

**PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
Revalidation Result of 2021 Performance Scorecard**

		Component			PDIC Submission		GCG Validation		Supporting Documents	Remarks		
Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating				
FINANCIAL	SO 1	Maintain Adequate Deposit Insurance Fund (DIF)										
	SM 1	Adequate Capital Against Deposit Insurance Cost	12-month average DIF/ 12-month average EID ¹	15%	15% = if 5.50% and above; 0% = if less than 5.50%	5.50%	7.59% (based on a 12-month average)	15%	7.57%	15%	<ul style="list-style-type: none"> • Commission on Audit (COA) Audited 2021 Notes to Financial Statements • Monthly Statement of Financial Position as received by COA • Quarterly and Monthly Estimated Insured Deposit EID Report • DIF-EID Ratio (January to December 2021) 	Validated actual is based on the COA Audited FS.
			Sub-total	15%				15%		15%		

¹ Capturing the period from January to December 2020.

Validation Result of 2021 Performance Scorecard (Annex A)

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CUSTOMERS / STAKEHOLDERS	SO 2	Enhance client experience in PDIC Services								
	SM 2	Percentage of Satisfied Customers	No. of respondents who gave rating of at least satisfactory / Total number of survey respondents	10%	(Actual / Target) x Weight 0% = if less than 80%	90%	82.7%	9.2%	82.67%	9.19%

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									<p><u>due to refusal/non-consenting borrower-respondents and non-responses of responded in the listing), must be approved by the GCG. In the previous year's CSS, the Governance Commission approved the revisions made in the sample size and the survey methodology and the approval is only applicable for the said year and not until the succeeding year.</u></p> <p><u>Nonetheless, considering PDIC was able to comply with all the other requirements prescribed in the Enhanced Standard Guidelines with the sample size n=300 (Banks: +/-9.3% MOE, Depositors: +/-11.00% MOE, Borrowers: +/-5.7% MOE), by fairness and equity, the Governance Commission accepts the request for reconsideration of PDIC.</u></p>
		Sub-total	10%			9.2%		9.19%	

Validation Result of 2021 Performance Scorecard (Annex A)

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INTERNAL PROCESS	SO 3	Reduce Non-Cash Portfolio									
	SM 3	Percentage Reduction of Loans (Cumulative) Based on Baseline Accounts as of 2019 Year-end	Actual Accomplishment	10%	(Actual / Target) x Weight	2.5% (4.2% cumulative)	10%	4.26% (30,384 loan accounts / baseline account of 713,021) 6.03% cumulative = 42,978 {12,594 [2020] + 30,384 [2021]}	10%	2.74% 6.03% cumulative (42,978 / 713,021)	10%

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SM 4	Percentage Reduction of Real Properties (Cumulative) Based on Baseline Properties as of 2019 Year-end	Actual Accomplishment	10%	(Actual / Target) x Weight	2.5% (4.2% cumulative)	10%	3.53% (1,141 real properties / baseline account of 32,280) 5.68% cumulative = 1,833 (692 [2020] + 1,141 [2021])	1.39% 7.81% cumulative (2,522 / 32,280)	5.56%	<ul style="list-style-type: none"> Validation Report by Internal Audit Group on Reduction of Loans and Reduction of Real Properties with attachments Monitoring Report on the Reduction of Real Properties Account as of 31 December 2021 Source documents for sample ROPA account from the Monitoring Report on the Reduction of Real Properties Account as of 31 December 2021 <p><i>The request for reconsideration is NOT ACCEPTABLE. The PDIC has not submitted any documents to show that the belated and non-reporting of the 562 ROPAS in its prior year's accomplishment are beyond its control. Moreover, the reclassification of accounts was a mere transfer of loan portfolio from one account to another. In essence, these are non-cash assets under the care of PDIC. Thus, to include these items in the accomplishment would defeat the objective of this measure to reduce non-cash portfolio.</i></p>
SO 4	Contribute to Financial Stability by Ensuring Financial Crisis Preparedness									
SM 5	Readiness Level for Participation in the Conduct of Financial Crisis Simulation	Actual Accomplishment	10%	(Actual / Target) x Weight	Board-Approved Takeover Plan and Claims Settlement Plan	10%	Takeover and Claims Settlement Plans approved by the Board on 21 December 2021	Board-Approved Takeover Plan and Claims Settlement Plan	10%	<ul style="list-style-type: none"> Takeover and Claims Settlement Plans Manual Secretary's Certificate on the approval of the Takeover and Claims Settlement Plans <p>Acceptable.</p>

