

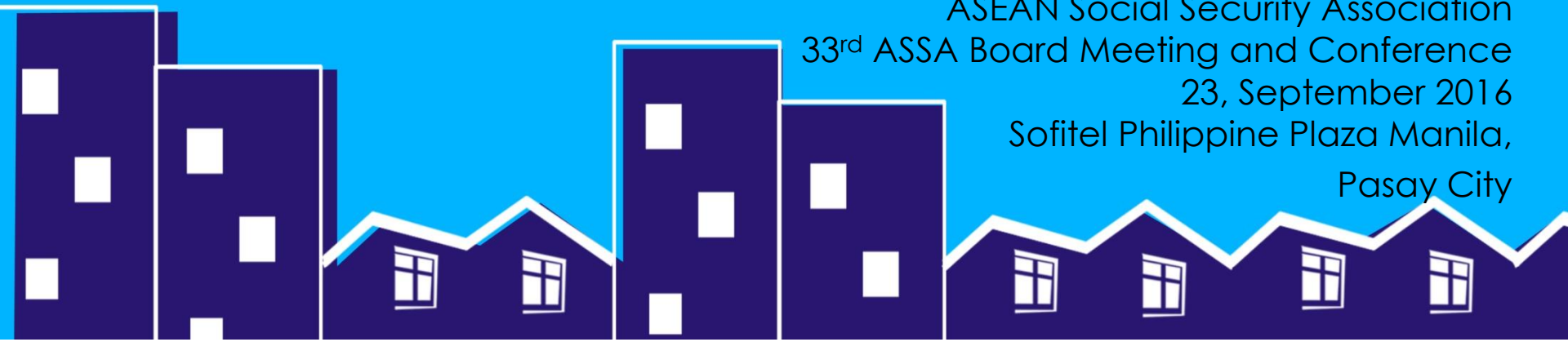


# Value of Public and Private Partnership in Enhancing Pag-IBIG Benefits

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# Pag-IBIG Fund Coverage

## Presentation Outline

1. Mandates
2. Pag-IBIG at a Glance
3. Major Programs
  - Provident
  - Housing Loan





# Twin Mandates of Pag-IBIG Fund

as provided in Section 2 of RA 9679

## Pag-IBIG Fund

**Pag-**tutulungan sa kinabukasan: **I**kaw, **B**angko,  
**I**ndustriya, at **G**obyerno.

### PROVIDENT SAVINGS

To establish, develop, promote, and integrate a nationwide sound and viable tax-exempt mutual provident savings system suitable to the needs of the employed and other earning groups; and

### SHELTER FINANCING

To motivate them to better plan and provide for their housing needs, by membership in the HDMF, with mandatory contributory support of the employers in the spirit of social justice and the pursuit of national development

**Mandatory membership for Filipino workers  
earning at least PHP 1,000 a month (US\$20.94)**



# The Pag-IBIG Model

## Fund Sources

- Members' Savings
- Short-Term Loan Amortizations
- Housing Loan Amortizations
- Capital Market Borrowings
- Income from Other Investments



## Fund Usage

### Provident Benefits

- *Return of Savings*
- *Short-Term Loans*

### Housing Finance

- *End-User Housing*
- *Institutional Loans*

### Liquidity Reserve Funds

- *Investment Portfolio*





# Pag-IBIG Fund at a Glance

**16.58 Million  
Members**

*as of June 2016*



**₱418.88 B**

(US\$8.740B)

**Total Assets**  
*as of June 2016*

**2015**

**₱30.71 B**

(US\$640.800M)

**Membership Savings**

**114**

Branches  
**Nationwide**



**23**

Posts  
**Worldwide**

**Dividends**

**₱14.24 Billion**

(US\$297.134M)

