

**NATIONAL DEVELOPMENT COMPANY  
2015 Performance Scorecard**

Performance Measure					NDC Submission			CGO-A Evaluation		Supporting Documents	Remarks	
Objectives/ Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating				
Social Impact	<b>SO 1</b>	<b>Increase value of strategic investment</b>										
	SM 1	Cumulative total value of projects preferably in agriculture and power	Actual Cumulative value of projects	15%	Actual Increase / Target Increase x Weight	₱2,737.00 M	₱2,712.50 M	14.87%	₱2,712.50 M	14.87%	<ul style="list-style-type: none"> <li>• Certification from NDC General Manager of the amount of investments added in CY 2015</li> <li>• Secretary's Certificate indicating the board approval of the projects on 09 December 2015</li> <li>• Supporting documents (Letter from DOE and DOJ Opinion) that justify that NDC may participate in power related ventures</li> </ul>	<ul style="list-style-type: none"> <li>• In CY 2015, additional investment of ₱1,448 Million consisted of the following:               <ul style="list-style-type: none"> <li>○ Tublay 1 and 2 Hydro Electric Projects; and</li> <li>○ Solar Energy with PNOC-Renewable Corporation.</li> </ul> </li> <li>• As discussed during the 2015 Performance Agreement Negotiation, NDC's undertaking of power-related ventures may violate the EPIRA. However, DOE, in its letter to NDC affirmed the position that there is no "legal impediment for NDC to participate as a minority shareholder in an SPV set up to engage in hydropower development" and that "said participation not being violated by EPIRA"</li> </ul>
	<b>SO 2</b>	<b>Enhance investment opportunities of stakeholders</b>										
SM 2	% of JV partners/proponents who rated NDC good or better as partner	Number of JV partners/proponents who rated NDC as good or better / Total number of JV partners/proponents surveyed	5%	Actual / Target x Weight	100%	100%	5.00%	100%	5.00%	<ul style="list-style-type: none"> <li>• Customer Satisfaction Evaluation Report submitted by the consultant to NDC</li> </ul>	<ul style="list-style-type: none"> <li>• Contact Asia Services Inc. conducted the Customer Satisfaction Survey.</li> <li>• The survey seeks to determine the level of satisfaction in terms of: (1) the accessibility of funds; and (2) the quality of NDC performance as an investment partner.</li> <li>• All 11 respondents interviewed</li> </ul>	

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Objectives/ Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating				
												consisting of Current Partners and Potential Partners rated NDC as good or better as a partner.
SM 3	% of investment funds in agriculture and power	Amount of investments in Agriculture and Power per annum / Total Amount of Investments per annum	15%	Actual / Target x Weight	70%	100%	15.00%	83%	15.00%	<ul style="list-style-type: none"> <li>• Certification from NDC General Manager of the amount of investments added in CY 2015</li> <li>• Secretary's Certificate indicating the board approval of the projects on 09 December 2015</li> </ul>	<ul style="list-style-type: none"> <li>• 2 power-related projects were approved in 2015</li> <li>• The measure refers to the level of investment in agriculture and power over the cumulative investment by end of the year. Therefore, the validated score is 83% wherein ₱2.2 Billion out of the cumulative total value of investment of ₱2.69 Billion (end of 2015) are in agriculture and power. Rating did not change since the score still exceeded the target</li> </ul>	
<b>Sub-total</b>			<b>35%</b>				<b>34.87%</b>		<b>34.87%</b>			
<b>SO 3</b>	<b>Sustain profitability</b>											
SM 4	Net profit margin	Net Income / Total Revenues	10%	Actual / Target x Weight	43.35%	94%	10.00%	94%	10.00%	<ul style="list-style-type: none"> <li>• Unaudited Income Statement</li> </ul>	<ul style="list-style-type: none"> <li>• Target is Net of Impairment loss</li> <li>• The 2015 accomplishment includes income from the transfer of shares in the Semirara Mining and Power Corporation to the National Government treated as "Income from Debt Extinguishment" Deducting the Income from Debt Extinguishment, NDC will only post a Net Profit Margin of 22.24%, below it's the target</li> </ul>	
<b>SO 4</b>	<b>Generate funds from asset management</b>											
SM 5	Sales proceeds for the year	Actual amount of sales proceed	5%	Actual / Target x Weight	₱73.50 M	₱4,639.07 M	5.00%	₱4,639.07 M	5.00%	<ul style="list-style-type: none"> <li>• Certification from NDC Finance and Admin Department</li> </ul>	<ul style="list-style-type: none"> <li>• Includes the transfer of Semirara shares to the National Government/Bureau of Treasury and the</li> </ul>	