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Objective/Measure	Formula	Wt.	Rating Scale	Target	Actual	Rating	Actual	Rating			
SO 5	Settle² valid³ deposits/claims within applicable processing time										
SM 6	Settlement of Valid Deposits Promptly within Applicable Turn-Around-Time (TAT in line with EODB) - For Accounts with Less than or Equal to ₱100,000 Balances	Number of valid deposits paid within TAT / Total number of valid deposits for Accounts with Less than or Equal to ₱100,000 balances	10%	(Actual / Target) x Weight	100% of claims settled within TAT with new TAT under "New Normal"	100% of Claims settled within TAT	10%	100% of Claims settled within TAT	10%	<ul style="list-style-type: none"> Letters to the Philippine Postal Corporation Summary of Deposit Liabilities Certification and Turnover documents PDIC Press Releases 	PDIC took over 13 banks ordered closed by the Monetary Board. Claims for 2 closed banks were reported to have processed more than the required TAT due to various circumstances that were beyond the control of PDIC. For validation purposes, the claims for these 2 banks were excluded.
SM 7	Settlement of Valid Claims Promptly within Applicable Turn-Around-Time (TAT in line with EODB) - For Accounts with More than ₱100,000 Balances	Number of valid claims settled within TAT / Total number of valid claims filed during field operations claims settlement (FOCS)	10%	(Actual / Target) x Weight	100% of claims settled within TAT ⁴ with new TAT, reckoning time and formula under "New Normal"	100% of Claims settled within TAT	10%	100% of Claims settled within TAT	10%	<ul style="list-style-type: none"> Extracted report from the Systems Database Claim Form Computation of Insured Amount (CIA) Transmittal of Claims Approved for Payment 	Of the 13 banks ordered closed in 2021, 4 banks did not have valid claims.
	Sub-total		50%					45.56%			
SO 6	Recruit the Best and the Brightest, and Retain Highly Motivated and Competent Workforce										

² A valid claim is considered settled when it is paid or dispatched to the Philippine Postal Corporation (PPC), or offset with an obligation, or in excess of the maximum deposit insurance coverage.

³ Valid claims refer to claims for deposit accounts examined to be legitimate and eligible for deposit insurance. For depositors with valid deposit balances of ₱100,000 and below, filing of claim is waived for those with updated and complete mailing address, who have no obligations with the closed bank, and have not maintained the account under the name of business entity. All other depositors have to file deposit insurance claims with complete supporting evidences/documents acceptable to PDIC.

⁴ Applicable processing time based on compliance with Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

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LEARNING AND GROWTH	SM 8	Percentage of Employees Meeting Required Competencies	Competency Baseline ⁵ 2021 – Competency Baseline 2020	10%	All or Nothing	Improvement on the Competency of the Organization based on the 2020 year-end assessment ⁶	Improvement on the Competency Index Level of the Organization by 0.12858 or 12.04% from 1.06778 in 2020 to 1.19363 in 2021	10%	Improvement on the Competency Index Level of the Organization	10%	<ul style="list-style-type: none"> Competency Assessment Survey (CAS) 2021 and 2020 Report CAS 2021 and 2020 Score Database with Individual Competency Level Office Circular and Guidelines on the Conduct of CAS 2021 and 2020 Ten (10) Competency Assessment Survey 2021 Questionnaires (Combined) 	Acceptable.
	SO 7	Build a Responsive Organization Equipped with the Appropriate Technology and Other Infrastructure										
	SM 9	Implementation of Information Systems Strategic Plan (ISSP)	Actual Accomplishment	10%	All or Nothing per target ICT and information system	100% implementation of internal ICT projects and information system	Completed/ Implemented a total of 7 out of 8 ICT Projects and 1 information system targeted based on the timeline provided in the revised	8.9%	Completed 7 out of 9 ICT projects	7.78%	<ul style="list-style-type: none"> Certificate of Acceptance Data Extraction Procedures of Bank Closure 	<p><i>The request for reconsideration is NOT ACCEPTABLE.</i></p> <p><i>The PDIC has all the control on the accomplishment of the QS project. The supplier has notified PDIC as</i></p>

⁵ Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{a=1}^B \left[\frac{\sum_{a=1}^A (\text{Actual Competency Level})}{(\text{Required Competency Level})_a} \right]}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled

⁶ Reassessment should cover all employees assessed in 2020 and new hires in 2021.

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									<ul style="list-style-type: none"> Knowledge Based CASA System Memorandum on Updated Knowledge-based on data extraction procedures Sales/Service Invoice Public Advisory Delivery Receipt Inspection and Acceptance Report Test Cases and User Sign-off sheet 	<i>early as 28 October 2021 on the delivery and installation of the QS project.</i>	
SM 10	ISO Certification	Actual Accomplishment	5%	All or Nothing	Maintain ISO Certification for: 1. Assessment of Member Banks (AMB);	5 out of 5 processes-maintained ISO Certification: a) Claims Settlement	5%	Passed the surveillance audit and maintained its existing Certification on the following process:	5%	<ul style="list-style-type: none"> Audit Report and ISO Certification of the following process: a) Assessment of Member Banks (AMB); 	Acceptable.

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						2. Claims Settlement Operations (CSO); 3. Loans Management (LM); 4. Real Property Disposal (RPD); and 5. Bank Examination or Corporate Certification	Operations (CSO) and Assessment Member Banks (AMB) including support process passed the 2nd Surveillance Audit on 10 May 2021 b) Real Property Disposal (RPD) including support processes passed the 2nd Surveillance Audit on 18 November 2021 c) Loans Management (LM) and Bank Examination (BE) including support processes passed the 1st Surveillance Audit on 19 November 2021		a) Assessment of Member Banks (AMB); b) Claims Settlement Operations (CSO); c) Loans Management (LM); d) Real Property Disposal (RPD); and e) Bank Examination		b) Claims Settlement Operations (CSO); c) Loans Management (LM); d) Real Property Disposal (RPD); and e) Bank Examination
			Sub-total	25%						22.78%	
			TOTAL	100%						92.53%	