



17 June 2022

MS. BLESILA A. LANTAYONA

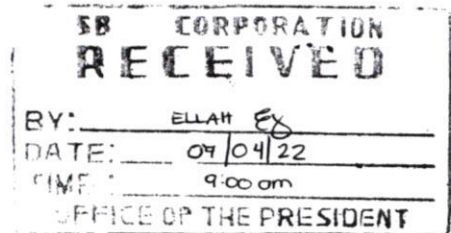
*Undersecretary, Department of Trade and Industry (DTI)
and SBC Acting Chairperson*

MS. MA. LUNA E. CACANANDO

President and CEO (PCEO)

SMALL BUSINESS CORPORATION (SBC)

17th and 18th Floors, 139 Corporate Center
139 Valero Street, Salcedo Village, Makati City



RE : TRANSMITTAL OF 2022 PERFORMANCE SCORECARD

Dear Undersecretary Lantayona and PCEO Cacanando,

This is to formally transmit the 2022 Charter Statement and Strategy Map (Annex A) and 2022 Performance Scorecard (Annex B) of SBC. The same is to be posted on SBC's website in accordance with Section 43 of GCG Memorandum Circular (M.C.) No. 2012-07.¹

The SBC proposed Charter Statement, Strategy Map, and Performance Scorecard submitted through its letters dated 19 November 2021² and 03 December 2021³ were **MODIFIED** based on discussions made during the Technical Panel Meeting (TPM) held on 20 December 2021 and evaluation of documents submitted through its letters dated 31 January 2022⁴ and 10 February 2022⁵.

We take this opportunity to **INFORM** SBC that Item 5 of GCG M.C. No. 2017-02⁶ mandates GOCCs to submit Quarterly Monitoring Reports and upload the same to the GOCC's website within thirty (30) calendar days from the close of each quarter. SBC is requested to submit its revised Quarterly Targets based on the attached scorecard upon submission of its Quarterly Monitoring Report for 2022.

Finally, under GCG M.C. No. 2017-02, GOCCs can no longer renegotiate the targets set in their Performance Scorecards for the current year. Thus, any request for modification in the 2022 Performance Scorecard will instead be considered during the validation of the reported annual accomplishments.

¹ Code of Corporate Governance for GOCCs dated 28 November 2012.

² Officially received by the Governance Commission on 19 November 2021.

³ Officially received by the Governance Commission on 03 December 2021.

⁴ Officially received by the Governance Commission on 02 February 2022.

⁵ Officially received by the Governance Commission on 14 February 2022.

⁶ INTERIM PES FOR THE GOCC SECTOR, dated 30 June 2017.

* By virtue of the Memorandum from the Executive Secretary dated 21 March 2022

FOR SBC'S COMPLIANCE AND INFORMATION.

Very truly yours,



SAMUEL G. DAGPIN, JR.
Chairman



JAYPEE O. ABESAMIS
*IOC-Commissioner**



MARITES C. DORAL
Commissioner

*By virtue of the Memorandum from the Executive Secretary dated 21 March 2022.

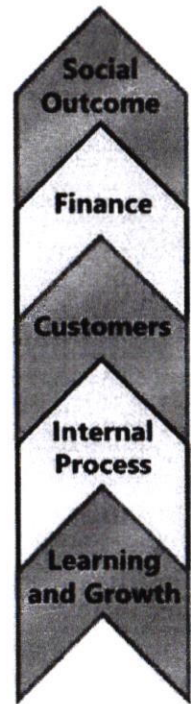


VISION
 By 2027, we will be the catalyst and leader in transforming the financing landscape of Philippine MSMEs, putting them at the forefront of inclusive economic growth

Our **MISSION** is to relentlessly champion and bridge the financing needs of the neglected business segments of the country for their sustained growth

VALUES
Matapat sa Bayan
(faithful and trustworthy service to the country)
Bayanihan
(community in unity)
Magaling at Maabilidad
(competent and innovative)
Mapagkalinga sa Kalikasan
(caring of the environment)

VALUE PROPOSITION
 Advocating full capitalization of the Philippine MSME development finance agenda, making inroads in uncharted territories and sharing viable financing models with the marketplace



Catalyze increased allocation and accelerated delivery of financing resources to MSME segments traditionally considered unfinanceable /1

Sustain good governance and cost efficiency in the management of Stakeholders' investments, observing both financial and social returns

Enhance the experience of our clients - throughout their transactions journey with us *(our direct borrowers, our conduits and our other partners)*

Create an organizational system that supports analytics-based strategies and impact assessment, agile innovation and information security.

Advance the competencies and corporate culture of SBCorp workforce on responsive finance and on accelerated platformification.

SERVICE PHILOSOPHY: Ferocity in the mission, kindness towards each other

1/Unfinanceable segments refer to MSMEs that operate as ongoing business yet not able to access finance at non-usurious rates

2022 PERFORMANCE SCORECARD (ANNEX B)

SMALL BUSINESS CORPORATION (SBC)

	Component				Baseline Data		Target		
	Objective/Measure	Formula	Weight	Rating System	2019	2020	2021	2022	
SOCIAL IMPACT	SO 1	Catalyze Increased Allocation and Accelerated Delivery of Financing Resources to MSME Segments Traditionally Considered Unfinanceable							
	SM 1	Increase Total Financing Portfolio	Year-End Gross Amount of Portfolio	15%	(Actual/Target) x Weight	₱5.846 Billion	₱7.363 Billion	₱12.650 Billion	₱16.909 Billion
	SM 2	Increase the Number of Micro, Small, and Medium Enterprise (MSME) Borrowers	Number of Active MSME Borrowers (with Loan Release) during the Year relative to Prior Year	10%	(Actual/Target) x Weight	61,964	52,287*	58,000	Additional 68,754
	SM 3	Number of Provinces Provided with Access to Financing	Number of Provinces with Loan Releases during the Year	10%	All of Nothing	70 Provinces with Minimum Loan Portfolio of ₱20 Million Per Province*	One (1) Small Island Economy with at least ₱10 Million Financing Portfolio*	85 Provinces	85 Provinces
	Sub-total		35%						