**Highest Ever!**

**2015**

**Net Income**

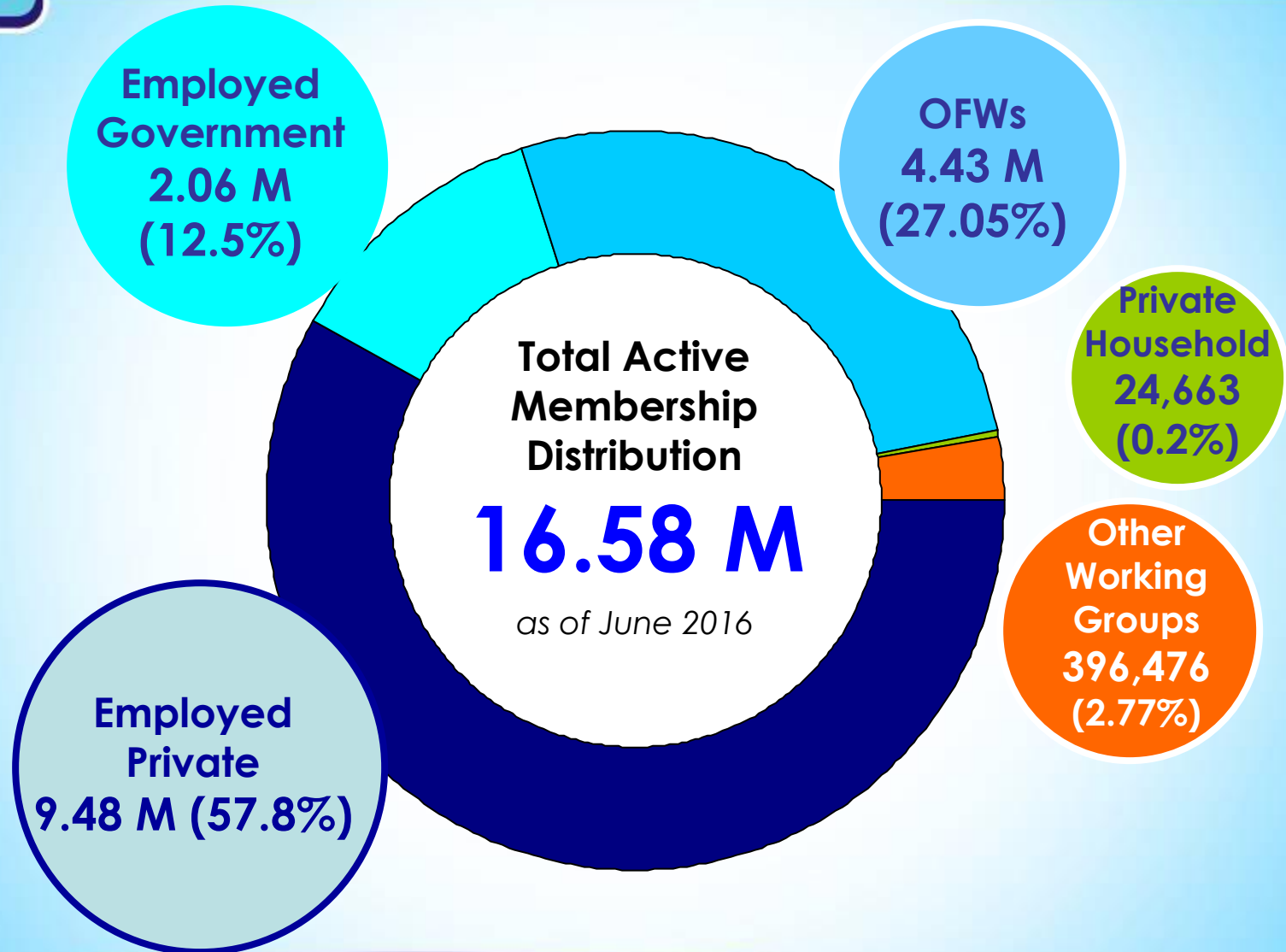
**₱20.52 Billion**

(US\$428.174M)



