



SEDP-SIMBAG SA PAG-ASENSO, INC.
(A Microfinance NGO)

MANAGING LOAN PORTFOLIO

2026 Microfinance Operations Summit
April 7-8, 2026



Century Park
Hotel

ABOUT US

- ❖ **Established in 1994, the SEDP-Simbag sa Pag-Asenso Inc. (A Microfinance NGO), also known as Simbag Microfinance is a development-oriented institution under the Diocese of Legazpi.**
- ❖ **SEC registered since 2004**
- ❖ **This year, Simbag is on its 32nd year of operation.**



Present in 6
Provinces of the
Bicol Region & in
Northern Samar



10 branches
covering 35
Satellite Parish
Outreaches



Serving 106k
clients as of
March 31, 2026



1.008Bn Loan
Portfolio
as of March 2026



PAR Rate
2.81%

2023-2025 MONTHLY PAR RATE TREND

Disaster significantly contributes to the spike in PAR Rate



2023

- PAR Rate is largely at 5%
- Prolonged heavy rains affected the business of the members, particularly those in Agri-Business

2024

- Almost PAR Rate stabilized at 4%
- STS Kristine: severe flooding & landslide in Cam. Sur resulted in PAR spike at 7%
- ST Pepito: brought continuous rains, flooding, & landslide in Catanduanes and Cam. Sur.

2025

- No material increases in PAR, but rather an improvement toward year-end to 3%.

PORTFOLIO QUALITY MANAGEMENT FRAMEWORK



PREVENTION

**Thorough Screening, Validation
& Culture Building**

- **CBI**
- **Cash flow**
- **Controlled Approvals**
- **Center discipline**



DETECTION

Detect Early Warning System

- **Behavioral patterns**
 - **Frequent absenteeism**
 - **Partial & late payments**
 - **insisted CBU withdrawals beyond limits**
- **Business Health Checks**
- **Loan Utilization checks**
- **Onsite & offsite revalidation**
- **MIDAS/CIC verifications**



CURATIVE ACTION

**Recovery & Rehabilitation
Packages**

- **Visit within 24 hours**
- **Progressive Escalation of Accountabilities**
- **Work-out & Recovery strategies**
- **Documentation Discipline on adapted strategies**

RESPONSIBLE LOAN RENEWAL & CLIENT SUPPORT

CAPACITY & CHARACTER BASED ASSESSMENT

- **Cashflow assessment ratios:**
 - **35% ADC**
 - **40% EI**
 - **20% CBU**
- **Behavioral Performance**
 - **Cooling-off period after loan offsetting and reactivation**

DISCIPLINED CREDIT CONTROL

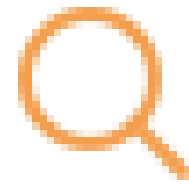
- **Pre-renewal enterprise validation**
- **Combined onsite & offsite revalidation**
- **Photo capturing as proof of validation**
- **System User Access & Controls for loan approvers**
- **Automatic system text notification upon loan approval**

MONITORING & SUPPORT

- **Flexible loan terms**
- **Maximum loan cap/graduated loan size to member-retirees in MBA depending on CBU guarantee**
- **Home visits & dialogue to members who struggles in repayment.**

ETHICAL & EFFECTIVE COLLECTION STRATEGIES

Simbag communicates and adheres to its rules on members' Rights & Responsibilities and the Data Privacy Act



