



CITIZEN'S CHARTER

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VISION

By 2020, we envision Small Business Corporation as a world-class, best managed and sustainable development finance institution.

MISSION

Empower Micro, Small and Medium Enterprises (MSMEs) as viable businesses by developing and implementing financing services and capacity building support programs in a progressive and sustainable manner, and by advocating for measures and policies that will promote a more robust MSME finance industry.

PERFORMANCE PLEDGE

We the officials and employees of the Small Business Corporation pledge and commit to deliver quality public service and shall:

Serve with utmost integrity, efficiency and courtesy. Demonstrate sensitivity and professionalism when dealing with clients.

Provide adequate and accurate information. Comply with best banking and industry practices. Respond to complaints and feedbacks promptly.

Observe strict government office hours, Mondays to Fridays without noon breaks.

Treat everyone equally and value every citizen's needs.

All these we pledge, Because YOU deserve no less.

FEEDBACK AND REDRESS MECHANISMS

Please let us know how to serve you better through the following :

Accomplish our Feedback Form and drop them at the designated drop boxes in any of our offices

Email us at sbcorporation@sbgfc.org.ph

Talk to our Officer of the Day

If you are not satisfied with our service, your written/verbal complaints shall immediately be attended to by the Officer of the Day.

THANK YOU for helping us continuously improve our services.

AVAILMENT OF RETAIL LENDING PROGRAMS

Minimum Requirements for applying MSMEs:

- ✦ Must be an on-going business with established production/service capabilities and market share
- ✦ Must have positive net income for the immediate past year based on BIR-filed financial statements
- ✦ Must have an asset size of at least P500,000 but not more than P100 Million exclusive of the value of the land where the project is located
- ✦ Business must not belong to an industry that is among the SB Corp exclusionary list – engaged in vice generating activities, pure trading of imported goods (unless value added services are employed which impact positively on the domestic market) and real estate development (but SME contractors are qualified)

Forms to be accomplished by applicant:

- a. Business loan application form
- b. Client information sheet
- c. Loan applicant's authorization to conduct bank verification or inquiry on its credit dealings and/or deposit accounts

Other documentary requirements to be attached to accomplished forms listed above:

- a. Business registration papers
- b. In-house financial statements (past 3 years including latest year-end and interim financials)
- c. Latest ITR and BIR-filed financial statements
- d. Breakdown of Accounts Receivable with aging schedule
- e. Location map of the project/business site
- f. Proof of billing at residential and business addresses
- g. List of suppliers, buyers, creditors (and lessor, if business site is rented)
- h. Certification on bank loans, if applicable
- i. Proof of ownership / registration of collateral properties offered to secure the loan, if applicable
 - Land title or Certificate of Registration (for motor vehicle) Tax Declaration
 - Proof of latest realty tax payment

AVAILMENT OF RETAIL LENDING PROGRAMS

SBC's BORROWER RISK RATING (BRR) SYSTEM FOR ENTERPRISES

Borrower Risk Rating System - is an instrument or tool being used by the agency to help control credit risk, and also help the management to identify and mitigate the areas of risk involved in extending financing to its MSME clientele. The risk factors being assessed and rated are as follows:

Four Major Risk Factors:

C ash/Financial	- 50%
A dministration	- 20%
M arket	- 15%
P roduction	- 15%
	<u>100%</u>

<p>1st Risk Factor - Administration (20%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Owner's age, health and succession 2. Experience of owners/management 3. Financial capacity of owners 4. Attitude to banks 	<p>3rd Risk Factor - Production (15%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Dependency on suppliers 2. Inventory level 3. Production/service capacity and potential to increase 4. Business location (in terms of market and supply)
<p>2nd Risk Factor - Market (15%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Dependency on clients 2. Sales trend (if increasing or decreasing) 	<p>4th Risk Factor - Cash/Financial (50%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Current Ratio 2. Debt-equity Ratio 3. Debt-servicing capacity 4. Accounts receivable level

SMALL BUSINESS CORPORATION

Clients: MSMEs

Frontline Service: Retail Lending Programs

Maximum Duration of Process: Four (4) to Six (6) weeks

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	Submission of loan application by MSMEs	Ensures completeness of submitted requirements	Account Officer of the Day	30 minutes		All of the applicable documentary requirements listed on page 6
2	.	Records loan application in SB Corp loan database	Account Officer of the Day	15 minutes		Complete documentary requirements submitted by applicant
3		Prequalifies loan application Assessment vis-à-vis eligibility criteria and Identifies financing program suited to the borrower's loan application	Account Officer of the Day	Within the day		Pre-qualification form
4		Conducts CI/background checking	CI	Maximum 10 working days		CI report

SMALL BUSINESS CORPORATION

Clients: MSMEs

Frontline Service: Retail Lending Programs

Maximum Duration of Process: Four (4) to Six (6) weeks

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
5		Conducts appraisal of collateral property	Appraiser	Within 10 working days		Appraisal report
6		Conducts initial financial assessment	Account Officer	2 hours		Financial statements and CI reports
7		Conducts project visit	Account Officer	1 day	Commitment fee- P4,000	FS, CI Report, Call Reports and Photos
8		Prepares final proposal		1 day		Loan Approval Memorandum and Borrower Risk Rating (BRR) Scorecard