# Pag-IBIG at a Glance

## Membership Breakdown





# Provident Mandate

## Benefits of Pag-IBIG Membership

- **Mandatory Contributory Support of the Employer (P100 – US\$2.09)**
- **Tax Exemption**
- **Dividends Earnings on Savings (2015 4.83%)**
- **Return of Contributions**
- **Access to Affordable Housing Loans**
- **Access to Short Term Loan**
- **Portability of Membership**
- **Optional Withdrawal of Contributions**
- **Death Benefits (P6,000 – US\$125)**
- **Government Guaranteed Members Savings**
- **Pag-IBIG Loyalty Card**





# Provident Programs Pag-IBIG Savings



**still only**

**₱100/month**

**(US\$2.09/mo.)**

**unchanged since 1980s**

- ☒ Government guaranteed
- ☒ Tax-exempt  
Free from 20% withholding tax
- ☒ 20-year Membership period
- ☒ Higher yield

**2015  
Dividend Rate**

**4.83%**



# Provident Programs

## Multi-Purpose Loan Program

### LOAN PURPOSE

- House repair
- Minor home improvement
- Home enhancement
- Tuition/educational expenses
- Health and wellness
- Livelihood
- Other purpose

### BORROWER ELIGIBILITY

- For active member who has made at least 24 monthly contributions
- If with an existing loan, the account must not be in default
- Up to 80% of TAV can be borrowed
- 24 months repayment period

Interest Rate

**10.75%**

Per annum

**July 2010 – June 2016**

Gross Loan Value	P234.08 B (US\$4.898B)
No. of Loans Approved	11,520,186
Ave. Gross Loan Value for the past 5 years	P46.816B (US\$980.143M)



# Provident Programs

## Calamity Loan Program

### LOAN PURPOSE

To provide financial assistance to Pag-IBIG member-victims in calamity-stricken areas, as declared by the Office of the President or the Sangguniang Bayan.

### BORROWER ELIGIBILITY

- Residing in areas declared under state of calamity
- Filing within 90 days from the date of declaration of the state of calamity
- Up to 80% of TAV can be borrowed
- 24 months repayment period



Interest Rate

# 5.95%

Per annum

**July 2010 – June 2016**

**Gross Loan Value**

**P31.932 B (US\$668M)**

**No. of Beneficiaries**

**1,892,694**



# Provident Programs

## Modified Pag-IBIG 2 Savings Program

- ✓ Enjoy higher dividend earnings, tax free
- ✓ 5-Year maturity period
- ✓ Save & deposit anytime
- ✓ Minimum of PHP 500 (US\$10.46)

only  
**2015 Dividend Rate**

# 5.33%

**per annum**

5-year average dividend  
rate: 4.78% per annum





## Provident Programs

# The Pag-IBIG Loyalty Card

Green Pepper  
General Store

EMCOR



NCCC

HARDWARE MAXX



EyeSite



OVER  
**2.3 MILLION**  
Cardholders

as of Sept. 20, 2016

Up to **50%** DISCOUNT  
to ON MEDICINES

Peso Points on  
GROCERIES

**10-20%** DISCOUNT  
ON TUITION FEES

**124**

Partner Establishments  
and counting

as of Aug. 31, 2016



# Housing Loan Programs

- **End-User Home Financing** Program
  - Regular Housing Loan
  - Affordable Housing Loan
- **Direct Developmental Loan** Program  
for Developers
- **Pag-IBIG-Led** Projects





## Housing Loan Programs

# End-User Regular Home Financing Program

- Loan amount **up to P6M** (US\$125,197)
- **Multiple housing** loan allowed
- Up to 2 co-borrowers
- Maximum of 30 years repayment
- Loans are covered by Insurance

