

**HOME DEVELOPMENT MUTUAL FUND (Pag-IBIG)
Performance Scorecard Evaluation**

Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks	
Objective / Measure	Formula			Wt.	Actual	Rating	Score			Rating
CUSTOMER	SO 1	Increase and Sustain Membership								
	SM 1	Increase in Membership Coverage	Covered Local and OFW Employees	12%	Actual / Target x Weight	17,589,634 (12,689,971: 76% of Local & 4,899,663: 10 0% of OFW)	17,252,834	11.77	Local: 12,496,703 OFW: 4,756,131 Total: 17,252,834	11.73%

Component		Rating	Target	Submission	GCJ Validation	Supporting Documents	Remarks				
Objective / Measure	Formula	Wt.	2016	Actual	Rating	Score	Rating				
SO 2 Provide Affordable Housing											
SM 2	Percent of LTS from Socialized and Low-cost Housing	LTS less of NHA and SHFC	15%	Actual / Target x Weight	70.5% (88% for the vision year 2020)	75,609	15%	71.97%	15%	<ul style="list-style-type: none"> Report on the retail home lending program per area and branch, as approved by the Department Manager and submitted to COA License to Sell (LTS) data from Housing and Land Use Regulatory Board as of December 2014 Projection and computation of LTS and Market Deliverable Units 	<p>Pag-IBIG represented that it will take approximately 2 years to develop subdivisions and 4 years for condominiums, hence for purposes of PES, the computation for the measure shall be based on the number of housing units issued with LTS in 2014.</p> <p>According to Pag-IBIG's additional supporting documents submission last 04 May 2017 for the LTS projection, Socialized and Condominiums are assumed as market of NHA and SHFC. Per representation, 24,983 units were financed by the Corporation for Socialized Housing while 50,626 units were financed by the Corporation for Low-Cost (or Economic) Housing. Since the measure and accomplishment covered both socialized and low-cost segments, the computation of the target 2016 coverable LTS should be as follows:</p> <p>Housing units issued with LTS in 2014:</p> <p>Low-cost (Economic) – 63,398 Socialized – 16,876 Compliance – 24,787 <i>Total – 105,061</i></p> <p>Financing thru Pag-IBIG in 2016:</p> <p>Low-cost - 50,626</p>

Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
Objective / Measure	Formula			Wt.	Actual	Rating	Score		
									<p>Socialized – 24,983</p> <p>Total – 75,609</p> <p>Percentage: $75,609 / 105,061 = 71.97\%$</p> <p>Given the absence of reliable data to provide the total number of housing units, issued with LTS in 2014, readily available for loan take out, the reported accomplishment was validated using the LTS report as of end 2014 and total housing units provided with home financing by Pag-IBIG in 2016. With this, Pag-IBIG had exceeded its target of 70.5% with an actual accomplishment of 71.97%.</p> <p>In its letter dated 29 June 2016, Pag-IBIG requested to revise the target for the vision year from 88% to 86.41%. However, in an information provided by Pag-IBIG for the negotiation of its 2017 targets, the operational vision was already revised to "(T)o sustain membership growth and retention that would result to an average year-on-year growth rate of 5% in members' savings collection until 2020, and provide affordable home financing to low income earner, capturing 88% of LTS from socialized and low-cost housing segments by 2020". Considering that the revised operational vision is still consistent with the previous one as far as provision of house financing is concerned, the request is hereby DENIED.</p>

✓

Component		Rating	Target	Submission	GCG Validation	Supporting Documents	Remarks				
Objective / Measure	Formula	Wt.	2016	Actual	Rating	Score	Rating				
	Number of Units	Total Housing Units Taken-Out (excludes NHA and SHFC)	0%	-	63,676	76,247	0%	76,247	0%	For information purposes only. These are the total units and loan amount that Pag-IBIG was able to finance in 2016, including medium cost and open market.	
	Loan Amount (in Php Billions)	Total Amount of Loans Taken-Out (excludes NHA and SHFC)	0%	-	50,562	57,313	0%	57,313	0%		
SM 3	Co-financing program for Socialized and Low-cost Housing	-	5%	-	Board-Approved Program (2017: Pilot Project)	Approved 13 December 2016	5%	Approved revised guidelines on the Pag-IBIG Group Housing Loan Program	5%	<ul style="list-style-type: none"> Resolution providing the implementation of the revised guidelines on the Pag-IBIG Group Housing Loan Program approved by the CEO and Senior Management HDMF Circular 293 - Guidelines on the Pag-IBIG Group Housing Loan Program issued last 2011 	Pag-IBIG reported the accomplishment of the target by submitting the approved revised guidelines on the GHLP. Pag-IBIG Circular No. 371 dated 27 December 2016 included additional specific policies for Local Government Units to focus in catering housing needs of the unserved/underserved Pag-IBIG Fund members in the area, and the interest rate shall be based on the rates under the applicable retail housing loan programs, among others.

Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
Objective / Measure	Formula			Wt.	Actual	Rating	Score		
								<ul style="list-style-type: none"> • HDMF Circular 371 - Revised Guidelines on the Pag-IBIG Group Housing Loan Program issued last 27 December 2016 • Minutes of the Board meeting where the proposed guidelines on the Group Housing Loan Program was discussed, signed by the Corporate Secretary. • Secretary's Certificate for Resolution No. 2861, s 2011 Proposed Guidelines on the Pag-IBIG Group Housing Loan Program, notarized last 2015 	

1-

Component		Formula	Wt.	Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
Objective / Measure						Actual	Rating	Score	Rating		
SO 3 Improve Access and Delivery of Products and Services to Enhance Customer Satisfaction											
SM 4	Third Party Survey Rating	Survey Rating	10%	Actual / Target x Weight	2015 result + 5 percentage points (but not below satisfactory)	+80 Excellent	9.412%	80% of those who have availed of any Pag-IBIG Fund service are satisfied	9.412%	<ul style="list-style-type: none"> • Certificate from SWS on the results of Pag-IBIG's Customer Satisfaction Survey 	<p>For 2016, SWS was tapped again by Pag-IBIG for the conduct of its Customer Satisfaction Survey. Based on the certificate issued by SWS last 10 November 2016, Pag-IBIG has improved in terms of net satisfaction rating from +70 in 2015 to +72 in 2016 (both has an adjectival rating of Excellent). However, the percent of satisfied members who availed Pag-IBIG's services remained the same at 80%. The difference in the net satisfaction rating was due to the 2% drop in dissatisfied respondents.</p> <p>In 29 June 2016, Pag-IBIG requested to revise the target and use adjectival rating instead of numerical rating for its performance assessment. In another request dated 21 December 2016, Pag-IBIG requested to revise the target to "Adjectival rating of not below satisfactory" and the rating system of the measure:</p> <p>1.Exclusive of ARTA Satisfactory Rating or higher: 10%. Neutral: 6% Unsatisfactory: 4%. Very Unsatisfactory: 0%.</p> <p>2.Inclusive of ARTA Satisfactory Rating or higher: 13%. Neutral: 8%. Unsatisfactory: 5%. Very Unsatisfactory: 0%.</p> <p>Adjectival rating is a good indicator for the general perception of the stakeholders to the organization. However, a specific adjectival rating can cover a vast range of</p>

1-

Component		Rating	Target	Submission		GCG Validation		Supporting Documents	Remarks	
Objective / Measure	Formula	Wt.	2016	Actual	Rating	Score	Rating			
SO 4 Increase in Asset Size										
SM 5	Net Financial Asset Level (in Php Billion)	Total Net Financial Assets	7%	Actual / Target x Weight	424.321	420.452	6.936%	420.452	6.936%	<ul style="list-style-type: none"> Report on the net financial assets and income level per area and branch, approved by Department Manager of General Accounting and as submitted to COA <p>For 2016, the Net Financial Asset level of Pag-IBIG is P420,451,706,844.03 as validated from the COA 2016 Annual Audit Report. The amount is composed of Cash and Cash Equivalents, Held for Trading investments, Available for Sale investments, Current and Non-Current Loans and Receivables. Compared with previous year's level, Net Financial Assets of Pag-IBIG grew by 10.5% driven by investments and mortgage/sales contracts receivables.</p> <p>As for the request for revision of target last 29 June 2016 from P424.321 Billion to P418.877 and on 21 December 2016 to P422.6 Billion, these are denied due to lack of sufficient justifications and merit relative to the request.</p>

