



BANCO DE DESARROLLO ECONÓMICO
PARA PUERTO RICO

ESTADO LIBRE ASOCIADO DE PUERTO RICO



BANCO DE DESARROLLO ECONÓMICO
PARA PUERTO RICO

*The Bank's Role on Sustainable
Tourism Development*

By:

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President

Economic Development Bank

for Puerto Rico



Our Mission is:

To provide financing alternatives and integrated financial services to small and medium-sized entrepreneurs thereby contributing and motivating our economic development necessary for the creation and retention of jobs.



Economic Sectors:

- *Tourism*
- *Manufacturing*
- *Services*
- *Commerce*
- *Agriculture*



Responsibility:

*Financial needs for the small and
medium-sized entrepreneur up to:*

\$5 million

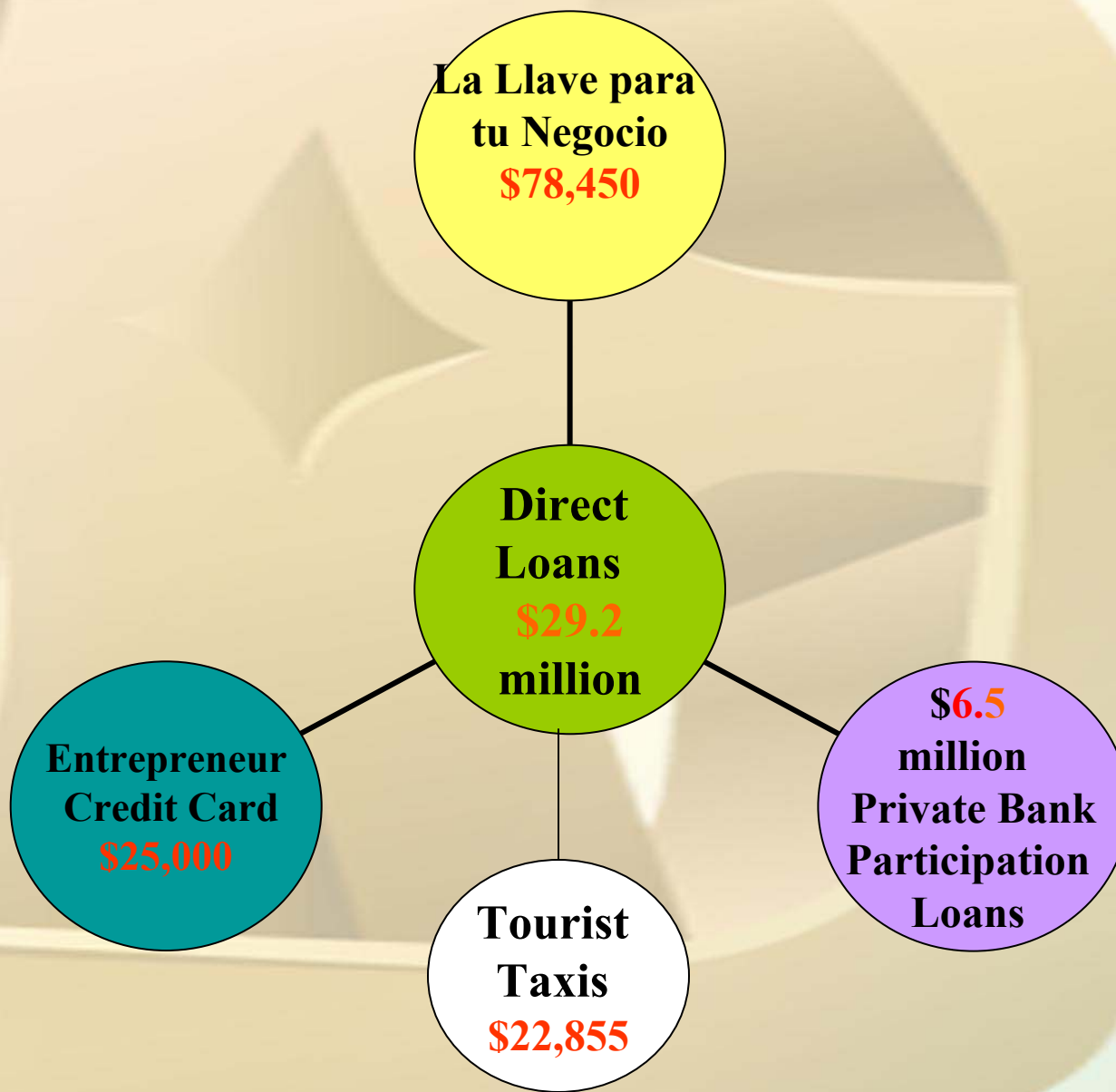


A sample of our Tourism Industry Customers

- **Welcome Map's, Inc.**
(touristics maps)
- **Encantada Tours** (touristics excursions)
- **Galería Pizza, Inc.**
(restaurant)
- **Rincón Beach Resort**
- **Hotel Villa del Sol**
- **Bahía Salinas Beach Hotel**
- **Parador Palmas de Lucía**
- **Hotel Caribe Playa**
- **Hacienda El Jibarito, Inc**
- **Centro Vacacional Papá Alberto**
- **The Horned Dorset Primavera**
- **Hotel Rincón of The Seas**
- **Hotel Airport (Best Western)**