Financial



Performance Measure					NDC Submission				CGO-A Evaluation		Supporting Documents	Remarks
Objectives/ Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating				
											<ul style="list-style-type: none"> <li>Copies of Official Receipts</li> </ul>	Privatization Management Office at a price of ₱126.90 per share amounting to ₱4,326.52 Million <ul style="list-style-type: none"> <li>It must be noted that during the renegotiation in CY 2015, NDC explained that the transaction may not be accomplished in CY 2015 and thus it was slid in CY 2016</li> <li>Without the sale of Semirara, NDC would have missed its target by 42%.</li> </ul>
SM 6	Lease income	Actual amount of lease income	5%	Actual / Target x Weight	₱176.00 M	₱120.44 M	3.42%	₱120.44 M	3.42%	<ul style="list-style-type: none"> <li>Certification from NDC Finance and Admin Department</li> <li>Copies of Official Receipts</li> </ul>	<ul style="list-style-type: none"> <li>New projected leases expected in 2015 did not materialize.</li> </ul>	
<b>SO 5</b>	<b>Optimize the economic value of portfolio investments</b>											
SM 7	Return on investments	Amount of Returns / Total Investment infused net of allowance for impairment and excluding companies for dissolution and pre-operating expenses	10%	Actual / Target x Weight	32.34%	19.43%	6.01%	19.43%	6.01%	<ul style="list-style-type: none"> <li>Summary of computation of ROI and amount of investments received</li> <li>Copies of Official receipts received by NDC from the Subsidiaries/ Affiliates</li> </ul>	<ul style="list-style-type: none"> <li>Lower dividends from BLCI and KRC while GYREI did not remit dividends in CY 2015</li> </ul>	
	<b>Sub-total</b>		<b>30%</b>				<b>24.43%</b>		<b>24.43%</b>			
<b>Core Process</b>	<b>SO 6</b>	<b>Strengthen investment management capability</b>										
	SM 8	% of funds released (internal or external source) for investment/	Funds release w/in TAT of not more than 2 weeks after completion of documentation	10%	Actual / Target x Weight	100%	100%	10.00%	100%	10.00%	<ul style="list-style-type: none"> <li>Certification from NDC Finance and Admin Department</li> <li>Disbursement Voucher</li> </ul>	<ul style="list-style-type: none"> <li>Includes three (3) projects: Tublay 1 and 2, FCIEI and Davao Food Exchange with total amount of ₱3.4 Million released</li> </ul>

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Objectives/ Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating			
	financing activities within TAT of not more than 2 weeks after completion of documentation	/ Total funds released after completion of documentation									
<b>SO 7</b>	<b>Forge partnerships with foreign and local groups for identified investment areas</b>										
SM 9	Average TAT for JV or partnership agreements for signing after approval of the NDC Board	No. of days for JV or partnership agreements to be signed after approval of all parties concerned	10%	Actual / Target x Weight	50 calendar days	14 calendar days	10.00%	14 calendar days	10.00%	<ul style="list-style-type: none"> <li>Secretary's Certificate on the amendments to the MOA between NDC and City Government of Davao</li> <li>Certification from NDC that the MOA was approved by the NDC Board on 05 March 2019</li> <li>Transmittal of signed MOA to Davao City Administrator dated 19 March 2019</li> </ul>	<ul style="list-style-type: none"> <li>Target TAT is lower than the target by 72%</li> <li>Only one MOA was executed in CY 2015</li> </ul>
	<i>Sub-total</i>		<b>20%</b>				<b>20.00%</b>		<b>20.00%</b>		
<b>SO 8</b>	<b>Build a high performing team culture</b>										
SM 10	PGS Certification	Milestone/s achieved	5%	All or Nothing	Passing the pre-audit assessment for proficiency	Passed	5.00%	Passed	5.00%	<ul style="list-style-type: none"> <li>Letter from Institute of Solidarity in Asia (ISA) informing NDC that it has been recommended to proceed to the Proficiency Revalida</li> <li>Final Report Validation for the Proficiency Stage of the Performance Governance System</li> </ul>	<ul style="list-style-type: none"> <li>The audit "validated the presence of a functional Corporate Planning Department that conducts regular and proper monitoring, reporting and review of enterprise strategy".</li> </ul>

Learning and Growth

Performance Measure					NDC Submission			CGO-A Evaluation		Supporting Documents	Remarks
Objectives/ Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating			
<b>SO 9</b>	<b>Integrate Support Process through Automation</b>										
SM 11	No. of functional automated systems	Absolute number	5%	Actual / Target x Weight	1	1	5.00%	1	5.00%	<ul style="list-style-type: none"> <li>• Certificate of Service/Project Completion</li> </ul>	<ul style="list-style-type: none"> <li>• NDC completed the automation of a Financial Management System by end of CY 2015</li> </ul>
<b>SO 10</b>	<b>Institutionalize the Quality Management System</b>										
SM 12	ISO Certification	Milestone/s achieved	5%	All or Nothing	Re-certification for the 4 core processes; certification for 2 processes	Re-certified and Certified Support Process	5.00%	Re-certified and Certified Support Process	5.00%	<ul style="list-style-type: none"> <li>• Certificate from TUV Rheiland</li> </ul>	<ul style="list-style-type: none"> <li>• NDC passed the surveillance audit in CY 2015 and retained its ISO Certification for the Provision of Equity Investment, Project Financing, Asset Management, Fund Management and Support Services</li> </ul>
	<b>Sub-total</b>		<b>15%</b>				<b>15.00%</b>		<b>15.00%</b>		
	<b>TOTAL</b>		<b>100%</b>				<b>93.87%</b>		<b>94.30%<sup>1</sup></b>		

<sup>1</sup> The CGO evaluated rating per measure is the same with NDC, however, we noted a difference in the Total Rating. For consistency, the CGO evaluated total rating was considered.