SMALL BUSINESS CORPORATION

Clients: MSMEs

Frontline Service: Retail Lending Programs

Maximum Duration of Process: Four (4) to Six (6) weeks

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
9		Checks if documentary requirements are in place and issues Certificate of Compliance of Documentary Requirements Prior to Loan Presentation	Document Examiner	Half day		Certificate of Compliance of Documentary Requirements
10		Conduct credit risk review based on validated information of the account. Prepares/finalizes Loan Approval Memorandum and BRR scorecard	Lending Group Head/ AO	Within 5 working days		Loan Approval Memorandum Borrower Risk Rating (BRR) Scorecard Financial Data Account's Credit Folder
11		Facilitate Loan Documentation and signing	Loan Releasing Officer	Within 1 working day		Loan/Credit Line Agreement proforma; PN; DS; AS; REM/CHM (if applicable) DOA; validation reports

SMALL BUSINESS CORPORATION

Clients: MSMEs

Frontline Service: Retail Lending Programs

Maximum Duration of Process: Four (4) to Six (6) weeks

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
12		Releases the loan	Loan Releasing Officer	1 working day		Loan drawdown sheet and Fund request form Certificate of Compliance Document (CCD)
13		Prepares Accounting Entries and check	CG/FSMG			Accounting Entries pro-form (oracle based)
14		Turn over PDCs, guarantee checks, collateral documents and credit folder for safekeeping	Collateral doc custodian; Treasury (for PDCs); ASG (for guarantee checks; collateral docs and credit folder)	Titles: 2 working days PDCs: 3 working days (include guarantee checks)		Transmittal letter proforma for PDCs, guarantee checks; collateral docs and logbook for credit folder

AVAILMENT OF WHOLESALE LENDING PROGRAMS

I. MSME Wholesale Lending Program

Intended for all types of financial institutions across the country including small conduits which are in a position to lend to MSMEs in their area.

A. Minimum Qualifications:

1. Asset size of at least P0.5M and net worth of at least P0.3M;
2. CAMELS Rating of 3 (for banks);
3. Positive income for the last 3 yrs and as of current period;
4. At least 10% CAR for banks & 20% for non-banks;
5. At least 10% Liquid Assets to Deposits Ratio;
6. Not more than 15% Overall Past Due Rate;
7. Not more than 10% PAR rate in MF;
8. Non-performing Assets (NPA) not exceeding net worth;
9. With Operational MSME Lending Unit (if applicable);
10. At least 1 year MF operations with at least 20 MF clients;
11. Manpower of at least 2
12. No unsatisfactory record with regulatory agency & no negative credit record;
13. BRR score of "5" or better, based on SB Corp's evaluation

B. Documentary Requirements:

1. Letter of Intent to participate in SB Corp's Wholesale Lending Program (or Board Resolution to Borrow from SBC and on authorized signatory/ies);
2. Business registration papers:
 - For banks/NGOs/Other Lending Institutions – SEC Registration, Articles of Incorporation and By-Laws, BSP Authorization to Operate (for banks);
 - For Cooperatives – CDA Registration, Articles of Cooperation and By-Laws
3. Personal Information Sheet of BOD and Key Officers w/ recent 2x2 photo (for banks – as submitted to BSP; for non-banks – completely filled out SB Corp Personal Info Sheet)
4. Profile of MSME and/or MF lending unit
5. Annual Report and/or Organizational Briefer indicating programs & services being offered and their features
6. Organizational Structure
7. Schedule of borrowings including details on terms of payment, collateral cover and credit status
8. List of Creditors w/ contact persons & their respective position and telephone/fax numbers
9. Certificate of good standing from creditors & BSP (if availing of BSP's rediscounting line)
10. Authorization to conduct credit inquiry with other creditors/funders
11. Audited Financial Statements w/ Notes (last 3 years)
12. Latest Interim Financial Statements w/ attachments (not more than 3 months old)
13. Latest Risk-based CAR as submitted to BSP (for banks)
14. Latest BSP CAMELS Rating (for banks)

15. Latest status report on DOSRI loans (if applicable)
16. Operational Highlights (same cut-off date as interim FS):
 - Areas of operation (province/municipality)
 - Breakdown of Total Loans (Current/Past Due/ITL)
 - Aging of Past Due Loans
 - Breakdown of MF Loan Portfolio (current/PAR)
 - Aging of MF PAR
 - Loan Loss Provisioning Schedule (latest year-end and interim FS)
17. Business Plan indicating the following:
 - Areas of expansion
 - Estimated number of borrowers per area

AVAILMENT OF WHOLESALE LENDING PROGRAMS

SB Corp's BORROWER RISK RATING (BRR) SYSTEM FOR PARTNER FINANCIAL INSTITUTIONS (PFIs)

Borrower Risk System - is an instrument or tool being used by the agency to help control credit risk, and also help the management to identify and mitigate the areas of risk involved in extending financing to its MSME clientele. The risk factors being assessed and rated are as follows:

Four Major Risk Factors:

M arkets	- 15%
A dministration	- 20%
P ortfolio	- 50%
S ystems	- 15%
	<hr/>
	100%

1st Risk Factor - Markets (15%)

Risk Indicators:

1. MSME portfolio growth
2. Diversification of MSME portfolio
3. Industry and area diversification

2nd Risk Factor - Administration (20%)

Risk Indicators:

1. Board of Directors
2. Management Team
3. Business plan (strategy, workplan and budget)
4. Attitude to creditors (based on credit investigation)

3rd Risk Factor - Portfolio (50%)

Risk Indicators:

1. Profitability and sustainability
2. Portfolio quality
3. Assets/Liability Management

4th Risk Factor - Systems (15%)

Risk Indicators

1. Business delivery units
2. Risk management
3. Management information systems

SMALL BUSINESS CORPORATION

Clients: PFIs

Frontline Service: Wholesale Lending Programs

Maximum Duration of Process: Four (4) to Six (6) weeks

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6: 00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	Submits Letter of Intent to participate in SB Corp's Wholesale Lending Programs and required accreditation documents	Checks completeness of submitted documents. Conducts pre-qualifying assessment	Account Officer / Desk Officer	1 hour		Pre-qualification Form
2	Issues authorization to conduct credit checking	Conducts credit investigation/ background checking.	CI	Maximum 10 working days		CI Report
3	Prepares/submits additional accreditation requirements to assigned AO and ensures availability of key officers of the organizations.	Conducts bank/ institution visit to validate documents and interviews key officers.	Account Officer			Call Report
4		Conducts operations and financial evaluation on the bank/ institution. Prepares the following: BRR Scorecard Loan Approval	Account Officer			Loan Approval Memorandum (LAM) and BRR Scorecard
4		Conducts operations and financial evaluation on the bank/ institution. Prepares the following: BRR Scorecard Loan Approval	Account Officer			Loan Approval Memorandum (LAM) and BRR Scorecard

5		Reviews the LAM submitted by Account Officer Submits loan proposal to Credit Evaluation Unit (CEU)	Area Office Head	2 hrs		Loan Approval Memorandum (LAM) and BRR Scorecard
6		Conducts credit risk review based on validated information of the account. Prepares/finalizes Loan Approval Memorandum and BRR scorecard	CEU	Total duration is 1 week		Loan Approval Memo-randum Borrower Risk Rating (BRR) Scorecard Financial Data Account's Credit Folder
7		Presents the loan recommendation to SB Corp's approving authority	Account Officer and / or CEU Officer			
8		Informs the bank/institution of action taken on application and prepares Approval Letter and Omnibus Credit Line (OCL) Agreement Sends signed Approval Letter and OCL Agreement for signature by the bank/FI	Account Officer	1/2 day		Approval Letter and OCL Agreement
9	Signs/Submits signed Approval Letter and OCL Agreement	Transmits Approval Letter OCL Agreement and loan documents to Loan Releasing Unit (LRU)	Account Officer	30 minutes		Transmittal Form

SMALL BUSINESS CORPORATION

Clients: PFIs

Frontline Service: Drawdown from Omnibus Credit Line

Maximum Duration of Process: Five (5) Days

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	Submits letter of request for release and other pre-release documents	Checks the validity of credit investigation (CI) and financial statement (FS) Assessment ; if not valid, prepares FS Assessment and request for CI Checks fund balance of PFI	Account Officer	15 minutes; 4 hours if FS Assessment is not valid		CI Report and FS Assessment
2		Prepares OB Report/available fund balance of PFI Issues Certification on PFI's Repayment Status	Collection Officer	30 minutes		Certification of Repayment Status and Loan Utilization Report/Fund Balance verified by Branch Accountant or Collection Officer
3		Forwards request to LRU	Account Officer	5 minutes		Loan Release Transmittal FS Assessment Loan utilization/fund balance report

SMALL BUSINESS CORPORATION

Clients: PFIs

Frontline Service: Drawdown from Omnibus Credit Line

Maximum Duration of Process: Five (5) Days

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6: 00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
4		Reviews completeness of submitted loan documents Pre-qualifies sub-loans accounts enrolled for rediscounting	Loan Releasing Officer	15 minutes (2 hours in case of loan rediscounting)		Sub-borrower requirements checklist Sub-borrower Information Sheet Collateral Profile, if applicable
5		Inputs data in the Oracle loan database and prepares/prints the following generated output and other applicable documents for processing of application: Payment Schedule, Promissory Note and Disclosure Statement Deed of Assignment with Recourse (DAWR), Deed of Undertaking with Custodianship (DUWC), if applicable	Loan Releasing Officer	(part of 2 hours processing time under Step 6)		Loan Approval Memo
6		Prepares Fund Allocation Request (FAR).	Loan Releasing Officer	15 minutes		FAR Form
7		Reviews and signs the prepared loan documents	Area Office Head/ Supervisor	15 minutes		Loan documents prepared in step 4

SMALL BUSINESS CORPORATION

Clients: PFIs

Frontline Service: Drawdown from Omnibus Credit Line

Maximum Duration of Process: Five (5) Days

Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
8	Signs and/or submits loan documents including post dated checks (PDCs)	Inputs PDCs in Oracle database	Loan Releasing Officer	30 minutes		Signed and notarized loan documents, including Post dated checks (PDCs) Post Dated Check Schedule
9		Prints Loan Drawdown Sheet (LDS) for loan release to be signed by authorized SBC officers based on Codified Approving and Signing Authorities (CASA)	Loan Releasing Officer	15 minutes		LDS Form
10		Conducts document audit Endorses LDS and loan release documents to CG	Document Examiner Loan Releasing Officer	30 minutes		Certification of Compliance to loan documentation requirements
11		Reviews if supporting documents are complete, prepares accounting entries and signs LDS Endorses LDS to Cashier for check preparation and signature of authorized SBC officers.	Controllership Group/ Branch Accountant	2 hours		LDS Form

