

# INNOVATION AND TECHNOLOGY (I-TECH) LENDING PROGRAM

LANDBANK's support to Filipino innovation and technology sector, in partnership with the Technology Application and Promotion Institute (TAPI), by way of a credit program that funds the commercial production of patented Filipino inventions



**LANDBANK**  
WE HELP YOU GROW

# Presentation Outline

- 1. LANDBANK in Brief
- 2. LANDBANK Vision, Mission
- 3. Credit Assistance to Priority Sectors
- 4. I-TECH Lending Program Guidelines



# LANDBANK in Brief



- **100% government-owned universal bank**
- **With social mandate to spur countryside development**
- **Only bank present in all 81 provinces in the Philippines**
- **Financing arm of the agrarian reform program**



**LANDBANK**

## LANDBANK in Brief

**Fourth largest among Philippine commercial banks --- in deposits, assets, loans, capital**

**With extensive network\* of**

- > 41 Lending Centers**
- > 372 Branches**
- > 1,694 ATMs**
- > 27 LEAF (LANDBANK Easy Access Facility)**
- > 50 LEAM (LANDBANK Express Access Machine)**
- > 45 CDM (Cash Deposit Machine)**

*\* as of September 30, 2017*



**LANDBANK**



# LANDBANK's Vision, Mission and Commitment to the Environment

## VISION

By 2018, LANDBANK will be the top universal bank promoting inclusive growth and improving the quality of life especially in the countryside through the delivery of innovative financial and other services in all provinces, cities and municipalities.


## MISSION

### *To Our Clients and Publics:*

We will use best technology solutions to deliver responsive financial and support services to our clients, while promoting sustainable development, and environmental protection.

### *To Our Employees:*

We will develop and nurture talents that will exemplify the highest standards of ethics and excellence consistent with the best in the world.



The image shows the cover of the Land Bank of the Philippines Corporate Environmental Policy. The background features a green gear on the left and a stylized green leaf on the right, set against a landscape of green hills and a blue sky. The text is centered in a white box with a light green border.

**LAND BANK OF THE PHILIPPINES  
CORPORATE ENVIRONMENTAL POLICY**

In pursuit of its role as the dominant financial institution in countryside development, LANDBANK shall adhere and actively promote environmental protection and sustainable development by incorporating effective environmental management practices in all its agrarian and banking operations, services and decisions.

Towards this end, LANDBANK shall:

**Compliance**

- Comply with applicable environmental laws, regulations and covenants that it subscribes to;

**Pollution Prevention**

- Implement effective pollution control and waste management programs, practice conservation of natural resources and conduct appropriate environmental risk assessment and management;

**Communication**

- Enjoin its employees to be aware and be actively involved in the implementation of its Environmental Management System (EMS);
- Inform and influence its stakeholders including its clients, suppliers and business partners to align with the Bank's environmental management programs in their business operations; and

**Continual Improvement**

- Commit to continuously review and improve its environmental programs in response to changing needs and conditions.

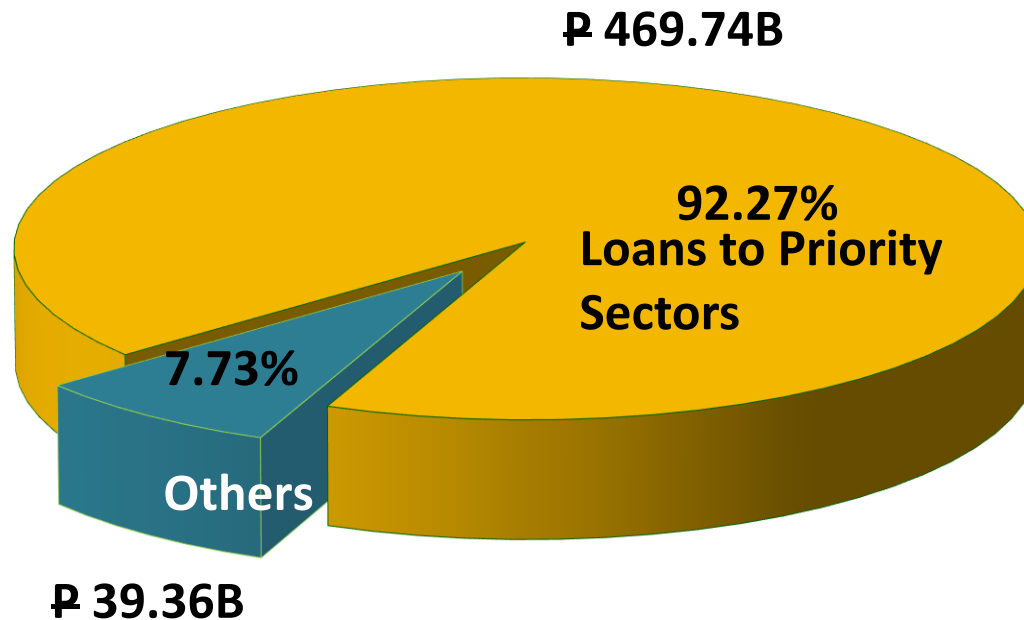
*Gilda E. Pico*  
GILDA E. PICO  
President and CEO

