



REPUBLIC OF THE PHILIPPINES
DEPARTMENT OF BUDGET AND MANAGEMENT

General Solano St, San Miguel, Manila

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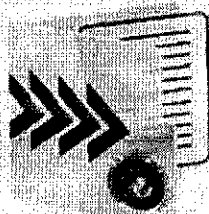
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**SMALL
BUSINESS
CORPORATION**



March 8, 2016

HON. FLORENCIO B. ABAD

Secretary
Department of Budget & Management
General Solano Street
Malacañan, Manila

ATTENTION : Undersecretary Mario L. Relampagos
Director Larry Drapete, BMB-CgS

SUBJECT : **SBC's CORPORATE OPERATING BUDGET FOR FY 2016**

Sir:

We are submitting herewith, five (5) sets of Proposed Corporate Operating Budget of Small Business Corporation (SB Corporation) for FY 2016 as approved by SBC's Board per Board Resolution No. 2273 series of 2016.

Included are the following DBM Forms which detailed the narrative and financial justifications of our 2016 Corporate Operating Budget:

- | | |
|-------------------------|--|
| 1. DBM Form No. 700 | - Corporate Objectives, Priorities & Performance Measures |
| 2. DBM Form No. 701 | - Proposed Revisions |
| 3. DBM Form No. 702 | - Comparative Balance Sheet |
| 3. DBM Form No. 702-A | - Schedule of Investments |
| 4. DBM Form No. 702-B | - Statement of Receivables |
| 5. DBM Form No. 702-C | - Statement of Accounts Payable to Suppliers or Trade Creditors |
| 6. DBM Form No. 702-D | - Statement of Borrowings |
| 7. DBM Form No. 703 | - Comparative Profit and Loss Statement |
| 8. DBM Form No. 703-A | - Sales/Revenue Statement |
| 9. DBM Form No. 703-B | - Cost of Sales Statement |
| 10. DBM Form No. 703-C | - Staffing Summary & Details of Other Compensation of Permanent Position |
| 11. DBM Form No. 703-C1 | - Details of Others under DBM Form 703-C |
| 12. DBM Form No. 703-D | - Details of Maintenance & Other Operating Expenses |
| 13. DBM Form No. 703-E | - Details of Financial Expenses |
| 14. DBM Form No. 703-F | - Capital Outlays Obligations, by Object of Expenditures |
| 15. DBM Form No. 703-F1 | - Details of Annual Equipment Project Proposal |
| 16. DBM Form No. 703-F2 | - New or Expanded program/Project Proposal |
| 17. DBM Form No. 704 | - Statement of Cash Flows |
| 18. DBM Form No. 704-A | - Comparative Cash Flow Statement for the Consolidated Public Sector Deficit |
| 19. DBM Form No. 705 | - Comparative Sources of Funds |
| 20. DBM Form No. 705-A | - National Government Support |

March 8, 2016

21. DBM Form No. 706
22. DBM Form No. 707
23. DBM Form No. 708
24. DBM Form No. 709
25. DBM Form No. 709-A
26. DBM Form No. 710
27. DBM Form No. 711
28. DBM Form No. 711-A
29. DBM Form No. 712
30. Annex F

- Uses of Funds by Expense Class
- Program Expenditure Plan
- Profile and Requirements for Locally Funded Projects
- Requirements for Foreign-Assisted Projects
- Foreign-Assisted Project Profile
- Projects with Private Sector Funding Participation
- Gender and Development (GAD) Plan and Budget
- Annual GAD Accomplishment Report FY 2012
- Climate Change Expenditures
- Summary of CSO's Feedback on Ongoing Projects & Activities

Thank you.

