



05 July 2021

MR. RAMON R. LOPEZ

*Secretary, Department of Trade and Industry
and NDC Chairperson*

MS. MA. LOURDES F. REBUENO

General Manager (GM)

NATIONAL DEVELOPMENT COMPANY (NDC)

*NDC Building, 115 Tordesillas Street, Salcedo Village
Makati City, Philippines*

RE : TRANSMITTAL OF 2021 PERFORMANCE SCORECARD

Dear Secretary Lopez and GM Rebueno,

This is to formally transmit the 2021 Charter Statement and Strategy Map (**Annex A**) and 2021 Performance Scorecard (**Annex B**) of NDC.

The NDC proposed Charter Statement, Strategy Map and Performance Scorecard submitted through its letter dated 30 September 2020¹ was **MODIFIED** based on the discussions made during the Technical Panel Meeting (TPM) held on 10 December 2020 and evaluation of submissions and revised documents submitted through NDC's letter dated 04 January 2021.²

We take this opportunity to **REMIND** NDC that Item 5 of GCG Memorandum Circular (M.C.) No. 2017-02³ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same in the GOCC's website within thirty (30) calendar days from the close of each quarter. NDC is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of the 2nd Quarter Monitoring Report for 2021.

Finally, under GCG M.C. No. 2017-02, GOCCs can no longer renegotiate the targets set in their Performance Scorecards for the current year. Thus, any request for modification in the 2021 Performance Scorecard will instead be considered during the validation of the reported annual accomplishments.

FOR NDC'S INFORMATION AND COMPLIANCE.

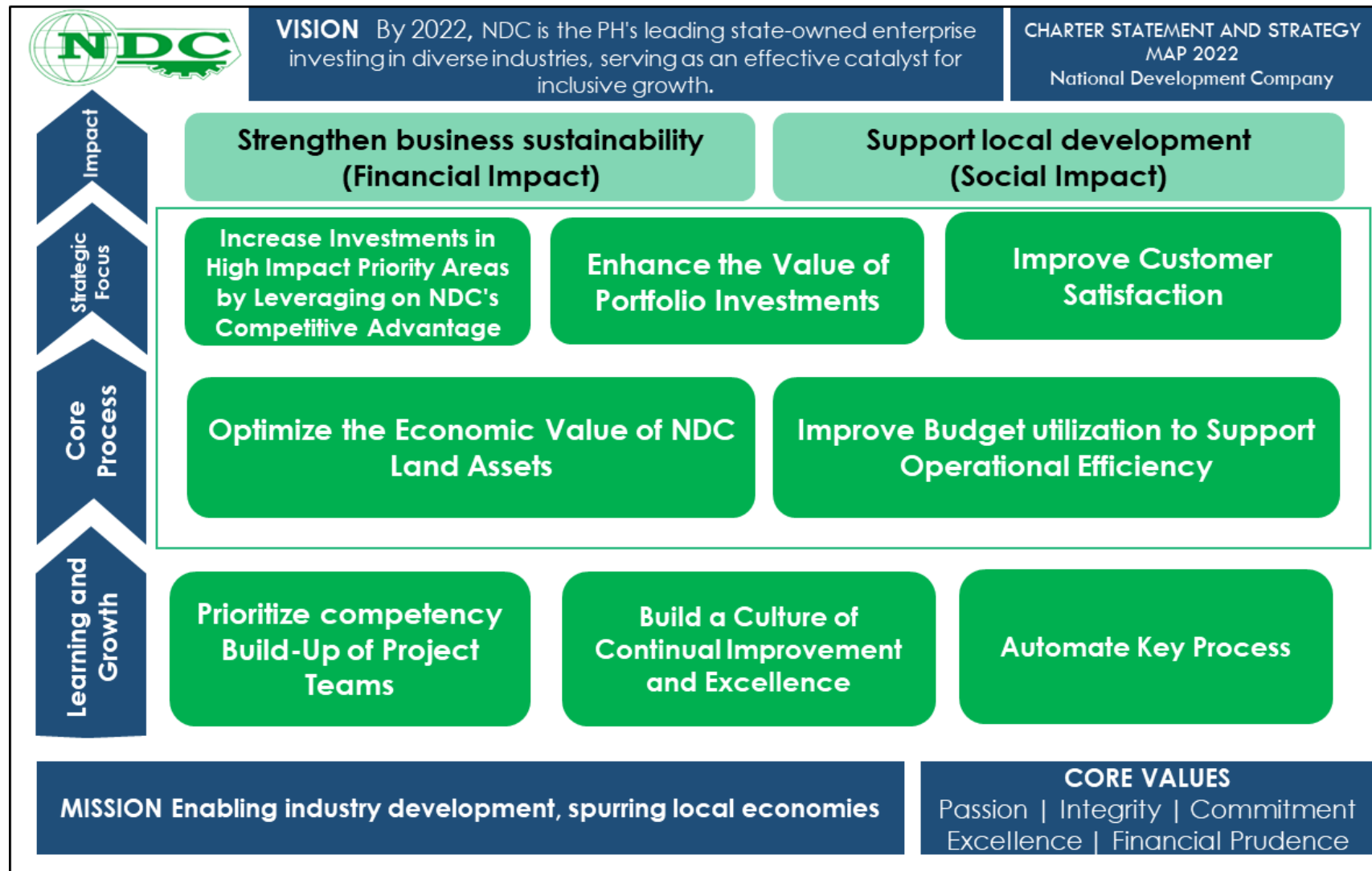
Very truly yours,

¹ Officially received by the Governance Commission on 01 October 2020.

