

## PHILIPPINE DEPOSIT INSURANCE CORPORATION

	Component				Annual Target	2 <sup>nd</sup> Quarter 2023		
	Strategic Objective (SO)/Strategic Measure (SM)	Formula	Weight	Rating System		Target	Actual	
Socio-economic Impact	<b>SO 1. Raise public awareness on deposit insurance to contribute in building depositor confidence in the banking system and in promoting financial inclusion</b>							
	SM 1	Level of public awareness on deposit insurance	Actual accomplishment	5%	(Actual / Target) x Weight	6 percentage point increase in level of public awareness from 2022 survey results	-	(Public awareness survey is targeted for Q3)
	<i>Sub-total</i>			5%				
Financial	<b>SO 2. Maintain Deposit Insurance Fund (DIF) to adequately cover deposit insurance costs</b>							
	SM 2	Adequate Capital against Deposit Insurance Costs	12-month average DIF/ 12-month average EID <sup>1</sup>	20%	All or nothing	5.5% <sup>2</sup>	5.5% <sup>2</sup> (based on a 6-month average)	8.61% (based on a 6-month average)
	<b>SO 3. Ensure efficient budget utilization</b>							
SM 3	Efficient Utilization of Corporate Budget	Total Budget Utilization <sup>3</sup> / Total Board-approved Corporate Operating Budget (both net of PS)	5%	(Actual / Target) x Weight	90%	-	21.43%	
<i>Sub-total</i>			25%					

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Customers / Stakeholders	SO 4. Enhance client experience in PDIC services							
	SM 4	Percentage of Respondents that Rated Agree and Strongly Agree for Service Quality Dimension 0 (SQD0) - I am satisfied with the service that I availed	Total number of respondents that rated at least Agree and Strongly Agree for the SQD0 / Total number of respondents	10.0%	(Actual/Target) x Weight	80%	-	Survey on-going and results to be reported in Q3
	Sub-total			10%				
Internal Process	SO 5 Settle valid deposits/claims of depositors in closed banks within applicable processing time <sup>4</sup>							
	SM 5	Settlement of Valid Insured Deposits Promptly within Applicable Turn-Around-Time - For Accounts with Less than or Equal to P100,000 Balances	Number of valid insured deposits paid within TAT / Total number of valid insured deposits for Accounts with Less than or Equal to P100,000 balances	10%	(Actual / Target) x Weight	100% of claims settled within TAT <sup>5</sup>	100% of claims settled within TAT <sup>5</sup> for banks closed in the quarter where payout schedule is due	100% of claims settled within TAT
	SM 6	Settlement of Valid Deposit Insurance Claims Promptly within Applicable Turn-Around-Time - For Accounts with More than P100,000 Balances	Number of valid deposit insurance claims settled within TAT/ Total number of valid deposit insurance claims filed during field operations claims settlement (FOCS)	10%	(Actual / Target) x Weight	100% of claims settled within TAT <sup>5</sup>	100% of claims settled within TAT <sup>5</sup> for banks closed in the quarter where payout schedule is due	100% of claims settled within TAT

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Internal Process	<b>SO 6. Distribute assets to creditors and terminate liquidation of closed banks</b>							
	SM 7	Asset Distribution Plans (ADP) of closed banks filed with the Liquidation Court (LC)	Actual Accomplishment	20%	(Actual / Target) x Weight	43 ADPs	-	3 ADPs (7%)
	<b>SO 7. Contribute to financial stability by ensuring financial crisis preparedness</b>							
	SM 8	Readiness Level for Participation in the Conduct of Financial Crisis Simulation	Actual Accomplishment	5%	All or Nothing per crisis management plan	Revised plans based on the gaps identified in the internal simulation	-	<ul style="list-style-type: none"> <li>Presented to the Board for notation the Action Plans to address the Recommendations in the Independent Assessment Report of RTCo (28 April 2023).</li> <li>Completed preparatory activities on the revision of FCMPs, i.e., development of standard templates to address the documentation gaps, research, evaluation of options/strategies and formulation/write up of measures/strategies to be adopted.</li> <li>Presented to the Task Force the initial outputs to address the general and activity specific documentation gaps on claims settlement operations.</li> </ul>
	<i>Sub-total</i>			45%				