	Component				Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2019	2020	2021	2022
SO 2	Sustain Good Governance and Cost Efficiency in the Management of Stakeholders' Investments, Observing both Financial and Social Returns							
SM 4	Improve Return on Equity	Adjusted profit (loss) after tax ¹ / Average Equity	15%	All or Nothing	(3.32%)	(0.41%)	N/A	At least positive ROE and Not lower than 2021 ROE
SM 5	Improve Past Due Rate ²							
SM 5a	COVID-19 Assistance to Restart Enterprises (CARES) Loan Portfolio	Value of Past Due CARES Accounts / Total CARES Financing Portfolio	5%	{1 – [(Actual – Target)/Target]} x Weight	-	-	30%	30%
SM 5b	Aggregate of Other Loan Portfolios Outside CARES Program	Value of Past Due Accounts / Total Financing Portfolio (net of CARES Portfolio)	5%	{1 – [(Actual – Target)/Target]} x Weight	15.46%	14.39%	16%	16%
SM 6	Efficient Utilization of Corporate Budget							
SM 6a	Obligations Budget Utilization Rate (BUR)	Total Obligations / DBM-approved Corporate Operating Budget (both net of PS Cost)	5%	All or Nothing	-	-	-	90%

FINANCE

¹ where adjusted profit (loss) after tax is profit (loss) after tax as shown in the statement of comprehensive income excluding:

- subsidy income
- expenses subsidized as allowed by law
- credit cost or loan loss provisioning for Bayanihan Loan Portfolio (exclusive of reflows into other loan programs) and their corresponding income tax benefits

² Based on the definition provided by the Bangko Sentral ng Pilipinas.

Component		Baseline Data			Target			
		Objective/Measure	Formula	Weight	Rating System	2019	2020	2021
SM 6b	Disbursement BUR	Total Disbursement / Total Obligations (both net of PS Cost)	2.5%	All or Nothing	-	-	-	90%
		Total Disbursement / DBM-approved Corporate Operating Budget (both net of PS Cost)	2.5%	All or Nothing	-	-	-	90%
Sub-total			35%					
SO 3	Enhance the experience of our clients - throughout their transaction journey with us (our direct borrowers, our conduits, and our other partners)							
SM 7	Percentage of Satisfied Customers	Number of Stakeholders Who Gave a Rating of at Least Satisfactory / Total Number of Respondents	5%	(Actual/Target) x Weight 0% = less than 80%	Survey not compliant with GCG guidelines	98%	90%	90%
SM 8	Improve Turn Around Time (TAT) in the Processing of Loan Applications	Number of Applications Processed within Applicable Turnaround Time ³ / Total Number of Applications	5%	(Actual/Target) x Weight	63.30%	64.85% ⁴	100% of Applications Processed within Prescribed Turnaround Time	100% of Applications Processed within Prescribed Turnaround Time
Sub-total			10%					

CUSTOMERS

³ 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.

⁴ Based solely on internal SBC records.

INTERNAL PROCESS	Component				Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2019	2020	2021	2022
	SO 4	Create an organizational system that supports analytics-based strategies and impact assessment, agile innovation, and information security						
SM 9	Automate Existing Systems and Processes	Actual Accomplishment	10%	(Actual / Target) x Weight	Implementation of the following Information Systems: Loan Origination System, Loan Disbursement System, Loan Collection System, Business Performance Indicator Profile, Procurement Management System	Accomplished the following ISSP deliverables: Loan Disbursement System (e-Signature & OTP) and Account Management System (Components 1, 2a, and 2b)	100% Attainment of 2021 Deliverables (based on DICT-Approved ISSP 2021-2023)	100% Attainment of 2022 Deliverables (based on DICT-Approved ISSP 2021-2023)
SM 10	Attain ISO 9001:2015 Certification	Actual Accomplishment	5%	(Actual / Target) x Weight	ISO 9001:2015 Certification Maintained	Maintained ISO 9001:2015 Certification; Obtained 9001:2015 Certification for Northern Luzon Group	Maintain ISO 9001:2015 Certification for Head Office and Northern Luzon Group ISO 9001:2015 Certification of At Least One (1) Additional Regional Lending Group	1) Maintain ISO 9001:2015 certification 2) New certification of fourth Regional Lending Group
	Sub-total		15%					

LEARNING AND GROWTH	Component				Baseline Data		Target	
	Objective/Measure	Formula	Weight	Rating System	2019	2020	2021	2022
	SO 5	Establish High-Performance Culture Across the Bank						
SM 11	Improve Competency Baseline of the Organization	Competency Baseline ⁵ in 2021 – Competency Baseline in 2020	5%	All or Nothing	18% Improvement in the Corporate Competency Score from 0.8786 in 2018 to 1.0365	0.0774 Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization	Improvement in the Competency Baseline of the Organization
	Sub-total		5%					
	Grand Total		100%					

⁵ Reflects the target on the Improvement on the overall average competency level of the Organization based on the SBC Competency Framework using the formula: 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