

MSME Lending Programs

Date | Venue



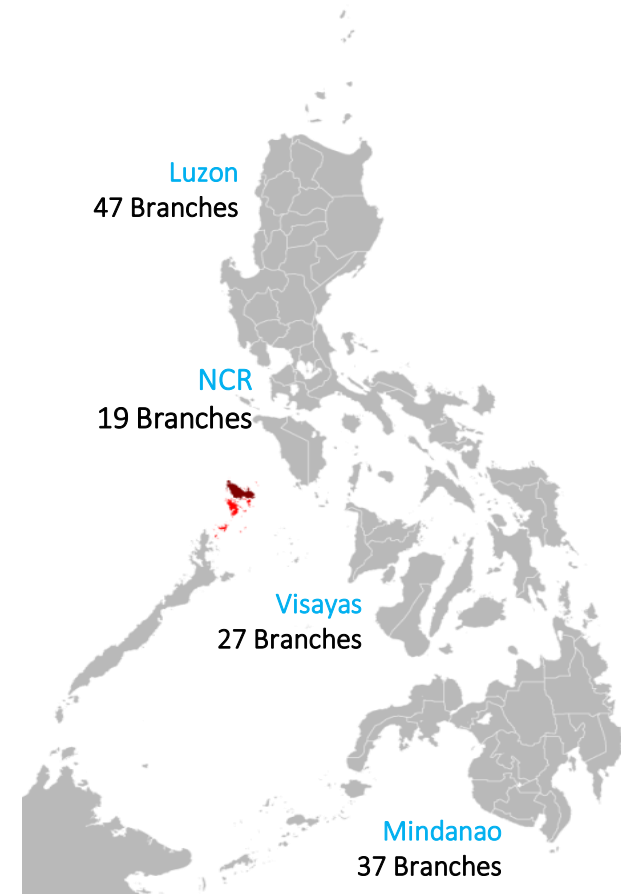
Development Bank of the Philippines



Development Bank of the Philippines

- 100% owned by the National Government
- Country's Premier Development Financial Institution
- 72 Years in Existence
- Key Player in Nation-Building
- 1st Philippine bank to be ISO 14001 Certified

As of March 31, 2019, compared to other commercial banks, DBP was ranked 8th in terms of total assets.



| Branches | Extension Offices | ATMs |
|----------|-------------------|-------|
| 129 | 10 | 800 + |

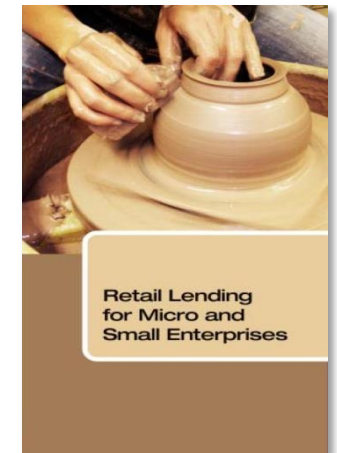
As of September, 2019



Development Bank of the Philippines

SUSTAINABLE ENTERPRISES for ECONOMIC DEVELOPMENT (SEED)

The umbrella program of all the MSME development programs of the bank.





