



LBP PROGRAM FOR SMALL AND MEDIUM ENTERPRISES

Land Bank of the Philippines
Malate, Manila

October 2, 2008



PRESENTATION OUTLINE

- ◆ What LANDBANK is
- ◆ Who are the MSMEs
- ◆ LBP assistance to SMEs
- ◆ LBP SME Program

WHAT LANDBANK IS

- ◆ A government bank with a mandate to spur countryside development.
- ◆ A Universal Bank with full banking functions (products and services)
- ◆ Fourth largest bank with total assets of P370 billion

**NO. OF BRANCHES
and EXTENSION
OFFICES**

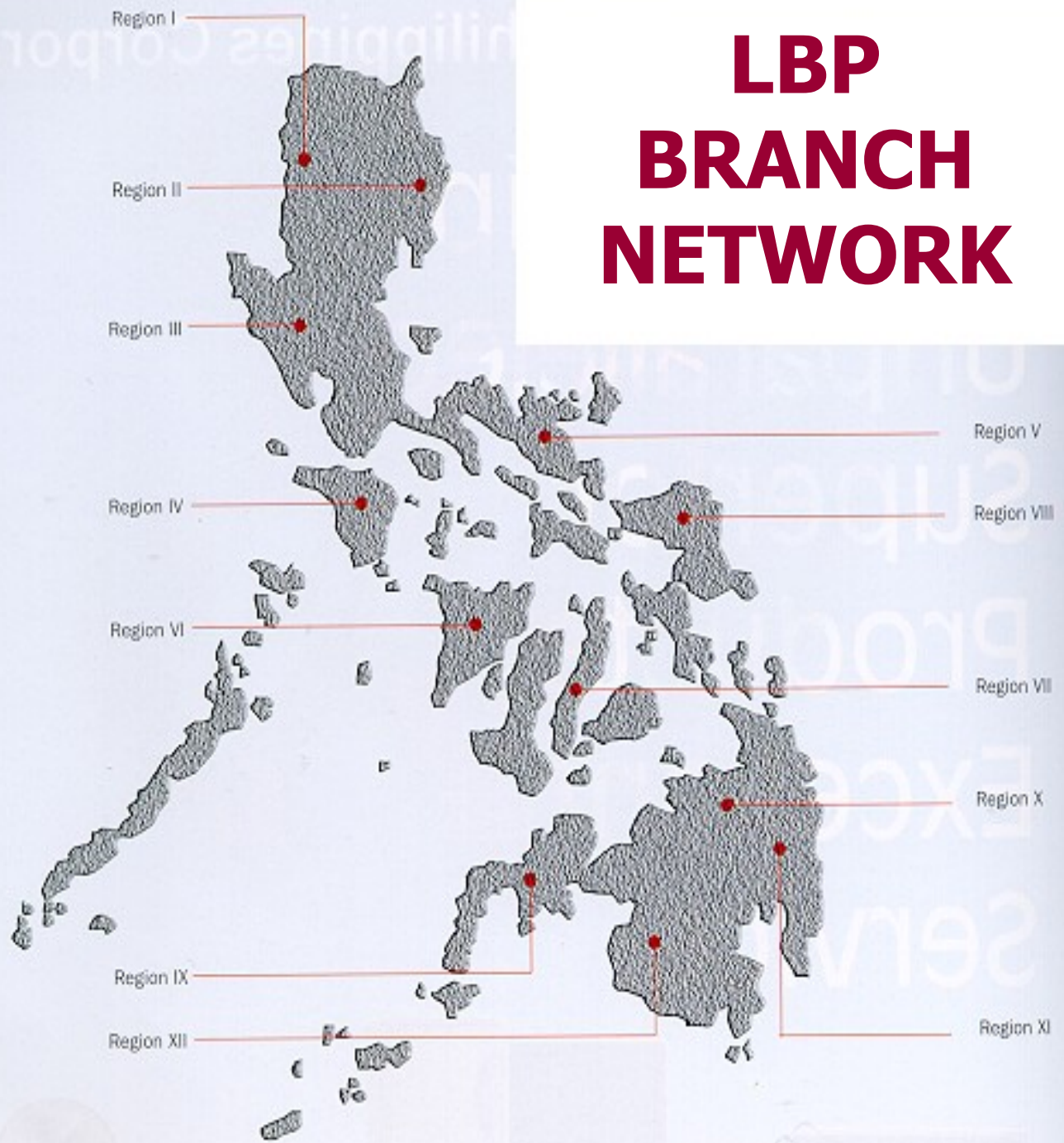
NCR	77
LUZON	130
VISAYAS	52
MINDANAO	68
TOTAL	327

