



2016 Annual Report

About the Cover

NWTF has always believed that microcredit alone cannot eradicate poverty. We believe that to fully empower and enable the poor to move themselves out of poverty, access to financial services must be underpinned by non-financial services like access to education, health services, etc.

In 2015, 194 countries of the UN General Assembly adopted the 2030 Development Agenda titled: Transforming our world: the 2030 Agenda for Sustainable Development. More popularly known as the 17 Sustainable Goals or SDGs, are as follows:

1. No Poverty
2. Zero Hunger
3. Good Health and Well-being
4. Quality Education
5. Gender Equality

6. Clean Water and Sanitation
7. Affordable Clean Energy
8. Decent Work and Economic Growth
9. Industry, Innovation and Infrastructure
10. Reduced Inequalities
11. Sustainable Cities and Communities
12. Responsible Consumption and Production
13. Climate Action
14. Life Below Water
15. Life on Land
16. Peace, Justice and Strong Institutions
17. Partnerships for the Goals

This year's cover highlights NWTF's commitment and full support of the efforts to achieve these Sustainable Development Goals for a better world, and a better future for the next generation.

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Projects



Project Dungganon aims to help poor women from rural communities achieve self-reliance and rise above the mire of poverty by providing them with the training and the credit to start or maintain their own small business ventures. By providing access to collateral-free credit through loans and other services, Dungganon helps them discover their own entrepreneurial spirit and realize their potential to effect positive change.



Kasanag means "light" in Hiligaynon. It targets rural and urban micro entrepreneurs, providing low-interest, individual loans meant to help them acquire business assets and capital to finance their businesses.

Subsidiaries



Dungganon Bank Inc. is one of the first microfinance thrift banks in Visayas providing relevant and professional banking services to the poor.



DO-IT Foundation was founded with a simple goal in mind – create solutions to problems using appropriate and affordable technology.



Message from the
Executive Director
 Dr. Cecilia D. del Castillo

Thirty three years ago, when I invited a group of my friends to set up NWTF, my vision was not just to provide the poorest women in our community with microcredit. In fact, we started with a different business model altogether. But as we explored the possibilities, we discovered that the Grameen Method of Micro-financing was the most effective in empowering women to help themselves move their families out of poverty.

Project Dungganon is our most successful project to date, but it has to be said that this is not because we provide microcredit to the poor, but because we give them access to learn new skills, equip them with tools that allow them to improve their lives while providing support services that mitigate the effects of disasters and difficulties.

Our vision for NWTF has never wavered: we want to be a sustainable institution of change: building vibrant Dungganon Communities. And we always check ourselves to stay true to our mission to provide sustainable financial and client-responsive developmental services to the poor.

You will see in this Annual Report that we are moving forward with so many community building projects including new community loan products and community involvement in many of our environment-protection activities.

We are using new technology not only to give our clients in the rural areas access to financial services that are provided by big commercial banks only in the highly urbanized areas, but we are also investing in technology to be more energy efficient, as you will read in the article about the solar roof in the new building.

We setup NWTF Integrated Systems Corporation, another technology company to strengthen our internal network support system and to ensure data security.

To mitigate risks from health-related concerns, we have expanded our Health and Wellness Services to include access to local doctors for our clients on top of the periodic medical, dental and surgical missions we conduct in the areas where we operate. And, we opened our first Birthing Home, a facility accredited by the Department of Health and PhilHealth, to provide pre-natal and birthing facilities not only for our clients, but also to the surrounding communities.

From 2016 onward, we hope to be known not only for our microfinance work but more and more for the social development services we provide to the most rural communities.



Message from the
Chairman
 Roberto G. Abello

Being Chairman of the Board of Negros Women for Tomorrow Foundation is a big challenge. 2016 has been a year of many milestones at NWTF: we opened our 100th Project Dungganon branch, we crossed the 2 Billion portfolio threshold, we opened a Birthing Home in Cauayan, Negros Occidental, and we added a new building with a solar roof at the Head Office, to name just a few achievements.

From the time I joined the Board over two decades ago, NWTF has grown from a small NGO into a force for social change in many of the areas where it operates.

From its early beginnings, NWTF has aspired to provide more than just financial access to its clients. We have tried to encourage our clients to aspire for more through the 11 decisions they agree to when they join Project Dungganon:

1. We will not do anything that will harm anyone;
2. We will plant vegetables year-round to feed our family and sell the surplus.
3. We will plan for our family's welfare, spend wisely to ensure the wellbeing and health of all family members
4. We will send our children to school
5. We will keep our household and surroundings clean
6. We will make sure that our family has access to a sanitary toilet

7. We will make sure that our family has access to clean water
8. We will live in safe and sturdy homes and continue to make improvements when we can.
9. We will help each other, and help those in need as far as we can.
10. We shall follow and promote the Dungganon principles of discipline, cooperation and hardwork;
11. We will plant and not cut down trees in our surroundings.

NWTF has reinforced these aspirations through the many activities, products and services that you will read about in this Annual Report.

I am happy to note that NWTF is coming into its own as a development organization, and well on its way to achieving its dream of creating communities where every person is Dungganon - a Hiligaynon word which means one is a person of integrity.

ACHIEVEMENTS & MILESTONES:

Dr. Cecilia del Castillo speaks at 2016 Women's Forum



The 12th Global Meeting of the Women's Forum for the Economy and Society was held in Deauville, France with the theme: "Is the sharing economy a sharing world?". The forum aimed to examine how we work and how we consume in the new mega-trend of the sharing economy, and to explore its impact on international policies, workforce, innovation, ethics, entrepreneurship, urbanism, international business, climate change, etc.

For the 2016 Global meeting, the Philippines and Canada were invited as the 2 special delegations. The Philippines was featured because as the Forum's media kit stated, "The Philippines is one of the world's most gender-equal economies, with women holding top legislative and corporate positions."

NWTF's Executive Director, Dr. Cecilia del Castillo, was invited to speak as a panelist in one of the breakout sessions, "Crossing the divide: corporate-NGO partnerships that work for women," where she shared NWTF's journey and challenges from its inception in the 80's to what it has now become more than 30 years later.

She told the audience that in part, NWTF's success was because as an organization, it is always open to partnerships—with government, corporations, and other non-profits – as long as the parties are willing to work toward a common goal.

