

Taytay sa Kauswagan, Inc.

Brief History

Taytay sa Kauswagan, Inc. (TSKI) or "Bridge to Progress" was established on September 1, 1986 to serve poor microentrepreneurs in the Visayas region. It is registered with the Securities and Exchange Commission as a non-stock, non-profit Christian development organization. It was organized to lift out of poverty the least privileged Filipinos through microfinance. Presently, TSKI is the largest MFI in the Philippines with services ranging from group and individual loans, microinsurance, and business development services.

Methodology

TSKI's main thrust program is the Proyekto Kauswagan sa Katilingban (PKK). Initially, its systems, policies, and mechanics were adopted from Grameen Bank's methodology. Through the years, TSKI enhanced and developed this system to appropriately serve its clients. PKK is known as TSKI's group loan product.

In addition, TSKI offers a loan product known as the Micro-Enterprise Development Program (MEDP). This loan program is designed for the financial needs of individual entrepreneurs who need to expand their existing businesses but are unable to do so due to limited financial resources. Also, this program serves as the second stage for PKK members who are able to establish and develop their businesses, however, their financial needs are comparatively bigger than what they can avail from the PKK program.

Another loan program that TSKI offers is the Community Based Livelihood/Enterprise Development Program (CBLDP). This loan program is offered to microentrepreneurs who cannot be accommodated by neither PKK nor MEDP. The primary consideration for this program is that the livelihood or enterprise being implemented by the individual is community-based in nature.

Area of Operations

TSKI operates 42 offices in the provinces of Iloilo, Guimaras, Antique, Aklan, Capiz, Palawan, Bohol, Siquijor, Leyte, Eastern Samar, Western Samar, Northern Samar, Romblon, Oriental Mindoro, Cebu, Zamboanga del Norte, and Biliran.

Clients

As of December 2004, TSKI had 135,002 active clients, 122,832 of whom are active borrowers. 92.6% of borrowers are women. Its loan portfolio reached PhP 413.3 million.

Active clients	Active savers	Active borrowers	Gender
135,002	n/a	122,832	92.6% women

As of December 31, 2004

Poverty Focus

TSKI's mission is to make the love of Jesus Christ be felt by the poor by providing opportunities that promote spiritual transformation and total human development. In this regard, TSKI targets poor women. TSKI's average loan balance is PhP 3,378, equivalent to 5.6% of per capita GNP.

Average loan outstanding	Average outstanding loan size/ GNP per capita	Average deposit size
US\$60	5.6%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

GNP per capita: PhP 60,859

Distinctive Features

TSKI is the largest MFI in the Philippines in terms of outreach and amount of gross loan portfolio. It is one of the most aggressive MFIs in the Philippines in terms of expansion. TSKI is also one of the pioneer microfinance institutions in the Philippines.

Innovations

Aside from providing loans and microinsurance, TSKI offers Business Development Services (BDS) to its clients. BDS is an integrated approach in developing business or enterprises. Its immediate aim is to establish productive and sustainable businesses or enterprises. Its key result areas of operation are infrastructure support, finance or credit assistance, product development, market linkages, training/technical assistance, advocacy, and input supply.

Financial Results

As of December 2004, TSKI's total resources amounted to PhP 841.6 million. It had liabilities and equity worth PhP 776.9 million and PhP 64.6 million, respectively. TSKI achieved an OSS ratio of 112.0% and an FSS ratio of 110.7% in December 2004. Outstanding loans at the end of December 2004 reached PhP 413.3 million. Its PAR > 30 days was 0.1%. (Source: MCPI Database – OSS, FSS, PAR)

Loan portfolio	Portfolio at risk > 30 days	Savings deposits	OSS / FSS	RoE / RoA
US\$ 7.3 million	0.1%	n/a	112% / 110.7%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

Challenges and Development Plans

Major challenges for TSKI include competition among MFIs, government regulations on NGO MFIs and lack of support from local government units.

Inclusion in the Financial Sector

On August 30, 2005, TSKI formally opened its microfinance-oriented thrift bank known as Kauswagan Bank. The Bank is majority-owned by TSKI and was established to offer clients with a wider range of financial services, including savings. Presently, Kauswagan Bank has five branches in areas of Iloilo, Roxas City, Cebu, Tacloban, and Tagbilaran.

Sources

www.tski.org

www.opportunity.org

www.append.org

Microfinance Council of the Philippines Database