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Case Study of Impact on Sub-Borrower Enterprises in Two PRE Projects (Philippines):

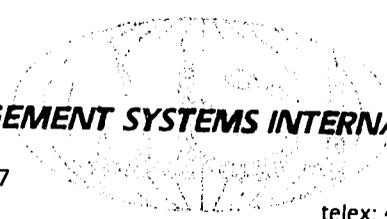
**Far East Bank and Trust Company I - PRE Project No. 940-0002.49
II - PRE Project No. 940-0002.80**

Philippine Commercial International Bank - PRE Project No. 940-0002.59

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Office of Development Planning
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DATA SHEET - PRE PROJECTS (PHILIPPINES)

BANK: Far East Bank and Trust Company

INITIATION OF PROGRAM: 1/86

AMOUNT OF PRE GUARANTEE: \$2 million (1986), \$2.186 million (1989)

TOTAL AMOUNT OF LOANS DISBURSED AS OF 12/89: \$35.9 million

LEVERAGE RATIO:¹ 8.6

NUMBER OF BORROWERS: 69

NUMBER OF START-UP BORROWERS: 3

NUMBER OF FIRST TIME BORROWERS: 33

NUMBER GRADUATED:² 42

NUMBER AND PERCENTAGE OF DEFAULTS: 12; 17.4%

AMOUNT AND PERCENTAGE OF DEFAULTS: \$1.16 million; 3.2%

CHANGES IN BORROWER ENTERPRISES ATTRIBUTABLE TO PROJECT (yearly averages):

- Increase in Gross Revenues = 10%
- Increase in Net Income = 21%
- Increase in Full-Time Employees = 5%
- Increase in Full-Time Female Employees = 6%
- Percent of Total Export Earnings Attributable to PRE-Guaranteed Sub-Loans = 14%
- Percent of Total Export Earnings Attributable to PRE-Guaranteed Sub-Loans = 15%

¹ Loans Disbursed/Amount of PRE Guarantee

² Former recipients of PRE-Guaranteed Sub-Loans which are now borrowing under regular credit lines.

DATA SHEET - PRE PROJECTS (PHILIPPINES)

BANK: Philippine Commercial International Bank

INITIATION OF PROGRAM: 1/88

AMOUNT OF PRE GUARANTEE: \$2.4 million

TOTAL AMOUNT OF LOANS DISBURSED AS OF 12/89: \$15.9 million

LEVERAGE RATIO:¹ 6.6

NUMBER OF BORROWERS: 25

NUMBER OF START-UP BORROWERS: 14

NUMBER OF FIRST TIME BORROWERS: 4

NUMBER GRADUATED:² 3

NUMBER AND PERCENTAGE OF DEFAULTS: 1; 4%

AMOUNT AND PERCENTAGE OF DEFAULTS: \$11,837; .08%

CHANGES IN BORROWER ENTERPRISES ATTRIBUTABLE TO PROJECT (yearly averages):

- Increase in Gross Revenues = 75%
- Increase in Net Income = 43%
- Increase in Full-Time Employees = 9%
- Increase in Full-Time Female Employees = 37%
- Percent of Total Export Earnings Attributable to PRE-Guaranteed Sub-Loans = 38%
- Percent of Total Export Earnings Attributable to PRE-Guaranteed Sub-Loans = 60%

¹ Loans Disbursed/Amount of PRE Guarantee

² Former recipients of PRE-Guaranteed Sub-Loans which are now borrowing under regular credit lines.

EXECUTIVE SUMMARY

IMPACT ON SUB-BORROWER ENTERPRISES IN TWO PRE PROJECTS (PHILLIPINES)

Project Purpose and Background

The Bureau for Private Enterprise (PRE) was established within the Agency for International Development in 1981 with the objective of increasing the role of the private sector in development. In 1983, Congress authorized the creation of the Private Sector Revolving Fund within the Bureau. The purpose of the Fund was to provide a flexible and self-sustaining mechanism for channeling assistance to commercially viable projects with strong development payoffs. The two cases presented here are both commercial banks in the Philippines which have been provided with a PRE guarantee to cover up to 50% of the risk of lending to small and medium scale enterprises (SMSEs). In the majority of sub-loans, short-term credit was provided to finance exports or imports by local producers and in a few cases to provide long-term investment capital.

In 1985 PRE established a \$2.0 million guarantee facility for the Far East Bank and Trust Company (FEBTC) (Project No. 940-0002.49). The facility is directed toward small exporting firms which are not normally beneficiaries of the Bank's lending activities. In July 1989 a second PRE loan guarantee facility of \$2.186 million (Project No. 940-0002.80) was established to replace the original facility which had matured and was being repaid. The first facility defined eligible borrowers as enterprises of no more than \$1.0 million in net fixed assets. The second facility defines maximum borrower size as \$1.0 million in total assets.

The \$2.4 million guarantee facility (Project No. 940-0002.59) with Philippine Commercial International Bank (PCIB) began in 1988. PCIB lends its own funds to SMSE borrowers within pre-determined guidelines established by PRE. The guidelines describe developmentally desirable sectors such as new clients engaged in agriculture, agribusiness, or in providing products from rural areas. This facility defined eligible borrowers as enterprises with a maximum of \$1.0 million in total assets.

Evaluation Purpose and Methodology

The main purpose of this case study was to evaluate the impact of the provision of credit on sub-borrowers. A second purpose is to discover lessons learned about measuring the impact of PRE investment models. Sub-borrower baseline data at the time the initial loan was made were compared with data from subsequent years. The indicators are gross revenues, net income, employment and exports/foreign exchange earned. An attempt was made to determine what portion of the changes in these indicators can be attributed to the PRE credit.

At PCIB data was collected on all 25 borrowers. At FEBTC the sample selected represents the variations in industry and loan size. In both cases, bank and borrower records as well as a limited number of borrower interviews were used. The team was greatly assisted by the various account officers most familiar with the borrowers, especially when there was a need for interpretation and/or projection of financial data.

Findings and Conclusions

1. The default rate in the program to date has been relatively low

Of the 159 borrowers at Far East Bank and Trust, 12 have defaulted on their loans in the amount of \$1.16 million or 3% of the total credit extended. Of the defaulted amount, 25% or \$289,000 has been charged against the guarantee fund. The remainder of the defaulted amount has either been charged off by the bank or is in the collection process. At PCIB there has been one loan loss which resulted in an \$11,837 guarantee payment to PCIB. Expressed as a percentage of the total amount loaned, the loss is less than one-tenth of one percent.

2. The PRE guarantee was an important tool in the banks' expansion in the SMSE market.

Bank officials at FEBTC estimate that 80% of the amount of credit made available as a result of this facility would not have been extended without the guarantee because of the borrowers' lack of collateral and a bank policy that discourages loans to borrowers who do not have an established business credit history. In addition to the \$35.9 million of credit, an equal amount has been extended to borrowers who have "graduated" from the guarantee program. At PCIB loan maturities and interest rates for the PRE loan guarantee program are the same as those available to non-program borrowers. The additional aspects of the FEBTC and PCIB programs are:

- a) additional credit has been extended to existing borrowers;
- b) internal limits on exposure to specific industries have been increased;
- c) collateral offered by the borrower can be given a higher value;
- d) collateral is now acceptable that was not acceptable before; and
- e) borrowers that had reached borrowing limit can now obtain additional amounts due to guarantee.
- f) subsequent loans to the same sub-borrowers are generally covered by the guarantee facility in decreasing percentages, thereby allowing the bank to use the remaining PRE facility for newer (considered riskier) loans, where the coverage is the full 50%.

Officials at both banks stated that the guarantee had enabled them to lend to borrowers not otherwise qualified - an objective of the program.

3. The PRE Guarantee has allowed considerable leveraging of bank resources.

At FEBTC, as of the end of 1989, the total disbursements under the PRE guarantee program to date are \$36 million. This means that the total guarantee facility of \$4.186 million (PRE I, \$2 million plus PRE II, \$2.186 million) has been leveraged 8.6 times. As of the end of 1989, total disbursements by PCIB under the program have been \$15.9 million. This means that the guarantee facility of \$2.4 million has been leveraged 6.6 times. In both cases the leveraging has actually been greater if one were to calculate the decreasing coverage available as the fund is amortized.

4. The program has produced an average yearly increase of 43% in gross revenue among sub-borrower enterprises.

5. The program has produced an average yearly increase of 32% in net income among sub-borrower enterprises.
6. The program has produced an average yearly increase of 7% in full-time employees among sub-borrower enterprises.
7. The program has produced an average yearly increase of 22% in full-time female employees among sub-borrower enterprises.
8. The total average export earnings attributable to PRE guaranteed loans is 26% of total export earnings among sub-borrower enterprises.
9. The total average foreign exchange earnings attributable to PRE guaranteed loans is 38% of total foreign exchange earnings among sub-borrower enterprises.

Lessons Learned on Measuring the Impact of Credit on Small Enterprises

Although the indicators selected (gross revenues, net income, employment, and exports/foreign exchange earned) are the most obvious measures of an enterprise's growth, it appears that some data from borrowers may be misreported. This is due to the fact that some enterprises have more than one set of accounting records. The lack of accuracy was partially corrected by relying heavily on the judgement of the loan officers most familiar with the accounts. Additionally, reliable baseline data was lacking for all indicators.

A better option is using an average month in the year before credit was provided and comparing that with average months from succeeding years. However, this method does not account for seasonality.

Determining what portion of the change in the indicators can be attributed to the provision of a specific line of credit to the sub-borrower enterprises is extremely difficult. There are both internal and external factors which also cause changes in these indicators. The impact of these other factors could be isolated from the effect of the sub-loan by establishing a control group of enterprises that did not receive this credit. However, the sub-borrowers would have to be compared to similar type and size control enterprises and the dates of comparison would have to be the same.

The methods for estimating attribution were developed in close coordination with the lending institutions. Mutually agreement on these methods was reached among the loan officers assigned to the individual sub-borrower enterprises.

The design and evaluation of credit projects should consider the impact of the project on the larger financial markets. The project focus should shift from the traditional emphasis on the demand side of small-enterprise credit and move toward the supply side. Less emphasis should be given to attempting to evaluate the impact of credit use at the firm level, which is difficult to measure, and more emphasis placed on how intervention in financial markets affects lenders' behavior and the overall operation of financial markets.

ACRONYMS

A.I.D.	Agency for International Development
FEBTC	Far East Bank and Trust Company
GDP	Gross Domestic Product
IFI	Intermediate credit institution
PCIB	Philippine Commercial International Bank
PRE	Bureau for Private Enterprise (A.I.D.)
SMSE	Small and medium scale enterprise

CASE STUDY OF IMPACT ON BORROWER ENTERPRISES IN TWO PRE PROJECTS (PHILIPPINES)

I. INTRODUCTION

A. BACKGROUND

The Bureau for Private Enterprise (PRE) was established within the Agency for International Development in 1981 with the objective of increasing the role of the private sector in development. In 1983, Congress authorized the creation of the Private Sector Revolving Fund within the Bureau. The purpose of the Fund was to provide a flexible and self-sustaining mechanism for channeling assistance to commercially viable projects with strong development payoffs.

The majority of Revolving Fund projects work through Intermediate Financial Institutions (IFIs) to encourage these institutions to lend to smaller businesses. In some cases, A.I.D. funds have been provided as a direct loan to an IFI to be used for on-lending, but in most cases the IFI has been provided a guarantee for a portion of their funds lent to targeted sub-borrowers. The two cases presented here are both commercial banks in the Philippines which have been provided with a PRE guarantee to cover up to 50% of the risk of lending to small and medium scale enterprises (SMSEs). In the majority of sub-loans, short-term credit was provided to finance exports or imports by local producers and in a few cases to provide long-term investment capital.

B. EVALUATION PURPOSE AND METHODOLOGY

The main purpose of this case study was to evaluate the impact of the provision of credit on sub-borrowers. A second purpose is to discover lessons learned about measuring the impact of PRE investment models.¹ Using a representative sample of borrowers from Far East Bank and Trust Company (FEBTC) and the Philippine Commercial International Bank (PCIB) in the Philippines, baseline data at the time the initial loan was made were compared with data from subsequent years. The indicators are gross revenues, net income, employment, and exports/foreign exchange earned. An attempt is made to determine what portion of the changes in these indicators can be attributed to the PRE credit.

The team consisted of two small enterprise finance and research specialists, Mr. Mahlon Barash and Mr. John Gardner.

The field work for this case study was done from January 15 to February 2, 1990. In the case of PCIB, data was collected on all the borrowers since the program began only two years ago and there have only been 25 borrowers. In the

¹ This evaluation was preceded by fourteen studies of PRE Revolving Fund investment projects conducted for the PRE Office of Development Planning. The lessons learned regarding the effectiveness of PRE investment models were presented in separate volumes for each round. In this report the lessons learned focus on the effectiveness of the indicators selected and the attribution of impact.

case of FEBTC a representative sample was selected which took into account the variations in industry and loan size. In both cases, the data was collected using bank and borrower records as well as a limited number of borrower interviews.

The team was greatly assisted by the various account officers most familiar with the borrowers, especially when there was a need for interpretation and/or projection of financial data. In addition, the staffs of both banks were extremely helpful in the collection of data on each sub-borrower. In fact, the team could not have obtained as much information on sub-borrowers in the time available had it not been for this assistance. Some of the data was already available in the borrower files, but some of it (e.g., number of employees by gender) had to be collected directly from each sub-borrower (in most cases via phone calls rather than personal visits). As a result of the evaluation, FEBTC indicated that they would be modifying the information kept on each sub-borrower, both for AID reporting purposes and because they realized the value of having such impact data for their own use.

II. CONTEXT OF ENTERPRISE DEVELOPMENT

A. ECONOMIC OVERVIEW

During 1983-1985, the Philippine economy suffered the worst recession, unemployment and poverty in recent history. Since 1987, the economy has improved, but serious problems of unemployment and poverty persist.

Lack of employment opportunities and the rapid labor supply growth are key problems. Poor economic performance can also be traced to specific policies of the previous regime, including (1) price controls on basic commodities; (2) the creation of agricultural monopolies; (3) duties and taxes on exports, and, (4) tax and trade policies that provide incentives for capital investment rather than labor expenditures.

The Aquino administration has adopted reforms aimed at reversing damage caused by price controls, monopolies, and export barriers. At present, however, farmers complain that tax, trade, and transport policies of the government constrain investment in agribusiness.

In 1987, the economy bounced back from the 1983-1985 crisis as it grew by 5.9% in real terms. Leading the recovery was the consumer sector whose purchasing power was rejuvenated by low inflation, improved crop prices, and increased government spending. Growth was sustained in 1988, invigorated by strong industrial capital expenditures, culminating in 6.7% real GDP growth. In 1989, the economy's growth was overshadowed by a 12% inflation rate; high inflation is projected for 1990 with consumer prices projected to rise 20% during the first six months of the year. In part, recent growth can also be credited to gains resulting from the decline in the price of imported oil, and price increases for coconuts and copper.

Recent improvements in economic performance have been jeopardized by high inflation and uncertainty brought on by the December 1989 coup attempt. This political uncertainty will cause a downturn in the economic activity for six

months to a year according to the January issue of the Merrill Lynch Asian Economic Commentary. In addition, despite three years of improved economic growth, delayed implementation of structural reforms has created doubt about the sustainability of the recovery.

In 1990, the nation's GNP growth rate is projected to be 4.7%. Attainment of this target would restore real per capital incomes to pre-1983 levels.

1. Small and Medium Scale Enterprises in the Philippines

The Institute for Small-Scale Industries at the University of the Philippines defines a small-scale enterprise as one which employs 10-99 workers while a medium-scale enterprise employs 100-199 workers.

In terms of assets, an enterprise with total assets of \$25,000-\$250,000 is considered small-scale, while one with total assets of \$250,000-\$1 million is considered medium scale.

The literature published by the Institute characterizes the SMSE sector as providing the means for creating job opportunities at relatively low capital cost. Like other developing countries, the Philippine economy has a surplus of labor and a limited supply of high-cost capital. Studies conducted by the Institute show that the smaller the firm, the lower the capital labor ratio. SMSEs have been called the "backbone" of the Philippine economy. The description is apt, not only because they dominate the manufacturing sector in terms of sheer numbers, but also because of what they contribute to employment. The following data on SMSE contributions are based on the "Summary Characteristics of Establishments: 1986" published by the National Census and Statistics Office: 1) there are 5,294 manufacturing establishments in the nation of which 89% are SMSEs; and 2) the aggregate employment in the manufacturing sector is estimated to be 636,219 of which 29% comes from SMSEs.

2. Impediments to SMSE Credit

Officials at both banks indicated that a principal impediment to the growth of SMSEs is lack of credit. By and large, SMSEs operate with limited capital and have limited access to bank credit, due not only to a lack of collateral but also due to the costs involved in serving smaller businesses.

Officials at the Philippine Commercial International Bank (PCIB) indicated that a loan must have a minimum size of approximately \$16,500 in order for the loan to be profitable. The Far East Bank and Trust Company (FEBTC) officials indicated that the minimum loan size for a profitable loan is approximately \$25,000.

A survey of banks in the Philippines, "Comparative Bank Study, 1987," conducted jointly by the Agricultural Credit Policy Council, Philippine Institute for Development Studies, and Ohio State University, showed that the lending cost per loan for a commercial bank was \$955.

The reluctance of banks to extend credit to SMSEs can be traced to the problems they generally experience in lending to this sector. These problems include:

- (a) Delinquencies. Delinquencies and non-payment of loans are attributed primarily to borrowers' cash shortages resulting from high production costs, slow turnover of receivables, stiff competition, and tight credit from suppliers;
- (b) Credit Risks. The possibility of business failure among small entrepreneurs, especially those engaged in new projects, is high compared with large-scale businesses.
- (c) Non-Compliance with Bank Requirements. SMSEs often have difficulty providing adequate collateral and financial records.

In addition, experience among banks shows that support services and paperwork required in handling a large number of small borrowers over a wide geographic area entails high administrative costs in relation to the amount of lending involved. For their part, SMSEs are reluctant to approach banks because of the numerous pre-loan requirements, including collateral and documentation, the long processing time involved in bank lending, and high interest rates.

B. INSTITUTIONAL CONTEXT

1. Far East Bank and Trust Company (FEBTC)

FEBTC is the largest private bank in the Philippines in terms of total assets and loans. FEBTC has 113 branches nation-wide. Sixty-nine of the branches are in metro Manila, the nation's main business center. As of December 31, 1989, FEBTC had total assets of \$1.2 billion, loans of \$591.7 million, and deposits of \$1.01 billion. The following table shows those figures and the year-end balances of total assets, loans, and deposits for 1986, 1987, and 1988.

Four Year Comparative Financial Figures (\$million)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Assets	773.0	950.2	956.1	1,211.1
Loans	270.2	396.4	487.5	591.7
Deposits	577.1	746.3	854.2	1,010.3

The year-end 1989 loan figure of \$591.7 million includes \$87.8 million of loans to small and medium-scale entrepreneurs (SMSE) of which \$1.3 million was credit extended under the USAID Bureau for Private Enterprise (PRE) loan guarantee facility.

PRE's \$2.0 million guarantee facility, which began in 1985 (Project No. 940-0002.49), provides FEBTC with a revolving loan guarantee fund with a guarantee limit of 50% on individual loans. The facility is directed toward small exporting firms which are not normally beneficiaries of the Bank's lending activities. The initial \$2.0 million loan guarantee agreement, signed in 1985, defined eligible borrower size as being not more than \$1.0 million in net fixed assets. FEBTC completed negotiations in July of 1989 on a second PRE loan

guarantee facility of \$2.186 million (Project No. 940-0002.80) to replace the original facility which had matured was being repaid, as specified in the agreement. The second facility defines maximum borrower size as not exceeding \$1.0 million in total assets.

A total of 69 borrowers (159 accounts), primarily in the garment and handicraft industries, have received loans guaranteed by the program in amounts totaling \$35.9 million. Of the 69 borrowers, 12 (17 percent) have defaulted on their loans in the amount of \$1.16 million or 3% of the total credit extended. Of the defaulted amount, 25% or \$289,000 has been charged against the guarantee fund. The remainder of the defaulted amount has either been charged off by the bank or is in the collection process.

a. Loan Portfolio

Growth in the bank's loan portfolio during the period of the USAID PRE loan guarantee facility is shown in the following table:

	<u>Outstanding Loans as of Year-End (\$ millions)</u>			
	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Corporate	247.2	346.2	417.4	503.9
SMSE	23.0	50.2	70.2	87.8
Total	270.2	396.4	487.6	591.7

USAID PRE Guaranteed Sub-Loans Included Above

4.0	3.4	2.2	1.3
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The declining amount of USAID PRE guarantee sub-loans reflects the amount of guarantee available as scheduled in the agreement and the fact some loans considered less risky by FEBTC are guaranteed less than 50% by the PRE facility (i.e., the bank assumes more risk).

b. Additionality of FEBTC Loans Under the Guarantee Facility

The PRE guarantee was an important tool in the bank's expansion in the SMSE market. From 1986 - 1989, the bank loaned \$35.9 million through use of the guarantee. Bank officials estimate that 80% of that amount would not have been extended without the guarantee due to the borrowers' lack of collateral and a bank policy that discourages loans to borrowers who do not have an established business credit history. Another aspect of additionality is that subsequent loans to the same sub-borrowers are generally covered by the guarantee facility in decreasing percentages, assuming a good repayment history. This allows FEBTC to use the remaining PRE facility for newer (considered riskier) loans, where the coverage is the full 50%.