12	Receives proceeds of loan via check	Releases check to borrower or authorized representative	FSMG/Cashier	1 hour		
13		Transmits PDCs to FSMG/Cashier and the collateral documents to Legal Services Group	Loan Releasing Officer	30 minutes		Transmittal Memo

AVAILMENT OF CREDIT GUARANTEE

Minimum Qualifications of the MSME Borrower

1. Borrower's Risk Rating (BRR) Score of "5" or better as scored by SBC.
2. At least 60% Filipino-owned enterprise duly registered with SEC and/or DTI.
3. Asset size of not less than P500 thousand and not more than P100 Million exclusive of the value of the land where the project is located.
4. Sound business track record of at least three (3) years.
5. At least one (1) year business track record may be allowed provided that the enterprise has a BRR score of "4" or better.
6. Not belonging to the SBC exclusionary list of industries:
 - A. Real estate development (MSME contractors are qualified);
 - B. Pure trading of imported commodities (unless value added services are employed which impact positively on the domestic market); and
 - C. Vice-generating activities.
7. Positive net income for the immediate past year based on BIR-filed financial statements

Documentary Requirements

Upon application for loan and for guarantee cover:

Business registration papers and latest permits

Latest BIR-filed and in-house financial statements (not more than six months old) Board Resolution to borrow, if corporation

Information sheet executed and signed by the principal borrower

Notarized Statement of Assets and Liabilities of the principal borrower (not more than one year old)

Upon implementation of the guaranteed loan:

General Loan Documents Applicable collateral documents Applicable Continuing

Surety Agreement

Applicable life and non-life insurance papers

Per Loan Release Documents (per Promissory Note basis)

Postdated checks

Applicable Deed of Assignment of proceeds of receivables (for local suppliers)

Applicable proof of at least three export transactions with foreign buyer in case of non-*Letter of Credit* (LC) transactions (for exporters) Proof of liquidation of prior PN (in case of inventory financing)

Other Requirements

1. Life insurance on the principal MSME borrower who is at least 60 years old and without clear succession-up to the unsecured portion of the loan.

Types of Loans Eligible for Guarantee Cover

Loan Package	Period of Guarantee Cover
A. Fixed asset acquisition (amortized term loan) <ol style="list-style-type: none"> 1. Land purchase (only up to 25% of the loan) and/or plant construction/improvement 2. Equipment <ol style="list-style-type: none"> a.Brand new units b.Second-hand/reconditioned units 	Up to seven (7) years with up to one (1) year grace period on principal payment Up to five (5) years with up to six (6) months grace period on principal payment Not more than 70% of the remaining economic life or three (3) years whichever is shorter with up to six (6) months grace period on principal payment
B. Working capital (one year credit line) <ol style="list-style-type: none"> 1. Transactional (up to 80% of Purchase Order/Accounts Receivable/Inventory) 2. Non-transactional (up to 80% of accounts receivable and inventory less accounts payable and all existing working capital loans) 	Up to one (1) year upon approval of guarantee cover
C. Loan refinancing/take-out (must be in current status and not restructured)	Depending on the loan purpose

Maximum Guarantee Cover

SME-GEAR or Clean Loan Facility

70% of the entire loan, but not to exceed P6.0 Million

SME-GROW or Collateral-Short Facility

70% of the unsecured portion of the loan, but not to exceed P6.0 Million

SME-GAIN or Collateral Sharing Facility

If the collateral cover is at least 25% - 80% of the entire loan, but not to exceed P10.0 Million

If the collateral cover is less than 25% - 70% of the entire loan, but not to exceed P6.0 Million

General Procedures

1. An MSME applies for a loan from a PFI of SB Corp, which includes submission of the documentary requirements.
2. The PFI assesses the loan application by conducting standard evaluation procedures which include credit investigation and collateral appraisal, if applicable, among others.
3. The PFI determines whether the loan application requires an SB Corp guarantee cover and/or which SB Corp guarantee facility should be availed of.
4. SBC is informed by the PFI of its intent to enroll the loan application under the credit guarantee program.
5. The PFI and SBC conduct a joint project inspection and borrower interview.
6. The PFI approves the loan application, formally specifying the nature of application for SB Corp guarantee cover together with the Borrower Risk Rating (BRR) score of the borrower.
7. SBC validates the BRR score of the borrower to determine the guarantee approval, the monitoring covenants that the PFI should observe and the applicable guarantee fee.
8. SB Corp issues to the PFI the terms of the guarantee approval.
9. The PFI implements/releases the loan within ninety days from date of guarantee approval.
10. The PFI supervises the loan, inclusive of collection of the guarantee fee in favor of SB Corp.
11. The PFI submits to SB Corp the *General and Per Loan Release* documentary requirements of SB Corp upon implementation of the guaranteed loan.
12. The PFI and SB Corp conduct joint project inspections in compliance with the monitoring covenants stipulated in the guarantee approval which may be on an annual or semi-annual basis. Credit Investigation (CI) update may be done as often as semi-annually.
13. In case of default by the borrower, the PFI may restructure the loan subject to approval by SB Corp, or may call on the guarantee to institute payment by SB Corp in favor of the PFI.
14. Upon payment by SB Corp of the valid call on guarantee claim on the borrower's loan obligation is transferred to SB Corp up to the extent of the guaranteed portion. SB Corp will thereafter co-supervise the loan together with the PFI until full collection, foreclosure and/or legal resolution.

