



Office of the President of the Philippines  
**GOVERNANCE COMMISSION**  
FOR GOVERNMENT OWNED OR CONTROLLED CORPORATIONS  
3/F, Citibank Center, 8741 Paseo De Roxas, Makati City, Philippines 1226



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**30 JUNE 2017**

**BARTHOLOMEW BRILLO L. REYNES**  
*President & CEO*  
**SMALL BUSINESS CORPORATION (SBC)**  
17th and 18th Floor, 139 Corporate Center, 139  
Valero Street Salcedo Village, Makati City

### **ACKNOWLEDGEMENT RECEIPT**

**LETTER DATE: 29 JUNE 2017**

**RE: SUBMISSION OF SBC'S 2016 PES AND  
SUPPORT DOCUMENTS FOR PBB APPLICATION**

The said document was officially received by the Governance Commission on 30 June 2017 and has been forwarded to the responsible GCG Officer for appropriate action.

To follow-up for further action on the document, you may contact us through telephone numbers 328-2030 to 34. Please cite the GCG Document Management System (DMS) Barcode Number: **0-1611-30-06-2017-012770**.

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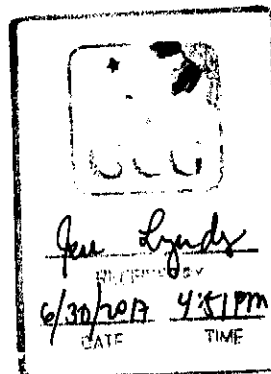
Received by:

**GCG INFORMATION MANAGEMENT SECTION**  
30 June 2017, 05:00pm



June 29, 2017

**SAMUEL G. DAGPIN, JR.**  
Chairman  
Governance Commission for GOCCs (GCG)  
3/F Citibank Centre, Paseo de Roxas Avenue,  
Makati City



**Subject: 2016 PES AND SUPPORT DOCUMENTS FOR PBB APPLICATION**

**Dear Chairman Dagpin:**


This is to respectfully submit in advance the **Annual Scorecard/Monitoring Report for CY 2016** using **Interim PES Form 3** (with attachments), pending an official issuance of a Memo Circular by the GCG, for the request for authorization from the Commission to grant the 2016 Performance-Based Bonus (PBB) to the officers and employees of the **Small Business Corporation**.

This submission also reiterates SB Corp's request for the Commission to consider those targets subject of renegotiation, as submitted to GCG in November 2016, in its evaluation of the corporate performance for the period.

Respectfully for the consideration of the Commission.

Very truly yours,

  
**BARTHOLOMEO BRILLO L. REYNES**  
President/CEO

  
**USEC ZENAÍDA C. MAGLAYA**  
Acting Chairman, SBC

Encl: a/s



**SMALL BUSINESS CORPORATION  
2016 PERFORMANCE SCORECARD**

Strategic Measure/ Objective	Performance Measure			Baseline			2016			Weighted Score	
	Description	Formula	Weight	2013	2014	2015	Target	Accomp	Rate		
<b>SOCIAL IMPACT PERSPECTIVE</b>											
Objective 1 - Improved access to finance by unserved MSMEs	1 Partially-secured financing ratio - not more than 50% secured	Increasing	Number of unsecured borrowers/Total number of borrowers - retail lending and equity financing	5.0%	75%	78%	85%	83%	86%	104%	5.0%
	2 Enterprise Rehabilitation Financing (ERF) for MSMEs damaged by calamity	Increasing	Cumulative releases; in million Php	5.0%	N/A	220.58	600.00	650.00	629.79	97%	5%
<i>Sub-total - Objective 1</i>				<b>10.0%</b>							<b>10%</b>
Objective 2 -Mainstreamed MSME-finance thru the banking sector	3 MSME loan portfolios of banks supported by SBCorp credit guarantee*	Increasing	Total loan amounts indicated in the active guarantee contracts, based on highest within the year	5.0%	197.60	305.00	332.00	600.00	501.99	84%	4.2%
	<i>Sub-total - Objective 2</i>				<b>5.0%</b>						
Objective 3 - MSME Finance friendly policy architechture established	4 Policy endorsements	One-time	All or nothing	2.5%	N/A	N/A	COC resolution on Magna Carta	Filing of bill in Congress to strengthen the mSME Magna Carta	Completed	100%	2.5%
		One-time	All or nothing	2.5%	N/A	N/A	Signed resolution by stakeholders adopting the industry roadmap for mSME Finance	Signed resolution among supply-side stakeholders (may include BSP) on the credit guarantee component of the mSME Finance Roadmap	Completed	100%	2.5%
<i>Sub-total - Objective 3</i>				<b>5.0%</b>							<b>5.0%</b>
Objective 4- Growth of MSMEs leading to employment generation	5 First time borrowers ratio	Increasing	Number of first time borrowers with no prior borrowings from banks/ Total number of borrowers - retail lending and equity financing 2/	5.0%	N/A	N/A	23%	40%	60%	150%	5.0%
							<i>Sub-total - Objective 4</i>				<b>5.0%</b>
<b>Total - Social Impact Perspective</b>				<b>25.0%</b>							<b>24.0%</b>