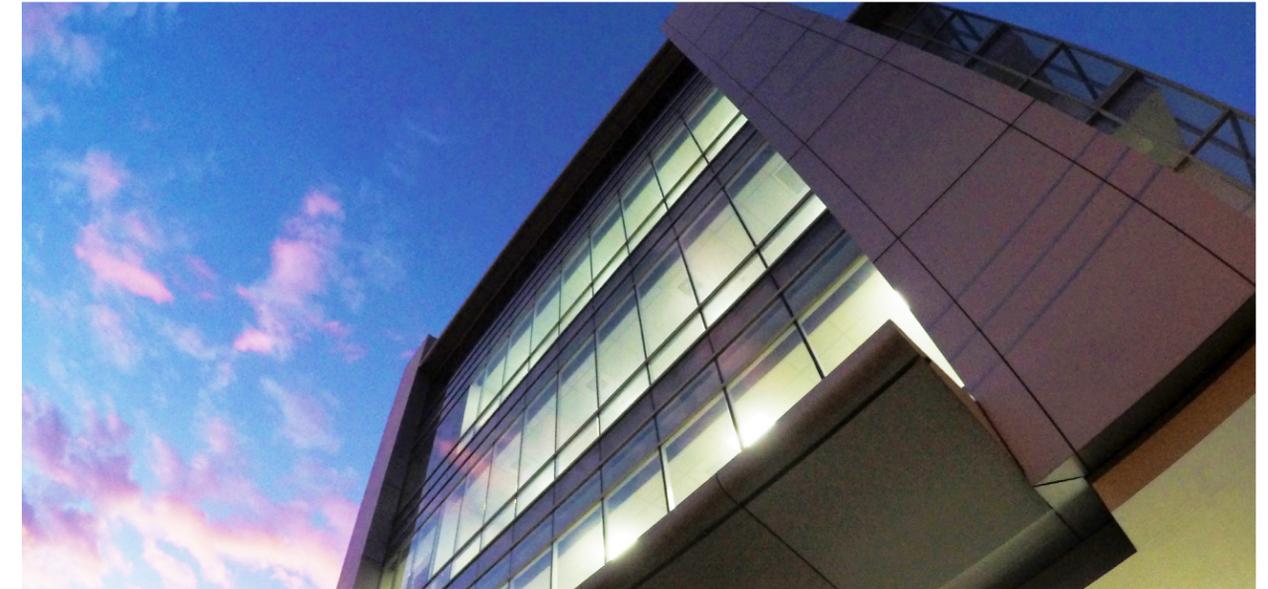
She gave examples of NWTF's successful partnerships with non-profits like Kiva Microfunds, Whole Planet Foundation and Water.org, government agencies like PhilHealth and Local Government Units, as well as corporations. In particular, she shared NWTF's experience in partnering with the Coca-cola Foundation in the implementation of its 5by20 program, which aims to train women entrepreneurs to be more effective and efficient sari-sari store owners.

She said that for NWTF, the key is being open to do collaborative work with others – especially in areas where the other party has the resources, experience or expertise that is not within NWTF. She said that NWTF always looks for opportunities that will give its clients more access – to products, services and resources – that will enable them to improve their quality of life.

The breakout session was well attended and the topic sparked a lively open forum discussion after all the other panelists—Christine Svarer, Director of HERProject Business of Social Responsibility; Marissa Weseley, the CEO of Win-Win Strategies –presented their case. The moderator, Elizabeth Dove, the Director for Corporate Citizenship of Volunteer Canada, had to wrap up the session to stay on schedule even though there were still people wanting to ask questions.

ACHIEVEMENTS & MILESTONES:

New Building



NWTF's incremental growth in the last five years has allowed it to extend its reach to more clients, more branches and offer a more diverse range of products and services. This growth brings with it subsequent increase in the Human Resource requirements of the organization. From 1,000 employees in 2013, NWTF currently has more than 1,800 employees in 100 branches.

NWTF's Head Office Employees was at 150 employees in 2013 but due to the rapid expansion of its branches as well as products & services, and its move towards a more centralized operating environment, new departments and units were added. For 2016, there were close to 350 Employees based out of Head Office—285 NWTF Staff Members, 40 from DBI, 20 from DO-IT and 3 from NIS. This basically meant that most of the office space in the existing Head Office Building was getting crowded already.

It is for this reason and for future expansion that NWTF decided to build a new structure just across the street from where the current NWTF Head Office is in San Sebastian Street. It would house all head office employees and at the same time provide space for a data center. This building was envisioned to fit all the necessary technology to service the needs of NWTF, its subsidiaries and even other local companies.

Construction for this building was started in late 2014 and was completed in early 2016. It is now the 2nd NWTF Head Office Building, which has a floor area of over 1,400 square meters, spread across five floors. It houses a fully-equipped data center complete with all the necessary equipment and technology for power, air-conditioning, fire suppression, etc. It also comes equipped with a Fiber Optic Line for networking between the two buildings, a water-cooled centralized air conditioning system, two standby generators that automatically switch over during power interruptions and a 20KW Net-Metered Solar Installation which allows it to save on electricity costs.

Today, this building hosts the following offices/units: NWTF Administration, DO-IT, NIS, Accounting & Finance, Strategic Projects and Two Cluster Offices. More than 120 employees occupy the first four floors of this building while plans for expansion to the fifth floor are still being finalized.

Really, this building is testament to the dedication of NWTF to provide the best possible facilities, technology and infrastructure to its clients and employees in its desire to build stronger Dunganon Communities.

ACHIEVEMENTS & MILESTONES:

Solar Roof



NWTF has always seen the importance of using renewable energy in the country. In 2009, off-grid solar products were offered to the clients, enabling them to enjoy the many benefits of solar energy. By 2016, more than 5,000 units were sold all over Central Philippines. 2016 also marked an important milestone for NWTF in its commitment to promote the use of renewable energy in the Philippines. NWTF installed a 20KW system in February, and became the first commercial establishment in Bacolod City to install a net-metered solar rooftop system. Aside from the many environmental benefits that the use of solar energy brings, the organization has also enjoyed significant savings in its energy consumption from the grid.

“We have reduced our electricity bill by about 30%. We expect to recoup our investment in 5 years, and enjoy

