



Felicisima and her husband Alejandro used a small loan to start a rubbish recycling business in Cabanatuan city.

Your Impact Report

See how you're helping transform lives in the Philippines

Highlights of your impact in the Philippines

What does it mean when you transform someone's life?

Living in poverty means so much more than living on a small amount of money. It also means **living without the capacity to make choices** about the kind of life you'd like to live.

That might mean having to choose between putting healthy food on the table and saving money to send your children to school. It might mean not being able to afford essential medicines or not having time to join in community life, because it's more important to focus on covering the costs of basic needs.

For the mothers and families that you support, your hand up is so much more than just a hand up to start a business. It's a hand up to build a better life. It's also a **hand up to transformation**. That means your giving is strengthening families, empowering mothers and creating resilient communities.

Your giving is truly transformational. **Thank you.**

Scan your phone over the QR code on the following page to watch a video that shows what transformation looks like when you invest in a mother.

Thanks to your support...



4 microfinance partners are reaching out to poor communities across the country

TSPI

TSKI

ASKI



649,512 families have small loans to start small businesses

KMBI

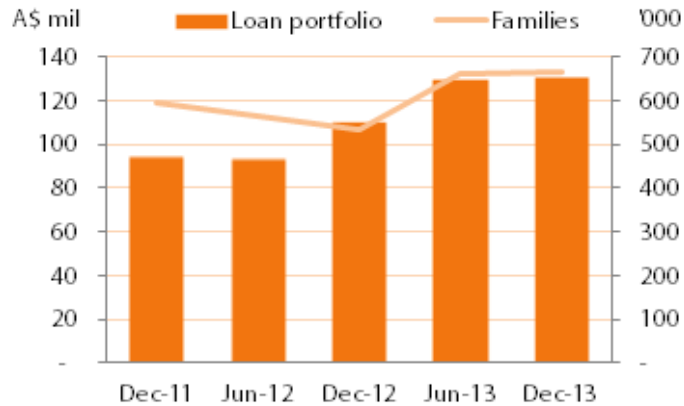
3,247,560 people

have been empowered with access to food, shelter, education and improved health services



Highlights of your impact in the Philippines

Impact over two years



When you invest in a mother, you are joining a movement of supporters who are working together to bring lasting change to families living in poverty. Read more about our partners and their loan portfolio – and how that affects the people your support reaches – on the coming pages.



Scan the QR code to watch a video that shows what transformation looks like when you invest in a mother like Remy.

Meet Julie, a watch repairer

Julie lives in San Jose, a small city of about 100,000 people in the northern Philippines. As a teenager, Julie made the difficult decision to stop attending school so that she could take over her father's watch repair shop as he was no longer well enough to manage it. The income from the business was needed so that the family could keep sending her other two sisters to school. But with little income and very few supplies in the store, Julie struggled to make a profit from the small shop.

A small loan from Opportunity's partner ASKI helped her begin to grow the business. She purchased new tools for mobile phone repairs and gradually started to earn a reliable income. Over the years, Julie used her income to support her sisters and raise her adopted daughter Cathy.

When Julie's father died, she was able to take time off work and cope with the extra costs of the funeral thanks to insurance she received from ASKI.

Today, Julie's daughter Cathy, now 21, lives and works in Manila with her own two children. Julie lives with her relatives in a comfortable house and says she has everything she needs. Recently, she began employing another woman, Jhona, to help with the extra customers. Dedicated to supporting others, Julie's greatest hope is that those around her – her family, her daughter and her employee – continue to be happy and prosperous.



Julie at her watch repairs shop in the Philippines.

"Thank you for helping me grow – I also once belonged to those poor people and I've succeeded because of hard work and patience and your help."

Julie, mother and watch repairer from the Philippines

Activity update from the Philippines

Why your support matters

Did you know that the Philippines is the third largest English-speaking country in the world? With a population of nearly 100 million, that means there are more English speakers living there than in Australia. Most people also speak Tagalog and it's not unusual to hear Spanish names used either. While this linguistic diversity showcases the colourful history and vibrancy of Filipinos, many families there sadly continue to miss out on other things we might take for granted, such as nutritious food and a good education. **By investing in mothers in the Philippines, you are giving them a hand up to change this situation.**

If you were born in the Philippines rather than Australia:

- You'd have a four times higher chance of dying in infancy
- You'd also be likely to die 10 years sooner
- You'd be likely to parent twice as many children
- You'd make 91 percent less money.

By giving families the tools to start their own small business, you are playing a significant part in helping to change this situation – one family at a time. Thank you for your support in helping to transform lives.

Sources: World Bank; CIA World Factbook; CGAP.