Development Bank of the Philippines

AGRIBUSINESS FINANCING PROGRAMS

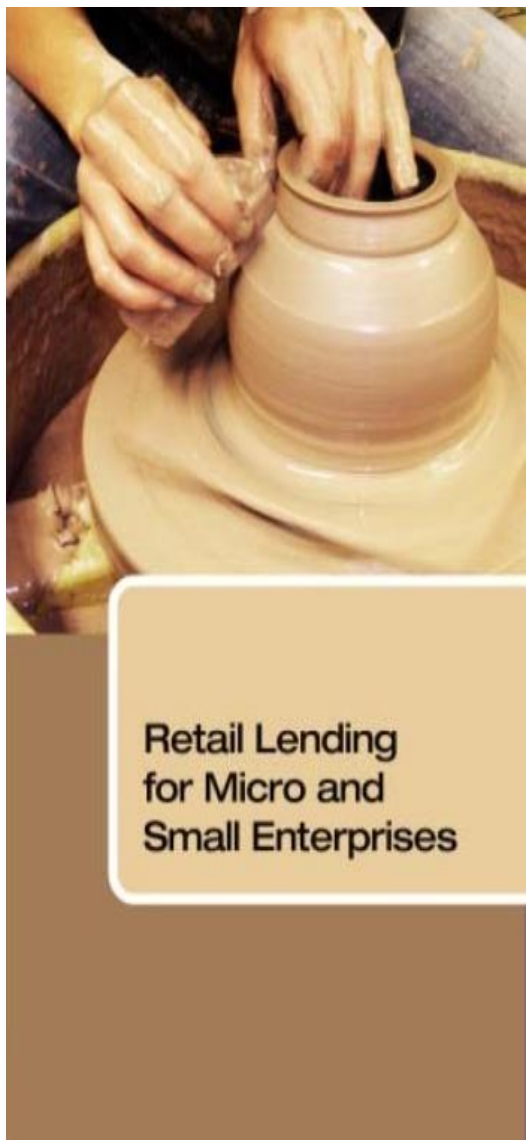


OBJECTIVES OF MSME PROGRAMS

- Enhance access of micro, small and medium enterprises to credit
- Assist entrepreneurs and community improve their socio-economic conditions and provide livelihood assistance
- Increase supply of needed goods and commodities



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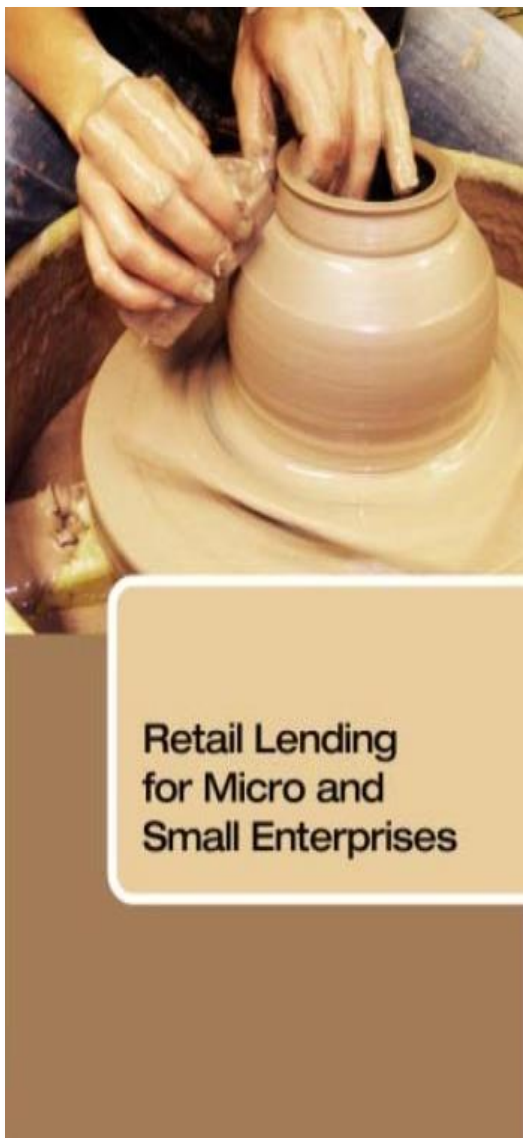
The DBP Retail Lending for Micro and Small Enterprises is a retail lending facility that aims to enhance micro and small enterprises' (MSE) access to credit through simplified loan procedures.

Eligible Borrowers

Single Proprietorship, Partnership, Corporation, Cooperative, and other entities with legal personality to engage in a business enterprise with *asset size of not more than PhP15.0 million*.



We Build **Possibilities.**



LOAN FEATURES

Eligible Loan Purpose

- Working Capital (Short-Term or Permanent)
- Fixed asset acquisition
- Purchase Order/ Letter of Credit Financing
- Acquisition of Franchise

Loanable Amount

- For regular loans - up to 90% of the TPC
- For PO/LC financing - up to 80% of the total amount of the instrument or based on actual cost of the goods purchased
- Acquisition of franchise up to 70% of the cost of franchise purchases

Interest Rate


Prevailing market rate

Security Requirement

- REM/ Chattel
- For PO/LC Financing, a Deed of Assignment on Irrevocable PO/LC is accepted



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Medium Enterprise (ME) and Other Business Enterprise (OBE) Lending

DBP: Banking for the Country.