In addition to the \$35.9 million of credit, an equal amount has been extended to borrowers who have "graduated" from the guarantee program. The example cited by bank officials was that of a garment manufacturer whose first

loan with the bank was a \$25,000 credit line under the PRE program in 1986. The manufacturer now has a \$1.0 million credit line which is not under the guarantee program.

The following table shows the \$35.9 million of PRE-guaranteed loan activity by industry, number of borrowers, and amount.

Industry	Number of Accounts				Amount Loaned (\$'000s)				Cumulative
	1986	1987	1988	1989	1986	1987	1988	1989	
Garment	6	13	15	6	1,811	4,739	6,380	1,109	14,039
Furniture	3	8	7	3	122	816	1,079	355	2,372
Prawns	2	4	6	4	826	638	1,589	2,501	5,554
Handicrafts	9	10	10	5	480	620	972	1,149	3,221
Abacca	1	2	4	3	236	1,050	2,034	1,756	5,076
Food Production	3	2	3	1	372	350	789	66	1,577
Plastic	0	2	2	2	0	594	568	71	1,233
Wood	3	4	3	1	517	3,372	312	378	1,489
General Merchandise	0	2	2	1	0	284	280	23	587
Automotive Parts	0	1	1	0	0	175	170	0	345
Agri Products	0	1	1	0	1	94	29	0	123
Charcoal	1	1	1	0	45	98	85	0	228
Hair Products	0	1	1	1	0	41	57	57	155
	28	50	55	26	4,319	9,871	14,344	7,465	35,999

The Far East Bank and Trust Company wants to continue expanding its SMSE lending and hopes to be able to participate in future PRE programs. Bank officials feel that the credit needs of exporters and agribusiness are economic sectors that could benefit from expanded loan guarantee programs.

2. Philippine Commercial International Bank (PCIB)

In 1988 PCIB celebrated its 50th anniversary as the first Filipino-owned private bank. PCIB has 223 branches, more than any other bank in the Philippines. As of September 30, 1989 - the most recent publication date for PCIB's financial data - it had total assets of \$987.6 million, loans of \$475.5 million, and deposits of \$670.9 million. The following table shows those figures and the year-end balances of total assets, loans, and deposits for 1986, 1987, and 1988.

Four-Year Comparative Financial Figures (\$million)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Assets	698.1	841.0	932.8	987.6
Loans	334.3	403.5	445.1	475.5
Deposits	511.3	559.1	681.8	670.9

PCIB officials estimated the year-end 1989 outstanding loans to be \$503.4 million; this figure included \$250.0 million of loans to small and medium-scale entrepreneurs (SMSE) of which \$4.5 million was credit extended under the PRE loan guarantee facility.

The \$2.4 million guarantee facility, which was signed and began in 1988 (Project No. 940-0002.59), provides PCIB with a revolving loan guarantee fund with a limit of 50% on individual loans. The loan guarantee program calls for PCIB to lend pesos from its own funds to SMSE borrowers within pre-determined guidelines established by PRE. The guidelines describe developmentally desirable sectors; generally, these sectors include new clients engaged in agriculture, agribusiness, or in providing products that originate in rural areas. Eligible borrowers are those enterprises with a maximum of \$1.0 million in total assets.

A total of 25 borrowers, primarily in prawn and broiler production, have received loans which are guaranteed by the program in amounts totaling \$15.4 million. There has been one loan loss which resulted in an \$11,837 guarantee payment to PCIB. Expressed as a percentage of the total amount loaned, the loss is less than one-tenth of one percent.

a. Loan Portfolio

PCIB's growth in its loan portfolio is shown in the following table:

Outstanding Loans as of Year-End (\$ millions)

	<u>1986</u>	<u>1987</u>	<u>1988</u>	<u>1989</u>
Corporate	246.2	271.8	284.2	253.4
SMSE	88.5	140.9	161.2	250.0
Total	334.7	412.7	445.4	503.4

USAID PRE Loans Included Above

1.7

4.5

The figures for SMSE loans are estimates by PCIB officials based on total branch loans which are primarily to SMSE borrowers.

In recognition of its SMSE lending activities, PCIB has been named as an outstanding bank in the field of SMSE credit by the Guarantee Fund for Small and Medium-Scale Enterprises for three consecutive years.

b. Additionality of PCIB Loans Under the Guarantee Facility

Loan maturities and interest rates for the PRE loan guarantee program are the same as those available to non-program borrowers. Collateral requirements for program loans are often less because of insufficient assets of prospective borrowers.

Bank officials stated that the guarantee had enabled them to extend to borrowers credit which would otherwise not have been available. The following examples were given as illustrations:

- \$1.4 million was loaned to the prawn industry despite the PCIB policy ceiling of \$0.4 million to that sector;
- Loans totaling \$1.2 million were extended to a broiler producer where the collateral value of the company's real estate would otherwise have limited the loans to \$1.0 million;
- \$300,000 was loaned to a borrower whose real estate had no collateral value because the property was in danger of expropriation due to the pending land reform program;
- \$68,000 was loaned to a borrower who did not have enough collateral to secure a bank loan -- PCIB normally secures loans with real estate mortgages based on a maximum loan of 60% of appraised value;
- \$23,000 was loaned to a borrower who was starting a new business and did not have adequate collateral -- PCIB policy discourages lending to applicants who have less than three years of business experience.

In general, the additionality aspects of the PRE program at PCIB are:

- Additional credit has been extended to existing borrowers;
- Internal limits on exposure to specific industries have been increased. There are bank limits on the percentage of the portfolio that may be made to a single industry. Maximum for an industry is usually 6% of the portfolio.
- Collateral offered by the borrower can be given a higher value. Normally value allocated is only 60% (i.e., coverage of loan amount

must be 167%) With a guarantee collateral can be valued at 70%, so coverage required is reduced to 142%.

- Collateral is now acceptable that was not acceptable before (e.g., agricultural land in danger of expropriation due to land reform)
- Borrowers that had reached the borrowing limit can now obtain additional amounts due to guarantee

A general comment is that the program has given the bank a competitive edge over other banks because credit is more readily available (and in larger amounts) to enterprises that would not normally have access to credit.

The following table reflects the \$15.9 million of PCIB loans made under the PRE facility by industry, number of borrowers, and amount.

Industry	No. of Accounts		Amount Loaned (\$000)		Cumulative
	<u>1988</u>	<u>1989</u>	<u>1988</u>	<u>1989</u>	
Prawns	10	13	3,483.5	5,077.3	8,560.8
Ice Plant	1	1	71.0	45.9	116.9
Poultry	2	4	737.7	4,155.6	4,893.3
Utility	1	1	397.7		397.7
Construction		1		1,049.2	1,049.2
Ricemill	2	3	37.8	160.0	197.8
Trading		1		137.7	137.7
Feedmill		1		534.3	534.3
Total	16	25	4,727.7	11,160.0	15,887.7

PCIB hopes that it can have continued access to A.I.D. guarantee programs like the present facility so that it can support its efforts to penetrate new markets. Bank officials believe that numerous development opportunities exist in the manufacturing and agribusiness sectors. More specifically, new opportunities include medium-cost housing construction, footwear manufacturing, garment sub-contracting, steel and plastics manufacturing, agri-processing, handicrafts, and mass transportation, according to PCIB officials.

PCIB is also studying the feasibility of financially assisting healthy rural banks by discounting -- on a wholesale basis -- the rural banks' loans and mortgages. The purpose of the arrangement would be to extend PCIB's market share to include small, rural-based enterprises which are not directly accessible to large commercial banks because of the high administrative costs involved in lending to such entities.

III. IMPACT ON BORROWER ENTERPRISES

The impact on the borrower enterprises of the loans made by the two commercial banks using the partial (maximum 50% coverage) PRE guarantee can be measured using four indicators: revenues, net income, employment (both total and gender disaggregated) and exports/foreign exchange earnings. The changes in these indicators from one year to the next can be ascertained using the financial statements received by the banks and projecting figures for data covering only a portion of 1989. The most difficult task, however, is estimating what portion of this change can be attributed to the presence of the PRE credit. The methods for doing this are described in Annex 1. The procedures were suggested by the bank personnel who are most familiar with the accounts.

A. FAR EAST BANK AND TRUST COMPANY

As of the end of 1989 the total disbursements under the PRE guarantee program to date are \$36 million. This means that the total guarantee facility of \$4.186 million (PRE I, \$2 million plus PRE II, \$2.186 million) has been leveraged 8.6 times. Actually the leveraging has been greater if one were to calculate the decreasing coverage available as the fund is amortized. This study reviewed only borrowers from PRE I, since data on PRE II was too recent to determine impact.

Since 1986 the program has provided loans to 69 enterprises, as indicated in the previous section. Detailed data (i.e., for all indicators) was collected on a representative sample of 30 borrowers. Some information (see Table 1) was available on 68 borrowers (including the sample of 30). Of the 68 borrowers, 41 had "graduated" to regular bank lending with FEBTC, 14 were current borrowers and 12 were past due. A total of 44 borrowers had been new clients to the bank of whom three were start-up enterprises. Of the 69 borrowers 33 were first obtaining credit for the first time and the other 36 had previous credit dealings.

The rest of the discussion on FEBTC is based on the detailed sample of 30 borrowers. The data was collected and estimated (e.g., projection to end of year if actual data was not available) by loan officers from the individual files. The data is presented in Table 3 and the methodologies for estimates is presented in Annex 1.

1. Revenues

- Yearly average of 27% of gross revenues attributable to PRE guaranteed loan
- Average yearly increase in gross revenues = 36%
Average yearly increase in gross revenues attributable to PRE guaranteed loan = 10%

It is estimated that an average of 25% of gross revenues of borrower enterprises in 1986, 23% in 1987, 31% in 1988 and 31% in 1989 can be attributed to the PRE guarantee facility loan(s). The average increase in gross revenues of borrower enterprises from 1986 to 1987 was 73% of which 21% could be

attributed to the PRE guaranteed sub-loans (i.e, 52% is attributed to other resources). The average increase was 25% from 1987 to 1988 of which 7% could be attributed and 9% from 1988 to 1989 of which 2% could be attributed to PRE guaranteed sub-loans. The smaller portions attributable are due to the fact that a number of enterprises have graduated and are using regular commercial credit.

2. Net Income

- Yearly average of 24% of net income attributable to PRE guaranteed loan
- Average yearly increase in net income = 80%
Average yearly increase in net income attributable to PRE guaranteed loan = 21%

It is estimated that an average of 19% of net income of borrower enterprises in 1986, 22% in 1987, 31% in 1988 and 23% in 1989 can be attributed to the PRE guaranteed sub-loans. The average increase in net income of borrower enterprises from 1986 to 1987 was 63% of which 29% could be attributed to the PRE guaranteed sub-loans (i.e, 34% is attributed to other resources). The average increase was 73% from 1987 to 1988 of which 14% could be attributed and 103% from 1988 to 1989 of which 21% could be attributed to PRE guaranteed sub-loans. Again, the smaller portions attributable are due to the fact that a number of enterprises have graduated and are using regular commercial credit.

3. Employment

- Average yearly percentage of full-time employees attributable to PRE guaranteed loan = 14%
- Average yearly increase in full-time employees = 18.5%
Average yearly increase in full-time employees attributable to PRE guaranteed loan = 4.5%
- Average yearly percentage of full-time female employees attributable to PRE guaranteed loan = 15%
- Average yearly increase in full-time female employees = 17%
Average yearly increase in full-time female employees attributable to PRE guaranteed loan = 6%

The sample of PRE borrower enterprises had a total of 3,897 full-time employees in 1986, 4,439 in 1987, 4,876 in 1988, and 5,109 in 1989 of which 309 (8%), 772 (17%), 1,055 (22%) and 471 (9%) could be attributed to having the PRE guaranteed loan. This includes both jobs created and maintained. The average increase in full-time employees was 27% for 1987, 13% for 1988 and 4% for 1989, of which 7%, 5%, 1% respectively could be attributed to the PRE guaranteed sub-loans. Sample borrower enterprises employed a total of 2,788 female workers (72% of total) in 1986, 3,283 (74%) in 1987, 3,564 (73%) in 1988 and 3,760 (74%) in 1989. Of these female workers, 234 or 8%, 609 or 19%, 802 or 23%, and 353 or 9% respectively could be attributed to the PRE guaranteed sub-loans. The average increase in female employees from 1987-88 was 21% and 13% from 1988-89, of which 3% and 8% are program related.

4. Exports and Foreign Exchange

- Total export earnings = \$217.2 million
Total export earnings attributable to PRE guaranteed loan = \$30.6 million (14%)
- Total net foreign exchange earnings = \$162.2 million
Total net foreign exchange earnings attributable to PRE guaranteed loan = \$23.9 million (15%)

The total export earnings of sample borrower enterprises was \$1.6 million in 1986, \$60.9 million in 1987, \$74.4 million in 1988 and \$80.3 million in 1989 for a total of \$217.2 million. Of these amounts \$3.4 million, \$8.1 million, \$12.3 million, and \$6.9 million respectively for a total of \$30.6 million (14% of total export earnings) is attributable to PRE guaranteed sub-loans.

The net foreign exchange earnings of borrower enterprises was \$28.5 million in 1986, \$37.2 million in 1987, \$47.4 million in 1988, \$48.9 million in 1989 for a total of \$162.2 million. Of these amounts \$2.2 million, \$6.7 million, \$10.2 million, and \$4.8 million respectively for a total of \$23.9 million (15% of total foreign exchange earned) is attributable to PRE guaranteed sub-loans.

B. PHILIPPINE COMMERCIAL INTERNATIONAL BANK

According to estimates of the loan officers, as of the end of 1989 total disbursements under the PRE guarantee program to date are \$15.9 million to 25 borrowers. This means that the guarantee facility of \$2.4 million has been leveraged 6.6 times. Actually the leveraging has been greater if one were to calculate the decreasing coverage available as the fund is amortized. The program has provided loans to 14 (56% of total borrowers) start-up enterprises, four for working capital, two for term loans (investments) and two for both working capital and term loans. Total disbursements to new enterprises (\$9.4 million) represents 59% of the disbursements to date. Four more borrower enterprises (for a total of 14) were new clients to the bank. PCIB indicated that none of these enterprises (except one) would have received credit were it not for the guarantee facility. Since the PCIB program began in early 1988, three borrowers have "graduated" to regular bank lending with PCIB.

The rest of the discussion on PCIB is based on data collected and estimated by loan officers from the individual files. The data is presented in Table 3 and the methodologies for estimates is presented in Annex 1.

1. Revenues

- Yearly average of 31.9% of gross revenues attributable to PRE guaranteed loan
- Average yearly increase in gross revenues = 168%
Average yearly increase in gross revenues attributable to PRE guaranteed loan = 76%

It is estimated that an average of 22% of gross revenues of borrower enterprises in 1988 and 41% in 1989 can be attributed to the PRE guaranteed sub-

loans. The average increase in gross revenues of borrower enterprises from 1987 to 1988 was 288% of which 111% could be attributed to the PRE guaranteed sub-loans (i.e, 177% is attributed to other resources). The average increase was 47% from 1988 to 1989 of which 42% could be attributed to PRE guaranteed sub-loans. The reason for the smaller average increase in 1989 was that 13 of the borrowers are either prawn producers or processors. In 1989 the main prawn market for the Philippines (Japan) was depressed as discussed above. There was an average decrease of 24% among the eight prawn enterprise borrowers that were not start-ups in 1989. Among the rest of the borrowers (non-prawn enterprises) there was a 90% increase in gross revenue in 1989 of which 73% could be attributed to the PRE guaranteed sub-loans.

2. Net Income

- Yearly average of 43% of net income attributable to PRE guaranteed loan
- Average yearly increase in net income = 132% (excluding one prawn grower with large loss/decrease in 1988)
Average yearly increase in net income attributable to PRE guaranteed loan = 43% (excluding one prawn grower with large loss/decrease in 1988)

In 1988 an average of 33% of net income of borrower enterprises can be attributed to the PRE guaranteed sub-loans and 52% in 1989. There was an average decrease in net income in 1988 of 34.8% due in large part to one firm which had a decrease of 2,2207% (net loss of \$29,500) in spite of an increase in gross revenues of 31%. This was a prawn farmer whose crop was largely lost. The only reason for the increase in revenues was the increase in prices for prawns in 1988. Excluding this borrower there was an average increase in net income of 120% of which 12% could be attributed to the PRE guaranteed sub-loans. In 1989, even including the prawn growers and their decreases in revenues, there was an average increase in net income of 144% of which 74% could be attributed to PRE guaranteed sub-loans.

3. Employment

- Average yearly percentage of full-time employees attributable to PRE guaranteed loan = 38%
- Average yearly increase in full-time employees = 48%
Average yearly increase in full-time employees attributable to PRE guaranteed loan = 9%
- Average yearly percentage of full-time female employees attributable to PRE guaranteed loan = 60%
- Average yearly increase in full-time female employees = 75%
Average yearly increase in full-time female employees attributable to PRE guaranteed loan = 37%

Enterprises which received a PRE guaranteed sub-loan had a total of 875 employees in 1988 and 1,053 in 1989, of which 277 (32%) and 470 (45%) could be attributed to these loans. This includes both jobs created and maintained. In the

case of start-ups if the enterprise did not have other loans, it is assumed that all employees are attributable to the PRE guaranteed sub-loan. The average increase in employees was 77% for 1988 and 18% for 1989, of which 7% and 10% respectively could be attributed to the PRE guaranteed sub-loans. Borrower enterprises employed a total of 214 female workers (24% of total) in 1988 and 257 (24 in 1989). Of these 121 or 57% and 162 or 63% respectively could be attributed to the PRE guaranteed sub-loans. The average increase in female employees was 100% and 49%, of which 41% and 32% respectively are program related.

4. Exports and Foreign Exchange

- Total export earnings = \$24.4 million
Total export earnings attributable to PRE guaranteed loan = \$ 9.2 million (38%)
- Total net foreign exchange earnings = \$15.2 million
Total net foreign exchange earnings attributable to PRE guaranteed loan = \$9.1 million (60%)

The total export earnings of borrower enterprises was \$12.6 million in 1988 and \$11.8 million in 1989 for a total of \$24.4 million. Of these amounts \$3.8 million (30%) and \$5.4 million (46%) respectively for a total of \$9.2 million is attributable to PRE guaranteed sub-loans.

The net foreign exchange earnings of borrower enterprises was \$8.0 million in 1988 and \$7.2 million in 1989 for a total of \$15.2 million. Of these amounts \$3.6 million (45%) and \$5.5 million (76%) respectively for a total of \$9.1 million is attributable to PRE guaranteed sub-loans.

IV. LESSONS LEARNED ON MEASURING THE IMPACT OF CREDIT ON SMALL ENTERPRISES

This discussion deals with methodology and attempts to answer (or at least shed light on) two questions:

- How effective were the indicators used in this study in determining the impact of the sub-loans on the sub-borrowers enterprises?
- (a more basic question) Can the effects of the credit actually be measured - i.e., Can the impact be isolated from other variables?

A. EFFECTIVENESS OF INDICATORS

The indicators - gross revenues, net income, employment and exports/foreign exchange earned - were selected because they are the easiest and most obvious measures of an enterprise's growth. However, it became obvious at both banks that some of the data from borrowers may have been misreported due to factors such as income taxes or other enterprise assessments. Some enterprises have more than one set of accounting records.

This lack of accuracy was partially corrected by relying heavily on the judgement of the loan officers who knew each account best. When data was lacking (e.g., figures were not available for the complete year), these loan officers were able to project estimates to the end of the year based on production reports

or averages for the months for which data was available. These officers were also able to determine which sets of financial figures (in the cases where these were more than one) were the most reliable (i.e., most reflective of the real situation).

One real constraint was the lack of reliable baseline data for all indicators to serve as a better basis for comparison to measure the changes after the provision of credit.

In an attempt to establish some basis for estimating change, data for the first full year before the credit was provided became the baseline. However, since credit for different enterprises was provided at various points in the year, the data may not have been comparable among enterprises. Perhaps a better method would have been to use an average month in the year before credit was provided and compare that with average months from succeeding years. Unfortunately, even this method has constraints since it does not account for seasonality.

