



Philippine Export-Import Credit Agency



**5th TEZ Investment Forum:
Regions 11, 12 and ARMM
Davao City
27 April 2017**

Corporate Background



- An attached Corporation under the Department of Finance
- Established on January 31, 1977 (PD 1080); renamed TIDCORP on March 6, 1998 with additional functions (RA 8494 - TIDCORP's Charter)
- Designated as the Philippine Export-Import Credit Agency (PhilEXIM) by President Gloria M. Arroyo on March 18, 2002 by virtue of Executive Order No. 85
- PhilEXIM guarantee carries the full faith and credit of the Government of the Republic of the Philippines



PhilEXIM

Primary Functions

- **Guarantee foreign loans** for developmental purposes having special regard to the needs of:
 - Export-oriented industries (manufacturer/ producer of goods and/ or raw materials for export, BPO)
 - BOI-registered enterprises
 - Public utilities (water, sewerage, gas, electricity, and telecommunications)
 - Industries, the promotion of which is supported by government policy (tourism, energy, manufacturing, public infrastructure, and logistics, agri-business and fishery, services)



PhilexIM

Primary Functions

- **Guarantee Philippine banks and financial institutions** against losses from loans granted to exporters (direct and indirect), producers of export products or contractors with approved service contract abroad.
- **Portfolio/Wholesale guarantee** for domestic bank's loan to exporters (direct and indirect)
- **Counter guarantee** on domestic banks' SBLC issued for the performance of Philippine contractors with approved service contract abroad.
- **Provide insurance cover, credits and other services** to facilitate the export of Philippine goods.



PhilexIM

Primary Functions

- **Guarantee Investment (equity or debt)**
 - Section 2(d) of PD 1080 provides that PhilEXIM can guarantee investment of any entity, enterprise or corporation organized or licensed to engage in business in the Philippines.
 - Guarantee may also be extended to foreign equity infused as a form of investment in a domestic entity or enterprise created or licensed to do business in the Philippines.

Primary Business Areas

| Medium and Large | Export & Priority Sectors |
|--|--|
| Electronics Gift, Toys & Housewares Holiday/ Home Decors Jewelry/ Fashion Accessories Marine Products Transport/ Automotive High-end Garments Processed Foods Cutflower | Tourism Infrastructure Agriculture/Agribusiness and Fishery Shipbuilding, Transportation Energy & Green Projects Creative Industries Research & Development Projects under PPP |



PhilexIM

Per SEC Revised Circular Rule 68 (As Amended Series of 2011):

- a) **Medium enterprises** - companies duly registered and licensed to do business in the Philippines whose total assets, exclusive of the land, is Php100.0 Million to Php350.0 Million.
- b) **Large enterprises** - companies duly registered and licensed to do business in the Philippines whose total assets, exclusive of the land, is above Php350.0 Million.



PhilexIM

Why a Sovereign Guarantee?

- Credit-worthy Investors or Exporters
- Viable projects with good cash flow, but with unacceptable risk profile.



**Project Proponent /
Exporter
(Borrower)**



Guarantee

- Philexim's guarantee serves as **CREDIT** and **CAPITAL ENHANCEMENT**



Loan

- Banks lend to projects, hopefully with better terms.



Funder/Bank

Philexim fulfills its mandate



Philexim

Strengths

- Legal mandate as the Philippines' Export-Import Credit Agency (ECA)
- Legal capability to issue guarantees up to 15x the subscribed Capital Stock or up to P150 Billion (\$3.5Bn), with a single account limit of P10 Billion
- Established linkages with foreign ECAs, ECIs and credit information agencies
- Responsible record of paying claims on defaulted transactions



Strengths

- Per BSP Cir. 538, Sec. 49 - “...peso denominated exposures to the extent guaranteed by TIDCORP.... receives 0% risk weight.
- Banks & other financial institutions have their exposures guaranteed to free up capital for other business.



Board of Directors

Chairman: Secretary of DOF - Carlos Dominguez III

Vice Chairman: OIC - Atty. Florencio P. Gabriel, Jr.