Very truly yours,


MR. MELVIN E. ABANTO
OIC-President/CEO

SECRETARY'S CERTIFICATE

I, **JESSIE R. REOTUTAR**, acting in my capacity as Corporate Board Secretary of the Small Business Corporation, a government-owned and controlled corporation created by virtue of R.A. 6977, as amended by R.A. 8289 and further amended by R.A. 9501, after being duly sworn to in accordance with law, hereby certify that in the 272nd Meeting of the Board of Directors of the Corporation held on 27 January 2016 at the SB Corporation Board Room, 18/F 139 Corporate Center, 139 Valero St., Salcedo Village, Makati City and at which a quorum was present, the following Resolution was duly passed, approved and confirmed:


BOARD RESOLUTION NO. 2273, SERIES OF 2016

PROPOSED 2016 CORPORATE OPERATING BUDGET

"RESOLVED: That as favorably recommended by Management, the proposed 2016 Corporate Operating Budget, the details of which are attached as Annex "A" and made an integral part hereof be, as it is hereby approved and confirmed.

APPROVED.

Makati City, 27 January 2016.

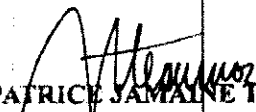

JESSIE R. REOTUTAR
Corporate Board Secretary

OATH

REPUBLIC OF THE PHILIPPINES)
MAKATI CITY) S.S.

SUBSCRIBED AND SWORN to before me this JAN 28 2016 at Makati City, affiant exhibited to me his UMID No. CRN-006-0083-3539-9.

Doc. No. 230 ;
Page No. 47 ;
Book No. III ;
Series of 2016.


E. PATRICE JAMAINE T. BARRON
Notary Public for Makati City
Until December 31, 2016
Commission No. M-268
Roll No. 51557

PTR No. 0353658 / 08 Jan 2006 / San Pedro, Laguna
IBP No. 14160000000000000000 / PLM
MCLC Consultant No. 1000000000
17th and 18th Floors, 139 Corporate Center,
139 Valero St., Salcedo Village, Makati City

MEMORANDUM

FOR : THE BOARD OF DIRECTORS

THRU : USEC. ZENAIDA C. MAGLAYA
Acting Chairperson

MR. MELVIN E. ABANTO
OIC-President/CEO

FROM : MR. ALFREDO S. DIMACULANGAN
Head- Resource Management Sector

DATE : January 25, 2016

SUBJECT : PROPOSED 2016 CORPORATE OPERATING BUDGET

This is to submit for Board's consideration SBC's 2016 Corporate Operating Budget in accordance with Board approved 2016-2018 Portfolio Plan (BR No. 2212 s. 2015) and 2016 Performance Scorecard of Small Business Corporation (BR No. 2213 s. 2015). Highlights of the proposal are as follows:

(In Million Pesos)

	2016	2015		Change	
	COB Proposal	GCG submitted	Actual (Tentative)	A vs. C	
	A	B	C	Php	%
Revenue from Financing Operations					
Loans	301.7	226.9	206.6	95.1	46%
Guarantees	6.3	5.4	1.4	4.9	350%
Equity Financing	6.3	1.0	2.0	4.3	215%
Revenue from Treasury Operations	51.7	74.2	80.7	(29.1)	36%
Other Operating Income	15.4	20.9	15.8	(0.4)	-3%
Subsidy from National Government	-	100.0	90.0	-	0%
Total Operating Revenue	381.4	428.3	396.4	15.0	-4%
Operating Expenses					
Less: Cost of Borrowings	74.7	83.3	75.7	(1.0)	-1%
Credit Cost - Regular	55.0	35.5	33.7	21.3	63%
Prov. For Probable Losses- ERF	-	70.0	66.4		
Total Direct Costs	129.7	188.8	175.8	(46.1)	26%
Gross Profit	251.7	239.5	220.6	31.1	14%
Administrative Expenses					
Less: Personnel Services	134.2	124.3	117.2	17.0	15%
MOOE	101.9	83.9	70.8	31.1	44%
MOOE - ERF	-	5.0	2.9	-	-
Capacity Building	10.8	4.0	4.3	6.5	51%
Total Administrative & Other Expenses	376.6	406.0	371.0	5.6	2%
Net Operating Income	4.8	22.4	25.5	(20.7)	-81%

