

## SMALL BUSINESS CORPORATION (SBC)

Component					Baseline Data		Target		
Objective/Measure	Formula	Weight	Rating System	2019	2020	2021	2022		
<b>SO 1</b>	<b>Catalyze Increased Allocation and Accelerated Delivery of Financing Resources to MSME Segments Traditionally Considered Unfinanceable</b>								
SM 1	Increase Total Financing Portfolio	Year-End Gross Amount of Portfolio	15%	(Actual/Target) x Weight	₱5.846 Billion	₱7.363 Billion	₱12.650 Billion	₱16.909 Billion	
SOCIAL IMPACT	SM 2	Increase the Number of Micro, Small, and Medium Enterprise (MSME) Borrowers	Number of Active MSME Borrowers (with Loan Release) during the Year relative to Prior Year	10%	(Actual/Target) x Weight	61,964	52,287*	58,000	Additional 68,754
	SM 3	Number of Provinces Provided with Access to Financing	Number of Provinces with Loan Releases during the Year	10%	All of Nothing	70 Provinces with Minimum Loan Portfolio of ₱20 Million Per Province*	One (1) Small Island Economy with at least ₱10 Million Financing Portfolio*	85 Provinces	85 Provinces
	<b>Sub-total</b>			<b>35%</b>					

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<b>SO 2</b>	<b>Sustain Good Governance and Cost Efficiency in the Management of Stakeholders' Investments, Observing both Financial and Social Returns</b>								
FINANCE	SM 4	Improve Return on Equity	Adjusted profit (loss) after tax <sup>1</sup> / Average Equity	15%	All or Nothing	(3.32%)	(0.41%)	N/A	At least positive ROE and Not lower than 2021 ROE
	SM 5	Improve Past Due Rate <sup>2</sup>							
	SM 5a	COVID-19 Assistance to Restart Enterprises (CARES) Loan Portfolio	Value of Past Due CARES Accounts / Total CARES Financing Portfolio	5%	$\{1 - [(Actual - Target)/Target]\} \times Weight$	-	-	30%	30%
	SM 5b	Aggregate of Other Loan Portfolios Outside CARES Program	Value of Past Due Accounts / Total Financing Portfolio (net of CARES Portfolio)	5%	$\{1 - [(Actual - Target)/Target]\} \times Weight$	15.46%	14.39%	16%	16%
	SM 6	Efficient Utilization of Corporate Budget							
	SM 6a	Obligations Budget Utilization Rate (BUR)	Total Obligations / DBM-approved Corporate Operating Budget (both net of PS Cost)	5%	All or Nothing	-	-	-	90%

<sup>1</sup> where adjusted profit (loss) after tax is profit (loss) after tax as shown in the statement of comprehensive income excluding :

- subsidy income
- expenses subsidized as allowed by law
- credit cost or loan loss provisioning for Bayanihan Loan Portfolio (exclusive of reflows into other loan programs) and their corresponding income tax benefits

<sup>2</sup> Based on the definition provided by the Bangko Sentral ng Pilipinas.

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SM 6b	Disbursement BUR	Total Disbursement / Total Obligations (both net of PS Cost)	2.5%	All or Nothing	-	-	-	90%
		Total Disbursement / DBM-approved Corporate Operating Budget (both net of PS Cost)	2.5%	All or Nothing	-	-	-	90%
<b>Sub-total</b>		<b>35%</b>						
<b>SO 3</b>	<b>Enhance the experience of our clients - throughout their transaction journey with us (our direct borrowers, our conduits, and our other partners)</b>							
SM 7	Percentage of Satisfied Customers	Number of Stakeholders Who Gave a Rating of at Least Satisfactory / Total Number of Respondents	5%	(Actual/Target) x Weight 0% = less than 80%	Survey not compliant with GCG guidelines	98%	90%	90%
SM 8	Improve Turn Around Time (TAT) in the Processing of Loan Applications	Number of Applications Processed within Applicable Turnaround Time <sup>3</sup> / Total Number of Applications	5%	(Actual/Target) x Weight	63.30%	64.85% <sup>4</sup>	100% of Applications Processed within Prescribed Turnaround Time	100% of Applications Processed within Prescribed Turnaround Time
<b>Sub-total</b>		<b>10%</b>						

<sup>3</sup> The applicable time for the processing of loans should be consistent and in compliance with Republic Act No. 11032, otherwise known as the Ease of Doing Business and Efficient Government Service Delivery Act of 2018.

<sup>4</sup> Based solely on internal SBC records.

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<b>SO 4 Create an organizational system that supports analytics-based strategies and impact assessment, agile innovation, and information security</b>									
<b>INTERNAL PROCESS</b>	SM 9	Automate Existing Systems and Processes	Actual Accomplishment	10%	(Actual / Target) x Weight	Implementation of the following Information Systems: Loan Origination System, Loan Disbursement System, Loan Collection System, Business Performance Indicator Profile, Procurement Management System	Accomplished the following ISSP deliverables: Loan Disbursement System (e-Signature & OTP) and Account Management System (Components 1, 2a, and 2b)	100% Attainment of 2021 Deliverables (based on DICT-Approved ISSP 2021-2023)	100% Attainment of 2022 Deliverables (based on DICT-Approved ISSP 2021-2023)
	SM 10	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	(Actual / Target) x Weight	ISO 9001:2015 Certification Maintained	Maintained ISO 9001:2015 Certification; Obtained 9001:2015 Certification for Northern Luzon Group	Maintain ISO 9001:2015 Certification for Head Office and Northern Luzon Group  ISO 9001:2015 Certification of At Least One (1) Additional Regional Lending Group	1) Maintain ISO 9001:2015 certification  2) New certification of fourth Regional Lending Group
	<b>Sub-total</b>			<b>15%</b>					

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LEARNING AND GROWTH	<b>SO 5</b>	<b>Establish High-Performance Culture Across the Bank</b>							
	SM 11	Improve Competency Baseline of the Organization	Competency Baseline <sup>5</sup> in 2021 – Competency Baseline in 2020	5%	All or Nothing	18% Improvement in the Corporate Competency Score from 0.8786 in 2018 to 1.0365	0.0774 Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization
	<b>Sub-total</b>			<b>5%</b>					
<b>Grand Total</b>			<b>100%</b>						

<sup>5</sup> Reflects the target on the Improvement on the overall average competency level of the Organization based on the SBC Competency Framework using the formula: The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

$$\frac{\sum_{b=1}^B \left[ \frac{\sum_{a=1}^A (\text{Actual Competency Level})}{\text{Required Competency Level}} \right]}{B}$$

where: a = Competency required, A = Total number of competencies required of position, b = Personnel profiled, B = Total number of personnel profiled