Approved by LBP Management Committee on the 18th of July 2008



**LANDBANK**

# SHARE OF PRIORITY SECTORS TO LOANS TO ALL SECTORS As of May 2017



**Loans to All Sectors = ₱ 509.10B**



# PROGRAM GUIDELINES AND FEATURES



## Innovation and Technology (I-TECH) Lending Program

Funding Filipino Innovation and Inventions



# I-TECH Lending Program - Program Features



**Eligible Borrowers**

- **Inventors with active intellectual property (IP) rights** (e.g. letters patent, utility model registration, industrial design registration).
- **Enterprises duly authorized by Inventors to use their patent through a Deed of Assignment.**

The Borrowers which must be duly registered with appropriate Philippine agencies either as:

1. Single Proprietorship (Filipino citizen);
2. Partnership (100% Filipino-owned);
3. Corporation (at least 60% Filipino-owned); or
4. Cooperative,

*must be duly endorsed by TAPI to LANDBANK.*

- **State Universities and Colleges, government agencies and LGUs with active intellectual property rights and likewise, endorsed by TAPI.**





# I-TECH Lending Program - Program Features



**Eligible Projects**

**Viable project/business activities that fall within the industries/sectors defined by the Department of Science and Technology - TAPI as follows:**

- Commercialization/production of patented inventions that: (page 6, Section 6.2.1 of the 2005 IRR of R.A. 7459)
  1. Conserve, save or substitute fossil energy;
  2. Promote or increase Philippine exports;
  3. Result in import substitution/dollar saving;
  4. Produce gadgets or other products that increase efficiency and/or lower cost of productions;
  5. Enhance use of technology to agricultural/industrial areas;
  6. Result in increased productivity in primary industries;
  7. Increase local material content in imported/ manufactured items; and
  8. Contribute to the improvement of the environment.
  9. Other projects that fall under the DOST priority sectors



# I-TECH Lending Program - Program Features

<b>Loan Purpose</b>	<ul style="list-style-type: none"><li>• Acquisition of fixed assets/capital expenditures/production materials</li><li>• Working Capital</li></ul>
<b>Credit Facilities</b>	<ul style="list-style-type: none"><li>• Short term Loans/Lines</li><li>• Long Term Loans</li></ul>
<b>LANDBANK: TAPI Loan Fund Sharing</b>	<ul style="list-style-type: none"><li>• LANDBANK loan - 45% (up to maximum of P5.625 Million)</li><li>• TAPI-IGF loan - 40% (up to maximum of P5.0 Million)</li><li>• Borrower's Equity - 15% minimum, in cash or in kind</li></ul>



# I-TECH Lending Program - Program Features

<b>Loanable Amount</b>	<p><b>Up to 85% of the total loan to be financed (but for maximum amount of P12.50 Million)</b></p> <p><b>or,</b></p> <p><b>Up to the repayment capacity of the borrower, whichever is lower.</b></p> <p><b>Borrower's equity is minimum of 15%, in cash or in kind.</b></p>
<b>Interest Rate</b>	<p><b>a. LANDBANK Internal Funds – 5% per annum, subject to annual review</b></p> <p><b>B. TAPI-IG – Zero interest</b></p>



# I-TECH Lending Program - Program Features

<b>Loan Tenor</b>	<p><b><u>For Short Term Loan/Line:</u></b></p> <p><b>Via up to 360 days PN, depending on the borrower's/ project's cash flow.</b></p> <p><b><u>For Term Loan:</u></b></p> <ul style="list-style-type: none"><li>• <b>On Fixed Asset Acquisition/ Capital Expenditure/Production Materials</b> – maximum of ten (10) years or based on the projected proposed project's cash flow, inclusive of grace period of up to two (2) years on principal repayment, but not to exceed the economic useful life or the remaining useful life of the fixed asset or validity of the letters of patent/patent certificate or utility model registration certificate, whichever is lower.</li><li>• <b>On Permanent Working Capital</b> – Maximum of three (3) years with no grace period on principal and interest repayment.</li></ul>
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# I-TECH Lending Program - Program Features

<b>Repayment Term</b>	<p><b><u>For Short Term Loan/Line</u></b> Monthly interest payment, collected in arrears. Principal shall be payable on or before PN maturity date.</p> <p><b><u>For Term Loan</u></b> Interest and principal repayment shall be structured based on the Borrower's cash flow (i.e. could be payable daily, weekly, monthly, bi-monthly, quarterly, semi-annually or annually).</p>
<b>Fees and Charges</b>	<b>Standard fees and charges required by LANDBANK per prevailing Credit Bulletin, at the time of availment.</b>
<b>Penalty Rate</b>	<b>24% per annum, on LANDBANK's loan share only</b>



