

PHILIPPINE AMUSEMENT AND GAMING CORPORATION (PAGCOR)
Result of Revalidation of 2019 Performance Scorecard

	Component				PAGCOR Submission ¹			GCG Validation		Supporting Documents	GCG Remarks	
	Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
SOCIAL IMPACT	SO 1	Increase Contribution to National Government Coffers and Nation-Building Efforts										
	SM 1	Increase Total Contributions to the National Government ²	(2019 actual remittance – 2018 actual remittance) / 2018 actual remittance	25%	19% and above = 25% 10% to 18.99% = 20% Equal to or below 2018 actual = 0%	2018 Actual + 19% Increase	₱72.22 Billion	24.51%	2018 Actual + 19% Increase	25%	Details of Contributions to Nation-Building Official Receipt Check Voucher Accounts Payable Voucher Checks Issued COA Audited Financial Statements	Request _____ for reconsideration _____ is APPROVED.
	SO 2	Increase Gross Gaming Revenue (GGR) of the Industry										
	SM 2	Increase Total Industry Gross Gaming Revenue ³	(2019 GGR – 2018 GGR) / 2018 GGR	25%	17% increase and above = 25%	2018 actual + 17% increase	₱256.49 Billion	25%	2018 actual + 22% increase	25%	Monthly Computation of GGR	Target exceeded. The validated GGR for 2019 is ₱250.76 Billion.

¹ Per PAGCOR's Interim PES 3 Form submitted on 25 August 2020.

² Contributions to National Government = 50% NG share + Dangerous Drugs Board + 5% PSC Share + Host Cities' Share + 1% Board of Claims' Share + Mandated Contributions to NG – Others + Early Childhood Care and Development + Socio-Civic Projects (institutional) + Dividends + 5% Franchise Tax

³ Gross Gaming Revenue also referred to as Casino Gross Revenue as defined by PAGCOR based on its regulatory manuals. Includes revenues from licensee and PAGCOR casinos (table games, slot machines, Bingo [traditional and e-bingo, PeGS/Instawin], and offshore gaming but excludes regulatory fees/license fees paid to PAGCOR.

Revalidation Result of the 2019 Performance Scorecard (Annex A)

Component			PAGCOR Submission ¹			GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
			15% to 16.99% = 20% 12% to 14.99% = 15% 10% to 11.99% = 10% Equal to or below 2018 actual = 0%						Summary of Table Games and Slot Machine Winnings Official Receipt, Check, Check Voucher corresponding to proponent's share Random sampling of Official Receipts, Billing Statements, GGR Income Summary Reports of PAGCOR Licensees ⁴ Provisional Licenses	It should be noted that while the closure of Suncity operations (one of PAGCOR's junket operators) affected the casino operations of selected licensees, three (3) new licensees were registered in 2019 which contributed ₱2.34 Billion GGR. Of equal importance to note is the use of actual performance from 2012-2017 in the determination of 2019 target. The 6-year data presents fluctuations due to various market factors domestic and international, by using the same, the effects of the slowdown in the market and its resulting income loss and contributions of new entrants were already considered in the computation of the target. In line with this, the initial target of +17% is hereby RETAINED .
Sub-total		50%				49.51%		50%		

⁴ Resorts World Manila (September), Solaire (August), City of Dreams (February), Okada Manila (December), Eastbay (May), Poro Point (July), Widus (January), Midori (March), Royce (April), Fortunegate (June), Fontana (November), D'Heights (October). The sampling ensured that all the months and all the licensed casinos were represented.

Revalidation Result of the 2019 Performance Scorecard (Annex A)

		Component			PAGCOR Submission ¹			GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
FINANCIAL	SO 3	Increase Revenue of PAGCOR										
	SM 3	Increase Net Operating Income Margin (per COA Revised Chart of Accounts)	Net Operating Income / Total Income	20%	(Actual / Target) x Weight 0% = If less than 69%	75%	82.12%	20%	75.91%	20%	COA Audited Financial Statements	Target exceeded. The GCG-validated NOI margin was computed using the COA Audited FS showing a total income of ₱81.97 Billion and total operating expenses amounting to ₱19.75 Billion.
	Sub-total		20%				20%		20%			
STAKEHOLDERS	SO 4	Ensure a Conducive Business Environment within a Level Playing Field										
	SM 4	Percentage of Satisfied Customers/Stake holders	Total Number of Respondents who gave at least Satisfactory rating / Total Number of Respondents	10%	(Actual / Target) x Weight If less than 80% = 0%	90%	96.25%	10%	<u>96.25%</u>	<u>10%</u>	Customer Satisfaction Survey Report Sample accomplished survey forms Certification from the Third-Party Consultant Data Quality Control Report List of Licensees as of 01 October 2020	Request for reconsideration is <u>APPROVED.</u>

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Revalidation Result of the 2019 Performance Scorecard (Annex A)

Objective/Measure		Component			PAGCOR Submission ¹			GCG Validation		Supporting Documents	GCG Remarks	
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
										<u>Letter Correspondences from PAGCOR and the Third-Party Consultant Confirming that Generation and Interpretation of Survey Results were Conducted by the Third-Party</u>		
Sub-total			10%				10%		10%			
INTERNAL PROCESS	SO 5 Improve Products, Services and Operational Efficiency											
	SM 5	Improve Marketing Expense to Win Ratio	Marketing Expense / Total Winnings	10%	All or Nothing	≤10%	5.55%	10%	5.55%	10%	2019 COA Audited FS Summary of Table Games and Slot Machine Winnings Trial Balance as of 31 December 2019	Target met. The validated accomplishment was computed based on marketing expense equal to ₱1.38 Billion and total winnings of ₱24.88 Billion.
	Sub-total			10%				10%		10%		

Revalidation Result of the 2019 Performance Scorecard (Annex A)

		Component			PAGCOR Submission ¹			GCG Validation		Supporting Documents	GCG Remarks	
		Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual			Rating
LEARNING AND GROWTH	SO 6	Enhance Employee Competency and Motivation										
	SM 6	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Assessment of 100% employees to determine competency level and competency gaps	Completed establishment of competency baseline; and Identification and Summary of Competency Gaps for all employees/ employee groups	5%	100% of employees assessed to determine competency level and competency gaps	5%	Competency Assessment Report Competency Assessment Results of the Employees per Group, Branch and Satellite Offices Justification on Variance between Number of Assessed Employees and Personnel Complement as of 31 December 2019	Target met. The number of assessed employees was based on PAGCOR's employee count as of 04 November 2019.
	SM 7	Attain ISO 9001:2015 Recertification	Actual Accomplishment	5%	All or Nothing	ISO 9001:2015 Re-certification	As attested by the Certifying Body, PAGCOR has been recommended for re-certification to	5%	ISO 9001:2015 Recertified ⁵	5%	ISO 9001:2015 Certificate issued by SOCOTEC Certification	Target met.

⁵ PAGCOR Executive Office in Malate, Manila, PAGCOR Corporate Annex Office in Ermita, Manila, Casino Filipino Tagaytay, Casino Filipino Angeles, and Citystate Satellite, Citystate Tower Hotel



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			Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
							ISO 9001:2015 as of 23 December 2019				Philippines, Inc.	
							The ISO 9001:2015 recertification was formally issued to PAGCOR on 10 January 2020				Attestation issued by SOCOTEC Certification Philippines, Inc.	
			<i>Sub-total</i>	10%				<i>10%</i>		<i>10%</i>		
			TOTAL	100%				99.51%		<u>100%</u>		