Other Income						
Gain on ROPA	15.0	20.0	27.1	(12.1)	-45%	
Other Income	4.2	3.5	2.3	1.9	83%	
Other Expenses						
Provision for Probable Losses-ROPA	3.8	2.8	3.2	0.6	19%	
Acquired Asset Expense	2.1	1.9	1.7	0.4	24%	
Foreclosure Expense	0.6	0.5	-	0.6	0%	
Litigation Expense	0.6	0.5	0.3	0.3	100%	
Subtotal	6.5	5.7	5.2	1.3	25%	
Net Income before Taxes and Derivative Valuation	17.1	40.2	49.7	(32.6)	-66%	

Support from National Government	-	100.0	90.0
Less:			
<i>MOOE-ERF</i>	-	5.0	2.9
<i>Provision for Probable Losses-ERF</i>	-	70.0	66.4
<i>Interest Subsidy for ERF</i>	-	25.0	20.7
Total	-	100.0	90.0

Return on Equity	0.84%	1.55%	2.24%
Return on Assets	0.42%	0.80%	1.02%
Operational Self-Sufficiency Ratio	88%	77%	85%

The detailed budget proposal with the corresponding notes and assumptions used are attached herewith for your perusal.

For Board consideration and approval.

Small Business Corporation
2016 Corporate Operating Budget
Notes and Assumptions Used

1. Loans Portfolio for the Year, Average Lending rates and Distribution per Program (in Million Pesos)

	Rate 2016	2016 OB, End	Distribution per Program	2015 Est. OB, end	Distribution per Program	Percent Increase (Decrease)	Rate 2015
SME Wholesale	4.00%	200.00	6%	400.00	13%	-50%	4.60%
Micro Wholesale	6.50%	1,535.00	43%	1,335.00	45%	15%	6.60%
Retail/Structured Finance	12.50%	1,300.00	37%	660.00	22%	74%	13.50%
Retail- ERF	7.00%	500.00	14%	600.00	20%	8%	7.00%
		3,535.00	100%	2,995.00	100%	18%	

2. Investment Portfolio for the Year (In Million Pesos)

Investment Portfolio	2016			2015			
	Ave. Investment Rate 2016	OB, end	Distribution	OB, end	Distribution	Percent Inc.(Dec)	Ave. Investment Rate 2015
Short-term	0.74%	76.35	5%	238.0	15%	-75%	0.75%
Long-term	4.37%	1,171.35	95%	1,363.20	85%	-14%	4.69%
		1,247.70	100%	1,601.30	100%	-23%	

3. Borrowings and Finance Cost (In Million Pesos)

	Borrowings for 2016	Rate	Finance Cost	2016 OB, end	2015 OB, end
ODA Funds		4.75%	51.8	1,000.3	1,233.4
MSME Notes	100.0	1.50%	23.0	1,510.6	1,410.6
	100.0		74.7	2,510.9	2,644.1

4. Administrative and Other Expenses

Personnel Services	134.2M
MOOE	101.9M
	<u>Php 236.1M</u>

5. Provision for Probable Losses, were based on the following

• SME Wholesale	Php 1.0M
• Micro Wholesale	15.4M
• Retail	26.0M
• Guarantees	12.6M
Total	<u>Php 55.0M</u>
• ROPA	<u>Php 3.8M</u>

6. Proceeds from Disposal of Acquired Assets

Php 10.0M

7. Capacity Building Program

Php 10.8M

8. Capital Expenditures

Php 35.0M

9. Annex A	-	Projected Income Statement
Annex B	-	Projected Balance Sheet
Annex C	-	Projected Cash Flows
Annex D	-	Loans Target and Income Projections
Annex E	-	Treasury Income Projections
Annex F	-	Statement of Interest Payments
Annex G	-	Loan Portfolio Targets
Schedule 1	-	Personnel & MOOE Expenses
Schedule 2	-	Capital Expenditures

Small Business Corporation
 Projected Income Statement
 (In Million Pesos)

