

Post Disaster Rehabilitation of Microfinance Clients

The Case of ASKI



Outline of Presentation

1	Who We Are	Short Profile of ASKI
2	What We Do	Financial Services—Microfinance Non financial Services
3	Where We Work	Areas of Operation The Sectors we serve
4	The Disaster Experience	-The Rehabilitation Process -Coping Mechanisms
5	The Challenges	-Loan Loss Provisioning -Claims Challenges in PCIC and AGFP
6	Future Plans	-Disaster Fund

About ASKI

- ❑ A non-stock, non-profit organization committed to the ***promotion and development of micro and small-to-medium enterprises and the delivery of social services.***
- ❑ Registered with the Securities and Exchange Commission (SEC) on March 23, 1987 under the name Alalay sa Kaunlaran sa Gitnang Luzon, Inc.



ASKI Business Units

MFI



MBA



Foundation



Marketing
Coop



Employees
COOP



Training
Institute



ASKI
Global



School



Water
Hope

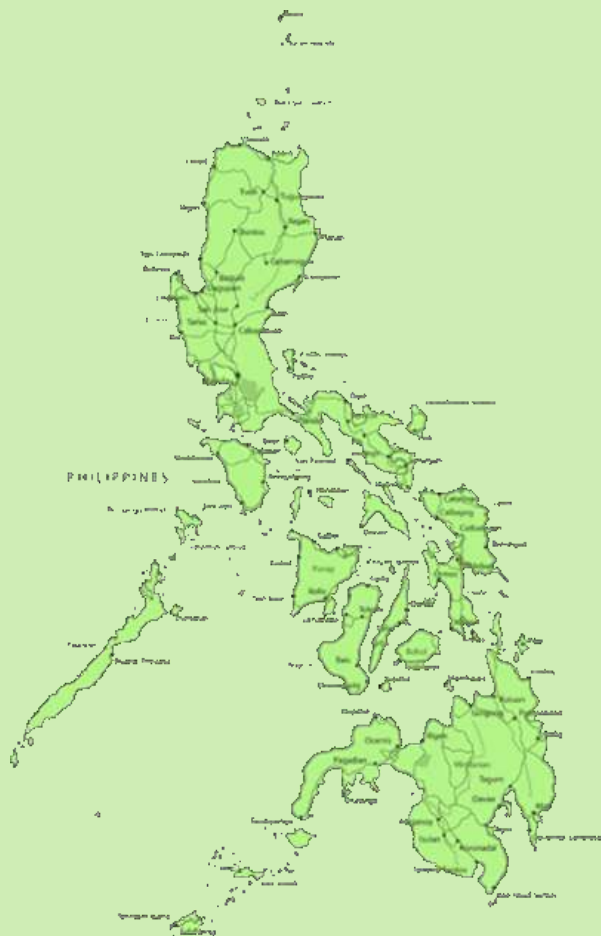


iSynergies



Microfinance Highlights

(June 30, 2014)



No. of Branches	63
Areas of Coverage	Regions 1,2,3 12 provinces
No. of Staff	1,007
No. of Active Clients (Borrowers & Savers)	129,867
Total Loan Portfolio (Pesos)	1,292,753,482