B. ATTRIBUTION OF IMPACT

Measuring the change in indicators from one year to the next can be done, albeit imperfectly. The most difficult task, however, is determining what portion of this change can be attributed to the provision of a specific line of credit to the sub-borrower enterprises. There are both internal (business management/operational skills) and external (changes in the economy, markets activity and availability, and inputs activity and availability, etc.) factors which also cause changes in these indicators. A way to isolate the effect of the credit from these other factors would have been to establish a control group of enterprises that did not receive this credit, but the dates of comparison would have to be the same and the sub-borrowers would have to be compared to control enterprises of similar type and size.

In this case study the methods for estimating attribution were developed in close coordination with the lending institutions. The loan officers at each bank most familiar with the individual sub-borrower enterprises mutually agreed on these methods. As can be seen from Annex I, the methods used were distinct at each bank. The reason for this is the difference in loan purpose (primarily export credit at FEBTC) and term (short term at FEBTC). The shorter term at FEBTC means a higher turnover (line of credit used more frequently).

Many economists have argued that the design and evaluation of credit projects should consider the impact of the project on the larger financial markets. The focus of a project should shift from the traditional emphasis on the demand side of small-enterprise credit and move toward the supply side. Less emphasis should be given to attempting to evaluate the impact of credit use at the firm level, which is difficult to measure, and more emphasis placed on how intervention in financial markets affects lenders' behavior, and the overall operation of financial markets.

The World Bank suggests (World Development Report, 1989) that the impacts of directed credit programs are best viewed in terms of three important concerns:

1. Do they direct credit to borrowers who will use the credit more efficiently than those who would have used the funds in the absence of the project?
2. Does the project address some basic capital market problem that constrains the efficiency of the local capital market?
3. Does the project depend upon market forces for its effective operation?

FAR EAST BANK AND TRUST COMPANY
Profile of All Borrowers (current and graduated) under AID Guaranty Loan Program

Account Name	Owner (Gender)	Plant Location	Nature of Business	Asset Size (US \$000s) (as of 12/31/89)	Sales (US \$000s) (as of 12/31/89)	Total Guaranty Debt to Program		New/Existing Credit (client at the Quality time of PRE loan)
						FEBTC	Coverage (US \$000s) (as of 12/31/89)	
1 Albay Agro Ind. Devt. Corp.	Male	Malinao Albay	exporter of unbleached abaca pulp	3,082	2,837	46	0	GD Existing
2 Amazia Ent.	50% Male;50% Female	Pandacan	manufacturer/exporter of garments	62	36	0	0	GD New
3 Amniphil Heritage	75% Male;25% Female	Mandaue, Cebu	manufacturer/exporter of rattan furniture	459	127	371	105	PD Existing
4 Aqua Fresh	70% Male; 30% Female	Roxas, City	processor/exporter of prawns			0	0	GD New(start-up)
5 Arc Men Industries	88% Male;12% Female	Makati	manufacturer/indirect exporter of plastic products	2,111	2,875	209	49	C Existing
6 Asean Timber Corp.	60% Male, 40% Female	Valenzuela, M.M.	manufacturer/exporter of kiln-dried lumber	554	950	11	0	GD New
7 Asian Lumber	50% Male.;50% Female	Baras, Rizal	manufacturer/exporter of narra furniture	183	828	0	0	PD New(start-up)
8 Ayar Exports	Male	Makati,M.M.	exporter of Phil.falcataria pulpwood	49	148	46	0	PD Existing
9 Burda	70% Male;30% Female	Mandaluyong, M.M.	manufacturer/exporter of garments	304	200	91	0	C New
10 Buyer's Affiliate	70% Male;30% Female	Makati, M.M.	manufacturer/exporter of bags and accessories	20	52	0	0	GD New
11 Creative Lines Inc.	50% Male; 50% Female	Malibay, Pasay City	manufacturer/exporter of gift items	1,455	4,059	192	175	C New
12 Crismina Garments	80% Male;20% Female	Sen. Gil Puyat	manufacturer/exporter of garments	2,566	8,765	433	0	GD New
13 Dacebu	Male	Consolacion, Cebu	exporter of coconut shell charcoal	NA	NA	0	0	GD New
14 Dilag Enterprises	Male	San Pablo City	exporter of handicrafts	116	427	199	0	GD New
15 Eastar Resources	60% Male; 40% Female	Mandaluyong, Manila	trader/direct exporter of copra	2,631	2,977	125	0	GD Existing
16 Emma Ind. Inc.	66% Male; 34% Female	Malabon, M.M.	trader/direct exporter of prawns	1,741	21,663	932	453	C Existing
17 FCG Trading Phils.	60% Male;40% Female	Quezon City	trader/exporter of food products	174	461	0	0	GD Existing
18 Fems Garments	Male	Zobel Roxas, Manila	manufacturer/exporter of garments	670	11,000	230	0	GD New
19 Fern Exports	40% Male;60% Female	Quezon City	exporter of gen. merchandise			0	0	GD New(start-up)
20 Fil-Asia Trading Corp.	80% Male; 20% Female	Quezon City	manufacturer/exporter of handicrafts	133	1,305	15	0	GD Existing
21 Flojos Garments	Male	Marikina, M.M.	manufacturer/exporter of garments	214	876	0	0	GD New
22 Furniture Designs	Male	Mandaue, Cebu	exporter of rattan, wood and buri	NA	NA	0	0	GD New
23 Galleria Crafts	60% Male; 40% Female	Quezon City	manufacturer/exporter of X'mas decors	577	472	23	18	C Existing
24 Glory of the Sea	Male	Mabolo, Cebu	exporter of seashells, shellcraft	10	124	0	0	GD New
25 Green Orient	Male	San Andres, Manila	exporter of agri products	747	4,954	83	0	PD New
26 GTI Sportswear	70% Male;30% Female	Libis, Quezon City	manufacutrner/exporter of garments	7,465	11,175	365	0	GD New
27 Ilang Ilang	Female	Cubao,Q.C.	manufacturer/exporter of children's wear	609	780	103	0	C New
28 Izumi Garments	60% Male; 40% Female	Pasig, M.M.	manufacturer/exporter of garments	72	388	0	0	GD Existing
29 Jakob Hoffman	80% Male; 20% Female	Makati, Metro Manila	manufacturer/exporter of hair products,wigs	334	719	3	0	GD Existing

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TABLE 1

S	Account Name	Owner (Gender)	Plant Location	Nature of Business	Asset Size (US \$000s) (as of 12/31/89)	Sales (US \$000s)	Total Guaranty Debt to Program		Credit Quality	New/Exist (client a time of P
							FEBTC	Coverage (US \$000s) (as of 12/31/89)		
	30 JBL Sales	80% Male;20% Female	Taguig, M.M.	exporter of prawns	817	187	147	0	PD	New
	31 Jovers' Phils.	50% Male;50% Female	Tarlac,Tarlac	manufacturer/exporter of food products	100	97	0	0	GD	New
*	32 JR Garments	60% Male; 40% Female	Mandaluyong, Manila	manufacturer/exporter of infants' wear	7,285	6,648	175	0	GD	Existing
*	33 J. Bryan Garments	Female	Taguig, M.M.	manufacturer/direct exporter of garments	606	1,052	485	0	GD	Existing
*	34 Las Palmas	Male	Angeles, Pampanga	manufacturer/exporter of rattan furnitures	259	1,063	60	55	C	New
	35 Lawin Cottage Ind.	60% Male;40% Female	Pasay City, M.M.	manufacturer/exporter of cottage ind. products	807	1,360	63	0	GD	New
	36 Lincoln Gerard	80% Male;20% female	Mandaluyong, M.M..	manufacturer/exporter of rattan wood furniture	105	365	20	15	C	New
*	37 Lui Garments	Female	Valenzuela, M.M.	manufacturer/exporter of garments	147	451	83	31	C	Existing
	38 Magara Furniture	75% Male; 25% Female	San Juan, M.M.	manufacturer/exporter of rattan wood furniture	182	900	0	0	GD	New
*	39 Maruichi Mfg.	70% Male; 30% Female	Quezon City	manufacturer/exporter of handicrafts	603	292	0	0	GD	New
*	40 Maxima Garments	50% Male; 50% Female	Pasig, M.M.	manufacturer/exporter of garments	620	1,442	138	0	GD	Existing
	41 Mayon Garments	70% Male;25% Female	Cavite	manufacturer/exporter of garments	285	263	0	0	GD	New
	42 Mr Knitwear	60% Male;40% Female	Manila	manufacturer/exporter of sweaters	547	1,850	46	0	GD	New
	43 Nation Filter	80% Male;20% Female	Mandaluyong, M.M.	manufacturer/exporter of throw away auto	701	800	0	0	GD	New
*	44 Pacific Art & Decor	100% Male	Las Pinas, M.M.	exporter of high-quality furniture	92	267	42	23	C	Existing
*	45 Pescanova Inc.	Male	Pasig, M.M.	exporter of prawns, lobsters, marine products	750	1,633	189	127	C	Existing
	46 Pete Galang	Male	San Pedro Laguna	manufacturer/exporter of handicrafts	364	324	0	0	PD	New
	47 P.M. Relova	Male	Muntinlupa, M.M.	manufacturer/exporter of wooden products	92	19	0	0	PD	New
	48 Roque Cantos	Male	Mabolo, Cebu	manufacturer/exporter of ornament seashells	186	683	69	53	PD	New
	49 R&A Coconut	Male	Candelaria Quezon	exporter of coconut oil and copra cake	328	2,174	360	0	GD	New
*	50 Saldana and Company	96% Male, 4% Female	Mandaluyong, M.M.	manufacturer/exporter of children's wear	4,560	4,288	756	0	GD	Existing
*	51 San Miguel Bay Trading Corp.	80% Male;20% Female	Naga City	Processor/Exporter of Prawns	437	2,594	0	0	GD	Existing
	52 Seagens	40% Male;60% Female	Mandaue Cebu	exporter of polished shells and shellcrafts	254	529	0	0	GD	New
	53 Seatrade Int'l.	50% Male;50% Female	Makati	exporter of prawns	394	215	182	5	C	New
	54 Shaan Inc.	60% Male;40% Female	Paco, M.M.	manufacturer/exporter of garments	204	1,248	0	0	GD	New
*	55 Shellcraft Products, Inc.	70% Male;30% Female	Las Pinas, M.M.	manufacturer/exporter of capiz shell products	280	597	0	0	GD	New
*	56 Sindo Resources, Inc.	Male	Cainta, Rizal	manufacturer/exporter of rattan furniture	2,111	719	109	0	GD	New
*	57 SMN Traders	Male	Quezon City	trader/exporter of prawns	438	653	47	0	PD	New
	58 Special Ladies	100% Female	Makati, M.M.	manufacturer/exporter of hand made knitwears	480	925	NA	0	GD	New
*	59 Sta. Agueda	55% Male; 45% Female	Paranaque, M.M.	manufacturer/exporter of shellcrafts	84	209	20	0	GD	New
	60 Stonestyles	Male	Mandaue,Cebu	manufacturer/exporter of home furnishings	21	14	131	107	PD	New
*	61 Tag Fibers, Inc.	100% Male	Port Area Manila	abaca fibers exporter	2,250	6,001	207	90	C	Existing
	62 Targa trading	70% Male; 30% Female	Ortigas, M.M.	exporter of pulpwood & other wood products	435	517	55	0	PD	New

08-Feb-90

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S	Account Name	Owner (Gender)	Plant Location	Nature of Business	Asset Size (US \$000s) (as of 12/31/89)	Sales	Total Debt to Program FEBTC (US \$000s) (as of 12/31/89)	Guaran ty Covera ge (US \$000s)	Credit Quality	New/Exist (client a time of P
* 63	Top Stitch Apparel Corp.	100% Male	Mandaluyong, M.M.	manufacturer exporter of garments	658	1,362	321	21	C	Existing
* 64	Trimica, Inc.	50% Male; 50% Female	Makati, M.M.	exporter of furniture rattan	2,150	4,501	262	0	GD	New
* 65	Unimer Export corp.	70% Male; 30% Female	Makati, M.M.	trader/exporter of food products	183	256	46	0	GD	Existing
66	Vicardi	50% Male; 40% Female	Valenzuela M.M.	manufacturer/exporter of garments	274	125	0	0	GD	New
67	VNS Trading	80% Male; 20% Female	Makati, M.M.	exporter of native food stuff	142	293	51	0	PD	New
* 68	Wood Technology	100% Male	Valenzuela M.M.	exporter of carved doors made of lauan	2,994	4,896	534	0	GD	Existing
69	Yap Resources	50% Male; 50% Female	Cotabato	exporter of gen. merchandise	NA	NA				
TOTAL					59,563	130,010	8,075	1,327		
AVERAGE					876	1,912	119	20		

Legend:

S=Sample enterprise (more detailed information available, includes those visited)

C=Accounts still with U.S.A.I.D. Facility

GD=Accounts previously covered but were deleted from U.S.A.I.D. guaranty due to any of the following reasons:

1 Transfer to other guaranty facilities

2 Shift to other regular lines due to improvement in performance/credit risk

PD=Past Due Accounts

1 Covered under U.S.A.I.D. before accounts fell past due

2 Past due accounts with 0 balance= FEBTC was able to recover outstanding past due balances from client and has remitted back to U.S.A.I.D the equivalent amount of drawings.

Omnibus Line

1=Export Packing credit Line

2=Export bills Purchased

3=Letter of Credit/Trust Receipt

4=Bills purchased line

5=Discounting Line

6=Straight Loan

NA=not available

Name of Enterprise	Credit Dealings				FAR EAST BANK AND TRUST COMPANY				Loan Purpose(s)	Total PRE Guarntd Loan Amount(s) Authorized
	At First Disburs	Nw/Exst	Nw/Exst	(F-first/P-revious)	Sample of Borrower	Enterprises with PRE Guaranteed Loans	(All currency amounts in \$000s)	Business		
Owner	Enterprise	Client		Town	Province	Sector				
1 ALBAY AGRO INDUSTRIAL	M	E	E	F	ALBAY	BICOL	MANUFACTURER	ABACA PULP	WC	19
2 AMAZIA ENTERPRISES	M&F	E	N	F	PANDACAN	MANILA	MANUFACTURER	GARMENTS	WC	40
3 ARC-MEN INDUSTRIES	M&F	E	E	F	TAGUM	DAVAO	MANUFACTURER	PLASTIC PROD.	WC	473
4 ASEAN TIMBER	M&F	E	N	F	VALENZUELA	MANILA	MANUFACTURER	LUMBER	WC	161
5 CREATIVE LINES	M&F	E	N	F	MALIBAY	PASAY	MANUFACTURER	NOVELTY ITEMS	WC	5
6 CRISMINA GARMENTS	M	E	N	F	GIL PUYAT	MANILA	MANUFACTURER	GARMENTS	WC	787
7 EASTAR RESOURCES	M	E	E	P	MANDALUYONG	MANILA	TRADER	COPRA	WC	200
8 ERMA INDUSTRIES	M&F	E	E	F	MALABON	MANILA	TRADER	PRAWN	WC	500
9 FCG TRADING	M	E	E	P	QUEZON CITY	MANILA	TRADER	FOOD	WC	107
10 FIL-ASIA TRADING	M&F	E	E	P	QUEZON CITY	MANILA	MANUFACTURER	HANDICRAFTS	WC	24
11 GALLERIA CRAFTS	M&F	E	N	F	PASIG	MANILA	MANUFACTURER	HANDICRAFTS	WC	40
12 J. BRYAN GARMENTS	F	E	E	F	TAGUIG	RIZAL	MANUFACTURER	GARMENTS	WC	340
13 J. R. GARMENT	M&F	E	E	F	MANDALUYONG	MANILA	MANUFACTURER	GARMENTS	WC	98
14 LAS PALMAS RATTAN	M	E	N	F	ANGELES	PAMPANGA	MANUFACTURER	FURNITURE	WC	25
15 LUI GARMENTS	F	E	E	P	VALENZUELA	MANILA	MANUFACTURER	GARMENTS	WC	43
16 MARUICHI	M&F	E	N	F	QUEZON CITY	MANILA	MANUFACTURER	HANDICRAFTS	WC	7
17 MAXIMA GARMENTS	M&F	E	E	F	PASIG	MANILA	MANUFACTURER	GARMENTS	WC	54
18 PACIFIC ARTS & DECOR	M	E	N	P	LAS PINAS	MANILA	MANUFACTURER	FURNITURE	WC	22
19 PESCANOVA	M	E	N	P	PASIG	MANILA	TRADER	PRAWN	WC	98
20 SALDANA & COMPANY	M	E	N	F	MANDALUYONG	MANILA	MANUFACTURER	GARMENTS	WC	269
21 SAN MIGUEL BAY	M&F	E	E	F	HAGA	BICOL	MANUFACTURER	PRAWN	WC	147
22 SHELLCRAFT PRODUCTS	M&F	E	N	F	LAS PINAS	MANILA	MANUFACTURER	SHELL	WC	37
23 SINDO RESOURCES	M	E	N	P	RIZAL	RIZAL	MANUFACTURER	FURNITURE	WC	5
24 SHN TRADER'S	M	E	N	F	QUEZON CITY	MANILA	TRADER	PRAWN	WC	47
25 STA. AGUEDA	M&F	E	N	F	PARANAQUE	MANILA	MANUFACTURER	SHELL CRAFTS	WC	100
26 TAG FIBERS	M	E	E	F	PORT AREA	MANILA	TRADER	ABACA FIBERS	WC	473
27 TOP-STITCH APPAREL	M	E	E	P	MANDALUYONG	MANILA	MANUFACTURER	GARMENTS	WC	49
28 TRIMICA INC.	M&F	E	N	F	MAKATI	MANILA	MANUFACTURER	FURNITURE	WC	292
29 UNIMER	M	E	E	F	MAKATI	MANILA	PROC.	FOOD	WC	146
30 WOOD TECHNOLOGY	M	E	E	F	VALENZUELA	MANILA	MANUFACTURER	DOORS	WC	92
TOTAL										4,700
AVERAGE										157

TABLE 2

Name of Enterprise	Date of 1st Disb under PRE Guar	Status C/PD/GD	Date of Gradtn	Total Outstanding Debt to FE8TC				Amount of PRE Loans Outstanding				Total Loan Amounts Disbu by FE8TC/Year				
				1986	1987	1988	1989	1986	1987	1988	1989	1986	1987	1988		
1 ALBAY AGRO INDUSTRIAL	6/86	GD	12/88			43	46									52
2 AMAZIA ENTERPRISES	9/87	GD	3/88		40					40					48	
3 ARC-MEN INDUSTRIES	2/87	C			97	95	209		97	95	49			116	114	
4 ASEAN TIMBER	3/86	GD	2/88		199	162	11		199					239	194	
5 CREATIVE LINES	1986	C			97	108	192		97	108	175			116	130	
6 CRISMINA GARMENTS	4/86	GD	7/88		394		433		394					473		
7 EASTAR RESOURCES	1/86	GD	7/89			204	125			204						245
8 ERMA INDUSTRIES	4/86	C		223	680	194	932		680	194	453	268		816	233	
9 FCG TRADING	9/87	GD	12/88		46				46					55		
10 FIL-ASIA TRADING	10/87	GD	8/88		25		15		12					30		
11 GALLERIA CRAFTS	7/88	C				64	23			64	18					77
12 J. BRYAN GARMENTS	1987	GD	8/88		101	400	485							121	480	
13 J. R. GARMENT	2/87	GD	8/88		146	229	175		129					175	275	
14 LAS PALMAS RATTAN	8/88	C					60				55					
15 LUI GARMENTS	8/86	C		20	45	50	83	20	45	9	31	24		54	60	
16 MARUICHI	12/87	GD	10/88		5				5					6		
17 MAXIMA GARMENTS	7/87	GD	11/88		60	100	138		49					72	120	
18 PACIFIC ARTS & DECOR	7/87	C			5	57	42		4	50	23			6	68	
19 PESCANOVA	1/87	C		76	179	300	189		147	227	127	91		215	360	
20 SALDANA & COMPANY	6/87	GD	11/89	176	39	138	756		34	97		211		47	166	
21 SAN MIGUEL BAY	4/86	GD	3/88		24	25			24					29	30	
22 SHELLCRAFT PRODUCTS	6/87	GD	03/88		30				5					36		
23 SINDO RESOURCES	2/87	GD	9/88		5		109		5					6		
24 SMN TRADER'S	8/88	PD				47	47			47						56
25 STA. AGUEDA	12/86	GD	10/88	5	35		20		60			6		42	0	
26 TAG FIBERS	4/87	C			607	473	207		243	109	90			728	568	
27 TOP-STITCH APPAREL	2/88	C				253	321			253	21				304	
28 TRIMICA INC.	1987	GD	8/88			43	262								52	
29 UNIMER	4/87	GD	3/88		80	97	102							96	116	
30 WOOD TECHNOLOGY	11/86	GD	09/89				534									
TOTAL				500	2,939	3,082	5,516	20	2,315	1,457	1,042	600	3,527	3,698		
AVERAGE				100	134	154	221	20	116	121	104	120	160	176		