Annex A

	Actual (Tentative) 2015	GCC Submitted 2015	Proposal 2016	Increase/ (Decrease)	Percent Change
Revenue from Financing Operations					
Loans					
SME Wholesale	16.5	18.3	8.1	(10.1)	-55.56%
Micro Wholesale	88.3	79.1	93.4	14.3	18.08%
Retail	101.9	129.5	200.2	70.7	54.60%
Sub-Total	206.6	226.9	301.7	74.9	33.01%
Guarantees	1.4	5.4	6.3	0.9	16.67%
Equity Financing	2.0	1.0	6.3	5.3	529.95%
Total Revenue from Financing Operations	209.9	233.3	314.3	81.1	34.76%
Revenue from Treasury Operations					
Short-term Investments/Deposits	0.6	1.6	0.6	(1.0)	-64.74%
Investments in GS	80.1	72.6	51.2	(21.4)	-29.52%
Sub-Total	80.7	74.2	51.7	(22.5)	-30.28%
Other Operating Income	15.8	20.9	15.4	(5.5)	-26.23%
Subsidy from National Government	90.0	100.0	-	(100.0)	-100.00%
Total Operating Revenue	396.4	428.3	381.4	(46.9)	-10.94%
Operating Expenses					
Finance Costs					
Interest Expense	25.6	28.5	30.0	1.5	5.39%
FXRC Fee	37.6	41.1	33.5	(7.6)	-18.41%
Guarantee Fee Expense	12.5	13.7	11.2	(2.5)	-18.41%
Sub-Total	75.7	83.3	74.7	(8.6)	-10.27%
Credit Cost					
Provision for Probable Losses (on financing operations)	33.7	35.5	55.0	19.5	54.79%
Provision for Probable Losses - ERF	66.4	70.0	-	(70.0)	-100.00%
Sub-Total	100.1	105.5	55.0	(50.6)	-47.91%
Operating Expenses					
Personnel Services	117.2	124.3	134.2	9.9	8.00%
MOOE	70.8	83.9	101.9	18.0	21.50%
MOOE - ERF	2.9	5.0	-	(5.0)	-100.00%
Capacity Building Expense	4.3	4.0	10.8	6.8	170.00%
Sub-Total	195.2	217.2	246.9	29.8	13.71%
Total Operating Expenses	371.0	406.0	376.6	(29.3)	-7.23%
Net Operating Income	25.5	22.4	4.8	(17.5)	-78.40%
Other Income					
Gain on Acquired Assets	27.1	20.0	15.0	(5.0)	-25.00%
Other Income	2.3	3.5	4.2	0.7	20.00%
Sub-Total	29.4	23.5	19.2	(4.3)	-18.30%
Other Expenses					
Provision for Probable Losses- ROPA	3.2	2.8	3.8	1.0	36.36%
Acquired Asset Expense	1.7	1.9	2.1	0.2	10.00%
Foreclosure Expense	0.0	0.5	0.6	0.0	5.00%
Litigation Expense	0.3	0.5	0.6	0.0	5.00%
Sub-Total	5.2	5.7	6.9	1.2	21.86%
Net Income before Taxes and Derivative Valuation	49.7	40.2	17.1	(23.1)	-57.40%
Support from National Government	90.0	100.0			
Less:					
MOOE - ERF	2.9	5.0			
Provision for Probable Losses- ERF	66.4	70.0			
Interest Subsidy for ERF	20.7	25.0			
TOTAL	90.0	100.0			

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L BUSINESS CORPORATION
LECTED BALANCE SHEET
 (Million Pesos)

Annex B

Actual (Tentative) 2015	GCG Submitted 2015	Proposal 2016	Change	% Change
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ASSETS

Current Assets

Cash and Cash Equivalents	156.6	238.0	76.4	(161.7)	-67.9%
Investment in Gov't Securities	312.4	270.5	300.0	29.5	10.9%
Interest Receivable on Investments	18.0	25.0	25.0	0.0	0.0%
Loans and Receivable, net	2,703.2	2,794.8	3,307.8	513.0	18.4%
Interest Receivable on Loans	33.7	30.0	50.0	20.0	66.7%
Other Current Assets	81.2	75.0	91.5	16.5	22.1%
	3,305.1	3,433.3	3,850.7	417.4	12.2%