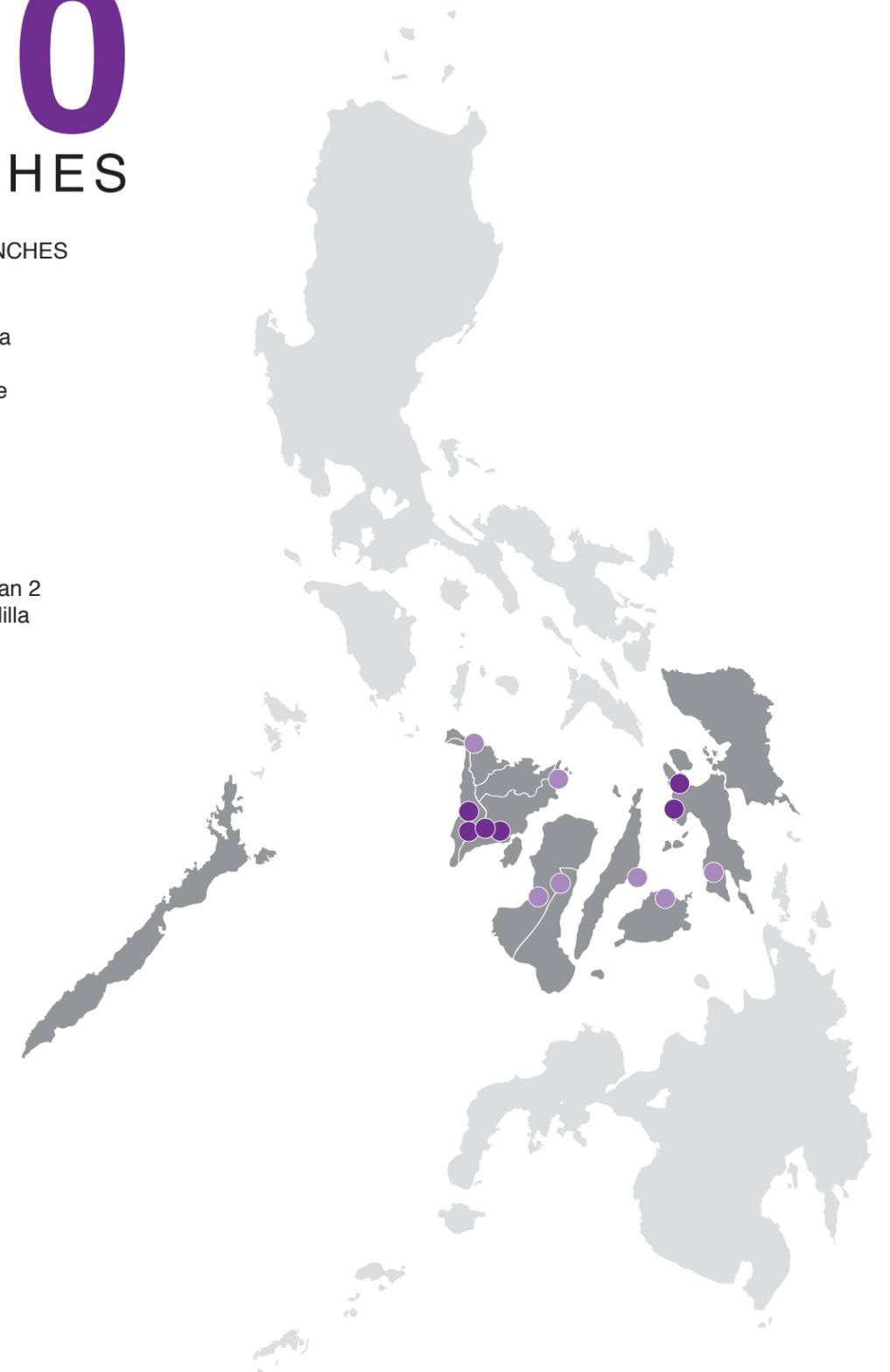
the benefits of clean and renewable energy for more years to come” says Raymond Serios, Assistant Director for Strategic Projects of NWTF, who spearheaded this project.

In advocating the use of solar power to its clients for years, NWTF has doubled down on its commitment to clean energy and has become an example to other establishments in Negros Occidental and the rest of the Philippines that solar power is a worthwhile investment, both for the company and for the planet.

ACHIEVEMENTS & MILESTONES:

100 BRANCHES

- NEW BRANCHES
 - Bugasong
 - Sibalom
 - Sta. Barbara
 - Leon
 - Leyte, Leyte
 - Palompon
- SPIN-OFF
 - Talibon
 - Hilongos
 - Binabalbagan 2
 - Moises Padilla
 - Estancia
 - Ibajay
 - Lapu-Lapu



Product Innovations



Micro-Agri

Through the Micro-enterprise Disaster Assistance (MIDAS) Fund for Resiliency Program, NWTF's Product Development Unit in coordination with Project Kasanag renewed the Micro-Agri program. The MIDAS resiliency fund was created to provide capital funding to revive livelihoods for individuals in Leyte areas affected by Typhoon Haiyan.

NWTF chose to provide agricultural loans to Project Dunganon clients with small-scale farms. Previously, these clients were indebted to millers and traders who provided unfair interest rates for loans or purchased harvested rice at significantly lower prices compared to the standard buying rate. This drove the small farmers further into poverty. With the Micro-Agri loan product,

NWTF clients were able to avail of a loan, paying for their farm production activities. This loan type also prevents small farmers from having to worry about payment until after harvest and the sale of the crops.

By the end of the two-year MIDAS program, NWTF was able to provide agricultural loans to 1,188 rice and vegetable farmers, amounting to Php 15,545,035.00. The profits of loans from the four participating MFIs of the MIDAS program, as well as a Php 26 million seed fund, will be used to create a Resiliency Fund under Restart ME. This fund will be a source of emergency funding for MFI clients throughout the Philippines affected by disasters.



Aquaculture and Fisheries

Collaborating again with Project Kasanag, the Product Development Unit created an aquaculture loan with funding from Paderborn Eine Region Hilft (PBERH). Capital funds for aquaculture and fishery livelihoods were provided to 79 beneficiaries in New Washington, Aklan. NWTF clients were able to construct, repair or reinforce fish cages, as well as buy materials for oyster culture ventures.

Similar to the Micro-Agri loan, this loan type provides funds to NWTF clients with a seasonal type of repayment schedule. The loan and its interest is paid in full after the harvest. Loan utilization checks were done in November by Project Kasanag staff, while monitoring activities were done later that month by Product Development staff members.

Community Loan

Community Loan is a new project of NWTF that piloted last February 2016. It aims to form and finance a productive association out of active centers of Project Dunganon. Its primary goal or objective is to create a sustainable economic center managed activity within their location that will provide them additional income opportunity to augment or improve their income.

Pilot area / branch	Hinigaran, Cauayan, Ilog
Number of staff	8 (1 supervisor, 7 staff)
Number of associations organized	36 association
Types of projects	Swine raising, retail store, shrimp paste, pastry store, fish and vegetable vending
Total amount disbursed	Php 3,086,105.00
Loan portfolio	Php 1,707,225.60



Product Development



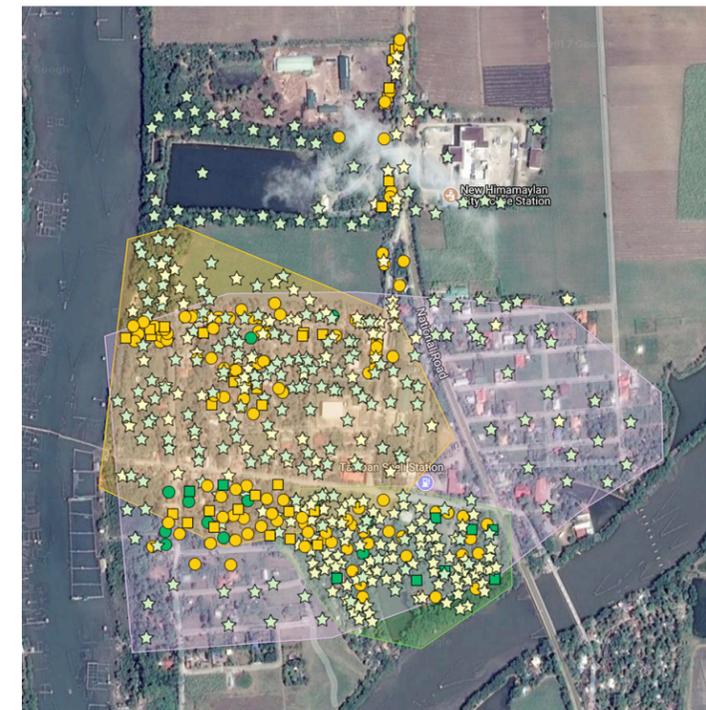
Environment and Climate Change Resiliency Program

In alignment with its Vision, Mission and 11 Decisions, caring for the environment has become an essential goal for NWTF. To address such a goal, the organization started the Environment and Climate Change Resiliency Program, which creates partnerships between NWTF's Dunganon communities and local government units in order to carry out coastal and inland tree planting activities.