Name of Enterprise	Cumulative Loan Amounts Disbursed by FEBTC					Total Amount of PRE Guaranty Loan Disbursements/Year				Cumulative Amount of PRE Guaranty Loan Disbursements/Year				
	1989	1986	1987	1988	1989	1986	1987	1988	1989	1986	1987	1988	1989	1985
1 ALBAY AGRO INDUSTRIAL	55			52	107	30	90	100	120	50	120	220	340	2,048
2 AMAZIA ENTERPRISES			48	48	48		40	23			40	63	63	
3 ARC-MEN INDUSTRIES	251		116	230	481	590	583	568	71	590	1,173	1,741	1,812	
4 ASEAN TIMBER	13		239	433	446	295	292	187		295	587	774	774	851
5 CREATIVE LINES	230		116	246	476	100	175	284	560	100	275	559	1,119	1,800
6 CRISMINA GARMENTS	520		473	473	992	944	1,167	1,989		944	2,111	4,100	4,100	1,886
7 EASTAR RESOURCES	150			245	395	187	403	682	76	187	590	1,272	1,348	1,904
8 ERMA INDUSTRIES	1,118	268	1,084	1,316	2,435	590	292	852	1,061	590	882	1,734	2,795	7,198
9 FCG TRADING			55	55	55		175	170			175	345	345	
10 FIL-ASIA TRADING	18		30	30	48		29	114	110		29	143	253	198
11 GALLERIA CRAFTS	28			77	104			57	359			57	416	
12 J. BRYAN GARMENTS	582		121	601	1,183		200	398		200	598	598		
13 J. R. GARMENT	210		175	450	660		583	852			583	1,435	1,435	
14 LAS PALMAS RATTAN	72				72				55		0	55		
15 LUI GARMENTS	100	24	78	138	238	53	64	170	98	53	117	287	385	109
16 MARUICHI			6	6	6		15	114			15	129	129	
17 MAXIMA GARMENTS	166		72	192	358		58	142			58	200	200	
18 PACIFIC ARTS & DECOR	50		6	74	125		15	286	260		15	301	561	
19 PESCANOVA	227	91	306	666	893		280	273	1,077		280	553	1,630	
20 SALDANA & COMPANY	907	211	258	424	1,331		875	1,136			875	2,011	2,011	
21 SAN MIGUEL BAY			29	59	59		27	73			27	100	100	1,522
22 SHELLCRAFT PRODUCTS			36	36	36		58	114			58	172	172	
23 SINDO RESOURCES	131		6	6	137		58	57			58	115	115	
24 SMN TRADER'S	56		0	56	113		0	57			57	57	57	
25 STA. AGUEDA	24	6	48	48	72	47	88	85	83	47	135	220	303	188
26 TAG FIBERS	248		728	1,296	1,544		583	568	994		583	1,151	2,145	
27 TOP-STITCH APPAREL	385		0	304	689		175	341	341		175	516	857	
28 TRIMICA INC.	314		0	52	366		350	341			350	691	691	
29 UNIMER	122		96	212	335		175	211			175	386	386	
30 WOOD TECHNOLOGY	641				641			114	331			114	445	
TOTAL	6,619	600	4,127	7,825	14,444	2,836	6,850	10,358	5,596	2,836	9,686	20,044	25,640	17,704
AVERAGE	265	120	165	279	481	315	252	357	373	315	373	668	855	1,770

Name of Enterprise	Total Gross Revenues/Year				Increase/Decrease in Total Gross Revenues				Estimated Amount of Gross Revenues/Year due to PRE Loan				Percentage of G Year due to	
	1986	1987	1988	1989	85-86	86-87	87-88	88-89	1986	1987	1988	1989	1986	1987
1 ALBAY AGRO INDUSTRIAL	2,356	2,279	2,561	2,837	15.0%	-3.3%	12.4%	10.8%	38	113	125	150	1.6%	4.9%
2 AMAZIA ENTERPRISES	4	22	28	36		450.0%	27.3%	28.6%		4	9			20.3%
3 ARC-MEN INDUSTRIES	2,394	2,518	2,509	2,875		5.2%	-0.4%	14.6%	738	729	710	89	30.8%	28.9%
4 ASEAN TIMBER	925	831	897	950	8.7%	-10.2%	7.9%	5.9%	369	365	234		39.9%	43.9%
5 CREATIVE LINES	1,892	3,088	3,975	4,059	5.1%	63.2%	28.7%	2.1%	125	219	355	700	6.6%	7.1%
6 CRISMINA GARMENTS	2,137	6,047	8,096	8,765	13.3%	183.0%	33.9%	8.3%	1,180	1,459	2,486		55.2%	24.1%
7 EASTAR RESOURCES	2,380	3,224	3,105	2,977	25.0%	35.5%	-3.7%	-4.1%	234	504	853	95	9.8%	15.6%
8 ERMA INDUSTRIES	9,004	14,964	19,559	21,663	25.1%	66.2%	30.7%	10.8%	738	365	1,065	1,326	8.2%	2.4%
9 FCG TRADING	61	450	436	461		637.7%	-3.1%	5.7%		219	213			48.6%
10 FIL-ASIA TRADING	262	723	1,298	1,305	32.3%	176.0%	79.5%	0.5%		36	143	138		5.0%
11 GALLERIA CRAFTS	302	423	553	472		40.1%	30.7%	-14.6%			71	449		
12 J. BRYAN GARMENTS	670	760	964	1,052		13.4%	26.8%	9.1%		250	498			32.9%
13 J. R. GARMENT	3,659	4,588	5,692	6,646		25.4%	24.1%	16.8%		729	1,065			15.9%
14 LAS PALMAS RATTAN	282	339	982	1,063		20.2%	189.7%	8.2%				69		
15 LUI GARMENTS	157	438	436	451	44.0%	179.0%	-0.5%	3.4%	66	80	213	123	42.2%	18.3%
16 MARUICHI	229	256	293	292		11.8%	14.5%	-0.3%		19	143			7.3%
17 MAXIMA GARMENTS	920	982	1,353	1,442		6.7%	37.8%	6.6%		73	178			7.4%
18 PACIFIC ARTS & DECOR	128	133	222	267		3.9%	66.9%	20.3%		19	358	325		14.1%
19 PESCANOVA	722	756	1,401	1,633		4.7%	85.3%	16.6%		350	341	1,346		46.3%
20 SALDANA & COMPANY	4,175	4,002	4,869	4,288		-4.1%	21.7%	-11.9%		1,094	1,420			27.3%
21 SAN MIGUEL BAY	1,865	2,146	2,381	2,594	22.5%	15.1%	11.0%	8.9%		34	91			1.6%
22 SHELLCRAFT PRODUCTS	423	534	557	597		26.2%	4.3%	7.2%		73	143			13.6%
23 SINDO RESOURCES	432	687	699	719		59.0%	1.7%	2.9%		73	71			10.6%
24 SMN TRADER'S		1,040	653					-37.2%		0	71			
25 STA. AGUEDA	207	206	204	209	10.1%	-0.5%	-1.0%	2.5%	59	110	106	104	28.4%	53.4%
26 TAG FIBERS	5,770	6,152	6,136	6,001		6.6%	-0.3%	-2.2%		729	710	1,243		11.8%
27 TOP-STITCH APPAREL	1,289	1,352	1,155	1,362		4.9%	-14.6%	17.9%		219	426	426		16.2%
28 TRIMICA INC.	1,697	2,793	4,434	4,501		64.6%	58.8%	1.5%		438	426			15.7%
29 UNIMER	176	216	232	256		22.7%	7.4%	10.3%		219	264			101.3%
30 WOOD TECHNOLOGY	2,315	2,750	2,820	4,896		18.8%	2.5%	73.6%			143	414		
TOTAL	46,833	64,699	78,500	84,671					3,545	8,517	12,928	6,995		
AVERAGE	1,615	2,157	2,617	2,920	20.1%	73.2%	24.3%	9.0%	394	315	446	466	24.7%	22.9%

Name of Enterprise	Gross Revenues/ PRE Loan		Portion of Increase in Total Gross Revenues due to PRE Loan			Net Income			Increase/Decrease in Net Income					
	1988	1989	86-87	87-88	88-89	1985	1986	1987	1988	1989	85-86	86-87	87-88	88-89
1 ALBAY AGRO INDUSTRIAL	4.9%	5.3%	-0.2%	0.6%	0.6%	545	589	524	538	624	8.1%	-11.0%	2.7%	16.0%
2 AMAZIA ENTERPRISES	32.7%		91.4%	8.9%	0.0%		2	11	14	18		450.0%	27.3%	28.6%
3 ARC-MEN INDUSTRIES	28.3%	3.1%	1.5%	-0.1%	0.5%		343	305	36	144		-11.1%	-88.2%	300.0%
4 ASEAN TIMBER	26.1%		-4.5%	2.1%		200	236	224	232	247	18.0%	-5.1%	3.6%	6.5%
5 CREATIVE LINES	8.9%	17.2%	4.5%	2.6%	0.4%	93	100	171	194	235	7.5%	71.0%	13.5%	21.1%
6 CRISMINA GARMENTS	30.7%		44.1%	10.4%		105	150	437	576	623	42.9%	191.3%	31.8%	8.2%
7 EASTAR RESOURCES	27.5%	3.2%	5.5%	-1.0%	-0.1%	50	52	54	46	205	4.0%	3.8%	-14.8%	345.7%
8 ERMA INDUSTRIES	5.4%	6.1%	1.6%	1.7%	0.7%	75	83	98	87	107	10.7%	18.1%	-11.2%	23.0%
9 FCG TRADING	48.7%	0.0%	310.0%	-1.5%	0.0%		2	12	23	26		500.0%	91.7%	13.0%
10 FIL-ASIA TRADING	11.0%	10.5%	8.8%	8.7%	0.1%	4	5	9	18	22	25.0%	80.0%	100.0%	22.2%
11 GALLERIA CRAFTS	12.9%	95.1%		4.0%	-13.9%		58	66	83	72		13.8%	25.8%	-13.3%
12 J. BRYAN GARMENTS	51.6%		4.4%	13.9%			1	1	2	5			100.0%	150.0%
13 J. R. GARMENT	18.7%		4.0%	4.5%			392	435	352	233		11.0%	-19.1%	-33.8%
14 LAS PALMAS RATTAN		6.5%			0.5%		68	75	206	255		10.3%	174.7%	23.8%
15 LUI GARMENTS	48.7%	27.2%	32.7%	-0.2%	0.9%	18	19	27	16	18	5.6%	42.1%	-40.7%	12.5%
16 MARUICHI	48.6%		0.9%	7.0%			41	43	48	49		4.9%	11.6%	2.1%
17 MAXIMA GARMENTS	13.1%		0.5%	5.0%			38	10	193	195		-73.7%	1830.0%	1.0%
18 PACIFIC ARTS & DECOR	161.0%	121.7%	0.6%	107.8%	24.7%		23	14	17	48		-39.1%	21.4%	182.4%
19 PESCANOVA	24.4%	82.4%	2.2%	20.8%	13.7%		94	106	168	202		12.8%	58.5%	20.2%
20 SALDANA & COMPANY	29.2%		-1.1%	5.3%			861	473	537	501		-45.1%	13.5%	-6.7%
21 SAN MIGUEL BAY	3.8%		0.2%	0.4%		81	93	109	117	128	14.8%	17.2%	7.3%	9.4%
22 SHELLCRAFT PRODUCTS	25.6%		3.6%	1.1%			135	155				14.8%	-100.0%	
23 SINDO RESOURCES	10.2%		6.2%	0.2%			27	46	39	535		70.4%	-15.2%	1271.8%
24 SMN TRADER'S	10.9%			-4.1%				13	(3)				-123.1%	100.0%
25 STA. AGUEDA	52.1%	49.6%	-0.3%	-0.5%	1.2%	1	1	1	1	1	-20.9%	35.3%	8.7%	10.0%
26 TAG FIBERS	11.6%	20.7%	0.8%		-0.5%		223	243	239	257		9.0%	-1.6%	7.5%
27 TOP-STITCH APPAREL	36.9%	31.3%	0.8%	-5.4%	5.6%		12	15	14	28		25.0%	-6.7%	100.0%
28 TRIMICA INC.	9.6%		10.1%	5.6%			54	60	102	226		11.1%	70.0%	121.6%
29 UNIMER	113.7%		23.0%	8.4%			4	17	19	26		325.0%	11.8%	36.8%
30 WOOD TECHNOLOGY	5.1%	8.5%		0.1%	6.2%		163	194	191	610		19.0%	-1.5%	219.4%
TOTAL						1,172	3,869	3,948	4,105	5,640				
AVERAGE	31.4%	30.5%	21.2%	7.4%	2.4%	117	133	132	142	201	11.6%	62.5%	72.7%	103.4%

Name of Enterprise	Estimated Amount of Net Income/ Year due to PRE Loan				Percentage of Net Income/ Year due to PRE Loan				Portion of Increase in Net Income due to PRE Loan			1985	1986	Total 1987
	1986	1987	1988	1989	1986	1987	1988	1989	86-87	87-88	88-89			
1 ALBAY AGRO INDUSTRIAL	9	26	26	33	1.6%	4.9%	4.9%	5.3%	-0.5%	0.1%	0.8%	1,700	1,967	2,685
2 AMAZIA ENTERPRISES		2	5		0.0%	20.3%	32.7%	0.0%	91.4%	8.9%			43	58
3 ARC-MEN INDUSTRIES	106	88	10	4	30.8%	28.9%	28.3%	3.1%	-3.2%	-25.0%	9.3%		2,879	3,008
4 ASEAN TIMBER	94	98	60		39.9%	43.9%	26.1%	0.0%	-2.2%	0.9%		513	538	536
5 CREATIVE LINES	7	12	17	41	6.6%	7.1%	8.9%	17.2%	5.0%	1.2%	3.6%	613	692	1,318
6 CRISHINA GARMENTS	83	105	177		55.2%	24.1%	30.7%	0.0%	46.2%	9.8%		1,615	2,207	2,053
7 EASTAR RESOURCES	5	8	13	7	9.8%	15.6%	27.5%	3.2%	0.6%	-4.1%	11.0%	700	721	712
8 ERMA INDUSTRIES	7	2	5	7	8.2%	2.4%	5.4%	6.1%	0.4%	-0.6%	1.4%	1,250	1,353	1,699
9 FCG TRADING		6	11			48.6%	48.7%	0.0%	243.1%	44.7%			175	175
10 FIL-ASIA TRADING			2	2			11.0%	10.5%		11.0%	2.3%		53	87
11 GALLERIA CRAFTS		0	11	68			12.9%	95.1%		3.3%	-12.6%		142	135
12 J. BRYAN GARMENTS		0	1				32.9%	51.6%		51.6%			359	349
13 J. R. GARMENT		69	66				15.9%	18.7%		1.7%	-3.6%		2,850	3,390
14 LAS PALMAS RATTAN				16			0.0%	6.5%			1.5%		145	159
15 LUI GARMENTS		5	8	5			18.3%	48.7%	27.2%	7.7%	-19.9%	3.4%	94	157
16 MARUICHI		3	23				7.3%	48.6%		0.4%	5.7%		416	495
17 MAXIMA GARMENTS		1	25				7.4%	13.1%		-5.4%	240.1%		229	285
18 PACIFIC ARTS & DECOR		2	27	58			14.1%	161.0%	121.7%	-5.5%	34.5%	222.0%	54	55
19 PESCANOVA		49	41	167			46.3%	24.4%	82.4%	5.9%	14.2%	16.7%	355	550
20 SALDANA & COMPANY		129	157				27.3%	29.2%		-12.3%	3.9%		3,213	3,751
21 SAN MIGUEL BAY		2	4				1.6%	3.8%		0.3%	0.3%	294	309	367
22 SHELLCRAFT PRODUCTS		21					13.6%			2.0%			267	267
23 SINDO RESOURCES		5	4				10.6%	10.2%		7.4%	-1.6%		2,879	2,644
24 SMN TRADER'S										0.0%	0.0%			465
25 STA. AGUEDA			1	1			52.1%	49.6%		0.0%	4.5%	5.0%	59	70
26 TAG FIBERS		29	28	53			11.8%	11.6%	20.7%	1.1%	-0.2%	1.6%	1,572	1,728
27 TOP-STITCH APPAREL		2	5	9			16.2%	36.9%	31.3%	4.0%	-2.5%	31.3%	275	361
28 TRIMICA INC.		9	10				15.7%	9.6%	0.0%	1.7%	6.7%		782	1,741
29 UNIMER		17	22				101.3%	113.7%	0.0%	329.1%	13.4%		148	152
30 WOOD TECHNOLOGY			10	52			5.1%	8.5%		-0.1%	18.5%		1,146	1,244
TOTAL	310	693	768	522								6,838	25,996	30,650
AVERAGE	44	28	28	35	19.0%	22.3%	31.3%	23.3%	28.8%	14.2%	21.1%	760	896	1,022

Name of Enterprise	Assets			Total Liabilities			Net Worth (Equity)							
	1982	1989	1985	1986	1987	1988	1989	1985	1986	1987	1988	1989	1985	1986
1 ALBAY AGRO INDUSTRIAL	3,000	3,082	897	1,156	1,563	1,854	1,673	803	811	1,122	1,146	1,409	1.1	1.4
2 AMAZIA ENTERPRISES	60	62		20	40	35	30		23	18	25	32		0.9
3 ARC-MEN INDUSTRIES	2,282	2,111		1,323	1,408	1,980	1,806		1,556	1,600	302	305		0.9
4 ASEAN TIMBER	530	554	300	309	301	350	325	213	229	235	180	229	1.4	1.3
5 CREATIVE LINES	1,392	1,455	455	539	968	858	908	158	153	350	534	547	2.9	3.5
6 CRISMINA GARMENTS	2,382	2,566		969	1,740	2,038	2,150	1,615	1,238	313	344	416		0.8
7 EASTAR RESOURCES	720	2,631	200	167	207	207	933	500	554	505	513	1,698	0.4	0.3
8 ERMA INDUSTRIES	1,721	1,741	901	959	1,211	1,443	1,436	349	394	488	278	305	2.6	2.4
9 FCG TRADING	190	156		174	143	157	123		1	32	33	33		174.0
10 FIL-ASIA TRADING	127	133		36	63	86	88		17	24	41	45		2.1
11 GALLERIA CRAFTS	354	577		75	60	271	424		67	75	83	153		1.1
12 J. BRYAN GARMENTS	616	606		330	119	428	418		29	230	188	188		11.4
13 J. R. GARMENT	4,957	7,285		1,830	2,359	3,816	5,571		1,020	1,031	1,141	1,714		1.8
14 LAS PALMAS RATTAN	181	259		55	111	30	60		90	48	151	199		0.6
15 LUI GARMENTS	137	147	11	63	73	110	100	83	94	31	27	47	0.1	0.7
16 MARUICHI	590	603		167	218	72	80		249	277	518	523		0.7
17 MAXIMA GARMENTS	588	620		161	208	407	450		68	77	181	170		2.4
18 PACIFIC ARTS & DECOR	77	92		25	30	57	60		29	25	20	32		0.9
19 PESCANOVA	685	750		250	228	385	425		105	322	300	325		2.4
20 SALDANA & COMPANY	4,420	4,560		381	497	716	756		2,832	3,254	3,704	3,804		0.1
21 SAN MIGUEL BAY	442	437	120	123	130	150	148	174	186	237	292	289	0.7	0.7
22 SHELLCRAFT PRODUCTS	275	280		110	112	115	120		157	155	160	160		0.7
23 SINDO RESOURCES	2,321	2,111		1,323	1,444	1,759	1,806		1,556	1,200	562	305		0.9
24 SMN TRADER'S	438				261	247			0	204	191			
25 STA. AGUEDA	82	84	42	55	61	65	67	17	15	16	17	17	2.5	3.7
26 TAG FIBERS	2,011	2,250		1,068	986	1,124	1,550		504	742	887	700		2.1
27 TOP-STITCH APPAREL	506	658		158	222	343	366		117	139	163	292		1.4
28 TRIMICA INC.	1,872	2,150		607	1,402	1,345	1,650		175	339	527	500		3.5
29 UNIMER	168	183		122	115	109	113		26	37	59	70		4.7
30 WOOD TECHNOLOGY	1,406	2,994		476	387	381	1,416		670	857	1,025	1,578		0.7
TOTAL	34,530	41,137	2,926	13,031	16,667	20,938	25,052	3,912	12,965	13,983	13,592	16,085		
AVERAGE	1,151	1,419	366	449	556	698	864	435	432	466	453	555	1.5	7.9

