

## SMALL BUSINESS CORPORATION

		Component			Baseline		Target		
Objective/Measure		Formula	Weight	Rating Scale	2013	2014	2015	2016	
SOCIAL IMPACT	<b>SO 1</b>	<b>Improved Access to Finance by Unserved Micro, Small and Medium Enterprises (mSMEs)</b>							
	SM 1	Partially-secured loan ratio - not more than 50% secured	Number of unsecured borrowers/Total number of borrowers - retail lending and equity financing (based on approved borrowers within the year inclusive of credit line renewals; count inclusive of ERF)	5%	(Actual/Target) x Weight	75%	78%	80%	81%
	SM 2	Enterprise Rehabilitation Financing (ERF) for mSMEs damaged by calamity	Cumulative Releases	5%	(Actual/Target) x Weight	N/A	₱220.58 Million	₱700 Million	₱650 Million
	<b>SO 2</b>	<b>Mainstreamed mSME Finance thru the Banking Sector</b>							
SM 3	mSME loan portfolios of banks supported by SBCorp credit guarantee	Total loan amounts indicated in the active guarantee contracts, based on highest within the year	5%	(Actual/Target) x Weight	₱197.6 Million	₱305 Million	₱332 Million	₱600 Million	

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<b>SOCIAL IMPACT</b>	<b>SO 3</b>	<b>MSME Finance-friendly Policy Architecture Established</b>							
	SM 4	Policy endorsements	Absolute	2.5%	All or nothing	N/A	N/A	1) Signed resolution adopting the industry roadmap for MSME Finance by end-January 2016	Filing of bill in Congress to strengthen the mSME Magna Carta
			Absolute	2.5%	All or nothing	N/A	N/A	2) Congressional Oversight Committee (COC) Resolution on Magna Carta	Signed resolution among the supply-side stakeholders (may include BSP) on the credit guarantee component of the mSME Finance Roadmap
	<b>SO 4</b>	<b>Growth of mSMEs Leading to Employment Generation</b>							
	SM 5	First time borrowers ratio	Number of first time borrowers with no prior borrowings from banks/Total number of borrowers - retail lending and equity financing	5%	(Actual/Target) x Weight			38%	40%
			<b>25%</b>						

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<b>FINANCE</b>	<b>SO 5</b>	<b>Increased Earning Financing Portfolio</b>							
	SM 6	Earning loan portfolio plus total ERF and equity financing portfolios	Year-end outstanding balance	5%	(Actual/Target) x Weight	₱2.734 Billion	₱2.425 Billion	₱3.2 Billion	₱3.64 Billion
	<b>SO 6</b>	<b>Sustained Operating Income</b>							
	SM 7	Operational Self-Sufficiency Ratio	Core Revenues/Total Expenses (wherein: Core revenues = Interest Income from Financing Programs, Credit Guarantee and Venture Capital; Total Expenses = Administrative Expenses including capability building expenses + finance cost + credit risk cost)	10%	(Actual/Target) x Weight	72%	71%	77%	84%
				<b>15%</b>					

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CUSTOMER/STAKEHOLDER	<b>SO 7</b>	<b>Customer Satisfaction Leading to Increased Client Base</b>							
	SM 8	Customer Satisfaction Survey	Rating	5%	All or nothing			Satisfactory rating	Satisfactory rating
	SM 9	No. of active direct MSME clients financed	Absolute count, active retail lending and all ERF and equity financing clients	10%	(Actual/Target) x Weight	660	1366	1560	3,000
	SM 10	No. of paying capacity building enrollees	Cumulative	10%	(Actual/Target) x Weight	32	56	50	258
	<b>SO 8</b>	<b>Stakeholder Satisfaction Leading to Leveraged Intervention</b>							
	SM 11	No. of active Financial Institutions under guarantee program	Absolute number based on highest count of active FIs within the year	5%	(Actual/Target) x Weight	5	8	7	15
				<b>30%</b>					

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INTERNAL PROCESS	SO 9	<b>Improved Service Delivery by Increasing Processing Velocity</b>							
	SM 12	Processing velocity	Number of clients/Number of employees	10%	(Actual/Target) x Weight	5.5	8.7	12.4	14.6
	SO 10	<b>Improved Resource Management thru Risk Management</b>							
	SM 13	Sustainability rate of mSME borrowers	Percent BRR 1 to 6 / Total number of risk-rated borrowers as of beginning of year under retail lending excluding ERF	5%	(Actual/Target) x Weight	85.00%	86%	87%	89%
				15%					
LEARNING AND GROWTH	SO 11	<b>Aligned Organization and Competencies to Support Risk-based mSME Lending</b>							
	SM 14	Competency level	Baseline	5%	All or nothing	N/A	N/A	Competency framework approved by Board	Establish Baseline
	SO 12	<b>Established Quality Management System</b>							
	SM 15	ISO Certification	Certification	5%	All or nothing	N/A	N/A	ISO Certification granted	Passed Surveillance Audit

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SM 16	BRR review	Third party review of results of SBCorp experience in BRR	5%	All or nothing	N/A	N/A	N/A	Improved BRR instrument as approved by the Board
			15%					
			100%					