

**Minutes of 2019
ANNUAL MEETING OF MEMBERS
of
AHON SA HIRAP, INC. (A Microfinance NGO)**

held on April 13, 2019

at ASHI 3rd Floor, Training Room
Brgy. Socorro, Cubao, Quezon City

ATTENDANCE:

Present:

Enrolled Members present:

Terms

Mercedes R. Abad	- President	April 2018 - April 2021
Angelina P. Jose	- Chairperson	April 2017 - April 2019
Gloria P. Jimenez	- Asst. Secretary	April 2017 - April 2019
Milagros S. Rivera	- Trustee	April 2018 - April 2021

Regular Member-Representatives present:

Ms. Luzviminda J. Andal	- Calabarzon 1
Ms. Eva Linda G. Carnevale	- Calabarzon 4
Ms. Alona O. Arago	- Calabarzon 5
Ms. Melchora S. Garcia	- Western Visayas 1
Ms. Donnabell M. Iguiron	- Western Visayas 2

Management/Staff present:

Estrella S. Andres	- Vice President
Melecia A. Bibal	- IAU Supervisor
Herminia Q. Añago	- HR Development Division Head
Joana Mary C. Revellame	- Recording Secretary

Absent:

Enrolled Members absent:

Atty. Ronaldo B. Ingente	- Corporate Secretary	April 2018 - April 2021
Henry Joseph M. Herrera	- Auditor	April 2018 - April 2021
Ma. Wivina de Vera	- Enrolled Member	
Patricia Calilong	- Enrolled Member	
Maricel Baltazar	- Enrolled Member	
Atty. Jaime G. Hofileña	- Enrolled Member	

Regular Member-Representatives absent:

Ms. Marivic M. Ramiro	- Calabarzon 2
Ms. Lhotis A. Moñera	- Calabarzon 3

Management/Staff absent:

Jimmy A. Ramos - Operations Division Head
Olivia G. Madriaga - Human Resource Division Head

1. The meeting started with the song "Lead Me Lord" by Gary Valenciano as the Opening Prayer.

Call to Order

2. The President, Ms. Mercedes Abad, called the meeting to order at 9:20 in the morning.

Proof of Notice of the Meeting and declaration of quorum

3. Notice of Meeting was sent via email last March 11, 2019. After the roll call by the Chairman, Ms. Jose confirmed the presence of a quorum, there being present, four (4) out of ten (10) Enrolled Members and five (5) out of seven (7) Regular Member-Representatives. A total of 9 out of 17 expected.
Also present were 4 ASHI Management/Staff.

Review and Approval of the previous Annual Meeting minutes dated April 7, 2018

4. The members went over the minutes of the previous Annual Meeting on April 7, 2018 (copies of which were among the meeting materials earlier distributed to them). Ms. Jimenez moved to approve the minutes of the previous meeting, duly seconded by Ms. Abad. There being no objections, the motion was carried.

Business Arising from the Previous Minutes

5. No business matters arose from the previous minutes.

The President's Report

6. Ms. Abad delivered the ASHI 2018 Performance Report with the following key points:

ASHI Outreach and Coverage:

- ASHI opened 2 new areas, and 11 new branches in Calabarzon and Western Visayas.
- Membership count reached 74,137 as of Dec 31, 2018, representing a 21% increase over 2017.

- Active membership decreased from 91% to 88% as compared to 2017; inactive membership increased to 12%.
- Of the targeted 31,029 new members, ASHI achieved 19,267 (62%).
- The average center fill-up rate is 40 per center. Calabarzon 2 has the highest average center fill-up rate of 47, closely followed by Calabarzon 3 and Calabarzon 8 (45 and 44 respectively).
- Very good centers decreased from 993 to 860. There are 628 good centers and 363 which need improvement.

Member's Quality of Life:

- The PPI score of members (Poverty Probability Index) reflects an upward trajectory up to the 18th year after which PPI scores start to waffle indicating a weakening economic status. It is a common practice noticed in field, that when the Nanay becomes a grandmother, she tends to house the families of her children which may cause her PPI to drop (Ms. Carnevale rejoined that attendance rate of members have declined because members have to take care of grandchildren).
- Of the 29,668 members (with 48,784 loans) surveyed, loans were utilized for trading and retail (59%), service (8%), manufacturing (5%) and agriculture (27%).
- Partnership with Water.org is a big assist in the construction of affordable scientifically-built toilet facility for members. By December 2018, P50,103,446 had been disbursed for water filter, water connections and toilet construction and repair benefitting 4,530 clients over and above the targeted 1,785.
- Ms. Abad mentioned that ASHI is looking for a consultant who can help identify the key indicators showing that members have improved their quality of life.