Name of Enterprise	Debt/Equity Ratio			Debt to FEBTC/Total Liabilities					Full-Time Employees					
	1987	1988	1989	1985	1986	1987	1988	1989	1985	1986	1987	1988	1989	85-86
1 ALBAY AGRO INDUSTRIAL	1.4	1.6	1.2				2.3%	2.7%	100	130	140	150	160	30
2 AMAZIA ENTERPRISES	2.2	1.4	0.9			100.0%				14	18	20	22	14
3 ARC-MEN INDUSTRIES	0.9	6.6	5.9			6.9%	4.8%	11.6%		272	285	285	296	272
4 ASEAN TIMBER	1.3	1.9	1.4			66.1%	46.3%	3.4%	14	42	58	58	60	28
5 CREATIVE LINES	2.8	1.6	1.7			10.0%	12.6%	21.1%	138	144	278	280	310	6
6 CRISMINA GARMENTS	5.6	5.9	5.2			22.6%		20.1%	180	185	189	200	240	5
7 EASTAR RESOURCES	0.4	0.4	0.5				98.6%	13.4%	8	8	10	10	10	0
8 ERMA INDUSTRIES	2.5	5.2	4.7		23.3%	56.2%	13.4%	64.9%	90	100	166	178	200	10
9 FCG TRADING	4.5	4.8	3.7			32.2%				6	13	13	15	6
10 FIL-ASIA TRADING	2.6	2.1	2.0			33.7%		17.0%	55	60	70	80	90	5
11 GALLERIA CRAFTS	0.8	3.3	2.8				23.6%	5.4%		22	24	28	30	22
12 J. BRYAN GARMENTS	0.5	2.3	2.2			84.9%	93.5%	116.0%		118	120	124	130	118
13 J. R. GARMENT	2.3	3.3	3.3			6.2%	6.0%	3.1%		500	500	750	810	500
14 LAS PALMAS RATTAN	2.3	0.2	0.3					100.0%		25	28	58	60	25
15 LUI GARMENTS	2.4	4.1	2.1		31.7%	61.6%	45.5%	83.0%	25	35	35	45	55	10
16 MARUICHI	0.8	0.1	0.2			2.3%				30	33	37	37	30
17 MAXIMA GARMENTS	2.7	2.2	2.6			28.8%	24.6%	30.7%		238	242	250	255	238
18 PACIFIC ARTS & DECOR	1.2	2.9	1.9			16.7%	100.0%	70.0%		18	32	46	50	18
19 PESCANOVA	0.7	1.3	1.3		30.4%	78.5%	77.9%	44.5%		10	10	10	10	10
20 SALDANA & COMPANY	0.2	0.2	0.2		46.2%	7.8%	19.3%	100.0%		405	418	423	421	405
21 SAN MIGUEL BAY	0.5	0.5	0.5			18.5%	16.7%		238	245	247	252	264	7
22 SHELLCRAFT PRODUCTS	0.7	0.7	0.8			26.8%				30	42	51	60	30
23 SINDO RESOURCES	1.2	3.1	5.9			0.3%		6.0%		144	185	178	192	144
24 SMN TRADER'S	1.3	1.3					19.0%				50	60		0
25 STA. AGUEDA	3.8	3.8	3.9		9.1%	57.4%		29.9%	230	250	260	250	250	20
26 TAG FIBERS	1.3	1.3	2.2			61.6%	42.1%	13.4%		224	257	255	260	224
27 TOP-STITCH APPAREL	1.6	2.1	1.3				73.8%	87.7%		162	164	187	200	162
28 TRIMICA INC.	4.1	2.6	3.3				3.2%	15.9%		264	328	341	343	264
29 UNIMER	3.1	1.8	1.6			69.6%	89.0%	90.3%		16	27	27	29	16
30 WOOD TECHNOLOGY	0.5	0.4	0.9					37.7%		200	210	230	250	200
TOTAL									1,078	3,897	4,439	4,876	5,109	2,819
AVERAGE	1.9	2.3	2.2		28.1%	38.8%	40.6%	41.2%	108	134	148	163	176	94

Name of Enterprise	Increase in Number of Full-Time Employees			Percent Increase in Full-Time Employees			Number of Full-Time Employees due to PRE Loan				Increase in Number of Full-Time Employees due to PRE Loan			
	86-87	87-88	88-89	85-86	86-87	87-88	88-89	1986	1987	1988	1989	86-87	87-88	88-89
1 ALBAY AGRO INDUSTRIAL	10	10	10	30.0%	7.7%	7.1%	6.7%	2	7	7	8	0	0	1
2 AMAZIA ENTERPRISES	4	2	2		28.6%	11.1%	10.0%		4	7		1	1	0
3 ARC-MEN INDUSTRIES	13	0	11		4.8%	0.0%	3.9%	84	82	81	9	4	0	0
4 ASEAN TIMBER	16	0	2	200.0%	38.1%	0.0%	3.4%	17	25	15		7	0	0
5 CREATIVE LINES	134	2	30	4.3%	93.1%	0.7%	10.7%	10	20	25	53	9	0	5
6 CRISMINA GARMENTS	4	11	40	2.8%	2.2%	5.8%	20.0%	102	46	61		1	3	0
7 EASTAR RESOURCES	2	0	0	0.0%	25.0%	0.0%	0.0%	1	2	3		0	0	0
8 ERMA INDUSTRIES	66	12	22	11.1%	66.0%	7.2%	12.4%	8	4	10	12	2	1	1
9 FCG TRADING	7	0	2		116.7%	0.0%	15.4%		6	6		3	0	0
10 FIL-ASIA TRADING	10	10	10	9.1%	16.7%	14.3%	12.5%		4	9	9	1	1	1
11 GALLERIA CRAFTS	2	4	2		9.1%	16.7%	7.1%			4	29	0	1	2
12 J. BRYAN GARMENTS	2	4	6		1.7%	3.3%	4.8%		39	64		1	2	0
13 J. R. GARMENT	0	250	60			50.0%	8.0%		79	140		0	47	0
14 LAS PALMAS RATTAN	3	30	2		12.0%	107.1%	3.4%				4	0	0	0
15 LUI GARMENTS	0	10	10	40.0%		28.6%	22.2%	15	6	22	15	0	5	3
16 MARUICHI	3	4	0		10.0%	12.1%	0.0%		2	18		0	2	0
17 MAXIMA GARMENTS	4	8	5		1.7%	3.3%	2.0%		18	33		0	1	0
18 PACIFIC ARTS & DECOR	14	14	4		77.8%	43.8%	8.7%		5	74	61	2	23	5
19 PESCANOVA	0	0	0			0.0%	0.0%		5	2	8	0	0	0
20 SALDANA & COMPANY	13	5	(2)		3.2%	1.2%	-0.5%		114	123		4	1	0
21 SAN MIGUEL BAY	2	5	12	2.9%	0.8%	2.0%	4.8%		4	10		0	0	0
22 SHELLCRAFT PRODUCTS	12	9	9		40.0%	21.4%	17.6%		6	13		2	2	0
23 SINDO RESOURCES	41	(7)	14		28.5%	-3.8%	7.9%		20	18		4	(1)	0
24 SMN TRADER'S	50	10	(60)			20.0%	-100.0%			0	7	0	1	
25 STA. AGUEDA	10	(10)	0	8.7%	4.0%	-3.8%	0.0%	71	139	130	124	5	(5)	0
26 TAG FIBERS	33	(2)	5		14.7%	-0.8%	2.0%		30	30	54	4	(0)	1
27 TOP-STITCH APPAREL	2	23	13		1.2%	14.0%	7.0%		27	69	63	0	8	4
28 TRIMICA INC.	64	13	2		24.2%	4.0%	0.6%		51	33		10	1	0
29 UNIMER	11	0	2		68.8%	0.0%	7.4%		27	31		11	0	0
30 WOOD TECHNOLOGY	10	20	20		5.0%	9.5%	8.7%			12	21	0	1	2
TOTAL	542	437	233					309	772	1,055	471	72	96	25
AVERAGE	18	15	8	30.9%	27.0%	12.5%	3.6%	31	29	36	31	2	3	1

Name of Enterprise	Percent Increase in Full-Time Employees due to PRE Loan			Full-Time Female Employees					Increase in Number of Full-Time Female Employees				Percent Fema	
	86-87	87-88	88-89	1985	1986	1987	1988	1989	85-86	86-87	87-88	88-89	85-86	86-87
1 ALBAY AGRO INDUSTRIAL	0.4%	0.3%	0.4%	17	21	21	25	27	4	0	4	2	23.5%	0.0%
2 AMAZIA ENTERPRISES	5.8%	3.6%	0.0%		13	16	18	19	13	3	2	1		23.1%
3 ARC-MEN INDUSTRIES	1.4%		0.1%		142	155	167	175	142	13	12	8		9.2%
4 ASEAN TIMBER	16.7%		0.0%	6	6	6	8	8	0	0	2	0	0.0%	0.0%
5 CREATIVE LINES	6.6%	0.1%	1.8%	105	126	354	262	285	21	228	(92)	23	20.0%	181.0%
6 CRISMINA GARMENTS	0.5%	1.8%	0.0%	171	177	176	185	223	6	(1)	9	38	3.5%	-0.6%
7 EASTAR RESOURCES	3.9%			3	3	5	5	6	0	2	0	1	0.0%	66.7%
8 ERMA INDUSTRIES	1.6%	0.4%	0.8%	63	70	116	132	140	7	46	16	8	11.1%	65.7%
9 FCG TRADING	56.7%		0.0%		5	7	9	9	5	2	2	0		40.0%
10 FIL-ASIA TRADING	0.8%	1.6%	1.3%	35	40	55	60	70	5	15	5	10	14.3%	37.5%
11 GALLERIA CRAFTS	0.0%	2.1%	6.8%		20	20	24	24	20	0	4	0		0.0%
12 J. BRYAN GARMENTS	0.6%	1.7%	0.0%		82	104	104	108	82	22	0	4		26.8%
13 J. R. GARMENT		9.4%	0.0%		450	450	675	730	450	0	225	55		0.0%
14 LAS PALMAS RATTAN	0.0%	0.0%	0.2%		3	3	12	13	3	0	9	1		0.0%
15 LUI GARMENTS		13.9%	6.0%	23	33	33	40	48	10	0	7	8	43.5%	0.0%
16 MARUICHI	0.7%	5.9%			26	26	29	29	26	0	3	0		0.0%
17 MAXIMA GARMENTS	0.1%	0.4%	0.0%		216	227	238	239	216	11	11	1		5.1%
18 PACIFIC ARTS & DECOR	11.0%	70.5%	10.6%		10	10	10	25	10	0	0	15		0.0%
19 PESCANOVA					6	6	6	6	6	0	0	0		0.0%
20 SALDANA & COMPANY	0.9%	0.3%	0.0%		362	368	375	376	362	6	7	1		1.7%
21 SAN MIGUEL BAY	0.0%	0.1%	0.0%	80	88	102	120	127	8	14	18	7	10.0%	15.9%
22 SHELLCRAFT PRODUCTS	5.4%	5.5%	0.0%		9	12	15	18	9	3	3	3		33.3%
23 SINDO RESOURCES	3.0%	-0.4%	0.0%		67	92	92	87	67	25	0	(5)		37.3%
24 SMN TRADER'S	0.0%	2.2%	0.0%			15	15		0	15	0			
25 STA. AGUEDA	2.1%	-2.0%		210	215	218	218	220	5	3	0	2	2.4%	1.4%
26 TAG FIBERS	1.7%	-0.1%	0.4%		201	212	207	216	201	11	(5)	9		5.5%
27 TOP-STITCH APPAREL	0.2%	5.2%	2.2%		148	148	162	171	148	0	14	9		0.0%
28 TRIMICA INC.	3.8%	0.4%	0.0%		227	296	316	317	227	69	20	1		30.4%
29 UNIMER	69.6%		0.0%		12	20	20	24	12	8	0	4		66.7%
30 WOOD TECHNOLOGY	0.0%	9.5%	0.7%	0	10	10	15	20	10	0	5	5		0.0%
TOTAL				713	2,788	3,283	3,564	3,760	2,075	495	281	211		
AVERAGE	7.2%	5.1%	1.2%	59	96	109	119	130	69	17	9	7	12.8%	22.3%

Name of Enterprise	Increase in FT Female Employees		Number of FT Female Employees due to PRE Loan				Increase in Number of FT Female Employees due to PRE Loan			Percent Increase in FT Female Employees due to PRE Loan			1985	1986
	87-88	88-89	1986	1987	1988	1989	86-87	87-88	88-89	86-87	87-88	88-89		
1 ALBAY AGRO INDUSTRIAL	19.0%	8.0%	0	1	1	1	0	0	0	0.9%	0.4%		2,048	2,356
2 AMAZIA ENTERPRISES	12.5%	5.6%	0	3	6	0	1	1	0	4.1%	0.0%			4
3 ARC-MEN INDUSTRIES	7.7%	4.8%	44	45	47	5	4	3	0	2.2%	0.1%			2,394
4 ASEAN TIMBER	33.3%	0.0%	2	3	2	0	0	1	0	8.7%				648
5 CREATIVE LINES	-26.0%	8.8%	8	25	23	49	16	(8)	4	-2.3%	1.5%	1,800		1,892
6 CRISMINA GARMENTS	5.1%	20.5%	98	42	57	0	(0)	3	0	1.6%	0.0%			2,137
7 EASTAR RESOURCES	0.0%	20.0%	0	1	1	0	0	0	0		0.6%	1,904		2,142
8 ERMA INDUSTRIES	13.8%	6.1%	6	3	7	9	1	1	0	0.8%	0.4%	7,198		8,818
9 FCG TRADING	28.6%	0.0%	0	3	4	0	1	1	0	13.9%				61
10 FIL-ASIA TRADING	9.1%	16.7%	0	3	7	7	1	1	1	1.0%	1.8%	198		262
11 GALLERIA CRAFTS	20.0%	0.0%	0	0	3	23	0	1	0	2.6%				302
12 J. BRYAN GARMENTS	0.0%	3.8%	0	34	54	0	7	0	0		0.0%			673
13 J. R. GARMENT	50.0%	8.1%	0	71	126	0	0	42	0	9.4%	0.0%			3,659
14 LAS PALMAS RATTAN	300.0%	8.3%	0	0	0	1	0	0	0	9.0%	0.5%			282
15 LUI GARMENTS	21.2%	20.0%	14	6	19	13	0	3	2	10.3%	5.4%	109		157
16 MARUICHI	11.5%	0.0%	0	2	14	0	0	1	0	5.6%				229
17 MAXIMA GARMENTS	4.8%	0.4%	0	17	31	0	1	1	0	0.6%	0.0%			920
18 PACIFIC ARTS & DECOR	0.0%	150.0%	0	1	16	30	0	0	18		182.6%			128
19 PESCANOVA	0.0%	0.0%	0	3	1	5	0	0	0					722
20 SALDANA & COMPANY	1.9%	0.3%	0	101	109	0	2	2	0	0.6%	0.0%			4,175
21 SAN MIGUEL BAY	17.6%	5.8%	0	2	5	0	0	1	0	0.7%	0.0%	1,522		1,866
22 SHELLCRAFT PRODUCTS	25.0%	20.0%	0	2	4	0	0	1	0	6.4%	0.0%			
23 SINDO RESOURCES	0.0%	-5.4%	0	10	9	0	3	0	0		0.0%			107
24 SMN TRADER'S				0	2		0	0						
25 STA. AGUEDA	0.0%	0.9%	61	116	114	109	2	0	1		0.5%	188		207
26 TAG FIBERS	-2.4%	4.3%	0	25	24	45	1	(1)	2	-0.3%	0.9%			5,108
27 TOP-STITCH APPAREL	9.5%	5.6%	0	24	60	54	0	5	3	3.5%	1.7%			1,289
28 TRIMICA INC.	6.8%	0.3%	0	46	30	0	11	2	0	0.6%	0.0%			1,697
29 UNIMER	0.0%	20.0%	0	20	23	0	8	0	0		0.0%			176
30 WOOD TECHNOLOGY	50.0%	33.3%	0	0	1	2	0	0	0	2.5%	2.8%			2,338
TOTAL			234	609	802	353	58	61	32			14,967		44,749
AVERAGE	21.4%	12.6%	8	20	27	12	2	2	1	3.3%	8.3%	1,871		1,598

Name of Enterprise	Export Earnings			Export Earnings due to PRE Loan				Percentage of Export Earnings due to PRE Loan				Import		
	1987	1988	1989	1986	1987	1988	1989	1986	1987	1988	1989	1985	1986	1987
1 ALBAY AGRO INDUSTRIAL	2,279	2,561	2,837	38	113	125	150	1.6%	4.9%	4.9%	5.3%	0	0	0
2 AMAZIA ENTERPRISES	22	28	36	0	4	9	0	0.0%	20.3%	32.7%	0.0%	0	0	0
3 ARC-MEN INDUSTRIES	2,518	2,509	719	738	729	710	22	30.8%	28.9%	28.3%	3.1%	0	1,018	990
4 ASEAN TIMBER	582	628	665	258	256	164	0	39.9%	43.9%	26.1%	0.0%	0	0	0
5 CREATIVE LINES	3,088	3,975	4,059	125	219	355	700	6.6%	7.1%	8.9%	17.2%	1,336	1,404	2,389
6 CRISMINA GARMENTS	6,047	8,096	8,765	1,180	1,459	2,486	0	55.2%	24.1%	30.7%	0.0%	0	0	0
7 EASTAR RESOURCES	2,902	2,795	2,679	210	453	767	85	9.8%	15.6%	27.5%	3.2%	0	0	0
8 ERMA INDUSTRIES	14,128	18,696	20,796	722	345	1,018	1,273	8.2%	2.4%	5.4%	6.1%	6,812	8,344	13,603
9 FCG TRADING	450	436	461	0	219	213	0	0.0%	48.6%	48.7%	0.0%	0	51	394
10 FIL-ASIA TRADING	723	1,298	1,305	0	36	143	138	0.0%	5.0%	11.0%	10.5%	0	0	0
11 GALLERIA CRAFTS	423	553	472	0	0	71	449	0.0%	0.0%	12.9%	95.1%	0	0	0
12 J. BRYAN GARMENTS	760	964	1,052	0	250	498	0	0.0%	32.9%	51.6%	0.0%	0	3	0
13 J. R. GARMENT	4,588	5,692	6,648	0	729	1,065	0	0.0%	15.9%	18.7%	0.0%	0	0	0
14 LAS PALMAS RATTAN	339	982	1,063	0	0	0	69	0.0%	0.0%	0.0%	6.5%	0	0	0
15 LUI GARMENTS	438	436	451	66	80	213	123	42.2%	18.3%	48.7%	27.2%	0	0	0
16 MARUICHI	256	293	292	0	19	143	0	0.0%	7.3%	48.6%	0.0%	0	0	0
17 MAXIMA GARMENTS	982	1,353	1,442	0	73	178	0	0.0%	7.4%	13.1%	0.0%	0	0	0
18 PACIFIC ARTS & DECOR	133	222	267	0	19	358	325	0.0%	14.1%	161.0%	121.7%	0	103	102
19 PESCANOVA	756	1,401	1,633	0	350	341	1,346	0.0%	46.3%	24.4%	82.4%	0	72	76
20 SALDANA & COMPANY	4,002	4,869	4,288	0	1,094	1,420	0	0.0%	27.3%	29.2%	0.0%	0	2,033	1,690
21 SAN MIGUEL BAY	2,146	2,381	2,594	0	34	91	0	0.0%	1.6%	3.8%	0.0%	0	1	0
22 SHELLCRAFT PRODUCTS														
23 SINDO RESOURCES	159	156	719	0	17	16	0	0.0%	10.6%	10.2%	0.0%	0	0	0
24 SMN TRADER'S	1,040	653			0	71			0.0%	10.9%		0	0	0
25 STA. AGUEDA	206	204	209	59	110	106	104	28.4%	53.4%	52.1%	49.6%	0	0	0
26 TAG FIBERS	4,881	4,846	6,001	0	578	561	1,243	0.0%	11.8%	11.6%	20.7%	0	0	0
27 TOP-STITCH APPAREL	1,352	856	1,362	0	219	316	426	0.0%	16.2%	36.9%	31.3%	0	0	0
28 TRIMICA INC.	2,793	4,434	4,501	0	438	426	0	0.0%	15.7%	9.6%	0.0%	0	1,305	2,200
29 UNIMER	216	232	256	0	219	264	0	0.0%	101.3%	113.7%	0.0%	0	0	0
30 WOOD TECHNOLOGY	2,732	2,820	4,760	0	0	143	402	0.0%	0.0%	5.1%	8.5%	0	1,897	2,251
TOTAL	60,941	74,369	80,332	3,396	8,058	12,268	6,854					8,148	16,231	23,695
AVERAGE	2,101	2,564	2,869	121	278	423	245	8.0%	20.0%	30.6%	17.4%	281	560	817