² Officially received by the Governance Commission on 06 January 2021.

³ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

NATIONAL DEVELOPMENT COMPANY (NDC)



NATIONAL DEVELOPMENT COMPANY (NDC)

Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating Scale	2018	2019	2020 ¹	2021		
IMPACT	SO 1	Strengthen Business Sustainability (Financial Impact)							
	SM 1	Return on Equity (ROE)	Income Before Tax (net of extraordinary income) / Stockholder's Equity Adjusted (net of extraordinary income)	25%	(Actual/Target) x Weight	19.23%	27.81%	4.19%	21.89% ²
	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	5%	(Actual/Target) x Weight <i>0% = if less than the 2020 Actual</i>	523	2018 Actual: 523 + 178 new jobs = 701	2019 Actual + 50 new jobs	2020 Actual + 50 new jobs
		Sub-total	30%						

¹ Based on the Recalibrated 2020 Performance Scorecard

² Based on the Secretary's Certificate issued for the approval of 2021 PES documents of NDC.

Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating Scale	2018	2019	2020 ¹	2021		
STRATEGIC FOCUS	SO 3	Increase Investments in High Impact Priority Areas by Leveraging on NDC's Competitive Advantage							
	SM 3	Cumulative Value of Investments	Amount of Investments in High Impact Priority Areas as approved by the NDC Board	15%	(Actual/Target) x Weight 0% = if less than the 2020 Actual	₱3.80 Billion	₱8.42 Billion	N/A ³	2020 Actual + ₱500 Million
	SO 4	Enhance the Value of Portfolio Investments							
	SM 4	Return on Investments	Amount of Dividends Received ⁴ / Total Investments Excluding Companies for Dissolution and Pre-Operating Companies	10%	(Actual/Target) x Weight	4.21%	2.44%	6.78%	3.79%
	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 lower than 80%	100%	Report not acceptable	100%	100%
		Sub-total	30%						

³ Different formula for 2020.

⁴ Including dividend remittance of NDC's subsidiaries to the National Government.

Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating Scale	2018	2019	2020 ¹	2021		
CORE PROCESS	SO 6	Optimize the Economic Value of NDC Land Assets							
	SM 6	Income from Asset Management	Amount of Lease Income and Sales Proceeds Collected	15%	(Actual/Target) x Weight	N/A	₱227.56 Million	₱190.16 Million	₱3,041.71 Million ⁵
	SO 7	Improve Budget Utilization to Support Operational Efficiency							
	SM 7	Budget Utilization Rate	Total Amount of Cash Disbursements / Total Budget for the Year	10%	92% - 100% = 10% 80% - 91% = 5% Less than 80% = 0% More than 100% = 0%	91%	95%	> 91%	> 91%
			Sub-total	25%					
LEARNING AND GROWTH	SO 8	Prioritize Competency Build-Up of Project Teams							
	SM 8	Improvement in the Competency Level of the Organization	Competency Baseline ⁶ 2021 – Competency Baseline 2020	5%	All or Nothing	100% increase from baseline (38% of employees met the required competencies)	<u>Unverifiable</u>	Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization

⁵ Based on the Secretary’s Certificate issued for the approval of 2021 PES documents of NDC.

⁶ Improvement in the competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

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

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

Component					Baseline Data		Target	
Objective/Measure	Formula	Weight	Rating Scale	2018	2019	2020 ¹	2021	
SO 9	Build a Culture of Continual Improvement and Excellence							
SM 9	ISO Certification	Actual Accomplishment	5%	All or Nothing	Maintained ISO 9001:2015 Certification	ISO 9001:2015 Certification Maintained	Recertification to ISO 9001:2015 Standards	ISO 9001:2015 Certification Maintained
SO 10	Automate Key Process							
SM 10	Information Technology Systems Implemented	Number of projects completed based on the deliverables per ISSP / Total number of 2021 deliverables per 2020 – 2022 ISSP submitted to DICT	5%	(Actual/Target) x Weight	N/A	1. Financial Management System submitted for BIR's accreditation and 2. No Board-Approved ISSP 2020-2022 was Submitted to DICT	100% Completion of the 2020 ISSP Deliverables as submitted to DICT	100% Completion of the 2021 ISSP Deliverables as submitted to DICT
		Sub-total	15%					
		TOTAL	100%					