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Eligible Borrowers

- Any duly registered MSEs of good standing in the community
- Other Business Enterprise (OBE) with asset size of more than Php3.0 million up to Php15.0 million and loan requirement of more than Php10.0M
- Medium Enterprise (ME) with asset size of more than Php15.0 million up to Php100.0 million and Loan Requirement up to Php100.0 million



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LOAN FEATURES

| | |
|-----------------------|--|
| Eligible Loan Project | <ul style="list-style-type: none"> • Working Capital • Export financing • Fixed asset acquisition • Purchase Order /Letter of Credit Financing • Franchise Acquisition • Re-lending for cooperatives |
| Loanable Amount | <ul style="list-style-type: none"> • OBE Loans - Up to 90% of TPC • ME Loans – Up to 80% of TPC • For franchises – up to 70% of TPC |
| Interest Rate | Prevailing market rate |
| Security Requirement | REM/ Chattel, Hold-out on deposit, suretyship etc. |



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The Sustainable Agribusiness Financing Program is a credit assistance program for agribusiness projects engaged in the production, harvesting, processing and marketing of crops, poultry, livestock and fishery.

Eligible Borrowers

- a. Business Entities duly registered with Security and Exchange Commission (SEC), Department of Trade and Industry (DTI), Department of Labor and Employment (DOLE), Cooperative Development Authority (CDA); and
- b. Local Government Units (LGUs)



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| | |
|-------------------|---|
| Eligible Purposes | <ul style="list-style-type: none"> a. Agri-related project development, expansion, acquisition of fixed assets, capital expenditure and working capital b. Agricultural Production Loan c. Permanent Working Capital d. Agri-related import/export financing needs |
| Loan Amount | <p>For LGU projects and regular loans – up to 90% of TPC</p> <p>For Plantation Projects – up to 80% of TPC (Plantation area must be from 5 to 40,000 hectares)</p> |
| Tenor | <p>Term loans – up to 15 years inclusive of grace period</p> <p>Credit lines – up to 360 days</p> |
| Grace Period | <ul style="list-style-type: none"> a. Maximum of three (3) years for projects with short gestation period. b. Maximum of seven (7) years for projects with long gestation period. c. For plantation projects, must be aligned with the grace period for specific agricultural projects stipulated in the Manual of Regulations for Banks (MORB). |



The **Expanded Rice Credit Assistance** is the financing component of the **Rice Competitiveness Enhancement Fund** and is known as the (ERCA-RCEF).

It allocates P500M annually each for the DBP and LBP to provide a simplified lending program in support of the rice industry.

Eligible Borrowers

Eligible Borrowers include individual borrowers as well as Department of Agriculture (DA) accredited cooperatives with rice farmers as members.



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ERCA-RCEF

Expanded Rice Credit
Assistance under Rice
Competitiveness
Enhancement Fund

Eligibility Criteria for Cooperatives

- Duly registered with the CDA;
- Accredited by the DA;
- No adverse findings on the cooperatives and its principals;
- Should have strong back office support with defined Operational Structure;
- Must exhibit profitable operations and sound financial condition
- Past Due Loan Ratio not exceeding 15%;
- With Certificate of Compliance from CDA, if applicable;
- Has met the capital requirement of CDA or not less than ₱30,000.00;
- With proven track record or familiarity on the proposed project; and
- Has undergone technical training from a reputable farm school/institution on rice-related projects

**COOPERATIVES WHICH HAVE ALREADY AVAILED OF ASSISTANCE
IN THE SEED AND MECHANIZATION COMPONENTS ARE INELIGIBLE
TO AVAIL OF RCEF LOANS UNLESS THE LOAN BEING APPLIED
SHALL BE USED TO FINANCE ANOTHER RICE-RELATED PROJECT**



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LOAN FEATURES

| | |
|-----------------------|---|
| Eligible Loan Purpose | <p>For cooperatives</p> <ol style="list-style-type: none">1. Purchase of farm inputs2. Working capital3. Acquisition of machineries and equipment, including mechanical dryer4. Establishment of facilities5. Relending to small rice farmers listed in the RSBSA Rediscounting of existing loans of small rice farmers listed in the RSBSA |
| Loanable Amount | up to maximum 90% of the Total Project Cost (TPC). |
| Interest Rate | <p>Direct Lending - 2% p.a. On-Lending – 0% p.a. effective pass-on rate to end-borrowers shall not be more than 6% p.a.</p> |
| Grace Period | May be granted, if applicable, based on the cash flow of the project. |





Loan Features

| Eligible Purpose | Tenor |
|-----------------------------|---|
| Production | two (2) years loan/line available via 180 days Promissory Note (PN); roll-over may be allowed *For amendment to align with BTr's instruction |
| Acquisition of Equipment | shall depend on the projected cash flow but no longer than seven (7) years |
| Establishment of Facilities | Shall depend on the projected cash flow but no longer than ten (10) years |
| Relending/ Rediscounting | based on the maturity of sub-borrowers PN |



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THANK YOU!