Financial Report and Performance:

- Loan Outstanding (LOS) went down from 986.6 million to 978.9 million.
- Western Visayas 1 and Calabarzon 5 registered the biggest contribution in Loan Outstanding (16%).
- General loans comprise 64% of loans, incentive loans 21% and special loans 15%.
- Collection rate has a 101% performance, while loan release has 92%.
- Portfolio at Risk (PAR) dropped from 2.90% in 2017 to 1.54%. AGAP and Western Visayas 3 have the biggest contribution to PAR (10.59% and 9.04%).

- There is a higher PAR rate on long term loans.
- PAR remedies include revival and restoration, amnesty program for farmers (AGAP), group/center responsibility and loan write-off which are covered by loan loss reserve.
- Other performance indicators: repayment rate is at 115%, attendance rate at 89% and retention rate at 95%.
- Operational (107.80%) and Financial Self Sufficiency (100.35%) declined respectively. Return on assets decreased by 0.47% while net surplus rate by 2.2%.
- Compulsory Fund (108.44 million), personal savings (52.21 million)

Staffing:

- Staff count now total 607 (23 staff added) most of whom are Regular Development Officers (363).
- Most of the staff are female (69%) and single (72%). A plurality (42%) were recruited in the past 12 months.
- 203 (33%) out of 607 staff were children of ASHI Nanays, now holding these responsibilities: 26 Branch Managers, 126 DOs, 37 AOs and cashiers and 14 HO staff.
- For 2018, staff attrition rate was 15% (93 staff exits) bringing staff retention down from 90% to 85%.
- The average load of a DO: 4.9 centers, 197 members, 266 loan accounts, and 2.604 million LOS
- Various trainings were provided for the continuous education and development of the staff. Continuous updating and refresher on institutional policies and procedures are being conducted during areawide and branch meetings.
- The ASHI Employees Credit Cooperative (ASHIECC) has grown with total membership of 337 and total paid up capital of P1.4 million.

Social Development Programs / Outreach:

- Members Outreach Program includes Medical Mission, Health Care Programs and Kasalang Bayan. Eye health program still on-going.
- A total of 2,499 insurance benefit claims were awarded to 1,615 ASHI members amounting to P33.859 million. On account of growing membership, Pioneer added new benefits for members without change in premium: from 50,000 to 60,000 for accidental death or disablement; from

10,000 to 15,000 for fire; and from 500 to 700 per day of hospitalization for accidents.

- Relief goods benefited 3,179 ASHI members in 10 branches (6 in Calabarzon and 4 in Western Visayas) amounting to P1.070 million.
- Various training and Livelihood Programs were conducted to improve the knowledge and skills of members.
- A total of 162 ASHI members have availed of the P100 k loans.
- Marketing support for members is continuously provided. The present partnership with Bolong Talavera Foundation with a loan of 3 million, has supported both production and marketing needs of AGAP farmers in Rizal and Laguna. Continued partnerships and expansion markets are now being worked on with various corporations. The product exchange between members is still on-going.
- Caring for the environment programs conducted: involvement with LGU activities like clean and green program, participation in chemical free crops and environment friendly enterprise, eco yard and solid waste management and compliance of 1 tree planted for every General Loan.
- The APROOT houses in Pangil were selected for the Pilot retrofitting Activity with Build Change. Prototype design and cost estimates on the needed retrofitting have been presented. Disaster awareness and technical trainings were conducted.

