

### c. *Small Entrepreneur loan (SEL)*

All terms and conditions are similar with that of small loan except for the loan amount and repayment mode. The minimum loan size is PhP 51,000.00 and the maximum amount is PhP 100,000.00. Mode of repayment will be on a monthly or weekly basis through the issuance of post dated checks.

### d. *Rehabilitation loan*

Existing borrowers may avail of this loan if their enterprise/house is affected by natural calamities such as flood, typhoon, or house/ business burn by the fire.

## OTHER FINANCIAL SERVICES

### LOAN COLLATERAL BUILD-UP

Apart from the loan products, Pagasa Philippines offers an alternative scheme for its clients' capital generation. Termed as LCBU, the clients pay a small amount during their weekly meetings that start on the same day when they receive the first loan. The LCBU can be withdrawn in excess of the 10% maintaining balance.

### DEATH RISK FUND (DRF)

The DRF is another feature of the Pagasa Philippines loan that covers the risk of the client/borrower in case of death while said client is under contract with Pagasa Philippines. A onetime payment of a non-refundable amount equivalent to 1% (PhP 10.00 per thousand) of the principal loan amount shall constitute the DRF.

### MANAGEMENT AND GOVERNANCE

Pagasa Philippines, in partnership with the Pagasa Ng Masang Pinoy Foundation (PMPFI), is committed to develop a pool of skilled, effective and efficient microfinance experts while its rapid growth and expansion continues in the country. In less than three years, it has employed almost 1000 staffs and is lead by experienced Filipino and Bangladeshi Management.

ASA International deployed a number of experienced ASA consultants in the country to replicate and to implement ASA methodology and to train local counterparts in the company.

This pool of ASA consultant from headquarter in Dhaka, Bangladesh together with Filipino member of the Management Committee run the day to day operations of the company and the global treasury operations is supported by ASA International wings based in the Netherlands and Bangladesh.

### FUND SOURCE

The initial capital of PPLCI was channeled through ASA International, as a part of its global commitment in microfinance development. PPLCI is also targeting at other global and local microfinance funding institutions as sources of capital to finance its estimated exponential growth in the coming years.

### KEY STRATEGIES

PPLCI adopts the following key implementing strategies to EXCEL in the microfinance industry:

- ✧ **E**fficient fund utilization and effective internal control
- ✧ **X**ternal linkage for resource generation
- ✧ **C**ost effectiveness for sustainability and continuous staff training
- ✧ **E**xperienced senior management
- ✧ **L**ean organizational structure

### WAY FORWARD

Five years from now and onwards, Pagasa Philippines and elaborate (PMPFI) shall establish themselves as a center of excellence in the Philippine microfinance industry covering all the regions. To this end, Pagasa Philippines aims to establish more than 350 branches servicing half a million poor Filipino families within the next five years.



## Pagasa Philippines Lending Company, Inc.



## A Commitment Towards A Poverty-Free Society

Pagasa Philippines Lending Company, Inc.  
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## OVERVIEW OF PAGASA PHILIPPINES

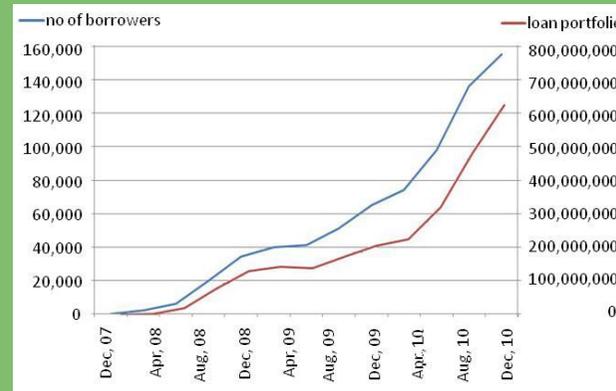
**PAGASA Philippines Lending Company Inc. (PPLCI)** seeks to pursue its mission to provide micro credit services to its members. It aims to empower the enterprising poor by helping them access credit for their income generating activity, helping increase family income that will eventually improve the economic conditions of their families and finally become social investors in community development. PPLCI also aims to create employment for the community and/or locality supporting the micro projects to the members and job placement in the company.

**PAGASA Philippines Lending Company Inc. (PPLCI)** is duly registered company with Securities and Exchange Commission (SEC) and serving a low-income or economically poor Filipinos through microfinance program which is provision of affordable credit and replicating the very well known "ASA Methodology". The company was registered in 2007 and started its operations in Metro Manila and gradually expanded its operation in nearby provinces and later opened more branches in Luzon as well as in Mindanao. The company is directly affiliated with ASA International.

**ASA International** – is one of the famous and largest microfinance organizations in microfinance industry worldwide with over 700,000 borrowers established the company. ASA International is motivated with the mission of financially empowering the poorest and deprived population of the world through the leadership of ASA Chairman Md. Shafiqul Haque Choudhury. With the commitment towards a poverty free society, ASA International is operating in India, Pakistan, Sri Lanka, Ghana, Cambodia, Afghanistan, Nigeria and the Philippines. ASA was rated as the best microfinance organization in the world by Forbes in 2007 for its cost effective, efficient and sustainable microfinance model.

**PAGASA Philippines Lending Company Inc. (PPLCI)** is now serving to over 150, 000 clients through its 160 existing branches in Luzon and

Mindanao and envisioned to extend its operation to Visayas Region and further expand its existing operation to serve more micro entrepreneur and work towards achievement of 500,000 borrowers target.



As of Dec. 31, 2010 PPLCI's total gross loan portfolio was PhP 675 Million with excellent repayment rate.

### VISION

To establish a poverty-free society

### MISSION

To provide an avenue and opportunity for the entrepreneurial poor having an access to financial services to improve their economical and social condition

### GOALS

To provide sustainable financial services to the entrepreneurial poor, to enhance their enterprises, thereby, to make them economically self-reliant

### OBJECTIVES

1. To provide small loans to entrepreneurial poor clients;
2. To provide an opportunity to accumulate alternative capital for their enterprises; and
3. To create employment opportunities for the clients by encouraging them to engage and/or enhance their existing enterprises

## PRODUCTS AND SERVICES

### a. Small loan (SGL)

**Loan amount** - Minimum amount is PhP 5,000.00

and the maximum amount is PhP 14, 000.00

depending on the member's capacity to pay and type of businesses.

**Interest rate** - 14% for 5 months or 19 weeks (20 weeks including moratorium). No additional administrative and processing fees are charged; loan application forms and passbooks are also provided for free.

**Loan duration** - 19 weeks (20 weeks including moratorium, 5 months)

**Mode of repayment** – Weekly

**Amortization** - PhP 60.00 per thousand of loan

### b. Small Business loan (SBL)

All terms and conditions are the same with that of the small loan product, except for the loan size, which is PhP 15,000.00 at the minimum and PhP 50,000.00 at the maximum.

