

23 October 2017

**MR. MARIANO O. AUREUS, JR.**

*Acting Chairperson*

**MR. RENATO G. EJE**

*OIC President and CEO*

**PHILIPPINE POSTAL SAVINGS BANK, INC. (POSTBANK)**

Postbank Center, Liwasang Bonifacio

1000 Manila

**RE : TRANSMITTAL OF CY 2017 PERFORMANCE SCORECARD**

Dear Chairperson Aureus and PCEO Eje,

This is to formally transmit the Charter Statement and Strategy Map (**Annex A**) and 2017 Performance Scorecard (**Annex B**) of PostBank as agreed during the technical working group (TWG) meeting last 05 September 2017.

The CY 2017 Charter Statement, Strategy Map and Performance Scorecard shall take effect **IMMEDIATELY**. PostBank is hereby directed to submit the applicable quarterly monitoring reports and upload the same in the GOCC website.

**FOR YOUR STRICT COMPLIANCE.**

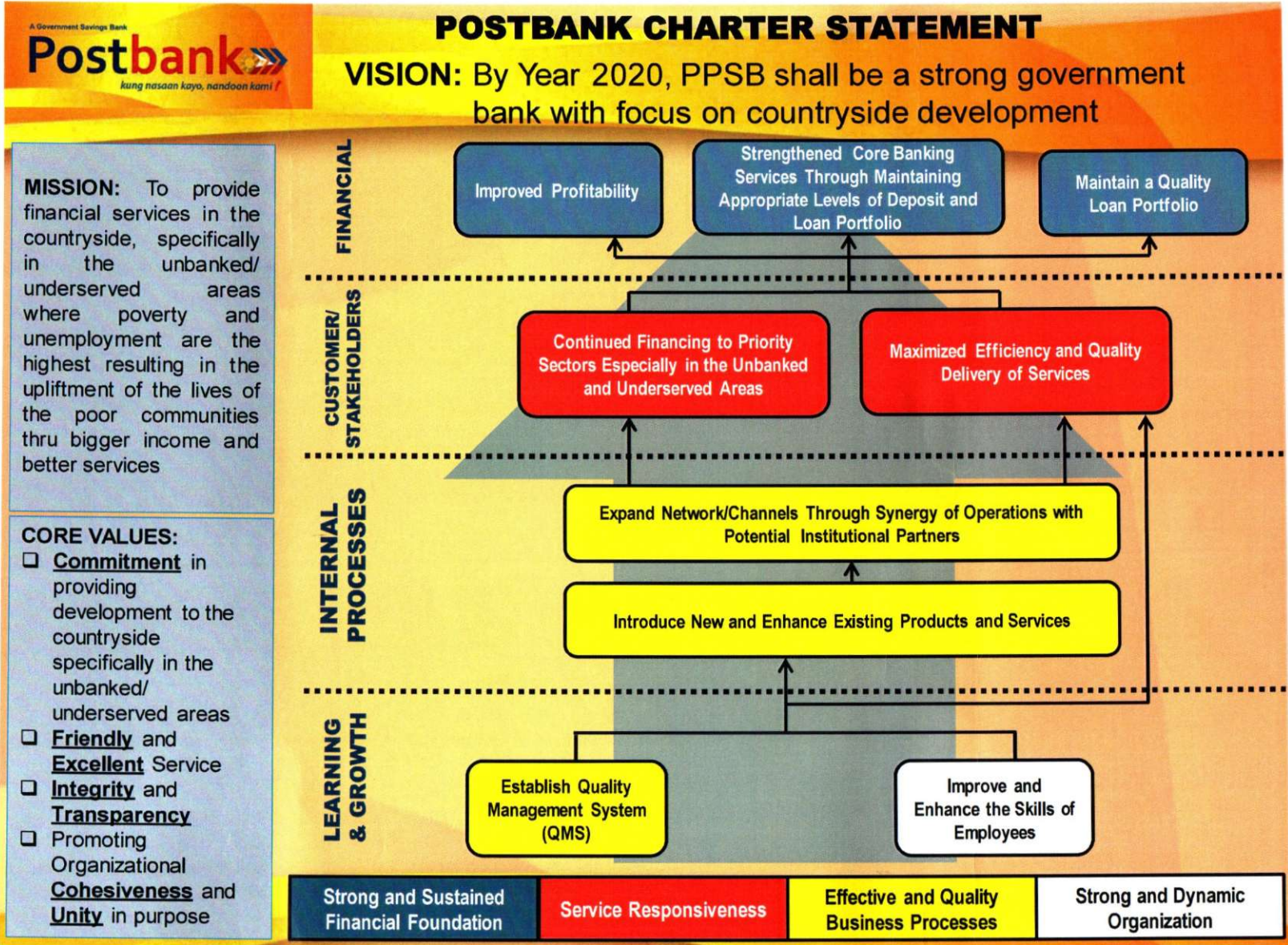
Very truly yours,

**SAMUEL G. DAGPIN, JR.**

*Chairman*

  
**MICHAEL P. CLORIBEL**  
*Commissioner*

  
**MARITES CRUZ DORAL**  
*Commissioner*



**CY 2017 PERFORMANCE SCORECARD (ANNEX B)**

**PHILIPPINE POSTAL SAVINGS BANK, INC.**

	Component				Baseline				Target	
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
<b>FINANCIAL</b>	<b>SO 1</b>	<b>Improved Profitability</b>								
	SM 1	Amount of Net Income	Absolute Amount	10%	Actual/ Target x Weight	₱64.43 Million	₱123.14 Million	₱134.71 Million	₱100.00 Million	Break-even
	<b>SO 2</b>	<b>Strengthened Core Banking Services Through Maintaining Appropriate Levels of Deposit and Loan Portfolio</b>								
	SM 2	Amount of Total Deposits	Absolute Amount	10%	Actual/ Target x Weight	₱6.385 Billion	₱7.956 Billion	₱10.765 Billion	₱8 Billion	₱9.144 Billion
	SM 3	Amount of Total Loans	Absolute Amount	10%	Actual/ Target x Weight	₱4.419 Billion	₱5.729 Billion	₱6.415 Billion	₱5.8 Billion	₱ 4 Billion
	<b>SO 3</b>	<b>Maintain a Quality Loan Portfolio</b>								
	SM 4	Non-Performing Loans (NPL) Ratio - Net	Amount of NPL over Total Loan Portfolio	5%	100% - [(Actual - Limit) / Limit]	2.33%	3.13%	3.94%	3.5%	40%
