

**SMALL BUSINESS CORPORATION (SBC)  
2015 Performance Scorecard**

Performance Measure					SBC Submission			GCG Evaluation		Supporting Documents	Remarks	
Objectives / Measures	Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating				
SOCIAL IMPACT	<b>SO 1</b>	<b>Improved Access to Finance by Underserved MSMEs</b>										
	SM 1	Partially-secured loan ratio (not more than 50% secured)	Number of unsecured borrowers (not more than 50% secured) / Total number of borrowers - Retail and Credit Guarantee (Universe is approved accounts for the year)	5%	(Actual/Target) x Weight	81%	85%	5.00%	85%	5.00%	<ul style="list-style-type: none"> <li>List of Active Borrowers under Retail Lending for CY 2015 with description on Partially secured client, borrowers in rural areas and borrowers under priority industry (source SBC Lending units)</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is higher than 2015 Target by 5%;</li> <li>Borrowers and enterprises financed under Retail Lending program by SBC in CY 2015 totaled 940, of which, 796 are wholly or partially unsecured or with no collaterals</li> </ul>
	SM 2	Young enterprises ratio	Number of borrowers not more than 5 years in business / Total number of borrowers - Retail and Venture Capital (Universe is approved accounts for the year)	5%	(Actual/Target) x Weight	25%	23%	4.60%	23%	4.60%	<ul style="list-style-type: none"> <li>List of Active Borrowers under Retail Lending for CY 2015 with description on Track Record</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 Target by 8%</li> <li>217 out of the total 940 borrowers have been identified by SBC with track record of five years and below in business</li> </ul>
	SM 3	Enterprise rehabilitation financing for MSMEs damaged by calamity	Cumulative term loans or equity released in million ₱- Retail and Equity Financing	5%	(Actual/Target) x Weight	₱700 M	₱556.14 M	3.97%	₱556.14 M	3.97%	<ul style="list-style-type: none"> <li>ERF Status of Implementation as of 28 December 2015 signed by Senior Accounts Management Specialist</li> <li>List of Borrowers with details on the amount released as of end 28 December 2015</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 target by 21%</li> <li>SBC experienced a slow down in 2015 on the availment of the financing program</li> </ul>
	<b>SO 2</b>	<b>Mainstreamed MSME Finance in the Banking Sector</b>										
SM 4	Average guarantee contingent	Monthly average	5%	(Actual/Target) x Weight	₱250 M	₱218.90 M	4.38%	₱218.90 M	4.38%	<ul style="list-style-type: none"> <li>Report on Credit Guarantee Program per month</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 target by 12%</li> <li>Average contingent liability as of end 2015:</li> </ul>	

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	liability								<ul style="list-style-type: none"> <li>• Monthly schedule of Contingent Liability</li> <li>• Report of Regular and PGF credit guarantee</li> </ul>	<p>For regular accounts - ₱21.03 Million (covering 15 enterprises and borrowers) and Portfolio accounts – ₱197.87 Million (covering 127 enterprises and borrowers);</p> <ul style="list-style-type: none"> <li>• SBC's Guarantee Program encourages partner Financial Institutions to lend to MSMEs through credit risk-sharing. The guarantee coverage of SBC to the loan amount which will form part of its guarantee contingent liability may include: (1) the entire loan or (2) limited to the unsecured portion (uncollateralized) of the loan.</li> </ul>	
<b>SO 3</b>	<b>MSME Finance-Friendly Policy Architecture Established</b>										
SM 5	Policy endorsements	Absolute	5%	All or nothing (2.5% weight for each target)	1) Signed resolution adopting the industry roadmap for MSME Finance by end-January 2016; 2) Congressional Oversight Committee (COC) Resolution on Magna Carta	1) Signed resolution by stakeholders adopting the industry roadmap for MSME Finance 2) COC resolution on Magna Carta	5.00%	1) Signed resolution by stakeholders adopting the industry roadmap for MSME Finance 2) COC resolution on Magna Carta	5.00%	<ul style="list-style-type: none"> <li>• Copy of the SME Sector Stakeholders' Industry Road Map for SME Finance signed by stakeholder institutions</li> <li>• Copy of House Resolution No. 2568</li> </ul>	<ul style="list-style-type: none"> <li>• 11 out of 14 stakeholder institutions signed the roadmap</li> <li>• The roadmap has already been presented in the Congress and will be presented to Senate for future committee hearing and/or technical working group meeting</li> </ul>
	<b>Sub-total</b>		<b>25%</b>				<b>22.95%</b>		<b>22.95%</b>		

