



# Pag-IBIG Fund's Story:

## Collective Progress Through Transformative Reforms

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ASSA Working Committee





# Pag-IBIG Fund's Core Mandates and The Challenges

# Pag-IBIG Fund Core Mandate

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

## PROVIDENT SAVINGS



Develop and promote an integrated nationwide, sound, and viable tax-exempt mutual **PROVIDENT SAVINGS SYSTEM** suitable to the needs of the employed and other earning groups

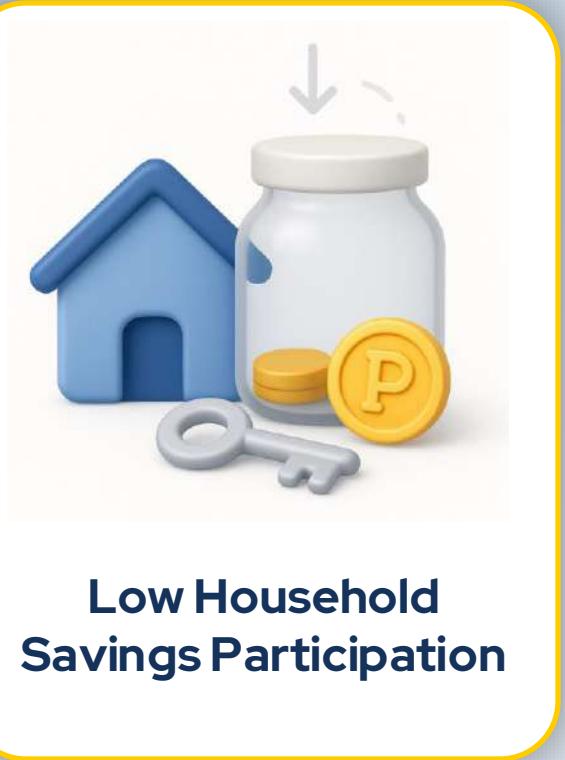
## HOME FINANCING



Promote home ownership through the extension of **AFFORDABLE HOUSING LOANS**, and stimulate the shelter industry by providing developmental and institutional financing

# The Pre-Reform Challenges

## SUB-OPTIMAL SAVINGS



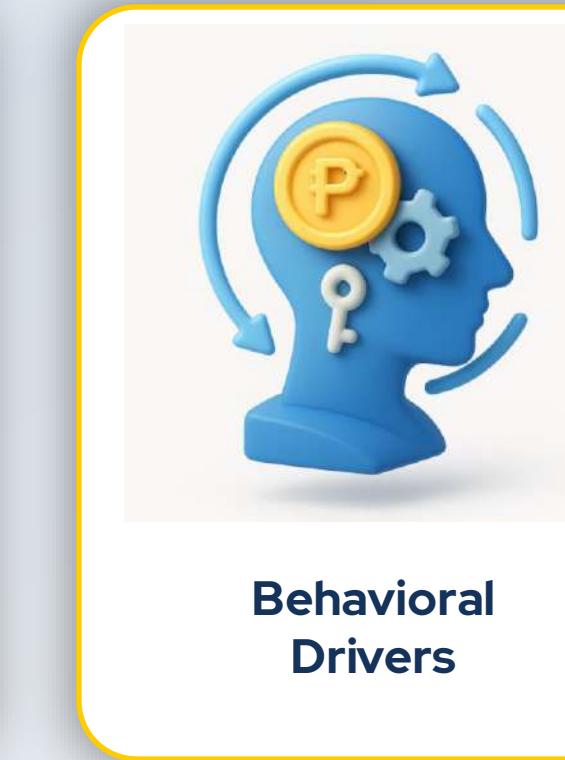
**Low Household Savings Participation**



**Gross Savings Rate Participation**



**Financial Literacy Gap**



**Behavioral Drivers**



**Impact on Inflation**

Most families cannot build substantial financial reserves, limiting their ability to achieve long-term goals like home ownership and retirement.

10.8% of GDP in 2022  
(lowest in ASEAN)

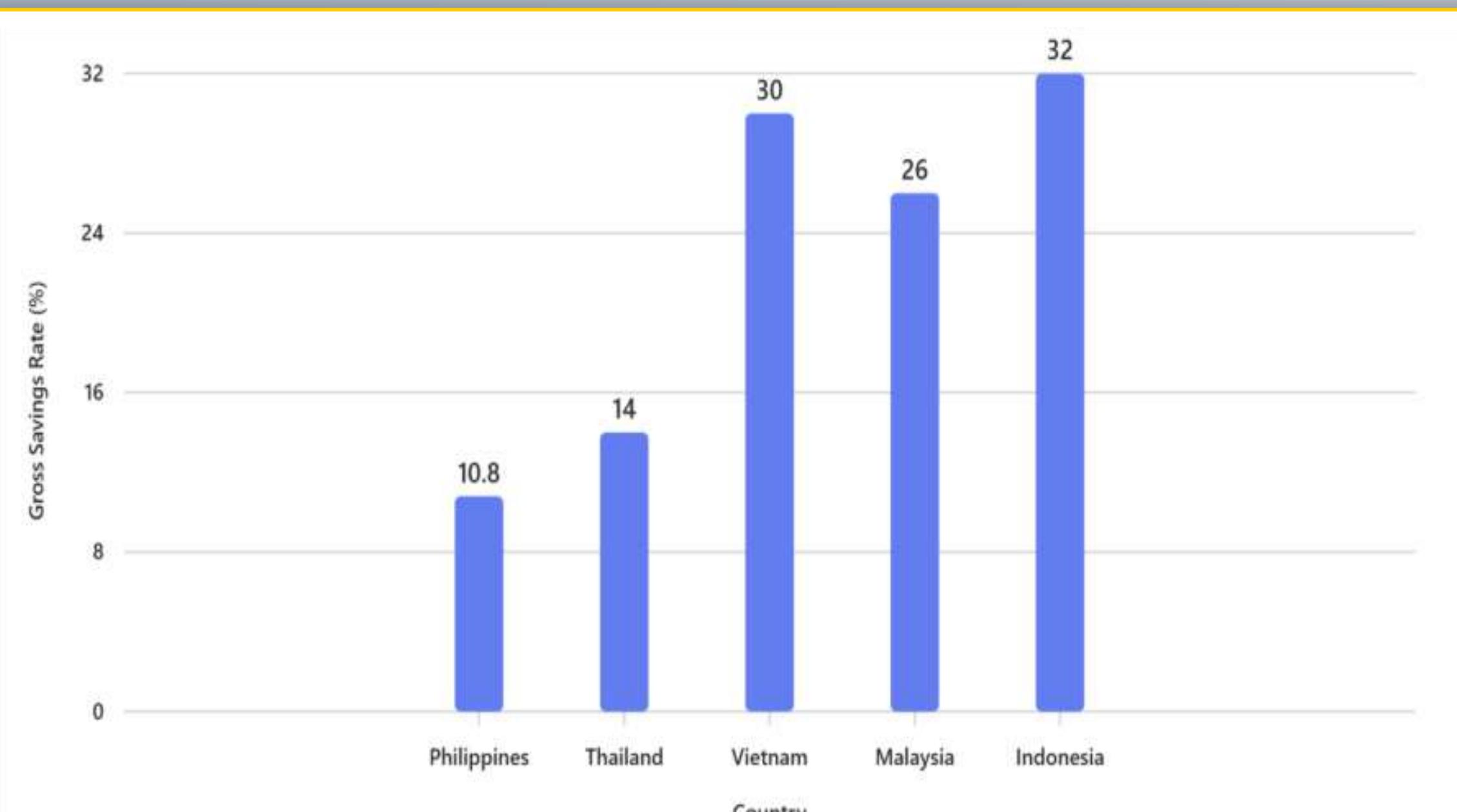
Maintained ~56%, but formal bank account penetration stayed low at ~23%.

