



SMALL BUSINESS CORPORATION (SBC) 2013
Interim Performance Scorecard

Indicator	Weight	Targets	Accomplishment		CGO A Validation		Supporting Documents	Remarks
	2013	2013	Actual	Rating	Score	Rating		
MFO 1 – Financing Services								
Performance Indicator Set 1 : Financing Exposure								
Financial 1 : Average earning loan portfolio balance	10%	₱2,950 Million	₱2,653.51 Million	8.99%	₱2,735.34 Million	9.27%	Schedule of Monthly Average Earning Loan Portfolio Balance (net of past due) prepared by SBC Accounting Department and Certified Correct by the Head of Resource Management Sector; Schedules of the following accounts: (1) Due from banks and other financing institutions and (2) Loans and Receivables. Balances as of end 2013.	The indicator accounts for earning portfolio which are: (1) SME Wholesale (2) Micro Wholesale and (3) Retail Lending-MSME. As of end 2013, account balances (Due from Financing Institutions, Loans and Receivables) are as follows: SME Wholesale (₱861.944 Million, ₱99.886 Million of which is past due), Micro Wholesale (₱1.538 Billion, ₱121.605 Million of which is past due) and Retail Lending- MSME (₱688.746 Million, ₱186.088 Million of which is past due). For these three (3) regular earning programs, average past due rate is at 15.50%. In 2013, SBC shifted its focus to MSME direct/retail lending to better impact MSME clients. The shift from wholesale to retail caused its actual loan portfolio (releases) in 2013 to be slightly lower from the

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								agreed target. ACCEPTABLE.
Financial 2 : Average guarantee contingent liability balance	5%	₱120 Million	₱130.5 Million	5.00%	₱130.5 Million	5.00%	Average Guarantee Contingent Liability Balance Noted by the SBC MSME Development and Credit Guaranty Group (MDCGG)	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. As of end 2013, SBC covered a total of ₱242.356 Million loan amount via guarantee facility as follows: Regular (or on account basis) – ₱135.556 Million and on Portfolio (in bulk) – ₱106.800 Million. Total contingent liability of SBC for these loan accounts are as follows: For regular accounts - ₱68.931 Million and on Portfolio accounts – ₱74.760 Million. ACCEPTABLE.
Financial 3 : Amount of Venture Capital investment	5%	₱20 Million	15.94	3.99%	₱14.42 Million	3.61%	Schedule of Equity Venture Capital Investment sourced from the SBC Accounting Department and certified correct by the Head of	SBC accounts for cost of original investment. As of end 2013, Investment in equity totaled ₱8.937 Million while Loan accounts (convertible to

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							RMS; General Ledger Register	equity) totaled ₱5.486 Million. ACCEPTABLE.
Quantity 1 : Number of MSMEs financed	0%	39,669	38,122	-	-	-	The following documents were submitted: List of Active Borrowers under Retail Lending, List of Active Venture Capital Accounts, Loan Origination Report, List of Active PFIs, List of SMEs Guaranteed, Schedule of Monthly Average Earning Portfolio	For reporting purposes only. The number of MSMEs financed are as follows: (a) Wholesale Lending - 655, (b) Venture Capital -5, (c) Credit Guarantee - 59, (d) SME Wholesale – 543 and (e) Microfinance Wholesale – 35,801* *Computed based on the portfolio balance divided by average loan size of ₱13,000 divided by 3 cycles in a year; Hence, (₱1.396.25 Billion / ₱13,000 / 3)
Performance Indicator Set 2 : Access to Finance (Additionality and Directionality of Financing Services)								
Quality 1 : Partially secured loan ratio	10%	70%	93.70%	10.00%	95.11%	10%	List of Active Borrowers under Retail Lending	Exceeded targets in 2013 and 2014. The number of Retail Lending MSME borrowers for CY 2013 totaled 655 accounts, of which, partially secured borrowers totaled 623.
Quality 2 : Rural area focus	10%	73%	85.70%	10.00%	83.36%	10%	List of Active Borrowers under Retail Lending; MSME borrowers who are current only.	Exceeded targets in 2013 and 2014. The number of Retail Lending MSME borrowers for CY 2013 totaled 655 accounts, of which, borrowers in rural areas totaled 546 accounts.

