

**PHILIPPINE DEPOSIT INSURANCE CORPORATION (PDIC)
Performance Scorecard Evaluation**

Component	Objective / Measure	Formula	Wt.	Rating Scale	Target	Submission		GCG Validation		Supporting Documents	Remarks
					2016	Actual	Rating	Score	Rating		
SO 1 To Maintain the Deposit Insurance Fund (DIF) to Adequately Cover Deposit Insurance and Bank Resolution											
FINANCIAL	SM 1	Ratio of Deposit Insurance Fund (DIF) to Estimated Insured Deposits (EID) (based on a 12-month average) *	$(DIF/EID) \times 100\%$	20%	Range of Target DIF to EID Ratio: 20%: 5/5% and above 18%: 5.25% - 5.49% 16%: 5% - 5.24% 0%: Below 5% * Range to adjust accordingly by adding 0.5% every year	5.5%	5.8%	20%	5.82%	20%	<ul style="list-style-type: none"> • Monthly Statement of Financial Position • Monthly DIF and EID • Sample computation of EID from FRP schedule 22-a <p>The Deposit Insurance Fund (DIF) represents the capital account of PDIC, while the Estimated Insured Deposits (EID) is the sum of deposit balances of all deposit accounts up to the maximum deposit insurance coverage.</p> <p>This measure is essentially the most important performance indicator of PDIC as it represents the main mandate of the corporation. As a deposit insurer, PDIC should ensure readily available funds and all funding mechanisms necessary to ensure prompt reimbursement of depositors' claims, including assured liquidity funding arrangements. Previous years' target and performance were all based on the "Enhancement of Insurance Reserves Targeting Framework" study conducted by the World Bank last 2012, where the recommended benchmark ratio is 5%.</p> <p>For 2016, the target was raised above the benchmark to cover anticipated, unanticipated losses and changing profile of banks. Based on the monthly financial statements and summary of monthly EID using Quarter-end data, PDIC reached an average of 5.82% for 2016.</p>
			Subtotal	20%				20%		20%	

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SO 2 To Sustain Client Satisfaction Level												
CUSTOMERS / STAKEHOLDERS	SM 2	Customer/ Stakeholder Satisfaction (based on a survey designed and verified by an independent third party)		5%	All or nothing	Improvement from the baseline	4.69 (Very Satisfactory)	5%	4.69 (Very Satisfactory)	5%	<ul style="list-style-type: none"> Memorandum for the PDIC President on the Customer Satisfaction Rating on PDIC services for 2016 Reports to the Executive Committee on the Results of the PDIC Service Quality Feedback Survey. 	In 2016, the conduct of the survey was done internally by PDIC using the methodology and framework developed by DAP in 2015. The survey was conducted from January to December 2016 reflecting 16,851 respondents out of 19,191 survey forms distributed in 24 field operations locations and the PAC (87.8% response rate), in which PDIC received an average rating of 4.69 (Very Satisfactory) .
	SM 3	Conduct public awareness campaign among new target groups for financial inclusion	Actual Accomplishment	2%	Actual/ Target x Weight	500 senior citizens from 10 communities (in 5 underserved provinces) covered by the financial literacy campaign Note: Annex D contains the Tactical Plan on	779 senior citizens from 10 communities	2%	776 senior citizens from 10 communities	2%	<ul style="list-style-type: none"> Summary of accomplishment on the conduct of public awareness campaign Validation by Planning Department Attendance of each seminar from Insurance Group – Public 	For 2016, PDIC conducted public awareness seminars in 10 communities: Dingras, Ilocos Norte; Claveria Cagayan; Malolos and Bulacan, Bulacan; Jalajala, Rizal; Salinas, Cavite and Tagaytay; San Pedro and Los Banos, Laguna; and Alabat, Quezon. Upon validation of the attendance sheets, 2 attendees from RB Claveria did not specify their age but were included in the total count. Also, the counting of attendees in page 11 of the attendance sheet for RB Claveria jumped from 45 to 47. After adjustments, the Total validated participants for the 10

