

**NATIONAL HOME MORTGAGE FINANCE CORPORATION (NHMFC)
2016 Performance Scorecard Evaluation**

| | Objective/Measure | Component | | | NHMFC Submission | | | GCG Evaluation | | Supporting Documents | GCG Remarks | |
|---------------|-------------------|--|--|---------------|----------------------------|---|----------------|----------------|----------------|----------------------|--|--|
| | | Formula | Weight | Rating System | Target | Actual | Rating | Score | Rating | | | |
| 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 | ₱1.50 Billion | ₱1.005 Billion | 13.40% | ₱1.005 Billion | 13.40% | <ul style="list-style-type: none"> • Purchased Accounts under the Housing Loan Receivables Purchase Program (HLRPP) Credit Committee • List of Originators per Type of Account/ Project • Copies of Contracts signed by the Originators | In 2016, NHMFC was able to purchase ₱1.005 Billion worth of receivables under the HLRPP. It is an increase of 41.95% compared to actual accomplishment of ₱708 Million in 2015. |
| | | | Sub-total | 20.00% | | | | 13.40% | | 13.40% | | |
| 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) | 10.00% | (Actual / Target) x Weight | 30%* *Note: 2016 Target is 33% if CPCS is not approved in 2016 | 34% | 10.00% | 32.57% | 9.87% | <ul style="list-style-type: none"> • COA Audited Financial Statement • EBITDA Margin Computation | As agreed during the 2016 Performance Agreement Negotiation (PAN), the target is 33% should the CPCS be not implemented in 2016. Based on the submitted interim performance scorecard of the NHMFC, the accomplishment for 2016 is 34%; however, the supporting document submitted states that the EBITDA Margin for 2016 is 33.16%. Per the validation |

| Objective/Measure | Component | | Rating System | Target | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks | |
|--|-----------------------|--|---------------|----------------------------|------------------|--------|----------------|--------|----------------------|---|--|
| | Formula | Weight | | | Actual | Rating | Score | Rating | | | |
| | | | | | | | | | | of the Governance Commission using the Audited Financial Statement from the Commission on Audit (COA), the EBITDA Margin of NHMFC is 32.57%, hence the revision of the score. | |
| 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) | 10.00% | (Actual / Target) x Weight | 97% | 97% | 10.00% | 82% | 8.45% | <ul style="list-style-type: none"> Collection Efficiency Report COA Audited Financial Report 5-Year Collection Target (2013-2017) | <p>Based on the five-year collection target, the NHMFC should collect at least P2.28 Billion from its borrowers. As stated in the 2016 COA Audited Statement of Cash Flows, the NHMFC was able to collect P1.88 Billion from its borrowers.</p> <p>The discrepancy on the actual accomplishment is due to the different considerations made to assess the accomplishment. The submitted accomplishment of NHMFC is based on the cumulative billings and collections. As of 31 December 2016, the total billings of NHMFC is at P7.21 Billion and the total collection made is at P6.98 Billion. On the other hand, the validation of the Governance Commission is based on the collection made for the year.</p> |
| SO 4 Disposition of Acquired Assets / Non-Performing Loans (NPL) | | | | | | | | | | | |