Recognized for their resilience and resourcefulness but driven by poor habits

Recorded high inflation at 5.8%, which significantly eroded household purchasing power.

## FILIPINO SAVINGS BEHAVIOR

# The Pre-Reform Challenges



This chart shows how much each country saves compared to its total income in December 2022:

- Philippines: Only 10.8%, meaning for every ₱100 earned, just ₱10.80 is saved.
- Indonesia: 32%, Vietnam: 30%, Malaysia: 26%, Thailand: 14%.

Filipinos, as a whole, save **far less** than most ASEAN neighbors. This highlights why **sub-optimal savings** is a major challenge for Pag-IBIG and national financial security.

## References:

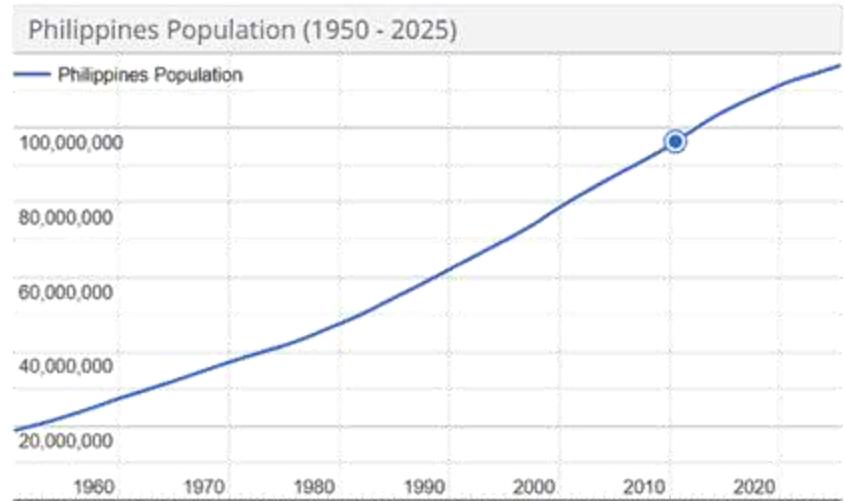
- CEIC Data – Philippines Gross Savings Rate
- Trading Economics – ASEAN Savings Rates

## FILIPINO SAVINGS BEHAVIOR (2022)

# The Pre-Reform Challenges

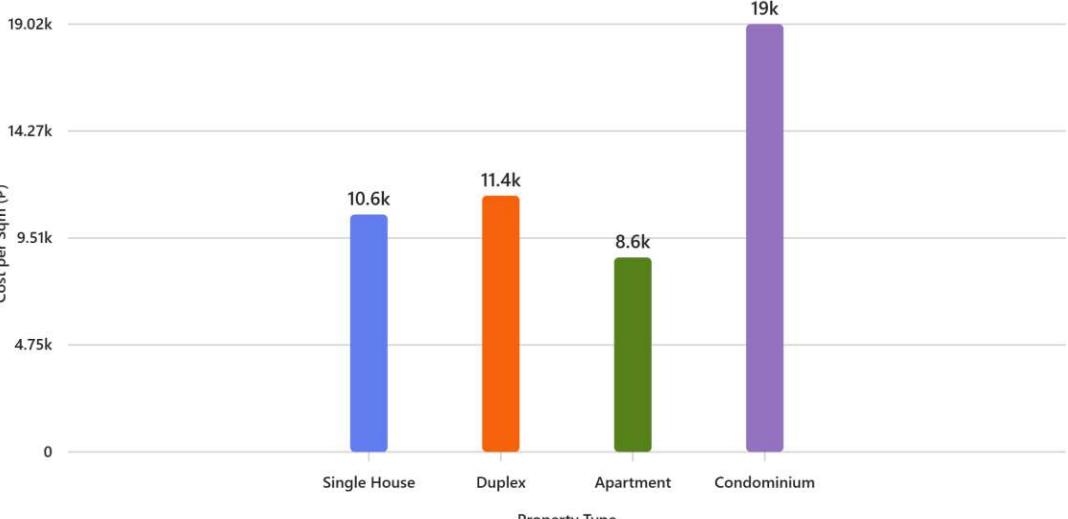
## ACUTE HOUSING SHORTAGE

PHILIPPINE POPULATION 2022  
**113,964,338**



Burgeoning  
Population

PHILIPPINE CONSTRUCTION COST 2022  
**₱10,893 per sqm**



Source: Philippine Statistics Authority – Construction Statistics

Increasing  
Construction Cost



Philippine Bank's Lowest  
Interest Rate

2022	5.34%
2020	6.25%
2010	7.22%
2000	7.50%
1990	23.50%

Absence of  
Adequate House  
Financing

# The Rise of Slums: When & Where?

Navigating Informality: Perils and Prospects in Metro Manila's Slums,  
The World Bank (2017)

“Slum settlements” were established as early as the 1920s and gradually increased over the years. **Slum development peaked in the 1970s and 1980s** when approximately half of all current settlements were established, continued at a high rate in the 1990s, and began to slow down following 2000. While Manila saw the most slums established prior to the 1970s, more settlements were established in Muntinlupa and Quezon City during the peak period between the 1970s and 1980s and Quezon City continued to see the development of slum settlements at higher rates into the 1990s and 2000s.

