

NATIONAL DEVELOPMENT COMPANY (NDC)

	Objective/Measure	Component			Baseline Data		Target		
		Formula	Weight	Rating Scale	2018	2019	2020 ¹	2021	
IMPACT	SO 1	Strengthen Business Sustainability (Financial Impact)							
	SM 1	Return on Equity (ROE)	Income Before Tax (net of extraordinary income) / Stockholder's Equity Adjusted (net of extraordinary income)	25%	(Actual/Target) x Weight	19.23%	27.81%	4.19%	21.89% ²
	SO 2	Support Local Development (Social Impact)							
	SM 2	Cumulative Number of Local Jobs Generated by the Projects/Investments	Number of Local Jobs Generated per Operational Report	5%	(Actual/Target) x Weight <i>0% = if less than the 2020 Actual</i>	523	2018 Actual: 523 + 178 new jobs = 701	2019 Actual + 50 new jobs	2020 Actual + 50 new jobs
		Sub-total	30%						

¹ Based on the Recalibrated 2020 Performance Scorecard

² Based on the Secretary's Certificate issued for the approval of 2021 PES documents of NDC.

	Objective/Measure	Component			Baseline Data		Target		
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STRATEGIC FOCUS	SO 3	Increase Investments in High Impact Priority Areas by Leveraging on NDC's Competitive Advantage							
	SM 3	Cumulative Value of Investments	Amount of Investments in High Impact Priority Areas as approved by the NDC Board	15%	(Actual/Target) x Weight 0% = if less than the 2020 Actual	₱3.80 Billion	₱8.42 Billion	N/A ³	2020 Actual + ₱500 Million
	SO 4	Enhance the Value of Portfolio Investments							
	SM 4	Return on Investments	Amount of Dividends Received ⁴ / Total Investments Excluding Companies for Dissolution and Pre-Operating Companies	10%	(Actual/Target) x Weight	4.21%	2.44%	6.78%	3.79%
	SO 5	Improve Customer Satisfaction							
	SM 5	Percentage of Satisfied Customers	Number of Respondents who rated at least Satisfactory / Total Number of Survey Respondents	5%	(Actual/Target) x Weight 0% = If lower than 80%	100%	Report not acceptable	100%	100%
			Sub-total		30%				

³ Different formula for 2020.

⁴ Including dividend remittance of NDC's subsidiaries to the National Government.

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CORE PROCESS	SO 6	Optimize the Economic Value of NDC Land Assets							
	SM 6	Income from Asset Management	Amount of Lease Income and Sales Proceeds Collected	15%	(Actual/Target) x Weight	N/A	₱227.56 Million	₱190.16 Million	₱3,041.71 Million ⁵
	SO 7	Improve Budget Utilization to Support Operational Efficiency							
	SM 7	Budget Utilization Rate	Total Amount of Cash Disbursements / Total Budget for the Year	10%	92% - 100% = 10% 80% - 91% = 5% Less than 80% = 0% More than 100% = 0%	91%	95%	> 91%	> 91%
		Sub-total		25%					
LEARNING AND GROWTH	SO 8	Prioritize Competency Build-Up of Project Teams							
	SM 8	Improvement in the Competency Level of the Organization	Competency Baseline ⁶ 2021 – Competency Baseline 2020	5%	All or Nothing	100% increase from baseline (38% of employees met the required competencies)	<i>Unverifiable</i>	Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization

⁵ Based on the Secretary's Certificate issued for the approval of 2021 PES documents of NDC.

⁶ 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:

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

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

Component		Baseline Data			Target			
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SO 9	Build a Culture of Continual Improvement and Excellence							
SM 9	ISO Certification	Actual Accomplishment	5%	All or Nothing	Maintained ISO 9001:2015 Certification	ISO 9001:2015 Certification Maintained	Recertification to ISO 9001:2015 Standards	ISO 9001:2015 Certification Maintained
SO 10	Automate Key Process							
SM 10	Information Technology Systems Implemented	Number of projects completed based on the deliverables per ISSP / Total number of 2021 deliverables per 2020 – 2022 ISSP submitted to DICT	5%	(Actual/Target) x Weight	N/A	1. Financial Management System submitted for BIR's accreditation and 2. No Board-Approved ISSP 2020-2022 was Submitted to DICT	100% Completion of the 2020 ISSP Deliverables as submitted to DICT	100% Completion of the 2021 ISSP Deliverables as submitted to DICT
		Sub-total	15%					
		TOTAL	100%					