



HOME DEVELOPMENT MUTUAL FUND BOARD RISK AND CAPITAL COMMITTEE CHARTER

I. PURPOSE

In line with the principle of good governance, the Board Risk and Capital Committee (BRCC) is established to assist the Board in the oversight of the Fund's capital and risk management, including credit, market, liquidity, operational and reputational risks.

II. DEFINITIONS

“the Fund”	the Pag-IBIG Fund or Home Development Mutual Fund
“Board”	the Board of Trustees of Pag-IBIG Fund
“the BRCC”	the Board Risk and Capital Committee
“Chairperson”	the duly elected Chairperson of the Board Risk and Capital Committee
“Vice-Chairperson”	the duly elected Vice-Chairperson of the Board Risk and Capital Committee
“Secretariat”	the Risk Management Task Force (RMTF) who shall be responsible for the administration of the Board Risk and Capital Committee Meetings
“Members”	the Chairperson and the members of the BRCC
“Capital 1”	the balance of Members' Contribution / Equity under the Net Worth portion of the balance sheet
“Capital 2”	the balance of Retained Earnings, net of actual or estimated earnings for dividend declaration for the year and the total of capital valuation accounts and Board approved appropriations, if any

“Risk appetite”	the aggregate level and types of risks the Fund is willing to assume within its risk capacity to achieve its strategic and business objectives
“Risk Management”	the set of processes through which management identifies, analyzes, evaluates, and, where necessary, responds appropriately to risks that might adversely affect the realization of the Fund’s strategic and business objectives
“this Charter”	this Charter in the present form or as may be amended from time to time

III. COMPOSITION

The Board of Trustees shall appoint five (5) from among its members to constitute the BRCC to serve for a term of one (1) year, and must include a representative from the Department of Finance. The Committee shall elect from among themselves the Chairperson and Vice Chairperson.

OUR RECOMMENDATION

The Board of Trustees shall appoint five (5) from among its members to constitute the BRCC to serve for a term of one (1) year. Among the committee membership, the representative of the Department of Finance must be an ex officio member. The Committee shall elect from among themselves the Chairperson and Vice Chairperson.

IV. RESPONSIBILITIES AND DUTIES

1. Determine strategic approach to risks, risk appetite setting and policy formulation;
2. Establish organizational structure for risk management;
3. Monitor the effectiveness of Risk Management System in place;
4. Promote Enterprise Risk Management (ERM) values and risk-aware corporate culture;
5. Monitor key risks, anticipate, and act on critical challenges;