SB Corp's BORROWER RISK RATING (BRR) SYSTEM FOR ENTERPRISES

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Four Major Risk Factors:

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A dministration	- 20%
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P roduction	- 15%
	100%

<p>1st Risk Factor - Administration (20%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Owner's age, health and succession 2. Experience of owners/management 3. Financial capacity of owners 4. Attitude to banks 	<p>3rd Risk Factor - Production (15%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Dependency on suppliers 2. Inventory level 3. Production/service capacity and potential to increase 4. Business location (in terms of market and supply)
<p>2nd Risk Factor - Production (15%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Dependency on clients 2. Sales trend (if increasing or decreasing) 	<p>4th Risk Factor - Production (50%)</p> <p><i>Risk Indicators:</i></p> <ol style="list-style-type: none"> 1. Current Ratio 2. Debt-Equity Ratio 3. Debt-Servicing Capacity 4. Business location (in terms of market and supply)

SMALL BUSINESS CORPORATION

Clients: Participating FIs

Frontline Service: Regular Credit Guarantee

Maximum Duration of Process:

Schedule of Availability of Service: Monday to Friday, 8:00 to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete requirements)	Fees	Form/s Used/Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	The PFI applies for accreditation under the credit guarantee program	Accepts application	Account Officer/Group Head	10 minutes		Accreditation Documentary Requirements
2		Evaluation of FI	Account Officer/ Group Head/CreCom	2 weeks		Accreditation Review and Approval Memo
3	The PFI shall inform SB Corp of its intent to enroll MSME loan application for guarantee	Accepts Application	Account Officer	10 minutes		SME Documentary Requirements
4		Project Inspection	Account Officer	3 days (inclusive of report preparation)		Project Visit Report
5		Validates the Borrower Risk rating (BRR) Score of the borrower to determine the terms of the guarantee approval, the monitoring covenants that the PFI should observe and the applicable credit guarantee fee	Account Officer	2 to 3 weeks if documents are complete	Processing fee of 1/10 of 1% of loan amount but not below P1,000 Guarantee fee equivalent to 1% to 3% per annum depending on the BRR Score	Guarantee Approval Action Memorandum BRR Assessment
6		Issues to the PFI the terms of the credit guarantee approval	Account Officer/Group Head	1 day		SB Corp Guarantee Approval Letter

Post-approval monitoring

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used
	Applicant/Client	Frontline Service Unit				
1	Conduct joint project inspection and client interview for updates		Account Officers	1 day on an annual or semi-annual basis depending on BRR score		Project Visit Report
2		Conducts Credit Investigation (CI) update	CEU	1 day on a semi annual basis		SBC CI Report
3		BRR Review	Account Officers	Annual or semi-annual basis		BRR Assessment

In the event of Call on Guarantee:

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	The PFI submits to SBC original copy of loan and collateral security documents in support of the claim on guarantee	Guarantee Call Processing	Account Officer/ Group Head	30 days from date of submission of complete documents		Memo on Payment Guarantee Payment

SMALL BUSINESS CORPORATION

Clients: Participating FIs

Frontline Service: Portfolio Guarantee

Maximum Duration of Process:

Schedule of Availability of Service: Monday to Friday, 8:00 to 6: 00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	The PFI applies for accreditation	Acceptance of application	Account Officer	10 minutes		Documentary Requirements
2		Evaluation of FI	Account Officer	2 weeks		Accreditation Approval Memorandum
3		Enrolment of SME accounts	Group Head	2 days		Guarantee Sub-Contract
4		FI Accreditation and SME Loan documentation review	AO/Group Head/Sector Head	Monitoring : 5 days 2 weeks for preparation of review results if documents are complete		Compliance Report on PFI Accreditation, Compliance Report on SME Loan Documentation
5		Guarantee Call Processing	AO/ Group Head/CreCom/ Compliance Officer/Accounting/ Treasury	Within 30 days from date of submission of complete documents		Guarantee Payment

SMALL BUSINESS CORPORATION

Clients: mSMEs

Frontline Service: Equity Financing

Maximum Duration of Process:

Schedule of Availability of Service: Monday to Friday, 8:00 to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1		Prequalification of SME applicant	Unit Head/AO/CI	Within 1 month (regional accounts) 2 mos.; NCR accts = 1 mo.)		Pre-qualification checklist
2		Investment rating and evaluation	Unit Head/ AO	Within 3 months		Investment Risk Rating Scorecard; Investment Rating Report Term Sheet
3		Deal structuring	Unit Head/ AO	Within 1 week		Investment Agreement Proforma
4		Credit Committee approval	Investment Committee	Within 2 weeks		Investment Approval Memorandum
5		Release of investment	Investee/Unit Head/ Head	Within 1 month		Investment Agreement Proforma

SMALL BUSINESS CORPORATION

Clients: Participating FIs

Frontline Service: Capacity Building for FIs

Maximum Duration of Process:

Schedule of Availability of Service: Monday to Friday, 8:00 to 6: 00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1		Identification and Selection of FIs	Unit Head/Capacity Building Officer			RBAP List of RB's, Letter of Intent
2		Prequalification of FIs	Unit Head/CBO			Qualification Criteria
3		Capacity Building Committee (CBCom) Approval of capacity building account	CBCom/Unit Head	5 working days		CB Com Policies and Guidelines
4	Consultancy work schedule and contract signing		FI/Consultant/CBO	7 working days		Terms of Reference/Contract
5	Implementation of consultancy		RBL Consultant/FI/Core Team Leader (CTL)	Based on 37-calendar day work schedule		Consultancy Manual