	SM 5	Past Due Ratio		5%	100% - [(Actual - Limit) / Limit]	10.49%	9.20%	7.20%	10%	45%

	Component				Baseline				Target	
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
	SM 6	Collection Efficiency	NPL Amount Collected/ Beginning NPL Amount	10%	Actual/ Target x Weight	N/A	N/A	N/A	N/A	25%
		<b>Sub-total</b>		50%						
<b>STAKEHOLDERS</b>	<b>SO 4</b>	<b>Continued Financing to Priority Sectors Especially in the Unbanked and Underserved Areas</b>								
	SM 7	Amount of Loans to Small and Medium Enterprise (mSMEs) and Microfinance	Absolute Amount	7%	Actual/ Target x Weight	₱450.25 Million	₱798.63 Million	₱998.80 Million	₱850.00 Million	₱800.00 Million
	SM 8	Amount of Loans to Local Government Units (LGUs)	Absolute Amount	7%	Actual/ Target x Weight	₱537.57 Million	₱496.45 Million	₱469.89 Million	₱400.00 Million	₱300.00 Million
	<b>SO 5</b>	<b>Maximized Efficiency and Quality Delivery of Services</b>								
	SM 9	Satisfaction Rating	No. of Satisfied Clients/ Total No. of Clients Surveyed	6%	Actual/ Target x Weight	N/A	N/A	93%	80% (Third party Survey)	85%
			<b>Sub-total</b>		20%					

	Component				Baseline				Target	
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
INTERNAL PROCESS	<b>SO 6</b>	<b>Expand Network/Channels Through Synergy of Operations with Potential Institutional Partners</b>								
	SM 10	No. of Service Networks and Partners MFUs and Remittance Partners		7%	Actual/ Target x Weight	N/A	N/A	Additional 4 MFUs (Located in La Union, Asingan, Sorsogon and Naga Branches)	Additional 4	Additional 4
	<b>SO 7</b>	<b>Introduce New and Enhance Existing Products and Services</b>								
	SM 11	No. of New Automated Products introduced	Total Number	7%	Actual/ Target x Weight	N/A	N/A	Additional 2 (Remittance and POS)	Additional 1 (Cash Card)	Additional 1 (Remittance Product)
	SM 12	No. of Existing Products Improved	Total Number	6%	Actual/ Target x Weight	N/A	N/A	2 (Housing and Salary Loans)	Expansion of POS: 10 additional locations with POS installed	2 (Rediscounting Line and Salary Loans)
		<b>Sub-total</b>		20%						

