

HOME GUARANTY CORPORATION (HGC)
Interim Performance Scorecard

Performance Measures				HGC Submission			CGO-A Validation		Supporting Documents	Remarks
Description	Formula	Weight	Rating System	Targets	Actual	Rating	Score	Rating		
MFO 1 – LOAN GUARANTY SERVICES										
Quantity 1 : Total value of loans guaranteed	Value of outstanding guaranty for the year	7%	(Actual/Target) x Weight	₱90,849.3 Million	₱97,250.53 Million	7.00%	₱97,250.53 Million	7.00%	Guaranty Portfolio Report as of December 31, 2014 (sourced from HGC Guaranty Group)	<ul style="list-style-type: none"> Exceeded 2014 target by 7% and 2013 Actual (₱63,509.82 Million) by 53%; Guaranty enrollments and renewals for CY 2014 is equivalent to 77,064 housing units covered; HGC's aggressive marketing campaign, improved financial condition and visibility in various housing events nationwide contributed to HGC's exceeding of its targeted guaranty performance.
Quantity 2 : Total number of loans guaranteed	Number of loans covered by outstanding guaranty for the year	7%	(Actual/Target) x Weight	91,138	77,064	5.92%	77,064	5.92%	Guaranty Portfolio Report as of December 31, 2014 (sourced from HGC Guaranty Group)	<ul style="list-style-type: none"> In terms of housing loans covered, HGC fell short of target by 15%; however, 2014 actual represents an improvement over 2013 actual of 69,614; Notably, renewals accounts for 60% of loans, the remaining 40% are new enrollments; 68% of the guaranteed entities were banks

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										and developers, the remaining were investors in securities and mutual funds; <ul style="list-style-type: none"> 90% of the guaranteed housing packages were socialized and low cost housing; Lastly, 54% of the housing units covered were located in NCR.
Timeliness 1 : Percentage of guaranty enrollment applications completed within 15 working days upon receipt of complete documentation	Number of guaranty enrollment applications completed within 15 working days upon receipt of complete documentation over Number of guaranty enrollment applications filed with complete documentation	7%	(Actual/Target) x Weight	100%	100%	7.00%	99.82% (1096/1098)	6.99%	Monitoring Report on COG Processing for CY 2014 (sourced from HGC Guaranty Group)	<ul style="list-style-type: none"> Indicator applies to new enrollments of 48 institutions for CY 2014 totaling 1,098 accounts; 2 applications were processed more than the prescribed 15 working days.
Timeliness 2 : Percentage of approved guaranty calls paid within 30 calendar days upon receipt of complete documentation	Number of approved guaranty calls paid within 30 calendar days upon receipt of complete documentation over number of approved guaranty calls	7%	(Actual/Target) x Weight	100%	100%	7.00%	100%	7.00%	Paid Retail Guaranty Calls from January 01- December 31, 2014 with attached documents per account i.e. a) Letter to clients that Bond Payment is ready for pick up b) Compliance to	<ul style="list-style-type: none"> Processed 4 accounts which were approved for payment and were processed at an average of 19.5 days.

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									requirements for guaranty payment c) Proof of submission of original documents and d) copy of Debenture Bond payment (sourced from HGC Guaranty Group).	
Timeliness 3 : Percentage of bond interest serviced and bonds redeemed as scheduled	Total interest paid and bond redeemed over total maturing obligation for bond interests and redemption	5%	(Actual/Target) x Weight	100%	100%	5.00%	100%	5.00%	Summary of HGC Bond Interest Payments and Redemptions, Disbursement Vouchers, Redeemed Debenture Bonds Certificate and copies of Official Receipts.	<ul style="list-style-type: none"> • CY 2014 Interest payments totaled ₱147,628.58 and Bond redemptions totaled ₱74,097 Million.
Financial 1 : Total guaranty claims paid	Value of guaranty claims paid	5%	[1 - (Actual - Target) / Target] x Weight	≤ ₱25 Million	₱5.71 Million	5.00%	₱5.71 Million	5.00%	Paid Retail Guaranty Calls from January 01-December 31, 2014 with attached documents per account i.e. a) Letter to clients that Bond Payment is ready for pick up b) Compliance to requirements for guaranty payment c) Proof of submission of	<ul style="list-style-type: none"> • 2014 Actual is higher than 2013 Actual (₱1.57 Million) by 264%; • In CY 2014, total calls received totaled ₱39.597 Million, of which, the approved guaranty call for payment amounted to ₱5.266 Million. ₱2.834 Million thereof has been paid. The balance represents payment of guaranty calls received in 2013 but paid in 2014.

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									original documents and d) copy of Debenture Bond payment (sourced from HGC Guaranty Group).	
Financial 2 : Total premium payments received	Value of guaranty premiums received	7%	(Actual/Target) x Weight	₱726.79 Million	₱804.34 Million	7.00%	₱815.021 Million	7.00%	Premium Fee collected from January to December 2014 (sourced from HGC Guaranty Group); Cash Flows Statement	<ul style="list-style-type: none"> • 2014 Actual is higher than 2014 Target by 12% and 2013 Actual (₱545.882 Million) by 49%. • The increase in guaranty premiums received in CY 2014 was significantly attributed to the strong marketing efforts of HGC that resulted in strong demand for HGC guaranty coverage primarily of banks and developers nationwide.
Subtotal		45%				43.92%		43.91%		
MFO 2 – ABOT-KAYA PABAHAY FUND (AKPF) SUPPORT SERVICES										
Timeliness 1 : Percentage of AKPF guaranty enrollment applications completed within 15 working days upon receipt of complete documentation	Number of AKPF guaranty enrollment applications completed within 15 working days upon receipt of complete documentation over number of AKPF guaranty enrollment	7%	(Actual/Target) x Weight	100%	100%	7.00%	99.63% (270/271)	6.97%	Data on the Processing Time of Promissory Note (PN) of AKPF Enrollment for CY 2014 (sourced from HGC Accounts Management Department)	<ul style="list-style-type: none"> • 270 PNs (out of 271) were processed within 15 working days upon receipt of complete documentation; • Notably, the fastest reported processing time is 3 days while the longest is 16 days; • Total count of transactions in CY 2014 is 170, 46% of which

