

PERFORMANCE AGREEMENT

This Performance Agreement has been executed pursuant to the **PERFORMANCE EVALUATION SYSTEM FOR THE GOCC SECTOR (GCG MC No. 2013-02)** between the—

GOVERNANCE COMMISSION FOR GOCCs (GCG)

- and -

HOME DEVELOPMENT MUTUAL FUND

WITNESSETH: THAT –

The Parties agree to the following terms:

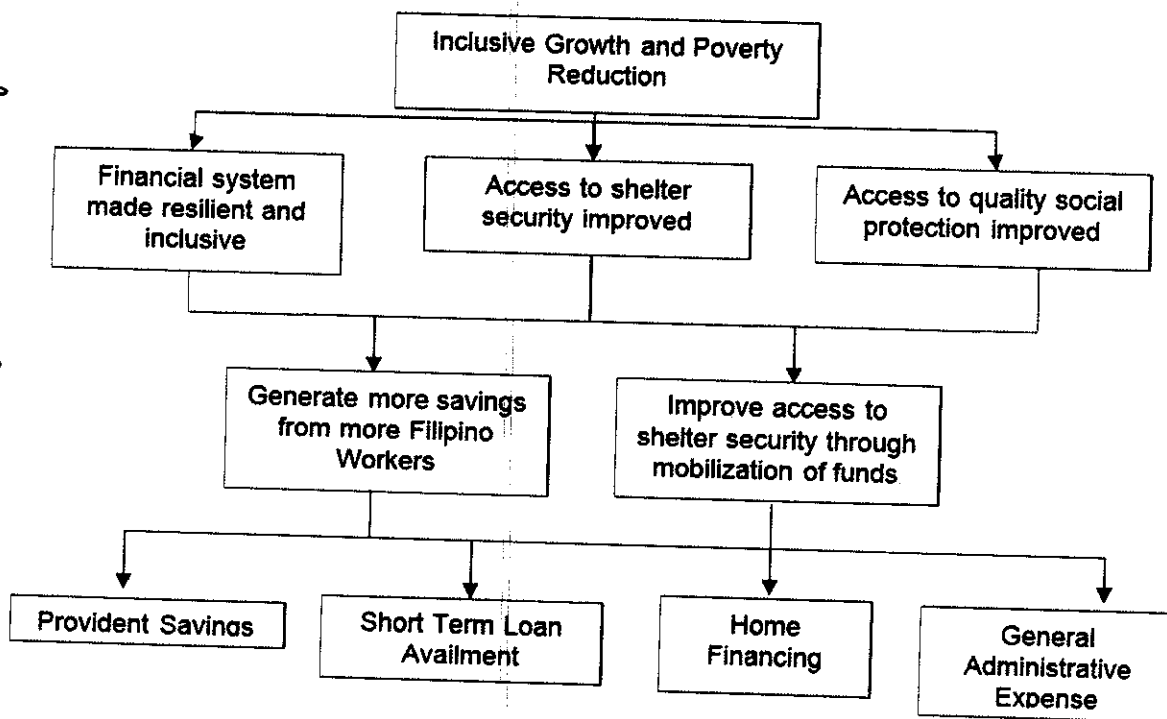
1. **Period.** – This Agreement shall be effective for a period of one (1) calendar year from 01 January 2014 to 31 December 2014.
2. **Charter Statement and OPIF Logframe.** – HDMF's Charter Statement and OPIF Logframe for the Period specified in Section 1 hereof, shall be as follows:

Mission:

To generate savings from more Filipino workers, to administer a sustainable Fund with integrity, sound financial principles, and with social responsibility, and to provide accessible fund for housing of every member.

Vision:

For every Filipino worker to save with Pag-IBIG Fund and to have a decent shelter.

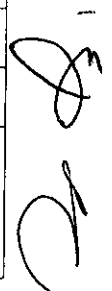


3. **Measurement of Performance.** – Based on the Interim Performance Scorecard 2014 attached hereto as **Annex A**, the HDMF's Performance for 2014 shall be based on the following Measures/Performance Indicators and Annual Targets, to wit:

Performance Measures				Baseline Data	Targets
Indicator	Description	Formula	Weight	2013	2014
MFO 1: Provident Savings					
Quantity	Members' Savings (PhP Billion)	Actual MS+MS from list: a) Local members b) OFW-New Hires deployment Year-End Upgrade+MS from new members, to list:	7%	26.134	29.057
Quality	Provident Benefit Claims (Percentage of qualified applicants for claims served)	Actual Number of Claimants with Approved Provident Benefit Applications/Qualified Benefit Claim Applicants	7%	100%	100%
Financial	Percentage of Dividend to Net Income	Dividend Amount/Net Income	7%	70% (10.106 B)	70%
Timeliness	Provident Benefit Claims Processing Time (computer time)		4%		
	1. Regular Claims				
	a. All records are available within the receiving/processing branch	No. of WDs to process provident claims	0.7%	2.9 WDs	2 WDs
	b. With records from other branch/es	No. of WDs to process provident claims	0.8%	5.9 WDs	6 WDs
	2. Maturity Claims				
	a. All records are available within the receiving/processing branch	No. of WDs to process provident claims	0.7%	2.9 WDs	2 WDs
	b. With records from other branch/es	No. of WDs to process provident claims	0.8%	5.9 WDs	6 WDs
	3. Optional Withdrawal	No. of WDs to process provident claims	1.0%	5.9 WDs	6 WDs