# The Pillars of Our Transformation



Pillar 1



Pillar 2



Pillar 3



Financial and  
Operational Prudence



# Financial and Operational Prudence



Increase earning assets.



Increased efforts to collect loan payments.



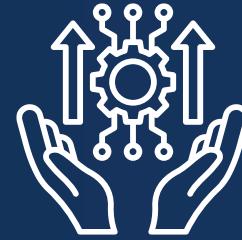
Business Development Sector for partner-developers.



Service Quality Checks.



Digital Transformation  
and Service Excellence



# Digital Transformation and Service Excellence

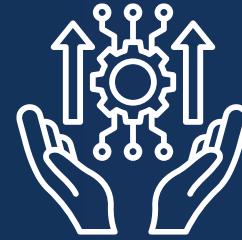
## Virtual Pag-IBIG and the Services Offered



- Register as Member
- Enroll Savings Accounts
- Apply for Cash Loans
- Apply for Home Loans
- Pay Loans/ Deposit Savings
- Apply for Retirement Claims

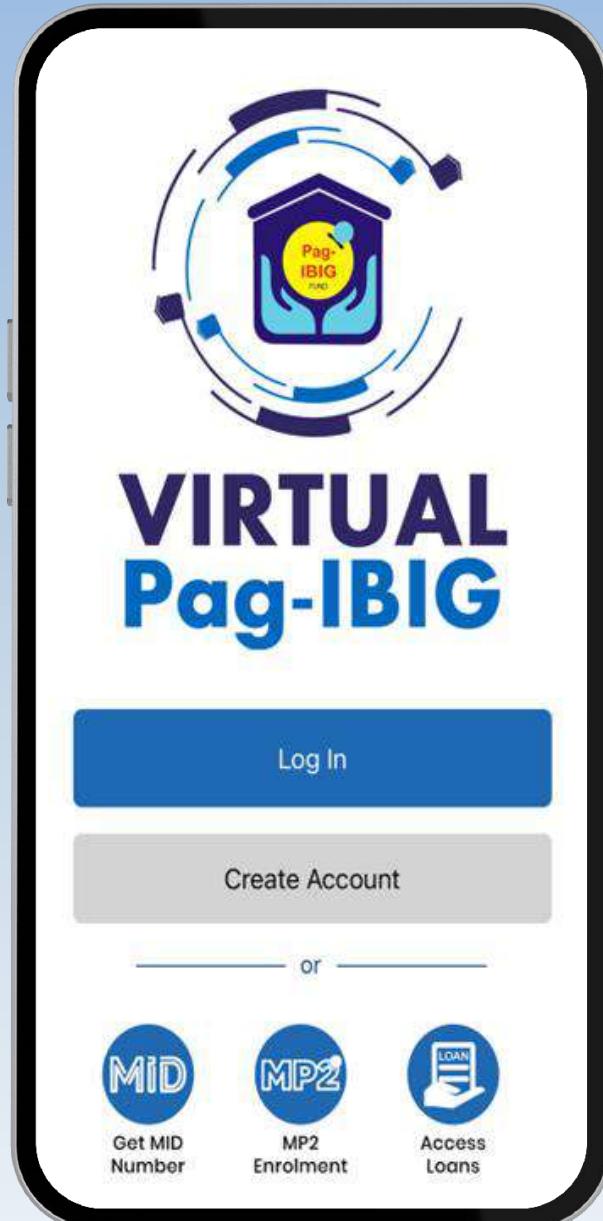


Android 10.16M iOS 2.45M



# Digital Transformation and Service Excellence

## Virtual Pag-IBIG

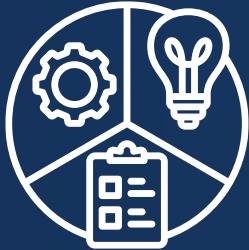


## Other System Applications and Services

- Centralized Public Auction of Acquired Assets
- Government to Government partnerships for KYC
- Online sign-up for housing
- Data Clean-up System



## Strategic Program and Policy Innovations



# Strategic Program and Policy Innovations



The more you *save*,  
the more you *earn*!



AFFORDABLE  
HOUSING  
LOAN  
For Minimum-Wage Earners

Sa Pag-IBIG,  
walang imposibleng  
pangarap.



FULL  
RISK-BASED  
PRICING MODEL

Pag-IBIG  
EXPANDED  
**4PH**  
HOUSING  
LOAN



*Own a Home  
for less!*



*Abangan  
sa inyong lugar!*



Sa **4PH**, ang susunod  
mong lipat, sa sariling  
bahay mo na.



# Strategic Program and Policy Innovations



**Higher Returns**

vs the Pag-IBIG  
Regular Savings



**Payout Options**

Annual or  
Compounded [5 Years]



**Open to Pensioners**

Who are former  
Pag-IBIG Members



**2024 RETURN RATE**

**7.10%**



**NO EQUITY**



**UP TO 30 YEARS**



**7 DOCUMENTS ONLY**



**AFFORDABLE  
HOUSING  
LOAN**

For Minimum-Wage Earners



**INTEREST RATE**

**3% PER  
ANUM**



# Strategic Program and Policy Innovations

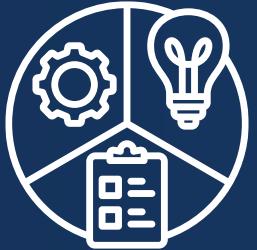
**Pag-IBIG ACQUIRED ASSETS**

- View Affordable Properties Online**
- Bid From Anywhere**
- Enjoy Special Discounts up to 45%**
- Pay in cash or installment**

**Pag-IBIG EXPANDED 4PH HOUSING LOAN**

**SPECIAL 3% P.A. RATE FIRST 10 YEARS OF TERM FOR FIRST 30,000 BORROWERS**

**EARLY BIRD Promo!**



# Strategic Program and Policy Innovations

**LINGKOD  
Pag-IBIG  
ON WHEELS**

- ✓ Loyalty Card Plus Enrollment
- ✓ Magparehistro bilang Self-employed Member (Register as a Self-employed Member)
- ✓ Magpasa ng application para sa Multi-purpose Loan (MPL) o Provident Benefits Claim
- ✓ Alamin ang inyong saving o record sa Pag-IBIG Fund
- ✓ Alamin ang inyong outstanding loan balance sa MPL
- ✓ Paano Ipagpatuloy ang Membership Savings

