

SOCIAL SECURITY SYSTEM



LENDING PROGRAMS for **Micro** and **Small and Medium Enterprises** **(MSMEs)**

A presentation during the financing seminar:

**“Effective Access to Financing,
Our Road to Competitiveness”**

*G Hotel Manila, 2090 Roxas Boulevard, Malate, Manila
October 2, 2008*

Background on SSS



Established on September 1, 1957 through RA 1161 to provide social security protection to private sector workers and their families against the hazards of sickness, maternity, death, disability and old age which result in loss of income or financial burden.

REPUBLIC ACT 8282



Social Security Law (May 1, 1997)

SEC. 26(d) loans thru banks for schools, hospitals, SMEs, cooperatives, etc.

Investment Limit = 40% of IRF

SSS Lending Programs for MSMEs



- **SSS Special Financing Program**
- **SULONG Program**
- **Financing Program for Tourism Projects**

Funding Scheme



The SSS loan programs are made available thru SSS-accredited **Participating Financial Institutions (PFIs)** which on-lend the fund to eligible borrowers.

Drawdowns are made to the PFI on a project-to-project basis.

Special Financing Program



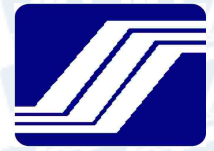
- Borrower** : **Micro, Cottage, SMEs, BMBEs**
Entities with not more than P200 M
asset size
- Loan Purpose** : **Fixed asset acquisition (land,
building, equipment) & working
capital**
- Amount** : **P 50 Million** (maximum)
- Interest Rate** : PFI : 6 - 9% p.a.
Borrower : **10 - 13% p.a.**
- Term** : **Below 1 to 10** years
- Collateral** : **Any collateral acceptable to the PFI**

SULONG Program



- Borrower** : **All industries** except trading of imported goods, liquor and cigarettes, and extractive industries
- Loan Purpose** : **Fixed asset acquisition (land, building, equipment) & working capital**
- Amount** : **P 5 Million** (maximum)
- Interest Rate** : PFI : Prevailing rate of T-Bill/
T-Bond of similar tenor
Borrower : **PFI's option**
- Term** : Short-term : **1 year**
Long-term : **1 to 5 years**
- Collateral** : REM, CM, Assignment of LC/PO
Guarantee Cover

Financing Program for Tourism Projects



Borrower : Enterprises engaged in the **tourism business**

Loan Purpose : **Fixed asset acquisition (land, building, equipment) & working capital**

Amount : **P 150 Million** (maximum)

Interest Rate : PFI : 7 - 9% p.a.
Borrower : **11 - 13% p.a.**

Term : **1 to 10 years**

Collateral : Any collateral acceptable to the PFI

Participating Financial Institutions



- 1. Allied Banking Corporation**
- 2. Asia United Bank**
- 3. Asiatruster Bank**
- 4. Bank of Florida (RB of Floridablanca)**
- 5. Banco De Oro UniBank**
- 6. Bank of the Philippine Islands**
- 7. Century Rural Bank**
- 8. China Banking Corp.**
- 9. Chinatruster (Phils) Commercial Bank Corp.**

Participating Financial Institutions



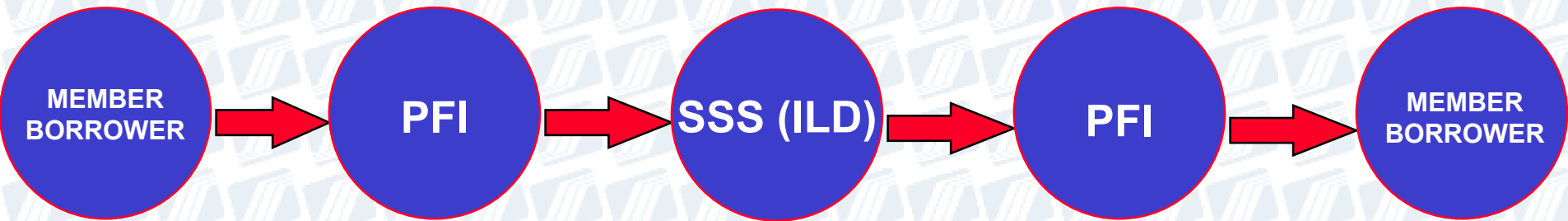
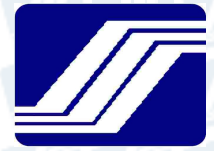
10. **Country Rural Bank of Taguig**
11. **Development Bank of the Philippines**
12. **East West Banking Corp.**
13. **Insular Investment & Trust Co.**
14. **Land Bank of the Philippines**
15. **Metro Bank & Trust Co.**
16. **Philippine Business Bank**
17. **Philippine Rural Banking Corp.**
18. **Philippine Veterans Bank**

Participating Financial Institutions



- 19. Planters Development Bank**
- 20. Rizal Commercial Banking Corporation**
- 21. Rural Bank of Sta. Catalina (Neg. Or.)**
- 22. Security Bank Corporation**
- 23. Union Bank of the Philippines**

Procedures



- Files application
- Evaluates applications
- Endorses loan proposal to the SSS for drawdown
- Evaluates loan proposal
- Recommends release to authorized approving officials
- Releases loan proceeds to the PFI
- Releases loan check to member/borrower within 5 working days
- Receives check

Loan Releases *(As of June 30, 2008)*



PROGRAM	AMOUNT RELEASED	NO. OF PROJECTS
SSS SPECIAL FINANCING PROGRAM	P 1,750.00	126
GOLDEN 1-3-10 PROGRAM FOR MSMEs	8.60 M	2
SULONG PROGRAM	9.00	2
TOURISM PROGRAM	2,071.48	84

Programs to Develop Other Sectors



- *Hospital Financing Program*
(Released P2.350 B to 135 hospital projects)
- *Financing Program for Educational Institutions*
(Released P4.805 B to 298 school projects)
- *Financing Program for Vocational/Technical Schools* (Released P220 M to 25 school projects)
- *Industry Loan Program*
- *SSS Housing Loan Programs*

Programs to Develop Other Sectors



Catalyst for socio-economic development by helping build schools, hospitals, tourism and power generation infrastructure and finance livelihood and SMEs:

- P22.157 B total loan releases
- 5,058 projects financed
- 99,342 jobs generated
- 4,105 hospital beds created
- 163,500 students that benefited from new/ additional classrooms



SOCIAL SECURITY SYSTEM

End of Presentation

THANK YOU!

For more information, you may contact the
SSS Institutional Loans Department at telephone no.
920-6401 loc. 5115 or 5118