

**SMALL BUSINESS CORPORATION (SBCorp)**  
**Revalidation Result of the 2019 Performance Scorecard**

Component					SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks		
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
<b>SOCIAL IMPACT</b>	<b>SO 1</b>	<b>Improve Access to Finance of Unserved MSMEs</b>										
	SM 1	Increase Total Financing Portfolio	Year-End Earning Loan Portfolio (Gross Amount)	10%	₱5.50 Billion and Above = 10% ₱4.40 Billion to ₱5.49 Billion = 5% ₱3.30 Billion to ₱4.39 Billion = 2.5% Less Than ₱3.30 Billion = 0%	₱5.50 Billion	₱5.85 Billion	10%	₱5.846 Billion	10%	COA Audited Financial Statements	Target exceeded.
	SM 2	Increase Number of Micro and Small Enterprise Borrowers	Absolute Number of New Borrowers	10%	(Actual / Target) x Weight	40,000	58,900	10%	<u>58,900</u>	<u>10%</u>	Masterlist of Borrowers for 2019 per Program (SME Wholesale, SME Graduating Micro, Regular Retail, P3 Wholesale, P3 Retail)  Copies of Approval Memoranda, Amortization Schedules,	<u>Request for reconsideration GRANTED.</u>

<sup>4</sup> Based on submission thru a letter dated 30 January 2020. Officially received by the Governance Commission on 31 January 2020.

Objective/Measure		Component				SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
										Promissory Notes, Loan Approval Letters and/or Memorandum, Borrower Profile or randomly sampled accounts  <u>Report Generated by the Borrower Registration System</u>	
SM 3	Spread Distribution of Financing Portfolios Nationwide	Absolute Number	5%	(Actual / Target) x Weight	75 Provinces with a Minimum Loan Portfolio of ₱20 Million Per Province	70	4.67%	<u>70</u>	<u>4.67%</u>	Summary of Loan Releases per Province  Releases to Sub-borrowers of Accredited PFIs per Province (P3 Retail, P3 Wholesale, Regular Wholesale, Regular Retail)  <u>Samples of Liquidation Reports submitted by the conduit, Promissory Notes, Summary Report on Loan Releases</u>	<u>Request for reconsideration GRANTED.</u>
<b>Sub-total</b>			<b>25%</b>				<b>24.67%</b>		<b><u>24.67%</u></b>		

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		Component				SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks					
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating							
FINANCE	SO 2	Guarantee Profitability and Sustainability														
	SM 4	Improve Net Operating Income	Operating Income – Operating Expenses	10%	(Actual / Target) x Weight Less Than ₱15 Million = 0%	₱20.85 Million	₱20.86 Million	10%	₱22.89 Million	10%	COA Audited Financial Statements  SBCorp's Computation of Net Operating Income  Timeline of Events Between SBCorp and DBM with Relevance to P3 Monitoring and Mobilization Fund with corresponding copy of the letters	Target exceeded.  The Governance Commission considered the additional P3 Expense charged to the corporate fund of SBCorp.				
	SM 5	Improve Return on Assets	(Net Income / Total Assets) x 100	10%	(Actual / Target) x Weight	0.51%	0.60%	10%	-0.37%	0%	COA Audited Financial Statements  SBCorp's Computation of Return on Assets  Timeline of Events Between SBCorp and DBM with Relevance to P3 Monitoring and Mobilization Fund with corresponding copy of the letters	<u>Request for reconsideration DENIED.</u>  <u>The effects of fluctuations in the value of currency denominations of foreign loans are inherent and an outturn of the operations of the SBCorp. The utilization of said loans were used in the corporation's lending activities.</u>  The GCG's computation is presented below: <table border="1" style="margin-left: 20px;"> <tr> <td>Total Assets</td> <td>6,467,406,535</td> </tr> <tr> <td>Net Loss After Tax</td> <td>-199,160,377</td> </tr> </table>	Total Assets	6,467,406,535	Net Loss After Tax	-199,160,377
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Net Loss After Tax	-199,160,377															