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
5.1		Diagnostic phase	Consultant	Within 10 banking days		
5.2		Technology transfer	Consultant			
5.3	Credit manualization and institutionalization of RBL		Consultant			
5.4	Training of loan officers		Consultant			
6	Exit conference		Consultant			

SMALL BUSINESS CORPORATION

Clients: MSMEs

Frontline Service: Capacity Building for Enterprises

Maximum Duration of Process:

Schedule of Availability of Service: Monday to Friday, 8:00 to 6: 00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirement)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1		Approval of conduct of capacity building per batch	Unit Head/ (CCom)	10 working days		Capacity Building (CB) Account Approval Memo Terms of Reference
2	Submits accomplished Registration Form	Identification and enrolment of MSMEs	Unit Head/CBO/AO	7 days (staggered)		EEPro Registration Form
3		Selection and endorsement of trainer and consultant per batch	President/Unit Head/CBO/CB Com	30 calendar days		Technical Evaluation of Consultants/Bidders Contract of Engagement – EEPro Training and Coaching and Consultancy
4	Signs of Memorandum of Commitment (MoC) Submits accomplished registration form Payment of EEPro registration fee	Inception Meeting	Unit Head/CBO/ AO/ Consultant	Half-day	15,000 installment/ full	EEPro Registration Form Memorandum of Commitment Acknowledgement Receipt EEPro Registration Payment
5	Submits comparative FS	Phase 1: SME Diagnostic	Consultant	7 days		SME Diagnostic Tool

AVAILMENT OF THE MSME NOTE

Pursuant to Sections 15b and 15f of the Republic Act No. 6977 as amended by RA No. 8289 and No. 9501 otherwise known as the Magna Carta for Micro, Small and Medium Enterprises (MSMEs) and likewise supported by Subsection X342.3 of BSP Circular No. 625, Series of 2008, the SB Corp is mandated to provide instruments to accommodate the needs of lending institutions for alternative MSME lending compliance.

The MSME Notes is a non-negotiable certificate of indebtedness issued by SB Corporation qualified and authorized as compliance with the Mandatory Allocation of Credit Resources (MACR) for MSMEs. Since 1993, SB Corp has been issuing promissory notes as alternative compliance with the MACR. For the past 22 years, the corporation holds a track incidence record of zero default on all its borrowings, foreign and domestic.

Attached are the features, terms and conditions of the MSME Notes for reference and favorable consideration.

We hope and appreciate your continued interest in forging a partnership with SB Corporation in the empowerment of the Filipino micro, small and medium entrepreneurs.

Features, Terms and Conditions of the MSME Notes

MSME NOTE	Short Term MSME Note	Medium Term MSME Note			
ELIGIBLE SUBSCRIBER	All non-complied/under-complied BSP-supervised lending institutions needing immediate MSME compliance				
TERM, Compliance Validity	6 months	1-year	2-year	3-year	5-year
RATE*	4/5 (PDST-R1 less 20% tax) with a floor rate of 0.54%		2/3 (PDST-R1 Rate less 20%)		
TAXES	DST and 5% Withholding Tax to be deducted at maturity		DST paid upfront; 5% Withholding Tax to be deducted on interest earned		
INTEREST REDEMPTION	Paid at maturity		Paid annually, rate is subject to annual repricing		
PRE-TERMINATION	Allowed after the 90-day holding period		Pre-termination not allowed		
RISK MITIGATION	21% Liquidity Risk Fund				
DOCUMENTS COLLATERAL	Duly Notarized MSME Notes for the Availing Banks; Monthly Report on Banks with Outstanding MSME Notes submitted to BSP Supervision and Examination Sector and MSME Council				

AVAILMENT OF THE MSME NOTE

Basic Documentary Requirements:

1. Letter of Intent addressed to:
President and CEO
SMALL BUSINESS CORPORATION
17th and 18th Floors 139 Corporate Center
139 Valero Street, Salcedo Village
Makati City 1227
2. Accomplished Application Form (see attachment) duly signed by authorized signatory/ies.
3. Board Resolution authorizing the bank to avail of the MSME Compliance facilities offered by SB Corp and the authorized signatories/contact person for the said transaction
4. Latest Report on Mandatory Allocation under RA No. 6977 as submitted to BSP

Mode of Settlement/Payment:

1. Manager's Check / Cashier's Check payable to SMALL BUSINESS CORPORATION
2. Direct deposit via Fund Transfer/Real Time Gross Settlement to SB Corp MSME Notes Current Account 1792-1033-55 maintained with Landbank Makati Business Center Branch

Payment Cut-off/Value Date:

1. All payments/deposit slips should be received or stamp-received by SB Corp or bank on or before 10:00am of the intended value date. Payments or deposits after 10:00am will be value dated on the next banking day
2. Check payments which are subject to clearing shall be value dated on clearing date itself.