A significant component of the program is the involvement of Project Dunganon centers in reforestation efforts. Partner municipalities allot coastal and inland public land for NWTF to use as an adopted site for activities and as a future location for sustainable community development projects and potential livelihood sources for clients.

The program was first launched at NWTF's adopted site in Brgy. Chamberry, Manapla, Negros Occidental on December 7, 2016, together with Project Dunganon Manapla branch, the Manapla local government and with Northern Negros Aquatic Resources Management and Advisory Council (NNARMAC) as technical partners. The first mangrove planting activity was conducted with Manapla Mayor Lourdes Escalante, other local government officials and NNARMAC representatives led by Mr. Marcel Irisari. The participants from mangrove associations and several Project Dunganon Centers planted 500 propagules on that day.

Digital Poverty Mapping Data Aggregation



The Poverty Map is one of the tools used by Project Dunganon staff to view poverty data and identify potential clients in an area. The tool can also be used to check NWTF's outreach in a location and the area saturation. Going with the trend of technology, the organization has upgraded from paper maps to digitalized maps through a grant from Google Reach.

First implemented in August 2014 during Google's first visit to NWTF, the Digital Poverty Maps now allow the organization to gather data for development initiatives and reporting. Additionally, maps have been transferred from branch accounts to individual accounts to increase security precautions and ensure data integrity.

As of December 2016, all the branches have been trained on Digital Poverty Mapping and are expected to fully migrate their maps and utilize DPM by 2017.

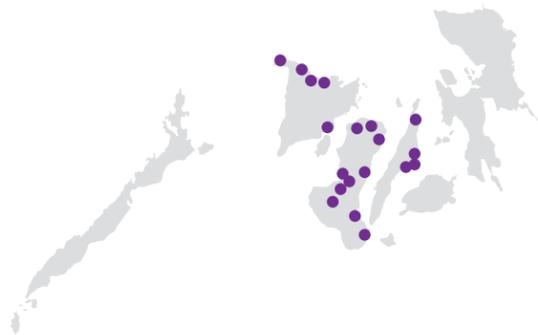
MiDAS Credit Bureau

Microfinance Information Data Sharing (MiDAS) Credit Bureau is a credit database for microfinance institutions in the Philippines. In response to the goal of NWTF to ensure client care and prevent over-indebtedness of clients, NWTF has invested in MiDAS and consistently submits reports for the database.

There are two types of reports that are being processed for submission to MiDAS – one reflects active clients with good payment records and the other shows portfolio-at-risk clients. First is the MiDAS Positive Data Sharing or MPoDS, and the second is Borrowers at Risk or BARI S reports.

MiDAS enables select Operations staff - from Branch Heads to Operations Supervisors - to check the financial status of clients applying for a loan. Based on the data found on MiDAS, Operations staff will be able to determine a client's repayment record for active loans, a history of bad credit if there is one, and the number of active loans not only from NWTF but from other participating MFIs, microfinance banks, rural banks and lending institutions.

5by20 Program



In September 2010, the Coca-Cola Company made a commitment to empower 5 million women by 2020 and started the 5by20 program. The program aims to help women micro-entrepreneurs overcome the usual problems that they face in managing their businesses by providing business and life skills training and providing access to business resources and peer mentoring support.

In 2015, NWTF together with Coca-Cola and Technical Education and Skills Development Authority (TESDA) signed a partnership to implement the 5by20 program in Project Dunganon clients.

BRANCHES	CLIENTS
Kalibo	382
Roxas	427
Dumangas	422
Bogo	370
Guihulngan	354
Cadiz	407
Victorias	503
Escalante	421
Dumaguete	246
Tanjay	476
Compostela	362
Cordova	408
Lapu-lapu	417
Hinigaran	539
Himamaylan	568
Binalbagan	560
Kabankalan	733
Malay	550
Numancia	605
TOTAL	8,750



With the vision: "To build local networks to refresh the society and make a difference in the lives of people and community, to innovate together across their system and beyond, discipline industries and generations", the 5by20 program aims to provide the Project Dunganon women the opportunities to reach their potentials and alleviate their quality of life. NWTF employed 20 trainers for the program and were given enough trainings to be competent educators.

NWTF has already reached 8,750 women from 19 of its branches and is aiming to reach more areas by the end of 2017.

Birthing Home



One of the social impact goals of NWTF is to look after the health of its clients and the people in the community where it belongs. After doing thorough research, NWTF found out that there are a lot of poor pregnant women in the far flung communities where it operates who doesn't have access to quality maternal care and a lot of cases of maternal morbidity, thus the birthing clinic was established.

The NWTF Birthing Clinic is located in Cauayan, Negros Occidental and was inaugurated in May 2016. It aims to provide pregnant women in the said area access to quality maternal care. The facility does not only cater to Project Dunganon clients but is also open to other expectant mothers who are not yet clients. The clinic handles normal deliveries and offers prenatal and post-partum checkups, newborn screening tests and newborn care. It also provides family planning counselling, minor gynecological services such as pap smear and other basic health services that are within the competencies of a registered midwife.

The NWTF Birthing clinic has complied with the standards and was given the license to operate by the Department of Health. NWTF also partnered with the Philippine Health Insurance Corporation (PhilHealth), a government-owned and controlled corporation which also provide maternal benefits to its members. This means that all the expectant mothers who are PhilHealth members and will give birth to their baby in the NWTF Birthing Clinic, will only pay a very minimal amount.

NWTF is hoping to replicate the same facility to more branches where it operates and reach more mothers and provide them with the maternal care that they deserve.

Green Products

Water Access and Sanitation. Renewable energy. The use of clean cook stoves. These issues have become key advocacies of NWTF over the years.

WASH Program



Another problem that was commonplace among the clients was access to clean water. Clients had to walk long distances and carry heavy containers of water, not filtering their drinking water properly using only a cloth, or paying Php 20-30 for a five gallon container of water. A lot of clients also did not have toilets at home, resorting to using open areas to urinate and defecate. That's why in 2014, NWTF launched its Water Access, Sanitation and Hygiene (WASH) Program. Clients would be able to take out a loan to cover the costs of obtaining a water connection, buy a water filter or have a sanitary toilet constructed. This program also included educating the

clients on sanitary practices like drinking clean water and using sanitary toilets. The organization partnered with Water.org, an international non-profit organization, who provided the grant funding and technical assistance with the goal of providing 15,000 WASH loans by 2017. By the end of 2016, NWTF surpassed this target and released 34,679 loans, more than doubling the goal initially set. In the future, the team is looking to double this number again by doubling their efforts, improving their communications, and partnering with water districts to increase their coverage and reach more Filipinos needing access to water.