**NO. OF LENDING
CENTERS**

LUZON	18
VISAYAS	6
MINDANAO	8
TOTAL	32

NO. OF ATMs – 786

LBP BRANCH NETWORK



WHO ARE THE MSMEs

- MSMEs are business entities with asset of P100.0 MM and below (net of value of land used in the business)
 - ◆ With asset less than P3.0 MM Micro
 - ◆ Over P3.0MM to P15.0 MM Small
 - ◆ Over P15.0 MM to P100.0 MM Medium
 - ◆ Above P100.0 MM Large

LBP ASSISTANCE TO SMEs

LOAN RELEASES (In Billion Pesos)

	CY 2006	CY 2007	Jan-Jun '08
SMEs			
• NCR	0.49	0.43	0.16
• Nationwide	16.21	16.35	8.48

LBP SME Program

WHO CAN BORROW

- Sole proprietorship
- Partnership
- Corporation
- Multi-Purpose Cooperative
- With asset size falling in the SME category

LBP SME Program

WHAT PROJECTS CAN BE FINANCED

- Agri-business
- Processing
- Manufacturing
- Trading
- Services
- Environment-related
- Property development
- Tourism-related

LBP SME Program

PURPOSES FOR WHICH LOANS CAN BE USED

- Working Capital
- Fixed Asset Acquisition

LBP SME Program

HOW MUCH CAN BE BORROWED

- ◆ For short-term loans
 - ✧ up to 70% of the value of LC/PO (export packing), or 70% of working capital requirement
- ◆ For term loan
 - ✧ based on project requirement

LBP SME Program

INTEREST RATE

- ◆ Market Rate
 - ✧ Short Term Loan – 10.85%
 - ✧ Term Loan – 11.85%

LBP SME Program

LOAN REPAYMENT TERMS

◆ SHORT TERM

- Based on cash flow
- Via up to 180-day PN for working capital

◆ TERM LOAN

- Based on cash flow with monthly or quarterly repayments (principal & interest)
- Loan tenor is up to a maximum of 7 years

LBP SME Program

RETAIL COUNTRYSIDE FUND (RCF)

- US\$45 M credit facility from World Bank
- Available in Pesos or US Dollars
- Finances start-up and expansion projects up to P100 M

LBP SME Program

RCF Interest Rate October 2008

Variable Rate	8.66%
Fixed Rate	
■ > 1-5 years	9.66%
■ > 5 years	10.66%

LBP SME Program

COLLATERAL

Any or combination of the following:

- REM
- Machinery & equipment
- Hold-out on deposit
- Deed of Assignment on inventory & receivable
- JSS of principal stockholders/officers
- Guarantee cover from SBC, PhilEXIM, QUEDANCOR and LGUGC

LBP SME Program

BASIC BORROWING REQUIREMENTS

- Corporate/Registration Papers
- Permits (mayor's permit, business permit, sanitation clearance, etc.)
- Financial Statement (last 3 years)
- Copies of collateral documents
- Business Plan (if start-up)

LBP SME Program

PROCESSING TIME

30-45 calendar days from the time of submission of complete documents and depending on nature of business

Thank You

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