- **Costa del Mar Guest House**
- **Parador Guánica 1929**



BANCO DE DESARROLLO ECONÓMICO PARA PUERTO RICO



\$36 million
in loans for
the Tourism
Industry



BANCO DE DESARROLLO ECONÓMICO PARA PUERTO RICO

Approved Loan

\$13.5 million

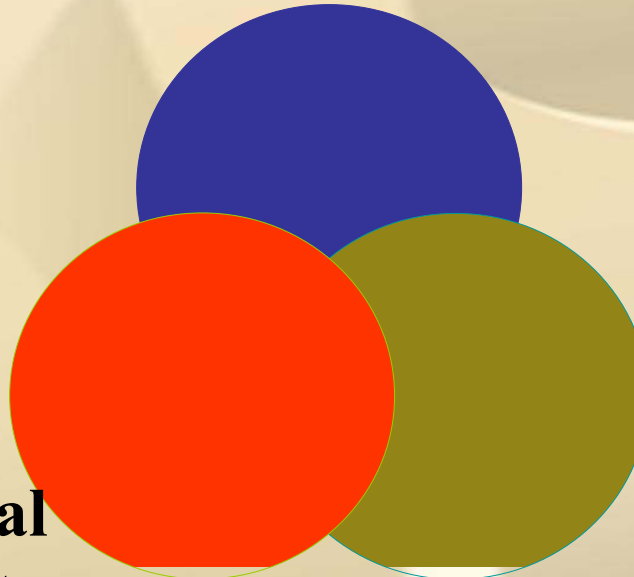
**\$13.5 million
in Approved
Loans with the
Tourism
Guarantee
Fund**

**Principal
Amount**

\$9.2 million

**Guaranteed
amount**

\$4.3 million





BANCO DE DESARROLLO ECONÓMICO
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*Products for
Small and Medium-Sized
Entrepreneurs*



Entrepreneur Lending Products

- New Entrepreneur
- Direct Loan
- La Llave para tu Negocio
- Entrepreneur Credit Card
- Credi Transport



New Entrepreneur

*Created to promote the establishment of
new businesses that will foster economic
development in Puerto Rico.*



New Entrepreneur

Terms:

- *Maximum amount \$500,000*
- *Up to 90% of the total cost of the projects.*
- *Prime Rate plus a margin not to exceed 1%.*
- *Collateral*



Direct Loan

Terms:

- *Maximum amount \$5 million*
- *Minimum Contribution*
 - *10% in established businesses*
 - *20% new businesses or operations of 2 years or less.*
- *Interests*
 - *Competitive interest rates based on Prime Rate*
- *Collateral*



