	Percentage of Employees Meeting Required Competencies ⁶	No. of employees meeting the required competency level / Total no. of employees	5%	(Actual / Target) x Weight	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	Assessed 157 Lending Officers whose responses were validated by their respective supervisors	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	a.) Profiling and Gap Assessment establishing competency baseline of 100% of employees under Loans Administration Department (LAD) and Foreign Domestic Settlement and Operations Department (FDSOD) b.) 60% of Account Officers are meeting required competencies c.) 50% of Branch Heads and Treasury Marketing Officers are meeting required competencies
	Sub-total		15%					
	Total		100%					

a/ But not to exceed the weight assigned per indicator

⁶ Implementation of the DBP Competency Model shall follow the competency timeline.