✓

Component		Rating	Target	Submission	GCG Validation	Supporting Documents	Remarks				
Objective / Measure	Formula	Scale	2016	Actual	Rating	Score	Rating				
SO 5 Improve Asset Quality											
FINANCIAL	SM 6 Performing Loans Ratio	Accounts Current to 3 Months / Total Outstanding Balance (exclusive of referred to foreclosure and petition for extrajudicial foreclosure)	7%	Actual / Target x Weight	89%	89.07%	7%	89.07%	7%	<ul style="list-style-type: none"> Report on the amount of performing loans to outstanding loan balance, approved by Department Manager of General Accounting and as submitted to COA 	<p>Pag-IBIG was able to hit the target with 89.07% Performing Loans Ratio by the end of the year despite the subsequent increase in loan takeout. Based on the outstanding figures, P267 Billion out of P 300 Billion are performing loans. This is a big improvement from 2015 figure of 80.43%, and signifies great future cash inflows from investment. Pag-IBIG members were able to maintain good performing loan status of their accounts through the continuous adoption of several strategies, such as email and text notifications to remind borrowers of payment due dates, outsourcing of courier services for delivery of monthly billing statement, tele-collection, and improvement in the availability of payment facilities.</p>

Component		Rating	Target	Submission		GCG Validation		Supporting	Remarks	
Objective / Measure	Formula	Wt.	Scale	2016	Actual	Rating	Score	Rating	Documents	
SO 6 Implement Enterprise Risk Management										
SM 7	Capital Adequacy Ratio	Actual Rate / Target Rate	5%	Actual / Target x Weight	28.05%	24.02%	4.282%	24.02%	4.282%	<ul style="list-style-type: none"> Report on the Capital Adequacy Ratio, approved by Department Manager of General Accounting and as submitted to COA <p>Pag-IBIG's CAR is computed through dividing the Free Retained Earnings with the Risk Weighted Assets for credit, marking and operational risk provisions. To compute the Free Retained Earnings, Retained Earnings in the COA audited report is deducted with those appropriated for transportation vehicles, net income exclusive of dividends declared for the year and reserve for future claims.</p> <p>As for the request for revision of target last 29 June 2016 and 21 December 2016 from 28.05% to 26.23%, the proposal is denied due to lack of sufficient justification and merit relative to the request.</p>

Component		Formula	Wt.	Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
Objective / Measure						Actual	Rating	Score	Rating		
SM 8	Expected Loss Rate (Probability of Loss multiplied by Loss given default rate)	Expected Loss Rate (ELR) = Probability of Default (PD) x Loss Given Default (LGD) where PD=1- Collection Efficiency LGD=1- Recovery Rate	5%	Target - (Actual - Target) / Target x Weight	2.84%	0.61%	5%	0.64%	5%	<ul style="list-style-type: none"> Report on the Expected Loss Rate, approved by VP of Fund Management Group and as submitted to COA 	Based on the 2016 data for accounts that defaulted for all areas, the annualized default average for the years is 4.0348%. As for the LGD, computing the 31-year historical data will yield to a 15.909% LGD for 2016. Using the first two figures will result to a 0.64% ELR for 2016, which is reflective with the recorded accomplishment under SM 6. The accomplishment has exceeded the annual target of 2.84%. Moreover, the request to revise the rating system last 21 December 2016 from Actual ELR/Target ELR to Target ELR less (Actual ELR less Target ELR) / Target ELR is accepted to properly capture the purpose of the measure in achieving a lower loss rate.