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	applications filed with complete documentation									were processed in less than 10 days.
Timeliness 2 : Percentage of approved AKPF guaranty calls paid within 30 calendar days upon receipt of complete documentation	Number of approved AKPF guaranty calls paid within 30 calendar days upon receipt of complete documentation over number of approved AKPF guaranty calls	7%	(Actual/Target) x Weight	100%	100%	7.00%	100%	7.00%	Paid AKPF Guaranty Calls Report (sourced from HGC Guaranty Group)	No AKPF guaranty calls were made in CY 2014.
Financial : Total AKPF guaranty claims paid	Value of AKPF guaranty claims paid	6%	[1 - (Actual - Target) / Target] x Weight	≤ ₱8.88 Million	-	6.00%	-	6.00%	Status of Calls (AKPF) Report (sourced from HGC Guaranty Group)	No AKPF guaranty calls were made in CY 2014.
Subtotal		20%				20.00%		19.97%		
MFO 3 – ACQUIRED ASSETS MANAGEMENT										
Quality : Collection Efficiency	Value of actual collection over target collection for the year	6%	(Actual/Target) x Weight	85%	88.46%	6.00%	88.46%	6.00%	Report on Collection of Receivables as of 31 December 2014 (sourced from HGC Treasury Department); Statement of Cash Flows for CY 2014	<ul style="list-style-type: none"> CER for current accounts stood at 94% while CER for delinquent accounts is at 43%; Increased collection of receivables were due to the following strategies adopted by HGC (1) close monitoring of current accounts to prevent any delinquency or

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										default in amortization payment and (2) monthly reminders to buyers/lessees before the due date of their payments.
Timeliness : Percentage of sales document executed within 30 days from receipt of payment	Number of sales document executed within 30 days from receipt of payment over number of sales document for processing	7%	(Actual/Target) x Weight	100%	88%	6.16%	87.63% (85 / 97)	6.13%	Disposition Report, Monitoring of Sales Document Execution	<ul style="list-style-type: none"> 2014 actual is an improvement from 2013 actual of 87.10%; Out of 97 accounts disposed (APC-34, Developmental-23, Retail-38, and Other Assets-2) 85 sales documents were executed within the prescribed 30 working days.
Financial 1 : Sales Value of assets sold	Sales value of acquired assets sold for the year	6%	(Actual/Target) x Weight	₱1,153.65 Million	₱129.74 Million	0.67%	₱129.74 Million	0.67%	Summary of Assets Disposed as of 31 December 2014 (sourced from HGC Asset Management and Disposition Group)	<ul style="list-style-type: none"> 2014 Actual is lower than target by 89%; HGC fell short of target for asset disposition due to non-disposal of one of its big ticket asset in the pipeline- Asset Participation Certificate (APC) funded asset valued at ₱2.70 Billion; Notably, HGC has developed schemes to dispose its acquired assets such as (a) Beneficial Land Use (BLU) Scheme to legitimize existing occupants' ownership of HGC-owned

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										properties through a negotiated sale and (b) Coordination with Local Government Units (LGUs) to discuss possible conveyance and turnover of the BLISS and other regional projects for redevelopment.
Financial 2 : Total collection of receivables	Value of total collections	6%	(Actual/Target) x Weight	₱238.47 Million	₱277.91 Million	6.00%	₱255.455 Million	6.00%	Report on Collection of Receivables as of 31 December 2014 (sourced from HGC Treasury Department); Statement of Cash Flows for CY 2014	<ul style="list-style-type: none"> Total collections for the year include amortization collections for regular portfolio (both current and delinquent accounts) and for new sales sourced from HGC Statement of Cash Flows as submitted to COA.
Subtotal		25%				18.83%		18.80%		
General Administrative Support										
Quality 1 : Re-certification of compliance to ISO 9001:2008 standards	ISO certification re-issued every year after surveillance audit	5%	(Actual/Target) x Weight	Re-certified (covers 3 core guaranty processes)	Re-certified	5.00%	Re-certified	5.00%	External Auditor Confirmation Letter and Certificate ISO 9001:2008	<ul style="list-style-type: none"> Certification is for the provision of Credit Guaranty Services for Housing Loans Extended by Financial Institutions and Real Estate Developers, specific to the Application for Guaranty, Guaranty Enrollment and Guaranty Call Processes;

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										• Certification is valid until 02 April 2016.
Quality 2 : Automation of system processes	Number of ISSP activities/phases completed as scheduled over number of activities in a year in approved ISSP	5%	(Actual/Target) x Weight	2015-2017 ISSP formulated	2015-2017 ISSP formulated	5.00%	2015-2017 ISSP formulated	5.00%	Information Systems Strategic Plan for the period 2015-2017 (sourced from HGC Management Information Systems Department)	Acceptable.
Subtotal		10%				10.00%		10.00%		
Total Weight:		100%				92.75%		92.68%		

