

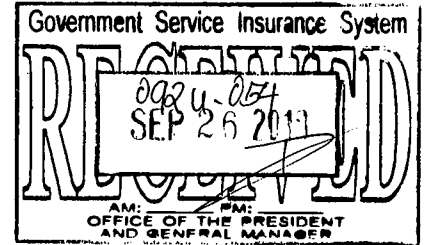


17 September 2018

MR. ROLANDO L. MACASAET
Chairperson

ATTY. JESUS CLINT O. ARANAS
President and General Manager

GOVERNMENT SERVICE INSURANCE SYSTEM (GSIS)
GSIS Financial Center, Roxas Boulevard,
Pasay City



RE : TRANSMITTAL OF 2018 PERFORMANCE SCORECARD

Dear Chairperson Macasaet and PGM Aranas,

This is to formally transmit the 2018 Charter Statement and Strategy Map (**Annex A**) and 2018 Performance Scorecard (**Annex B**) of GSIS.

The proposed Charter Statement, Strategy Map and Performance Scorecard submitted on 26 September 2017 were MODIFIED based on the discussions made during the technical panel meeting (TPM) held on 02 April 2018 and evaluation of revised documents submitted on 18 April 2018. The 2018 Performance Scorecard shall take effect IMMEDIATELY.

Upon review of the submissions made, the Governance Commission decided to exclude the following measures:

1. **Number of IT Projects Implemented that will Streamline GSIS Business Process.** – The measure was proposed to increase the level of automation to further streamline existing processes. Under the 2017 Performance Scorecard, the Governance Commission did not adopt this measure as this is more appropriately considered as a Strategic Initiative. However, during the TPM, GSIS representatives expressed their proposal to include the said measure. A copy of the Information System Strategic Plan (ISSP) was requested by the Governance Commission to be submitted by GSIS in order to validate the statement provided by the latter and in order to properly align the annual target with that of the ISSP. Considering that the GSIS was unable to submit the requested document, the proposed measure was excluded. However, the GSIS is still encouraged to undertake the said project as one of its Strategic Initiatives.
2. **Appropriate Organizational Structure that Supports Strategy.** – The measure was included in GSIS' revised proposal dated 17 April 2018 as a substitute for "Level of Accreditation for Investors in People, and CSC Prime HRM", which was recommended to be removed or replaced during the 2018 TPM. Based on the proposal, the measure is intended to track and monitor the proposed reorganization of the company. Moreover, the proposed target

4



pertains to the requirements under GCG Memorandum Circular No. 2015-04 (Re-Issued). To be clear, a reorganization proposal cannot be qualified as a Strategic Measure under the corporate-wide scorecard as GOCCs cannot be rewarded for complying with the documentary requirements needed for GCG to accept and validate a reorganization proposal. Further, a corporate-wide scorecard aims to capture the immediate performance results of the organization in a given time period. Although reorganization could lead to operational efficiency in the long run, specifying it as a measure and target is not ideal as the outcome of the reorganization will depend on the evaluation of the GCG. Since a reorganization is meant to close the performance gaps of GSIS, the proposal would properly fit as a Strategic Initiative rather than a measure. While the proposed measure was not adopted, GSIS is still encouraged to undertake the necessary preparation on the matter.

We take this opportunity to inform GSIS that Item 5 of GCG Memorandum Circular No. 2017-02 mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter.

In view of the foregoing, GSIS is hereby **DIRECTED** to upload the 1st and 2nd Quarterly Monitoring Reports in its website and submit the same together with validating documents necessary for the review and evaluation of the reported accomplishments. GSIS is given **thirty (30) calendar days** upon the receipt of this letter to comply with the said directive.

FOR YOUR COMPLIANCE.

Very truly yours,

SAMUEL G. DAGPIN, JR.
Chairman


MICHAEL P. CLORIBEL
Commissioner 1-8


MARITES C. DORAL
Commissioner

CY 2018 CHARTER STATEMENT AND STRATEGY MAP (ANNEX A)