	Component				Baseline				Target	
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
LEARNING AND GROWTH	<b>SO 8</b>	<b>Establish Quality Management System (QMS)</b>								
	SM 13	ISO Certification 9001:2008		5%	All or Nothing	N/A	N/A	ISO 9001:2008 Certification (HO, 3 Branches, 6 MBOs)	ISO 9001:2008 Certification (remaining 22 branches)	Maintain ISO Certification
	<b>SO 9</b>	<b>Improve and Enhance the Skills of Employees</b>								
	SM 14	Competency Levelling		5%	All or Nothing	N/A	N/A	Initial Competency Matrix established	Establish baseline for Competency level	Establish Required Competencies and Mapping against the Existing (current) Competencies
		<b>Sub-total</b>		<b>10%</b>						
	<b>Total</b>		<b>100%</b>							

A Government Savings Bank



PHILIPPINE POSTAL SAVINGS BANK, INC.

2017 Interim PES Form 3

No.	Performance Measures			CY 2017	
	Description	Weight	Formula/ Rating Scale	Target	
<b>FINANCIAL</b>	<b>SO 1</b>	<b>Improved Profitability</b>			
	SM 1	Profitability	10%	Absolute Amount Actual/ Target x Weight	Break-even
	<b>SO 2</b>	<b>Strengthened Core Banking Services Through Maintaining Appropriate Levels of Deposits and Loan Portfolio</b>			
	SM 2	Amount of Total Deposits	10%	Absolute Amount Actual/ Target x Weight	₱9,144.00 Mn
	SM 3	Amount of Total Loans	10%	Absolute Amount Actual/ Target x Weight	₱4,000.00 Mn
	<b>SO 3</b>	<b>Maintain a Quality Loan Portfolio</b>			
	SM 4	Non-Performing Loans (NPL) Ratio - Net	5%	Amt. of NPL over Total Loan Portfolio $100\% - [(Actual - Limit) / Limit]$	40.00%
	SM 5	Past Due Ratio	5%	$100\% - [(Actual - Limit) / Limit]$	45.00%
	SM 6	Collection Efficiency	10%	NPL Amount Collected/ Beginning NPL Amount Actual/ Target x Weight	25.00%
		<b>Sub-Total</b>	<b>50%</b>		

2017 Interim PES Form 3

No.	Performance Measures			CY 2017	
	Description	Weight	Formula/ Rating Scale	Target	
<b>STAKEHOLDERS</b>	<b>SO 4 Expanded Financing to Priority Sectors Especially in the Unbanked and Underserved Areas</b>				
	SM 7	Amount of Loans to Small and Medium Enterprises (mSMEs) and Microfinance	7.0%	Absolute Amount Actual/ Target x Weight	₱800.00 Mn
	SM 8	Amount of Loans to Local Government Units (LGUs)	7.0%	Absolute Amount Actual/ Target x Weight	₱300.00 Mn
	<b>SO 5 Maximized Efficiency and Quality Delivery of Services</b>				
	SM 9	Satisfaction Rating	6%	No. of Satisfied Clients/ Total No. of Clients Surveyed Actual/ Target x Weight	85%
		<b>Sub-Total</b>	<b>20%</b>		



2017 Interim PES Form 3

No.	Performance Measures			CY 2017	
	Description	Weight	Formula/ Rating Scale	Target	
<b>INTERNAL PROCESS</b>	SO 6	<b>Expand Network/Channels Through Synergy of Operations with Potential Institutional Partners</b>			
	SM 10	No. of Service Networks and Partners			
		MFUs and Remittance Partners	7%	Actual/ Target x Weight	Additional 4
	SO 7	<b>Introduce New and Enhance Existing Products and Services</b>			
	SM 11	No. of New Automated Products Introduced	7%	Total Number Actual/ Target x Weight	Additional 1 (Remittance Product)
	SM 12	No. of Existing Products Improved	6%	Total Number Actual/ Target x Weight	2 (Rediscounting Line and Salary Loans)
	<b>Sub-Total</b>	<b>20%</b>			
<b>LEARNING &amp; GROWTH</b>	SO 8	<b>Establish Quality Management System (QMS)</b>			
	SM 13	ISO Certification 9001:2008	5.0%	All or nothing	Maintain ISO Certification
	SO 9	<b>Improve and Enhance the Skills of Employees</b>			
	SM 14	Competency Levelling	5.0%	All or nothing	Establish Required Competencies and Mapping against the Existing (current) Competencies
		<b>Sub-Total</b>	<b>10%</b>		
<b>TOTAL OF WEIGHTS</b>		<b>100%</b>			

Legend:

SO - Strategic Objective

SM - Strategic Measure