Solar Lamps

It had been common sight to see clients using kerosene lamps and candles for their lighting needs. Clients have also shared that a portion of their earnings go to buying these items, or for paying their electric bill. Others have complained of intermittent power supply in their areas. NWTF has gone a long way into helping our clients face these problems. In 2009, we first introduced small desktop solar lamps to our clients so they could have better and cheaper access to light. Their children were able to study at night, and many of them didn't have to worry about starting fires inadvertently because of knocking down candles or kerosene lamps. Fast forward to 2016, and we've increased our product range to include 5W to 30W systems that can power up to 4 lights and an electric fan, providing for much of the needs of a household. Project Dugganon clients have become better educated about the economic and environmental benefits of using solar. We have sold more than 5,000 units, proving that renewable energy has become an integral part of our portfolio.



Cookstoves

To complement the programs for WASH and solar lamps, NWTF has also been offering clients cleaner and more efficient cookstoves. Cutting cooking time in half, requiring 30-50% less wood or charcoal, and reducing emissions by 40-60%, these cookstoves have enabled clients to save time and money, as well as allowing them to breathe in cleaner air when they cook. More than 1,500 units in 2016 has been sold.

Demar Camero: Accredited Mason

To start working at a very young age is a big responsibility for Demar Camero. He is a resident of Mabinay, Negros Occidental and was raised in a humble home with humble means. Being part of a financially deprived household gave him the slimmest chance of receiving a quality education. Yet, he never made poverty as an excuse and his desire to study has granted him a high school diploma. However, he wasn't able to step at college due to severe financial constraints. Instead of continuing his studies, he chose to look for multiple jobs to help his parents. Whether he likes it or not, he had to face a life full of burdens and difficulties.

But as they say, there's always a rainbow after the rain. And for Demar, his rainbow was in the form of his wife and children. He built his own family at the age of 18. His spouse was the one who opened the way to his Dungganon journey. She encouraged him to attend a Mason's seminar and what he learned from the said seminar led him to a decision he never knew would bring a great impact in his life. With a combination of perseverance, determination, and internal drive, he became an accredited mason of Project Dungganon.

For him, life was harder before he became a mason yet his desire to pursue his children's studies and the fact that he can't stop working for everyday needs drove him to push for more. Together with his other sideline jobs, he is still an accredited mason up to this day and already built more or less twenty comfort rooms for Project



Dungganon clients. His experience as a carpenter and construction worker has helped him to perfect his procedure as a mason. Building comfort rooms may be a simple act to others but is rewarding enough for him. He knows he's not earning that much but it's fine as long as it's enough to feed his family and to meet their everyday needs.

However, his dream doesn't just end up with being a father and a mason. He wants to pursue further studies at Technical Education and Skills Development Authority (TESDA) wherein he can develop and hasten his electrical and wiring skills. For just six months, he could achieve a certificate which he can consider as one of his flagship for success.

"My experiences made every sweat matter and every cent count", he concluded. At 38, he knows that he'll never get tired of being a mason for it's not just simply building comfort rooms; beyond that, is building dreams and making change.



Belinda Pascual: Dungganon Filter Client

"Health is a priority", a very important principle yet sometimes forgotten by many. Health wasn't so much of a big deal to some—which is a total contrary to Belinda's belief. As a mother and a housewife, her family's health and well-being always comes first.

Belinda Pascual, a resident of Talisay City for 48 years, had been introduced to Project Dungganon by her relative and is now an active member for almost seven months. Though not legally married to Rogelio Ulgasan, a meat vendor, such status has never been a hindrance in building their own happy family.

As things do not always go as planned, hard times and conflict involving health and safety is inevitable. And Belinda's family is no exception. Her belief was challenged when her 8-month old grandson, Miguel, was diagnosed with amoebiasis which is commonly caused by drinking contaminated water. While the latter was still suffering from the said disease, Belinda was encouraged by their loan officer to avail a wash loan (water filter) from Project Dungganon. In hopes for her grandson's fast recovery, she then made the decision to take on the said loan (water filter). Her partner opposed her decision at first; thinking that the product would not help and their money might only go to waste. However, he ended up commending the product for he also saw a big



improvement in their grandson's health. They have been using the water filter for almost three months already and it was not only their grandson who's patronizing the product but the rest of their family members as well.

The water filter has helped them so much in their everyday life especially in terms of saving time and money. The money that they were spending for a mineral water before can now be spent for other necessities. The access to water has become way easier for them as well. Rather than waiting for the water delivery, Belinda can now freely get from the water pump near them and just simply refill the water filter.

"Acquiring a wash loan was one of the best decisions I have ever made, for just Php 64.70 per week (within 1 year); I get to ensure my family's safety for a lifetime", she said. Her face showed so much gratitude to NWTF as she considers them as an instrument of change in their lives. Indeed, health is wealth.



POS Cash-Out: A Step Towards Financial Inclusion

For people in the city, banks are a common sight. They are seen in practically every corner and people use their services almost every day. For most of the Project Dunganon clients, this is not the case. Clients from its branch in Mabinay, Negros Occidental is a concrete example. If they wanted to use the services of an ATM they would have to travel either to Bais (47 km away) or Kabankalan (24 km away) which amounts to about Php 100-120 round trip, not to mention the time wasted in transit. With this particular difficulty, it is totally understandable for some clients to shun the services of a bank altogether.

However with our thrust of Financial Inclusion, NWTF has started to address this issue. In collaboration with Dunganon Bank and BancNet, the POS Cash-Out was rolled out. Think of the POS Cash-Out system as a



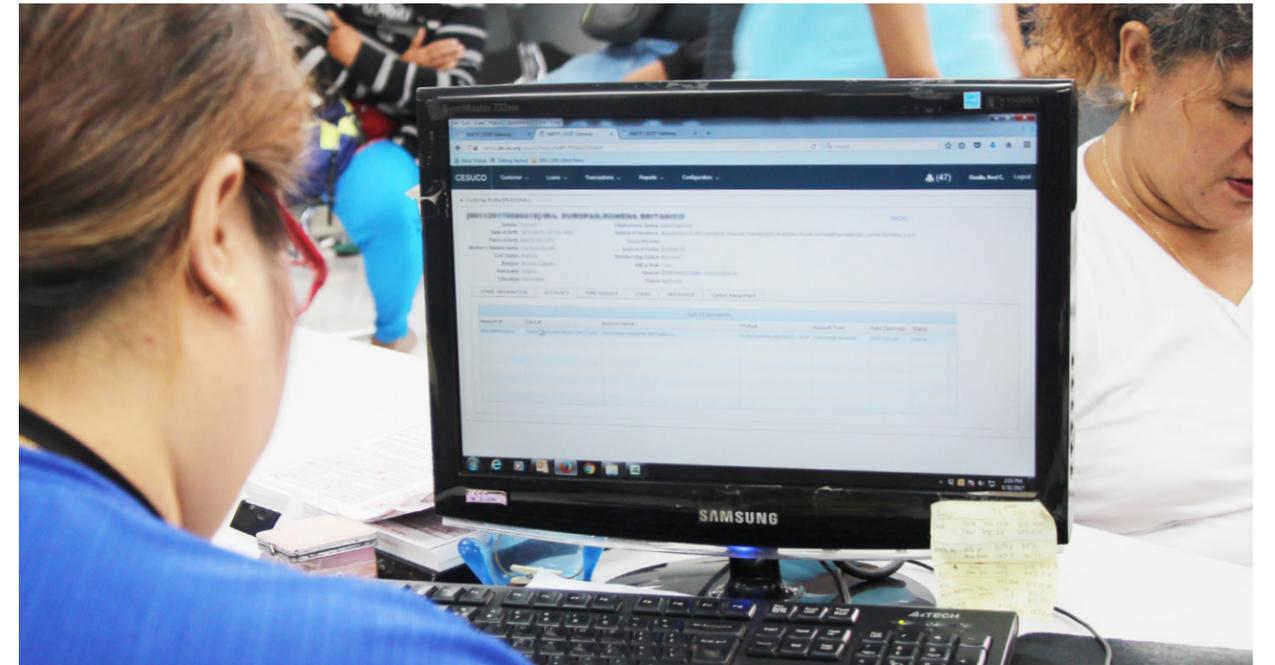
manually operated ATM. It's similar to an ATM that allow the clients to perform real-time withdrawals from their bank accounts by swiping their debit cards; the difference is that instead of a machine dispensing the cash, it would be an operator or teller dispensing the cash.