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FINANCE	SO 4	Increased Earning Loan Portfolio										
	SM 6	Total earning loan portfolio plus total ERF portfolio and equity financing portfolio	Total earning loan portfolio plus ERF portfolio and equity financing portfolio (year-end outstanding balance)	10%	(Actual/Target) x Weight	₱3,200 M	₱2,633 M	8.23%	₱2,633 M	8.23%	<ul style="list-style-type: none"> <li>Loan Portfolio report as of end of 31 December 2015 signed by SBC Sr. Financial Analyst and head of Risk Management Services</li> <li>Venture Capital Portfolio Report</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 target by 18%. Loan size have decreased.</li> <li>Total earning loan portfolio for: (1) SME Wholesale – ₱213.48 Million (2) Micro Wholesale – ₱1,185.01 Million (3) MSME Retail – ₱712.44 Million and (4) Enterprise Rehabilitation Financing (ERF) – ₱498.27 Million.</li> <li>Equity Financing/ Venture Capital - ₱24.18 Million</li> <li>The indicator accounts for earning portfolio which are: (1) SME Wholesale (2) Micro Wholesale (3) Retail Lending-MSME (4) ERF and (5) Equity Financing.</li> </ul>
	SO 5	Sustained Operating Income										
	SM 7	Net Operating Income	Total Operating Income less Operating Expenses	2.50%	(Actual/Target) x Weight	₱22.4 M	₱26.4 M	2.50%	₱3.8 M	0.42%	<ul style="list-style-type: none"> <li>Unaudited Financial Report on Net Operating Income and Self-Sufficiency Ratio</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 target by 83%</li> <li>The SBC accomplishment is based on the preliminary/tentative Income Statement of SBC, however, based on the Unaudited Income Statement which was submitted to COA, the computed NOI is ₱3.78 M</li> </ul>
SM 8	Operational Self-Sufficiency Ratio	Core Operating Income / Total Expenses	2.50%	(Actual/Target) x Weight	78%	85%	2.50%	70%	2.24%	<ul style="list-style-type: none"> <li>Unaudited Financial Report on Net Operating Income and Self-Sufficiency</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is lower than 2015 target by 10%</li> <li>The SBC accomplishment is based</li> </ul>	

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Objectives / Measures		Formula	Weight	Rating Scale	Targets	Actual	Rating	Score	Rating			
										Ratio	on the tentative Income Statement of SBC. However, based on the Unaudited Income Statement which was submitted to COA, the computed OSSR is 70%	
		<i>Sub-total</i>										
			15%					13.23%		10.89%		
CUSTOMER / STAKEHOLDER	SO 6	Customer Satisfaction Leading to Increased Client Base										
	SM 9	Customer Satisfaction Survey	Absolute	5%	All or nothing	Satisfactory	Satisfactory rating	5.00%	Satisfactory rating	5.00%	<ul style="list-style-type: none"> <li>• Copy of the Client Needs Survey for the SBC Direct Financing Program</li> </ul>	<ul style="list-style-type: none"> <li>• The survey was conducted by an individual consultant which employed 2 methodologies: FGD and Survey</li> <li>• There was low turnout (167/469 or 35%) of respondents on the Survey with an overall rating of 4.37 out of 5</li> <li>• On the FGD, 31 clients have participated wherein the consultant asked the participants on the problems confronting their business which may be classified into 4 major categories: marketing, production, human resource and general management. The major conclusion is that there appears to be a need for SBC's continued assistance in the form of capacity building program for MSMEs.</li> </ul>
	SM 10	No. of direct MSME clients	Absolute count, retail lending, equity financing and credit guarantee	10%	(Actual/Target) x Weight	1,560	1,874	10.00%	1,874	10.00%	<ul style="list-style-type: none"> <li>• List of Active borrowers as of end 31 December 2015</li> </ul>	<ul style="list-style-type: none"> <li>• 2015 Actual is 20% lower than the target</li> <li>• Includes the following: Active Borrower Under Retail Lending – 1,725; Regular Guarantee Facility – 15; Portfolio</li> </ul>

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											Guarantee Facility – 127; and Venture Capital Portfolio – 7.
<b>SO 7</b>	<b>Increased Competencies of Financial Institutions (FIs) in Risk-Based MSME Lending</b>										
SM 11	No. of RBL FI graduates	Cumulative	5%	(Actual/Target) x Weight	50	49	4.90%	49	4.90%	<ul style="list-style-type: none"> <li>List of Participating FIs</li> <li>Certificate of Participation</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is 2% lower than 2015 target</li> <li>19 FIs participated in 2015</li> <li>In 2015, SBC started a shared consultancy method gives certain advantages to the implementation of the program: <ul style="list-style-type: none"> <li>Makes the consultancy more affordable</li> <li>Optimizes the use of meager resources</li> <li>Efficient implementation</li> <li>Proactive mindset for RBs</li> </ul> </li> <li>FIs with completed Credit Manuals as of end 2015 are considered as graduates by SBC.</li> </ul>
SM 12	No. of SME-oriented AO graduated leading to certification	Absolute count (may include SBCorp loan officers, 12 sessions by end of 2016)	5%	(Actual/Target) x Weight	25	25	5.00%	25	5.00%	<ul style="list-style-type: none"> <li>List of enrollees</li> <li>Certification of Completion</li> </ul>	<ul style="list-style-type: none"> <li>18 of the participants from SBC while 7 from difference FIs</li> </ul>
<b>SO 8</b>	<b>Improved Financial Literacy of Financed MSMEs</b>										
SM 13	No. of EEPro graduates	Cumulative, inclusive of enrollees finishing at least their business plan	5%	(Actual/Target) x Weight	60	66	5.00%	66	5.00%	<ul style="list-style-type: none"> <li>Certification signed by OIC of MSME Development listing the 66 MSMEs who attended and completed the business plan from July 2013 to December 2015</li> <li>Certificate of Participation and</li> </ul>	<ul style="list-style-type: none"> <li>2015 Actual is 10% higher than 2015 target</li> <li>Considered as graduates upon completion of the Business Plan</li> <li>Notably, all SBC client-enterprises of EEPro which graduated in 2015 and are candidates for graduation in 2016 are confirmed to be actively</li> </ul>