**FULL  
RISK-BASED  
PRICING MODEL**

- ✓ Personalized Loan Rates
- ✓ Flexible Repricing Terms
- ✓ Good Borrower Incentive
- ✓ Convenient Payment Options



# The Impact: Beyond the Fund



# The Impact: Beyond the Fund

1990 - 2024

Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

Homeowners via Pag-IBIG

Home Loan Financing

HL Interest Rate

Mortgage Finance Share

Net Income



# The Impact: Beyond the Fund

1990 - 2024

## Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

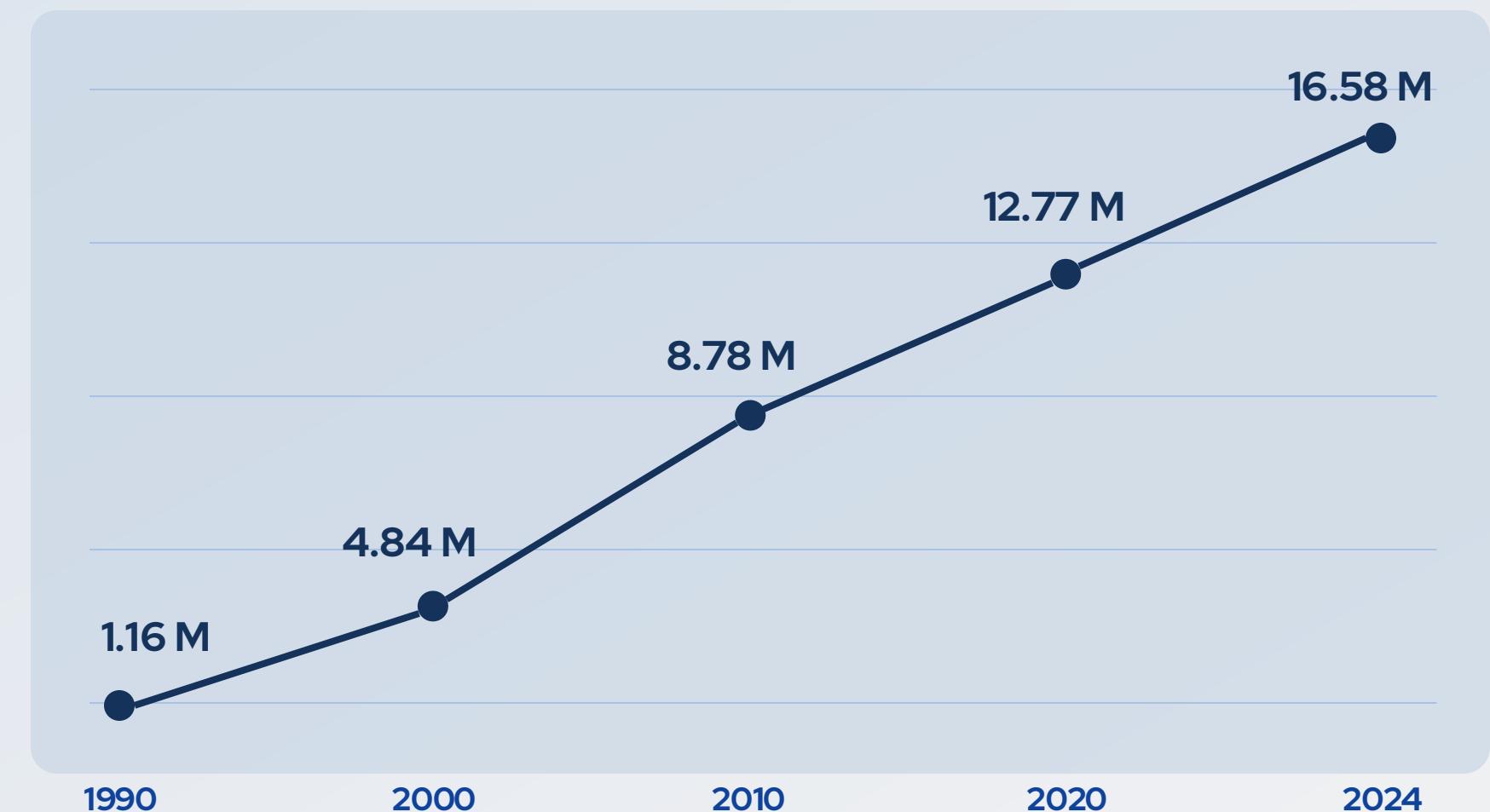
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1990 - 2024

Active Savers

## Annual Savings Collections

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(Members' Savings in **USD Millions/Billions**)





# The Impact: Beyond the Fund

1990 - 2024

Active Savers

Annual Savings Collections

## Annual (P1) Dividend Rates

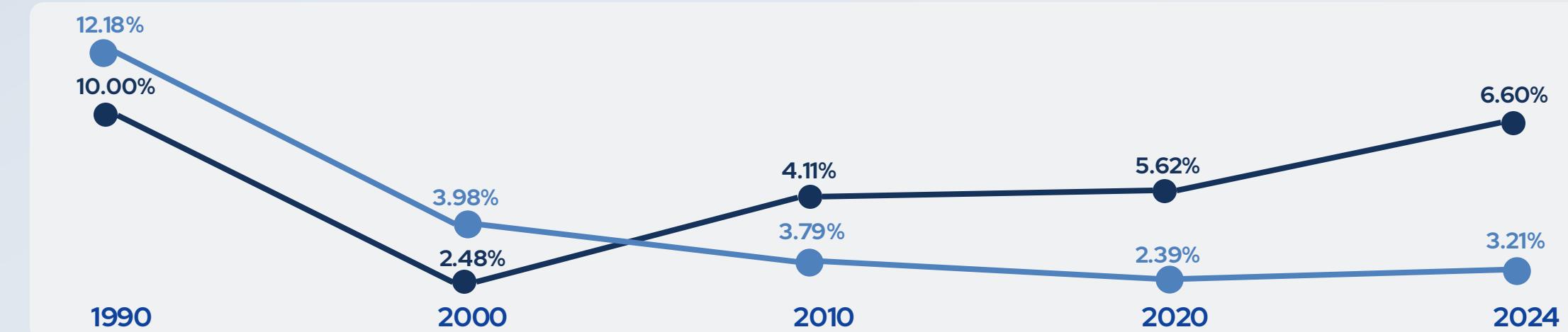
Homeowners via Pag-IBIG

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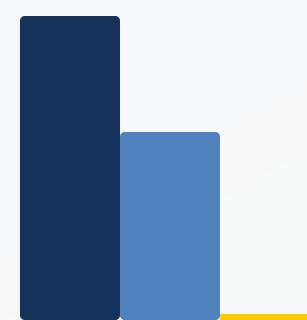
Mortgage Finance Share

