

**NATIONAL DEVELOPMENT COMPANY (NDC)
Performance Scorecard Evaluation**

	Component			Rating Scale	Target 2017	NDC		GCG Validation		Supporting Documents	GCG Remarks								
	Objective / Measure	Formula	Weight			Actual	Rating	Score	Rating										
SOCIAL IMPACT	SO 1 Increase Value of Strategic Investments in Priority Sectors																		
	SM 1	Increase Investment Funds in Priority Areas (Agriculture and Renewable Energy)	Amount of investments in priority areas per annum / Total amount of investments for the year	20%	Actual / Target x Weight	75%	-	-	-	0.00%	None	No reported accomplishment.							
	Sub-total			20%				0.00%		0.00%									
FINANCIAL	SO 2 Sustain Profitability																		
	SM 2	Net Profit Margin	Net income / Total revenues	15%	Actual / Target x Weight	45%	66.91%	15.00%	66.91%	15.00%	<ul style="list-style-type: none"> • Computation of Net Profit Margin • COA Annual Audit Report for 2017 	<p>GCG validation was made using the details in the COA Annual Audit Report, which resulted in the following:</p> <table border="1"> <thead> <tr> <th>Particulars</th> <th>Amount in ₱ Billions</th> </tr> </thead> <tbody> <tr> <td>Net Income</td> <td>2.36</td> </tr> <tr> <td>Total Revenues</td> <td>3.53</td> </tr> <tr> <td>Net Profit Margin</td> <td>66.91%</td> </tr> </tbody> </table> <p>As shown above, the GCG arrived at the same net profit margin of 66.91%. NDC exceeded the target.</p>	Particulars	Amount in ₱ Billions	Net Income	2.36	Total Revenues	3.53	Net Profit Margin
Particulars	Amount in ₱ Billions																		
Net Income	2.36																		
Total Revenues	3.53																		
Net Profit Margin	66.91%																		

Validation Result of 2017 Performance Scorecard (Annex A)

Component		Rating Scale	Target 2017	NDC		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula			Weight	Actual	Rating	Score			Rating
SO 3 Generate Funds from Asset Management										
SM 3	Sales Proceeds for the Year	Actual amount of sales proceeds	5%	Actual / Target x Weight	₱8.7 Million	₱4.704 Million	2.70%	₱4.690 Million	2.70%	<ul style="list-style-type: none"> • Summary of Proceeds from Sale of Properties • Cash Receipt Entries • NDC Official Receipts <p>The GCG-validated actual accomplishment excluded the sales proceeds amounting to ₱14,410.32, due to the absence of supporting documents. Despite the adjustment in actual accomplishment, the rating remained at 2.70%.</p>
SM 4	Lease Income	Actual amount of lease income	5%	Actual / Target x Weight	₱150 Million	₱167.74 Million	5.00%	₱150.37 Million	5.00%	<ul style="list-style-type: none"> • Monthly and Annual Summary of Collections from Rental • Cash Receipt Entries • NDC Official Receipts <p>NDC exceeded the target. Note, however, that the GCG-validated actual accomplishment excluded the collections with no supporting documents, such as Official Receipts and Cash Receipt Entries, specifically for seven (7) tenants amounting to ₱17.36 Million.</p>
SO 4 Optimize the Economic Value of Portfolio Investments										
SM 5	Return on Investments	Amount of returns / Total investment infused net of allowance for impairment and excluding companies for	10%	Actual / Target x Weight	33%	31.12%	9.00%	Insufficient Supporting Document	0.00%	<ul style="list-style-type: none"> • Report on Return on Investment and Dividends Received • Journal Voucher • Cash Receipt Entries <p>NDC's computation was based on the total dividend income of ₱219.61 Million over net investments of ₱705.64 Million. As regards dividends, the GCG adapted the total dividend received as reported in the COA audited statement of cash flows amounting to ₱217.84 Million. Comparing it with the reported dividend income, it was noted that there was a variance amounting to ₱1.77</p>

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Objective / Measure	Formula			Weight	2017	Actual	Rating			Score	Rating	
	dissolution and pre-operating expenses							<ul style="list-style-type: none"> Official Receipts Breakdown of Net Investments 2017 COA Annual Audit Report 	Million which was equivalent to the gain on the sale of stocks as part of the liquidating dividend received from PNB Venture Capital Corporation. However, the GCG cannot objectively validate the reported net investments since only the breakdown of investments was provided by NDC but without additional supporting documents relating to the amounts presented. Further, upon comparing the submitted breakdown of investments with the 2017 audited financial statements, it was found that the values for some investments do not tally with the book value per audited financial statements. As such, no score was given for the reported accomplishment.			
Sub-total		35%			32.13%		22.70%					
STAKEHOLDERS	SO 5 Enhance Investment Opportunities of Stakeholders											
	SM 6	Percent of Stakeholders Who Rated NDC as Good or Better	Number of stakeholders who rated NDC good or better as a partner / Total number of stakeholders surveyed	5%	All or nothing	100%	100.0%	5.00%	100%	5.00%	<ul style="list-style-type: none"> Final Report on NDC 2017 Stakeholder Satisfaction Evaluation 	Reported accomplishment is acceptable.
	Sub-total		5%			5.00%		5.00%				

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INTERNAL PROCESS	SO 6 Strengthen Investment Management Capacity										
	SM 7	Increase the Utilization Rate of Budgeted Investment Funds for Board-Approved Projects	Amount utilized for the year / Amount budgeted for the year	15%	100%	-	-	-	0.00%	None	No reported accomplishment.
INTERNAL PROCESS	SO 7 Forge Partnerships with Foreign and Local Groups for Various Investment Areas										
	SM 8	Percentage of Agreements Signed After Compliance with all the Legal Requirements of Both Parties within the Applicable Time	Request processed within 15 working days / Total number of requests	10%	100%	-	-	-	0.00%	None	No reported accomplishment.
	Sub-total		25%				0.00%		0.00%		
LEARNING AND GROWTH	SO 8 Build a High Performing Team Culture										
	SM 9	Implementation of a Knowledge Management Information System	-	5%	All or nothing	100% of the Deliverables accomplished based on the Terms of Reference	100% Deliverables	5.00%	Insufficient Supporting Document	0.00%	• Completion Certificate

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SM 10	Establishment of a Competency Model	Baseline of the competency model established	5%	All or nothing	Establish Baseline	Approved Baseline	5.00%	Competency Assessment was finalized in 2018	0.00%	<ul style="list-style-type: none"> NDC Summary of Competency Assessment Employee Competency Assessment as of 31 March 2018 NDC Competency Standards / Position Profiles 	Assessment forms showed that the assessment was conducted in 2018. Moreover, assessment forms were based on employees' self-rating and was not validated or assessed by the immediate supervisor as evidenced by the lack of signature.
Sub-total		10%					10.00%		0.00%		
SO 9 Institutionalize the Quality Management System											
SM 11	ISO 9001:2015 Certification	ISO 9001:2015 Certification	5.00%	All or nothing	ISO 9001:2015 Certification	ISO 9001:2015 Certified	5.00%	ISO 9001:2015 Certified	5.00%	<ul style="list-style-type: none"> ISO 9001:2015 Certificate 	Acceptable.
Sub-total		5%					5.00%		5.00%		
TOTAL		100%					51.70%		32.70%		