

LBP RESOURCES AND DEVELOPMENT CORPORATION (LBRDC)
Performance Scorecard Evaluation

| Component | | Rating Scale | Target | Submission | | GCG Validation | | Supporting Documents | GCG Remarks | | | | | | | | | | | | | | | | |
|---------------------|---------------------|--------------|-----------------|------------|--------------------------|----------------|----------------|----------------------|----------------|-----|--|---------|----------|------|-------|--------------|---|---------|-------|-----------|------|------------|------|---------------|--------------|
| Objective / Measure | Formula | Wt. | 2016 | Actual | Rating | Score | Rating | | | | | | | | | | | | | | | | | | |
| SO 1 | Increase Net Income | | | | | | | | | | | | | | | | | | | | | | | | |
| FINANCIAL | SM 1 | EBITDA | Absolute Amount | 15% | (Actual/Target) x Weight | ₱77.32 Million | ₱91.35 Million | 15% | ₱88.05 Million | 15% | <ul style="list-style-type: none"> •2016 COA Audited FS •LBRDC Financial Accomp. Report <p>In 2016, the EBITDA of LBRDC reached to ₱88.05 Million, surpassing its target of ₱77.32 Million by 9.20%. The high figure was due to increase of its revenue by 6%, mainly attributable to the sale of Grand Garden Villas property (₱15.5 Million).</p> <p>There was a difference in the LBRDC reported EBITDA and GCG validated EBITDA after the release of the COA Annual Audited FS (AAFS) for 2016. Below is the recomputed EBITDA using the COA AAFS figures.</p> <table border="1"> <thead> <tr> <th>Account</th> <th>(in ₱ M)</th> </tr> </thead> <tbody> <tr> <td>NIAT</td> <td>61.00</td> </tr> <tr> <td>(+) Int. Exp</td> <td>-</td> </tr> <tr> <td>(+) Tax</td> <td>25.29</td> </tr> <tr> <td>(+) Dep'n</td> <td>1.75</td> </tr> <tr> <td>(+) Amort.</td> <td>0.01</td> </tr> <tr> <td>EBITDA</td> <td>88.05</td> </tr> </tbody> </table> | Account | (in ₱ M) | NIAT | 61.00 | (+) Int. Exp | - | (+) Tax | 25.29 | (+) Dep'n | 1.75 | (+) Amort. | 0.01 | EBITDA | 88.05 |
| Account | (in ₱ M) | | | | | | | | | | | | | | | | | | | | | | | | |
| NIAT | 61.00 | | | | | | | | | | | | | | | | | | | | | | | | |
| (+) Int. Exp | - | | | | | | | | | | | | | | | | | | | | | | | | |
| (+) Tax | 25.29 | | | | | | | | | | | | | | | | | | | | | | | | |
| (+) Dep'n | 1.75 | | | | | | | | | | | | | | | | | | | | | | | | |
| (+) Amort. | 0.01 | | | | | | | | | | | | | | | | | | | | | | | | |
| EBITDA | 88.05 | | | | | | | | | | | | | | | | | | | | | | | | |

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|--|---------------------|--|--------|--------------------------|--------|----------------|--------|----------------------|-------------|--|---------|----------|---|--------|--------|--------|---------|-------|--------------|-----|--------|--|---------|--------|--|
| Objective / Measure | Formula | Wt. | 2016 | Actual | Rating | Score | Rating | | | | | | | | | | | | | | | | | | |
| SO 2 Cost Efficiency | | | | | | | | | | | | | | | | | | | | | | | | | |
| SM 2 | Construction Margin | Absolute Rate (in %) | 15% | (Actual/Target) x Weight | 12.75% | 23% | 15% | 23.97% | 15% | <ul style="list-style-type: none"> •2016 COA Audited FS •LBRDC Financial Accom. Report <p>LBRDC continued to improve its Construction Margin in 2016, as it ended up with another high CM of 23.97%. This is 88% higher than the target of 12.75% and 24.84% higher than the 2015 prior year's actual.</p> | | | | | | | | | | | | | | | |
| SO 3 Maximize Resources and ROE | | | | | | | | | | | | | | | | | | | | | | | | | |
| SM 3 | Return on Equity | Net Income/ Total Shareholders' Equity | 5% | (Actual/Target) x Weight | 8.5% | 12% | 5% | 11.49% | 5% | <ul style="list-style-type: none"> •2016 COA Audited FS •LBRDC Financial Accom. Report <p>LBRDC has maintained low financial risk through sustenance of low accounts payable and growing net worth. The ROEs of LBRDC were reported in an increasing trend at 7.13%, 11.79%, 11.49% in 2014 to 2016, respectively. Below is the computation of 2016 ROE.</p> <table border="1" style="margin-left: auto; margin-right: auto;"> <thead> <tr> <th>Account</th> <th>(in ₱ M)</th> <th>%</th> </tr> </thead> <tbody> <tr> <td>Equity</td> <td>531.04</td> <td>100.00</td> </tr> <tr> <td>Net Inc</td> <td>61.00</td> <td>11.49</td> </tr> <tr> <td>Rev</td> <td>397.74</td> <td></td> </tr> <tr> <td>(-) Exp</td> <td>336.74</td> <td></td> </tr> </tbody> </table> | Account | (in ₱ M) | % | Equity | 531.04 | 100.00 | Net Inc | 61.00 | 11.49 | Rev | 397.74 | | (-) Exp | 336.74 | |
| Account | (in ₱ M) | % | | | | | | | | | | | | | | | | | | | | | | | |
| Equity | 531.04 | 100.00 | | | | | | | | | | | | | | | | | | | | | | | |
| Net Inc | 61.00 | 11.49 | | | | | | | | | | | | | | | | | | | | | | | |
| Rev | 397.74 | | | | | | | | | | | | | | | | | | | | | | | | |
| (-) Exp | 336.74 | | | | | | | | | | | | | | | | | | | | | | | | |
| Subtotal | | 35% | | | | 35% | | 35% | | | | | | | | | | | | | | | | | |

