

NATIONAL DEVELOPMENT COMPANY (NDC)
Validation Result of 2019 Performance Scorecard

	Component			Rating Scale	Target	Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective / Measure	Formula	Weight		2019	Actual	Rating	Score	Rating			
IMPACT	SO 1	Strengthen Business Sustainability (Financial Impact)										
	SM 1	Return on Equity	Net Income / Stockholder's Equity Adjusted	15%	(Actual/Target) x Weight	3.00%	82.62%	15%	27.81%	15%	<ul style="list-style-type: none"> • Computation of Return on Equity and Extraordinary Income • COA AAR on NDC 2019 FS 	Target exceeded. The GCG-validated accomplishment was based on the COA audited financial statements and the accompanying notes.
	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	10%	(Actual/Target) x Weight 0% = If below 2018 Actual	2018 Actual + 127 new jobs	523 (2018 Actual) + 127 new jobs = 650	10%	523 (2018 Actual) + 178 new jobs = 701	10%	<ul style="list-style-type: none"> • San Carlos Bioenergy, Inc. (SCBI) Report on Number of Jobs Generated as of 31 December 2019 	Target exceeded. The validated increase in the number of jobs was based on the SCBI certification dated 10 November 2020.
		Sub-total	25%				25%		25%			

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	SO 3	Increase Investments in High Impact Priority Areas by Leveraging in NDC's Competitive Advantage									
STRATEGIC FOCUS											
	SM 3	Cumulative Value of Investments	Cumulative value of investments in high priority areas as approved by the NDC Board	15%	(Actual/Target) x Weight 0% = If below 2018 Actual	2018 Actual (₱3.80 Billion) + ₱1.5 Billion	₱9.4 Billion	15%	₱8.42 Billion	15%	<ul style="list-style-type: none"> Letter to Manila Exposition Complex, Inc. (MECI) regarding subscription of shares Secretary's Certificate and Board Paper re: Additional Equity to MECI Board Paper and Minutes of the Special Meeting of the Board of Directors re: acquisition of GYREI Shares

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SO 4 Enhance the Value of Investment Portfolio											
SM 4	Return on Investments	Amount of dividends received / Total Investment Infused excluding companies for dissolution and pre-operating companies	10%	All or Nothing	2.22%	2.44%	10%	2.44%	10%	<ul style="list-style-type: none"> Return on Investment (ROI) Computation Breakdown of Investments as of 31 December 2019 Cash Receipts Entries and Official Receipts for collection of dividends 	Target exceeded.
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 below 90%	100%	93%	4.65%	Report not acceptable	0%	<ul style="list-style-type: none"> Final Report from the third-party consultant Contact-Asia Services, Inc. (CASI) 	Based on the submitted Final Report, a total of 40 primary customers gave a rating of at least Satisfied out of the 50 survey respondents translating to 80% of the total respondents. Moreover, review of the submitted samples of

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										<p>accomplished survey questionnaires revealed that there were additional questions added before the question on the Overall Satisfaction Rating. As provided under Part IV Item 6.a of the GCG Standard Methodology on the conduct of survey, and as reiterated in the FAQs on GCG Standardized Customer Satisfaction Survey published on the GCG website, GOCCs are not allowed to modify the questionnaire prescribed by the GCG. However, GOCCs may add questions specific for its operations but only under the</p>

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												portion for Execution of Service. Thus, NDC was not able to comply with the CSS guidelines and it likewise failed to meet the required minimum threshold of 90% based on its submitted report.
		Sub-total	30%				29.65%		25%			
SO 6 Optimize the Economic Value of NDC Land Assets												
CORE PROCESS	SM 6	Income from Asset Management	Amount of Lease Income and Sales Proceeds Collected	20%	(Actual/Target) x Weight 0% = If less than ₱253 Million	₱175 Million	₱249.28 Million	0%	₱227.56 Million	20%	<ul style="list-style-type: none"> Audited Statement of Cash Flows for 2019 Justification on delay in collection of compensation for Pandacan Property ROW Status of Negotiations with DPWH and TRB and 	The request to reduce the target relative to the projected proceeds (₱330 Million) from the sale of the Pandacan Property which did not materialize in 2019 is ACCEPTABLE . The validated accomplishment was based on the Audited Cash

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								NDC Letter to DPWH dated 12 September 2019 re: the Pandacan Property	Flows Statement for 2019.		
SO 7 Improve Budget Utilization to Support Operational Efficiency											
SM 7	Budget Utilization Rate	Total amount of disbursements / Total budget for the year	5%	92% to 100% = 5% 80% to 91% = 2.5% More than 100% and Below 80% = 0%	>91%	95%	5%	95%	5%	<ul style="list-style-type: none"> • BUR Computation • DBM Approved COB for 2019 • Budget Ledger Monitoring • BAC Resolutions on 2 failed biddings for NDCIE Project • Statement of Account on National Irrigation Administration • Justification on delay in collection of compensati 	Reported accomplishment acceptable.

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											on for Pandacan Property ROW • Status of Negotiations with DPWH and TRB and NDC Letter to DPWH dated 12 September 2019 re: the Pandacan Property	
Sub-total			25%				25%		25%			
LEARNING AND GROWTH	SO 8 Prioritize Competency Build-up of Project Teams											
	SM 8	Percentage of Personnel Meeting Required Competency Standards	Actual Accomplishment	5%	All or Nothing	Competency Baseline Improved ¹	95.18%	5%	Unverifiable	0%	• Excel file of summary of the competency assessment results and the computation of competency	While the computation of the average competency level was found compliant, NDC was not able to provide a competency assessment

¹ The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

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

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

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								level per Employee • List of Plantilla Personnel as of 31 December 2019 • 2018 and 2019 Competency Assessment Forms	report or narrative on the analysis of the assessment results. In particular, there was no documentation on the computation or conversion of the non-numerical ratings to its equivalent numerical rating. In view of the foregoing, the consistency of the reported data cannot be objectively validated.		
SO 9 Build a Culture of Continual Improvement and Excellence											
SM 9	ISO Certification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Maintained	ISO 9001:2015 Maintained	5%	ISO 9001:2015 Maintained	5%	• Surveillance Report • Action Request Forms	Target met.
SM 10	Performance Governance System (PGS) Status Conferral	Actual Accomplishment	5%	All or Nothing	Institutionalized	-	-	-	0%	No submitted supporting documents	No submitted accomplishment for this measure.

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SM 10	Automate Key Process										
SM 11	Information Technology Systems Implemented	Actual Accomplishment	5%	All or Nothing	Cash Accounting System Submitted for BIR's Accreditation and Board-Approved ISSP 2020-2022 as Submitted to DICT	Cash Accounting System submitted for BIR's accreditation and BIR has conducted Initial Audit of Cash Accounting System and ManCom Approved ISSP 2020-2022	5%	1. Financial Management System submitted for BIR's accreditation 2. No Board-approved ISSP was submitted to the DICT	0%	<ul style="list-style-type: none"> Receiving Copies of the Documents submitted to BIR for Accreditation of the Financial Management System Result of the Initial Audit conducted by BIR ManCom-Approved ISSP 2020-2022 	Only (1) out of the two (2) targets was met. No rating was granted given the "All or Nothing" rating scale for the measure.
		Sub-total	20%				15%		5%		
		VALIDATED RATING	100%				94.65%		80.00%		