GOVERNMENT SERVICE INSURANCE SYSTEM



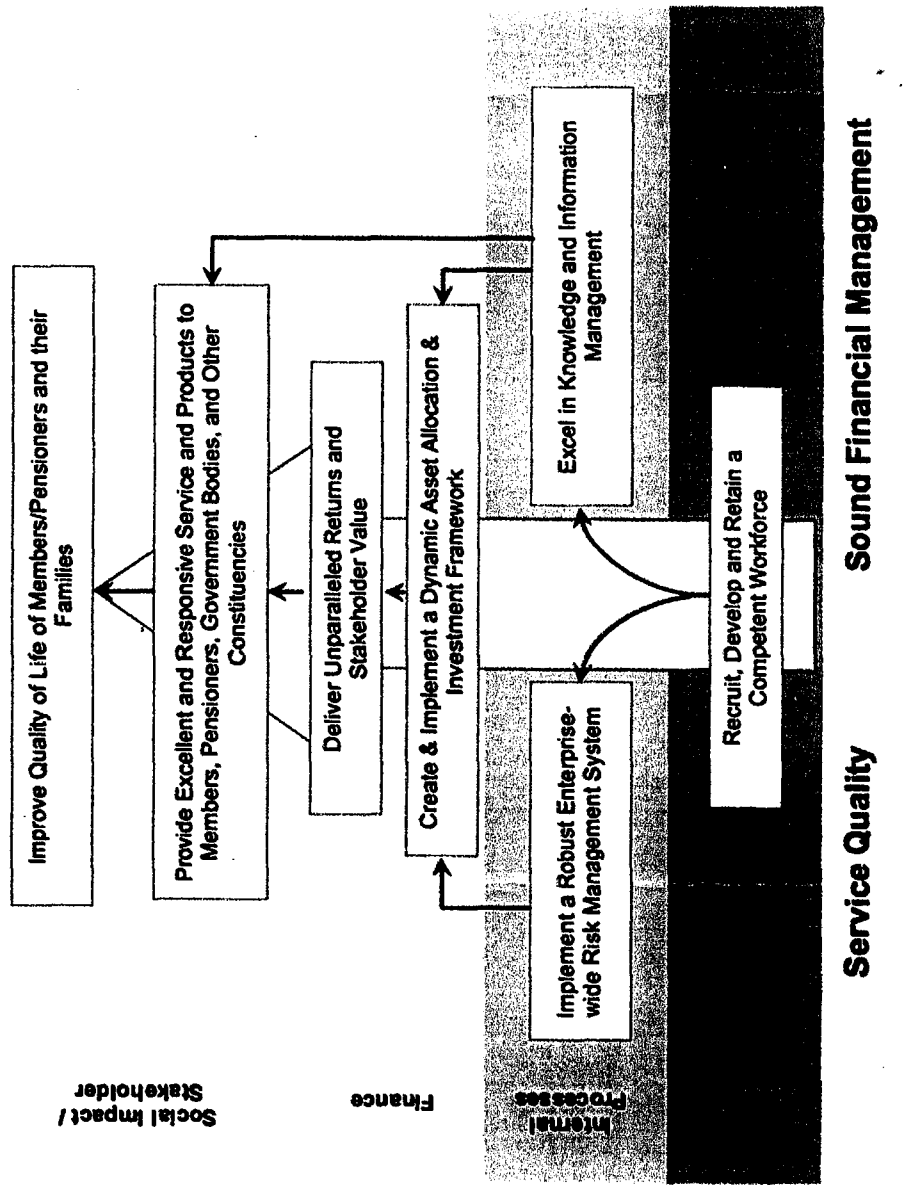
Mission:
 GSIS is committed to -

1. Provide social security/insurance and financial benefits to all government employees and their dependents,
2. Satisfy the non-life insurance needs of the government,
3. Maintain and strengthen the viability of the fund, and
4. Build an enduring partnership with its stakeholders

Core Values:

- Professionalism
- Love of Country
- Integrity
- Service Excellence
- Spirituality
- Innovation
- Teamwork

By 2022, GSIS, a premier social insurance institution with a passion for providing excellent service to its members, pensioners and other constituents, will be in the top three defined-benefit pension fund institutions in the ASEAN region.



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CY 2018 PERFORMANCE SCORECARD (ANNEX B)

GOVERNMENT SERVICE INSURANCE SYSTEM

Component		Baseline Data			Target			
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
SO 1	Improve Quality of Life of Members/Pensioners and their Families							
SM 1	Improvement/Enhancement of Benefits and Privileges without Impairing Actuarial Life	Number of DepEd members who availed the GFAL / Number of DepEd members who attended the GSIS Financial Literacy Program	15%	80% and above = 15% 79% to 60% = 7.5% Below 60% = 0%	3 Types of Increase	0	80%	
			Sub-total					
SO 2	Provide Excellent and Responsive Service and Products to Members, Pensioners, Government Bodies, and Other Constituencies							
SM 2	Percentage of Claims and Benefits Processed within the Applicable Time	Number of claims and benefits processed within TAT/Number of received applications due for processing	15%	90% or higher = 15% 89 to 85% = 7.5% 84% and below = 0%	Social Insurance: 96.38% General Insurance: 99.4%	Social Insurance: 98.07% General Insurance: 94.5%	83% of retirement / separation and life insurance claims and benefits processed within 30 working days Average TAT of 40 working days for Motor Vehicle Insurance Claims	90%