Performance Measures				Baseline Data	Targets
Indicator	Description	Formula	Weight	2013	2014
		Subtotal of weights	25%		
MFO 2: STL Availment					
Quantity 1	Multi-Purpose Loans (MPL) Availment (PhP billion)	Total Loan Amount Approved	4%	37.417	43.577
Quantity 2	Multi-Purpose Loans (MPL) Availment (Borrowers)	Total Number of Borrowers with Approved Loan	4%	1,885,008	2,371,528
Quality	Calamity Loan (Percentage of qualified calamity loan applicants served)	Actual Number of Calamity Loan Borrowers with Approved Loan/Qualified Calamity Loan Applicants	6%	100%	100%
Timeliness	Multi-Purpose Loan Processing Time (computer time)		2%		
	1. New Loans				
	a. All records are available within the receiving/processing branch	No. of WDs to process multi-purpose loans	0.25%	0.9 WD	1 WD
	b. With records from other branch/es	No. of WDs to process multi-purpose loans	0.25%	3.1 WDS	5 WDS
	2. Loan Renewals				
	a. All records are available within the receiving/processing branch	No. of WDs to process multi-purpose loans	0.25%	1 WD	1 WD
	b. With records from other branch/es	No. of WDs to process multi-purpose loans	0.25%	1.5 WDS	2 WDS
Financial	Collection Efficiency for Short-term Loans	Actual Collection (PhPB)/Collectibles (PhPB)	4%	92% (Actual 49.147 Collectibles 53.273)	100%
		Subtotal of weights	20%		
MFO 3: Home Financing					
Quantity 1	Retail Home Lending Availment (PhP Billion)	Total Amount of Loans Taken-out + Amount of Loans Pending for Take-out	13%	46.581	49.712

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Performance Measures				Baseline Data	Targets
Indicator	Description	Formula	Weight	2013	2014
Quantity 2	Retail Home Lending Availment (No. of Units)	Total Housing Units Taken-out + Number of Housing Units Pending for Take-out	13%	63148	73,905
Timeliness	Home Lending Processing Time		10%		
	1. Window 1: Developer-assisted Prime Accounts	No. of WDs to process Retail Home Lending Applications	2%	8.3 WDs	9 WDs
	2. Window 2: Developer-assisted Regular Accounts				
	a. Loan Approval	No. of WDs to process Retail Home Lending Applications	2%	12.8 WDs	14 WDs
	b. Loan Takeout	No. of WDs to process loan disbursements of Retail Home Lending Applications	2%	1.9 WDs	3 WDs
	3. Window 3: Retail				
	a. Loan Approval	No. of WDs to process Retail Home Lending Applications	2%	12.8 WDs	17 WDs
	b. Loan Takeout	No. of WDs to process loan disbursements of Retail Home Lending Applications	2%	1.9 WDs	3 WDs
Financial	Collection Efficiency for Housing Loan**	Actual Collection (PhPB)/ Collectibles (PhPB)	9%	103% (Actual: 30.720 / Collectibles 29.909)	100%
Subtotal of weights			45%		
GASS: Admin and Expense Loading					
Financial 1	Capital Adequacy Ratio	Retained Earnings/Risk Weighted Assets	2%	20.28%	24.43%
Financial 2	Fund Administration Cost of 2%	Fund Administration Cost/Net Fund Assets	8%	1.39%	1.80%
Subtotal of weights			10%		
TOTAL			100%		

**Collectibles for 2011 are based on 91% PL Ratio and Collections from Existing portfolio is from accounts up to 1 year. Accounts over 1 year in arrears are assumed to be endorsed for foreclosure and

cancellation. Collectibles for 2012 are based on 91% PL Ration for existing portfolio and 95% for new take-outs. Portfolio for endorsements for Foreclosure and cancellation are as follows: at nist 50% and accounts over 2 yrs. In arrears and up. Collectibles from MCR/SCR for 2013 are based on 79% PL Ratio for accounts take-out and 95% for accounts taken-out in 2011 to 2013. Accts. Over 2 years in arrears will be endorsed for foreclosure and cancellation. Updated accounts with collections through outsourcing, will be endorsed for foreclosure and cancellation. Collectibles from GHL for 2014 are based on 98% for accounts taken-out in 2011 to 2013.