For NWTF, what this means is that as an organization, they are able to bring banking services to more locations and reach out to more people, all at a lower cost. For clients, what this means is that they become more empowered by being able to manage their finances better through easy access to banking services.

This started out with five pilot branches in Mabinay, Kabankalan, Ilog, Cauayan and Hinobaan and will be rolling out to more locations soon. This is just a start. With the POS Cash-Out, NWTF now has on their reach a lot of untapped potentials when it comes to banking services which will be offered to more clients in the future.



CESUCOi: Hurdling an Obstacle



For the longest time one obstacle that has always hampered NWTF's growth has been the Loans and Savings Information System. Sure, the current CESUCO system is leaps and bounds better compared to the columnar pads used in the early years, but it still lacks a lot of features and it could still be improved upon.

For 2 years now, DO-IT has been developing a new system with the goal of providing the organization with a reliable system to store client information, track loans and savings and integrate with other core applications such as the Cash Management System. What they have come up with is a new version of CESUCO which is called CESUCOi or CESUCO Internet.

CESUCOi is a web-based application. It does not require installation unlike the old version, all that is needed is an internet connection and it is good to go. Previously if there is a need to update the application, the update will have to be done manually for each of the 100+ branches and clusters. With this new version, updates to the application are propagated instantly.

CESUCOi offers better transparency. Through the use of a centralized database, information is shared

easily between the branches and the head-office which eliminates the tedious task of monthly database syncing. Now product configurations are shared across all branches instantly, reports are generated on demand using updated and reliable information.

CESUCOi simplifies processes. With the introduction of a new teller's module, the posting of deposits, withdrawals and other transactions is now faster. The Over-The-Counter loan payments process is also faster as the computation of fees is now automated. Automated batch processes such as the End-Of-Day (determines client missed payments) and Auto-Debit (debits payment from savings to loans automatically) have also been introduced. All of these, combine to provide users with a more efficient system resulting in more time spent on actually catering to clients' needs.

CESUCOi first went live in November 2015 for Dunganon Bank - Bacolod Branch. The Bantayan branch then followed suit in May 2016. Development for the NGO is ongoing with a planned rolled out in 2017.

NIS: NWTF Integrated Systems



NIS Data Center features a 40sqm raised floor fully equipped data center area that can expand up to 80sqm which utilizes a 24kVA Parallel UPS System, 7.5T Down-Flow UniFlair Precision Air Conditioning Unit and FM200 Fire Suppression System. Currently has 5 42U racks but can hold at least 10 42U racks for expansion. It is equipped with environmental monitoring for leak, vibration, temperature/humidity sensor and security video. Both NWTF Buildings are linked with a 10G Fiber Network for faster and stable connection to the NWTF Network and the internet.

As part of NIS commitment to serve NWTF and its subsidiaries it has setup an of Off Site Backup Location in Cebu. This is to cater the business requirement of DBI and NWTF with regards to Off Site locations for Disaster Recovery & Business Continuity. The DR Site currently has one 42U Rack, a FibrDSL 100Mbps Bandwidth Connecting via IPsec VPN to Head Office, 24-hour CCTV Surveillance Cameras, Redundant Air

Conditioning System; and a standby Building Generator for power outages. It currently replicates DBI Cesuco Database from Head Office for every 3 hours.

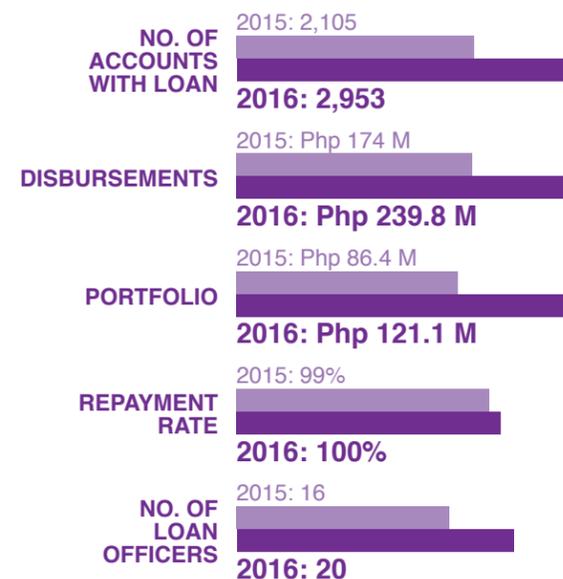
There are also ongoing projects such as VPN connections from branches to head office are being looked into to cater NWTF requirement of a centralized database system and also to cater DBI ATM and POS network.

Soon, this Data Center will offer offsite backup, server co-location, tape/hard drive repository, server and web hosting and FTP backups, among others. The NIS Data Center is meant to cater not only NWTF and DBI but also to other companies and groups that operate in the provinces and are looking for cost-effective ways to be compliant to data storage standards (Disaster Recovery and Business Continuity) and to really safeguard their businesses.

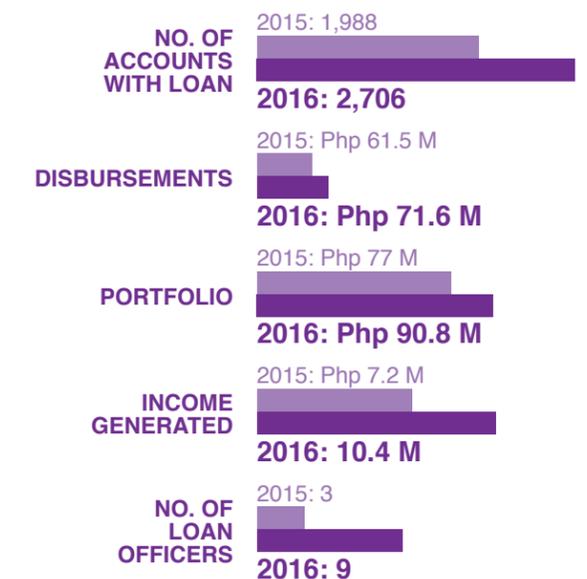
Individual Lending



PD Grad



Project Kasanag



Scholarship



NWTF believes that every child of its clients have the right to a college education and greatly values that belief. The poor seldom have the opportunity to attend college and the value of education is something that they really understand. For many student applicants, the Dungganon Scholarship program is an opportunity to finish a degree and fulfill a long-term goal for themselves and realise their parents' dreams.

