

HOME DEVELOPMENT MUTUAL FUND
Validation Result of 2019 Performance Scorecard

	Component					Pag-IBIG Fund Submission		GCG Validation		Supporting Documents	GCG Remarks	
	Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
CUSTOMER	SO 1	Increase and Sustain Membership										
	SM 1	Percentage of Labor Force Covered	Total Active Members as of Performance Year / Adjusted Coverable ¹	10%	(Actual / Target) x Weight	50%	47.97%	9.59%	45.27%	9.05%	<ul style="list-style-type: none"> • Summary of Membership Level per Area • Computation of Adjusted Coverable • Labor Statistics issued by Philippine Statistics Authority (PSA) 	Target not met. The validated accomplishment was based on the total membership / coverage of 13,591,207 out of the adjusted coverable workers of 30,024,124 in 2019 based on the data gathered from the PSA (see Appendix A).
	SO 2	Provide Affordable Home Financing										
	SM 2	Actual Take-Out	Actual Take-Out Units	20%	(Actual / Target)	80,401	93,604	20%	90,424	20%	<ul style="list-style-type: none"> • Breakdown of Housing Loan 	Target exceeded.

¹ Adjusted Coverable pertains to the Total Employed Persons by Major Industry Group as of July 2018 excluding Agriculture, Activities of Households as Employers, Undifferentiated Goods and Services – producing Activities of Households for Own use and Activities of Extraterritorial Organization and Bodies. See Table 5 - Employed Persons by Major Industry Group, Philippines: 2016 - April 2018, Current Labor Statistics, PSA, page 12, 13 July 2018. Workers below 18 years old may be deducted upon submission of data from PSA, subject to determination of the number of covered minors per relevant laws.

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	Units from SH and LC	from SH and LC		x Weight						<ul style="list-style-type: none"> Availment by Package Mix Breakdown of taken-out units for socialized and low-cost housing 	Validated actual was based on the re-computation of dataset as provided by Pag-IBIG Fund.	
SO 3 Improve Access and Delivery of Products and Services to Enhance Customer Satisfaction												
SM 3	Percentage of Satisfied Customers	Number of respondents who rated Pag-IBIG service with at least Satisfactory / Total number of respondents	10%	(Actual / Target) x Weight Below 80% = 0%	90%		91%	10%	91%	10%	<ul style="list-style-type: none"> Certification for 2019 Customer Satisfaction Survey among Pag-IBIG Fund Members and Employers Redacted Raw Data on Employers Redacted Raw Data on Members -Full Narrative Report for 2019 Customer Satisfaction Survey of 	Target exceeded.

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Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
										Pag-IBIG Fund		
		Sub-total	40%				39.59%		39.05%			
FINANCIAL	SO 4	Increase in Asset Size										
	SM 4	Increase Net Financial Asset Level	Total Assets less ROPA, net; Property and Equipment, net; Intangible Assets, net; and Other Assets	10%	(Actual / Target) x Weight 0% = If less than ₱379.839 Billion	₱576.088 Billion	₱579.941 Billion	10%	₱579.942 Billion	10%	<ul style="list-style-type: none"> 2019 Financial Highlights 2019 COA Annual Audited Report 	Target exceeded.
	SO 5	Ensure Financial Sustainability										
	SM 5	Increase Income Level	Total Revenue Less Total Expenses	10%	(Actual / Target) x Weight 0% = ₱20 Billion and Below	₱33.29 Billion	₱34.375 Billion	10%	₱34.375 Billion	10%	<ul style="list-style-type: none"> 2019 Financial Highlights 2019 COA Annual Audited Report 	Target exceeded.
	SM 6	Maintain the Required Capital	Retained Earnings / (Risk-Weighted Assets for	5%	All or Nothing	Not less than <u>12.5%</u>	16.39%	0%	16.39%	5%	<ul style="list-style-type: none"> Computation of the Capital Adequacy Ratio 	The Governing Board revised the CAR level from 17.5% to 12.5% in 2019;