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Learning and Growth	<b>SO 8. Recruit, build up and retain motivated and competent workforce</b>							
	SM 9	Improvement on the Competency Level of the Organization	Competency Baseline current year <sup>6</sup> - Competency Baseline previous year	5%	All or Nothing	Improvement on the Competency Level of the Organization based on the 2022 year-end assessment <sup>7</sup>	-	<ul style="list-style-type: none"> <li>Conducted 14 internal and 16 external training programs to enhance competencies and address competency gaps.</li> <li>Conduct of Midyear Competency Assessment Survey 2023 started on 22 June 2023 covering 66 qualified assessees (new hires - 19; promotees - 47). Target completion is on 23 July 2023.</li> <li>Formulation of the Individual Development Plan for all employees to address the competency gaps not only with attendance to training programs but also other OD interventions, i.e., performance coaching, involvement in committee works, feedbacking, continuing education, cross-posting, etc.</li> </ul>
	<b>SO 9. Build a responsive organization equipped with the necessary ICT and other systems to support operations</b>							
SM 10	Implementation of Information Systems Strategic Plan (ISSP)	Actual Accomplishment	5%	All or Nothing per target ICT and information system	100% implementation of information and communication technology (ICT) and information systems projects based on the ISSP <sup>8</sup>	-	2 ICT projects implemented per ISSP	

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Strategic Objective (SO)/Strategic Measure (SM)		Formula	Weight	Rating System		Target	Actual
SM 11	ISO Certification	Actual Accomplishment	5%	All or Nothing per target ISO-certified process	Maintain ISO Certification for Assessment of Member Banks (AMB), Claims Settlement Operations (CSO), Loans Management (LM), Real Property Disposal (RPD), Bank Examination (BE)	-	<p><b>For CSO and AMB</b></p> <ul style="list-style-type: none"> <li>Passed the 1st Surveillance Audit conducted on 12 May 2023</li> </ul> <p><b>For RPD, LM &amp; BE</b></p> <ul style="list-style-type: none"> <li>Post Qualification and Selection of SOCOTEC Certification Phils, Inc. as the lone bidder for the ISO Recertification of LM and BE.</li> <li>Memo to PPD dated 09 June 2023 for the issuance of PO to SOCOTEC.</li> <li>RPD is for surveillance audit not later than November 14, 2023</li> </ul>
<b>Sub-total</b>			<b>15%</b>				
<b>TOTAL</b>			<b>100%</b>				

1- Capturing the period from January to December

2 - Ratio of DIF to estimated insured deposits (EID) – minimum of 5.50% (based on the current Maximum Deposit Insurance Coverage (MDIC) of P500,000; If any MDIC increase is implemented within the year, the resulting DIF/EID, which may fall below 5.5%, shall be considered on target.

3 -Consists of disbursements, and accrued and unpaid obligations at year-end when services have been rendered, goods have been delivered or projects have been completed and accepted. However, due to the peculiar nature of PDIC's operations, it requested on 16 August 2022 from GCG for 2022-2023 that in addition to the exclusion of Personnel Services in the computation of its accomplishment, the following budget items be likewise excluded: Bank closure related expenses, Maintenance and Other Operating Expenses (MOOE), Financial Expenses, Interest Expenses on loans payable relative to the grant of Financial Assistance (FA) to banks with revisions in the agreement during the year i.e., restructured/extended etc., and other items that can only be determined for exclusion by year-end due to third party dependencies and uncontrollable circumstances.

4 - A valid deposit insurance 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. Valid deposit insurance claims refer to claims for deposit accounts examined to be legitimate and eligible for deposit insurance. For depositors with valid insured deposit balances of P100,000 and below, filing of deposit insurance 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.

5 - See Annex A-1

6 - The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\sum_{i=1}^n \left[ \frac{\sum_{j=1}^a (\text{Actual Competency}_{ij})}{A} \right]$$

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

7 - Year-end CAS covers all employees with competency baseline data established in the previous year.

8 - Excludes the time from failed bidding to the resumption of bidding.

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