

**PHILIPPINE AMUSEMENT AND GAMING CORPORATION  
FULL YEAR 2016 PERFORMANCE SCORECARD**

Performance Measure					PAGCOR Submission		GCG Evaluation		Supporting Documents	GCG Remarks		
Objectives / Measures	Formula	Weight	Rating Scale	Target	Actual	Rating	Score	Rating				
<b>SOCIAL IMPACT</b>	<b>SO 1</b>	<b>Increase Contribution to National Government Coffers and Nation Building Efforts</b>										
	SM 1	Total contributions to national government (including mandatory contributions, dividends, subsidies and donations - under MOOE)	Absolute Amount	25%	(Actual/Target) x Weight	₱26.07 Billion	₱35.68 Billion	25%	₱35.67 Billion	25%	Receipts and Checks  Breakdown of Direct Assistance to Socio-Civic and Other projects	PAGCOR reported total contributions to the National Government (NG) amounted to ₱35.68 Billion net of ₱2.70 Billion of taxes paid.  With the intention of the measure to track the contributions of PAGCOR to nation-building programs and projects of the government, ₱8.92 Million worth of financial assistance to individuals was deducted from the total contributions. Hence for 2016, total contributions considered, net of taxes, amounted to ₱35.67 Billion.
	<b>SO 2</b>	<b>Increase GGR of the Industry</b>										
	SM 2	Total industry GGR (PAGCOR + Licensee GGR)	Absolute Amount	25%	(Actual/Target) x Weight	₱135 Billion	₱149.13 Billion	25%	₱149.13 Billion	25%	Summary of Table Games and Slot Machine Winnings  Check payment corresponding to proponent's share	For 2016, the total GGR increased by 19% from last year's ₱125.36 Billion.  While the industry GGR has been consistently increasing since the entry of IRs, there is a significant decline in PAGCOR's share or contribution to the total industry GGR. In 2012, 41% of the

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											industry GGR is attributable to PAGCOR's business, by 2016 PAGCOR's share was reduced to 31% signifying that the growth of the gaming industry is fueled by the IRs.	
		<b>Sub-total</b>		<b>50%</b>			<b>50.00%</b>		<b>50.00%</b>			
<b>FINANCIAL</b>	<b>SO 3</b>	<b>Increase PAGCOR Revenues</b>										
	SM 3	Net Operating Income Margin	Net Operating Income/ Gross Revenue	10%	(Actual/ Target) x Weight	63%	74.35%	10%	74.35%	10%	2016 COA Audited Financial Statement (FS)  Notes to FS as submitted to COA	For 2016, PAGCOR generated ₱55.06 Billion revenues of which ₱14.12 Billion or 26% was used to fund its operating expenses.  The PAGCOR's 74.5% net operating income margin for 2016 surpassed the last year's 69.59% by a 6.8% growth rate.
			<b>Sub-total</b>		<b>10%</b>			<b>10.00%</b>		<b>10.00%</b>		

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<b>STAKEHOLDERS</b>	<b>SO 4</b>	<b>Ensure a Conducive Business Environment within a Level Playing Field</b>								
	<b>SM 4</b>	Total amount increase in licensing investment commitment	Absolute Amount	10%	(Actual/Target) x Weight	\$100 Million	<p>₱4.5 Billion - Provisional license in favor of SLPHC and FCG</p> <p>₱4.5 Billion - Provisional license in favor of BILRDC</p>	10%	<p>₱4.5 Billion - Provisional license in favor of SLPHC and FCG</p> <p>₱4.5 Billion Provisional license in favor of BILRDC</p>	10%

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	SM 5	Compliance of investors to the regulatory framework  (Note: Rollout and binding in 2016; outcome-based scorecard)	Absolute Amount	10%	(Actual/Target) x Weight	Roll-out and implementation of Entertainment City Licensees' scorecard in 2016 simultaneous with the development of a scorecard for the Clark Special Economic Zone Licensees	Rolled-out and Implemented Entertainment City Licensees' Scorecard in 2016  Developed Clark Special Economic Zone Licensees Scorecard	10%	Rolled-out and Implemented Entertainment City Licensees' Scorecard in 2016  Developed Clark Special Economic Zone Licensees Scorecard	10%	Quarterly monitoring reports for Entertainment City Licensees and Clark Special Economic Zone Licensees  GCG letter dated 05 January 2017 approving the scorecard for Clark Special Economic Zone Licensees	In line with the thrust of the government to ensure competitive neutrality, the measure aims to strengthen PAGCOR's regulatory function over its licensees.  Similar to the GCG's performance scorecard, PAGCOR rolled out a scorecard to its licensees to exercise its monitoring function which started in 2015. PAGCOR aims to implement the same to all licensees.
	<b>Sub-total</b>			<b>20%</b>				<b>20.00%</b>		<b>20.00%</b>		
INTERNAL PROCESS	SO 5	<b>Improve Products, Services and Operation Efficiency</b>										
	SM 6	Marketing Expense to Win Ratio	Marketing Expense / Total Winnings	10%	(Actual/Target) x Weight	≤10%	6.63%	10%	6.63%	10%	2016 COA Audited Financial Statements	The Marketing Expense and the Total Winnings for 2016 amounted to ₱1.47 Billion and ₱22.24 Billion, respectively, resulting to a 6.63% ratio. This is a decline from last year's 8.10% which then translates to a 18.15% improvement.
<b>Sub-total</b>				<b>10%</b>				<b>10.00%</b>		<b>10.00%</b>		



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LEARNING AND GROWTH	SO 6	Enhance Employee Competency and Motivation										
	SM 7	Develop Competency Framework	Actual Accomplishment	5%	(Actual/Target) x Weight	Competency Tables	Completed Competency Table for the following competencies:  5 Core 5 Organizational 5 Leadership 34 Technical	5%	Competency Tables for the following Competencies:  5 Core 5 Organizational 5 Leadership 34 Technical	5%	Competency Model (Competency Framework, Competency Catalogue, and Competency Tables)	In 2016, PAGCOR was able to complete the competency tables indicating the operational definition for each competency, identifying the behavioral indicators associated with the competency, and classifying the behavioral indicators into different levels, showing a progression of proficiency.
	SM 8	ISO 9001 Certification (Note: ISO-certified by 2016)	Actual Accomplishment	5%	All or Nothing	ISO Certification - All processes for 4 sites (3 corporate offices and 1 pilot branch)	ISO 9001:2008 Certification for All processes of 3 Corporate Offices and 1 Pilot Branch	5%	ISO Certification - All processes for 4 sites (3 corporate offices and 1 pilot branch)	5%	SGS ISO 9001:2008 Certification QMS Management Review Report	For 2016, the PAGCOR secured an ISO 9001:2008 Certification covering all processes while focusing on the following: Gaming Operations, Casino Licensing and Regulation and Corporate Social Responsibility. The sites covered are the PAGCOR House, PAGCOR Corporate, PAGCOR Annex and Casino Filipino Tagaytay. Per validation with SGS, the certifying body of PAGCOR, the audit that they conducted involved a holistic approach whereby all other processes were involved and included in their audit of the three (3) core processes.
			<b>Sub-total</b>	<b>10%</b>						<b>10.00%</b>		
		<b>TOTAL</b>	<b>100%</b>						<b>100%</b>			