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Component						Pag-IBIG Fund Submission		GCG Validation		Supporting Documents	GCG Remarks	
Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating				
	Adequacy Ratio	credit and market risk provisions + Risk-Weighted Assets equivalent for operational risk provision)								<ul style="list-style-type: none"> • 2019 COA Annual Audited Report • Board Resolution No. 3350, s.2019 	hence, the target was revised.	
SM 7	Increase Members' Savings	Total Members' Savings Collected	10%	(Actual / Target) x Weight 0% = ₱30 Billion and Below	₱41 Billion	10%	₱50.376 Billion	10%	₱50.768 Billion	10%	<ul style="list-style-type: none"> • 2019 Financial Highlights • 2019 COA Annual Audited Report 	Target exceeded. Validated accomplishment computed based on COA Audit Report.
SO 6	Improve Asset Quality											
SM 8	Improve Performing Loans Ratio	Accounts current to 3 Months / Total Outstanding Balance (exclusive of Referred to Foreclosure and Petition	10%	(Actual / Target) x Weight 0% = 85% and Below	91%		90.93%	9.99%	90.93%	9.99%	<ul style="list-style-type: none"> • Summary of Performing Loans per Area • Schedule of Performing Accounts 	Target not met.

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	Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating		
		for Extra-Judicial Foreclosure)									
	Sub-total		45%				39.99%		44.99%		
INTERNAL PROCESS	SO 7	Streamline Processing Time									
		Improve Processing Time on:									
	SM 9	a.) End-User Financing (EUF) Approval and Take-Out	Number of EUF application Processed within Applicable Processing Time / Total number of EUF application received	2.5%	(Actual / Target) x Weight Below 95% = 0%	100% ²	94.59%	2.5%	Accomplishment unverifiable	0%	<ul style="list-style-type: none"> • Summary of EUF Processing Time per Branch • Breakdown data on housing loan application • Status Reference Code

² Applicable processing time based on compliance with Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

Component						Pag-IBIG Fund Submission		GCG Validation		Supporting Documents	GCG Remarks
Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
											of randomly selected transactions is presented in Appendix B.
b.) Short-Term Loan (STL) Approval and Disbursement	Number of Loans Processed within Applicable Processing Time / Total Number of Loans Processed	2.5%	(Actual / Target) x Weight Below 95% = 0%	100% ³	95.52%	2.5%	95.66%	2.39%	<ul style="list-style-type: none"> Summary of STL Processing Time per Branch Breakdown data on STL transaction 	Validated accomplishment is based on the validation of raw data which shows 2,589,859 STL applications received in 2019, of which, 2,477,355 applications were processed within 5 working days. Summary of the validation is shown in Appendix C.	
SO 8	Practice Principles of Good Governance and Attain Performance Excellence										
SM 10	Ensure Compliance to Govern-	Actual Accomplishment	5%	All or Nothing	Maintenance of ISO 9001:2015	Maintenance of ISO 9001:2015	5%	Maintenance of ISO 9001:2015	5%	<ul style="list-style-type: none"> ISO Audit Report on Membership 	Acceptable.

³ Applicable processing time based on compliance with Republic Act No. 11032 or the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

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Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
ment Quality Management Systems Standards (QMSS)				Certification under covering: 1. Membership Registration 2. Short-Term Loan and Provident Benefit Claims 3. Housing Loan Origination and Management	Certification under covering: 1. Membership Registration – Audit Date: March 18-22, 25-26, 2019 2. Short-Term Loan and Provident Benefit Claims – Audit Date: November 20-22, 26-27, 2018 (Next Recertification Audit is on June 2020) 3. Housing Loan Origination and Management Audit Date: August 8-9, 2019		Certification under covering: 1. Member-ship Registration 2. Short-Term Loan and Provident Benefit Claims 3. Housing Loan Origination and Manage-ment		Registration Process dated March 18-26, 2019 <ul style="list-style-type: none"> Letter from TUV Sud Philippines Inc. regarding the next certification audit on the Short-term loans and claims dated 29 July 2019 Surveillance Audit Report on Policy Development and Processing and Release of Short term loans and Provident Benefit Claims dated 27 November 2018 Surveillance Audit Report on Policy 		

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Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
										Development and Provision of Services for Housing Loan and Loans Management dated 09 August 2019 • ISO 9001:2015 Certificate on Policy Development and Provision of Services for Housing Loan (Loan Application up to Release for Developer Assisted – Window 1 and 2) and Loans Management • ISO 9001:2015 Certificates on Policy Development	