Helping families after Haiyan



In November, one of the strongest tropical cyclones ever recorded hit families in the Philippines. Even for a country that faces frequent extreme weather events, **Typhoon Haiyan caused unprecedented destruction**, death and uncertainty for many. Families are still trying to recover and the slow process of rebuilding homes, businesses and communities will take many years.

Some families are beginning to start their businesses again, essential to restoring communities' overall economic health. But the task of reconstruction will take time. Your support is providing families with emergency loan assistance and helping affected microfinance partners continue their operations. By supporting a long-term approach to the crisis and giving them the hand up they need to look to the future, your ongoing support will help families continue to rebuild their lives.

Growing better futures



Agriculture is a crucial part of the Philippines' economy and employs over one-third of the country's population. Unfortunately, it's also an extremely volatile industry, prone to fluctuating food prices and extreme weather events like Typhoon Haiyan.

This makes it particularly hard for small-scale farmers who struggle to compete with larger farming enterprises and often live in poverty as a result. But there is a silver lining – more consumers are demanding higher quality, locally grown and more diverse produce. **Small-scale farmers have a real opportunity to meet this demand** and develop a more reliable source of income for their families if they are given the right kinds of tools.



Thanks to your support, Opportunity has commenced a detailed value-chain analysis with our microfinance partners ASKI and TSPI. This will help develop a strong understanding of **how farmers can improve access to markets and grow their agribusinesses.**

For example, Opportunity's partner TSPI is researching what opportunities might exist for rice farmers in central Filipino region of Pili in Camarines Sur province. Though the region of Pili is known for its rice cultivation, many farmers still struggle to earn a reliable source of income through their farms. While rice can be cultivated as food, rice husks – known as *palay* – can also be used as bedding for animals or housing material.

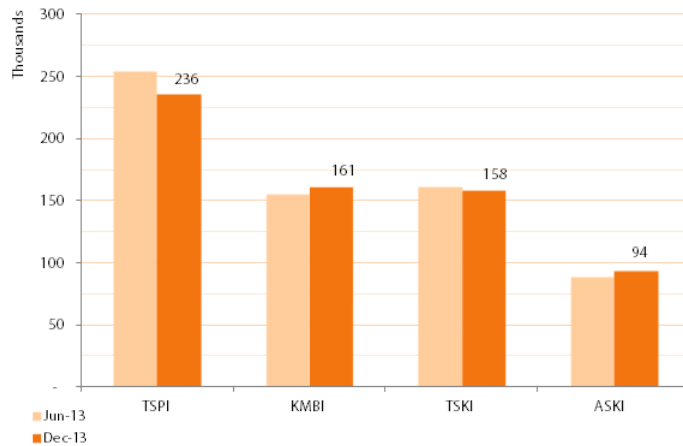
Supporting farmers to **diversify** their produce is one way of increasing their access to markets and **stabilising income.** Through extensive research, TSPI has determined the optimum times to preserve, store, or sell *palay* in order to obtain the best price from traders and ensure that rice farmers are able to play a more significant role in the value chain. TSPI has done similar work to help ginger farmers gain skills and access markets in places like Japan. Ultimately, this helps them build more sustainable agribusinesses and provide a better life for their families.



Your support helps farmers improve their business and grow their incomes.

Performance update from the Philippines

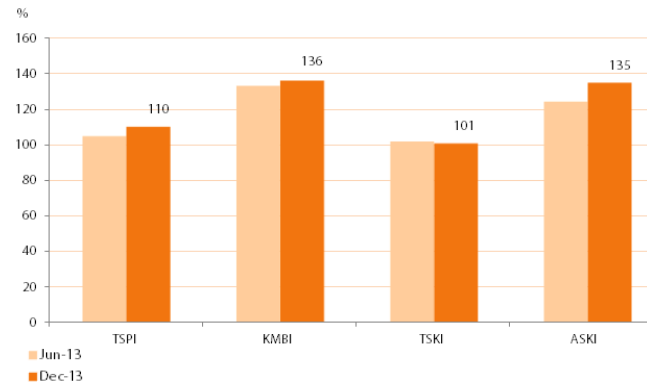
How many people have loans



Your support is helping reach more families in need in the Philippines.

- Your support is helping reach out to **649,512 families** in the Philippines, helping them start small businesses.
- This is an exciting achievement – your giving has **reached 3,247,560 people** in need of a hand up (based on an average family size of five)!
- With the devastating events caused by **Typhoon Haiyan**, affected microfinance partners have had to reduce their outreach while they focus on supporting affected families. The full impact of the typhoon on the lives of the families you are supporting is still being investigated, but we've committed to being there for them when they need us most.
- As Opportunity is still understanding the impact of the typhoon, financial indicators for partner KMBI are listed for September 2013, as numbers up until December 2013 are still being verified.

