

**SMALL BUSINESS CORPORATION  
RENEGOTIATED 2015 PERFORMANCE SCORECARD**

Strategic Measure/ Objective	Performance Measure				Baseline			2015 Target	
	Description		Formula	Weight	2012	2013	2014		
<b>SOCIAL IMPACT PERSPECTIVE</b>									
Objective 1 - Improved access to finance by underserved MSMEs	1	Partially-secured loan ratio - not more than 50% secured	Increasing	Number of unsecured borrowers/Total number of borrowers - retail and credit guarantee <sup>1/</sup>	5.0%	73%	75%	78%	81%
	2	Young enterprises ratio	Increasing	Number of borrowers not more than 5 years in business/Total number of borrowers - retail and venture capital <sup>1/</sup>	5.0%	4%	13%	19%	25%
	3	Enterprise rehabilitation financing for MSMEs damaged by calamity	Increasing	Cumulative term loans or equity released in million Php - retail and equity financing	5.0%			220.58	700.00
<i>Sub-total - Objective 1</i>				<b>15.0%</b>					
Objective 2 - Mainstreamed MSME Finance in the banking sector	4	Ave. guarantee contingent liability	Increasing	Monthly average; in million pesos	5.0%	92.60	130.55	168.40	250.00
	<i>Sub-total - Objective 2</i>				<b>5.0%</b>				
Objective 3 - MSME Finance friendly policy architecture established	5	Policy endorsements	One-time	All or nothing	2.5%				Signed resolution by stakeholders adopting the industry roadmap for MSME Finance <b>by end-January 2016</b> <sup>2/</sup>
			One-time	All or nothing	2.5%				COC resolution on Magna Carta
<i>Sub-total - Objective 3</i>				<b>5.0%</b>					
<b>Total - Social Impact Perspective</b>				<b>25.0%</b>					

Note: All MSME count under this scorecard refer to duly-registered enterprises; SBCorp's assistance to micro-enterprises is differentiated from microfinance operations of other GFIs catering to the informal sector except for the remaining MF wholesale portfo

<sup>1/</sup> Based on approved borrowers within the year inclusive of credit line renewals; count inclusive of ERF.

<sup>2/</sup> Stakeholder support measurement: Adopt the position that MSME Finance should be recognized as an industry and to be supported by the State with development plans.

Strategic Measure/ Objective	Performance Measure			Baseline			2015 Target		
	Description	Formula	Weight	2012	2013	2014			
<b>FINANCIAL PERSPECTIVE</b>									
Objective 1 - Increased earning loan portfolio	6	<b>Total earning loan portfolio plus total ERF and equity financing portfolios</b>	Increasing	Ending earning wholesale and retail loan portfolios plus ending ERF and Equity financing portfolios; in million Php	10.0%	2,652.00	2,735.35	2,221.99	<b>3,200.00</b>
		- SME Wholesale						449.12	400.00
		- MF Wholesale						1,206.94	1,300.00
		- Incubation-Graduation Retail						327.92	872.00
		- Enterprise Rehabilitation Retail						222.58	600.00
		- Equity Financing				13.40	14.24	15.43	28.00
Sub-total - Objective 1					<b>10.0%</b>				
Objective 2- Sustained operating income	7	<b>Net operating income</b>	Increasing	Total operating revenues less Total operating expenses; 1/ in million Php	2.5%	51.50	3.90	2.30	<b>22.40</b>
	8	Operational self-sufficiency ratio	Increasing	Core revenues / Total expenses 2/	2.5%	84%	72%	71%	78%
Sub-total - Objective 2					<b>5.0%</b>				
<b>Total - Financial Perspective</b>					<b>15.0%</b>				

1/Total Operating Revenue= interest income+investment income+guarantee fee+other operating income, exclusive of gain on ROPA

Total Operating Expenses = administrative expenses + capacity building expense + finance cost + credit risk cost

