

NATIONAL HOME MORTGAGE FINANCE CORPORATION

Component										
Objectives/Measures		Formula	Weight	Rating Scale	Baseline			Target		
					2012	2013	2014	2015	2016	
SOCIAL IMPACT	SO 1	Contributing to the Reduction of the Housing Backlog by Sustaining the Liquidity of the Housing Sector through the Strengthening of the Secondary Mortgage Market								
	SM 1	Value of funds provided to originators to be recycled to housing thru securitization	Absolute value of funds provided to originators to be recycled to housing thru securitization	20%	(Actual/Target) x Weight	₱ 1.163 Billion	₱ 0.940 Billion	₱ 1.00 Billion	₱ 1.00 Billion	₱ 1.50 Billion
				20%						
FINANCE	SO 2	Maintenance of the Profitability of NHMFC operations								
	SM 2	EBITDA Margin	Earnings before Interest, Taxes, Depreciation and Amortization (EBITDA) / Total Revenues (excluding subsidy) (*Note: 2016 Target is 33% if CPCS is not approved in 2016)	10%	(Actual/Target) x Weight	58%	37%	33%	30%	30%*

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FINANCE	SO 3	Improvement of Collection to Meet the Obligations of the Corporation								
	SM 3	Collection Efficiency	Total actual collections during the year (Total Collectibles due for the year)	10%	(Actual/Target) x Weight	91%	91%	91%	92%	97%
	SO 4	Disposition of Acquired Assets/Non-Performing Loans (NPL)								
	SM 4	NPL Ratio	Non-performing loans/Total Loan Portfolio	10%	(Actual/Target) x Weight	77%	74%	71%	N/A	70%
				30%						
STAKEHOLDERS	SO 5	Provide Originators with Innovative and Competitive Products and Services								
	SM 5	Satisfaction rating from the borrowers/buyers	Based on 3 rd party rating	10%	(Actual/Target) x Weight (Note: Rating system floor is set at 90%)	N/A	94%		Satisfactory	95%
	SM 6	Number of new products rolled-out and fully subscribed or new services meeting target income	Absolute	5%	All or nothing	N/A	N/A	N/A	at least 2	at least 2 (Reverse Mortgage and Socialized Housing Program)

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										rolled out and fully subscribed)
STAKEHOLDERS	SM 7	Number of new, creative and innovative products/services/projects/ programs acted upon by the Board	Absolute	5%	All or nothing	At least 1 (retail bonds)	At least 2 (CMP Bonds, CTS Bonds)	At least 3 Socialized Housing Program, e-Payment System, and Financial Advisor as Program Manager	at least 2	at least 2
				20%						
INTERNAL PROCESS	SO 6	Streamline Policies and Procedures for Core Processes								
	SM 8	Turnaround time for provision of housing finance from receipt of complete documents	Sum of days to process applications from receipt of complete documents	10%	$[1 - (\text{Actual} - \text{Target} / \text{Target})] \times \text{Weight}$	N/A	N/A	-	30 working days	Average of 25 working days and not exceeding 30 working days
				10%						

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LEARNING AND GROWTH	SO 7	Quality public service of NHMFC employees by enhancing their competencies								
	SM 9	Competency Framework	Improvement from baseline in targeted competencies to be set by 1Q of 2016	5%	(Actual/Target) x Weight	N/A	45%	60%	Establish Competency Framework	Result of the baseline assessment; Integration in HR policies
	SO 8	Develop an ISO 9001:2008 Quality Management System								
	SM 10	ISO Certification for all processes	Absolute	10%	All or nothing	1 (Rizal Counseling)	Extended Counseling for Luzon, Rizal, and NCR	Custodianship and Foreclosure	Completed documenting the QMS (all processes)	ISO Certification for all processes
	SO 9	An Effective and Efficient IT-Supported Systems and Procedures								
	SM 11	Percentage completion of the ISSP	% Completion of the ISSP	5%	All or nothing		N/A	N/A	60%	100%
			20%							
			100%							