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										Completion	implementing their respective business plans and are regularly generating financial reports	
<b>SO 9 Stakeholder Satisfaction Leading to Increased Financial Support to SBC</b>												
SM 14	Level of new NG funding received and/or of low cost borrowings	Cumulative	0%	(Actual/Target) x Weight	₱150.0 M	₱189.2 M	0.00%	₱189.2 M	0.00%	<ul style="list-style-type: none"> <li>• Certification signed by FSMG Group Head detailing the amount of NG subsidy for SBC ERF Program</li> </ul>	<ul style="list-style-type: none"> <li>• 2015 Actual is 26% higher than 2015 target</li> </ul>	
	<b>Sub-total</b>		<b>30%</b>				<b>29.90%</b>		<b>29.90%</b>			
<b>SO 10 Improved Service Delivery by Increasing Processing Velocity</b>												
INTERNAL PROCESS	SM 15	Processing velocity	Number of clients/ Number of total employees	5%	(Actual/Target) x Weight	10.4	12.2	5.00%	12.17	5.00%	<ul style="list-style-type: none"> <li>• List of direct clients on Direct MSME borrowers, PFIs under wholesale, Capacity building – MSMEs, AO Certificate Course and RBL Consultancy</li> <li>• Report on total employees of SBC</li> </ul>	<ul style="list-style-type: none"> <li>• 2015 Actual is 4% higher than 2015 target</li> <li>• 2015 Actual represents an improvement from 2014 Actual of 8.99;</li> <li>• Computation is as follows: Number of clients (2,106) / Total Personnel (173); wherein: total number of clients breakdown is as follows: Retail (1,725), Venture Capital (7), Guarantee (142), Wholesale (92), and Capacity Building (140).</li> <li>• Assumptions used by SBC in Manpower computation as of end of December 2015: (1) Regular Employees totaled 137 (2) Contract of Service employees totaled 14 (3) Agency hired employee is counted as one half, totaled to 22 and (4) COA employees are not included in count.</li> </ul>



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SM 19	Competency Framework	Approved and adopted by the Board	2.50%	All or nothing	Established competency framework	Board-approved competency framework by end - June 2016	2.50%	Established competency framework	2.50%	<ul style="list-style-type: none"> <li>Secretary's Certificate</li> <li>SBC's Competency Framework Aligned with Risk-Based MSME Lending</li> </ul>	<ul style="list-style-type: none"> <li>In line with SBC's advocacy on Risk Based Lending</li> </ul>
SO 14	<b>Established Quality Management System</b>										
SM 20	Automation capabilities	As internally audited	5%	All or nothing	Fully automated loans receivable to cash process	Fully automated loans receivable to cash process	5.00%	Fully automated loans receivable to cash process	5.00%	<ul style="list-style-type: none"> <li>Office Memorandum on the Internal Assessment of the Automation Capabilities of Loans receivable to Cash Proceeds</li> <li>System Acceptance Certificate</li> <li>On-site validation of the system</li> </ul>	<ul style="list-style-type: none"> <li>The accomplishment in 2015 includes the complete automation of Loans Receivables to Cash which involves enhancement on the existing Loan Collection System and creation of Loan Restructuring and Foreclosures System</li> <li>This completes the automation of the core process of SBC. The first being the Cash to Loans Receivables which was already automated since 2014.</li> </ul>
SM 21	ISO Certification	Certification granted to SBC	5%	All or nothing	ISO Certification	ISO Certification issued	5.00%	ISO Certification issued	5.00%	<ul style="list-style-type: none"> <li>Copy of ISO Certification from TUV Rheiland</li> </ul>	<ul style="list-style-type: none"> <li>Scope: Lending, Capacity Building for MSMEs and for Financial Institutions, Equity Financing and Credit Guarantee</li> </ul>
	<b>Sub-total</b>		<b>15%</b>				<b>15.00%</b>		<b>15.00%</b>		
	<b>TOTAL</b>		<b>100%</b>				<b>96.08%</b>		<b>93.75%</b>		