



Social Housing Finance Corporation
a subsidiary of National Home Mortgage Finance Corporation

**BOARD RESOLUTION NO. 424, SERIES OF 2014
APPROVAL OF THE SHFC CORPORATE OPERATING
BUDGET CY – 2015**

WHEREAS, pursuant to the SHFC-GCG Performance Agreement Negotiation which relates to the 2015 Targets, the Management formulated the corresponding operating budgets for the same fiscal year intended for Community Mortgage Program (CMP), High Density Housing Program (HDHP) and the Abot-Kaya Pabahay Fund (AKPF);

WHEREAS, the Management by way of presentation reported the following budget proposals for the three (3) programs, to wit;



2015 COB SUMMARY
(PhP in Millions)

Programs	Proposed Budget	% Inc / Dec VS 2014 BUDGET	% Inc / Dec VS 2014 ACTUAL
Community Mortgage Program (CMP)	1,986.904	-0.49%	32.36%
High Density Housing Program (HDHP)	3,741.220	2.10%	24.52%
Abot-Kaya Pabahay Fund (AKPF)	165.407	506.95%	592.51%
TOTAL	5,893.531	3.61%	30.11%

WHEREAS, the budget proposals of the said programs incorporated the accounts of MOOE, Personal Services and Capital Outlay;

WHEREAS, in relation to the CMP-Personal Services (*Salaries and Wages*) and in line with the forthcoming implementation of the SHFC Rationalization Plan, the Management assumes a 7% increase in plantilla positions (from 227 to 242);

WHEREAS, the CMP-personal services includes budget for retirement / separation package for affected employees amounting to P33 Million;

WHEREAS, aside from the proposed budgets for the three (3) programs, the Management likewise presented the SHFC's Projected Income (Table 1), Cash Flow (Table 2), Break-even Analysis (Table 3) and EBITDA (Table 4), illustrated as follows, *viz*:

Table 3:



PROJECTED CASHFLOW STATEMENT (PhP in Millions)

PARTICULARS	HISTORICAL DATA				PROJECTIONS											
	2010	2011	2012	2013	2014			2015			2016			2017		
					CMP	HDHP	TOTAL	CMP	HDHP	TOTAL	CMP	HDHP	TOTAL	CMP	HDHP	TOTAL
Cash Balance, Beginning	681	821	1,050	2,136	2,731	0	2,731	2,879	4	2,883	2,599	11	2,610	2,244	58	2,301
Cash Inflows:																
CMP Subsidy	251	462	1,250	750	1,500		1,500	1,000		1,000	1,000		1,000	322	0	322
HDHP Subsidy				11	0	3,685	3,685	0	3,743	3,743			6,203	6,203		0
Amortization Collections	502	700	583	621	797		798	886	5	891	944	35	979	1,083	162	1,245
Other Income	56	57	68	67	35		35	47		47	44		44	56		56
Other Receipts	34	61	51	276	42		42	42		42	42		42	42		42
TOTAL Cash Inflows	843	1,281	1,972	1,687	2,374	3,665	6,040	1,975	3,748	5,723	2,030	6,233	8,269	1,483	162	1,645
Cash Outflows:																
Operating & Admin. Expenses																
Personnel Services	89	112	124	144	217	4	221	237	5	242	324	5	329	353	0	353
MO&E	74	86	107	101	178	5	183	200	8	211	187	8	195	234	8	242
Financial Expenses	19	22	20	24	28	332	360	36	339	375	40	362	402	50		50
Capital Expenditures	9	5	14	2	44	1	45	76	1	78	53		53	21		21
Amortization Payments	6	7	7	8	7		7	8		8	8		8	7		7
Mortgage Financing	173	646	496	577	1,617	3,320	4,496	1,486	3,988	4,871	1,604	1,616	7,221	2,025	0	2,025
Payment of Taxes and premiums	46	61	49	36	39		39	64		64	53		53	54		54
Payment of Dividends	21	45	27	124	20		20	61		61	66		66	53		53
Other Outflows	64	65	72	74	77		77	84		84	90		90	98		98
TOTAL Cash Outflows	702	1,052	886	1,092	2,226	3,662	5,838	2,255	3,741	5,996	2,386	6,192	8,577	2,864	14	2,877
Cash Balance, End	821	1,050	2,136	2,731	2,879	4	2,883	2,599	11	2,610	2,244	58	2,301	863	206	1,069
	0	0	0	0	0			0			0		0	6		6

Table 4:



PROJECTED STATEMENT OF INCOME & EXPENSES (PhP in Millions)

SOCIAL HOUSING FINANCE CORPORATION SUMMARY OF FINANCIALS

PARTICULARS	HISTORICAL DATA				PROJECTIONS			
	2010	2011	2012	2013	2014	2015	2016	2017
REVENUES	361	467	420	379	4,292	4,440	6,950	958
EXPENSES	218	267	357	326	814	879	1,162	675
INCOME FROM OPERATIONS	143	200	63	53	3,478	3,561	5,788	284
INCOME TAX	35	51	19	6	43	44	34	40
NET INCOME	108	148	43	46	3,434	3,517	5,754	244
NET INCOME (Net of HDH Subsidy for ISF only)	108	148	43	35	114	129	137	244
EBITDA MARGIN	46%	48%	34%	23%	34%	30%	30%	41%
EBITDA MARGIN (TARGET)						28%	28%	28%

WHEREAS, the Governance Committee in its Committee Report No. 2014-10, endorses the SHFC Corporate Operating Budget for Calendar-Year 2015;

WHEREAS, the Board took due cognizance of the presentation of the aforesaid SHFC Corporate Operating Budget;

WHEREAS, it was the sense of the Board to approve the hereinbefore presented Budget provided that any or all consultancy projects belonging to the Professional Services in CMP-MOOE should be subjected to further Board deliberation and approval;

NOW THEREFORE, be it resolved as it is hereby resolved, that the Board approves as it has hereby approved, the SHFC Corporate Operating Budget for the Calendar Year 2015;


RESOLVED FURTHER, that any or all consultancy projects and any matters pertaining to the procurement of the Professional Services in CMP-MOOE, consisting of PFRS Conversion (P6M), Detailed Requirement Study (P5M), Competency Mapping (P3M), Network Infrastructure (P3M), Client Satisfaction Survey (P3M), ISO (P2M), Marketing Plan/Dev't Plan (P1M), shall be presented to the Board for deliberation and approval prior to its actual implementation;

APPROVED by the Board in its 98th Board Meeting held on 12 December 2014 at the SHFC Board Room, BDO Plaza, Paseo de Roxas, Makati City.

HON. JEJOMAR C. BINAY

Vice President of the Republic of the Philippines
and Chairman, HUDCC
Chairperson


MS. MA. ANA R. OLIVEROS
President, SHFC
Vice Chairperson


DR. FELIXBERTO U. BUSTOS, JR.
President, NHMFC
Member

(Absent)
MS. CHARISSA HIPOLITO
DOF Representative
Member


AUGUSTO C. LOPEZ-DEE
BSP Representative
Member

(Absent)
USEC. TOMASITO VILLARIN
DILG Representative
Member

(Absent)
USEC. LUZ M. CANTOR
DBM Representative
Member

(Absent)
ATTY. RODOLFO MA. A. PONFERRADA
Private Sector Representative
Member


JOVITO C. LABAJO
Private Sector Representative
Member


DAMASO C. VERTIDO
Private Sector Representative
Member


GUILLERMO P. TORRES, JR.
Private Sector Representative
Member

Attested by: 
ATTY. JOSE D. MELGAREJO
Board Secretary