Name of Enterprise	Expenses		Value added Resulting in Foreign Exchange					Estimated Net Foreign Exchange Earned					Net Foreign E		Esti	
	1988	1989	1985	1986	1987	1988	1989	1985	1986	1987	1988	1989	1986	1987	due to	due to
1 ALBAY AGRO INDUSTRIAL	0	0	0	0	0	0	0	2,048	2,356	2,279	2,561	2,837	38	113		
2 AMAZIA ENTERPRISES	0	0	0	0	0	0	0		4	22	28	36	0	4		
3 ARC-MEN INDUSTRIES	843	172	0	0	0	0	0		1,376	1,528	1,666	547	424	442		
4 ASEAN TIMBER	0	0	0	0	0	0	0		648	582	628	665	258	256		
5 CREATIVE LINES	1,258	0	0	0	0	0	0	464	488	699	2,717	4,059	32	50		
6 CRISMINA GARMENTS	0	0	0	0	0	0	0		2,137	6,047	8,096	8,765	1,180	1,459		
7 EASTAR RESOURCES	0	0	0	0	0	0	0	1,904	2,142	2,902	2,795	2,679	210	453		
8 ERMA INDUSTRIES	17,832	19,756	0	0	0	0	0	386	474	525	864	1,040	39	13		
9 FCG TRADING	382	402	0	0	0	0	0		10	56	54	59	0	27		
10 FIL-ASIA TRADING	0	0	0	0	0	0	0	198	262	723	1,298	1,305	0	36		
11 GALLERIA CRAFTS	0	0	0	0	0	0	0		302	423	553	472	0	0		
12 J. BRYAN GARMENTS	0	0	0	0	0	0	0		670	760	964	1,052	0	250		
13 J. R. GARMENT	0	0	0	0	0	0	0		3,659	4,588	5,692	6,648	0	729		
14 LAS PALMAS RATTAN	0	0	0	20	0	0	0		302	339	982	1,063	0	0		
15 LUI GARMENTS	0	0	0	0	0	0	0	109	157	438	436	451	66	80		
16 MARUICHI	0	0	0	0	0	0	0		229	256	293	292	0	19		
17 MAXIMA GARMENTS	0	0	0	0	0	0	0		920	982	1,353	1,442	0	73		
18 PACIFIC ARTS & DECOR	142	182	0	0	0	0	0		25	31	80	85	0	4		
19 PESCANOVA	140	163	0	0	0	0	0		650	680	1,261	1,470	0	315		
20 SALDANA & COMPANY	293	2,767	0	0	0	0	0		2,142	2,312	4,576	1,521	0	632		
21 SAN MIGUEL BAY	0	0	343	0	0	0	0	1,865	1,865	2,146	2,381	2,594	0	34		
22 SHELLCRAFT PRODUCTS																
23 SINDO RESOURCES	0	0	0	0	0	0	0		107	159	156	719	0	17		
24 SMN TRADER'S	0	0	0	0	0	0	0			1,040	653			0		
25 STA. AGUEDA	0	0	0	0	0	0	0	188	207	206	204	209	0	555		
26 TAG FIBERS	0	0	0	0	0	0	0		5,108	4,881	4,846	6,001	0	578		
27 TOP-STITCH APPAREL	0	0	0	0	0	0	0		1,289	1,352	856	1,362	0	219		
28 TRIMICA INC.	3,717	3,505	0	0	0	0	0		392	593	717	996	0	93		
29 UNIMER	0	0	0	0	0	0	0		176	216	232	256	0	219		
30 WOOD TECHNOLOGY	2,327	4,392	0	0	0	0	0		441	481	493	368	0	0		
TOTAL	26,934	31,339	343	20	0	0	0	7,162	28,538	37,246	47,435	48,993	2,247	6,668		
AVERAGE	929	1,081	12	1	0	0	0	895	1,019	1,284	1,636	1,750	80	230		

Name of Enterprise	mated xchange Earned PRE Loan		Percentage of Estimated Net Foreign Exchange Earned due to PRE Loan			
	1988	1989	1986	1987	1988	1989
1 ALBAY AGRO INDUSTRIAL	125	150	1.6%	4.9%	4.9%	5.3%
2 AMAZIA ENTERPRISES	9	0	0.0%	20.3%	32.7%	0.0%
3 ARC-MEN INDUSTRIES	471	17	30.8%	28.9%	28.3%	3.1%
4 ASEAN TIMBER	164	0	39.9%	43.9%	26.1%	0.0%
5 CREATIVE LINES	243	700	6.6%	7.1%	8.9%	17.2%
6 CRISMINA GARMENTS	2,486	0	55.2%	24.1%	30.7%	0.0%
7 EASTAR RESOURCES	767	85	9.8%	15.6%	27.5%	3.2%
8 ERMA INDUSTRIES	47	64	8.2%	2.4%	5.4%	6.1%
9 FCG TRADING	26	0	0.0%	48.6%	48.7%	0.0%
10 FIL-ASIA TRADING	143	138	0.0%	5.0%	11.0%	10.5%
11 GALLERIA CRAFTS	71	449	0.0%	0.0%	12.9%	95.1%
12 J. BRYAN GARMENTS	498	0	0.0%	32.9%	51.6%	0.0%
13 J. R. GARMENT	1,065	0	0.0%	15.9%	18.7%	0.0%
14 LAS PALMAS RATTAN	0	69	0.0%	0.0%	0.0%	6.5%
15 LUI GARMENTS	213	123	42.2%	18.3%	48.7%	27.2%
16 MARUICHI	143	0	0.0%	7.3%	48.6%	0.0%
17 MAXIMA GARMENTS	178	0	0.0%	7.4%	13.1%	0.0%
18 PACIFIC ARTS & DECOR	129	103	0.0%	14.1%	161.0%	121.7%
19 PESCANOVA	307	1,212	0.0%	46.3%	24.4%	82.4%
20 SALDANA & COMPANY	1,335	0	0.0%	27.3%	29.2%	0.0%
21 SAN MIGUEL BAY	91	0	0.0%	1.6%	3.8%	0.0%
22 SHELLCRAFT PRODUCTS						
23 SINDO RESOURCES	16	0	0.0%	10.6%	10.2%	0.0%
24 SMN TRADER'S	71			0.0%	10.9%	
25 STA. AGUEDA	340	0	0.0%	269.6%	166.7%	0.0%
26 TAG FIBERS	561	1,243	0.0%	11.8%	11.6%	20.7%
27 TOP-STITCH APPAREL	316	426	0.0%	16.2%	36.9%	31.3%
28 TRIMICA INC.	69	0	0.0%	15.7%	9.6%	0.0%
29 UNIMER	264	0	0.0%	101.3%	113.7%	0.0%
30 WOOD TECHNOLOGY	25	31	0.0%	0.0%	5.1%	8.5%
TOTAL	10,171	4,809				
AVERAGE	351	172	6.9%	27.5%	34.5%	15.7%

PHILIPPINE COMMERCIAL INTERNATIONAL BANK
 Profile of Borrower Enterprises with PRE Guaranteed Loans
 (All currency amounts in \$000s)

Name of Enterprise	At Time of First PRE Guar Disburs			Town	Province	Sector	Type of Business	Loan Purpose(s)	Total PRE Guarntd Loan Amount(s) Authorized	Date of 1st Disb under PRE Guar
	Gender of Owner	isting Entprise	New/Ex- isting Client							
1 Ah Ra Ha Aquafarm	M	N	N	Bocause	Bulacan	Aquacltr	Prawn/milkfish growout	Inv/WC	123.9	5/89
2 Atom Industrial Sales & Service	M	E	E	Pasig	Metro Manila	Production	Industrial chemicals	Inv (imp)	397.7	12/88
3 Capinpuyan Aqua-Agri Ventures	M/F	E	E	Ajubijio	Misamis Orientl	Aquacltr	Prawn/milkfish growout	WC	52.8	1/89
4 Carjolin Farms	F	E	E	EB Magalona	Negros Occidntl	Aquacltr	Prawn growout	Inv	146.8	9/88
5 Covenco Inc.	M/F	N	N	Lipa City	Batangas	Agric	Poultry/feed trading	WC	142.0	6/88
6 Dapiton	M/F	N	N	Lala	Lanao del Norte	Aquacltr	Prawn growout	WC	35.5	2/88
7 Footprints Agro & Aqua Corp	F	E	E	Cadiz City	Negros Occidntl	Aquacltr	Prawn growout	WC	33.1	1/89
8 Guzman Ricemill	M	E	E	San Isidro	Nueva Ecija	Production	Ricemilling	WC	37.9	4/89
9 JMVR Enterprises	M/F	E	N	Baliuag	Bulacan	Production	Cncrt prod/cement sls	Inv/WC	177.3	10/88
10 Jugarap Prawn Farm	M/F	N	N	Santos City	So. Cotabato	Aquacltr	Prawn growout	Inv	214.9	6/89
11 Lerias	M/F	E	E	Lala	Lanao del Norte	Aquacltr	Prawn growout	WC	11.5	4/89
12 Limcoma Marketing Cooperative	M	E	N	Lipa City	Batangas	Production	Feedmill	WC	534.3	6/89
13 Lucky Grains Rice Mill	M	E	N	Aurora	Isabela	Production	Mill/corn wholesaler	WC	91.8	8/89
14 Lugait Aqua Marine Industries	M	N	N	Lugait	Misamis Orientl	Aquacltr	Prawn growout	Inv	50.5	1/89
15 Marina International Marketing	M/F	N	N	San Juan	Metro Manila	Production	Prawn proc/mrktg	WC	473.5	7/88
16 NKK Agricultural Development Corp	M/F	N	N	Lipa City	Batangas	Agric	Poultry	Inv/WC	229.4	2/88
17 Palanca	M/F	N	N	Legaapi City	Albay	Aquacltr	Prawn growout	Inv	78.2	10/88
18 Rainbow Integrated Agri-Business Farms	M/F	E	N	San Pablo	Laguna	Agric	Poultry/Hog	WC	34.8	7/89
19 Salas Ricemill	M	E	E	San Isidro	Nueva Ecija	Production	Ricemilling	WC	94.7	4/89
20 San Fabian Ice Plant	M/F	E	E	San Fabian	Pangasinan	Production	Ice Mkr/Fishng	Inv/WC	117.0	6/88
21 Santos	M/F	N	N	Santos City	So. Cotabato	Aquacltr	Prawn growout	Inv	429.1	8/89
22 SR Farms, Inc.	M/F	E	E	Lipa City	Batangas	Agric	Poultry-Egg Prod	WC	3,156.2	3/89
23 Tuazon	M/F	N	N	Santiago	Isabela	Trading	Feed, Rice, Eggs	WC	22.9	3/89
24 Urban Aquaculture Farms	M	E	E	Bacolod City	Negros Occidntl	Aquacltr	Prawn growout	WC	94.7	11/88
25 Virgo Marine Corp	M/F	N	N	Bacolod City	Negros Occidntl	Aquacltr	Prawn growout	WC	137.3	10/88
TOTAL									6,917.8	
AVERAGE									276.7	

TABLE 3

Name of Enterprise	Status C/PD/GD	Date of Gradtn	Total Outstanding Debt to PCIB			Amount of PRE Loans Outstanding			Total Loan Amounts Dis- bursed by PCIB/Year			Cumulative Loan Amounts Disbursed by PCIB		
			1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1 Ah Ra Ha Aquafarm	C				123.9			123.9			123.9			123.9
2 Atom Industrial Sales & Service	C		144.6	621.7	621.7		397.7	397.7		477.0			477.0	477.0
3 Capinpuyan Aqua-Agri Ventures	C		51.9	112.8	160.9			52.8		47.3	73.4		47.3	120.7
4 Carjolin Farms	C			56.8	102.7		56.8	102.7		56.8	45.9		56.8	102.7
5 Covenco Inc.	C			142.0	137.7		142.0	137.7		568.2	550.7		568.2	1,118.9
6 Dapiton	C		36.1	71.0	68.8		35.5	34.4		34.9			34.9	34.9
7 Footprints Agro & Aqua Corp	C		91.6	110.4	150.6		33.1	27.5						
8 Guzman Ricemill	C		29.6	36.0	41.3		18.9	34.4		18.9	15.5		18.9	34.4
9 JMVR Enterprises	GD	12/89		94.7	102.8		94.7	174.9			1,421.2			1,421.2
10 Jugarap Prawn Farm	C			0.0	214.3			214.9			214.9			214.9
11 Lerias	C			60.4	46.0			11.5		60.4	46.0		60.4	106.4
12 Limcoma Marketing Cooperative	C				917.9			534.3						
13 Lucky Grains Rice Mill	GD	10/89			91.8			91.8			91.8			91.8
14 Lugait Aqua Marine Industries	C				50.5			50.5			50.5			50.5
15 Marina International Marketing	C			710.0	710.0		473.5	473.5						
16 NKK Agricultural Development Corp	C			134.7	172.6		134.7	172.6		1,347.0	448.7		1,347.0	1,795.7
17 Palanca	C			47.3	78.2		47.3	78.2		47.3	32.1		47.3	79.4
18 Rainbow Integrated Agri-Business Farms	GD	5/89		34.8	33.8		34.8	33.8		34.8			34.8	34.8
19 Salas Ricemill	C		38.6	46.6	73.2		18.9	52.7						
20 San Fabian Ice Plant	C		41.5	138.1	137.7		43.4	45.9						
21 Santos	C				429.1			429.1			421.9			421.9
22 SR Farms, Inc.	C		4,618.9	5,112.3	5,156.2		3,156.2			493.4	43.9		493.4	537.3
23 Tuazon	C				22.9			22.9			137.7			137.7
24 Urban Aquaculture Farms	C		232.8	315.0	273.5		94.7	0.0						
25 Virgo Marine Corp	C		134.9	237.9	229.4		137.3	133.1						
TOTAL			5,420.5	8,082.5	10,147.5		1,763.3	6,587.0		3,186.0	3,718.1		3,186.0	6,904.1
AVERAGE			542.1	425.4	405.9		117.6	263.5		289.6	247.9		289.6	383.6

Name of Enterprise	Total Amount of PRE Guaranty Loan Disbrs/Year			Cumulative Amount of PRE Guaranty Loan Draws/Year			Total Gross Revenues/ Year			E-stim/ A-ctual	Increase/Decrease in Total Gross Revenues			Estimat Gross Rev to P 1987
	1987	1988	1989	1987	1988	1989	1987	1988	1989		86-87	87-88	88-89	
1 Ah Ra Ha Aquafarm			123.9			123.9			95.1	E89				
2 Atom Industrial Sales & Service		397.7			397.7	397.7	800.0	1,811.0	2,039.9			126.4%	12.6%	
3 Capinpuyan Aqua-Agri Ventures		47.3	73.4		47.3	120.7	87.3	231.0	71.7			164.6%	-69.0%	
4 Carjolin Farms		56.8	45.9		56.8	102.7	14.3	242.3	281.9	E89		1594.4%	16.3%	
5 Covenco Inc.		568.2	550.7		568.2	1,118.9	330.3	202.2	230.0	E89		-38.8%	13.7%	
6 Dapiton		88.8	86.0		88.8	174.8	74.8	142.9	104.2			91.0%	-27.1%	
7 Footprints Agro & Aqua Corp		33.1	55.1		33.1	88.2	27.5	36.0	49.1			30.9%	36.4%	
8 Guzman Ricemill		18.9	34.4		18.9	53.3	238.9	247.5	241.2	E89		3.6%	-2.5%	
9 JMVR Enterprises			1,049.2			1,049.2	289.9	969.7	2,800.7	E89		234.5%	188.8%	
10 Jugarap Prawn Farm			214.9			214.9			602.3	E89				
11 Lerias			28.8			28.8		56.0	40.8				-27.1%	
12 Limcoma Marketing Cooperative			534.3			534.3		17.5	23.4				33.7%	
13 Lucky Grains Rice Mill			91.8			91.8		2,753.9	4,308.4	E89			56.4%	
14 Lugait Aqua Marine Industries			50.5			50.5			189.0	E89				
15 Marina International Marketing		2,840.9	3,671.4		2,840.9	6,512.3		11,410.6	12,123.3	E89				6.2%
16 NKK Agricultural Development Corp		134.7	448.7		134.7	583.4	340.0	156.9	219.8			-53.9%	40.1%	
17 Palanca		47.3	32.1		47.3	79.4	795.5	806.7	101.5	E89		1.4%	-87.4%	
18 Rainbow Integrated Agri-Business Farms		34.8			34.8	34.8	39.9	40.1	347.5	E88,89		0.5%	766.6%	
19 Salas Ricemill		18.9	33.8		18.9	52.7	423.9	405.1	410.8	E89		-4.4%	1.4%	
20 San Fabian Ice Plant		71.0	45.9		71.0	116.9	21.7	325.0	325.0	E89		1397.7%	0.0%	
21 Santos			429.1			429.1			686.7	E89				
22 SR Farms, Inc.			3,156.2			3,156.2	605.4	3,612.2	2,275.0			496.7%	-37.0%	
23 Tuazon			137.7			137.7			123.4					
24 Urban Aquaculture Farms		94.7			94.7	94.7	128.1	484.4	301.0			278.1%	-37.9%	
25 Virgo Marine Corp		274.6	266.2		274.6	540.8			295.8	E89				
TOTAL		4,727.7	11,160.0		4,727.7	15,887.7	4,217.5	23,951.0	28,287.5					
AVERAGE		315.2	507.3		315.2	635.5	281.2	1,260.6	1,131.5			288.2%	46.5%	

Name of Enterprise	ed Amount of enues/Year due RE Loan		Percentage of Gross Revenues/Year due to PRE Loan			Portion of Increase in Total Gross Revenues due to PRE Loan			Net Income			Increase/Decrease in Net Income		
	1988	1989	1987	1988	1989	86-87	87-88	88-89	1987	1988	1989	86-87	87-88	88-89
1 Ah Ra Ha Aquafarm		95.1			100.0%						11.6			
2 Atom Industrial Sales & Service	1,158.6	1,305.0		64.0%	64.0%		80.8%	8.1%	6.5	8.6	140.0		32.3%	1527.9%
3 Capinpuyan Aqua-Agri Ventures	71.7	53.0		31.0%	73.9%		51.1%	-51.0%	6.0	35.8	44.9		496.7%	25.4%
4 Carjolin Farms	121.2	176.5		50.0%	62.6%		797.5%	10.2%	6.5	28.3	34.2		335.4%	20.8%
5 Covenco Inc.	202.2	230.0		100.0%	100.0%		-38.8%	13.7%	78.6	36.5	46.4		-53.6%	27.1%
6 Dapiton	20.3	14.8		14.2%	14.2%		12.9%	-3.8%	29.9	41.9	30.6		40.1%	-27.0%
7 Footprints Agro & Aqua Corp	8.1	9.0		22.5%	18.3%		7.0%	6.7%	1.4	(29.5)	5.9		-2207.1%	120.0%
8 Guzman Ricemill	22.1	65.7		8.9%	27.2%		0.3%	-0.7%	36.4	28.4	18.0		-22.0%	-36.6%
9 JMVR Enterprises		755.2			27.0%			50.9%	55.9	140.8	373.4		151.9%	165.2%
10 Jugarap Prawn Farm		602.3			100.0%						233.8			
11 Lerias	12.1	5.8		21.6%	14.2%		0.0%	-3.9%		2.7	14.6			440.7%
12 Limcoma Marketing Cooperative		3.8			16.2%			5.5%		13.9	18.7			34.5%
13 Lucky Grains Rice Mill		1,538.5			35.7%			20.2%		135.9	212.6			56.4%
14 Lugait Aqua Marine Industries		189.0			100.0%						23.0			
15 Marina International Marketing	3,431.0	4,434.1		30.1%	36.6%			2.3%		351.0	393.9			12.2%
16 Nkx Agricultural Development Corp	56.9	85.3		36.3%	38.8%		-19.5%	15.6%	38.4	44.9	55.4		16.9%	23.4%
17 Palanca	24.9	101.5		3.1%	100.0%		0.0%	-87.4%	39.3	41.7	31.7		6.1%	-24.0%
18 Rainbow Integrated Agri-Business Farms	34.8	347.5		86.8%	100.0%		0.4%	766.6%	19.7	15.9	38.8		-19.3%	144.0%
19 Salas Ricemill	21.8	121.2		5.4%	29.5%		-0.2%	0.4%	113.2	63.9	61.6		-43.6%	-3.6%
20 San Fabian Ice Plant	139.4	104.9		42.9%	32.3%		599.5%	0.0%	9.8	83.7	97.6		754.1%	16.6%
21 Santos		686.7			100.0%						186.3			
22 SR Farms, Inc.		329.9			14.5%			-5.4%	(139.0)	(175.9)	27.2		-26.5%	115.5%
23 Tuazon		123.4			100.0%						49.3			
24 Urban Aquaculture Farms	112.3			23.2%			64.5%		16.4	19.1	38.6		16.5%	102.1%
25 Virgo Marine Corp		229.3			77.5%						14.6			
TOTAL	5,437.4	11,607.5							319.0	887.6	2,202.7			
AVERAGE	362.5	483.6		22.7%	41.0%		111.1%	41.6%	21.3	46.7	88.1		-34.8%	144.3%