| Objective / Measure | Component | | Rating Scale | Target | Submission | | GCG Validation | | Supporting Documents | GCG Remarks | |
|--|---|--|--------------|--------------------------|------------|------------------------------|----------------|------------------------------|----------------------|---|--|
| | Formula | Wt. | | 2016 | Actual | Rating | Score | Rating | | | |
| SO 4 Provide High Quality Services in Construction/ Renovation, ROPA and Real Estate Management & Development and Other Allied Services | | | | | | | | | | | |
| SM 4 | Completion of Projects On-time (Construction and Renovation Projects) | No. of projects completed on time/ no. of projects completed | 15% | (Actual/Target) x Weight | 100% | 100% (38 out of 38 projects) | 15% | 100% (38 out of 38 projects) | 15% | <ul style="list-style-type: none"> Project Inspection and Update Reports Turn-over and Acceptance of Project Forms | LBRDC met its target by completing 38 construction/renovation projects in 2016, of which 3 are construction projects and 35 are renovations. A project is considered physically completed once the Branch transferred and occupied the building. |
| SM 5 | Client Retention or Positive Customer Satisfaction for Terminated Contracts (Manpower and Housekeeping) | No. of clients retained or evaluation of terminated/separated manpower clients | 10% | (Actual/Target) x Weight | 4 | 4 | 10% | 4 | 10% | <ul style="list-style-type: none"> Janitorial Service Agreement (Holcim) House-keeping, and Janitorial Services LBP Purchase Order (LBP Plaza HQs and Satellite Offices) Contract Agreement (LIBI) | <p>LBRDC also provides janitorial and maintenance, electrical, plumbing, and aircon maintenance services to LBP and other private companies. However, it is yet to increase its market since it has been focused on LBP and other LBP subsidiaries as major clients.</p> <p>In 2016, there were 4 clients retained by LBRDC, namely: (1) Holcim; (2) LBP Plaza Headquarters and Satellite Offices; (3) LBP Insurance Brokerage Inc., and; (4) LBP Field Units. This is a 100% accomplishment compared to the target.</p> |

STAKEHOLDER

| Component | | Rating Scale | Target | Submission | | GCG Validation | | Supporting Documents | GCG Remarks | | |
|--|---------|---|-----------------|------------|---------------------------|----------------|------------|--|-------------|----|---|
| Objective / Measure | Formula | Wt. | 2016 | Actual | Rating | Score | Rating | | | | |
| | | | | | | | | •House-keeping, Janitorial, and Building Maint. Services Agreement (LBP Field Units) | | | |
| Subtotal | | 25% | | | 25% | | 25% | | | | |
| SO 5 Enhance Management Information System (MIS) Reporting System | | | | | | | | | | | |
| INTERNAL PROCESS | SM 6 | Number of New/ Upgraded IT Projects Implemented | Absolute Number | 5% | (Actual/ Target) x Weight | 1 | 1 | 5% | 0 | 0% | <ul style="list-style-type: none"> •Print-out Trial Balance of the Upgraded IT Project •Letters to BIR on Application for Use of CAS/CBA dated 15 Nov 2016 and 19 Jun 2017 <p>The accounting software of LBRDC did not go live in 2016. On 15 November 2016, LBRDC requested approval from BIR to use the Computerized Purchasing / Accounting System (CAS) and the Computerized Books of Accounts (CBA). The joint demonstration, however, was conducted only on 03 February 2017. BIR has not issued approval to use the CAS/CBA.</p> |
| | | | | | | | | | | | |