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	Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating		
										and Processing and Release of Short Term Loans and Provident Benefit Claims • ISO 9001:2015 Certificate on Membership Registration Process	
			Sub-total	10%			10%		7.39%		
LEARNING & GROWTH	SO 9	Continuously Develop Competent and Engaged Employees									
	SM 11	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Submission of Board-Approved: 1. Competency Matrix 2. Position Profiles 3. Competency –Based Job Description; 4. Competency Assessment to determine	Board-Approved: 1. Competency Matrix 2. Position Profiles 3. Competency –Based Job Description; 4. Competency Assessment to determine Competency	5%	Board-Approved: 1. Competency Matrix 2. Position Profiles 3. Competency –Based Job Description; 4. Competency Assessment 100% of employees	5%	<ul style="list-style-type: none"> • Competency Matrix • Position Profiles • Competency –Based Job Description; • Competency Assessment 100% of employees

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Objective / Measure	Formula	Wt.	Rating System	Target	Actual	Rating	Actual	Rating			
				Competency Baseline for 100% of employees	Baseline for 100% of employees						
		Sub-total	5%				5%		5%		
		TOTAL	100%				94.58%		96.43%		

TABLE 1 Percent Distribution of Employed Persons by Industry, Occupation, Class of Worker and Hours Worked in a Week, Philippines: 2019 and 2020^p
(Annual estimates based on the average of the four quarter rounds of 2019 and 2020^p LFS)

Selected Indicators	2020 ^p	2019	GCG computation
EMPLOYED PERSONS			
Number (in thousands)	39,379	41,938	41,938,000
Percent	100.0	100.0	
MAJOR INDUSTRY GROUP			
Agriculture	24.8	22.2	9,325,189
Agriculture, hunting and forestry	21.8	19.2	8,070,064
Fishing and aquaculture	3.0	3.0	1,255,126
Industry	18.3	19.3	8,105,718
Mining and quarrying	0.5	0.4	176,568
Manufacturing	8.1	8.7	3,650,787
Electricity, gas, steam, and air conditioning supply	0.2	0.2	90,559
Water supply; sewerage, waste management and remediation activities	0.1	0.2	64,483
Construction	9.4	9.8	4,123,320
Services	56.9	58.4	24,507,093
Wholesale and retail trade; repair of motor vehicles and motorcycles	20.5	20.0	8,368,488
Transportation and storage	7.4	8.2	3,424,137
Accommodation and food service activities	3.7	4.6	1,932,970
Information and communication	0.9	1.0	433,098
Financial and insurance activities	1.4	1.4	585,549
Real estate activities	0.5	0.6	236,705
Professional, scientific and technical activities	0.7	0.7	309,970
Administrative and support service activities	4.1	4.0	1,692,359
Public administration and defense; compulsory social security	6.5	6.5	2,723,608
Education	3.3	3.0	1,266,970
Human health and social work activities	1.4	1.3	542,813
Arts, entertainment, and recreation	0.6	1.0	401,740
Other service activities	6.0	6.2	2,588,161
Activities of extraterritorial organizations and bodies	0.0	0.0	525
MAJOR OCCUPATION GROUP			
Managers	9.0	11.4	
Professionals	5.7	5.6	
Technicians and associate professionals	3.8	4.2	
Clerical support workers	6.3	6.2	
Service and sales workers	19.3	18.5	
Skilled agricultural, forestry, and fishery workers	13.4	11.5	
Craft and related trades workers	7.2	8.0	
Plant and machine operators and assemblers	7.9	7.9	
Elementary occupations	27.2	26.5	
Armed forces occupations	0.3	0.2	
CLASS OF WORKER			
Wage and salary workers	62.9	64.6	
Worked for private household	4.2	4.3	
Worked for private establishment	48.9	51.0	
Worked for government or government corporation	9.5	9.0	
Worked with pay in own family-operated farm or business	0.3	0.3	
Self-employed without any paid employee	28.3	26.8	
Employer in own family-operated farm or business	2.5	2.9	
Worked without pay in own family-operated farm or business (Unpaid family worker)	6.3	5.7	
HOURS WORKED IN A WEEK			
At work	90.4	99.2	
Worked less than 40 hours	34.5	29.9	
Worked 40 hours or longer	55.9	69.3	
Did not work	9.6	0.8	
Mean number of hours worked in a week	39.4	42.2	

Notes: The methodology for the computation of annual estimates of labor and employment indicators is based on PSA Board Resolution No. 01, Series of 2017-151 - *Approving and Adopting the Official Methodology for Generating Annual Labor And Employment Estimates*, using the average estimates of the four LFS rounds.

p - preliminary

0.0 - less than 0.05 percent; does not imply absence of observation for the indicator; instead it implies very low observation.

