



Office of the President of the Philippines
GOVERNANCE COMMISSION
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



10 June 2021

MS. ANDREA D. DOMINGO

Chairperson and CEO

MR. ALFREDO C. LIM

President and COO (PCOO)

**PHILIPPINE AMUSEMENT AND GAMING
CORPORATION (PAGCOR)**

1330 PAGCOR House, Roxas Boulevard,
Ermita, Manila

**RE : REVALIDATION OF THE 2019
PERFORMANCE SCORECARD OF PAGCOR**

Dear Chairperson and CEO Domingo and PCOO Lim,

We refer to the letter of PAGCOR dated 28 January 2021¹, requesting for reconsideration of the following Strategic Measures (SMs) under the validated 2019 Performance Scorecard:

- **SM 1:** *Increase Total Contributions to the National Government;* and
- **SM 4:** *Percentage of Satisfied Customers/Stakeholders.*

Under the initial GCG-validated 2019 Performance Scorecard, PAGCOR garnered a total score of 85%. However, based on the re-evaluation of the Governance Commission on PAGCOR's justifications and additional supporting documents relative to its request for reconsideration, the validated score of PAGCOR's 2019 Performance Scorecard of 85% is hereby **INCREASED** to **100%**. The review and evaluation of the documents submitted are reflected in the in the "*Result of Revalidation of 2019 Performance Scorecard*" attached as **Annex A**. The same is to be posted in PAGCOR's website, in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.²

Further, the GCG formally transmits the Result of the Validation of Good Governance Conditions (GGCs), Support to Operations (STOs), General Administration and Support Services (GASS) and Other Cross-Cutting Requirements provided by the Inter-Agency Task Force (IATF) of the Harmonization of National Government Performance Monitoring, Information and Reporting Systems (**Annex B**) wherein the PAGCOR was identified as one of the eligible GOCCs to grant the 2019 Performance Based Bonus (PBB) to its eligible officers and employees.

In relation to the grant of 2019 Performance Based Bonus (PBB) to eligible officers and employees, PAGCOR can grant such incentive only upon receipt of confirmation letter from the Governance Commission. In this regard, the Board is reminded that any unilateral action to release the PBB will be considered as a violation

¹ Officially received by the Governance Commission on 04 February 2021.

² Code of Corporate Governance for GOCCs, dated 28 November 2012.

of the Board's fiduciary duty to protect the assets of the GOCC as provided under Section 19 of Republic Act No. 10149³.

FOR PAGCOR'S INFORMATION AND GUIDANCE.

Very truly yours,

cc: COA Resident Auditor - PAGCOR

³ GOCC Governance Act of 2011.

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	<u>Request for reconsideration is APPROVED.</u>

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				
										<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



**INTER-AGENCY TASK FORCE ON THE HARMONIZATION OF
NATIONAL GOVERNMENT PERFORMANCE MONITORING, INFORMATION AND REPORTING SYSTEMS**
(Administrative Order No. 25 S. 2011)

Annex A

Summary of GOCCs under R.A. 10149 that may be Eligible for the grant of FY 2019 PBB

Compliant to all Requirements
1. Development Bank of the Philippines
2. Land Bank of the Philippines
3. LBP Insurance Brokerage, Inc.
4. National Development Company
5. National Home Mortgage Finance Corporation
6. Philippine Deposit Insurance Corporation
7. Small Business Corporation
8. Occupational Safety and Health Center
9. Government Service Insurance System
10. Clark Development Corporation
11. John Hay Management Corporation
12. Development Academy of the Philippines
13. Philippine Amusement and Gaming Corporation
14. National Electrification Administration
15. National Transmission Corporation
16. Philippine National Oil Company
17. Power Sector Assets and Liabilities Management Corporation
18. PNOG Exploration Corporation
19. Mactan-Cebu international Airport Authority
20. Metropolitan Waterworks and Sewerage System – CO

Note: May be eligible provided the GOCCs meet the other criteria of GCG.

Non-Compliant to one (1) Requirement	Condition
1. Philippine Crop Insurance Corporation	APP non-CSE
2. Employees Compensation Commission	APP non-CSE
3. Social Security System	Sustained Compliance to Audit Findings
4. Center for International Trade Expositions and Missions	APP non-CSE
5. Bases Conversion Development Authority	APP non-CSE, APCPI
6. Poro Point Management Corporation	APP non-CSE
7. Philippine Retirement Authority	APP non-CSE
8. National Power Corporation	PhilGEPS posting
9. Philippine Fisheries Development Authority	APP non-CSE, EPA
10. Cebu Port Authority	APP non-CSE
11. Local Water Utilities Administration	APP non-CSE, Indicative APP non-CSE, EPA
12. Metropolitan Waterworks and Sewerage System – RO	APCPI
13. Philippine Ports Authority	APP non-CSE, APCPI

Note: May be eligible provided the GOCCs meet the other criteria of GCG and must isolate individual/unit most responsible for not meeting the deficient condition.