| Component | | | Rating Scale | Target | Submission | | GCG Validation | | Supporting Documents | GCG Remarks | |
|--|---|-----------------|--------------|--------------------------|--|--------|----------------|--------|----------------------|--|---|
| Objective / Measure | Formula | Wt. | | 2016 | Actual | Rating | Score | Rating | | | |
| SO 6 Build Strong Alliances with Suppliers | | | | | | | | | | | |
| SM 7 | Number of Strategic Tie-ups with Suppliers of Key Materials | Absolute Number | 10% | (Actual/Target) x Weight | 3 | 3 | 10% | 3 | 10% | <ul style="list-style-type: none"> •Supply Agreement (S.U.D Tiles Trading) •Supply Agreement (Philmetal Products, Inc. •Renewal Agreement (SHDA-Holcim) | LBRDC met its target by establishing strategic tie-ups with the following suppliers: (1) S.U.D. Tiles Trading, (2) Philmetal Products, Inc., and (3) Holcim through Subdivision and Housing Developers Association Inc (SHDA). |
| SO 7 Establish Clear and More Responsive Company Policies | | | | | | | | | | | |
| SM 8 | Number of Manuals Approved and Implemented | Absolute Number | 10% | (Actual/Target) x Weight | <ul style="list-style-type: none"> 1 Manpower Services 2 Aircon Maintenance 3 Brokering Services 4 Property Management | 4 | 10% | 4 | 10% | <ul style="list-style-type: none"> •Board Resolution No. 16-12-12 (Ops. Manual – PMMS Department) •Copy of manuals submitted by LBRDC through letter dated 12 Oct 2017 | <p>The LBRDC Board approved 4 Operations Manual of its Property Management and Maintenance Services Department on the following:</p> <ol style="list-style-type: none"> 1. Air-conditioning Unit (ACU) Maintenance Services; 2. Brokering Services; 3. Manpower and Maintenance Services; and, 4. Property Management, Security, and Upkeep. <p>The manuals were updated versions as of December 2016, except for the last Manual which was initially drafted on November 2016.</p> |
| Subtotal | | 25% | | | | | 25% | | 20% | | |

| Objective / Measure | Component | | Rating Scale | Target | Submission | | GCG Validation | | Supporting Documents | GCG Remarks | |
|--|--|--|--------------|--------------------------|------------|--------------------------------------|----------------|--------------------------------------|----------------------|---|---|
| | Formula | Wt. | 2016 | Actual | Rating | Score | Rating | | | | |
| SO 8 Enhance HR and Development Program | | | | | | | | | | | |
| SM 9 | Percentage of Organic Employees Trained | Total no. of organic employees trained/ total no. of organic employees | 5% | (Actual/Target) x Weight | 100% | 100% (32 out of 32 employees) | 5% | 100% (32 out of 32 employees) | 5% | •List of organic employees trained | In 2016, it met its targets by providing at least one training to 100% of its organic employees and 62.53% of its core workers. 32 employees and 232 core workers attended trainings related to their work. Trainings provided to core employees include TESDA Certification, Occupational First Aid and Basic Life Support, Work Attitude and Value Enhancement. |
| SM 10 | Percentage of Core Laborers Trained | Total no. of core workers trained/ total no. of core workers | 5% | (Actual/Target) x Weight | 45% | 62.53% (232 out of 371 core workers) | 5% | 62.53% (232 out of 371 core workers) | 5% | •List of core workers trained | |
| SO 9 Attract and Retain Talents for Competent and Efficient Workforce | | | | | | | | | | | |
| SM 11 | Percentage of Needed Manpower Filled During the Year | No. of manpower hired/ total no. of manpower needed for the year | 5% | (Actual/Target) x Weight | 100% | 100% | 5% | 100% | 5% | •House-keeping / Janitorial / Mess. / Building Maint. Services Agreement between LBRDC and client •Summary of job orders | The Terms of Reference (TOR) for each manpower services agreement specify the required manpower personnel of each client in a given year. In 2016, a total of 681 manpower personnel was requested by LBRDC's manpower service clients and filled up. |

LEARNING AND GROWTH

| Component | | | Rating Scale | Target 2016 | Submission | | GCG Validation | | Supporting Documents | GCG Remarks |
|---------------------|---------|-----------------|--------------|-------------|------------|--------|----------------|--------|--|-------------|
| Objective / Measure | Formula | Wt. | | | Actual | Rating | Score | Rating | | |
| | | | | | | | | | filed up 2016 • Masterlist of Manpower Deployed in 2016 Nationwide • Contract and employment record between LBRDC and manpower personnel (samples) | |
| | | Subtotal | 15% | | | | 15% | | | |
| | | TOTAL | 100% | | | | 100% | | 95% | |

A-