Milestones and Achievements

- ASHI was granted Truelift Emerging Practitioner status, as assessed using the Truelift methodology, recognized for its progress towards the achievement of Pro-Poor Principles and Strategies.
- Certificate of Accreditation by the Microfinance NGO Regulatory Council (MNRC) was obtained which will enable ASHI to avail of the 2% preferential tax rate and other benefits pursuant to Republic Act (R.A.) No. 10693.
- Microfinance Council of the Philippines, Inc. (MCPI) recognized ASHI for being an outstanding member for 2017-2018.
- ASHI was successfully registered with the Department of Labor and Employment (DOLE).
- Token of Appreciation from Dhaulagiri Community Resource Development Center (DCRDC) of Nepal for valuable cooperation to DCRDC staff during the exposure/study visit to Philippines.
- Certificate of Participation given by the Province of Antique for active participation being one of the exhibitors during the Panandayag Trade Fair on December 26-30, 2018.

7. The Audited Financial Report presented by Ms. Andres considered the audited figures and was reported as follows:

Budget Performance	2018				2017			
	Budget	Actual	% as to Budget	% as to Revenue	Budget	Actual	% as to Budget	% as to Revenue
SAC-Loan Portfolio	427,202,707.74	316,383,240.15	74.06%	81.92%	355,100,212.85	286,230,235.00	80.61%	74.11%
SAC-Salamat Fund	34,907,418.46	12,693,411.46	36.36%	3.29%	24,636,676.32	19,347,062.33	78.53%	5.01%
Other Income	53,711.83	8,688,445.34	16176.04%	2.25%	247,030.00	6,842,020.28	2769.71%	1.77%
TOTAL REVENUES	462,163,838.03	337,765,096.95	73.08%	87.45%	379,983,919.16	312,419,317.61	82.22%	80.89%
Program expenses	20,441,966.98	11,046,593.42	54.04%	2.86%	10,427,388.61	16,877,622.02	161.86%	4.37%
Operating Expense	202,430,185.90	164,919,959.37	81.47%	42.70%	172,647,665.61	127,827,334.77	74.04%	33.10%
Administrative expenses	107,486,110.28	76,409,793.53	71.09%	19.78%	53,414,464.08	78,391,614.05	146.76%	20.30%
Finance cost	58,688,987.95	43,068,366.30	73.38%	11.15%	48,729,273.84	40,207,124.15	82.51%	10.41%
Loan Loss Provision	12,819,121.05	18,526,606.11	144.52%	4.80%	65,733,189.02	16,343,233.67	24.86%	4.23%
TOTAL EXPENSES	401,866,372.15	313,971,318.73	78.13%	81.29%	350,951,981.17	279,646,928.66	79.68%	72.41%
Excess of Revenues over Expenses	60,297,465.88	23,793,778.22	39.46%	6.16%	29,031,938.00	32,772,388.95	112.88%	8.49%
less: Tax	9,242,202.52	6,718,486.47	72.69%	1.74%	7,599,678.38	6,111,545.95	80.42%	1.58%
Net Income	51,055,263.36	17,075,291.75	33.44%	4.42%	21,432,259.61	26,660,843.00	124.40%	6.90%

8. Our MNRC performance score went up from 90.03 by 2017 to 90.29.

Acceptance of the Report

9. A motion to accept and approve the report was made by Ms. Jimenez duly seconded by Ms. Rivera. Having no further objections, motion was carried.

Ratification of the Acts of the Board of Trustees for the Period covering April 2018 to April 2019

10. A motion to ratify all acts of the Board of Trustees covering April 2018 to April 2019 (including those relating to changes and requirements by the bank especially when there are new signatories), was made by Ms. Abad. Ms. Jimenez seconded the motion.

Election of Incoming Trustees

11. Four Trustees still have to serve two more years as per the Amended By-Laws (those occupied by Ms. Mercedes R. Abad, Atty. Ronaldo B. Ingente, Mr. Henry Joseph M. Herrera and Ms. Milagros S. Rivera).
12. Qualified per by-laws:
- Jaime G. Hofileña – Completed 2 terms (2011-2016)
 - Maricel L. Baltazar – Completed 1 term (2016-2018)
 - Patricia Calilong – Enrolled Member

- Angelina P. Jose – Completed 2 terms (2012-2014 & 2017-2019)
- Gloria P. Jimenez – Completed 2 terms (2015-2017 & 2017-2019)
- Ma. Wivina L. de Vera – with request to be enrolled member only due to extended US trip

12. As for the President, the maximum term limit was waived by the Board last year.

13. There were ten enrolled members and six will be chosen as trustees. Two qualified will be voted since four trustees remained. Ms. De Vera has begged off while Mr. Hofileña only agreed to be a signatory due to the load of his current job.