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Objective/Measure		Component				SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks												
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating														
											<table border="1"> <tr> <td colspan="2"><i>Add:</i></td> </tr> <tr> <td><i>P3 Mobilization Expense</i></td> <td>52,298,713</td> </tr> <tr> <td><i>P3 Provision for Probable Losses</i></td> <td>101,269,474</td> </tr> <tr> <td><i>P3 Expenses charged to the corporate fund</i></td> <td>21,486,267</td> </tr> <tr> <td><i>Net Income</i></td> <td>-24,105,923</td> </tr> <tr> <td><i>ROA</i></td> <td>-0.37%</td> </tr> </table>	<i>Add:</i>		<i>P3 Mobilization Expense</i>	52,298,713	<i>P3 Provision for Probable Losses</i>	101,269,474	<i>P3 Expenses charged to the corporate fund</i>	21,486,267	<i>Net Income</i>	-24,105,923	<i>ROA</i>	-0.37%
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SM 6	Improve Collection Effectiveness Index	$\frac{[(\text{Beginning Receivables} + \text{Monthly Income} - \text{Ending Total Receivables}) / (\text{Beginning Receivables} + \text{Monthly Income} - \text{Ending Current Receivables})] \times 100}{}$	10%	All or Nothing	Breakeven	-	-	-	-	-	Measure excluded per the Governance Commission's letter dated 31 May 2019. <sup>5</sup>												
SM 7	Improve Past Due Rate	Value of Past Due Loan Accounts / Total Financing Portfolio	10%	$1 - [(\text{Actual} - \text{Target} / \text{Target}) \times \text{Weight}]$ 0% = If 22% and higher	16.40%	14.11%	10%	15.46%	10%	COA Audited Financial Statements	Target exceeded.  The validated accomplishment was computed based on the total loan portfolio of ₱5,845,613,132 as reflected in												

<sup>5</sup> Officially received by SBC on 11 June 2019.

		Component				SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks	
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating				
										Past Due Report as generated by the PDR Module	the COA Audited FS and the total past due portfolio as generated by the PDR Module amounting to ₱903,918,156.95.	
		<b>Sub-total</b>	<b>40%</b>			<b>30%</b>		<b>20%</b>				
<b>CUSTOMERS</b>	<b>SO 3</b>	<b>Ensure Customer Satisfaction</b>										
	SM 8	Percentage of Satisfied Customers	Number of Stakeholders who gave a Rating of at least Satisfactory / Total Number of Respondents	5%	(Actual / Target) x Weight If Less Than 80% = 0%	90%	97%	5%	Result not acceptable	0%	CSS Final Report  Data Collection Quality Control Report  Sample Accomplished Survey Forms	<u>Request for reconsideration DENIED.</u>  The survey was conducted from 26 to 31 July 2019. The survey included responses covering the services extended by the SBCorp on 01 July to 31 December 2018, which is beyond the scope of the performance year being rated.
			<b>Sub-total</b>	<b>5%</b>				<b>5%</b>		<b>0%</b>		
	<b>SO 4</b>	<b>Improve Service Delivery</b>										
SM 9	Increase Number of Local Conduits Per Province	Absolute Number	5%	(Actual / Target) x Weight	81 Provinces and 4 Districts of Manila with at least 3 Local Conduits each	79	4.65%	78	4.59%	Summary of Number of Conduits per Province  Signed certification of all PFIs on the number and location of branches as of the end of 2019	<u>Request for reconsideration GRANTED.</u>  <u>The remaining provinces with less than three (3) conduits each are Batanes, Dinagat Islands, Lanao Del Sur, Maguindanao, Sulu, Basilan, and Tawi-Tawi.</u>	
SM 10	Improve Percentage of	Number of Loans	5%	(Actual / Target) x Weight	100% of Applications	60.97%	3.05%	63.30%	3.16%	Monitoring of Loan Approval	Target not met.	