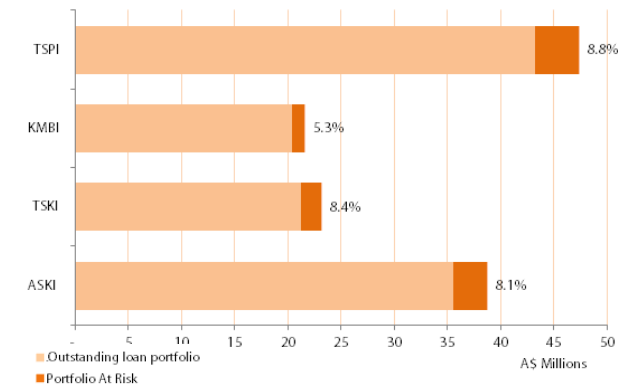
Operational sustainability



Overall operational sustainability in the Philippines is 118%.

- Irrespective of the typhoon, our microfinance partners in the Philippines continue to focus less on growth and more on ensuring they reach the poorest families with the most useful financial tools and services. Therefore, it is likely that outreach and loan portfolio growth will continue to plateau as the emphasis remains on delivering a hand up to the underserved.
- Overall **operational sustainability (OSS)** for our Filipino partners is 118%. Operational sustainability is the ability of an organisation to cover the costs of its lending program with the revenue earned from its lending program. An OSS measurement is an indicator of efficient operations – meaning the partners are in a better position to continue serving the needs of those living in poverty. Your ongoing support will help them reach more families and remain sustainable.

Loan portfolio



Total loan portfolio in the Philippines is A\$130,707,660. Overall Portfolio At Risk (PAR) is 7.7%. Conversion: A\$1:Php.39

- **Portfolio At Risk (PAR)** is a stringent measure of a microfinance institution's loan portfolio quality, calculating the total value of outstanding loan balances for loans with at least one payment being overdue by more than 30 days. Since the typhoon, many families have been unable to repay their loans. Your support is helping Opportunity to ensure our affected partners and the families you support are given the help they need to recover. As this will take some time, it is likely that our partner's loan portfolios will continue to be affected. As such, Opportunity continues to monitor our partner's performance and will keep providing technical assistance and support to help them stabilise and reduce their PAR.

Keep on making an impact in the Philippines

In a country where just **one in three people have a bank account** according to the World Bank, providing access to a small loan and other financial services is crucial to transforming lives in the Philippines. Over the next six months, your giving will help more mothers start businesses to help their families leave poverty behind.

As well as helping families **recover from the typhoon** in the coming six months, Opportunity will continue to develop **innovative services and tools** to help families move ahead faster in their journeys out of poverty. This will involve continuing research into agri-value chains to find better opportunities for farmers to grow their businesses and incomes. It will also involve more exciting research into how **mobile technology** can be used to benefit more families with access to small loans and other financial tools.



There are more active mobile phones in the Philippines than people – over 103 million phones for 100 million people. Although mobile phone use is particularly popular in wealthier urban areas, there is also a high rate of mobile phone ownership in rural regions and among people living in poverty. This is partly because texting is particularly cheap and popular in the Philippines – Manila is known as the texting capital of the world. Cheap rates and widespread access to mobile phones allow Filipinos to keep in touch over long distances – crucial when 10% of the population are working overseas.

Many of these workers need to send money home to their families, and Opportunity is working to develop systems that support **cost-effective remittance products**. Your support is also helping Opportunity's partners develop better systems and processes for mobile borrowing and saving – making it easier for families to manage their cash flow and increase their financial stability.

Nanay Maralyn (pictured, centre) used a small loan from Opportunity's partner TSPI to start a business selling brooms – some of which even end up in Australia! She was also the 2013 Citi Microentrepreneur of the Year, an award which pays tribute to people who use their businesses to benefit themselves and their community.

Nanay recently started providing mobile payments to people in her community of Bagulin as a mobile banking agent on behalf of TSPI. Mothers in her community get a text message telling them their loan is ready. Then, they bring a cash card to Nanay's shop, which she uses to verify the amount and disburse the cash to them. In the medium-term, people will be able to make repayments digitally through their mobile phones.

Get in touch

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Opportunity International Australia provides people living in poverty with the opportunity to transform their lives.

Disclaimer

This report provides information about Opportunity International Australia's program activity. Information is provided to us by our implementing partners and we believe it is a true and accurate reflection of program activity at the time of writing. Programs may change in scope or be discontinued where our core operations are no longer fulfilling the intended outcomes. In this case, Opportunity may redirect funding to a suitable alternative program.

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