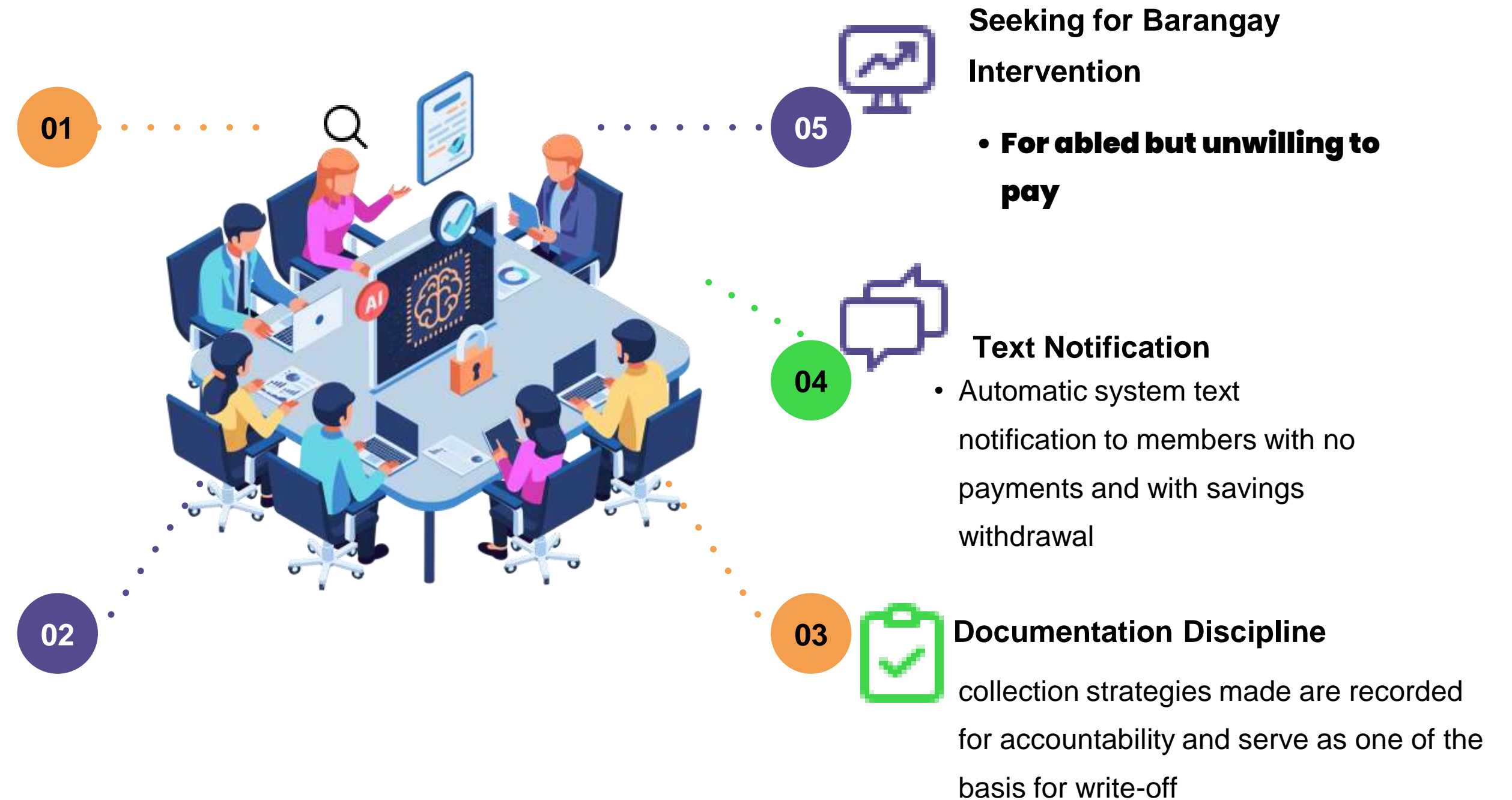
Progressive escalation of accountabilities

- **Visit within 24 hours**
- **Week 1–3: Reminder letters + continuous follow-up**
- **Week 4+: Demand letters**
- **Individual visits to diagnose the causes of delinquency and agree on solutions**
- **Group dialogue and consultation meetings with DQ members**



Work-out & Rehabilitation Packages Implementation

- **Loan Offsetting**
- **Restructuring**
- **Rescheduling**
- **Refinancing**



KEY CHALLENGES

Over Indebtedness

(Multiple Borrowing in other MFIs, shared loans)