Name of Enterprise	Estimated Amount of Net Income/Year due to PRE Guaranty			Percentage of Net Income/Year due to PRE Guaranty			Portion of Increase in Net Income due to PRE Loan			Total Assets			Total	Liabili
	1987	1988	1989	1987	1988	1989	86-87	87-88	88-89	1987	1988	1989	1987	1988
1 Ah Ra Ha Aquafarm			11.6			100.0%						261.5		
2 Atom Industrial Sales & Service		5.5	89.5	64.0%	63.9%		20.7%	976.8%		457.0	862.9	1,326.0	220.3	621.7
3 Capinpuyan Aqua-Agri Ventures		11.1	14.7	31.0%	32.7%		154.0%	8.3%		293.9	313.3	316.0	121.7	114.0
4 Carjolin Farms		14.1	21.4	49.8%	62.6%		167.1%	13.0%		162.8	244.4	246.3	45.9	159.3
5 Covenco Inc.		36.5	46.4	100.0%	100.0%		-53.6%	27.1%		96.0	294.9	296.6	2.4	142.0
6 Dapiton		6.0	4.3	14.3%	14.1%		5.7%	-3.8%		159.4	250.0	250.0	36.1	71.0
7 Footprints Agro & Aqua Corp		(7.1)	1.1	24.1%	18.6%		-531.2%	22.4%		162.4	158.2	204.3	92.3	143.1
8 Guzman Ricemill		2.6	4.9	9.2%	27.2%		-2.0%	-10.0%		158.9	152.8	164.8	29.6	36.0
9 JMVR Enterprises			100.7			27.0%		44.6%			604.1	1,310.9		219.9
10 Jugarap Prawn Farm			233.8			100.0%						781.3		
11 Lerias			2.1			14.4%		63.4%			98.4	165.6		60.4
12 Limcoma Marketing Cooperative			6.4			34.2%		11.8%		3,989.5	4,926.0			2,464.3
13 Lucky Grains Rice Mill			75.9			35.7%		20.1%			668.3	760.1		164.3
14 Lugait Aqua Marine Industries			23.0			100.0%						96.9		
15 Marina International Marketing		105.3	118.2	30.0%	30.0%			3.7%		3,544.8	3,938.7			3,492.3
16 NKK Agricultural Development Corp		16.3	20.5	36.3%	37.0%		6.1%	8.7%		376.4	432.8	495.2	132.3	148.0
17 Palanca		41.1	31.7	98.6%	100.0%		6.0%	-24.0%		197.6	264.7	261.5	14.5	47.4
18 Rainbow Integrated Agri-Business Farms		13.8	38.8	86.8%	100.0%		-16.7%	144.0%		62.2	72.8	138.3	3.1	34.8
19 Salas Ricemill		3.4	18.0	5.3%	29.2%		-2.3%	-1.1%		296.0	319.1	328.1	38.6	46.6
20 San Fabian Ice Plant		35.9	32.5	42.9%	33.3%		323.4%	5.5%		236.9	642.6	606.9	41.5	138.1
21 Santos			186.3			100.0%						957.1		
22 SR Farms, Inc.			3.8			14.0%		16.1%		7,564.2	7,830.1	7,935.5	4,618.9	5,112.3
23 Tuazon			49.3			100.0%					196.3	234.2		1.0
24 Urban Aquaculture Farms		8.2		42.9%	0.0%			7.1%		426.6	542.6	486.5	320.8	457.7
25 Virgo Marine Corp			11.3			77.4%				264.8	529.8	446.2	137.1	352.3
TOTAL		292.7	1,146.2							10,915.1	22,012.4	26,934.5	5,855.1	14,026.5
AVERAGE		20.9	47.8	33.0%	52.0%		6.5%	73.7%		727.7	1,048.2	1,077.4	390.3	667.9

Name of Enterprise	Net Worth (Equity)			Debt/Equity Ratio			Debt to PCIB/ Total Liabilities			Full-Time Employees			Increa Full- 86-87	
	ties 1989	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988		1989
1 Ah Ra Ha Aquafarm	213.4			48.1			4.4			58.1%	15	15	19	
2 Atom Industrial Sales & Service	762.8	236.7	241.2	563.2	0.9	2.6	1.4	65.6%	100.0%	81.5%	40	55	65	
3 Capinpuyan Aqua-Agri Ventures	160.9	172.2	199.3	155.1	0.7	0.6	1.0	42.6%	98.9%	100.0%	11	15	10	
4 Carjolin Farms	129.6	116.9	85.1	116.7	0.4	1.9	1.1	0.0%	35.7%	79.2%	9	9	9	
5 Covenco Inc.	137.7	93.6	152.9	158.9	0.0	0.9	0.9	0.0%	100.0%	100.0%	9	12	15	
6 Dapiton	68.8	123.3	179.0	181.2	0.3	0.4	0.4	100.0%	100.0%	100.0%	30	35	35	
7 Footprints Agro & Aqua Corp	150.6	70.1	15.1	53.7	1.3	9.5	2.8	99.2%	77.1%	100.0%	10	10	10	
8 Guzman Ricemill	41.3	129.3	116.8	123.5	0.2	0.3	0.3	100.0%	100.0%	100.0%	10	10	10	
9 JMVR Enterprises	370.4		384.2	940.5			0.6		0.4	43.1%	27.8%	25	55	70
10 Jugarap Prawn Farm	214.9		0.0	566.4					0.4	99.7%			18	
11 Lerias	45.9		38.0	119.7			1.6		0.4	100.0%	100.2%		15	15
12 Limcoma Marketing Cooperative	3,306.3		1,525.2	1,619.7			1.6		2.0	0.0%	27.8%	150	179	204
13 Lucky Grains Rice Mill	257.0		504.0	503.1			0.3		0.5	0.0%	35.7%		20	20
14 Lugait Aqua Marine Industries	50.5		0.0	46.4					1.1	100.0%			7	
15 Marina International Marketing	2,431.5		52.5	1,507.2			66.5		1.6	20.3%	29.2%		84	120
16 NKK Agricultural Development Corp	192.2	244.1	284.8	303.0	0.5	0.5	0.6			91.0%	89.8%	14	15	17
17 Palanca	78.0	183.1	217.3	183.5	0.1	0.2	0.4			99.8%	100.3%	4	14	14
18 Rainbow Integrated Agri-Business Farms	34.3	59.1	36.0	104.0	0.1	0.9	0.3			100.0%	98.5%	16	16	16
19 Salas Ricemill	73.2	257.4	272.5	254.9	0.1	0.2	0.3	100.0%	100.0%	100.0%	14	14	14	
20 San Fabian Ice Plant	137.7	195.4	504.5	469.2	0.2	0.3	0.3	100.0%	100.0%	100.0%	12	33	34	
21 Santos	429.1		0.0	528.0			0.8			100.0%			15	
22 SR Farms, Inc.	5,156.2	2,945.3	2,717.8	2,779.3	1.6	1.9	1.9	100.0%	100.0%	100.0%	200	230	275	
23 Tuazon	22.9		195.3	211.3			0.0		0.1	100.0%		5	7	
24 Urban Aquaculture Farms	363.0	105.8	84.9	123.5	3.0	5.4	2.9	72.6%	68.8%	75.3%	22	22	22	
25 Virgo Marine Corp	386.9	127.7	177.5	59.3	1.1	2.0	6.5	98.4%	67.5%	59.3%	5	12	12	
TOTAL	15,215.1	5,060.0	7,985.9	11,719.4							596	875	1,053	
AVERAGE	608.6	337.3	332.7	468.8	0.7	4.7	1.3	73.2%	75.1%	82.5%	33	40	42	

Name of Enterprise	Increase in Number of Time Employees		Percent Increase in Full-Time Employees			Full-Time Employees due to PRE Loan			Full-Time Employees due to PRE Loan			Full-Time Employees due to PRE Loan		
	87-88	88-89	86-87	87-88	88-89	1987	1988	1989	86-87	87-88	88-89	86-87	87-88	88-89
1 Ah Ra Ha Aquafarm	0	4			26.7%	15	19		0	4				26.7%
2 Atom Industrial Sales & Service	15	10		37.5%	18.2%	35	42		10	6		24.0%		11.6%
3 Capinpuyan Aqua-Agri Ventures	4	-5		36.4%	-33.3%	5	7		1	-4		11.3%		-24.6%
4 Carjolin Farms	0	0				5	6		0	0				
5 Covenco Inc.	3	3		33.3%	25.0%	12	15		3	3		33.3%		25.0%
6 Dapiton	5	0		16.7%		35	35		1	0		2.4%		
7 Footprints Agro & Aqua Corp	0	0				2	2		0	0				
8 Guzman Ricemill	0	0				1	3		0	0				
9 JMVR Enterprises	30	15		120.0%	27.3%	0	19		0	4				7.4%
10 Jugarap Prawn Farm	0	18				0	18		0	18				
11 Lerias	15	0				3	2		3	0				
12 Limcoma Marketing Cooperative	29	25		19.3%	14.0%	0	33		0	4				2.3%
13 Lucky Grains Rice Mill	20	0				0	7		0	0				
14 Lugait Aqua Marine Industries	0	7				0	7		0	7				
15 Marina International Marketing	84	36			42.9%	84	120		25	13				15.7%
16 NKK Agricultural Development Corp	1	2		7.1%	13.3%	15	17		0	1		2.6%		5.2%
17 Palanca	10	0		250.0%		14	14		0	0		7.7%		
18 Rainbow Integrated Agri-Business Farms	0	0				14	16		0	0				
19 Salas Ricemill	0	0				1	4		0	0				
20 San Fabian Ice Plant	21	1		175.0%	3.0%	14	11		9	0		75.1%		1.0%
21 Santos	0	15				0	15		0	15				
22 SR Farms, Inc.	30	45		15.0%	19.6%	0	40		0	7				2.8%
23 Tuazon	5	2			40.0%	5	7			2				40.0%
24 Urban Aquaculture Farms	0	0				5	0		0	0				
25 Virgo Marine Corp	7	0		140.0%		12	12			0				
TOTAL	279	178					277	470		53	81			
AVERAGE	11	7		77.3%	17.9%		11	19		2	3		7.4%	10.3%

Name of Enterprise	Full-Time Female Employees			Increase in Number of Full-Time Female Employees			Percent Increase in FT Female Employees			Estimated Number of FT Female Employees due to PRE Loan			Increase in Num FT Female Empl due to PRE L	
	1987	1988	1989	86-87	87-88	88-89	86-87	87-88	88-89	1987	1988	1989	86-87	87-88
1 Ah Ra Ha Aquafarm	0	0	0		0	0				0	0			0
2 Atom Industrial Sales & Service	3	3	3		0	0				2	2			0
3 Capinpuyan Aqua-Agri Ventures	3	3	3		0	0				1	2			0
4 Carjolin Farms	2	2	2		0	0				1	1			0
5 Covenco Inc.	5	6	8		1	2		20.0%	33.3%	6	8			1
6 Dapiton	12	17	17		5	0		41.7%		17	17			1
7 Footprints Agro & Aqua Corp	5	5	5		0	0				1	1			0
8 Guzman Ricemill	2	2	2		0	0				0	1			0
9 JMVR Enterprises	1	2	2		1	0		100.0%		0	1			0
10 Jugarap Prawn Farm			3		0	3				0	3			0
11 Lerias		9	9		9	0				2	1			2
12 Limcoma Marketing Cooperative	37	37	37		0	0				0	6			0
13 Lucky Grains Rice Mill		2	2		2	0				0	1			0
14 Lugait Aqua Marine Industries			1		0	1				0	1			0
15 Marina International Marketing		70	86		70	16			22.9%	70	86			21
16 NKK Agricultural Development Corp	6	7	9		1	2		16.7%	28.6%	7	9			0
17 Palanca	1	2	2		1	0		100.0%		2	2			0
18 Rainbow Integrated Agri-Business Farms	1	1	1		0	0				1	1			0
19 Salas Ricemill	2	2	2		0	0				0	1			0
20 San Fabian Ice Plant	2	10	10		8	0		400.0%		4	3			3
21 Santos			2		0	2				0	2			0
22 SR Farms, Inc.	20	25	40		5	15		25.0%	60.0%	0	6			0
23 Tuazon		2	4		2	2			100.0%	2	4			0
24 Urban Aquaculture Farms	3	3	3		0	0				1	0			0
25 Virgo Marine Corp	2	4	4		2	0		100.0%		4	4			0
TOTAL	107	214	257		107	43				121	162			29
AVERAGE	6	10	10		4	2		100.4%	49.0%	5	6			1

Name of Enterprise	Number of Employees	Percent Increase in FT Female Employees due to PRE Loan			Export Earnings			Estimated Export Earnings due to PRE Loan			Percentage of Estimated Export Earnings due to PRE Loan			Imports
		88-89	86-87	87-88	88-89	1987	1988	1989	1987	1988	1989	1987	1988	
1 Ah Ra Ha Aquafarm	0						43.1			43.1			100.0%	
2 Atom Industrial Sales & Service	0				2.2	25.3	28.5	16.2	18.2		64.0%	64.0%		237.5
3 Capinpuyan Aqua-Agri Ventures	0				75.9	207.9	64.5	64.5	47.7		31.0%	73.9%		
4 Carjolin Farms	0					242.3	281.9	121.2	176.5		50.0%	62.6%		
5 Covenco Inc.	2		20.0%		33.3%									
6 Dapiton	0		5.9%			142.9	104.2	20.3	14.8		14.2%	14.2%		
7 Footprints Agro & Aqua Corp	0				27.5	36.0	49.1	8.1	9.0		22.5%	18.3%		
8 Guzman Ricemill	0													
9 JMVR Enterprises	0													
10 Jugarap Prawn Farm	3						602.3		602.3				100.0%	
11 Merias	0					56.0	40.8	12.1	5.8		21.6%	14.2%		
12 Limcoma Marketing Cooperative	0													
13 Lucky Grains Rice Mill	0													
14 Lugait Aqua Marine Industries	1						189.0		189.0				100.0%	
15 Marina International Marketing	6			8.4%		11,410.6	9,092.5	3,431.0	3,325.6		30.1%	36.6%		
16 NKK Agricultural Development Corp	1		6.0%		11.1%									
17 Palanca	0		3.1%				101.5		101.5				100.0%	
18 Rainbow Integrated Agri-Business Farms	0													
19 Salas Ricemill	0													
20 San Fabian Ice Plant	0		171.6%											
21 Santos	2						686.7		686.7				100.0%	
22 SR Farms, Inc.	2			8.7%										
23 Tuazon	2			100.0%										
24 Urban Aquaculture Farms	0				115.3	436.0	270.9	101.1			23.2%	0.0%		106.5
25 Virgo Marine Corp	0						266.2		206.4				77.5%	
TOTAL	19					220.9	12,557.0	11,821.2	3,774.5	5,426.5				344.0
AVERAGE	1		41.3%		32.3%	55.2	1,569.6	844.4	471.8	417.4	32.1%	61.5%		172.0

Name of Enterprise	t Expenses		Estimated Value Added Resulting in Foreign Exchange			Estimated Net Foreign Exchange Earned			Estimated Net Foreign Exchange Earned due to PRE Loan			Percentage of Estimated Net Foreign Exchange Earned due to PRE Loan		
	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989	1987	1988	1989
1 Ah Ra Ha Aquafarm					32.6			75.7			75.7			100.0%
2 Atom Industrial Sales & Service	406.2	457.7						(380.9)			(243.7)			64.0%
3 Capinpuyan Aqua-Agri Ventures			44.8	231.2	107.3	120.7	439.1	171.8			136.3	127.0		31.0% 73.9%
4 Carjolin Farms				72.7	84.5			315.0	366.4		157.6	229.4		50.0% 62.6%
5 Covenco Inc.														
6 Dapiton				159.1	172.6			302.0	276.8		42.9	39.3		14.2% 14.2%
7 Footprints Agro & Aqua Corp			8.3	10.8	14.7	35.8	46.8	63.8			10.5	11.7		22.5% 18.3%
8 Guzman Ricemill														
9 JMVR Enterprises														
10 Jugarap Prawn Farm					180.7			783.0			783.0			100.0%
11 Lerias				62.3	67.6			118.3	108.4		25.6	15.4		21.6% 14.2%
12 Limcoma Marketing Cooperative	4,270.3	5,729.5						(4,270.3)	(5,729.5)			(930.4)		0.0% 16.2%
13 Lucky Grains Rice Mill														
14 Lugait Aqua Marine Industries					56.7			245.7			245.7			100.0%
15 Marina International Marketing								11,410.6	9,092.5		3,431.0	3,325.6		30.1% 36.6%
16 NKK Agricultural Development Corp														
17 Palanca					30.5			132.0			132.0			100.0%
18 Rainbow Integrated Agri-Business Farms														
19 Salas Ricemill														
20 San Fabian Ice Plant														
21 Santos					206.0			892.7			892.7			100.0%
22 SR Farms, Inc.	862.5	1,495.3												
23 Tuazon														
24 Urban Aquaculture Farms	396.9	246.6				8.8	39.1	24.3			9.1			23.2% 0.0%
25 Virgo Marine Corp					442.8			709.0			549.6			77.5%
TOTAL	5,935.9	7,929.1	53.1	536.1	1,396.0	165.3	8,019.7	7,212.6			3,569.2	5,496.7		
AVERAGE	1,484.0	1,982.3	26.6	107.2	126.9	55.1	891.1	515.2			274.6	392.6		28.5% 58.1%

**METHODOLOGIES FOR ESTIMATING IMPACT OF PRE GUARANTEED SUB-LOANS
ON SUB-BORROWER ENTERPRISES**

The following methodologies were suggested by the loan officers at each institution to correspond to the specific types of borrowers and loan purposes. Thus the methods are different for each bank, but it was felt that since these are the persons who know the accounts best, that their means for estimating would be the most appropriate. In some cases, for example, when the financial statements were not considered reliable or the complete year's statements were not yet available, an alternative to the input data was sought such as the production reports, if available.¹

I. FAR EAST BANK AND TRUST COMPANY

Since nearly all of the program loans from FEBTC were working capital, many to finance pre-export transactions, the methodologies are the same for all borrowers. These methodologies were applied to the sample of 30 borrowers.

A. GROSS REVENUES

1. Gross Revenues per Year Due to PRE-Guaranteed Sub-Loan

- a. Calculate total amount of PRE Guarantee draws (disbursements) per year:

Amount of line of credit authorized x .3 x 4

.3 = average % of working capital credit authorized which is used at all times (30%)

4 = average annual turnover ratio for all industries

- b. Step "a" results/.8 = gross revenues per year due to PRE-Guaranteed Sub-Loan

.8 = loan value (80% of letter of credit issued for export transactions). Therefore, PRE-Guaranteed Sub-Loan disbursements should produce 125% of their value in gross revenues.

¹ One of the frequent constraints to data analysis was often the lack of complete year financial statements for 1989. Had this case study been done in April 1990 or later, the full year reports would probably have been available in all cases.