Non-Current Assets

Long-term Investment - GS	1,231.9	1,363.2	1,171.3	(191.9)	-14.1%
Equity Investment in Joint Venture	17.0	24.0	105.0	81.0	337.6%
Investment Property, net	120.4	118.9	38.9	(80.0)	-67.3%
Property and Equipment, net	76.0	84.6	94.6	10.0	11.8%
Guarantee Paid Loans	(0.0)	4.0	4.7	0.8	20.0%
Deferred Tax Asset	101.6	127.2	101.6	(25.6)	-20.1%
Other Assets	39.0	25.6	37.9	12.3	47.8%
	1,585.8	1,747.6	1,554.1	(193.5)	-11.1%
Total Assets	4,890.9	5,180.8	5,404.7	223.9	4.3%

LIABILITIES

Current Liabilities

Notes Payable	1,135.0	1,205.4	1,379.1	173.7	14.4%
Long-term Liabilities	156.3	84.8	156.3	71.4	84.2%
Interest Payable	5.1	30.3	30.4	0.0	0.0%
Other Current Liabilities	140.4	90.0	150.0	60.0	66.7%
	1,436.7	1,410.5	1,715.7	305.1	21.6%

Non-Current Liabilities

Long-term Liabilities	1,081.4	1,148.6	1,000.3	(148.3)	-12.9%
Notes Payable	53.0	31.5	31.5	0.0	0.0%
Derivative with Negative Fair Value	100.4	0.0	50.0	50.0	0.0%
	1,234.8	1,180.2	1,081.8	(148.3)	-12.6%
Total Liabilities	2,671.6	2,590.7	2,797.5	156.8	6.1%

EQUITY

Capital Stock	1,919.9	1,919.9	1,919.9	0.0	0.0%
Paid in Capital in Excess of Par Value	79.5	79.5	79.5	0.0	0.0%
Unappropriated Retained Earnings	(76.9)	67.2	84.3	17.1	25.5%
Appropriated Retained Earnings	296.8	523.5	523.5	0.0	0.0%
Total Equity	2,219.3	2,590.1	2,607.3	17.1	0.7%
Total Liabilities and Equity	4,890.9	5,180.8	5,404.7	223.9	3.4%

Asset Utilization Ratios

Loan Portfolio to Total Assets ¹	55.3%	53.9%	61.2%
Loan Portfolio to Total Capital ¹	121.8%	107.9%	126.9%
Loan Portfolio to Loanable Funds ²	71.2%	70.2%	76.6%

Net Liquidity³

1,138.5	1,351.3	997.7
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¹/ Net of derivative asset

²/ Net of GRF

2016

DESCRIPTION	2016
Beginning Cash Balance	156.6
CASH FLOW FROM OPERATING ACTIVITIES	
Cash Inflow	
Collections from Loans	3,056.3
Interest income from Loans	266.2
Interest Income on Investments	53.5
Interest Income on Equity	6.3
Guarantee Fees	6.3
Collections from Employees Loans	8.2
Collections from BMBE Mgt Fees	2.8
Gain on Disposal of Acquired Assets	15.0
Collections from suppliers and creditors	6.6
Undistributed/Unapplied Collection	3.0
Gain on Foreign Exchange	0.0
Other Income	10.4
Receipt of Government Subsidy	
Total Cash Inflows	3,434.6
Cash Outflow	
Payment of Operating Expenses	368.7
Loss on Foreign Exchange	1.9
Loans Granted	3,206.0
Loans Granted to Employees	5.0
Advances to suppliers and creditors	10.0
Total Cash Outflows	3,591.5
NET CASH FLOW FROM OPERATING ACTIVITIES	(156.9)
CASH FLOW FROM INVESTING ACTIVITIES	
Cash Inflow	
Proceeds from sale of securities	391.9
Proceeds from sale of disposed assets	15.0
Proceeds from Disposal of investment Property (ROPA)	15.0
Total Cash Inflows	421.9
Cash Outflow	
Purchase of property and equipment	35.0
New Investment Placements	100.0
Investment in equity instruments	4.0
Payments relative to ROPA	5.0
Total Cash Outflows	144.0
NET CASH FLOW FROM INVESTING ACTIVITIES	277.9
CASH FLOW FROM FINANCING ACTIVITIES	
Cash Inflow	
Proceeds from domestic borrowings: MSME Notes	181.5
Total Cash Inflows	181.5
Cash Outflow	
Payment of Matured MSME Notes and PS-ACMA Shares	23.0
Payment of foreign borrowings: ADB	154.8
KfW	99.0
IFAD	31.1
Payment of Interest on Loans and Other Finance Costs	74.7
Foreign Exchange Risk Cover	
Payment of Dividends	
Total Cash Outflows	382.7
NET CASH FLOW FROM FINANCING ACTIVITIES	(201.2)
NET CASH FLOW (Change in cash)	(80.2)
ENDING CASH BALANCE	76.4

