

HOME GUARANTY CORPORATION (HGC)
2016 Performance Scorecard Evaluation

Performance Measure						HGC Submission		GCG Evaluation		Supporting Documents	GCG Remarks	
	Objectives / Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating			
SOCIAL IMPACT	SO 1	Housing and Urban Development Beyond Infrastructure: Mobilized and Sustained Private Funds for Housing Through a Viable System of Guarantees										
	SM 1	Total value of loans guaranteed	Value of outstanding guaranty for the year	21%	(Actual / Target) x Weight	5% growth on end-2015 outstanding guaranty	₱149 Billion	21.00%	₱149 Billion	21.00%	<ul style="list-style-type: none">• Guaranty Portfolio Report as of December 2016• 2016 Year-End Report	The trend of the total value of loans guaranteed by the HGC is increasing for the past three years (2013 to 2015). To further expand its reach, the target for 2016 is to surpass the 2015 accomplishment of ₱120 Billion by 5%. Hence, the target for 2016 is ₱126 Billion. Per validation, the HGC successfully exceeded its 2016 target by 18% with ₱149 Billion outstanding guaranty for the year.
	SO 2	Guaranty Portfolio in Favor of the Low-Income Groups										
	SM 2	Percentage of housing units covered by outstanding guaranty allocated for socialized and low-cost housing (excluding HDMF	Number of housing units covered by outstanding guaranty allocated for socialized and low-cost housing (excluding HDMF accounts) /	6%	All or Nothing	At least 70%	80.21%	6.00%	80.21%	6.00%	<ul style="list-style-type: none">• Guaranty Portfolio Report as of December 2016	Review of the submitted documents of the HGC shows that socialized housing packages and low-cost housing packages make up 10.39% and 69.82% of the guaranty portfolio of HGC, respectively. Collectively, socialized and low-cost housing accounts for 80.21%.

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	accounts)	Total number of housing units covered by outstanding guaranty										
	Sub-total		27.00%				27.00%		27.00%			
STAKEHOLDERS	SO 3	To Increase Number of New Partner Banks, Developers and Other Financial Institutions in the Regions										
	SM 3	Number of active partner banks, developers and other FIs in the regions	Actual number of active partner banks, developers and other FIs in the regions	5%	(Actual / Target) x Weight	40	60	5.00%	60	5.00%	• BSP List of HGC Partners with Regional Operations as of December 2016	The HGC has sixty (60) active partners in the regions. In total, the partner institutions were granted ₱363.89 Billion guarantee line.
	SM 4	Percent of top 100 rural banks engaged in housing doing business with HGC	Number of top 100 rural banks engaged in housing doing business with HGC / Top 100 rural banks engaged in housing	5%	(Actual / Target) x Weight	30%	53%	5.00%	53.06%	5.00%	• List of Rural Banks in the Top 100 Engaged in Housing Doing Business with HGC	The top 100 rural banks are determined by the Bangko Sentral ng Pilipinas (BSP). The banks are ranked based on its total asset size. Per the requested data from the BSP, out of the top 100 rural banks, forty-nine (49) are engaged in home lending; of this number, twenty-six (26) are doing with business with HGC. As such, 53.06% of the top 100 rural banks engaged in housing are doing business with the HGC.

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SO 4 Optimize the Economic Value of Portfolio Investments											
	SM 5	Satisfaction rating based on a survey conducted by a third party	Rating	5%	All or Nothing	Achieved rating of (a) 3.65 on HGC's services in the disposition of retail assets; and (b) 3.81 on the collection of amortization of payments	5.00%	3.73%	5.00%	<ul style="list-style-type: none">Copy of Customer Satisfaction Survey from Third Party Provider (CASI)	Survey result shows that the 100 respondents are very satisfied with the services of the Sales and Marketing Department and Treasury Department of the HGC. The Sales and Marketing Department was able to attain an average rating of 3.65 while the Treasury Department averaged a satisfaction rating of 3.81. The average of the satisfaction rating of the two departments is 3.73%. Based on the findings of CASI, the HGC needs to focus on improving the ease and efficiency of its processes to better serve its stakeholders.
	Sub-total			15.00%			15.00%		15.00%		

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FINANCE	SO 5	Increase Revenue to Sustain Guaranty Operations										
	SM 6	Net Operating Income	Operating revenues less operating expenses	16%	(Actual / Target) x Weight	₱911.70 Million	₱1,081.88 Million	16.00%	₱1,026.05 Million	16.00%	<ul style="list-style-type: none">• CY 2016 HGC Statement of Comprehensive Income• Commission on Audit (COA) Annual Audit Report for FY 2016	The submitted statement of comprehensive income of the HGC was validated using the Commission on Audit (COA) Annual Audit Report. Adopting the figures from the audited report of COA, the HGC was able to exceed its target by 12.54%, with a net operating profit valued at ₱1.03 Million.
	SO 6	Speed Up Asset Disposition										
	SM 7	Sales value of assets sold	Sales value of acquired assets sold for the year (Acquired assets to be accounted are assets with values ranging from ₱47 to ₱52 Million)	6%	(Actual / Target) x Weight	₱960.27 Million	₱2,171.99 Million	6.00%	₱2,171.99 Million	6.00%	<ul style="list-style-type: none">• CY 2016 Summary of Assets Disposed• CY 2016 Consolidated Disposition Report	The total value of the disposed assets for CY 2016 amounted to ₱2,171.99 Million, which is 126.19% higher than the agreed upon 2016 target.