It is understood that the GOCC must achieve a weighted-average of at least 90% to be eligible to grant any Performance-Based Bonus.

4. **Quarterly Submission of Performance Monitoring.** – HDMF shall submit a quarterly monitoring report to the GCG within thirty (30) calendar days from the close of each quarter using the monitoring report attached hereto as **Annex B**.
5. **Good Governance Conditions.** – In addition to the covered portions of the Performance Scorecard, the GOCC must fully comply with the Good Governance Conditions enumerated under GCG MC No. 2013-02, namely:
 - 6.1. *Conditions Common to National Government Agencies and GOCCs:*
 - (a) Transparency Seal;
 - (b) PhilGEPS Posting;
 - (c) Cash Advance Liquidation;
 - (d) Citizen's Charter or its equivalent; and
 - (e) Compliance with the submission and review requirements covering Statement of Assets, Liabilities and Net Worth (SALN);
 - 6.2. *Conditions Specific to GOCCs Covered by R.A. No. 10149:*
 - (a) Satisfaction of all statutory liabilities, including the payment of all taxes due to the Government, and declaration and payment of all dividends to the State as of the end of the applicable calendar year, whenever applicable. Liabilities that are still under dispute and there has been no final and executory judgment/decision as of the date of the release of the PBB by the GOCC shall be excluded for the purpose of this provision.
 - (b) Submission and execution of concrete and time bound action plans for addressing Notices of Disallowances and Audit Observation Memoranda from the Commission on Audit (COA), if any.
 - (c) Adoption of a "Manual of Corporate Governance" pursuant to Section 42 of the **CODE OF CORPORATE GOVERNANCE FOR GOCCs (GCG MC No. 2012-07)** that is approved by GCG and uploaded on the GOCC's website.
 - (d) Compliance with posting on the GOCC's website the information enumerated under Section 43 of GCG MC No. 2012-07.
 - (e) Adoption of a **No GIFT POLICY** approved by the GCG and uploaded on the GOCC's website pursuant to Section 29 of GCG MC No. 2012-07.
7. HDMF hereby undertakes to have its Performance Scorecard rated by its customers and solicit feedback on how the same may be improved. HDMF

shall determine the most effective method for accomplishing the said purpose. Such information shall be reported to GCG together with the quarterly monitoring report. The rating shall not affect the performance indicators/measures in HDMF's Performance Scorecard, and shall be used solely as a reference by GCG and HDMF during Performance Agreement Negotiations/Renegotiations.

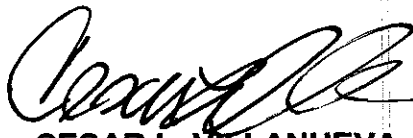
8. Nothing herein shall be construed as limiting the authority of GCG to initiate renegotiations and/or revoke Performance Agreements in accordance with existing laws, rules and regulations.

DONE, this 09 February 2015, in the City of Makati, Philippines.

**GOVERNANCE COMMISSION FOR
GOCCs**

**HOME DEVELOPMENT MUTUAL
FUND**

BY AUTHORITY OF THE COMMISSION:




CESAR L. VILLANUEVA
Chairman

HON. JEJOMAR C. BINAY
*Chairman – Vice President of the
Philippines*



MA. ANGELA E. IGNACIO
Commissioner



**ATTY. DARLENE MARIE B.
BERBERABE**
Chief Executive Officer

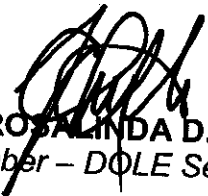


RAINIER B. BUTALID
Commissioner


HON. CESAR V. PURISIMA
Vice Chairman - DOF Secretary



HON. FLORENCIO B. ABAD
Member – DBM Secretary

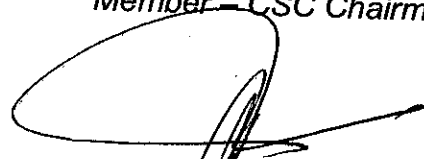


HON. ROSALINDA D. BALDOZ
Member – DOLE Secretary

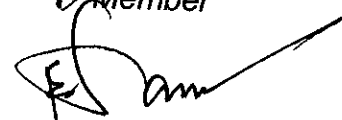


HON. GREGORY L. DOMINGO
Member – DTI Secretary

HON. FRANCISCO T. DUQUE III
Member – CSC Chairman



HON. JESUS B. VARELA
Member



HON. EDGARDO G. LACSON
Member



ATTY. JAIME L. MIRALLES
Member



HON. RAUL B. DE MESA
Member



HON. TOMAS B. LOPEZ JR.
Member