



29 May 2023

MR. CYR C. GONESTO

Chairperson

BGEN. JESS G. ESTOESTA, AFP (ret.)

President and CEO (PCEO)

DBP LEASING CORPORATION (DBP-LC)

2/F, Pacific Star Building, Sen. Gil Puyat Avenue
Corner Makati Avenue, Makati City

**RE: VALIDATION RESULT OF 2022 PERFORMANCE
SCORECARD OF DBP-LC**

Dear Chairperson Gonesto and PCEO Estoesta,

We respectfully furnish you with the validation result of DBP-LC's 2022 Performance Scorecard (**Annex A**), where DBP-LC obtained an over-all score of **35.05%**.

FOR DBP-LC'S INFORMATION AND GUIDANCE.

Very truly yours,

Justice ALEX L. QUIROZ (ret.)
Chairperson

cc: COA Resident Auditor – DBP-LC

“Upholding a Transparent and Responsive GOCC Sector for the Filipino People”

DBP LEASING AND FINANCE CORPORATION (DBP-LC)
Validation Result of 2022 Performance Scorecard

Component					DBP-LC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt	Rating System	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 ¹	30%	(Actual/Target) x Weight If Less Than 2021 Actual = 0%	₱2.97 Billion	₱2.48 Billion	25.05%	₱2.48 Billion	25.05%	<ul style="list-style-type: none"> Summary of Lease and Loan Portfolio as of 31 December 2022; and COA Annual Audit Report 	Target not met.
	Sub-total			30%				25.05%		25.05%		
SO 2	Achieve Expected Return on Shareholder Investment by Growing Revenues through the Expansion of Credit Portfolio and by Efficient Management of Resources											
FINANCIAL	SM 2	Maintain Return on Equity-Net Income After Tax (ROE-NIAT)	Net Income After Tax / Average Net Worth	20%	(Actual/Target) x Weight If Less Than 2021 Actual = 0%	1.92%	(0.84) %	0%	(0.80) %	0%	<ul style="list-style-type: none"> COA Annual Audit Report 	Target not met.
	SM 3	Efficient Utilization of Corporate Operating Budget (COB)	Total Disbursement (net of PS) / Total Board-Approved Corporate Operating Budget (COB)	5%	(Actual/Target) x Weight If less than 90% = 0%	90%	84.98%	0%	70.31%	0%	<ul style="list-style-type: none"> Budget Utilization Report Statement of Appropriation Obligations, Disbursements and Balances (SAODB) 	Validated based on the submitted SAODB as submitted to ICRS for 2022.
	Sub-total			25%				0%		0%		

¹ Net per Balance Sheet is composed of Financial Lease (Principal excluding Interest)/Loan Receivable + Residual Value (Financial Lease)

Validation Result of 2022 Performance Scorecard

	Component				DBP-LC Submission		GCG Validation		Supporting Documents	Remarks		
	Objective/Measure	Formula	Wt	Rating System	Target	Actual	Rating	Actual			Rating	
STAKEHOLDERS	SO 4	Provide Access to DBP Priority Sectors and SMEs Access to DBP-LC Financing Services										
	SM 4	Increase the Percentage of Clients within the DBP Priority Sectors and SMEs	Number of Clients within the DBP Priority Sector and SMEs / Total Number of Clients	10%	(Actual/Target) x Weight	80%	83.61%	10%	83.61%	10%	<ul style="list-style-type: none"> Summary of Loan and Lease Portfolio (Detailed/Disaggregated per Sector) Account Monitoring Report; and Four (4) Sample Loan/Lease Application Forms with Credit Approval. 	Acceptable.
	SO 5	Achieve a Satisfactory Rating from Customers in the Delivery of Financing Services										
	SM 5	Percentage of Satisfied Customers	Number of respondents who gave a rating of at least Satisfactory Rating / Total number of respondents	5%	(Actual/Target) x Weight If Less Than 80% = 0	90%	-	0%	No accomplishment	0%	-	DBP-LC was not able to conduct a Customer Satisfaction Survey. ²
	Sub-total			15%				10%		10%		

² Subject to revalidation upon the submission of the full report.

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Validation Result of 2022 Performance Scorecard

Component					DBP-LC Submission			GCG Validation		Supporting Documents	Remarks
Objective/Measure	Formula	Wt	Rating System	Target	Actual	Rating	Actual	Rating			
SO 6	Diversify Industry Exposure with Expanded Market Coverage and Product Offerings										
SM 6	Increase Number of New Accounts Approved	Absolute Number	5%	All or Nothing	5	4	0%	4	0%	<ul style="list-style-type: none"> Credit Application; and Approval Forms 	Target not met.
SO 7	Achieve High-Quality Portfolio Through Adoption of Best Practices in Account Management and Credit Risk Due Diligence										
SM 7	Improve Past Due Rate	Total Past Due / Total Portfolio	5%	$\{1 - [(Actual - Target) / Target]\} \times Weight$ If More Than 8% = 0%	≤ 6.5%	44.04%	0%	9.55%	0%	COA Annual Audit Report	Target not met.
SO 8	Streamline Processes Based on Industry Best Practices										
SM 8	Percentage of Applications Processed Within Period from Receipt of Complete Requirements	Number of Applications Processed within Prescribed Period / Total Number of Applications with Complete Documents	5%	(Actual/Target) x Weight If less than 95% = 0%	100%	100%	5%	Unverifiable	0%	<ul style="list-style-type: none"> Summary report detailing the start and end dates of processing per account Copies of application documents and credit approvals 	Some of the account details in the database were found to be inconsistent with the credit folders.

INTERNAL PROCESS

for

Validation Result of 2022 Performance Scorecard

Component					DBP-LC Submission		GCG Validation		Supporting Documents	Remarks	
Objective/Measure	Formula	Wt	Rating System	Target	Actual	Rating	Actual	Rating			
SM 9	Attain Quality Management Certification	Actual Accomplishment	5%	All or Nothing	Retain ISO 9001:2015 Certification (Pass Surveillance Audit)	-	0%	No accomplishment	0%	-	DBP-LC failed to complete the recertification process.
Sub-total		20%					5%		0%		
SO 9	Ensure Personnel Complement Best Fit to Achieve Organizational Objectives										
SM 10	Improvement Competency Level of the Organization	Competency Baseline 2022-Competency Baseline 2021	5%	All or Nothing	Improvement on the Competency Level of the Organization	-	0%	No accomplishment	0%	-	No employee assessment was conducted.
SO 10	Develop and Implement Complementary Management and Technological Systems to Support Business Operations										
SM 11	Implementation of Information Systems Strategic Plan (ISSP)	Actual Accomplishment	5%	All or Nothing	100% Attainment of 2022 Deliverables Based on the Revised ISSP 2020-2024	-	0%	No accomplishment	0%	-	DBP-LC did not report any accomplishment for this measure.
Sub-total		10%					0%		0%		
Grand Total		100%					40.05%		35.05%		

LEARNING & GROWTH