**As High as 11.5%**

**Reduced to**

**5.5%\***

**per annum**

*\*1-year re-pricing period  
effective July 1, 2016*





## Housing Loan Programs

# Affordable Housing Loan Program

- Loan amount **up to P750K**  
(US\$15,806)
- Loan term **up to 30 years**

**LOWEST**

**INTEREST RATE of**

**4.5%\***

**per annum**

*\*for the 1<sup>st</sup> 10 years  
of loan term*





# Housing Loan Programs

## Direct Developmental Loan Program

- Developmental financing for developers under easier terms and conditions
- Loan may be used for the development of residential subdivision or medium-rise buildings or for the construction of housing units

### Wholesale Loan Rates

1-Year Fixing

**6.125%**

2-Year Fixing

**6.750%**

3-Year Fixing

**7.875%**

*as of January 1, 2015*



# Be a Pag-IBIG Partner

## Public-private partnership agreement

Between employers, developer/contractor and Pag-IBIG Fund.

- **Employer is accredited**  
to the program and makes access to home ownership available to its employees.
- **Developer/contractor produces the housing units,**  
secures permits and licenses and documents individual loan documents.
- **Pag-IBIG provides financing**  
in the form of end-user financing for employees or institutional loans for employer and/or developer/contractor





# Successful Project Partnership

## Domus One Cainta

Brgy. San Andres (Carangalan, Cainta, Rizal)



### Features:

- Waived fees amounting to PhP 50,000-70,000 (miscellaneous, utilities, notarization and other titling related expenses).
- Reduced the equity to 10% (PhP 16,000-14,000)
- Additional amenities provided by the LGU
- Selling price more than 50% lower than similar condo units within the project vicinity.

### Price Range:

**P650 K to P750 K**  
(US\$13,608 - US\$15,702)

### Appraised Value:

**P706 K to P815 K**  
(US\$14,780 – US\$17,062)



# Successful Project Partnership

L'Oasis

A. Reyes St., Brgy. Baritan, Malabon



## Features:

- PPP arrangement between LGU Malabon, Phinma and Pag-IBIG
- LGU-owned property
- Selling price lower than appraised value reducing the equity requirement

## Price Range:

**P615 K to P915 K**  
(US\$12,875-US\$19,156)

## Appraised Value:

**P694 K to P979 K**  
(US\$14,529 – US\$20,496)





# Successful Project Partnership

## PADPAO



Purok Ilama, Brgy. Mulig Toril, Davao City

### Features:

- Target beneficiaries are security guards/personnel who are among the low-income group
- Salary deduction scheme to be implemented by employer-security agencies
- Duplex-type units
- One of the very few socialized housing project within the city

### Price Range:

**P450 K to P550 K**

**(US\$9,421 – US\$11,514)**

### Appraised Value:

**P526 K to P622 K**

**(US\$11,012 – US\$13,022)**





# Pag-IBIG Fund Expansion





# Branches and Satellite Offices to reach more members



2010

38

Current

114

**Total Target Branches  
For 2017 – 132 (additional  
18 Branches more)**



# 23 Posts Worldwide

and expanding

**North America  
Remittance  
Partners: 103**

**Europe  
Remittance  
Partners: 77**

**Asia Pacific  
Remittance  
Partners: 300**

**Middle East  
Remittance  
Partners: 278**

## Overseas Posts

### Asia Pacific

### Europe

### Middle East

Korea  
Macau  
Japan  
Hong Kong  
Taiwan  
Brunei  
Malaysia  
Singapore

London  
Rome  
Greece  
Milan

Dubai  
Riyadh  
Qatar  
Abu Dhabi  
Bahrain  
Al Khobar  
Kuwait  
Oman  
Jeddah

### United States of America

New York, Canada (New)



Overseas Desks



Concentration of OFWs



Remittance Partners

# International Standards Organization



**Pag-IBIG maintains  
ISO 9001 certification**

**All NCR  
branches now  
ISO-certified**



# Value of Public and Private Partnership in Enhancing Pag-IBIG Benefits

## Thank You