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			Financial Inclusion and the Methodology in the Identification of the Target Communities					Assistance Department	seminars totaled to 776. The seminars were conducted in selected FOCS and other areas identified by PDIC.	
<i>Subtotal</i>		7%			7%		7%			
SO 3 To Settle Valid Deposit Insurance Claims Promptly										
INTERNAL PROCESS	SM 4	For accounts w/ balances of ≤₱100,000:								
		90% of valid deposits paid within Turn-around Time (TAT)	Actual TAT	12.5 %	Actual / Target x Weight	10-22 Working Days (WD)		12.5%	12.5%	<ul style="list-style-type: none"> Internal Audit validation report. Sample documents showing the date of takeover and receiving copies of dispatch of checks from the Philippine Postal Corp. <p>SM 4 covers the TAT of accounts that PDIC automatically processed the insurance payments. The counting of TAT starts from the takeover date till the dispatch of checks to the Philippine Postal Corporation (PPC). Out of 22 banks that had closed in 2016, only 2 banks have not met the TAT target, while 4 are within the target. This accounts to 58,936 out of 60,535 (97.36%) deposits processed within the prescribed TAT. For the 2 banks that have exceeded the TAT, there were no outright payment dispatched to PPC and special Claims Settlement Operations (CSO) were conducted instead to accommodate depositors adversely affected by Super Typhoon Lawin and to pay insurances before the long year-end holidays.</p>
		Banks with ≤ 20 branches				10 WDs	Within 3 to 10 WDs 96.6% or 45,433 valid deposits in 21 closed banks	Within 3 to 10 WDs 96.6% or 45,433 valid deposits in 21 closed banks		
		Banks with > 20 branches				19 WDs	Within 15 WDs 100% or 13,503 valid deposits in 1 closed thrift bank	Within 15 WDs 100% or 13,503 valid deposits in 1 closed thrift bank		

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	Multi-unit bank w/ conditions			22 WDs	-		No bank closure under this category		
SM 5	For accounts w/ balances of ≤₱100,000:	Actual TAT	12.5 %	Actual / Target x Weight	15-50 WDs	12.5%		12.5%	<ul style="list-style-type: none"> Internal Audit validation report. Sample bank takeover report showing date of takeover and date of FOCS <p>SM 5 covers the TAT of accounts that are above the early payment threshold. The counting of TAT starts from the takeover date to the final day of the Field Operations Claims Settlement (FOCS). Based on the supporting documents submitted, all valid claims (9,477) from the 22 banks that were closed in 2016 have a TAT that is within or even way below the prescribed period.</p>
	90% of valid deposits paid within TAT								
	Banks with ≤ 20 branches	15 WD	Within 8 to 15 WDs 100% or 6,376 valid claims in 21 closed banks	Within 8 to 15 WDs 100% or 6,376 valid claims in 21 closed banks					
	Banks with > 20 branches	44 WDs	Within 25 WDs 100% or 3,101 valid claims in 1 closed thrift bank	Within 25 WDs 100% or 3,101 valid claims in 1 closed thrift bank					
	Multi-unit bank w/ conditions	50 WDs	-	No bank closure under this category					

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SO 4 To Protect the Depositors in the Banking System											
SM 6	Average number of days from exit conference or last day of examination, whichever is later, to submission of PDIC Directives to the Examined Bank's Board	Average number of days	18%	Actual / Target x Weight	40 WD	37 WD	18%	37 WD	18%	<ul style="list-style-type: none"> Summary table on bank examination reports with date of exit conference and received date of transmittal from bank's Board Sample Bank Examination Report (BER) and receiving copies from the examined bank's Board 	For the 42 examined banks in 2016 with completed Bank Examination Reports, PDIC was able to submit directives to the examined bank's Board within an average of 37 WDs from the exit conference or last day of examination, whichever is later.
SO 5 To Immediately Distribute Assets to Creditors and Terminate Liquidation of Closed Banks											
SM 7	Number of Projects of Distributions (PODs) filed with the Liquidation Court based on the number of closed banks	Absolute Number	18%	Actual / Target x Weight	40	40	18%	40	18%	<ul style="list-style-type: none"> List of Final Asset Disposition Plan (FADP) and Partial Asset Disposition Plan (PADP) filed in Regional Trial Court (RTC) 	For 2016, PDIC was able to accomplish its target and filed 40 PODs with the liquidation courts (LCs). PDIC furnished GCG copies of Motions for Approval of Full/Partial Project of Distribution to RTCs indicating the registry receipt date. Out of 40 APDs filed in 2016, 9 have been approved by the courts.

