



**SMALL BUSINESS CORPORATION**  
*Transforming the MSME landscape*



**PANDEMIC  
RECOVERY  
INITIATIVES**



**29 March 2021**



## Presentation Outline

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### **MSMEs in the Time of the Pandemic**

Saving MSMEs, Saving Jobs

2

### **Recovery Initiative Performance**

Saving MSMEs, Saving Jobs

3

### **Plans and Targets**

Bringing MSMEs Back on Track



# MSMEs in the Time of Pandemic

## **A gloomy prospect is facing the country, and MSMEs struggle to survive and remain operational.**

Tens of thousands of small businesses remain closed. Those that have survived a year after the pandemic are those which have adapted quickly and more importantly those which have enough buffer funds to cushion the impact of the pandemic

Being financially fragile, with diminished cash flow and little cash reserves, financial assistance is urgently needed by MSMEs.

**“All is gone.”**

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## MINDSET CHANGE

“Innovate-or-perish” mindset and an aggressive push for digital transformation.

The ongoing pandemic will continue to have significant impact in the way MSMEs operate in the short-to-medium-term.

## CURRENT SITUATION

MSMEs are urgently seeking financial assistance to sustain their businesses.

The digital sphere is becoming increasingly influential in doing business.

Multi-generational market, with various means of accessing information.



# Recovery Initiative Performance

# COVID-19 Assistance to Restart Enterprises

Bringing small businesses back on track



# Bayanihan CARES Program

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The Bayanihan to Recover as One Act or Bayanihan 2 has directed SBCorp to expand its existing loan programs for MSMEs, cooperatives, hospitals, tourism, and OFWs affected by Covid-19 pandemic and by other socio-economic reversals.

However, as early as May 2020, SBCorp has already launched the COVID-19 to Restart Enterprises (CARES) Program to provide financing assistance to micro and small enterprises.

Loan proceeds are allowed to be utilized for:

- ✓ payroll cost;
- ✓ materials and suppliers;
- ✓ mortgage payments;
- ✓ rent;
- ✓ utilities, including fuel and storage;
- ✓ creation of new supportive businesses;
- ✓ re-purposing of existing business capital;
- ✓ any other business debt obligations that were incurred before the covered period; or
- ✓ acquisition of new technologies and systems to adjust business processes for resiliency.

## SBCorp Developed and Implemented Key Pandemic-Responsive Programs

**May 2020**

### **P3 - CARES 1**

PhP1.0 billion P3 Program-funded financing facility to provide a viable financing alternative to pandemic-affected micro enterprises (MEs). Applicants may borrow from PhP10.0 thousand up to PhP500.0 thousand at zero percent interest.

**August 2020**

### **P3 - CARES 2**

Same loan features as CARES 1 including loan limit, zero interest rate, service fee, grace period and repayment term. An Online Borrower Registration System (BRS) was used, with manual processing kept at a minimum.

**October 2020**

### **BAYANIHAN 2 - CARES**

PhP10.0 billion additional funding allocation for the CARES Program thru equity infusion to SBCorp under the Bayanihan 2 Act. A streamlined loan origination system was implemented for pandemic-affected MSMEs.

## Bayanihan CARES Program

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### TYPE OF APPLICANTS

- With BIR-filed FS
- Without BIR-filed FS

### ELIGIBLE & MAXIMUM LOANABLE AMOUNT

Automated computation and generation of loan amounts

### VERIFICATION OF INFORMATION

System-generated prompts and confirmations appear in the Borrower Registration System

### LOAN RELEASING

A multi-factor authentication (MFA) system via electronic signature and one-time PIN (OTP) has been approved and still for implementation

# Mandatory Requirements

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Business must be Filipino majority-owned



Business must have been in operation for a minimum of one (1) year (except for qualified OFWs for HEROES Program)



Borrower must be Registered Business Owner (for Sole Proprietorships); Authorized loan applicant must be Managing Director (for Partnerships), or President/CEO (for Corporations)



Must have a valid bank or electronic money issuer (EMI) account with an InstaPay or PESONet-participating financial institution



Should have no unresolved major negative credit findings on the enterprise, the registered business owner and on its Managing Director or President/CEO



Acceptable proof of business registration based on type of business (i.e., Mayor's permit, Barangay Permit and proof of payment of permits)

## Loan Amount: With BIR-Filed Financial Statements

Size of Enterprise	Asset Size	Maximum Loanable Amount*
Micro	up to PhP3.0 million	PhP600.0 thousand
Small	not to exceed PhP15.0 million	PhP3.0 million
Medium	exceeding PhP15.0 million and up to PhP100.0 million	PhP5.0 million

*\*Not to exceed 15% of Annual Sales and 20% of Asset Size*

# Service Fee, Loan Term, & Grace Period

Service Fee	
6 or 12 months	4.0%
18 or 24 months	6.0%
30 or 36 months	7.5%
42 or 48 months	8.0%

Loan Term (inclusive of grace period)	Grace Period
Maximum of 48 months; multiples of 6 months starting from minimum of 6 months	0, 3, 6, 9, or 12 months for all loan applicants of their own choosing

# 2020 PERFORMANCE HIGHLIGHTS

**Under the P3-funded CARES Program, SBCorp was able to accomplish the following:**



Released a total of **PhP988.7 million** to **14,825** pandemic-affected micro and small enterprises

**Under the Bayanihan 2-funded Bayanihan CARES Program, SBCorp was able to accomplish the following**



Released a total of **PhP585.3 million** to **3,001** pandemic-affected MSMEs





# Plans and Targets

## SBCorp aims to fully disburse the downloaded funds for the CARES Program under Bayanihan 2 within the year thru the following initiatives:



Mix of broad-based and targeted marketing and communication campaign to fully inform MSMEs about the program



Responsive policy-based lending guidelines appropriate to the needs of pandemic-affected MSMEs



Enhanced customer experience thru a flexible organizational set-up and an accelerated Platformification strategy

# OUR PLAN



Solidifying and  
expanding client  
relations

REPUTATION



Establishing proper  
communication  
guidelines

READINESS



Aligning front-end  
and back-end systems

RATE

# OUR PLAN



Solidifying and  
expanding client  
relations

REPUTATION

- Provide content that is
  - Informative
  - Convenient
  - Up-to-date
- Revamp website and other communication tools: Refocus our assets to feature impact of SB Corp and its services:
  - Professionalism  
Accessibility, reliability, and responsiveness
  - Content  
Become subject experts and promote credibility, professionalism
  - Success Stories  
Highlight clients, articles, features, milestones, and more
  - Insights  
Feature what we've been up to and what it means for the clients and prospects

# OUR PLAN



Establish proper  
communication  
guidelines

READINESS

- Optimize communications in digital channels (website, Facebook, email blasts/automated client emails, etc.)
- Prepare templates for marketing collateral
- Prepare FAQs and 'cheat sheets' that would enable loan officers to respond to queries (or complaints) properly and in a timely manner
- Produce marketing visual aids with less text, and more infographics for improved readability and comprehension

# OUR PLAN



Aligning front-end  
and back-end systems

RATE

- Upgrade and sync internal systems (IT, marketing monitoring, sales pipeline, inquiries, marketing materials, etc.)
- Information dissemination or training to employees about the new systems to ensure everyone is able to utilize the tools and will have one consistent messaging to the clients/stakeholders
- This is aimed at improving efficiency in terms of time, cost, and effort

# End of Presentation