14. Ms. Carnevale nominated Ms. Jose and Ms. Jimenez as Trustee. Ms. Rivera seconded the motion.

Other Matters

a. Designation of external auditor

- Management recommends the renewal of contract with Reyes, Tacandong & Co. as external auditor of ASHI. Ms. Carnevale moved to approve the renewal of contract with Reyes, Tacandong & Co. duly seconded by Ms. Rivera. The motion was approved by the body.

b. Request guidance on next action plan for INSOL re: Microenterprise loan balance of P6,618,545 after non-response to the demand letter signed by Atty. Ingente

- In May 2017, INSOL requested for a grace period in settlement of the remaining fund with them amounting to P6,618,545.27. A new amortization schedule for the said balance was crafted with extended term of 5 years to commence January 2018.
- For missed payment in January 2018, we sent a follow-up letter in February 1, 2018 which they responded February 8, requesting for another grace period until March 31, 2018. With no settlement for January and April amortization due, we sent a follow up letter in May 9, May 24 and a follow-up call in June 18. We got a response in August 3 requesting for more extension citing FEP (their other funder) having granted a 9 year to pay relief.
- Letter was sent on August 7, 2018 demanding settlement of all amortization due including interest and penalties per our letter dated February 12, 2018.
- Demand letter signed by Atty. Ingente was sent to INSOL last December 10, 2018 but no response was made since then.
- Ms. Jimenez offered to personally discuss this matter with Ms. Bunker.
- Atty. Hofileña will be asked for further legal opinions.

c. Confirmation of the acquisition of the house and lot next to the lot of LSB office

- ASHI will purchase the house and lot for a total of P3,500,000 with a down payment of P500,000.
- The balance will be paid in 30 monthly installments in the amount of

P100,000 per month.

- Ms. Jimenez moved to approve the confirmation of the acquisition of house and lot next to LSB office, was unanimously carried.
- d. Terms of proposed Funding from Build Change for the pilot of the Retrofitting Program for members in Calabarzon 2
- Build Change presented the General Terms and Conditions for Access to Resilient Housing Fund.
 - Build Change can offer up to P2,000,000 for the pilot project payable up to 3 years.
 - The body approved the proposed funding from Build Change for the pilot of the retrofitting program for members in Calabarzon 2.
- e. Compliance and consistency with By-Laws re: No. of member-representative to the board
- The General Information Sheet (GIS) should include the member-representatives but only up to 3 seats.
 - In Article 6, Section 2 of the 2018 Amended By-Laws, 3 of the 9 Board members shall come from the member-representatives elected by the regular members of ASHI.
 - The ASHI Governance Manual approved by the Board last August 11, 2018 includes the following provisions in page 8:
 - “Phase 2: Election of the 3 Member-Representatives who will attend the Board Meetings
 - The elected Area Member-representatives shall be convened per region for an initial orientation of their role and mandates.
 - All of the elected Area member-representatives shall meet to select among themselves who will attend the Board Meetings
 - Thereafter, the Area member-representatives shall meet or do teleconferencing before a Board Meeting to discuss the salient points and issues to bring to the meeting.
 - The members will be informed on the matters concerning member-representatives to the Board in preparation of the upcoming election next year.
- f. Proposed HO in Pililla Rizal
- Ms. Abad sought permission of the Board to borrow money from Ms. Jose for the pre-construction of the proposed HO in Pililla Rizal.
 - A motion to approve the borrowing of money was made by Ms. Jimenez duly seconded by Ms. Garcia.
 - Ms. Jose accepted the proposed borrowing amounting to P30,000,000.
 - The Board requested to have a service (with pick-up and drop off point) during meetings on the future HO in Pililla Rizal.

Adjournment

15. Having no further matters to be discussed, Ms. Jimenez moved to adjourn the meeting duly seconded by Ms. Abad. The Annual Meeting of Members adjourned at 11:37 AM.

Prepared by:

JOANA MARY C. REVELLAME

Recording Secretary

CERTIFIED CORRECT BY:

GLORIA P. JIMENEZ
Assistant Secretary

ATTESTED BY:

MERCEDES R. ABAD
President