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SMALL BUSINESS CORPORATION
2016 LOANS TARGET & INCOME PROJECTIONS
In Millions

Period	2015, end	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Average	%
Loan Portfolio	2,995.00	3,170.00	3,390.00	3,600.00	3,525.00	3,625.00	3,620.00	3,450.00	3,450.00	3,650.00	3,750.00	3,840.00	3,900.00		
Breakdown															
Wholesale	400.00	370.00	340.00	300.00	175.00	150.00	150.00	150.00	150.00	150.00	100.00	100.00	100.00	204.62	6%
Micro	1,335.00	1,350.00	1,400.00	1,450.00	1,500.00	1,550.00	1,550.00	1,550.00	1,550.00	1,650.00	1,700.00	1,720.00	1,750.00	1,538.85	43%
Retail	660.00	800.00	1,000.00	1,200.00	1,200.00	1,350.00	1,320.00	1,350.00	1,350.00	1,500.00	1,650.00	1,720.00	1,750.00	1,296.15	37%
Retail-ERF	600.00	650.00	650.00	650.00	600.00	600.00	600.00	400.00	400.00	350.00	300.00	300.00	300.00	496.15	14%
Total	2,995.00	3,170.00	3,390.00	3,600.00	3,525.00	3,625.00	3,620.00	3,450.00	3,450.00	3,650.00	3,750.00	3,840.00	3,900.00	3,535.77	100%

Income	Jan-16	Feb-16	Mar-16	Apr-16	May-16	Jun-16	Jul-16	Aug-16	Sep-16	Oct-16	Nov-16	Dec-16	Interest rates
SME Wholesale	8.10	1.10	1.10	0.79	0.60	0.54	0.52	0.52	0.50	0.43	0.33	0.33	4.00%
Micro Wholesale	93.36	6.42	7.36	7.38	7.75	7.63	8.01	8.01	8.00	8.65	8.55	8.68	6.00%
Retail/Structured Finance	164.90	8.75	11.84	12.50	13.72	13.91	14.37	14.53	14.84	16.95	17.55	18.07	12.50%
Retail-ERF	35.35	3.77	3.54	3.79	3.77	3.50	3.01	2.41	2.19	1.96	1.75	1.75	7.00%
Total	301.72	19.89	19.81	24.46	25.84	25.57	25.91	25.47	25.53	28.00	28.19	28.83	22.50%

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Small Business Corporation
Treasury Income Projections CY 2016
In Million Php

Annex E

DESCRIPTION	Proposal 2016
Treasury Income Projection	
Income from Short-term Deposits	
SDAs/HYSA/Up to 90-day T-Bills	76.35
Projected Portfolio Rate, net	0.74%
Income from Short-term Deposits	0.56
Investment Income	
Investment in GS	1,171.35
Projected Portfolio Rate, net	4.37%
Income from Investments	51.15
Treasury Gross Income	51.72