What We Do

(1) Financial Services

Loans, Micro-insurance, Money transfers and payment services

(2) Non Financial Services

Community Development

Trainings & Consultancy

Market Linkage

Education

Trading

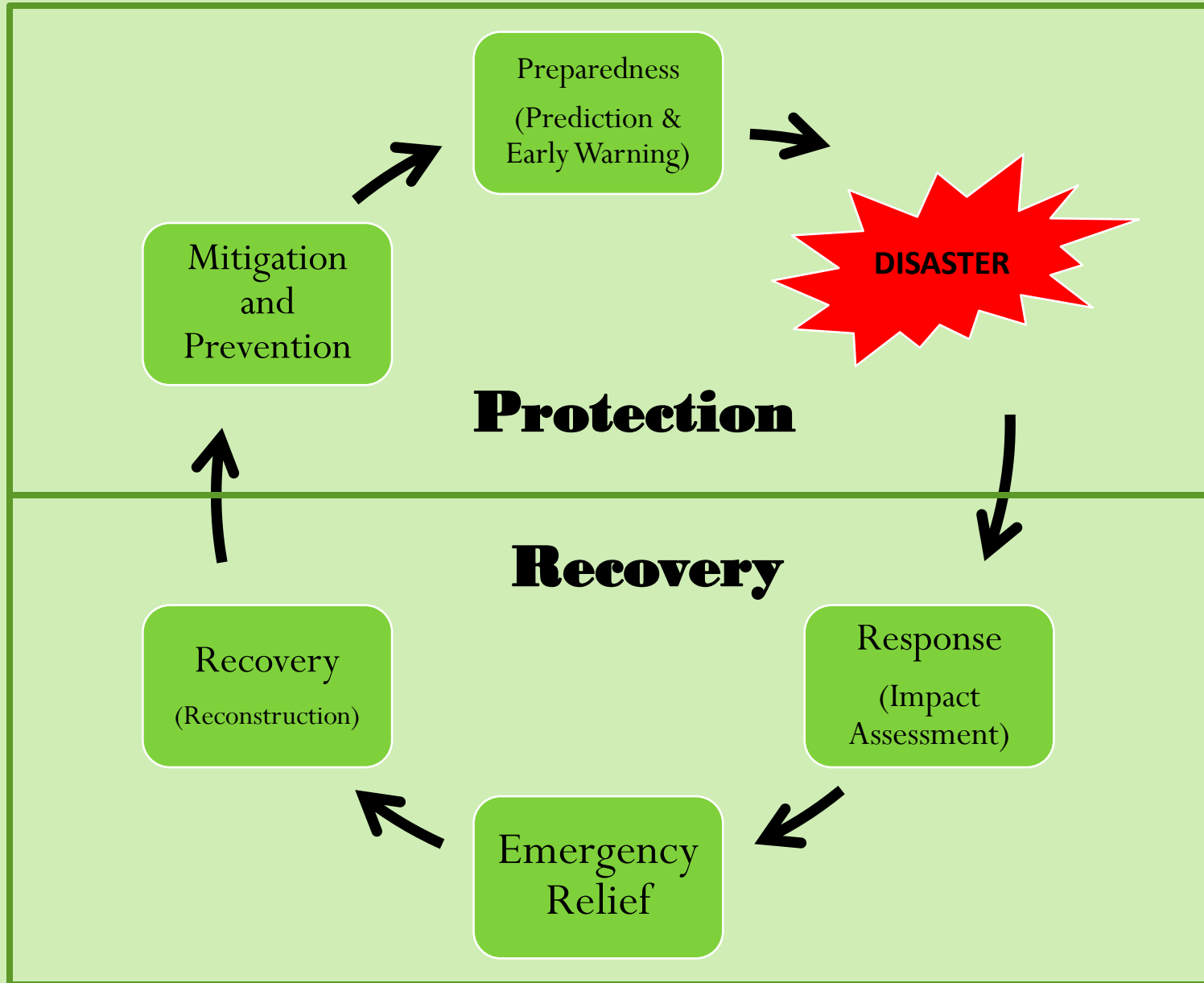


The Sectors We Serve

- ✓ Marginalized Sector, the rural and urban poor
- ✓ Farmer Groups
- ✓ Indigenous People
- ✓ Out of School Youth
- ✓ Overseas Workers Family
- ✓ Transport Groups
- ✓ People with Disability



Disaster Management @ASKI



(1) Relief Operations



(2) House Construction



Funds Raised from ASKI staff Php. 340,507

(3) Portfolio Assessment

Typhoon	# of Branches Affected	Total Portfolio Affected	Total # of Clients
Pedring (August 2012)	24	Ps. 48,564,338.25	3,363
Labuyo (August 2013)	23	Ps. 97,718,303.34	5,697
Santi (October 2013)	16	Ps. 131,656,657.86	5,201
Vinta	3	Ps. 5,180,502.56	715
Total		Ps.283,119,802.01	14,976

(4) Filing of Claims with PCIC

- In 2009 ASKI entered into a MOU with PCIC for the insurance cover of the crops financed by ASKI.

Objectives:

- To enable borrowers to recover losses to their crops due to natural disaster as well as pest infestation and plant diseases.
- To ensure the repayment of loan in the event that crops are damaged by compensable losses.
- To lessen the burden and undesirable effects of continuously restructuring loans to past due loans.



(5) Filing of Claims with AGFP

- The AGFP is established by virtue of Administrative Order No. 225-A issued on 26 May 2008. The AO stipulates, among others, for the GFIs and GOCCs to allocate and contribute five percent (5%) of their 2007 surplus for projects in palay and food production, and as contribution to the AGFP. The AGFP shall be used to mitigate the risk involved in agricultural lending thereby facilitating the provision of credit in the agriculture sector.



Challenges

Effects to the Clients:

1. decreased household ability to earn income
2. increased expenditure
3. Damage/destruction on income generating assets and household assets
4. STRESS!!!

Effects to the MFI:

1. Decrease inflow of cash
2. Increase outflow of cash (CBU withdrawals/reversals)
3. Significant loss of capital (Loan Loss Provisioning)
4. STRESS!!!

Coping Mechanisms

1. Loan Restructuring
2. Loan Refinancing
3. Reduced Interest for disaster affected clients
4. Insurance Measures

Insurance Measures of ASKI

Insurance	Partner
1 Health Insurance	Philhealth
2 Life Insurance	ASKI MBA & Sunlife
3 Credit Life Insurance	ASKI MBA
4 Funeral Insurance (PERA o KAHON)	BenLife
5 Property Insurance	Pioneer
6 Crop Insurance	PCIC
7 Guarantee Fund	AGFP

Moving Forward

- Setting up of Disaster Fund
- Diversify Risky Portfolio

For more information:

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