Net Income



	Pag-IBIG FUND P1 Dividend Rates
2024	6.60%
2020	5.62%
2010	4.11%
2000	2.48%
1990	10.00%

	Inflation Rates
2024	3.21%
2020	2.39%
2010	3.79%
2000	3.98%
1990	12.18%





# The Impact: Beyond the Fund

1990 - 2024

Active Savers

Annual Savings Collections

## Annual (P1) Dividend Rates

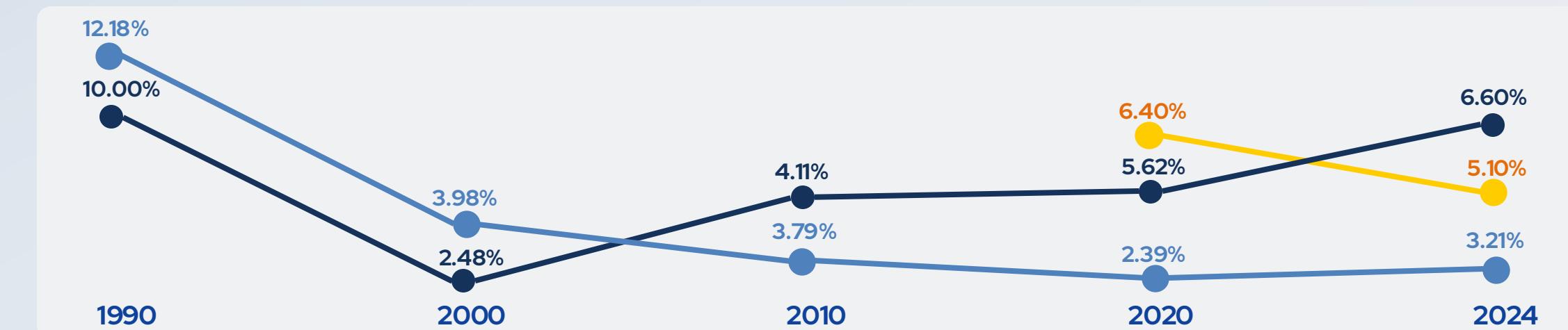
Homeowners via Pag-IBIG

Home Loan Financing

HL Interest Rate

Mortgage Finance Share

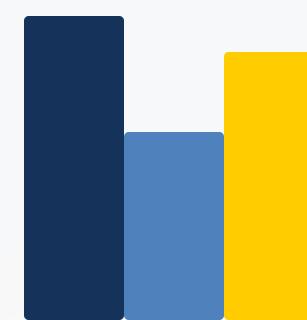
Net Income



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Inflation Rates	
2024	3.21%
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2000	3.98%
1990	12.18%