Frontline Service: Liability Instruments for the Mandatory Allocation of Credit Resources to MSMEs (i.e. MSME Notes)
Maximum Duration of Process
Schedule of Availability of Service: Monday to Friday, 8:00 am to 6:00 pm

Step	Action to be Taken		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
1	The Financial Institution (FI) shall prepare submission of the basic documentary requirements		Financial Institution (FI)			<ul style="list-style-type: none"> a. Letter of Intent b. Board Resolution authorizing FI to engage in transactions with SB Corp. for compliance with the Mandatory Allocation, with authorized signatories c. Latest report on compliance received by BSP
2	The FI shall download the MSME Note Application Form via SB Corp official website and accomplish said form		FI			MSME Note Application Form
3	<p>The FI shall submit all documentary requirements at least <u>1 day</u> before the intended placement /value date.</p> <p>Transmittal of documents should be addressed to the: President & CEO Attention to: Fund Sourcing and Management Group</p>	<ul style="list-style-type: none"> a. Receive documentary requirements b. Process for validation and approval of FI's application c. Confirm application status with the FI on the same day 	FSMG	1 day		

Step	Action to be		Office/Person Responsible	Duration of Activity (with complete Requirements)	Fees	Form/s Used/ Documentary Requirements
	Applicant/Client	Frontline Service Unit				
4	<p>The FI settles MSME Note placement not later than 10:00am of the intended value date of the instrument.</p> <p><i>n.b. Payment may be via Check Issuance, Fund Transfer, Inter-branch Deposit or Real Time Gross Settlement (RTGS)</i></p> <p>For mode of payments other than checks submitted to SB Corp Cashiers, submit to SB Corp thru fax, mail or email, a confirmation (e.g. deposit slip or account summary) evidencing the date and time of actual deposit /transfer to SB Corp's account.</p>	<p>a. SB Corp Cashier receives payment from FI's authorized representative</p> <p>b. SB Corp Cashier issues Official Receipt for the amount received.</p> <p>c. SB Corp shall issue duly notarized MSME Note upon confirmation of placement.</p> <p>d. Transmit duly notarized MSME Note and other related documents</p>	FSMG	1 day (within the intended value date)	<p>For pay-ments via fund transfer, inter-branch deposits or RTGS, all <u>bank</u> charges to be shouldered by bank.</p> <p><i>*fees/ charges vary depending on the provisions of depository banks</i></p>	<p><i>Depending on the mode of payment:</i></p> <p>a. Manager's or Cashier's Check; or</p> <p>b. Fund Transfer/ RTGS forms; or</p> <p>c. Deposit slip/account summary</p>

5	<p>The FI, through its authorized representative, receives from SBCorp the issued MSME Note</p> <p>The FI provides SBCorp a notification or confirmation upon receipt of the transmitted documents.</p>	<p>a. Transmittal of duly notarized mSME Note via official courier, delivery, or to be picked up by FI's authorized rep. at SBC offices.</p> <p>b. Secure receiving copy of the transmitted documents</p>	FSMG	1-2 days depending on transmittal lead time	<p>Documentary Stamp Taxes (DST)</p> <p>– shouldered by FI but to be levied against the maturity value of the placement</p>	Notice of Receipt of the Duly Notarized MSME Note, and other transmitted documents.
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SMALL BUSINESS CORPORATION

Clients: MSME Clients and suppliers

Frontline Service: Check Releasing (Loan release and other expenses)

Maximum Duration of Process: 10 minutes

Schedule of Availability of Service: Monday to Friday, 8:00 am to 5:00 pm (no lunchbreak)

Step	Actions to be Taken		Office/Person Responsible	Duration of Activity (with complete documents)	Fees	Form/s Used for Documentary Requirements
	Applicant/Client	Frontline Service Unit				
FOR MSME/PFI BORROWERS						
1	Client approaches reception for account officer's assistance	Account officer stamps "Signature Verified" on authorization letter	Assigned Account Officer	5 minutes	none	Authorization Letter, ID, waiver (for late loan releases)
2	Claimant/Borrower presents stamped "Signature Verified" authorization letter	Cashier verifies validity of documents such as identification of the check claimant; calls the designated account officer for identity verification queries/purposes via phone	Cashier	2 minutes maximum	none	Authorization Letter, ID, waiver (for late loan releases)
3	Borrower signs Box D in the Disbursement Voucher (DV) in triplicate	Cashier verifies signature vis-à-vis loan documents and/or authorization letter	Cashier	maximum 10 seconds	none	Loan documents with borrower's signature attached to DV
4	Borrower issues Official Receipt and waiver (for late releases) corresponding to the net proceeds of the loan as indicated in the check	Cashier strictly enforces "No Official Receipt, no Check Release" policy per compliance with COA rules and regulations	Cashier	maximum 10 seconds	none	Borrower's official receipt and waiver (for late releases)

FOR SUPPLIERS						
1	Supplier's collecting officer approaches Cashier counter	Cashier requests authorization letter and/or identification from check claimant; calls on contact person for verification	Cashier	5 minutes	none	Authorization Letter, ID
2		After identification verification, Cashier secures check and have the check claimant sign on Box D of the DV in triplicate	Cashier	one minute	none	
3	Supplier's collecting officer presents Official Receipt for payment received	Cashier verifies official receipt issued by the supplier vis-à-vis check entries and amount	Cashier	maximum 10 seconds	none	Supplier's Official Receipt
4	Supplier's collecting officer verifies check received	Cashier stamps DV and attachments as "PAID"	Cashier	maximum 10 seconds	none	

CHECK RELEASING

General Procedures, Policies and Guidelines

FOR PFI / MSME BORROWERS

An Authorization Letter is required stamped "Signature Verified" by the designated account officer for collecting officer who will claim the check for loan proceeds other than the borrower/s and/or authorized signatories on the loan documents attached in the Disbursement Voucher.

