



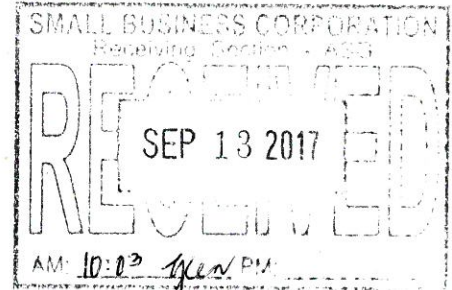
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29 August 2017

MS. ZENaida C. MAGLAYA

DTI Undersecretary and Acting Chairperson
MR. BARTHOLOMEW BRILLO L. REYNES
President and CEO

SMALL BUSINESS CORPORATION (SBC)
 17 and 18th Flrs., 139 Corporate Center,
 139 Valero St., Salcedo Village, Makati City



E1-20170913-004-OP-C

RE : TRANSMITTAL OF CY 2017 PERFORMANCE SCORECARD

Dear Secretary Maglaya and PCEO Reynes,

This is to formally transmit the Charter Statement and Strategy Map (**Annex A**) and 2017 Performance Scorecard (**Annex B**) of SBC.

The SBC proposed Charter Statement, Strategy Map and Performance Scorecard submitted last 31 January 2017 were **MODIFIED** based on the discussions made during the Technical Working Group (TWG) meeting last 14 March 2017 and the Governance Commission's review and evaluation of the revised documents¹. The CY 2017 Charter Statement, Strategy Map and Performance Scorecard shall take effect **IMMEDIATELY**, SBC is directed to submit the applicable quarterly monitoring reports and upload the same in the GOCC website.

The Governance Commission takes this opportunity to remind SBC that pursuant to Item 3 of GCG Memorandum Circular No. 2017-02, GOCCs are required to submit Charter Statement, Strategy Map and Performance Scorecard for CY 2018 starting the first working day of July but not later than the last working day of August. In order to further provide GOCCs ample time to prepare, GOCCs are given a **NON-EXTENDABLE** deadline until the **last working day of September 2017**. GOCCs who fail to comply with the said deadline shall be deemed to have waived its opportunity to propose performance targets and measures, and the GCG shall accordingly complete the GOCC's Performance Scorecard based on its own assessment.

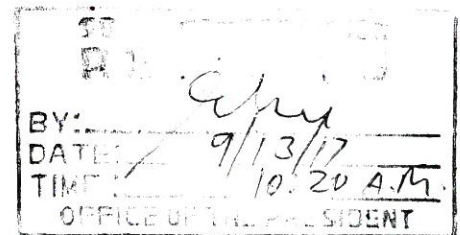
FOR YOUR COMPLIANCE.

Very truly yours,

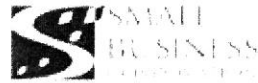
SAMUEL G. DAGPIN, JR.
Chairman

MICHAEL F. CLORIBEL
Commissioner

MARITES CRUZ DORAL
Commissioner



¹ Per submission of SBC dated 11 July 2017.



