

PRESS RELEASE

Pag-IBIG Fund declares its highest dividend of P22.3 B

Cabinet Secretary and concurrent Chairman of the Pag-IBIG Fund Board of Trustees Leoncio Evasco, Jr. announced the approval of PhP22.3 Billion as dividends for 2016. The said amount, which is PhP8 Billion more than the dividends declared in 2015, is the highest that Pag-IBIG has credited to its members in the history of the Fund. This, after the state-run financial institution reported its highest-ever income of PhP25 Billion.

In 2015, the Fund surpassed its previous records by declaring a dividend rate of 4.83%. For 2016, the Fund is giving more to its members by declaring a significantly higher dividend rate of 6.93%. This is much higher than the prevailing rates in the market like the less than 1% paid by banks on savings deposit.

"This is great news to the 17 million Pag-IBIG members who will directly benefit from the Fund's accomplishments. Rest assured that the Pag-IBIG Board will continue to work hard so that what the Fund has already achieved will be carried on," said Sec. Evasco.

The Pag-IBIG Fund Charter mandates that "no less than seventy percent (70%) of the annual net income of the Fund shall be paid to its members in the form of dividends".

"So for 2016, we declared a dividend rate of 5.38%. However, the Fund was able to add 1.55% and effectively increased the rate to 6.93% because the Pag-IBIG Board declared an additional special dividend of PhP5 Billion from retained earnings. We were able to do this because we have adequately covered all risks in Pag-IBIG operation," Pag-IBIG President and CEO Atty. Darlene Marie B. Berberabe said.

The dividends will not be paid in the form of cash but will be credited proportionately to the members' individual savings or Total Accumulated Value (TAV).

The TAV, which constitutes the sum of the member's contributions, employer counterpart, and the dividends it earns every year, can be withdrawn in full upon membership maturity. It is government-guaranteed, and the dividends it earns are not subject to withholding taxes. While the mandatory monthly contribution for employed workers remains at PhP100, Pag-IBIG encourages its members to increase their savings and take advantage of the returns that the Fund provides.

Atty. Berberabe added, "I am very proud of Pag-IBIG for accomplishing this milestone. We've been steadily growing through the years, and we continue to best our achievements. The 25% improvement for dividend payout we declared for 2015 already met with a lot of approval from our stakeholders. This year, we have increased it even further by 56%, an unprecedented record by the Fund, by putting significant measures in place."

"Our members are now benefitting from the reforms we have implemented over the years. That is why, I hope that more of our Filipino workers, especially the OFWs and informal workers, will realize how beneficial a Pag-IBIG membership is," she said.

With a dividend earning higher than other financial instruments in the market, Pag-IBIG savings becomes a competitive and profitable investments option for Filipino workers.