



**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 Y3 2014 Budget	% Inc / Dec Y3 2014 Actual
Community Mortgage Program (CMP)	<b>1,986.904</b>	<b>-0.49%</b>	<b>32.36%</b>
High Density Housing Program (HDHP)	<b>3,741.220</b>	<b>2.10%</b>	<b>24.52%</b>
Abot-Kaya Pabahay Fund (AKPF)	<b>165.407</b>	<b>506.95%</b>	<b>592.51%</b>
<b>TOTAL</b>	<b>5,893.531</b>	<b>3.61%</b>	<b>30.11%</b>

**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*:

**PROJECTED STATEMENT OF INCOME & EXPENSES**  
(PhP in Millions)

[illegible]

**PROJECTED CASHFLOW STATEMENT**  
**(PhP in Millions)**

	HISTORICAL DATA				PROJECTIONS			
PARTICULARS	2010	2011	2012	2013	2014	2015	2016	2017
CASH BALANCE BEG	681	821	1,050	2,136	2,731	2,883	2,610	2,301
CASH INFLOWS	843	1,281	1,972	1,687	6,040	5,723	8,269	1,645
CASH OUTFLOWS	702	1,052	886	1,092	5,888	5,996	8,577	2,877
CASH BALANCE, END	821	1,050	2,136	2,731	2,883	2,610	2,301	1,069

Table 3:



## PROJECTED CASHFLOW STATEMENT (PhP in Millions)

PARTICULARS	HISTORICAL DATA				PROJECTIONS											
					2014			2015			2016			2017		
	2010	2011	2012	2013	CMP	HOHP	TOTAL	CMP	HOHP	TOTAL	CMP	HOHP	TOTAL	CMP	HOHP	TOTAL
Cash Balance, Beginning	681	821	1,050	2,134	2,731	0	2,731	2,879	4	2,883	2,599	15	2,610	2,244	54	2,301
Cash Inflows																
CMP Subsidy	291	462	1,250	750	1,400	1	1,401	1,090	1	1,091	1,000	1	1,001	320	1	321
HOHP Subsidy					5	1,625	1,630	6	1,740	1,746		120	1,210			
Amortization of Debt	107	77	60	42	57	1	58	59	5	64	54	25	79	12	12	24
Operating Income	76	97	22	67	30	35	65	41	43	84	44	44	88	36	36	72
Other Inflows	14	20	17	21	17	12	29	42	42	42	42	42	42	42	42	42
<b>TOTAL Cash Inflows</b>	<b>543</b>	<b>1,281</b>	<b>1,972</b>	<b>1,887</b>	<b>2,374</b>	<b>3,666</b>	<b>6,040</b>	<b>1,975</b>	<b>3,748</b>	<b>5,723</b>	<b>2,030</b>	<b>6,233</b>	<b>8,269</b>	<b>1,463</b>	<b>162</b>	<b>1,645</b>
Cash Outflows																
Operating & Admin. Expenses	69	114	124	144	247	4	251	241	2	243	21	1	22	101	1	102
Provision for Doubtful Accounts	73	59	111	101	178	1	179	203	3	206	127	8	135	204	1	205
Finance Expenses	75	21	21	24	26	182	360	36	332	373	41	162	633	50	50	100
Capital Expenditures	9	12	14	2	12	1	13	76	1	77	30	1	31	21	21	21
Acquisition of Property	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7	7
Depreciation & Amortization	174	164	164	171	1,617	1,400	3,017	1,486	3,168	4,174	1,664	1,672	3,201	2,025	1	2,026
Payment of Taxes and Premiums	46	61	40	31	39	25	64	54	62	116	43	43	86	54	54	108
Payment of Dividends	27	45	27	174	20	20	40	41	42	83	41	42	83	41	42	83
Other Outflows	14	69	72	74	71	71	142	44	44	88	44	44	88	44	44	88
<b>TOTAL Cash Outflows</b>	<b>702</b>	<b>1,082</b>	<b>866</b>	<b>1,092</b>	<b>2,226</b>	<b>3,662</b>	<b>5,898</b>	<b>2,255</b>	<b>3,741</b>	<b>5,996</b>	<b>2,386</b>	<b>6,192</b>	<b>8,577</b>	<b>2,664</b>	<b>14</b>	<b>2,677</b>
<b>Cash Balance, End</b>	<b>821</b>	<b>1,050</b>	<b>2,134</b>	<b>2,731</b>	<b>2,879</b>	<b>4</b>	<b>2,883</b>	<b>2,599</b>	<b>15</b>	<b>2,610</b>	<b>2,244</b>	<b>54</b>	<b>2,301</b>	<b>200</b>	<b>200</b>	<b>1,059</b>

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	956
EXPENSES	218	257	357	326	814	879	1,167	675
INCOME FROM OPERATIONS	143	200	63	53	3,478	3,561	5,783	284
INCOME TAX	35	51	19	6	43	44	34	40
NET INCOME	108	148	43	46	3,434	3,517	5,749	244
NET INCOME (Net of HOHP Subsidy for ISP 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;

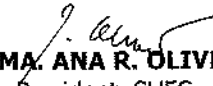
**NOW THEREFORE**, be it resolved as it is hereby resolved, that the Board approves as it has hereby approved, the SHFC Corporate Operating Budget for the Calendar Year 2015;

**RESOLVED FURTHER**, that any or all consultancy projects and any matters pertaining to the procurement of the Professional Services in CMP-MOOE, consisting of PERS 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