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Small Business Corporation
 Projected Debt Servicing Requirements
 In Million Php

Annex F

Creditor	Int. Rate	2016 365
Outstanding Balance		
Foreign Loans		
ADB	4.40%	476.7
KfW	4.75%	523.6
IFAD	4.75%	-
Total		1,000.3
Domestic Borrowings		
MSME Notes	1.50%	1,410.6
Projected Availment	1.50%	100.0
Total		1,510.6
FXRC Fee		
ADB	3.00%	15.7
KfW	3.00%	17.8
Total		33.5
Guarantee Fee		
ADB	1.00%	5.2
KfW	1.00%	5.9
Total		11.2
Interest Expense		
ADB	0.40%	2.6
KfW	0.75%	4.4
IFAD	4.75%	-
MSME Notes	1.50%	23.0
PS- ACMA	4.00%	-
Total		30.0
Total Finance Costs		74.7

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Small Business Corporation
Loan Portfolio Targets (In Million Pesos)

Annex G

Proposal
2016

Loan Portfolio Distribution (Average OB)

Wholesale Lending for SMEs	200.0
Wholesale Lending for Micros	1,535.0
Retail	1,800.0
Retail - Regular	1,300.0
Retail - ERF	500.0
Total	3,535.0

Growth Rates

Wholesale Lending for SMEs	-50%
Wholesale Lending for Micros	15%
mSME Structured Finance	43%
Regular	97%
ERF	-17%
Total Portfolio	18%

Contingent Liability Portfolio	420.0
Equity Financing Portfolio	105.0

Interest Rate

Wholesale	4.00%
Micro	6.00%
Retail	
Regular	12.50%
ERF	7.00%

Revenue from Loans

Wholesale	8.1
Micro	93.4
Retail	200.2
Regular	164.8
ERF	35.5
Total	301.7

Average Loan Size

Retail - Regular	0.53
Retail - ERF	1.00

No. of FIs/SME Borrowers

Wholesale Lending	3,010
Direct Financing (Retail & EF)	80
Retail - Regular	2,930
Retail - ERF	2,430
ERF	500

Equity Financing

Sub-total	70
	3,000

Borrower-AO Load

2016

Normal-Risk AO	80
Desk Officers	125
High-Risk AO	40
Loan Releasing Officer	400
Collection Officer	400
CI/Collateral Appraiser	300
Desk Officers	160
AO Assistant	3

No. of Account Officers **83.0**

Normal-Risk AO	38.0
High-Risk AO	6.0
Loan Releasing Officer	8.0
Collection Officer	8.0
CI/Collateral Appraiser	10.0
AO Assistant	13.0

No. of Desk Officers **24.00**

Existing DO	19.0
New DO	5.0

Ave. Starting Salaries New AO/DO

Normal-Risk /High Risk AO	40,000
DO/CI/Loan Release/Collection	30,000
Account Assistant	20,000
Total Annual Salaries (In millions)	<u><u>6.6</u></u>

Support Personnel

CG	1
HR	1
TG	1
IAG	
LSG	1
Policy	1
Total	<u>5</u>
Total Annual Salaries (In millions)	<u><u>2.0</u></u>

Cost of Credit Risk

Assumed Rate of Provisioning

Wholesale Lending for SMEs	0.5%
Wholesale Lending for Micros	1.0%
Retail	2.0%
Guarantee	3.0%
ROPA	0.3%
Total	<u><u>3.5%</u></u>

Provision for Losses

Wholesale Lending for SMEs	1.0
Wholesale Lending for Micros	15.4
Retail	26.0
Guarantee	12.6
ROPA	3.8
Total	<u><u>58.7</u></u>

H

ail Business Corporation
 Schedule of Personnel & MOOE Expenses for CY 2016
 Billion Php

