

## **HIGHLIGHTS OF 2019 ACCOMPLISHMENTS**

### **I. Implemented EO 58 (Philippine Guarantee Corporation)**

- Merged Philippine Export-Import Credit Agency (PhilExim) and Home Guaranty Corporation (HGC) (personnel, guarantee functions, assets, liabilities and equity)
- Transferred guarantee functions and funds:
  - Industrial Guarantee and Loan Funds (IGLF) – funds only
  - Small Business Corporation (SBC) – guarantee function and funds including Credit Risk Guarantee Fund (CRGF) (Yolanda Fund)
  - Transferred administration of Agricultural Guarantee Fund Pool (AGFP) – guarantee function/IRR, funds and personnel
- As the surviving entity in the merger, PhilExim was renamed Philippine Guarantee Corporation (PhilGuarantee).

### **II. Financial Highlights:**

#### **Condensed Statement of Financial Position As of December 31, 2019**

Particulars	Amount (In Million PhP)
Total Assets	54,972
Total Liabilities	36,157
Total Equity	18,814
Total Revenue	2,525
Total Expenses	2,259
Net Income	210
Total Comprehensive Income	265

### **III. Operational Highlights**

#### **A. Corporate (Priority Sector / MSMEs)**

- Continuous building up of portfolio along the areas of infrastructure, energy, tourism and related services, including MSMEs;
- Outstanding guarantees representing the volume of the core business of the Corporate Group amounted to Php 2.95 Billion.
- Guarantee Approvals: Twenty two (22) commercial and rural banks with a total amount of Php 17.96 Billion; guaranteed amount ranges from Php 40.0 Million to Php 1.60 Billion.
- Developmental Aspect: The assisted borrowers through the Agency's various programs employed a total of 122 regular, 12,153 non-regular and 10 contractual personnel/workers, thus, contributing to the creation of 12,285 jobs. This employment opportunities provided economic impact to their respective families estimated at 61,425 individuals and more, resulting to poverty reduction.
- Core business income was Php 90.29 Million which comprises the guarantee income generated from the current guaranteed accounts, lending program and Remedial and Asset Disposition Unit's (RADU) revenue representing interest and penalties from several accounts and rent/lease income from acquired assets/properties located in various parts of Region 7 and CAR.
- Collection effort and restructuring agreement were being pursued by the Remedial and Asset Disposition Department. As of reporting period, full recovery from various defaulted accounts was realized. Likewise, continuous monitoring of collection efforts and negotiation for loan repayment are being undertaken.
- Several acquired assets were being offered for sale as part of the Agency's disposal activity. In relation to this, procurement of a third-party appraisal services was conducted to update valuation of acquired assets. Likewise, secured approval from management to lease-out acquired property.

#### **B. Housing**

- Outstanding Guarantee of Php 207.05 Billion covers 153,306 housing units.
- New Guarantee Enrollments: Php 53.30 Billion. Php 37.13 Billion or 69.66% went to Socialized and Low-Cost housing. Medium-Cost and Open housing had 18.50% and 11.85% allocations, respectively.
- Beneficiaries : 44,449 housing loan borrowers, above target of 30,000 units under the Medium Term Philippine Development Plan
- Guarantee Premium earned : Php 1.79 Billion

## C. Agriculture

- In 2019, AGFP took a pro-active marketing campaign that resulted to winning guarantee partnerships with forty five (45) Participating Lending Institutions (PLIs) with an aggregate outstanding guarantee line of Php6.0 Billion, broken down as follows:

Type of Partner Lending Institution	No. of Partners			Outstanding Guarantee Line
	Target	Accomplishment	% Accomplished	
Banks	60	33	55.00%	5,444,000,000
Cooperatives	32	10	31.25%	157,500,000
FOs/MFIs	7	2	28.57%	400,000,000
SMEs/Corporations	1	-	0.00%	-
<b>Total</b>	<b>100</b>	<b>45</b>	<b>45.00%</b>	<b>6,001,500,000</b>

- A total of 66,583 agricultural loan borrowers benefitted from this partnership as they were able to access some Php6.34 Billion worth of unsecured loans.
- Total Number of Accounts Enrolled for Guarantee reached 91,158
- AGFP also generated guarantee fees from this transaction amounting to Php58.64 Million
- Recoveries/Collections totaled Php114.78 Million
- For the year, guarantee claims paid amounted to Php116.95 Million, a decrease by 75% as compared with the previous year which amounted to Php460.56 Million

## IV. Other Corporate Initiatives

- Rebranding



- In line with the implementation of EO 58, the new logo of PHILGUARANTEE (see above) was endorsed by the Senior Management Committee (SMC) and approved by the Board of Directors, being the working output of the Branding and Communications Committee. The features of the logo comprise elements combined from the merged/consolidated programs and agencies.