| | | Component | | | NHMFC Submission | | | GCG Evaluation | | Supporting Documents | GCG Remarks | |
|---|-----------|--|---------------------------|--|---|--------|---------------|----------------|---|---|--|--|
| Objective/Measure | Formula | Weight | Rating System | Target | Actual | Rating | Score | Rating | | | | |
| SM 4 | NPL Ratio | Non-Performing Loans / Total Loan Portfolio | 10.00% | (1- ((Actual-Target)/Target)) x Weight | 70% | 72% | 9.67% | 75% | 9.29% | <ul style="list-style-type: none"> COA Audited Financial Statement NPL Computation Report | Based on the submitted performance scorecard of the NHMFC, the accomplishment for 2016 is 72%; however, the supporting document submitted states 75%. Per the validation of the Governance Commission, the NPL ratio is 75%. This is based on the COA Audited Financial Statement. | |
| | | Sub-total | 30.00% | | | | 29.67% | | 27.61% | | | |
| SO 5 Provide Originators with Innovative and Competitive Products and Services | | | | | | | | | | | | |
| STAKEHOLDERS | SM 5 | Satisfaction Rating from the Borrowers/ Buyers | Based on 3rd Party Rating | 10.00% | (Actual / Target) x Weight (Note: Rating System floor is set at 90%) | 95% | 99% | 10.00% | Conducted satisfaction survey internally with a rating of 99.13% Overall Satisfaction | 0.00% | <ul style="list-style-type: none"> Answered Questionnaire Total Satisfactory Survey | Based on the transmitted and signed 2016 Performance Agreement, the customer satisfaction survey should be conducted by a <i>third-party consultant</i> . However, the customer satisfaction survey has been conducted internally. As such, a rating of zero was given to NHMFC. |
| | | | | | | | | | | | | |

1-

| Objective/Measure | | | Component | | | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks |
|-------------------|--|----------|---------------|----------------|--|--|-------|--|----------------------|--|--|
| Objective/Measure | Formula | Weight | Rating System | Target | Actual | Rating | Score | Rating | Supporting Documents | GCG Remarks | |
| SM 6 | Number of new products rolled-out and fully subscribed or new services meeting target income | Absolute | 5.00% | All or Nothing | At least 2 (Reverse Mortgage and Socialized Housing Program rolled out and fully subscribed) | <ul style="list-style-type: none"> • MABUHAY - (Reverse Mortgage Program) • SHeLTeR (Socialized Housing Program) | 5.00% | <ul style="list-style-type: none"> • MABUHAY - (Reverse Mortgage Program) • SHeLTeR (Socialized Housing Program) | 5.00% | <ul style="list-style-type: none"> • Office Order No. 2413 for the MABUHAY Program • Office Order No.003 for the Amended Implementing Rules and Regulations of the SHeLTeR Program | <p>For 2016, the NHMFC was able to implement two projects, namely, MABUHAY - Maginhawang Buhay dahil sa baHAY (Reverse Mortgage Program) and SHeLTeR - Socialized Housing Loan Take-out of Receivables (Socialized Housing Program). The MABUHAY - Maginhawang Buhay dahil sa baHAY (Reverse Mortgage Program) allows senior citizen homeowners to convert a portion of their home equity to cash. The senior citizen homeowners may receive a maximum loan of 60% of the appraised value of the property and the loan term will be based on difference between the borrower's age and the life expectancy released by the Philippine Statistics Authority (PSA). On the other hand, the SHeLTeR - Socialized Housing Loan Take-out of Receivables (Socialized Housing Program), which was rolled out in the second quarter of 2016, aims to offer liquidity facility to socialized housing originators and asset backed securities to housing developers.</p> |

| Objective/Measure | | Component | | | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks | | |
|---|---|---|--|----------------|---------------------------------------|---|--|--|----------------------------|---|---|--|
| | | Formula | Weight | Rating System | Target | Actual | Rating | Score | | | Rating | |
| SM 7 | Number of new, creative and innovative products / services/ projects / programs acted upon by the Board | Absolute | 5.00% | All or Nothing | at least 2 | ASEAN Commingled Bonds Issuance and Islamic Housing Finance Program | 5.00% | ASEAN Commingled Bonds Issuance and Islamic Housing Finance Program was discussed to the Board | 5.00% | <ul style="list-style-type: none"> Minutes of Meeting discussing ASEAN Commingled Bonds Issuance and Islamic Housing Finance Program | <p>The measure states that two (2) programs/projects shall be <u>acted</u> upon by the Board. Based on the submitted supporting documents, the Board discussed the plans to proceed with the implementation of the ASEAN Commingled Bonds Issuance and Islamic Housing Finance Program.</p> <p>Per practice of the NHMFC, it is considered acted by the Board once it has been discussed and presented to them.</p> | |
| | | | | | | | | | | | | Sub-total |
| SO 6 Streamline Policies and Procedures for Core Processes | | | | | | | | | | | | |
| INTERNAL PROCESS | 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 | 10.00% | [1- (Actual/ Target/ Target) x Weight | Average of 25 working days and not exceeding 30 working days | Average of 12 working days (not exceeding 26 working days) | 10.00% | Average of 12 working days | 10.00% | <ul style="list-style-type: none"> Housing Loan Receivables Purchase Program Turn-around Time from Receipt of Complete Documents to Take-out Date | <p>NHMFC received 102 applications for provision of housing finance. These applications pertain to 194 units applied by originators.</p> |
| | | | | | | | | | | | | |