Schedule 1

	Actual (Tentative) 2015	Proposal 2016	Increase/ (Decrease)	%
Personnel Services				
Salaries, Wages & Bonuses	95.04	106.96	11.92	13%
Employee Benefits	13.98	17.27	3.30	24%
GSIS/HDMF/PHILHEALTH & EC	7.32	8.90	1.59	22%
Board Fees	0.90	1.08	0.18	19%
	<u>117.24</u>	<u>134.22</u>	<u>16.98</u>	<u>14%</u>
Maintenance & Other Operating Expenses				
Taxes & Licenses	11.51	12.13	0.62	5%
Depreciation Expense	7.14	8.80	1.66	23%
Contractual and Other Admin. Services	7.07	9.43	2.36	33%
Promotion and Entertainment Expenses	4.67	5.07	0.39	8%
Year-end Expense	5.14	6.06	0.92	18%
Other Operating Expenses	3.52	4.20	0.68	19%
Communication Expenses	3.86	5.62	1.76	46%
Auditing Services	3.36	4.00	0.64	19%
Power, Light and Water	2.74	3.64	0.90	33%
Repairs & Maint.	2.49	3.96	1.47	59%
Rental Expenses	2.44	4.00	1.55	64%
Condominium Dues	2.09	2.43	0.34	16%
Travelling Expenses	2.55	5.89	3.34	131%
Insurance Expenses and Premiums	1.50	1.96	0.45	30%
Security & Janitorial Services	1.41	1.68	0.27	19%
Supplies & Materials	1.57	2.40	0.82	52%
Training & Seminar	1.13	2.60	1.47	130%
Fuel, Oil & Lubricants	0.94	1.82	0.88	93%
Business Dev't. Cost	0.67	1.43	0.75	112%
Board & Committee Expenses	0.53	1.02	0.49	93%
Management and Other Professional Fees	1.28	8.79	7.50	585%
Advertising and Publicity	0.45	0.53	0.08	17%
Printing and Binding	0.46	0.52	0.06	13%
Business Promotion	0.51	1.40	0.89	175%
Subscriptions and Periodicals	0.07	0.13	0.06	95%
Membership Fees & Dues	0.02	0.07	0.06	309%
Grant, Aids & Donations	0.01	0.04	0.03	486%
Mgm't. Comm. Expense	0.01	0.02	0.02	178%
Miscellaneous Expenses	1.62	2.28	0.66	41%
	<u>70.77</u>	<u>101.91</u>	<u>31.13</u>	<u>44%</u>
Capacity Building Expense	<u>4.31</u>	<u>10.80</u>	<u>6.49</u>	<u>151%</u>

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ALL BUSINESS CORPORATION
 PROPOSED CAPEX PER LINE ITEM (SUMMARY)
 16

CODE	GL ACCOUNT	NLG	SLG	VG	MG	CLLU	HO	Grand Total
					4,900,000			4,900,000
111000	Office Buildings							550,000
119000	Leasehold Improvement, Buildings	110,000	380,000	60,000			350,000	498,000
111000	Office Equipment	22,000	30,000	40,000				
12000	Furniture & Fixtures	137,000	1,529,000	234,500	1,034,000	130,000	5,756,000	8,820,500
123000	IT Equipment	365,000	979,500	824,000	990,000	454,000	2,550,000	6,162,500
141000	Motor Vehicles	1,200,000				1,200,000	4,800,000	7,200,000
141000	Motor Vehicles						677,000	1,569,000
141000	Other PPE -Miscellaneous	245,000	221,000	345,000	77,000	4,000		
141000	Other PPE -Miscellaneous						5,300,000	5,300,000
19005	Building Improvements						19,333,000	35,000,000
Grand Total		2,079,000	3,139,500	1,503,500	7,157,000	1,788,000		

Major & substantial requests:

- Service Vehicle [CLLU, NLG, HO (4)] - Total of 6 units 7,200,000
- Office Enhancement/Improvement (HO) " 5,100,000
- Commercial Unit (Office Space) -MG " 4,900,000
- Modular Partition (HO & SLG) 5,820,000

Handwritten initials/signature

1/ Provision for Office Renovation in commemoration of SBC's 25th Year Anniversary.
 2/ Adopted the approval by the Board, per BR no. 2107 s. 2014