# I-TECH Lending Program - Program Features

<b>Collateral Cover</b>	<ul style="list-style-type: none"><li>• <b>LANDBANK shall require full collateral cover based on loan value of the collateral for the portion of the loan it shall finance. Partially secured loan may be allowed provided that the borrower can manifest strong cash flow to repay the applied loan.</b></li> <li>• <b>The TAPI-IGF loan share of up to P5.0 M may or may not be covered by collateral.</b></li></ul>
<b>Collateral Requirements / Loan Securities</b>	<ul style="list-style-type: none"><li>a. <b>Acceptable collateral (REM, CM, among others except IP assets)</b></li><li>b. <b>Deed of Assignment of insurance, surety, and/or guarantee cover</b></li><li>c. <b>TAPI-IGF guarantee (up to P200,000)</b></li><li>d. <b>Other credit enhancement instruments acceptable to the Bank</b></li></ul>



# I-TECH Lending Program - Program Features

<b>Risk Asset Acceptance Criteria</b>	<ul style="list-style-type: none"><li>• <b>Per existing LANDBANK Credit Policy Issuance (CPI) on RAAC at the time of availment.</b></li></ul>
<b>Other Terms and Conditions</b>	<ul style="list-style-type: none"><li>• <b>Other terms and conditions per CPI of LANDBANK on standard terms and conditions shall remain in force and in effect.</b></li></ul>
<b>Pre-processing Documentary Requirements</b>	<p><b>a. Standard LANDBANK requirements for each type of client, loan facility, and project, namely:</b></p> <ol style="list-style-type: none"><li>1. Business registration papers (i.e. Mayor's/Business Permit, DTI registration, BIR registration, SEC/CDA registration, etc.) and company profile if Borrower is a juridical person.</li><li>2. Financial documents – Audited and BIR-stamped financial statements (FS)/interim FS for the existing business or feasibility study/project details for start-up business.</li><li>3. Valid certificates/permits/licenses/ clearances from concerned government agencies</li></ol>



# I-TECH Lending Program - Program Features

<p><b>Pre-processing Documentary Requirements</b></p>	<ul style="list-style-type: none"><li><b>b. TAPI endorsement letter</b></li><li><b>c. Valid certificate of IP registration from the Intellectual Property Office of the Philippines (IPOP HL)</b></li><li><b>d. If Borrower is an Assignee of an IP registration, Deed of Assignment of the Patents and Rights to the invention/new technology/innovation which is duly registered with the IPOP HL, must be presented.</b></li><li><b>e. For micro enterprises</b><ul style="list-style-type: none"><li>1. Two valid IDs with signature;</li><li>2. Barangay Certification as to residency in relation to given address;</li><li>3. Proof of billing address (Meralco, Water, Phone, Cable, Internet, etc.);</li><li>4. Sketch of place of residence.</li></ul></li></ul>
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# I-TECH Lending Program - Program Features

<p><b>Pre-processing Documentary Requirements</b></p>	<ul style="list-style-type: none"><li><b>f. Duly filled-out Application Form with Statement of Assets and Liabilities (SAL)</b></li><li><b>g. Business Plan (including financial projections, source of equity, list of suppliers/markets or buyers with required volume and frequency, and contact numbers)</b></li><li><b>h. Collateral documents</b><ul style="list-style-type: none"><li>• Torrens Certificate of Title (TCT), Condominium Certificate of Title (CCT), Tax Declaration (TD) and plans on the offered collateral(s) of the borrower.</li><li>• Loan security acceptable to the Bank (e.g. OR/CR for Chattel Mortgage, Lease Rental Contract, Receivables other Contract Agreements for the execution of Deed of Assignment. Purchase Orders, etc.)</li></ul></li></ul>
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# I-TECH Lending Program - Program Features

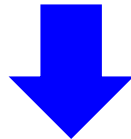
<b>Pre-processing Documentary Requirements</b>	<b>i. Other documents as may be required by LANDBANK and/or approving official/s (of LANDBANK/TAPI) in relation to the Borrower and nature of the business applied.</b>
<b>Loan Approving Authority</b>	<b>Approval of loans shall be in accordance with existing Codified Approving and Signing Authorities (CASA) of LANDBANK.</b>



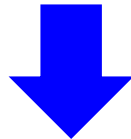
# I-TECH Lending Program

## How to Avail of a Loan

1. Borrower submits loan application and supporting documents to TAPI for eligibility screening and pre-processing.



2. TAPI endorses qualified borrower/eligible loan application and forwards documents to concerned LANDBANK Lending Center/Unit for credit evaluation.



3. LANDBANK Lending Center/Unit conducts credit evaluation. Proceeds with processing of loan application if qualified.





## **LAND BANK OF THE PHILIPPINES**

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