La Llave para tu Negocio

Terms:

- **Maximum amount: \$50,000**
- **Up to 10 years for repayment**
- **Percent to be financed: 100% of the total project cost.**
- **The Puerto Rico Trade will certify the eligibility of the applicant.**
- **Interest: Prime Rate plus .50%**
- **Up to a 12 month moratorium in the principal payments and up to 6 months in moratorium interest payments.**



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Entrepreneur Credit Card



- Maximum - \$25,000
- Interest – competitive interest
- Term – to be revised annually.
annual revision
- Annual Fee - \$50.00
- Uses of Funds:
Working Capital



Credi-Transport

**Developed for promoting financing for
entrepreneurs that have an
authorization, franchise or license to
operate taxis, public transportation
vehicles or tour buses by The Puerto
Rico Tourism Company**



Credi-Transport

Terms:

- **Financing to buy the authorization (“medallón”) and the vehicle**
- **Public Transportation – up to \$25,000**
- **Taxis - up to \$25,000**
- **Tourist Excursions – up to \$60,000**



BANCO DE DESARROLLO ECONÓMICO
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Tourism Guaranty Fund

*Product designed to assure tourism
related projects with the Tourism
Company Certification.*



Tourism Guaranty Fund

This new initiative is a product of EDB's and Puerto Rico Tourism Company's alliance. This fund guarantees loans for small inns ("paradores"), restaurants, and any other tourism-related business. With this initiative, for the first time, the tourism sector has a guaranty for commercial credit transactions.



Tourism Guaranty Fund

Process:

- *The Tourism Company receives from the Economic Development Bank an application for the Certification of the Tourism Guarantee Fund.*
- *This application comes with the general requirements of the EDB, including the Business Plan.*
- *The Tourism Company analyzes the application and submits it to the Tourism Guaranty Fund Committee for their approval and then refers to the EDB.*



Tourism Guaranty Fund

- *Guarantee up to 85% in loans until \$175,000.*
- *Guarantee up to 75% in loans from \$175,000 until \$1,000,000.*
- *Guarantee up to 100% in loans until \$1,000,000 in individual or corporate business from Special Communities (Comunidades Especiales).*



Venture Capital

Promotes capital formation to finance highly innovative projects. The Economic Development Bank can become a direct investor by purchasing company stock. It can also become an indirect investor through investing in privately formed venture funds.



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**Services and Incentives for
the Small and Medium-
Sized Entrepreneurs**



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PARA PUERTO RICO



CENTRO DE BANCA EMPRESARIAL

- Initial Loans
- Information about governmental incentives
- Seminars for entrepreneurs
- Financial planning for entrepreneurs
- Payment Center
- Link with all professional Puerto Rico entities
- Resources for seminars around the Island



Alliances with:

- **Puerto Rico Trade**
- **Entitlement Municipalities with Interest Reimbursement**
- **Puerto Rico Government's Office for Municipal Affairs (OCAM).**
- **Cooperative Development Administration (AFCOOP)**
- **Puerto Rico Chamber of Commerce**
- **Puerto Rico Tourism Company (Tourism Guaranty Fund)**
- **Family Socioeconomic Development Administration (ADSF)**
- **Agriculture Department (DA)**
- **Solid Waste Authority (ADS)**
- **Ponce and South Chamber of Commerce**
- **Western Chamber of Commerce**
- **Puerto Rico Products Association (APPR)**
- **United Retailers Associations (CUD)**
- **Society of Certified Public Accountants**
- **Film Corporation (TV projects)**



**Alliance with the Cooperative Development Administration
and the Puerto Rico Credit and Savings Cooperative
Society**

**The objective is to promote financial products for businesses
through Credit and Savings Cooperatives.**

**This agreement establishes the Financial Support Program between
the EDB, the Cooperative Development Administration and the
Credit and Savings Cooperative Society.**



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PARA PUERTO RICO**

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