Average Bank Interest Income	
2024	5.10%
2020	6.40%





# The Impact: Beyond the Fund

1990 - 2024

Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

## Homeowners via Pag-IBIG

Home Loan Financing

HL Interest Rate

Mortgage Finance Share

Net Income





# The Impact: Beyond the Fund

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Homeowners via Pag-IBIG

## Home Loan Financing

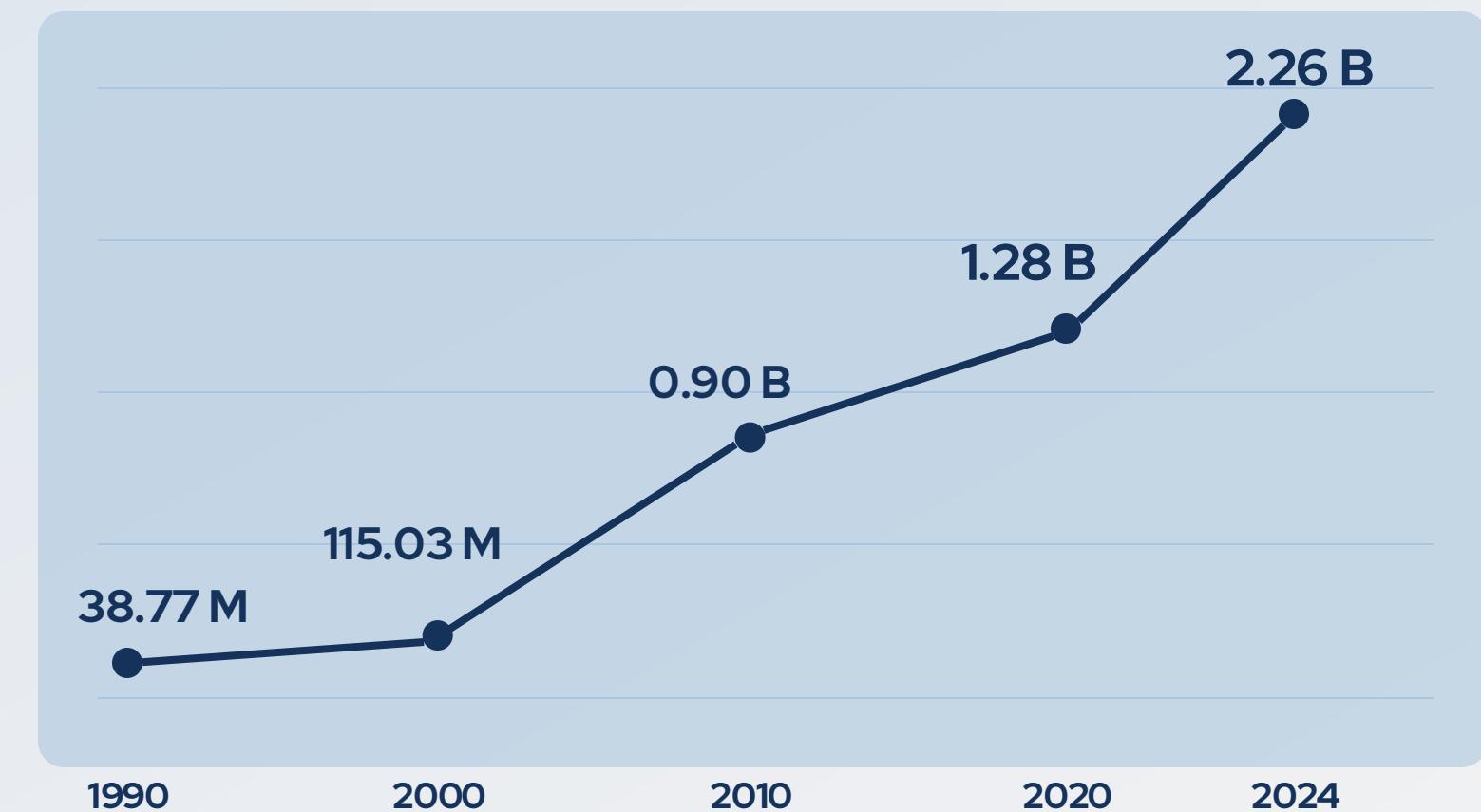
HL Interest Rate

Mortgage Finance Share

Net Income



(Total HL Takeouts in **USD Millions/Billions**)





# The Impact: Beyond the Fund

1990 - 2024

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Home Loan Financing

**HL Interest Rate**

Mortgage Finance Share

Net Income





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Annual Savings Collections

Annual (P1) Dividend Rates

Homeowners via Pag-IBIG

Home Loan Financing

**HL Interest Rate**

Mortgage Finance Share

Net Income





# The Impact: Beyond the Fund

Y2023

Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

Homeowners via Pag-IBIG

Home Loan Financing

HL Interest Rate

## Mortgage Finance Share

Net Income

(Total HL Portfolio of Pag-IBIG Fund against Philippine Banking System and Other GFIs and KSAs, **USD M**)