- Records Management

In compliance to the National Archives of the Philippines (NAP) on Management of Public Records and Archives Administration, the following activities were undertaken:

- The P/CEO's signed/approved PhilGuarantee's Records Disposition Schedule (RDS) has been submitted to the National Archives of the Philippines (NAP) in compliance with NAP Circular No. 1 and R.A. 9470, otherwise known as the National Archives of the Philippines Act of 2007.
- The said RDS was completed thru the Records Management Improvement Committee (RMIC) which was created for such purpose with the assistance of the Technical Working Group (TWG).
- Likewise, each department has designated their respective Records Officer to help the Committee and the TWG with respect to records and inventory management processes.

- Customer Satisfaction Survey for Housing Guarantee Services

- Garnered Satisfactory Rating for the following aspects of guarantee services:

Item	Mean	Interpretation
1) Staff	4.43	Very Satisfied
2) Guarantee Services	4.15	Satisfied
3) Complaints	3.93	Satisfied
4) Information and Communication	3.99	Satisfied
5) Facilities	4.11	Satisfied
<b>General Weighted Average</b>	<b>4.12</b>	<b>Satisfied</b>

- Integrated Management Systems (IMS) Certification

Conferred the housing guarantee services with the following ISO Certifications by the third-party audit firm TUV Rheinland:

- ISO/EIC 27001:2013

Scope: Management Information Systems Support Services for the provision of Credit Guarantee Services for Housing Loans to Financial Institutions and Real Estate Developers

Validity: August 17, 2019 to August 16, 2022

- ISO 9001:2015

Scope: Provision of Credit Guarantee Services for housing loans granted by Financial Institution and Real Estate Developers

Validity: July 28, 2019 to July 27, 2022

- ISO 22302:2012

Work-on the ISO 22303:12 certification for Business Continuity Management Systems and concluded its Stage I Audit last June 2019.

- Corporate Governance

In its efforts to attain a high level of corporate governance, PHILGUARANTEE continues to update and put into practice the set of rules and controls in its system thru the following:

- Preparation of Performance Assessment of all members of the Board of Directors
- Updating of PhilEXIM's Data Privacy Manual
- Preparation of requirements of the Anti-Red Tape Authority in compliance to RA No. 11032 (Section 6)
- Review of existing risk management framework and policy of the Corporation
- Updating of information in the Integrated Corporate Reporting System web portal of the GCG, and maintain updated information of Agency's corporate governance seal and transparency seal on its website.

- Risk Management

As part of the Agency's undertaking in establishing the Agency's risk statement and risk appetite it can manage, it proceeded with the processing of requirements for the hiring of the Enterprise-Risk Management (ERM) Consultant.

- Policy Enhancements

To allow some flexibility in the filing of guarantee claims given the different triggering conditions of default, AGFP implemented policy enhancements, to wit:

- filing of guarantee claims;
- implementation of New Codified and Approving and Signing Authority for guarantee line and extension;
- modification on the Manual of Operations for Guarantee Claim Processing, Approval and Payment;
- clarification on the word "claim batch" as provided under Item 4.10.2 © of the Revised Implementing Rules and Regulations (DA Administrative Order No. 04, s. 2018) which shall refer to the consolidated claims request from the PLI received by the PhilGuarantee-AGFP within a particular month.

- Marketing and Promotional Campaign

- The Business Revenue Groups continued to touch-base with financial institutions and business organizations, including prospective clients with the objective of strengthening business relationship. PhilEXIM participated and provided support through sponsorships to various trade exhibits and fora. Moreover, continuous building-up of portfolio is being undertaken along the

areas of infrastructure, energy, tourism and related services, agriculture, including SMEs. Likewise, the group continuously coordinate with concerned government agencies as part of the group's due diligence on projects at hand and also to keep abreast with the latest industry and market developments.

- As a marketing strategy, AGFP continues to promote its programs by way of trainings/workshops with PLIs, sponsorship of meetings, one-on-one briefings/re-orientation.

- Gender and Development (GAD)

- Continuous upholding of the national policies on GAD through the provision of gender responsive program such as:
  - Support to the 2019 National Women's Month Celebration for the whole month of March 2019
  - Attendance to trainings conducted by the Department of Finance (DOF) and the Philippine Commission on Women (PCW)
  - Reconstitution of the GAD Focal Point System (GFPS) on October 17, 2019, bringing together efforts of all PhilGuarantee units/departments/groups and advocate for the integration of GAD perspective in all the corporation's systems and processes
  - Observance of the 18-Day Campaign to End Violence Against Women (VAW) – November 25 – December 12, 2019
- Submission of the following reports pursuant to the requirements under the Magna Carta of Women (MCW), and joint circular of PCW-NEDA-DBM:
  - GAD Accomplishment Report for CY 2018 (approved and endorsed)
  - GAD Plan and Budget for CY 2018 (approved and endorsed)
  - GAD Plan and Budget for CY 2019 (approved and endorsed)
  - GAD Plan and Budget for CY 2020 (approved and endorsed)

- Enhancement of the Organization's Human Capital and Internal Capabilities

As part of the Agency's over-all goal of meeting its business objectives and keeping its people, several officers and staff were sent to various training programs such as mandatory continuing legal education, credit guarantee and investment facility, country/sovereign risk analysis, corporate governance and gender and development.