\* PM subject of target renegotiation with the GCG


Strategic Measure/ Objective	Performance Measure				Baseline			2016			Weighted Score	
	Description	Formula	Weight	2013	2014	2015	Target	Accomp	Rate			
<b>FINANCIAL PERSPECTIVE</b>												
Objective 5 - Increased earning financing portfolio	6	Earning loan portfolio plus total ERF and equity financing portfolios*	Increasing	Year-end outstanding balance (in million Php)	5.0%	2,734.52	2,425.43	3,200.00	3,640.00	2,523.23	69%	3.5%
<i>Sub-total - Objective 5</i>					5.0%							3.5%
Objective 6- Sustained operating income	7	Operational self-sufficiency ratio*	Increasing	Core revenues /Total expenses <sup>1/</sup>	10.0%	72%	71%	77%	84%	79%	94%	9.4%
<i>Sub-total - Objective 6</i>					10.0%							9.4%
<b>Total - Financial Perspective</b>					15.0%							12.9%
*PM subject of target renegotiation with the GCG												
1/ Core revenues =interest income from financing programs, credit guarantee and venture capital												
<b>CUSTOMER/STAKEHOLDER PERSPECTIVE</b>												
Objective 7 - Customer satisfaction leading to increased direct client base	8	Customer satisfaction survey	Improving	All or nothing	5.0%	N/A	N/A	Satisfactory rating with exceptions	Satisfactory rating	Very Satisfactory	100%	5.0%
	9	No. of active direct MSME clients financed*	Increasing	Absolute count, active retail lending and all ERF and equity financing clients	10.0%	660	1,366	1,874	2,937	1,986	68%	6.8%
	10	No. of paying capacity building enrollees*	Increasing	Cumulative	10.0%	N/A	N/A	140	258	223	86%	8.6%
<i>Sub-total - Objective 7</i>					25.0%							20.4%
Objective 8- Stakeholder satisfaction leading to leveraged intervention	11	No. of active FIs under guarantee program	Increasing	Absolute number based on highest count of active FIs within the year	5.0%	5	8	7	15	15	100%	5.0%
<i>Sub-total - Objective 8</i>					5.0%							5.0%
<b>Total - Customer/Stakeholder Perspective</b>					30.0%							25.4%
*PM subject of target renegotiation with the GCG												
<b>INTERNAL PROCESS PERSPECTIVE</b>												
Objective 9 - Improved service delivery by increasing processing velocity	12	Processing velocity*	Increasing	Number of clients/ Number of employees	10.0%	5.5	8.7	12.2	14.6	12.6	86.3%	8.6%
<i>Sub-total - Objective 9</i>					10.0%							8.6%
Objective 10- Improved resource management thru risk management	13	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%	95%	89%	90%	101%	5.0%
<i>Sub-total - Objective 10</i>					5.0%							5.0%
<b>Total - Internal Process Perspective</b>					15.0%							13.6%

\*PM subject of target renegotiation with the GCG

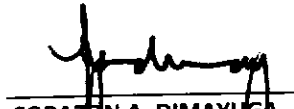


Strategic Measure/ Objective	Performance Measure			Baseline			2016			Weighted Score	
	Description	Formula	Weight	2013	2014	2015	Target	Accomp	Rate		
<b>LEARNING AND GROWTH PERSPECTIVE</b>											
Objective 11 - Aligned organization and competencies to support risk- based MSME financing	14 Competency level	Improving		5.0%			Competency framework approved by Board	Establish baseline	completed	100%	5.0%
	<i>Sub-total - Objective 11</i>			<b>5.0%</b>							<b>5.0%</b>
Objective 12- Established quality management system	15 ISO certification	All or nothing	Certification granted to SBC	5.0%			ISO certification granted	Surveillance audit passed	Surveillance audit passed	100%	5.0%
	16 BRR review	All or nothing	Third party review of results of SBCorp experience in BRR	5.0%				Improved BRR instrument as approved by the Board	completed	100%	5.0%
<i>Sub-total - Objective 12</i>			<b>10.0%</b>							<b>10.0%</b>	
<b>Total - Learning and Growth Perspective</b>			<b>15.0%</b>							<b>15.0%</b>	
<b>TOTAL WEIGHTS</b>			<b>100.0%</b>							<b>91%</b>	

Certified Correct:

  
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 MELVIN E. ABANTO  
 Sector Head, SPCO

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 Date

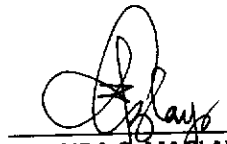
  
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 CORAZON A. DIMAYUGA  
 Controllership Group Head

\_\_\_\_\_  
 Date

Approved by:

  
 \_\_\_\_\_  
 BARTHOLOMEW BRILLO L. REYES  
 President/CEO

\_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 ZENAIDA C. MAGLAYA  
 Chairperson, Board of Directors

\_\_\_\_\_  
 Date