**18,038.22**

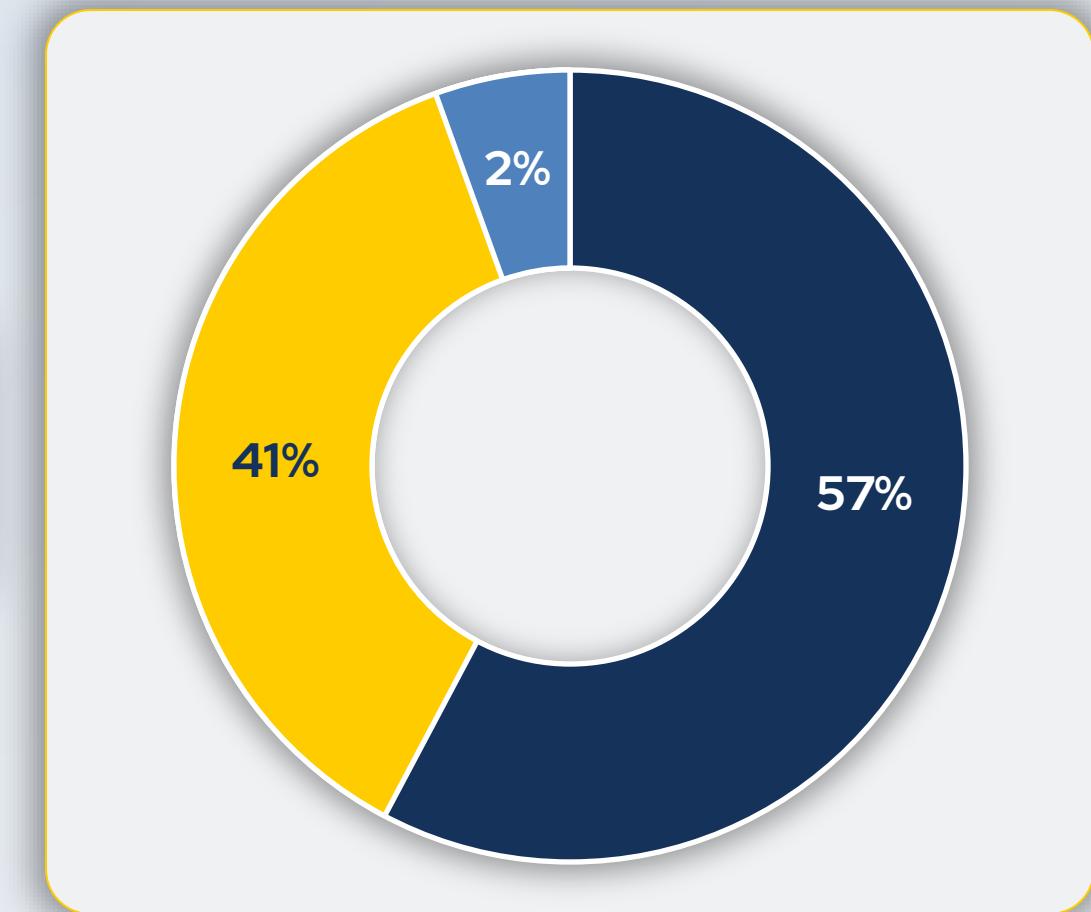
Philippine Banking System

**12,913.05**

Pag-IBIG Fund

**759.76**

Other Government Financial Institutions (GFIs) and KSAs





# The Impact: Beyond the Fund

Y2024

Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

Homeowners via Pag-IBIG

Home Loan Financing

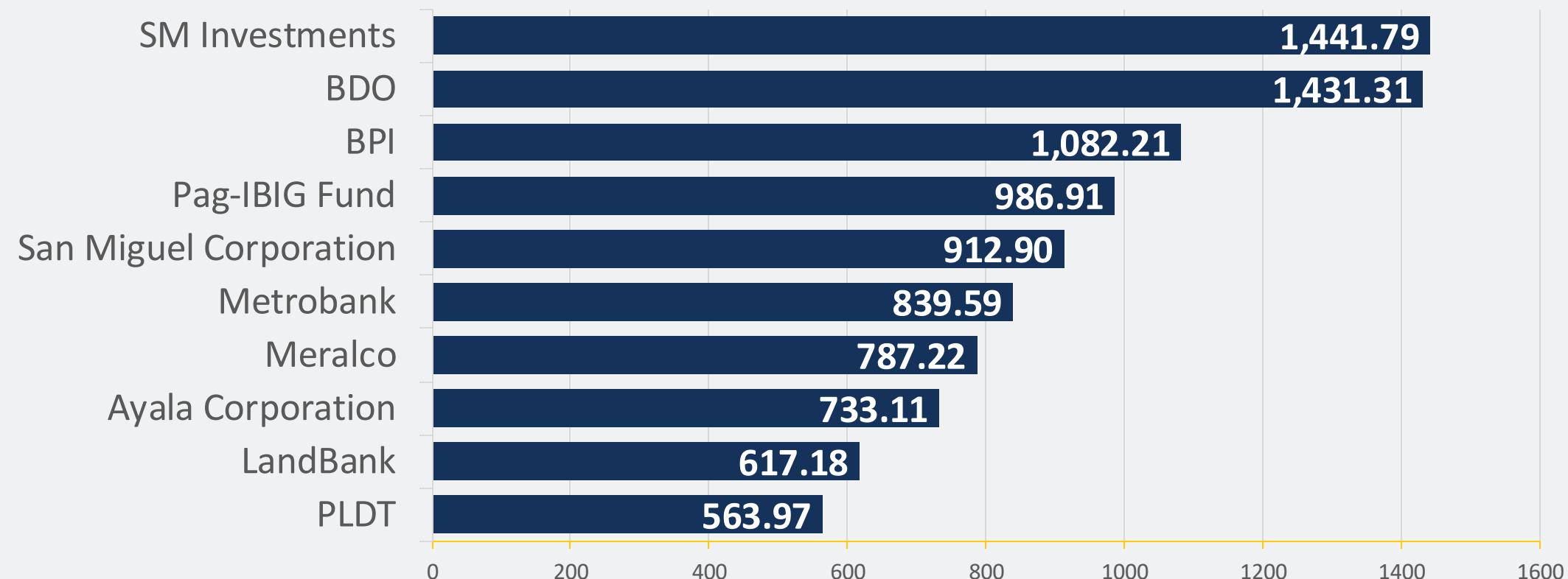
HL Interest Rate

Mortgage Finance Share

Net Income

(Pag-IBIG Fund and PH Major Banks Companies, **USD M**)

Top 10 Companies by 2024 Net Income





# The Impact: Beyond the Fund

Y2024

Active Savers

Annual Savings Collections

Annual (P1) Dividend Rates

Homeowners via Pag-IBIG

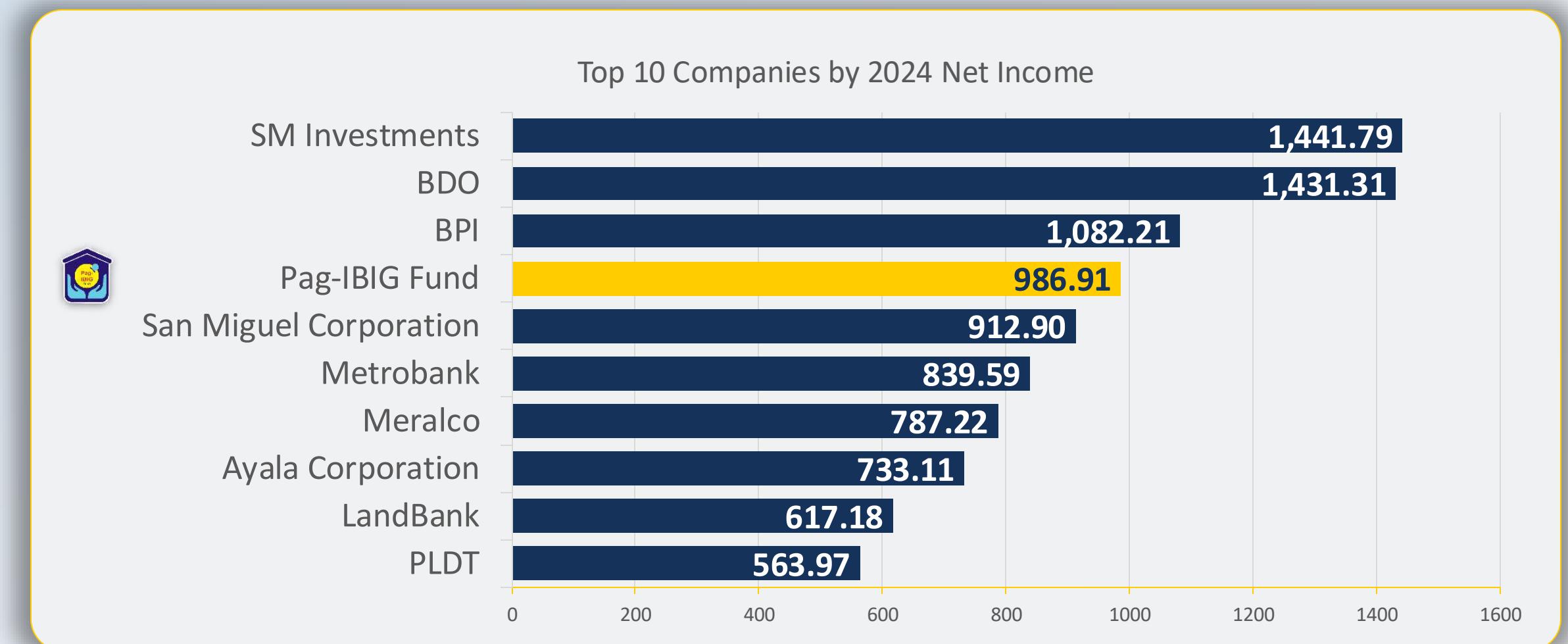
Home Loan Financing

HL Interest Rate

Mortgage Finance Share

Net Income

(Pag-IBIG Fund and PH Major Banks Companies, **USD M**)