STRATEGY MAP

Vision Statement

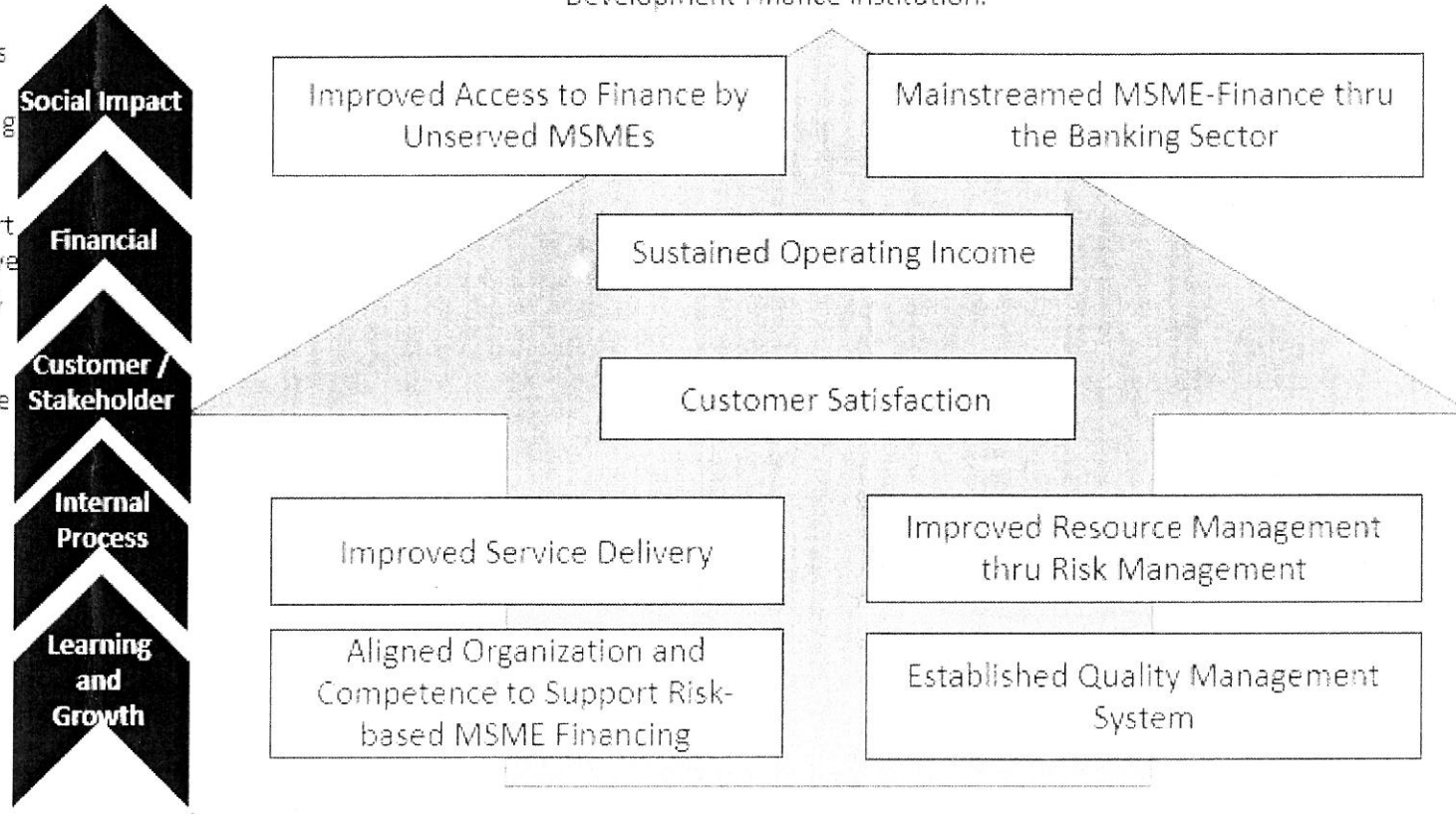
By 2020, we envision Small Business Corporation as a World-Class, Best Managed and Sustainable Development Finance Institution.

Mission Statement

Empower Micro, Small and Medium Enterprises (mSMEs) as viable businesses by developing and implementing financing services and capacity building support programs in a progressive and sustainable manner, and by advocating for measures and policies that will promote a more robust mSME finance industry.

Core Values

- Belief in God
- Development Orientation
- Innovation
- Integrity
- Accountability
- Transparency
- Professionalism



SMALL BUSINESS CORPORATION

	Component				Baseline Data				Target	
	Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
SOCIAL IMPACT	SO 1	Improved Access to Finance by Unserved MSMEs								
	SM 1	Total Financing Portfolio	Year-end earning loan portfolio ¹	15%	Above ₱3.90 Billion = 15% ₱2.61 Billion to ₱3.90 Billion = 10% ₱2.43 Billion to ₱2.60 Billion = 5% Below ₱2.43 Billion = 0%	₱2.73 Billion	₱2.43 Billion	₱2.60 Billion	₱2.55 Billion	₱3.90 Billion
	SM 2	Total Number of MSMEs Served	Absolute count ² ,	10%	(Actual/Target) x Weight	-	-	1,874	1,986	2,400
	SM 3	Partially-Secured Financing Ratio (<i>not more than 50% secured</i>)	Number of unsecured borrowers/Total number of borrowers - retail lending and equity financing ³	5%	All or Nothing	75%	78%	85%	86%	75% - 81%

¹ Includes wholesale, MF wholesale, retail regular; retail-ERF; equity financing, P3