As of 2016, the program has already produced a total of 342 graduates since 2004 when it first started. 36 of them have joined the NWTF Team.

In the past years, NWTF only has two types, the Dungganon Scholarship Program (DSP) and the Dungganon Educational Program (DEP). Aside from

being a full scholarship grant the DSP provides monthly stipend for food of the scholars. Likewise, the DEP program is designed to cater to the most marginalized students where the Progress Out of Poverty Index (PPI) score serves as a benchmark for screening applicants. In 2016, when the Department of Education and the Commission on Education fully implemented the K-12 Basic Educational Program, NWTF added the Senior High School scholarship which supports the tuition and other fees and provides a monthly food allowance.

Overall, the scholarship program has admitted a total of 577 scholars – 370 taking degree courses, 140 taking Technical-vocational courses and 111 are in Senior High School.

Health, Wellness and Family Care Program



During school break, circumcision is also conducted where the children of the Project Dungganon clients are the main beneficiaries. NWTF also partners with organizations involving local and foreign health professionals who perform surgical missions for cleft palate, cysts and goiter, to name a few, at least once a year.

With NWTF's goal to continuously provide proper healthcare to its clients and their families, Project Dungganon Clinics in partnership with affiliate doctors were opened in 2014. Starting with only 3 that year, the PD Clinics are now in 84 locations where Project Dungganon have branches. This number is still expected to grow as NWTF aims to open at least one in each of its branches.

Health is a state of complete physical, mental and social well-being and not merely the absence of disease or infirmity. NWTF lives by this principle. Twice a year, medical and dental missions with electrocardiogram (ECG), Random Blood Sugar Testing and Eye Check are conducted for the NWTF clients and their families. Additional services like Pap smear to help them cure infection and for early detection of cervical cancer and Mobile X-ray for Tuberculosis detection and prevention are provided. This created an opportunity to work with medical team partners, the local government units and the Department of Health. NWTF also participates in blood-letting programs and gives its contribution to blood banking. This not just helps promote healthy lifestyle to the clients and donors but also gives NWTF a direct access to the blood bank in cases of emergencies. The team has participated in propagating awareness about other diseases such as diabetes, uterine cancer, pulmonary diseases and other community communicable diseases through health forums conducted in every branch. NWTF also started a center or community based free checkup to serve those who are living in remote areas. This is to ensure that those who were not catered by the medical missions and were not reached by the Project Dungganon clinics because of their distance will be served.



For clients who are living together but are not yet married NWTF provides Mass Wedding to legalize their union because NWTF believes in the sanctity of family.

With these programs, NWTF's mission of providing quality health and family care to our clients will be achieved.

Capacity Building Workshops



There are gaps that need to be filled up with regards to client capacity in running and managing their respective business. Cases of clients who started a business without concrete business idea in mind cause some failures and ultimately resulted to loan repayment problems. The little knowledge and experience of most of the clients are not enough to keep the business going for the whole cycle which became an issue towards business sustainability. Without a working business, clients will have a hard time earning money for their family and this defeats NWTF's purpose of lifting them out of poverty.

The main purpose of client trainings is to improve their knowledge and skills in business management.

Specifically, the trainings help clients to:

- ✔ Select business idea suited for their characteristics
- ✔ Develop a bankable business plan
- ✔ Develop marketing skills
- ✔ Develop skill on financial record keeping and financial reports of the business
- ✔ Financial education on wealth management and savings generation
- ✔ Improve leadership style
- ✔ Acquire and enhance skills in a particular livelihood activity for sustainable business income.



The following are the lists of trainings provided to the clients:

1. Generate Your Business (Entrepreneurship Appreciation)

This training enables the participants to identify, analyze and select appropriate business idea that suits them.

2. Start Your Business (Business Management Training)

The objective of the training is to help exiting entrepreneurs (Project Dungganon clients) develop a bankable business plan.

3. Wealth Management and Savings Generation (Financial Education)

The training aims to provide heightened awareness of the importance of savings and personal wealth management through full understanding of the concept and principles of savings and are able to prepare a personal cash flow and financial savings plan.

4. Center Leadership and Stewardship

The objective of the training is for the participants to recognize and develop the value of servant leadership as an effective winning leadership style and instil desired values and stewardships.

5. Marketing Skills Training

The objective of this training is to help participants develop marketing skills by recognizing the importance of customer satisfaction by providing quality products/services.

6. Environmental Awareness Advocacy Training

This training aims to help participants have increased awareness about environmental destruction and to teach them ways on how to help protect and preserve the environment.

7. Simple Bookkeeping and Accounting

The objective of this training is for the participants to develop skills in financial record keeping and prepare financial statement of their business.

NWTF also looks for competent trainers to conduct skills training. These trainings aim to help the clients acquire or enhance their skills in a particular livelihood activity for sustainable business income. The following are some of the livelihood skills trainings being conducted that could provide livelihood opportunities for the clients:

1. Meat Processing
2. Handicraft Macramé Weaving
3. Native Food Products
4. Fish processing
5. Doormat and Pot Holder Making
6. Fashion Jewelry Making





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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members
 Negros Women for Tomorrow Foundation, Inc. and Subsidiaries
 #102 San Sebastian-Verbena Streets
 Bacolod City

Opinion

We have audited the consolidated financial statements of Negros Women for Tomorrow Foundation, Inc. (a nonstock, nonprofit corporation) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2016 and 2015, and the consolidated statements of income and expenses, changes in fund balance and cash flows for the years then ended, and notes, comprising significant accounting policies and other explanatory information.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2016 and 2015, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRS).

Basis for Opinion

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section for our report. We are independent of the Group in accordance with the Code of Ethics for Professional Accountants in the Philippines (Code of Ethics) together with the ethical requirements that are relevant to our audit of the consolidated financial statements in the Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis of our opinion.

Responsibilities of Management and Those Charged with Governance for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with PFRS, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with PSAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of the accounting policies and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

R.G. MANABAT & CO.