# The Impact: Beyond the Fund

## Pension Reform and Increased Social Protection Coverage in the Philippines



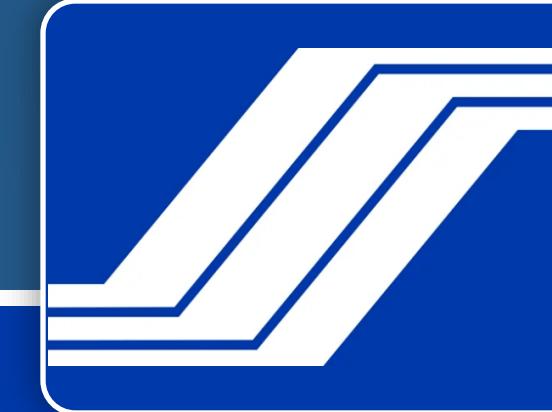
### Pag-IBIG Fund

Contribution doubled from  
₱100 → ₱200  
per month



### PhilHealth

Premium rate increased from  
4.5% → 5%



### Social Security System

Contribution rate rose from  
14% → 15%



# Comparison with ASEAN Countries



**BP TAPERA**

Tabungan Perumahan Rakyat  
(TAPERAS) - Indonesia



Employees Provident Fund  
(EPF) - Malaysia



National Social  
Security Fund (NSSF) -  
Cambodia



Vietnam Bank for Social  
Policies (VBSP) - Vietnam



Central Provident Fund  
(CPF) - Singapore



การเคหะแห่งชาติ  
National Housing Authority  
Government Housing  
Bank (GHB)  
Thailand

## Comparison with ASEAN Countries

# Housing Loan Interest Rates

### PHILIPPINES



#### Pag-IBIG Fund

**5.0% to 8.5%  
(variable by term)**

- a. Regular rates:  
5.75% (1-year fixing),
- b. 6.25% (3-years),
- c. up to 9.75%  
(30-years).

#### Special programs:

3% for socialized  
housing (first 5 years);  
4.5% promo for loans  
up to  
₱1.8M (first 3 years)

### INDONESIA



#### Tabungan Perumahan Rakyat (TAPERA)

**6.25% to 8.8% p.a.**

**Subsidized FLPP mortgage:** ~5% fixed for 20 years for low-income participants

### CAMBODIA



#### National Social Security Fund (NSSF)

**6.5% to 8.00% p.a.**

Cambodia is working on a National Housing Policy and has established some social housing initiatives, but a widespread government backed loan schemes for general home acquisition is less prominent compared to Brunei and Vietnam.

Policy Focus: The Focus is on creating a conducive environment for the private sector to develop affordable housing improving access to housing finance, and implementing regulatory reforms.

Financial Access: Housing Finance is primarily available through commercial banks, which offer standard mortgage loans with competitive interest rates (e.g. around 7.00% p.a. for local currency loans)

### THAILAND



#### Government Housing Bank (GHB)

**4.2% to 7.3% p.a.**

Promotional rates:  
0.99% (Year 1),  
3.50% (Year 2),  
4.20% (Year 3);  
average 2.9% for first  
3 years, then MRR  
~6.245%.

Special programs for  
government personnel:  
1.59% first year,  
then floating

### MALAYSIA



#### Employees Provident Fund (EPF)

**3.9% to 4.7% p.a.**

EPF allows withdrawals for home purchase or loan repayment (up to 90% of balance)

### VIETNAM



#### Vietnam Bank for Social Policies (VBSP)

**6.5% to 8.8% p.a.**

State-owned banks:  
5%–7%; initial promo rates as low as 5% for first 6 months.

Private banks: 5.5%–6.5%, flexible packages.

### SINGAPORE



#### Central Provident Fund (CPF)

**1.8% to 3.5% p.a.**

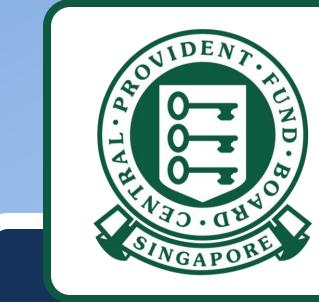
Singapore has 3 Housing Schemes:  
a. The Enhanced CPF Housing Grant (EHG) is available to first-time applicants who are either applying for a new Build-To-Order (BTO) flat or buying a resale flat on the open market.

b. The Proximity Housing Grant (PHG) supports buyers purchasing a resale flat on the open market to live with or near their parents and/or married children.

c. The Home Purchase Planner (HPP) helps you plan for a home purchase – regardless of your current life stage – by taking your current financial and housing situation into account and illustrating the impact of your home purchase on your retirement.

## Comparison with ASEAN Countries

# Dividend Returns & Savings

PHILIPPINES	INDONESIA	CAMBODIA	THAILAND	MALAYSIA	VIETNAM	SINGAPORE
 <p><b>Pag-IBIG Fund</b></p>	 <p><b>Tabungan Perumahan Rakyat (TAPERAS)</b></p>	 <p><b>National Social Security Fund (NSSF)</b></p>	 <p><b>Government Housing Bank (GHB)</b></p>	 <p><b>Employees Provident Fund (EPF)</b></p>	 <p><b>Vietnam Bank for Social Policies (VBSP)</b></p>	 <p><b>Central Provident Fund (CPF)</b></p>
<b>DIVIDEND RETURNS</b>						
<p>Historically 6–7% annually, declared from Pag-IBIG's net income (varies by year).</p>	<p>Funds pooled and invested; returns credited at retirement (no fixed dividend rate)</p>	<p>A) Old Age Pension B) Old Age Allowance C) Invalidity Pension D) Survivor's Pension  No Dividend Rate</p>	<p>N.A.</p>	<p>6.30% for Conventional and Shariah Savings in 2024, total payout RM73B</p>	<p>N.A.</p>	<p>Ordinary Account- 2.5% p.a. Special Medisave Retirement Accounts (SMRA)- 4.0 p.a.  Extra Interest- 1% to 2% for members ages 55 and above</p>
<b>SAVINGS</b>						
<p>Mandatory monthly contributions: ₱200 minimum, voluntary higher contributions allowed.</p>	<p>Mandatory 3% of monthly income (2.5% employee + 0.5% employer).</p>	<p>The contributions required for the first five (05) years of employment are set at 4% of an employee's wage. The contribution shall be borne as follows: -2% from employer -2% from employee Based on Article 3 of Sub-Decree No. 32, employee refers to all kinds of employees and all nationalities of the formal sector including persons defined by the provisions of the Labour Law.</p>	<p>No mandatory savings scheme; operates as a lending institution</p>	<p>Mandatory contributions: 11% employee + 12–13% employer</p>	<p>No mandatory housing savings; relies on bank deposits and mortgage-linked savings.</p>	<p>Mandatory Contributions for Citizens and Permanent Residents A. Employees- up to 20% of their salary  B. Employers- up to 17% of their salary, subject to a salary cap of S\$8,000 with 3 Accounts: a. Ordinary Account (OA)- for Housing and Education b. Special Account (SA) - for retirement and c. Medisave Account (MA) for healthcare</p>

# Conclusion and Q&A



Pag-IBIG Fund

# Thank You!