Component		Rating	Target	Submission	GCG Validation	Supporting Documents	Remarks			
Objective / Measure	Formula	Wt.	2016	Actual	Rating	Score	Rating			
SO 7 Ensure Financial Sustainability										
SM 9	Targeted Income Level (in Php Billions)	Actual Net Income (Php) / Target Net Income (Php)	11%	Actual / Target x Weight	26.503	25.009	10.38%	25.009	10.38%	<ul style="list-style-type: none"> Report on the net financial assets and income level per area and branch, approved by Department Manager of General Accounting and as submitted to COA 2016 COA Annual Audit Report <p>For 2016, Pag-IBIG's net income level is at P25,008,745,002 as validated with the 2016 COA Annual Audit Report. The accomplishment is below the target by almost P1.5 Billion, but higher than the 2015 figure by almost 22%. The improvement can be attributed to the increase in interest income from loans and receivables and gains from sale or disposal of assets.</p> <p>Pag-IBIG requested to lower down the target to P23 Billion but failed to provide justification and supporting documents, hence the request is DENIED.</p>
SM 10	Member Savings (in Php Billions)	Actual Year-End MS + MS Upgrade + MS from New Members, to list: a. Local Members b. OFW-New Hires Deployment	12%	Actual / Target x Weight	32.51	32.78	12%	32.47	11.99%	<ul style="list-style-type: none"> Report on the Members' Savings per area and branch, approved by the Department Manager and as submitted to COA <p>Member's savings level generally has been increasing over the years. The total contribution collection grew by 24% from 2013 to 2016. The collection level as validated from the 2016 COA Annual Audited Report is P32,469,050,849. Growth is primarily attributed to the annual increase in membership coverage, as well as the marketing efforts of Pag-IBIG to retain the active membership of its members.</p>
Subtotal		47%				45.598%		45.583%		

1-

	Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
	Objective / Measure	Formula			Wt.	Actual	Rating	Score		
INTERNAL PROCESS	SO 8 Instill Principles of Good Governance and Attain Performance Excellence									
	SM 11	ISO Certification	Percentage of Completion of the Project	3%	Actual / Target x Weight	2016: All other core processes for provident fund (STL availment and provident claims) 2017: All core processes for housing fund (housing loan origination and management)	95.00%	2.850%	95.00%	2.850%

Component		Formula	Wt.	Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
Objective / Measure	Actual					Rating	Score	Rating			
										December 2016	
										<ul style="list-style-type: none"> Attendance sheet for the conduct of orientation of QMS to employees last 15 November 2016 	
SM 12	ARTA Survey Rating	Average Survey Rating	3%	Actual / Target x Weight	86% (no failed branch)		0%	Removed	Removed	<ul style="list-style-type: none"> Letter from CSC informing Pag-IBIG that they will not be included in the ARTA survey 	As a social security institution, Pag-IBIG is expected to provide excellent services to its members. However, in a CSC letter to Pag-IBIG dated 03 November 2016, CSC has officially informed the corporation that Pag-IBIG will not be surveyed for the ARTA Report Card (ARTA-RCS) in 2016 since CSC's priority offices/agencies are local government units, local water districts and state universities and colleges. This was relayed to the GCG by Pag-IBIG thru a letter request for the exclusion of the ARTA measure and target last 21 December 2016. Given that the sudden change in the survey implementation of CSC is beyond the control of Pag-IBIG, the request to exclude the measure is granted. However, the corresponding weight of the measure cannot be transferred to SM 4, rather, it will be removed/deducted from the total weight computation.
Sub-total			6%				2.850%		2.850%		

	Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks
	Objective / Measure	Formula			Wt.	Actual	Rating	Score		
LEARNING AND GROWTH	SO 9 Develop Competent and Engaged Employees									
	SM 13	Competent Workforce	Percentage of Completion of the Project	5%	Percentage of completion x Weight	IISP for Provident Fund and STL shall have been fully deployed	WEIGHTED ACTUAL: STLMS: 80.71% PFMS: 84.47% Total Weighted Actual: 165.18% % Accomplishment: 82.59%"	4.130%	STLMS: 16.03% PFMS: 32.15%	1.20%

Component		Rating Scale	Target 2016	Submission		GCG Validation		Supporting Documents	Remarks	
Objective / Measure	Formula			Wt.	Actual	Rating	Score			Rating
									2017, submit the IT-driven Reorganization by 31 December 2017 and Establish the competency framework by 1 July 2018. The proposal is not acceptable because moving the 2016 target to 2017 would further delay the establishment of a competency model, which is the real goal of the measure. Hence, the request is DENIED.	
		<i>Subtotal</i>					4.130%		1.205%	
		TOTAL					93.761%		90.779% over 97%	
		Validated Rating							93.59%	

1-