Members:

- Secretary of DTI - Ramon M. Lopez
- Director General of NEDA - Ernesto M. Pernia
- Governor of BSP - Amando Tetangco
- POCB Chairman - Isidro A. Consunji
- Director - Private Sector
- Director - Private Sector
- Director - Private Sector
- Director - Private Sector



PhilexIM

Institutional Partners

- *Asian Exim Banks, ADFIAP, Local and Foreign Banks*



The Export-Import Bank of China

Indonesia



Eximbank



Korea Eximbank

Deutsche Bank



BBVA

Nordea



Philexim

PhilEXIM Program Beneficiaries



PhilEXIM

Project Finance/Priority Projects




Federal Land, Inc.
All over Metro Manila
Php2.0 Billion




PhilEXIM

Project Finance/Priority Projects



Three-time finalist in Trade & Economic Development
Association of Development Financing Institutions
in Asia and the Pacific (ADFIP)

Hilton
Cebu Resort & Spa



Magnificent, breath-taking and a masterpiece of tourism achievement. Culminating on this day's official launching, Hilton Cebu Resort is an epitome of development in the Queen City of the South. With its splendid coastline view, the Philippines begins anew with its continued efforts to capture the big Asian, European and Western tourists and experience the warmth of Philippine hospitality and its culture. It now marvels with the beauty of pristine Cebu shoreline waters and white sand.

With tourism as a priority industry of the Government, the completion of the Hilton Resort was made possible through project finance of the Philippine Export-Import Credit Agency (PhilexIM), a government financing institution attached with the Department of Finance.

On the occasion of its grand opening ceremonies on October 26, 2005, with Her Excellency, President Gloria Macapagal-Arroyo as guest of honor, PhilexIM joins the country in congratulating Goldland Philippines Corporation, lead proponent of the resort hotel, for this contribution to tourism development and job generation opportunities.

Congratulations and Mabuhay!

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PhilexIM



**Hilton Cebu Resort
and Spa**
Mactan Island, Cebu
Php 380.0 Million



PhilexIM

Project Finance/Priority Projects



**Pacific Concord
Properties, Inc.**
Mandaluyong City
Php 210.0 Million



PhilEXIM

Project Finance/Priority Projects



Subic Park Hotel

Olongapo,
Zambales

Php 10.0 Million



PhilEXIM

Project Finance/Priority Projects



Widus International Leisure, Inc.

Clark, Pampanga

Php 300.0 Million



PhilEXIM Program Information

Guarantee for Large/Strategic Projects

- **Financing Coverage:** Up to 90% of principal of approved loan
- **Eligible Borrowers:**
 - Entities, corporations or enterprises duly organized or licensed to do business in the Philippines
- **Maximum amount:** Single Borrower's Limit (SBL)
- **Loan purposes:**
 - Working Capital
 - Capital Expenditures (CAPEX)
 - Project Finance



PhilEXIM

PhilEXIM Program Information

Guarantee for Large/Strategic Projects

➤ Terms:

- Fixed or revolving, in short/medium/long term
- 1 year, up to 3 years, or beyond

➤ Collateral:

- Project assets or any acceptable collateral



PhilEXIM

PhilEXIM Program Information

Guarantee for Large/Strategic Projects

➤ Fees:

- Upfront Application Fee of P100,000 + GRT (Gross Receipts Tax)
- Processing Fee of 1/8 of 1% of the guaranteed amount + GRT, payable upon issuance of Notice of Approval
- Guarantee fee (maximum of 2.5% per annum, depending on risk) + GRT
- Amendment or Extension Fee



PhilEXIM

Contact Us

| | | |
|-----------------|---|--|
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| Contact Persons | : | FSVP/OIC Atty. Emmanuel R. Torres VP Rovi M. Peralta SAM Jocelyn C. Go AO Joy Grace V. Rivera |



PhilEXIM



**Our business
has just
begun..**

Welcome ☺



PhilEXIM

Thank you!



PhilexIM