





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 A.

MARITES CRUZ DORAL

Commissioner



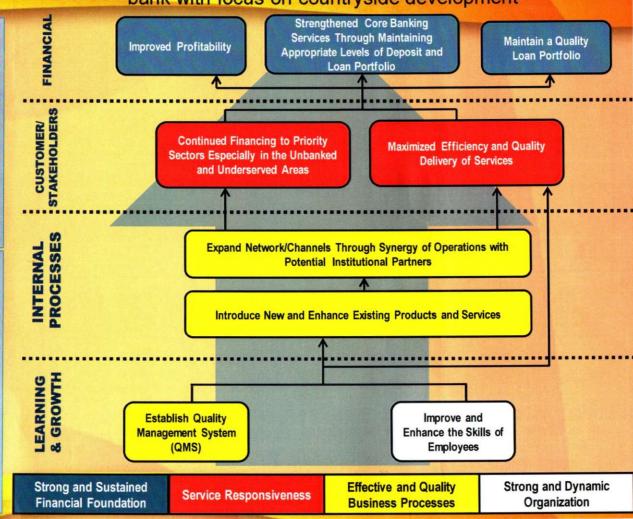
POSTBANK CHARTER STATEMENT

VISION: By Year 2020, PPSB shall be a strong government bank with focus on countryside development

MISSION: To provide financial services in the countryside, specifically the unbanked/ underserved areas where poverty and unemployment are the highest resulting in the upliftment of the lives of the poor communities thru bigger income and better services

CORE VALUES:

- □ Commitment in providing development to the countryside specifically in the unbanked/ underserved areas
- ☐ Friendly and Excellent Service ☐ Integrity and
- Transparency
- Organizational
 Cohesiveness and
 Unity in purpose



CY 2017 PERFORMANCE SCORECARD (ANNEX B)

PHILIPPINE POSTAL SAVINGS BANK, INC.

	TELL DE		Component					Target		
	Obj	jective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017
	SO 1	Improved Profitability	y							
	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
	SO 2	Strengthened Core B	Sanking Service	es Throug	h Maintaining Appro	opriate Levels	of Deposit and	Loan Portfolio		
FINANCIAL	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
	SO 3	Maintain a Quality Loan Portfolio								
	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%

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由意		C	omponent				Target			
	Obj	ective/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%
		Sub-total		50%						
	SO 4	Continued Financing	to Priority Se	ctors Espe	cially in the Unban	ked and Under	served Areas			
	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
STAKEHOLDERS	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
AK	SO 5	Maximized Efficiency	and Quality D	Delivery of	Services					
S	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%
		Sub-total		20%						

高型		C	omponent				Ba	seline	(7 3 3 3	Target	
	Obj	ective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
	SO 6	Expand Network/Char	xpand Network/Channels Through Synergy of Operations with Potential Institutional Partners								
SS	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	
PROCESS	SO 7	Introduce New and Er	nhance Existi	ng Produc	ts and Services			元宝宝宝宝			
INTERNAL PI	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)	
		Sub-total		20%							

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	Ohi	ective/Measure	omponent Formula	Weight	Rating System	2013	Target 2017			
	SO 8									
AND GROWTH	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
D G	SO 9	Improve and Enhance the Skills of Employees								
LEARNING AN	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
		Sub-total		10%						
		Total		100%						

A Government Savings Bank

Postbank >>>

PHILIPPINE POSTAL SAVINGS BANK, INC.

2017 Interim PES Form 3

No.		Performance Measu	ıres		CY 2017
NO.		Description	Weight	Formula/ Rating Scale	Target
	SO 1	Improved Profitability			
	SM 1	1 Profitability		Absolute Amount Actual/ Target x Weight	Break-even
	SO 2	Strengthened Core Banking Services Throu	gh Maint	aining Appropriate Levels of	
	SM 2	SM 2 Amount of Total Deposits		Absolute Amount Actual/ Target x Weight	₱9,144.00 Mn
FINANCIAL	SM 3	Amount of Total Loans	10%	Absolute Amount Actual/ Target x Weight	₱4,000.00 Mn
ž	SO 3	Maintain a Quality Loan Portfolio			
FIN/	SM 4	SM 4 Non-Performing Loans (NPL) Ratio - Net		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	SM 6 Collection Efficiency		NPL Amount Collected/ Beginning NPL Amount Actual/ Target x Weight	25.00%
		Sub-Total	50%		



2017 Interim PES Form 3

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

2017 Interim PES Form 3

No.		Performance Measi	ures	11	CY 2017					
140.		Description	Weight	Formula/ Rating Scale	Target					
	SO 6	Expand Network/Channels Through Synerg Potential Institutional Partners								
SS		No. of Service Networks and Partners								
PROCE	SM 10	MFUs and Remittance Partners	7%	Actual/ Target x Weight	Additional 4					
	SO 7	Introduce New and Enhance Existing Produ	cts and Se	ervices						
INTERNAL	SM 11	No. of New Automated Products Introduced		Total Number Actual/ Target x Weight	Additional 1 (Remittance Product)					
Z	SM 12	No. of Existing Products Improved	6%	Total Number Actual/ Target x Weight	2 (Rediscounting Line and Salary Loans)					
		Sub-Total	20%							
Ξ	SO 8	Establish Quality Management System (QM	S)							
GROWTH	SM 13	ISO Certification 9001:2008	5.0%	All or nothing	Maintain ISO Certification					
<u>ග</u> න	SO 9	Improve and Enhance the Skills of Employe	es							
LEARNING 8	SM 14	Competency Levelling	5.0%	All or nothing	Establish Required Competencies and Mapping against the Existing (current) Competencies					
۳		Sub-Total	10%							
		TOTAL OF WEIGHTS	100%							

Legend:

SO - Strategic Objective

SM - Strategic Measure