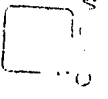
SOCIAL IMPACT / STAKEHOLDER

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Component		Baseline Data				Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018
SM 3	Percentage of Satisfied Customers Actual rating provided by 3 rd party social research institution	10%	(Actual/Target) x Weight Below 80% = 0%	86.02%	92.7%	90% of the total respondents gave at least a slightly satisfied rating	93.7%
		Sub-total					
SO 3 Deliver Unparalleled Returns and Stakeholder Value							
SM 4	Minimize Consolidated Loan (CNL) Default Rate CNL Default Rate = (Total outstanding principal balance of due and demandable CNL accounts - Allowance for Impairment) / (Total outstanding principal balance of all CNL accounts - Allowance for Impairment)	8%	(1-((Actual-Target)/Target)) x Weight Above 29% = 0%	No data	No data	23.11%	20%

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Component		Baseline Data				Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018
SO 4	Create and Implement a Dynamic Asset Allocation and Investment Framework						
SM 5	Increase in total assets	8%	(Actual/Target) x Weight Below 6% = 0%	11.19% (Rolling average of five (5) years)	9.90% (Rolling average of five (5) years)	6%	9.23%
	Five (5) year average increase in total assets = sum of percentage increases from 2014 to 2018 / five (5) Where: Annual percentage increase in total assets = [(Total assets at yearend of the CURRENT year - Total assets at yearend of PREVIOUS year) / Total asset at yearend of the previous year] x 100						

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Component		Baseline Data				Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018
SM 6	<p>Five (5) year average increase in total assets = sum of ROI from 2014 to 2018 / five (5)</p> <p>Where: Annual ROI = Net Investment Income / Average Investment Asset</p> <p>*Average Investment Asset = (Total Investment Assets at yearend CURRENT year + Total Investment Assets at yearend previous year) / 2</p>	8%	(Actual/Target) x Weight Below 8% = 0%	No data	No data	7%	9.03%
SM 7	<p>Increase the Fund Ratio of the Social Insurance Fund</p> <p>Assets / Reserves of the GSIS Social Insurance Fund</p>	8%	(Actual/Target) x Weight Below 72% = 0%	No data	No data	73%	74%
Sub-total		32%					

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Component		Baseline Data				Target	
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018
SO 5	Implement a Robust, Enterprise-Wide Risk Management System						
SM 8	ERM Risk Maturity Rating	Rating from the risk assessment report	8%	2.6 or higher = 8% 2.54 to below 2.6 = 4% Below 2.54 = 0%	No data	No data	Risk Maturity Level 2.6
SO 6	Excel in Knowledge and Information Management						
SM 9	Maintain/Upgrade QMS Certification	Number of Core Processes ISO Certified	10%	All or nothing	TUV Rheinland issued an ISO certification for Loans Granting	ISO Certification for the following processes: Processing of Maturity Benefit for Life Insurance and Processing of Motor Vehicle Insurance Claims. Maintenance of ISO Certification for Loans Processing and Membership	Certification under ISO 9001:2015 for Data Center Facilities Management; Pass the Surveillance Audit or Maintain Certification for the following processes: 1. Loans Processing 2. Membership Administration 3. Maturity Claims Processing 4. Motor Vehicle Claims Processing
		Sub-total	18%				

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Component		Baseline Data				Target		
Objective/Measure	Formula	Weight	Rating System	2015	2016	2017	2018	
SO 7	Recruit, Develop and Retain a Competent Workforce							
SM 10	Improve Average Competency Level of the Organization	Number of employees with high rating for core and organizational competencies / Number of employees assessed	10%	(Actual/Target) x Weight Below 3.51 = 0%	The Board of Trustees approved the GSIS Competency Framework on 26 February 2015	3.27	Achieved average competency of 3.51	Average competency level of 3.75 for core and organizational competencies
		Sub-total	10%					
		TOTAL	100%					

LEARNING AND GROWTH

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