2/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

Strategic Measure/ Objective	Performance Measure				Baseline			2015 Target
	Description		Formula	Weight	2012	2013	2014	
Objective 1 - Customer satisfaction leading to increased client base	9 Customer satisfaction survey	One-time	All or nothing	5.0%				Satisfactory rating
	10 No. of direct MSME clients financed	Increasing	Absolute count, retail lending, equity financing and credit guarantee	10.0%			1,279	1,560
	- Retail Lending						1,175	1,404
	- Credit Guarantee						101	140
	- Venture Capital						3	16
<i>Sub-total - Objective 1</i>				<b>15.0%</b>				
Objective 2 - Increased competencies of FIs in risk-based mSME lending	11 <b>No. of RBL FI graduates</b>	Increasing	Cumulative	5.0%	20	23	29	<b>50</b>
	12 <b>No. of SME-oriented AO graduates leading to certification</b>	Increasing	Absolute count; may include SBCorp loan officers, 12 sessions by end-January 2016	5.0%				<b>25</b>
	- SME Business							25
	- Financial Analysis							
	- RBL Evaluation							
	- RBL Strategy							
<i>Sub-total - Objective 2</i>				<b>10.0%</b>				
Objective 3 - Improved financial literacy of financed mSMEs	13 No. of EEPro graduates	Increasing	Cumulative, inclusive of enrollees finishing at least their business plan	5.0%		9	27	60
<i>Sub-total - Objective 3</i>				<b>5.0%</b>				
Objective 4- Stakeholder satisfaction leading to increased financial support to SBCorp	14 Level of new NG funding received and/or of low-cost borrowings <sup>1/</sup>	Increasing	Cumulative, starting 2014	0.0%			Php100M	Php150M
<i>Sub-total - Objective 4</i>				<b>0.0%</b>				
<b>Total - Customer/Stakeholder Perspective</b>				<b>30.0%</b>				

<sup>1/</sup> Interest cost at not more than 1.50% as realized under alternative compliance monies of participating banks.

Strategic Measure/ Objective	Performance Measure			Baseline			2015 Target	
	Description	Formula	Weight	2012	2013	2014		
<b>INTERNAL PROCESS PERSPECTIVE</b>								
Objective 1 - Improved service delivery by increasing processing velocity	15 Processing velocity	Increasing	Number of clients/ Number of employees	5.0%	3.6	5.5	8.7	10.4
			- No. of clients				1,455	1,795
			Direct MSME clients				1,279	1,560
			PFI's				120	100
			Capacity Building				56	135
			- No. of employees				167	173
<i>Sub-total - Objective 1</i>				<b>5.0%</b>				
Objective 2- Refocused resource management by rebalancing portfolio to more direct mSME financing	16 <b>Share of direct financing to total portfolio</b>	Increasing	Sum of retail lending + venture capital portfolios divided by total portfolio <b>1/</b>	5.0%			25%	<b>47%</b>
			- Retail Lending				550.50	1,472.00
			- Venture Capital				15.43	28.00
			- Total Portfolio				2,221.99	3,200.00
<i>Sub-total - Objective 2</i>				<b>5.0%</b>				
Objective 3- Improved resource management thru risk management	17 Sustainability rate of MSME borrowers	Increasing	Percent BRR 1 to 6 / Total number of risk-rated borrowers as of beginning of year under retail lending, excluding ERF	5.0%		85%	86%	87%
<i>Sub-total - Objective 3</i>				<b>5.0%</b>				
<b>Total - Internal Process Perspective</b>				<b>15.0%</b>				

Strategic Measure/ Objective	Performance Measure			Baseline			2015 Target	
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<b>LEARNING AND GROWTH PERSPECTIVE</b>								
Objective 1 - Aligned organization and competencies to support risk-based mSME financing	18 <b>No. of account-generating field officers competent on RBL MSME financing</b>	Increasing	No. of normal-risk AOs and of DOs by <b>third</b> quarter of the year, trained by year-end under SBCorp SME Finance capacity building program	2.5%			32	42
	19 Competency framework to support Risk-Based MSME financing	All or nothing	As approved and adopted by the Corporate Governance Committee and/or BOD	2.5%				Established competency framework <b>by end- January 2016</b>
<i>Sub-total - Objective 1</i>				<b>5.0%</b>				
Objective 2- Established quality management system	20 Automation capabilities	All or nothing	As internally audited	5.0%			Fully automated cash to loans receivable process	Fully automated loans receivable to cash process
	21 ISO certification	All or nothing	Certification granted to SBC	5.0%				ISO certification
<i>Sub-total - Objective 2</i>				<b>10.0%</b>				
<b>Total - Learning and Growth Perspective</b>				<b>15.0%</b>				
<b>TOTAL WEIGHTS</b>				<b>100.0%</b>				