Upon presentation of the duly verified authorization, the claimant will issue Official Receipt upfront upon receipt of check. Any erasures and/or corrections made on the Official Receipt must be properly endorsed by the borrower/s and/or authorized signatories. The corporation thru the Cashier is strictly implementing a "No Official Receipt, No Check Releasing" policy in compliance with COA Circular 2004-006.

The claimant must also affix his/her signature over his/her printed name in Box D of the Disbursement Voucher.

FOR SUPPLIERS / SERVICE PROVIDERS

An authorization letter from the supplier/service provider is required if the person claiming the check is other than whose identity is/are verifiable in the documents attached in the Disbursement Voucher.

Upon presentation of the duly verified authorization, the claimant will issue Official Receipt upfront upon receipt of check. Any erasures and/or corrections made on the Official Receipt must be properly endorsed by the borrower/s and/or authorized signatories. The corporation thru the Cashier is strictly implementing a "No Official Receipt, No Check Releasing" policy in compliance with COA Circular 2004-006.

The claimant must also affix his/her signature over his/her printed name in Box D of the Disbursement Voucher.

SMALL BUSINESS CORPORATION

Clients: MSME Clients and suppliers

Frontline Service: Over the Counter Payment

Maximum Duration of Process: 10 minutes

Schedule of Availability of Service: Monday to Friday, 8:00 am to 5:00 pm (no lunchbreak)

Step	Actions to be Taken		Office/Person Responsible	Duration of Activity (with complete documents)	Fees	Forms Used/Documentary Requirements
	Applicant/Client	Frontline Service Unit				
FOR MSME/PFI BORROWERS						
1	Client approaches reception for account officer's assistance	Account officer prepares application of payment via payment application module	Assigned Account Officer	5 minutes	none	Approved Payment Application with Updated Statement of Account
2	Account officer approaches cashier for official receipt issuance	Cashier ensures completeness and verifies payment application details vis-à-vis cash count and/or check entries	Cashier	maximum of 5 minutes (for cash counting)	none	Cash and/or Check corresponding the payment to be settled
3		Cashier performs query, tagging and posting of payment via Official Receipt Issuance Module	Cashier	maximum 10 seconds	none	SB Corp Official Receipt to be issued by Cashier
4	Client approaches Cashier counter to claim and verify official receipt printout	Cashier gives the borrower the original (white) copy of the official receipt	Cashier	maximum 10 seconds	none	

FOR SUPPLIERS/SERVICE PROVIDERS, Internal Clients

1	Payor approaches Cashier and specifies payment details	Cashier verifies payment to be received via contact person/s concerned	Cashier	5 minutes	none	Attachment such as billing statement/SB Corp's statement of account
2		Cashier issues official receipt and verifies official printout vis-à-vis check and/ or cash payment received	Cashier	maximum of 5 minutes (for cash counting)	none	
3	Payor receives original (white) copy of official receipt issued and duly signed by the Cashier	Cashier secures attachments and immediately prepares deposit slip for banking transaction	Cashier	maximum 10 seconds	none	

OVER THE COUNTER PAYMENT

General Procedures, Policies and Guidelines

FOR PFI/MSME BORROWERS

1. Client coordinates with designated account officer for assistance
2. Account officer prepares statement of account and payment application
3. Account officer assists client and provides the approved payment application to Cashier
4. Cashier verifies payment application information vis-à-vis check/cash payment
5. Finding payment application and check/cash count in order, Cashier encodes payment application code via Official Receipt Issuance Module
6. Cashier verifies payment vis-à-vis printed official receipt
7. Cashier calls on client and gives the original (white) official receipt

FOR SUPPLIERS/SERVICE PROVIDERS

1. Supplier/service provider approaches Cashier and must supply the following information:
 - A . Name of Supplier/Service Provider's Office
 - B. Particulars of Payment
 - C. Amount
 - D. Contact Person
2. Time Stamp of Bidding Documents (for bidders)
3. If necessary, the Cashier will inform the contact person via phone call for any follow-up regarding the delivery of goods and services paid for
4. Upon disclosure and verification of payment details, Cashier issues corresponding official receipt and gives the original (white) copy to the payor.



SMALL BUSINESS CORPORATION

FEEDBACK FORM

Please let us know how we have served you. You may use this form for compliments, complaints or suggestions.

(Paalam po ninyo sa aming kung paano namin kayo napaglingkuran. Maaring gamitin ito para sa papuri, reklamo, o mungkahi.)

[Optional]

Name : _____ Office/ Agency : _____ Contact Number(s), if any : _____
(Pangalan) (Tanggapan/ Ahensya) (Telepono)

Simply check the corresponding box.

(Magwarinig i-trek lamang ang kahona naayon.)

<input type="checkbox"/> COMPLIMENT <i>(PAPURI)</i>	<input type="checkbox"/> COMPLAINT <i>(REKLAMO)</i>	<input type="checkbox"/> SUGGESTION <i>(MUNGKAHI)</i>
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Person(s)/Unit/Office Concerned or Involved : _____

(Tao/pangkat/tanggapan na may kinalaman sa papuri, reklamo o mungkahi)

Facts or Details Surrounding the Incident / Recommendation(s)/ Suggestion(s)/ Desired Actions from our Office

(Kaganapan o detalye ng pangyayari / Rekomendasyon/Mungkahi/Nait na aksyon mula sa aming tanggapan)

Facts or Details :	Recommendation(s)/Suggestion(s) :	Desired Action from our Agency :

Signature (Lagda) : _____ Date (Petsa) : _____

Thank you for helping us to improve our service!