| Objective/Measure | Component | | | | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks | |
|-------------------|--|--------------------------|----------------------------|---|---|---|---|---|---|--|--|
| | Formula | Weight | Rating System | Target | Actual | Rating | Score | Rating | | | |
| SO 7 | Quality Public Service of NHMFC Employees by Enhancing their Competencies | | | | | | | | | | |
| SM 9 | Competency Framework | 5.00% | (Actual / Target) x Weight | Result of baseline assessment; Integration in HR Policies | Result of baseline assessment; integration in HR policies | 5.00% | Baseline Assessment of Employees in line with HR policies | 5.00% | <ul style="list-style-type: none"> Competency Framework Competency Baseline of Employees Training and Development Policy | The NHMFC was able to develop its competency framework in 2015. For 2016, the NHMFC established the competency baseline for 236 employees in line with its Training and Development Policy. | |
| SO 8 | Develop an ISO 9001:2008 Quality Management System | | | | | | | | | | |
| SM 10 | ISO Certification for all processes | Absolute | 10.00% | All or Nothing | ISO Certification for all processes | ISO 9001:2008 Certified for all processes | 10.00% | ISO 9001:2008 Certified for all processes | 10.00% | <ul style="list-style-type: none"> ISO Certification for Securitization of Housing Loan Portfolios (Purchase of Housing Receivables, Collection of Amortization, Securitization and Post Issuance of Bonds) and Borrower's Services | TUV-SUD PSB Philippines issued the ISO 9001:2008 certificate to NHMFC on 15 June 2016 which covers the Securitization of Housing Loan Portfolios (Purchase of Housing Receivables, Collection of Amortization, Securitization and Post Issuance of Bonds) and Borrower's Services. |
| SO 9 | An Effective and Efficient IT-Supported Systems and Procedures | | | | | | | | | | |
| SM 11 | Percentage completion of the ISSP | % Completion of the ISSP | 5.00% | All or Nothing | 100% | 100% | 5.00% | 100% (Post Dated Check Monitoring | 5.00% | <ul style="list-style-type: none"> Signed Documents for Post Dated Checks Monitoring System and | The systems developed and implemented under the Collection System – 3 rd Phase and Support System – 3 rd Phase were the Post Dated Check Monitoring System and Human Resource |

LEARNING & GROWTH

| Objective/Measure | Component | | | | NHMFC Submission | | GCG Evaluation | | Supporting Documents | GCG Remarks |
|-------------------|-----------|------------------|----------------|--------|------------------|--------|----------------|--|--|---|
| | Formula | Weight | Rating System | Target | Actual | Rating | Score | Rating | | |
| | | | | | | | | System and Human Resources Information System) | Human Resource Information and Management System • ISSP Endorsement from Department of Information Communications and Technology for the period of 2014 -2016 | Information System. Thus, NHMFC completed the ISSP in line with its timeline. |
| | | Sub-total | 20.00% | | | | 20.00% | | 20.00% | |
| | | TOTAL | 100.00% | | | | 93.07% | | 81.01% | |