The annual estimates were based on the final results of the 2019 LFS (using the 2015 population projection) and January and April rounds 2020 LFS and preliminary results of the July and October rounds 2020 LFS.

Source: Philippine Statistics Authority, Annual Labor and Employment Estimates for 2019 and 2020

30,024,124

GCG
computed
Adjusted
Coverable

45.27% % Covered
by Pag-IBIG
Fund

Validation Result of Randomly Selected Transactions for SM 9a: Improve Processing Time on End-User Financing (EUF) Approval and Take-Out

No.	Application Number	Processing Time (in working days)	
		As reported	As validated
1	201806252000128	8	9
2	201907181600357	4	19
3	201908231600281	7	23
4	201607301500028	3	11
5	201911282000020	0	11
6	201903132000097	21	9
7	201910292000014	4	15
8	201908061600014	6	24
9	201908271600039	6	23
10	201911211600049	2	10
11	201903154100023	1	6
12	201702218900001	1	24
13	201901174000009	24	32
14	201904151321015	1	4
15	201902151318002	6	17
16	201902124000009	22	27
17	201912134000068	3	6
18	201905101321034	2	5
19	201902284000037	3	5
20	201904221305006	25	26
21	201909271600050	3	43
22	201908231600275	8	24
23	201912091309001	12	13
24	201903154100017	2	4
	AVERAGE	7.25	16.25

Based on the selected samples, the computed average turn-around time was 16.25 days as compared to the Pag-IBIG Fund's 7.25 days. The difference on the validated turn-around time was due to the inclusion of the technical process of inspection scheduling. Further, the following observations were noted from the samples provided:

- a. An application filed in 2017 was reported to have been processed within 1 working day (see item no. 12). Based on the database provided, the processing did not move after its review in March 2017, but the "stop-time" was only applied in June 2017. The days from April to May 2017 were not properly accounted for on the submitted database;
- b. An application received on 27 September 2019 that was taken out on 04 December 2019 was reported to have a TAT of only 3 working days (Item no. 21). According to the Pag-IBIG Fund, various stop-times were considered in this transaction such as "For release of NOA/LMA/DOA", "For LMA/DOA annotation", "For post approval documents", "For NOD Preparation", and "For NOD Signing". However, upon review of the documents provided, certain activities such as "Memo of Deficiency transmitted to processing unit" and "COA transmitted to processing unit" which were included in the actual processing of the application already incurred a processing time of 12 days and 4 days, respectively, but was not included in the total TAT; and
- c. An application received on 23 August 2019 which was taken out in 26 December 2019 was reported to have a TAT of only 8 working days (Item no. 22). However, recomputation showed that the TAT is 13 working days prior to the imposition of a stop-time. Further, it was also noted that upon the resumption of the processing time on 10 December until 26 December 2019, an additional processing time of 11 days were not added.

Appendix C

Validation Result of Randomly Selected Transactions for SM 9b: Improve Processing Time on Short Term Loan (STL) Approval and Disbursement

Branch / Sector	As Reported			As Validated		
	Within SPT	Beyond SPT	Total	Within Prescribed Period (5 days)	Beyond Prescribed Period	Total Accounts Received
NCR	1,099,952	59,860	1,159,812	1,101,595	58,217	1,159,812
Luzon	577,212	6,982	584,194	577,468	6,726	584,194
Visayas - Mindanao	788,406	47,214	835,620	789,965	45,655	835,620
International Operations Group	8,341	1,892	10,233	8,327	1,906	10,233
TOTAL	2,473,911	115,948	2,589,859	2,477,355	112,504	2,589,859