

## Appendix

### How commonly Philippines-based lenders require documents as part of a loan application:

We've divided this up into four sub-cases: where the applicant's income is based on business revenue vs a salary; where the bank's risk exposure is low vs high (meaning where low-exposure means when loan capital is low (typically below PHP50k or PHP100k), or applicant risk is low (for example, they are an existing client or exhibit other low-risk profile elements) compared with cases high-exposure means when loan capital is high, or applicant risk profile is high):

	Salary Income-based loan		Business Income-based loan		
	Low- exposure	High- exposure	Low- exposure	High- exposure	
<b>Personal Identity Verification</b>					
Picture ID (front)	100%	100%	100%	100%	
Picture ID (back)	100%	100%	100%	100%	
Birth certificate	0%	5% (only if place of birth must be confirmed)	0%	5% (only if place of birth must be confirmed)	
Selfie (for matching to ID)	50%	100%	50%	100%	
Marriage contract	5%	50% if applicable (married)	5%	50% if applicable (married)	
<b>Residence verification</b>					
Proof of Billing/Proof of residential address	30% (require one of any of these docs)	100%	30% (require one of any of these docs)	100%	
Electricity Bill		100% (require one of any of these docs)		100% (require one of any of these docs)	
Internet Bill					
Water Bill					
Credit card statement					
Barangay Certificate: residency					
Lease contract					
House Title		20% (if home ownership is a requirement)		20% (if home ownership is a requirement)	
<b>Income Verification: Salary income</b>					
Payslip(s)	50%*	50%*	85%**	N/A	
Bank statement(s)	50%*		85%**		
BIR Form 2316 = Certificate of Compensation Payment/ Tax Withheld (ie Income Tax Return)	50%*		15%**		
Certificate of Employment (Employment confirmation letter)	70%***		85%**		
Employee ID card (Staff ID)			100%		
Employment contract	0%		100%		
Proof of remittance	70% (if applicable)		100% (if applicable)		

Business Identity Verification					
Mayor's permit	N/A		100%	100%	
BIR certificate (BIR 2303)			70%	100%	
Barangay Certificate: business clearance			40%	100%	
Annual Income tax return			0%	50%	
IF Sole Proprietorship (i.e. SME loan to individuals)		DTI certificate			
IF Partnership:		SEC Certificate of Partnership	70%	100%	
		Articles of Partnership	30%	70%	
		Board Resolution or Secretary Certificate authorizing representative	30%	70%	
IF Corporation:		SEC Certificate of Incorporation	30%	70%	
		Articles of Incorporation	30%	70%	
		General Information Sheet (GIS)	30%	70%	
		Board Resolution or Secretary Certificate authorizing representative	30%	100%	
		By-laws	0%	30%	
Income Verification: Business Income					
BIR Form 1701 (Income tax return)	N/A		0%	20% (if applicable)	
Photo of business			90%	100%***	
Video tour of business			20%		
Invoices/Receipts			0%	20%	
Inventory list			0%	10%	
Photo of inventory			20%	100%	
Evidence of web presence			20% (except 100% for online sellers)	50% (except 100% for online sellers)	
Trade references: suppliers			50%†	70%‡	
Trade references: customers			50%†		30%‡
Collateral documents (if collateralized)					
IF land	Land Title	100%	100%§	100%	100%§
	Tax declaration for real property	0%	100%	0%	100%
IF vehicle	Official Receipt (OR)	100%	100%	100%	100%
	Certificate of Registration (CR)	100%	100%	100%	100%

\* 50% of lenders require ALL of these docs, 50% require ANY ONE of these docs. Number of statements varies from 1 to 6 (for example, 3 monthly bank statements or 3 payslips).

\*\* 85% of lenders require ALL of these docs, 15% require ANY ONE of these docs. Number of statements required varies from 3 to 12 (depending on low/high exposure),

\*\*\* Either one accepted.

† 50% of lenders require both supplier and customer references, 50% require either. Number of references varies from 1 to 3.

‡ 70% of lenders require both supplier and customer references, 30% require either. Typically 3 required.

§ CTS only required when ownership has recently changed but updated title not yet issued.