



**Trade and Investment Development
Corporation of the Philippines**

**PHILIPPINE EXPORT-IMPORT CREDIT AGENCY
(PhileXIM)**



About PhilEXIM

- A government financial institution attached to the Department of Finance
- It is the country's official export credit agency
- It carries the full faith and credit of the Republic of the Philippines



PhilEXIM mandates

1. To provide exporters with appropriate financing services and other types of support.
3. To support projects in priority areas of the national government.



PhilEXIM Financing Services

- Guarantees
- Export Credit Insurance
- Direct Lending Program
- Wholesale Lending Program



Brief Description



Wholesale Lending Program



Exporters' Organizations



Member Exporters and their
Sub contractors

Other source of income;
Empowering it to be
operationally and financially
self sufficient

Relend

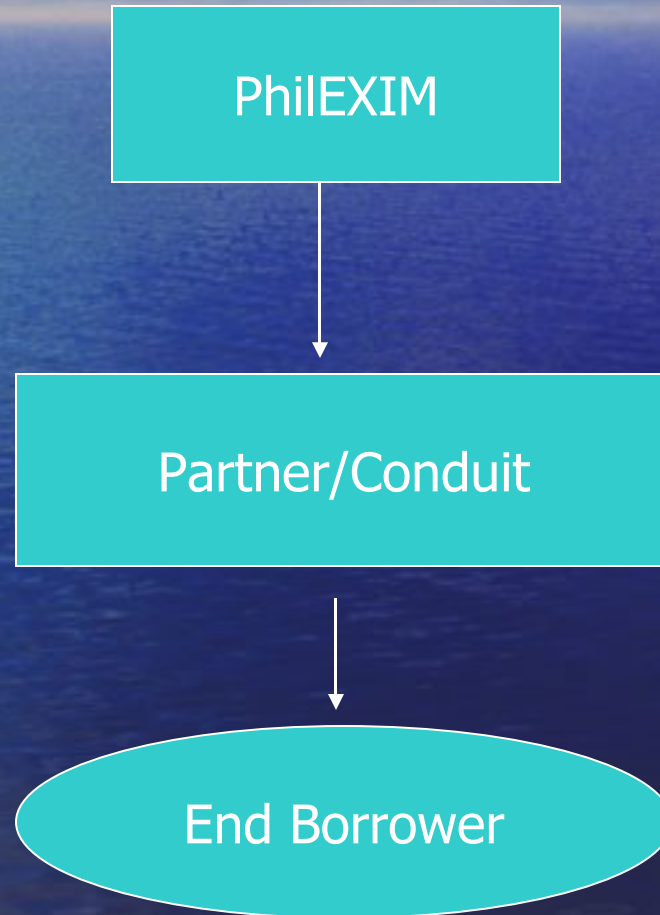


Rationale

- For SME exporters and sub contractors to have immediate access to credit.
- The program gives value to private sector participation in delivering government credit services to exporters.
- To greatly reduce exporters' dependence on informal lenders that charge prohibitive rates.
- To build sound and financially sustainable organizations of exporters that will provide a wide range of services to its members and other industry players on a permanent basis with lesser dependence on donors or government.



Mode of Credit Delivery





Program Features

Eligible Partner Conduit:

Exporters' Organizations - which can either be primary associations, federation, chambers, chapters or cooperatives.

Eligible End Borrowers:

1. *Direct Exporters* – producers, consolidators and traders.
2. *Indirect Exporters* – producers of import substitutes, suppliers of packaging materials and other inputs.
3. *Sub-contractors of direct exporters*



Program Features

Type of Credit Facility and Purposes:

One-year Revolving Credit Line to be used for the following purposes:

- Check Rediscounting Facility to finance POs and LCs of end borrower/member;
- Acquisition of small equipment and tools needed in operations;
- Acquisition of common service facility (machinery or equipment for production) to be leased out to sub-contractors on per job order basis to ensure standard quality outputs, maximize productivity and lower production cost;



Program Features

- Improvement of workplace, storage or warehouse facility;
- Advertisement and promotion, design, packaging and other quality maintenance and upgrading costs;
- Participation of member exporters in local and international trade shows.



Program Features

Credit Limit	Minimum	Maximum
Exporter Organizations	P 1.0 Million	P 25.0 Million

Single borrower's limit (SBL) for end-borrower:

- Not to exceed **P500,000.00** per end borrower for all combined purposes. However, the SBL can be increased up to **P1,000,000.00** subject to the approval of PFMC and additional criteria set by Philexim as indicated in the eligibility criteria of end borrower.



Program Features

Financial Charges for Exporters' Organization

		One (1) year revolving credit line
a.	Interest rate	1% per month
b.	Application fee – one time payment upon application	P 3,000 or $\frac{1}{4}$ of 1% of applied amount whichever is higher to be deducted from processing fee
c.	Processing Fee – one time charging per approved credit line	P 5,000 or $\frac{1}{2}$ of 1% of approved line whichever is higher
d.	Repayment Term	Principal – one time payment based on maximum one (1) year term of Promissory Note Interest - payable every quarter



Program Features

Security Requirements

- **Continuing assignment of receivables, PO's, LC's and Checks being rediscounted**
- **Post dated checks of conduit to be issued for every availment**
- **Suretyship agreement of all Board Members and Treasurer of Exporter Organization ***
- **Assignment of other acceptable collaterals like REM, CM's, insurance policies of end borrower, if required by the conduit**

* Subject to approval of CRECOM, for mature, reliable and strong conduit with capable and credible leaders, Suretyship Agreement maybe replaced by Deed of Undertaking by majority of Board of Directors of the Association and Key Officers.



Program Features

Accreditation Criteria:

- 1. Duly registered with SEC for at least five (5) years, 3 years should have been devoted to various projects that build up membership and organizational strength, with permanent office and operation facilities for activities and meetings.**
- 2. Has standing committees with clearly defined functions and respective goals.**
- 4. Has vision, mission and corporate objectives, well understood and supported by its members and officers.**



Program Features

Accreditation Criteria:

- **Has complete and well managed records, accounting and internal control system, membership directory, written policies, board resolutions, and minutes of committee meetings.**
- 2. With good leadership that practices the fundamentals of good governance.**
 - 4. With committed and active membership that are direct exporters, import substitute producers or their sub contractors.**



Program Features

Accreditation Criteria:

- 1. With acceptable membership fee structure with at least 85% collection rate as permanent source of funds for the organization's operation activities and projects.**
- 3. Has total asset of at least P500,000 and available working capital for operations of P200,000.**
- 5. Has debt-equity ratio of not more than 60:40 at the time of accreditation/application.**
- 7. Board members and key officers have very satisfactory credit record.**



Benefits

- **Increase opportunities for the exporters to develop and sustain its operations.**
- **Incentive for members to be proactive in promoting export business and accept orders.**
- **Immediate availability of funds to exporter members or its sub contractors, less documentation**
- **Additional revenue for the association to support their operating cost and special projects for its members.**



Program Status

Approved Credit Line - P 95.00M

Industries Served:

Gifts, Toys & Houseware,
Fashion Accessories, Food Processors,
Handicrafts using indigenous materials

Loan Release - P 64.75M

Collection Experience - 100%



THANK YOU!!!