2. Percent Increase in Gross Revenues per Year Due to PRE-Guaranteed Sub-Loan

Yearly percentage increase in gross revenues x (GR per year due to PRE-Guaranteed Sub-Loan/total gross revenues per year)

B. NET INCOME

1. Net Income per Year Due to PRE-Guaranteed Sub-Loan

(Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues) x Total Net Income

2. Percent Increase in Net Income per Year Due to PRE-Guaranteed Sub-Loan

Yearly percentage increase in Net Income x (NI per year due to PRE-Guaranteed Sub-Loan/Total Net Income)

C. EMPLOYMENT

1. Full Time Employees Due to PRE-Guaranteed Sub-Loan

Full Time Employees x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

2. Portion of Increase in Full-Time Employees Due to PRE-Guaranteed Sub-Loan

Yearly percentage increase in Full Time Employees x (Yearly Increase in number of Full-Time Employees due to PRE-Guaranteed Sub-Loan/Yearly Increase in number of Full-Time Employees)

3. Full Time Female Employees Due to PRE-Guaranteed Sub-Loan

Same methods as for full-time employees

D. EXPORTS

1. Export Earnings Due to PRE-Guaranteed Sub-Loan

Total yearly Export Earnings x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

2. Foreign Exchange Earned Due to PRE-Guaranteed Sub-Loan

Total Foreign Exchange Earned x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

II. PHILIPPINE COMMERCIAL INTERNATIONAL BANK

A. WORKING CAPITAL (LINE OF CREDIT) LOAN

1. Gross Revenues per year due to PRE-Guaranteed Sub-Loan

a. Compute the total amount of Guarantee Loan Disbursements per Year:

PRE-Guaranteed Sub-Loan Amount Outstanding at year end x number of turnovers for the industry

b. Compute the % of cost of sales to revenues:

Cost of sales/total revenues

c. Divide the result of "a" by result of "b" . Resulting amount will be the estimated amount of Gross Revenues per Year due to the PRE Guaranteed Sub-Loan

2. Net Income per year due to PRE-Guaranteed Sub-Loan

a. Compute the % of Net Income to Revenues:

Net Income/Gross Revenues

b. Multiply the result of step "a" by estimated amount of Gross Revenues/year due to PRE-Guaranteed Sub-Loan = estimated amount of net income per year due to PRE-Guaranteed Sub-Loan

B. FIXED ASSET ACQUISITION (TERM LOAN)

1. Gross Revenues per year due to PRE-Guaranteed Sub-Loan

a. Calculate the average annual increase in revenues before granting of loan (for three years, if data available)

b. Calculate the increase in revenues from Year 0 to Year 1 (Year 1 = yr in which loan disbursed, Year 0 = immediately preceding year, i.e., baseline)

c. Deduct results of step "a" from step "b" = increment attributable to increase in total liabilities.

d. Calculate the increase in total liabilities (liabilities of year in which PRE guaranteed loan disbursed less liabilities of previous year)

e. Calculate % of PRE guaranteed loan on total increase in liabilities (PRE guaranteed loan/result of step "d")

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f. Multiply result of step "e" by result of step "c" = revenues attributable to PRE guaranteed loan

2. Net Income per year due to PRE-Guaranteed Sub-Loan

a. Calculate % of net income to revenues (actual as per financial statements - net income/revenues)

b. Multiply result of step "a" by estimated amount of gross revenues per year due to PRE-Guaranteed Sub-Loan (results in "f" above) = estimated amount of net income/year due to PRE-Guaranteed Sub-Loan

C. PERCENT INCREASE IN GROSS REVENUES PER YEAR DUE TO PRE-GUARANTEED SUB-LOAN

Yearly percentage increase in gross revenues x (GR per year due to PRE-Guaranteed Sub-Loan/total gross revenues per year)

D. PERCENT INCREASE IN NET INCOME PER YEAR DUE TO PRE-GUARANTEED SUB-LOAN

Yearly percentage increase in Net Income x (NI per year due to PRE-Guaranteed Sub-Loan/Total Net Income)

E. EMPLOYMENT

1. Full Time Employees Due to PRE-Guaranteed Sub-Loan

If enterprise was a start-up, all employees are attributable to the PRE-Guaranteed Sub-Loan. If not, the calculation is: Full Time Employees x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

2. Portion of Increase in Full-Time Employees Due to PRE-Guaranteed Sub-Loan

Yearly percentage increase in Full Time Employees x (Yearly Increase in number of Full-Time Employees due to PRE-Guaranteed Sub-Loan/Yearly Increase in number of Full-Time Employees)

3. Full Time Female Employees Due to PRE-Guaranteed Sub-Loan

Same methods as for full-time employees

F. EXPORTS

1. Export Earnings Due to PRE-Guaranteed Sub-Loan

Total yearly Export Earnings x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

2. Foreign Exchange Earned Due to PRE-Guaranteed Sub-Loan

Total Foreign Exchange Earned x (Gross Revenues per year due to PRE-Guaranteed Sub-Loan/Total Gross Revenues)

BORROWER PROFILES - FEBTC

LAS PALMAS RATTAN CRAFT Angeles City, Pampanga

Industrial Sector - Manufacture of Furniture
\$68,150 Working Capital Loan

Las Palmas Rattancraft is owned by Benito S. Tan and his wife, Jesebel Vitug Tan, who are doing business as a sole proprietorship. They have been in business for nine years and are engaged in the manufacture of rattan furniture, primarily for the export market. The high quality of their furniture has created a demand from buyers who have seen the furniture at trade shows in Manila.



Making rattan chairs

The factory is located on the grounds of a government regional industrial park in Angeles City, site of Clark Air Base. The company was originally created to meet the demands of walk-in customers from the Base for rattan furniture. The size of the business increased dramatically in 1986 when it won a contract bid of \$1.0 million to supply the furnishings for the Base hotel, cottages, dormitories, and some of the houses.

The relationship of Las Palmas Rattancraft and FEBTC began in March 1989, as a result of the marketing efforts of Mr. Rico Santos, the Bank's branch manager in Angeles City.

The firm had obtained a purchase order for their furniture from Pier 1 Imports in the U.S. Consequently, the firm had an immediate need to purchase rattan for the manufacture of this order and required a loan of \$68,150. Under existing policies at FEBTC, Las Palmas Rattancraft could have qualified for only \$28,000, secured by real estate.

The Bank granted the loan of \$68,150 secured by an assignment of the proceeds of an export letter of credit in the amount of \$280,500 issued by Chemical Bank in the U.S. on behalf of Pier 1 Imports. As additional collateral, the FEBTC took a real estate mortgage on a four-acre tract of land which the company had purchased with earnings. The tract has a market value of \$47,000 and will be used as the site for factory expansion.

The loan was made under the A.I.D. PRE guarantee program because the real estate loan value was not adequate to secure the loan; the assignment of the proceeds of the export letter of credit only has value as collateral after the products are produced and shipped.

The Clark Air Base contract was a major contributor to the company's sales of \$330,966 in 1987 and \$982,102 in 1988. During that same period, net income increased from \$29,403 to \$137,696. The gross sales projections for 1989 were \$588,235. The projection reflects the fact that the Base contract has been completed. Following is a table which shows the financial condition of the company at year-end 1987 and 1988. The 1989 financial statement had not been received at the time of this study.

	December 31, 1988	December 31, 1989
Assets	\$154,498	\$175,906
Liabilities	107,197	29,738
Net Worth	47,301	146,168
Annual Sales	330,966	982,102
Net Income	29,403	137,696

The demand for rattan furniture continues to be strong; the company exports furniture to Australia, Sweden, Finland, and England as well as to the U.S. The major impediment to production is a scarcity of large rattan which must be imported.

GUINTO'S WOODCRAFT
Angeles City, Pampanga

Industrial Sector - Manufacture of Wood Products
\$55,071 Working Capital Loan

Orlando Guinto and his wife, Erlinda, began their wood products business in 1975 with capital of \$50 and seven employees in an old factory near Angeles City, site of Clark Air Base. Gradually, they were able to design and produce a variety of wooden items, including bowls, trays, and novelties. Sales were increased by opening a shop on Friendship Highway near Clark Air Base.

Mr. and Mrs. Guinto and their children are active participants in the daily work of the business. Presently, they have a workforce of 150 people, the majority of whom are employed by the nine subcontractors who produce wooden bowls and trays for the export market. The bowls, trays, and wedges of wood painted to resemble watermelon are being produced by the thousands to fill a purchase order for Pier 1 Imports of Ft. Worth, Texas. The present order of \$135,792 is a repeat of an earlier order of \$70,000 which was processed by a trader.

The relationship between Guinto's Woodcraft and the Far East Bank and Trust Company (FEBTC) began in January 1990 when the Bank extended a working capital loan to purchase lumber and to pay subcontractors. The loan is secured by an assignment of the proceeds of the \$135,792 export letter of credit issued by Chemical Bank in the U.S. on behalf of Pier 1 Imports. To be assured that it does not incur a loss if the purchase order is not fulfilled, the FEBTC took a real estate mortgage on the factory with a loan value of \$32,171 and utilized the A.I.D. PRE guarantee.

The business has been able to increase its export market by displaying products at the trade fair in Manila. Its sales, which are primarily to the export market, and the resulting changes in its financial condition are reflected in the following financial data:

	December 31, 1988	December 31, 1989
Assets	\$37,715	\$ 53,305
Liabilities	9,174	16,942
Net Worth	28,541	36,363
Annual Sales	35,211	152,431
Net Income	8,702	38,530

In addition to its exports to the U.S., Guinto's Woodcraft also exports goods to Japan, Australia, and New Zealand. The firm has recently improved its production capacity by purchasing land adjacent to the old factory and has acquired additional equipment.

The guarantee facility enabled the FEBTC to extend credit to a new client who would not have qualified for credit under Bank policies because of inadequate collateral. Through the loan guaranteed credit, Guinto's Woodcraft was able to produce enough goods to fill a large export order and increase its margin of profit by eliminating the need for a trader.

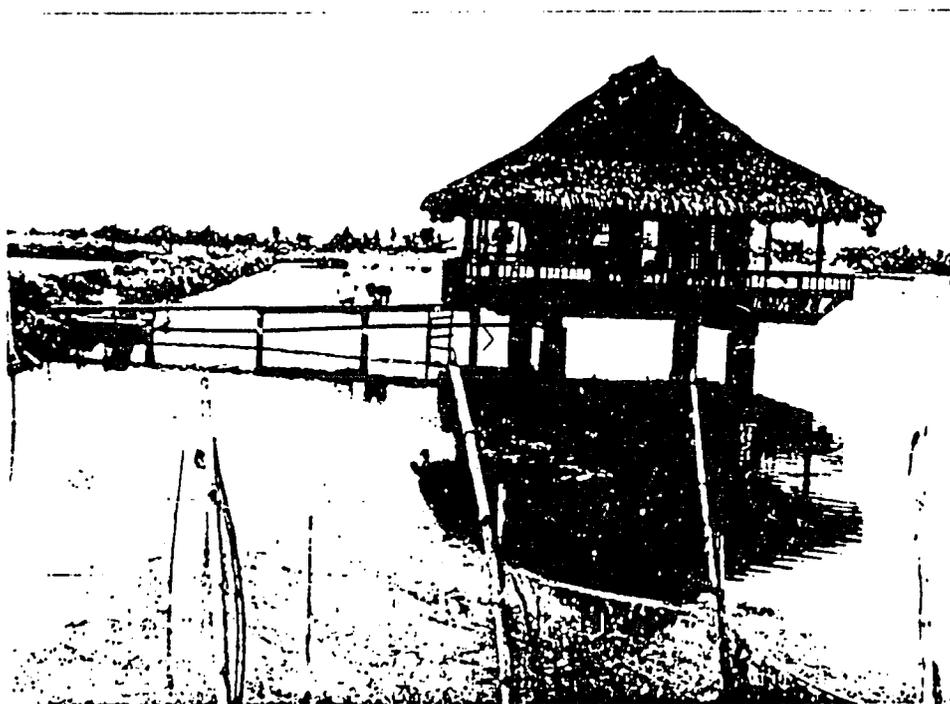
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BORROWER PROFILES - PCIB

**AH RA HA AQUAFARM
Bocauae, Bulacan**

Aquaculture Sector - Prawn and Milkfish Growout (startup)
\$91,785 Term loan
(for pond development & acquisition of equipment)
\$32,125 Permanent working capital

Mr. Halili owns a 13.5 hectare aquafarm of which 13 hectares are in ponds. He surveys his business from a "rest house" located in the center of the ponds. The farm is surrounded by a residential subdivision. Mr. Halili began preparations for his operations in November 1988 and began sales in February 1989. He had worked in prawn farms with his parents previously. Since the PRE credit was not available until May 1989, Mr. Halili had already invested \$331,000 from other sources. He is partial owner of two other companies - a bakery and an ice/cold storage company - and these provided enough capital to purchase the land. Also, he had short term loans from his relatives and other lenders, which he repaid after obtaining the PRE credit. At that point he had over 60% equity invested in the enterprise.



Mr. Halili's "rest house" surrounded by prawn ponds

Mr Halili said he could not have started this business without the PRE credit from PCIB because he had already invested all of his own capital in the purchase of the land. The remaining start-up costs were financed by the short term loans. He would have had to continue this short term borrowing which would have been very difficult. As it is, he had underestimated his expenses and so the loan amount has been insufficient.

Mr. Halili now has a total of 19 employees (none of whom are women): - 12 for the fish operation and 7 for the ongoing construction needs. He brought four employees from the other two businesses. Thus 15 new jobs were created as a result of the PRE credit. During the construction phase he hired 120 new employees for the first six months and kept 40 for the next six months.

Mr. Halili sells 100% of his product to fish brokers, who export approximately 90% of the prawns, but only 1% of the milkfish. Mr. Halili's sales for 1989 of \$95,072 from 9,785 kilos of prawns and 20,683 kilos of milkfish resulted in an estimated foreign exchange earnings of approximately \$96,872 (if one assumes none of the milkfish were exported).¹ He can always sell all of his production, but sometimes experiences a price drop when there is an oversupply on the world market or if the Japanese market is effected. The recent death of Emperor Hirohito, for example, caused a depression in this market.

Mr. Halili has developed some modern techniques for production which result in larger yields and faster production:

- Intermediate feedings of high nutrition feed
- Natural feeding by encouraging the growth of algae in the ponds.
- Proper water treatment by adding lime - reduces the acidity of water and pond bottoms so both algae and prawns will grow better.

Mr. Halili says that he is operating the current ponds at only about 30-40% capacity. He wants to increase his production rather than establish another aquafarm.

Mr. Halili chose PCIB because his father had dealt with this bank before. He is also impressed with the social conscience of the bank and that the loan officer visits him often. He had earlier borrowed from other banks for the bakery. The ice plant was financed by an inheritance.

¹ The current selling prices are: \$2.04-2.27 per kilo for milkfish and \$8.18 for prawns (was \$5.05 three months ago). The export price for prawns is \$9-11/kilo.

JMVR ENTERPRISES

Industrial Sector - Manufacturing and trading of concrete products
\$47,348 Term loan (for equipment)) 1988
\$47,348 Working capital) 1988
\$82,607 Working capital) 1989

Mr. Jose (Joey) and Mrs. Marilyn Reyes established JMVR Enterprises, a family business with joint ownership. They started the business in 1981 on a very small scale using a loan from Mrs. Reyes' sister. The initial production was cement blocks and culverts, which was gradually expanded to include decorative cement blocks and railings and the sale of cement in bags. In 1987 they started the operations of a quarry and now sell aggregates (sand and gravel) to contractors. Their initial assets were P600,000² and currently are P15.4 million (\$707,000).



Putting the finishing touches on decorative cement pieces

² The exchange rate for 1981 was not available.

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Mr. Reyes is a mechanical engineer who previously worked for the AIG Construction Company. Mrs. Reyes is an industrial engineer who previously worked in a garment business in an export processing zone.

JMVR's expanding production in the last two years has resulted in the following increases:

	Increase <u>1987-88</u>	Increase <u>1988-89</u>	
		Total	Attributable to PRE Loan
Gross income	237%	189%	50%
Net income	154%	165%	44.5%

The increase in production resulting from the PRE loan was from 2,500 blocks per day (1988 before any loans) to 6,000 (current) -140%.

In December 1989 JMVR obtained another loan of \$82,600 from PCIB for the purchase of four trucks, which will allow more delivery of blocks and cement. Since this recent loan was not guaranteed by PRE, the enterprise has now "graduated" to regular commercial lending.

The PRE loans have also had an impact on JMVR's number of full-time employees as follows:

	<u>Total</u>	<u>Women</u>	<u>incr in total</u>
1987 (before loans)	25	1	-
10/88 (1st PRE loan)	40	2	60%
6/89 (2nd PRE loan)	55	2	38%
12/89 (non-guaranteed loan)	70	2	27%

JMVR is planning to add one more woman employee in the office (administration).

The company has expanded to meet the growing demand for construction materials which began in 1986 due to confidence in the new government. Previously the construction industry had been very depressed. Mr. Reyes feels this demand will continue for at least the next two years and so the company will continue to grow. His business has not experienced any change due to the recent coup attempt; he is still filling orders from before that time. However, the pace might begin to slow in the next 3-6 months. The main customers are the contractors and government developers. The company can sell all it produces since it basically has no competition.

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The company did have a working capital loan of P600,000 from another bank (BPI), but the collateral was valued only at 40%. PCIB values the collateral at 60% (same with guarantee) which means the borrower must provide collateral valued at 167% of the loan amount. JMVR went to PCIB because they already had saving and checking accounts there. One attractive feature has been a lower interest rate than other banks charge: 19% for the first loan and a 25% variable currently.

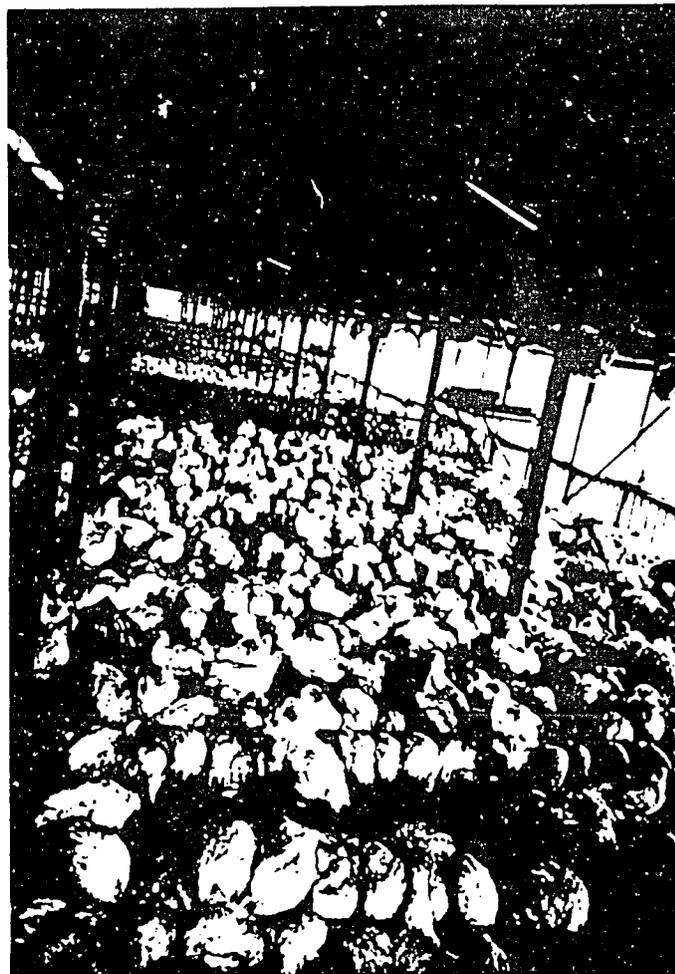
Mr. Reyes indicated that the greatest problem he now faces are the electricity brownouts which have been occurring five to seven times per month for five hours each. This has resulted in a 60% drop-off in production for the last three months.

To date there have been no problems in repaying any of the loans. In fact, the payments are automatically debited from the company account on the due dates.

NKK AGRICULTURAL DEVELOPMENT CORPORATION
Lipa City, Batangas

Industrial Sector - Broiler Production
\$94,696 Working Capital Line of Credit
\$134,659 Real Estate Term loan

NKK Agricultural Development Corporation (NKKADC) was incorporated in 1986 as a family-owned corporation and primarily engages in broiler production. The company operates a 15-acre poultry farm near Lipa City, Batangas. The farm has a capacity of 150,000 chickens, which are raised for the broiler market under a contract grower relationship with General Milling Corporation (GMC).



Broilers at NKKADC

Nicasio Katigbak, the corporate president and chairman, has been in the poultry business since 1960. He established NKKADC to expand into the contract grower business. His son Manuel is the general manager and his wife Angeles Leonor is Treasurer of the corporation.

The farm has undergone two phases of expansion. The first was in 1986 when three additional poultry buildings were added to increase the bird population from 55,000 to 100,000. The second phase was completed in 1988 with the construction of three additional poultry buildings and the installation of a new water supply system which included a 10,000 gallon overhead tank and deep well.

The corporate relationship with the Philippine Commercial International Bank began in 1988 when the term loan was made to finance the improvements on the poultry farm. The working capital line of credit was also made at that time to fund expenses incurred prior to the receipt of contract grower payments and to pay for the expense of raising broilers when not operating under a contract. The Bank utilized the A.I.D. PRE guarantee on both loans because of the limited capital of the corporation and because of the uncertain collateral value of the real estate since it is subject to expropriation under the land reform program.

At present, the company is a contract grower for GMC. GMC supplies the day-old chicks which are of proven performance in terms of growth rate, weight gain, feed conversion and livability. Feed and medicine are also supplied by GMC. The chicks grow into broilers ready for slaughter in 49 days and are processed and marketed in Manila. GMC pays the company a guaranteed price based on the live weight of the chickens. The gross profit for the company is about \$.30 a bird. Labor and electricity total from \$.13-.17 a bird, leaving a margin of about \$.15 for each broiler produced. The selling price of live chickens is about \$.72 a pound; dressed chicken sells for about \$.90 a pound.

The following table shows the company's financial position:

Financial Highlights (\$000)

	<u>12/31/87</u>	<u>12/31/88</u>	<u>10/31/89</u>
Revenues	355.1	156.8	183.7
Net Income	38.7	44.9	46.3
Assets	379.7	432.7	496.6
Liabilities	315.1*	324.9*	345.4*

*includes advances from stockholders of 181.7

Net Worth	64.6	107.9	151.17
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Sales of broilers declined in Manila during the December 1989 coup attempt and at the moment, there is an oversupply of broilers. Those knowledgeable about the poultry business state that the soft market price is no threat to the poultry industry for two reasons: 1) the poultry is consumed in Manila and not subject to a world market price, and 2) the sector structure is solid: 10 large and financially stable poultry integrators provide all the broilers to contract growers. The contract growers receive a guaranteed price.

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