² Active retail lending and all ERF and equity financing clients, P3

³ Based on approved borrowers within the year inclusive of credit line renewals; count inclusive of ERF, retail, P3-retail

Component					Baseline Data				Target	
Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017		
SM 4	First Time Borrowers Ratio	Number of first time borrowers ⁴ / Total number of borrowers - retail lending and equity financing, ERF, P3-retail ⁵	5%	Above 61% = 5% 42% - 61% = 3% Below 42% = 0%	-	-	-	61%	42%	
SO 2	Mainstreamed MSME-Finance thru the Banking Sector									
SM 5	MSME Loan Portfolio of Banks Supported by SBCorp Credit Guarantee	Loans guaranteed within the year	5%	(Actual/Target) x Weight	-	-	-	₱501 Million	₱1 Billion	
			40%							
FINANCIAL	SO 3	Sustained Operating Income								
SM 6	Operational Self-Sufficiency Ratio	Core Revenues / Total Expenses ⁶	10%	Above 82 = 10% 80% - 82% = 8% 75% - 79.99% = 5% 70% = 74.99% = 3% Below 70% = 0%	-	-	70%	79%	80%	

⁴ With no prior borrowings from banks

⁵ Based on approved borrowers within the year inclusive of credit line renewals

⁶ Core Revenues = Interest Income from Financing Programs; Credit Guarantee and Venture Capital; Total Expenses = Administrative Expenses + Finance Cost + Credit Risk Cost excluding Capacity Building Cost

		Component			Baseline Data				Target	
Objective/Measure		Formula	Weight	Rating System	2013	2014	2015	2016	2017	
CUSTOMERS	SO 4	Customer Satisfaction								
	SM 7	Customer Satisfaction Survey	Number of respondents who gave a Satisfactory rating or higher / Total number of respondents	10%	All or Nothing	-	-	Satisfactory	Very Satisfactory	90% of respondents gave a rating of Satisfactory or higher
	SM 8	Number of Capacity Building Participants	Absolute number ⁷	5%	(Actual/Target) x Weight	-	-	140	223	300
			25%							
INTERNAL PROCESS	SO 5	Improved Service Delivery								
	SM 9	Improve Processing Time for All Accounts in Credit Lending	Number of days from CI to issuance of notice of approval	10%	[1- (Actual Target/Target)] x Weight	-	-	-	60 days	Average of 45 days

⁷ Cumulative count which includes RBL, SME-AO, Eepro & MSME clients under other capacity building services

		Component			Baseline Data				Target	
Objective/Measure		Formula	Weight	Rating System	2013	2014	2015	2016	2017	
LEARNING AND GROWTH	SO 6	Improved Resource Management thru Risk Management								
	SM 10	Risk Maintenance Rate	Number of risk-rated borrowers with Borrowers Risk Rating (BRR) score of 1 to 6 / Total number of risk-related borrowers as of beginning of year ⁸	15%	95% and above = 15% 90% - 94.99% = 10% 85% - 89.99% = 5% Below 85% = 0%	-	-	95%	90%	90%
				25%						
	SO 7	Aligned Organization and Competence to Support Risk-based MSME Financing								
	SM 11	Competency Level	Number of positions assessed/ Total number of positions	5%	All or Nothing	-	-	-	Baseline Completed	50% of the Competency Areas ⁹ with the Highest Gap Addressed

⁸ Borrowers under retail lending, excluding ERF

⁹ Technical Competencies (Business Regulation, Business Analysis and Risk Management) and Core or Generic Competencies (Judgement and Decision-Making, Planning and Organizing and Technology Orientation)

Component					Baseline Data				Target
Objective/Measure	Formula	Weight	Rating System	2013	2014	2015	2016	2017	
SO 8	Established Quality Management System								
SM 12	ISO Certification	Actual Accomplishment	5%	Both Maintenance of ISO 9001:2008 Certification AND Readiness for ISO 9001:2015 Certification = 5% Either Maintenance of ISO 9001:2008 Certification OR Readiness for ISO 9001:2015 Certification = 2.5%	-	Fully automated cash loans receivable process	ISO Certification Issued	Surveillance Audit passed	Maintain ISO 9001:2008 Certification and Readiness for ISO 9001:2015 Certification
			10%						
			100%						