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Objective / Measure	Formula	Wt.	2016	Actual	Rating	Score	Rating					
							<ul style="list-style-type: none"> Copies of Motions for Approval of Full/Partial Project of Distribution to RTCs. 					
<i>Subtotal</i>		61%			61%		61%					
SO 6 To Ensure Continuous Improvement in Processes and Systems Consistent with Policies, External Regulations and Internationally-Accepted Standards												
LEARNING AND GROWTH	SM 8	Implementation of Enterprise Risk Management Framework	Actual Accomplishment	4%	Actual/Target x Weight	Board-approved Business Continuity Management System (BCMS) Framework Board-approved GRC Framework	BCMS – Approved by the PDIC Board on December 21, 2016 GRC – Approved by the PDIC Board on December 7, 2016	4%	Business Continuity Plan Framework – Approved by the PDIC Board on December 21, 2016 Integrated GRC – Approved by the PDIC Board on December 7, 2016	2%	<ul style="list-style-type: none"> Certification of adoption of resolution signed by the Corporate Secretary approving the Business Continuity Plan and Integrated Governance, Risk and Compliance Framework Memoranda on the request for approval of BCP and GRC framework by the PDIC 	<p>For 2016, PDIC targeted the Board-approval of a Business Continuity Management System (BCMS) Framework and a Governance, Risk and Control (GRC) Framework.</p> <p>However, in the submission last 26 April 2016, PDIC provided certifications indicating that the Board approved the <i>Business Continuity Plan (BCP) Framework</i> and an <i>Integrated Governance, Risk and Control (GRC) Framework</i>.</p> <p>BCMS is defined as the <u>integration of the Business Continuity Plan (BCP) and the Disaster Recovery Plan (DRP)</u> that aims to ensure that delivery of PDIC's critical services will continue even during times of natural or man-made disasters and will likewise allow the Corporation to resume normal operations at the</p>

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									management to the Board.	<p>soonest possible time.³ Since the Board only approved a BCP framework, which only forms part of the whole BCMS framework, the accomplishment cannot be considered.</p> <p>The GRC framework on the other hand, integrates the oversight functions of PDIC in the areas of good governance, risk management and internal audit controls. The supporting document showing adoption of an integrated GRC framework is accepted. Since no rating scale were specified in the Performance Agreement, actual over target rating system was used.</p>

³ BCMS was defined in the Corporate Performance Evaluation System Rationale for the 2016 and 2017 targets emailed by PDIC on 1 December 2015. This was requested by GCG through phone in preparation for the 2016 Performance Agreement Negotiations.

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SM 9	ISO Certification	Actual Accomplishment	4%	All or nothing	1 Frontline Service	The frontline service for Assessment of Member Banks has been audited last December 8 and 9, 2016 and recommended for certification to ISO 9001:2008 by TUV Rheinland Phil. Inc.	4%	ISO 9001:2008 Certification for Assessment of Member Banks issued by TUV Rheinland Phil. Inc.	4%	<ul style="list-style-type: none"> Confirmation letter that PDIC has been audited and recommended for certification by TUV Rheinland ISO Certificate issued on 20 January 2017 	Acceptable. PDIC provided supporting documents confirming that it has been audited, recommended, and was given a certificate under ISO 9001:2008 for the Assessment of Member Banks process by TUV Rheinland.
SO 7 To Deliver Quality Public Service Through Highly Competent Workforce											
SM 10	Implementation of Competency Framework	Average Competency Level of the Organization	4%	Actual/Target x Weight	Established Baseline (for operating units) Board-approved Succession	Baseline Competency Assessment approved by the PDIC Board on December 7, 2016	4%	Partial Baseline Competency Assessment for 8 competencies approved by the PDIC Board	2%	<ul style="list-style-type: none"> PDIC Baseline Competency Assessment Report Certificates of Adoption of Resolution for the Baseline 	<p>The target for 2016 was based on the approved Competency Based Human Resource System (CBHRS) Framework developed last 2015.</p> <p>Overall results of the assessment showed that <u>80% of employees have exceeded the proficiencies required of their job levels in all 7 core</u></p>

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			Planning Framework	Succession Planning Framework approved by the PDIC Board on November 23, 2016		December 7, 2016	Succession Planning Framework approved by the PDIC Board on November 23, 2016	Competency Assessment and Succession Planning Framework	<p><u>competencies.</u> For the leader/management competency, 64% of those assessed are exceeding the required proficiency, while 22% have rated themselves not meeting the required level. However, the assessment done can only be considered as partial since it only covered 6 competencies out of 178 identified for the 3 clusters (core, leadership/management and technical/functional). Moreover, the assessment was done before the position profile and competency-based job descriptions were established, which should be the basis of the required competency and proficiency level during the assessment. Lastly, according to the survey report, the methodology used was self-assessment and validation by superior/supervisor was never mentioned in the report, thus, raising partiality in the overall results. Hence, the accomplishment submitted for the baseline competency level cannot be considered. Since no rating scale was specified in the Performance Agreement, actual over target rating system was used.</p> <p>For the target of Succession Planning Framework (SPF), the accomplishment is accepted. PDIC submitted a Board-approved SPF which serves as roadmap for the implementation of the Succession Planning Program, to be developed and implemented by a Consultant in the</p>

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										future. The framework consists of 3 stages with an 8-step process, which also involves the determination of competency gaps.
		Subtotal	12%			12%		8%		
		TOTAL	100%			100%		96%		