01

STRATEGIES

• Strong KYC & Client Education

- Comprehensive Orientation, screening & membership training
- Financial Literacy & Enterprise Development Trainings
- Continuous strengthening of policies & monitoring systems

External Shock

disasters, inflation and the fuel crisis

02

• Responsive Product Designs

- Partnership
- Calamity Fund
- Established BCP & Indicators

Basic LMS Design & Features

Lacks report dashboard and reports analysis and controls

03

• Initial Assessment - External Auditor

- Ongoing system audit - Internal Auditor

Relational & Negotiation Capacity of Young Workforce

Highly vulnerable when faced with collection problems

04

• Mentoring & Coaching Sessions

- In-house Training Program

Weak Cashflow Analysis

Lack of skills in some staff to properly balance and check the stated income against inventory requires so much time for assessment and redirecting concerns

05

• Loan committee assigned for loan assessment & approval

- Training

KEY LESSONS AND NEXT STEPS IN STRENGTHENING PORTFOLIO MANAGEMENT



KYC is a basic and essential foundation towards Portfolio Quality



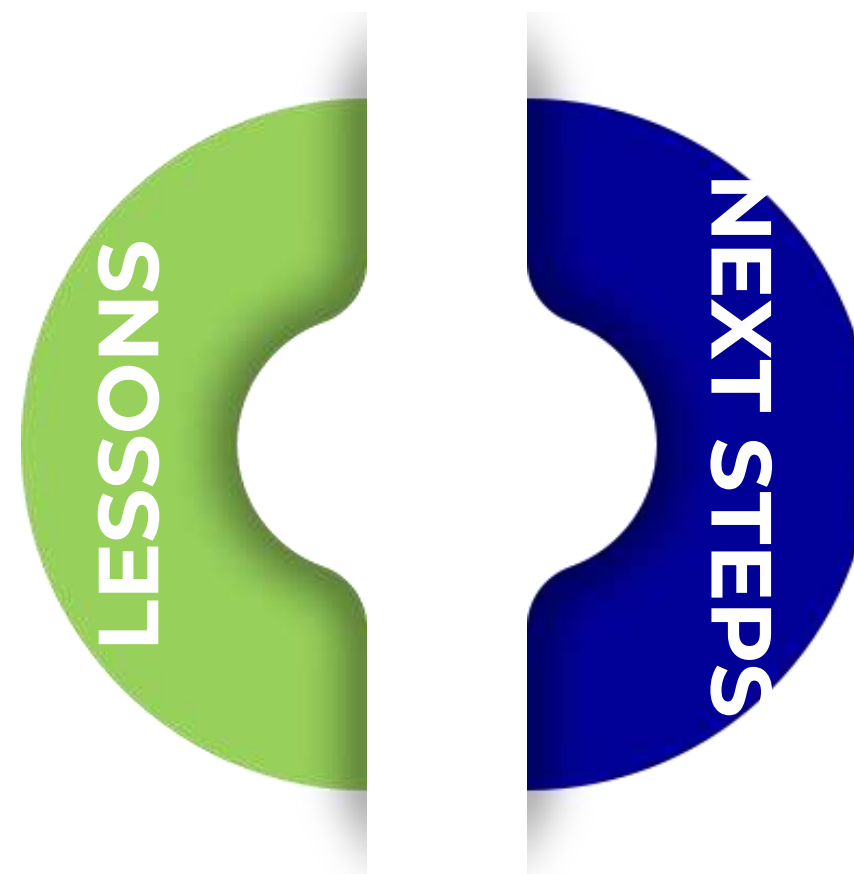
Data without field validation during loan application is futile



Staff behavior towards portfolio quality is a key driver to resolving delinquency



Responsible loan approval is always anchored on verified capacity and disciplined credit controls.



Strengthen Client Resilience through Trainings



Continuous enhancement of staff capability & accountability



Enhancing Loan Management | Accounting System



Scale-up digital tools





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Thank You



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<https://www.sedp.ph>

