

SBCorp Strategic Board Planning
12 December 2022
Excerpts of Minutes of the Meeting

SB Corporation's Strategy Map: Presentation of Management Inputs

The following are guide questions prepared to guide the Board on the discussion re: SBCorp's Strategy Map:

1. What impact, if any, did the COVID-19 pandemic and the resulting and evolving economic landscape have with regard to SBCorp's mandate and how we do things?
2. Do our vision, mission statements and over-all strategy remain relevant/unchanged?
3. What is our current business model or how should this model look like?
4. How do we reconcile our developmental financing mandate and the need to maintain corporate goals of revenue and income?
5. What strategic initiatives would be able to support the achievement of the Corporation's thrusts and priorities?

SBCorp Strategy Map

Value Proposition

We are where MSMEs go to grow and we champion financial inclusion

- Dir. Doctora: The value proposition should answer the question "What are we offering and why should borrowers come to us?"
- P/CEO Bastillo: We have two markets: (1) bigger market of stakeholders, policymakers, FIs that comprise the financing market, and (2) smaller market of borrowers
- Dir. Doctora: We can have two (2) value propositions: (1) the bigger picture and (2) the more specific
- Dir. Magpayo: We can link it to SBCorp's unique selling proposition (USP) that makes us different from other financial agencies
- Chairperson Lantayona: Will target areas defined and product offerings identified be maintained or changed in the next 6 years? Based on the direction of Sec. Pascual, will there be changes? If there are, we can focus on it and examine current products if they are applicable to target sectors.

Vision and Mission

Vision

By 2028, we will be a financially-sustainable and socially-responsive organization trailblazing innovative financing solutions for growing MSMEs that contribute to inclusive economic development.

- Chairperson Lantayona: The measure of growth is the asset size, which remains a challenge. We are currently banking on DTI's profile monitoring system.
- Dir. Magpayo: SBCorp's vision may also being a self-reliant/sustainable corporation to differentiate SBCorp as GOCC vs other GOCCs. This shows an element on what SBCorp can be in the future.

- Chairperson Lantayona: Why don't SBCorp build around the phrase "Doing well while doing good." Show clear contribution of SBCorp enabling MSMEs.
- Role and type of MSMEs

Mission

Our mission is to relentlessly champion and bridge the financing needs of the underserved but financeable segments of the country for their sustained growth.

Strategic Measures

- Social Outcome: Growth and graduation/transformation of MSMEs
- Finance: Good governance and cost-efficiency in the management of stakeholders' investments, attaining sustainable and growing (exponential growth of) financial returns
- Customers: excellent customer experience of our clients throughout their transactions journey with us (*our direct borrowers, our conduits and our other partners*)
- Internal Process: Create technology-driven organizational systems that support analytics-based decision making, innovation, responsiveness, and information security.
- Learning and Growth: Established competencies and corporate culture of SBCorp workforce as growth drivers for MSMEs.

Service Philosophy

Ferocity in the mission, kindness towards each other

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*)

Synthesis/Action Plans:

Baselining

1. The Board maintained the need to ensure the alignment of the Governing Board and the Management's view of SBCorp's thrust, which is to provide loans to FINANCEABLE underserved/unserved segments.
2. SBCorp Management has plans to submit a new Reorganization Plan to the GCG, given that the previous plan was submitted pre-pandemic and is already overtaken by events.
3. SBCorp Management has made a rough assessment of its projected figures and came up with Php10.5 billion worth of additional/new loan releases, subject to the provision of additional manning requirements and technology improvements.

SWOT Analysis

1. The Board mentioned that there should be enough information or assessment of SBCorp's existing products and services which should be the basis for recommending its continuation or closure. This is to determine whether the products are effective/ineffective or if there is a need for improvement.
2. The Board identified (1) customer journey, (2) organizational structure, (3) people, (4) legacy systems and digitalization, and (5) account management system as main

weaknesses and maintained that SBCorp's resources should go towards addressing these.

3. The Board suggested for the Management to identify which segments where SBCorp can compete in or offer loans tailor-made to specific needs of industries. It is important to identify our target market first.
4. The Board explored the possibility of conducting a study on the overregulation of SBCorp and/or necessity of regulatory bodies in SBCorp as a Corporation.

Business Model

The Board recommended for SBCorp loan amounts to be categorized vis-a-viz equivalent asset size to properly identify which loans are classified under social vs. financial initiatives (e.g., Php30,000-100,000 as micro-social, Php30,000-300,000 as micro-financial, Php301,000 to Php5 million as micro and small-financial, Php5.1-20 million as small and medium-financial loans)

<i>Business Model Loan Amount</i>	<i>Asset Size</i>
30K- 100K	Php150 K-Php1.5 M
101K-300K	
301K-3M	> Php1.5 M - P15 M
3.1M- 5M	
5.1M-20M	> Php 15 M - Php100 M

Strategy Map

1. **Vision:** By 2028, we will be financially-sustainable and socially-responsive organization trailblazing innovative financing solutions for growing MSMEs that contribute to inclusive economic development.
2. **Mission:** Our mission is to relentlessly champion and bridge the financing needs of the underserved but financeable segments of the country for their sustained growth.
3. **Value Proposition:** We are where MSMEs go to grow and we champion financial inclusion
4. **Social Outcome:** Growth and graduation/transformation of MSMEs
5. **Finance:** Good governance and cost-efficiency in the management of stakeholders' investments, attaining sustainable and growing (exponential growth of) financial returns
6. **Customers:** EXCELLENT CUSTOMER experience of our clients throughout their transactions journey with us (our direct borrowers, our conduits and our other partners)
7. **Internal Process:** TECHNOLOGY-DRIVEN organizational systems that support analytics-based DECISION MAKING, innovation, RESPONSIVENESS, and information security.
8. **Learning and Growth:** ESTABLISHED competencies and corporate culture of SBCorp workforce AS GROWTH DRIVERS FOR MSMEs
9. **Service Philosophy:** Ferocity in the mission, kindness towards each other
10. **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)