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Component						SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
	Loans Processed Within Prescribed Time	Applications Processed within Turnaround Time / Total Number of Applications			Processed within the Prescribed Turnaround Time <sup>6</sup>					Turnaround Time (PDF) (Regular Retail Program, Regular Wholesale Program, P3 Wholesale Program)  Transmittal of Citizen's Charter and Certificate of Compliance to ARTA  SBCorp Citizen's Charter	SBCorp was able to process 407 out of the 643 applications received within 22 working days.
SM 11	Increase Number of Capacity Building Participants	Absolute Number	5%	(Actual / Target) x Weight Less Than 83 = 0%	114 New Capacity Building Participants	116 (additional 92 participants under Customized Training Programs)	5%	209	5%	Summary of Capacity Building Graduates per Program Type  Detailed Summary of Graduates  Copies of Consultant Affidavits with List of Participants	Target exceeded.  The validated accomplishment refers to the number of participants for the following programs: <ul style="list-style-type: none"> <li>• Risk-based lending for RBs – 17</li> <li>• Good Governance and Credit Risk Management for MFIs – 64</li> <li>• Account Officer Certification Program – 36</li> <li>• Customized Trainings – 92</li> </ul>

<sup>6</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.

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Objective/Measure		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating			
	SM 12	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	All or Nothing	Maintain ISO 9001:20215 Certification	Maintenance of ISO 9001:2015 Certification Secured	5%	ISO 9001:2015 Certification Maintained	5%	Surveillance Audit Report	Target met.
<b>Sub-total</b>			<b>20%</b>				<b>17.7%</b>		<b>17.75%</b>			
<b>LEARNING &amp; GROWTH</b>	<b>SO 5 Enhance the Competencies of the SBC Workforce</b>											
	SM 13	Percentage of Employees Meeting Required Competencies	Actual Accomplishment	5%	All or Nothing	Improvement in the Competency baseline of the organization <sup>7</sup>	Improvement in the Corporate Competency Score from .8355 to .9979	5%	18% Improvement in the Corporate Competency Score from 0.8786 in 2018 to 1.0365	5%	Competency Assessment Report for 2018 and 2019  Competency Assessment Result per Sampled Employee  Documentation of the Trainings conducted (Project Report,	The variance between the computation of the SBCorp and the GCG is due to the difference in formula used. <sup>8</sup>

<sup>7</sup> The competency baseline of the organization shall pertain to the average percentage of required competencies met which can be computed using the following formula:

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

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

<sup>8</sup> SBC used the formula:

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

Objective/Measure		Component				SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks
		Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
										Attendance Sheets)	
										Year-end Workforce Complement for 2018 and 2019	
<b>SO 6 Provide Automated Systems and Procedures</b>											
SM 14	Automate Existing Systems and Processes	Actual Accomplishment	5%	$(\text{Actual} / \text{Target}) \times \text{Weight}$	Implementation of the following Information Systems: Loan Origination System Loan Disbursement System Loan Collection System Business Performance Indicator Profile Procurement Management System Account Management System	Completed and Implemented	5%	Implementation of the following Information Systems: Loan Origination System Loan Disbursement System Loan Collection System Business Performance Indicator Profile Procurement Management System	4.17%	DICT Endorsement of the SBCorp-submitted ISSP 2018-2020  ManCom Approval of the AMS Version 1.0, Business Requirement Document, and Software Development Plan  LDS, LCS, PMS Acceptance: System Acceptance Certificate  Service Agreements with Third Parties	Account Management System not implemented in 2019. Request to modify the rating system is <b>APPROVED</b> . The computed accomplishment is based on attainment of 5 out of 6 (83.33%) of the deliverables under the DICT-approved ISSP.



Component					SBCorp Submission <sup>4</sup>		GCG Validation		Supporting Documents	GCG Remarks
Objective/Measure	Formula	Weight	Rating Scale	Target	Actual	Rating	Actual	Rating		
									System-Generated Reports	
		<b>Sub-total</b>	<b>10%</b>			<b>10%</b>		<b>9.17%</b>		
		<b>TOTAL</b>	<b>100%</b>			<b>87.37% out of 90% 97.07% of 100%</b>		<b><u>71.59%</u> <u>out of</u> <u>90% or</u> <u>79.54%</u> <u>of 100%</u></b>		

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