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Quality 3 : Priority industry focus	0%	65%	82.40%	-	88.09%	-	List of Active Borrowers under Retail Lending	For reporting purposes only. Exceeded targets in 2013 and 2014. The number of Retail Lending MSME borrowers for CY 2013 totaled 655 accounts, of which, borrowers under priority industries totaled 577 accounts.
Quality 4 : Sustainability rate of borrowers	10%	85%	93.40%	10.00%	85%%	10%	Listing of Borrower Risk Rating (BRR) rated Borrowers under Retail Lending; Borrowers who are current and past due.	BRR- rated borrowers under Retail Lending totaled 733 accounts, of which, borrowers rated with BRR 1-6 totaled 623 accounts (110 borrowers were rated BRR 7).
Subtotal	50%			47.98%		47.88%		
MFO 2 – Capacity Building Services								
Performance Indicator Set 1 : Financial Institution (FI) Development								
Quantity 1 : Number of Risk-Based Lending Program (RBL) graduates	10%	25	23	9.20%	23	9.20%	List of Capacitated RB/FI graduates	As of end 2013, 1) Rural Bank of Sipocot and 2) Life Bank have started the consultancy program but have not yet completed or graduated from the same. ACCEPTABLE.
Quality 1 : Number of RBL Program graduates implementing Borrower Risk Rating (BRR) Credit Evaluation	2.50%	18	18	2.50%	17	2.36%	List of Capacitated RB/FI graduates	Excluded from the RBL program graduates which implemented BRR Credit evaluation is the Life Bank since it has not completed the program yet as of end 2013.

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Quantity 2 : Number of FI officers with appreciation on RBL principles	1%	100	130	1.00%	129	1%	Summary Report on RBL Seminars and List of Attendees	ACCEPTABLE.
Quality 2 : Number of FI borrowers implementing required improvement in business processes	4%	34	39	4.00%	39	4%	List of Active PFIs implementing required improvement in Business Processes	ACCEPTABLE.
Performance Indicator Set 2 : Micro, Small and Medium Enterprises (MSME) Development								
Quantity 1 : Number of Enterprise Enhancement Program (EEPro) candidates for graduation (at least 12 months in the program)	10%	10	9	9.00%	9	9%	Certification on EEPro completion	ACCEPTABLE.
Quality 1 : Number of EEPro graduates implementing their business plan and regularly preparing financial statements	2.50%	8	9	2.50%	9	2.50%	Certification on EEPro completion signed by SBC MSME Development and Credit Guarantee Group (MDCGG) OIC and EEPro Consultant	ACCEPTABLE.
Quantity 2 : Number of entrepreneurs with appreciation of financial statements	1%	50	89	1.00%	89	1%	List of Training Participants sourced from SBC MDCGG	ACCEPTABLE.
Quality 2 : Number of MSME borrowers implementing required improvement in business processes	4%	66	153	4.00%	48	2.91%	List of Active Borrowers under Retail Lending	Following the agreed formula, population should be borrowers with BRR ratings of 5 and 6 only. Per data submitted, out of the total 655 borrowers, only 96 accounts for borrowers with BRR ratings 5-6, and of which, only

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								48 implemented required improvements in business processes.
Subtotal	35%			33.20%		31.97%		
MFO 3 – Policy Advocacy								
Quantity : Number of policy initiatives supporting implementation of critical provisions of RA 9501 relating to MSME Finance	5%	5 (1 Penalty rate vis-à-vis lending provision, 1 Validation of compliance to mandatory lending, 1 Movable collaterals registry, 1 Developmental nature of BSP supervision on SBC, 1 Increase in capitalization of SBC)	4	4.00%	4	4%	The following supporting documents were submitted: Compliance Report (input to policy initiative), Position Paper/Congressional Oversight Committee on Micro, Small and Medium Enterprises Development (COC-MSME) Resolution, Policy Paper/Framework Document, 2014 Budget Proposal	The Export Development Council (EDC) Position Paper on BSP Penalties for Non-compliance for the Magna Carta for MSMEs was taken up last 16 August 2013 during the Networking Committee on Financing Meeting. Also, the position paper on Movable Collaterals Registry was taken up during the public consultation session headed by DOF-NCC last 20 March 2013. ACCEPTABLE.
Subtotal	5%			4%		4%		
General Administrative Services (GAS)								
Quality 1 : Transaction cost to Revenue ratio	5%	Should not exceed 55.30%	53.49%	5.00%	54.27%	5%	Income Statement/ Schedule of Transaction Cost to Revenue Ratio	Computation is as follows; balances as of end 2013: PS and MOOE (₱184.797 Million) / Gross Revenues

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								(P340.460 Million)
Quality 2 : Processing velocity	5%	5.4	5.6	5.00%	5.5	5%	List of Active Borrowers under Financing Program, List RBL and EEPro graduates, Manpower Distribution. Assumptions used by SBC: (1) COS under COA is excluded in the total personnel (2) For purposes of computing processing velocity, an agency hired is factored only as half (3) For the computation of clients under wholesale program, only conduits and partner financial institutions are considered	Computation is as follows: Number of clients (883) / Total Personnel (160); wherein: total number of clients breakdown is as follows: Retail (655), Venture Capital (5), Guarantee (59), Wholesale (130), Capacity Building (34). Findings: Documents presented are ACCEPTABLE.
Subtotal	10%			10%		10%		
Total Weight:	100%			95.18%		93.85%		