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	SO 7	Enhance Collection Efficiency to Improve Liquidity										
	SM 8	Collection efficiency	Value of actual collections during the year / Total collectibles for the year	7%	(Actual / Target) x Weight	90%	91.29%	7.00%	91.29%	7.00%	• CY 2016 Collection of Receivables	The HGC was able to collect ₱293.49 Million out of the targeted ₱321.49 Million. As such, the collection efficiency of HGC is at 91.29%.
		Sub-total		29.00%				29.00%		29.00%		
INTERNAL PROCESS	SO 8	Enhance Operational Efficiency										
	SM 9	Percentage of guaranty enrollment applications completed within 15 working days upon receipt of complete required documentation	Number of guaranty enrollment applications within 15 working days upon receipt of complete documentation / Total number of guaranty enrollment applications filed with complete documentation	6%	(Actual / Target) x Weight	100%	100%	6.00%	99.75%	5.99%	• CY 2016 Data on the Processing Time of Certificate of Guaranty (COG)	Per the validation of the submitted supporting documents, in 2016, the HGC was able to process 1,203 guaranty enrollment applications. Since three (3) applications were not completed within 15 working days, 99.75% were processed within the target.

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	SM 10 Percentage of approved guaranty calls paid within 20 calendar days upon receipt of complete required documentation	Number of approved guaranty calls paid within 20 calendar days upon receipt of complete documentation / Total number of approved guaranty calls	6%	(Actual / Target) x Weight	90%	100%	6.00%	75%	4.50%	<ul style="list-style-type: none"> • CY 2016 Status of Guaranty Calls • Number of Processing Days for Paid Retail Accounts • Guaranty Claims of PNB • Guaranty Claim of Bank of Makati • Guaranty Claim of SSS • Status of Calls Processed for AKFP for CY 2016 • Number of Processing Days for AKPF Accounts for CY 2016 	For 2016, the HGC was able to process four (4) paid retail accounts. Based on the submitted supporting documents, three (3) of the accounts were processed within twenty (20) calendar days. One account was processed in 62 days (from 27 November 2015 to 28 January 2016). Thus, 75% of the approved guaranty calls were paid within 20 calendar days upon receipt of complete documentation.

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ORGANIZATION	SM 11	Percentage of sales document executed within 30 days from receipt of reservation payment or down-payment	Number of sales document executed within 30 days from receipt of payment / Total number of sales document with reservation payment or downpayment	6%	(Actual / Target) x Weight	100%	100%	6.00%	90.53%	5.43%	<ul style="list-style-type: none">Monitoring of Sales Document Execution of Disposed Assets for CY 2016	The review of HGC's submitted supporting documents show that there were 95 sales documents executed in 2016. Contrariwise to the representations of the HGC that all documents were processed within the applicable time, nine (9) sales document were not executed within the targeted 30 days from the receipt of reservation payment or downpayment.
		Sub-total		18.00%				18.00%		15.92%		
	SO 8	Build a High Performing Team Culture										
	SM 12	ISO Certification of business processes	Certification	6%	All or nothing	ISO 9001:2015 Certification of additional business processes	All processes ISO 9001:2015 certified	6.00%	ISO 9001:2015 certified	6.00%	<ul style="list-style-type: none">ISO 9001: 2015 CertificateISO/IEC 27001:2013	The HGC is certified under ISO 9001:2015 with the scope of Provision of Credit Guaranty Services for Housing Loans Granted by Financial Institutions and Real Estate Developers. Moreover, the HGC obtained its ISO/IEC 27001:2013 Certificate from TUV Rheinland..

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	SM 13	Automation of system processes	Percent completion	2.5%	All or nothing	Completion of Information System Enhancement Project	AX System Enhancement Project will start in CY 2017	0.00%	No Process Automated	0.00%	• None	The following information systems of the HGC were targeted to be completed in 2016: Operation Support Information System, Decision Support Information System, Enterprise Resource Planning, HGC Portal, and Document Management and Workflow System. However, challenges were encountered which pushed the completion of the IT systems to 2017.
SO 9 Institutionalize the Quality Management System												
	SM 14	Competency framework	Baseline	2.5%	All or nothing	Establish baseline competency levels	Baseline competency levels established	2.50%	Baseline Established	2.50%	• Baseline Competency Tables and Dictionaries	In 2016, the HGC was able to develop competency tables and dictionaries and was able to profile the actual competencies of the incumbent employees in the organization. The review of the submitted documents of the HGC shows that there is a need to improve the organizational competencies of the incumbent employees. In particular, the HGC must

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												provide interventions for the following competencies: critical thinking and oral, written, and technical communication.
		Sub-total		11.00%				8.50%		8.50%		
		TOTAL		100%				97.50%		95.42%		