TIRESO RANDY F. LAPIDEZ
 Partner

CPA License No. 0092183

SEC Accreditation No. 1472-A, Group A, valid until March 30, 2018

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-34-2014

Issued October 15, 2014; valid until October 14, 2017

PTR No. 5904929MD

Issued January 3, 2017 at Makati City

March 31, 2017
 Makati City, Metro Manila

**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.
(A Nonstock, Nonprofit Corporation) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

	December 31	
	2016	2015
ASSETS		
Current Assets		
Cash and cash equivalents	P325,067,841	P345,473,382
Short-term investments	44,860,00	-
Receivables - net	2,368,041,212	1,725,340,814
Other current assets	66,142,537	43,680,207
Total Current Assets	2,804,111,590	2,114,494,403
Noncurrent Assets		
Investment securities	25,164,969	24,299,759
Property and equipment - net	174,284,754	122,081,587
Real properties acquired - net	2,880,667	266,921
Deferred tax assets - net	6,049,375	6,391,075
Long-term investment	2,886,000	-
Other noncurrent assets - net	-	3,006,615
Total Noncurrent Assets	211,265,765	156,045,957
	P3,015,377,355	P2,270,540,360
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and other current liabilities	P446,766,434	P421,420,584
Income tax payable	1,671,466	1,970,795
Deposits from customers	69,410,268	69,731,798
Due to members	1,376,702,017	973,117,366
Current portion of loans payable	38,628,790	37,873,417
Total Current Liabilities	1,933,178,975	1,504,113,960
Noncurrent Liabilities		
Loans payable - net of current portion	7,954,543	-
Retirement liability - net	21,702,936	10,369,567
Total Noncurrent Liabilities	29,657,479	10,369,567
Total Liabilities	1,962,836,454	1,514,483,527
Fund Balance	1,052,540,901	756,056,833
	P3,015,377,355	P2,270,540,360

CONSOLIDATED STATEMENTS OF INCOME AND EXPENSES

	Years Ended December 31					
	2016			2015		
	General Fund	Restricted Fund	Total	General Fund	Restricted Fund	Total
NET INTEREST INCOME						
Loans and advances to customers	P718,534,842	-	P718,534,842	P509,726,008	-	P509,726,008
Deposits and short-term placements with banks	1,558,052	-	1,558,052	2,566,969	-	2,566,969
Investment securities	3,990,712	-	3,990,712	888,890	-	888,890
	724,083,606	-	724,083,606	513,181,867	-	513,181,867
INTEREST EXPENSE						
Due to members	24,845,000	-	24,845,000	18,885,041	-	18,885,041
Deposits from customers	1,934,226	-	1,934,226	1,924,464	-	1,924,464
Loans payable	1,023,559	-	1,023,559	2,869,485	-	2,869,485
	27,802,785	-	27,802,785	23,678,990	-	23,678,990
NET INTEREST INCOME BEFORE IMPAIRMENT LOSSES	696,280,821	-	696,280,821	489,502,877	-	489,502,877
IMPAIRMENT LOSSES	23,372,361	-	23,372,361	20,383,618	-	20,383,618
NET INTEREST INCOME	672,908,460	-	672,908,460	469,119,259	-	469,119,259
OTHER INCOME - Net						
Service fees	131,659,266	-	131,659,266	91,374,460	-	91,374,460
Development cost	-	90,170,483	90,170,483	-	76,793,761	76,793,761
Income from green products	12,932,813	-	12,932,813	-	-	-
Foreign exchange gain (loss) - net	9,559,858	-	9,559,858	(1,698,187)	-	(1,698,187)
Income from network operations	1,521,126	-	1,521,126	-	-	-
Miscellaneous	25,228,563	-	25,228,563	4,888,058	-	4,888,058
	180,901,626	90,170,483	271,072,109	94,564,331	76,793,761	171,358,092
OTHER EXPENSES	645,743,913	-	645,743,913	520,658,353	-	520,658,353
INCOME BEFORE INCOME TAX	208,066,173	90,170,483	298,236,656	43,025,237	76,793,761	119,818,998
INCOME TAX EXPENSE	4,509,260	-	4,509,260	1,929,886	-	1,929,886
NET INCOME	203,556,913	90,170,483	293,727,396	41,095,351	76,793,761	117,889,112
OTHER COMPREHENSIVE LOSS						
Items that will not be reclassified to the statement of income and expenses						
Remeasurement of net retirement liability	(7,407,954)	-	(7,407,954)	(239,652)	-	(P239,652)
Deferred tax	(38,340)	-	(38,340)	18,371	-	18,371
	(7,446,294)	-	(7,446,294)	(221,281)	-	(221,281)
Items that may be reclassified to the statement of income and expenses						
Net change in fair value of available-for-sale financial assets	2,676,227	-	2,676,227	(1,922,657)	-	(1,922,657)
	(4,770,067)	-	(4,770,067)	(2,143,938)	-	(2,143,938)
TOTAL COMPREHENSIVE INCOME	P198,786,846	P90,170,483	P288,957,329	P38,951,413	P76,793,761	P115,745,174

**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.
(A Nonstock, Nonprofit Corporation) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES**

	Years Ended December 31				
	General Fund	Restricted Fund	Remeasurement		Total
			Employee Benefits Reserve	Net Change in Fair Value of Available-for-Sale Financial Asset	
Balance at January 1, 2016	P384,817,673	P377,361,906	(P2,306,475)	(P3,816,271)	P756,056,833
Grants for operations	7,526,739	-	-	-	7,526,739
Total comprehensive income for the year:					
Net income for the year	203,556,913	90,170,483	-	-	293,727,396
Net change in fair value of available-for-sale financial assets	-	-	-	2,676,227	2,676,227
Remeasurement of net retirement liability	-	-	(7,446,294)	-	(7,446,294)
	203,556,913	90,170,483	(7,446,294)	2,676,227	288,957,329
Balance at December 31, 2016	P595,901,325	P467,532,389	(9,752,769)	(P1,140,044)	P1,052,540,901
Balance at January 1, 2015	P327,539,776	P300,568,145	(P2,085,194)	(P1,893,614)	P624,129,113
Grants for operations	16,182,546	-	-	-	16,182,546
Total comprehensive income for the year:					
Net income for the year	41,095,351	76,793,761	-	-	117,889,112
Net change in fair value of available-for-sale financial assets	-	-	-	(1,922,657)	(1,922,657)
Remeasurement of net retirement liability	-	-	(221,281)	-	(221,281)
	41,095,351	76,793,761	(221,281)	(1,922,657)	115,745,174
Balance at December 31, 2015	P384,817,673	P377,361,906	(P2,306,475)	(P3,816,271)	P756,056,833

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2016	2015
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	P298,236,656	P119,818,998
Adjustments for:		
Impairment losses	23,372,361	20,383,618
Interest expense	27,802,785	23,678,990
Depreciation	26,068,114	16,931,958
Retirement expense	8,800,415	6,358,824
Loss on sale of noncurrent assets held-for-sale	272,857	-
Loss (gain) on disposal of property and equipment	11,389	(28,498)
Fair value gain (loss) on available-for-sale financial asset	(2,676,227)	(1,922,657)
Interest income	(5,548,764)	(3,455,859)
Unrealized foreign exchange gain (loss)	(9,559,858)	1,698,187
	366,779,728	183,463,561
Changes in:		
Receivables	(664,942,556)	(298,551,747)
Other current and noncurrent assets	(23,282,128)	(21,817,217)
Accounts payable and other current liabilities	25,345,850	44,969,672
Deposits from customers	(321,530)	15,566,474
	(296,420,636)	(76,369,257)
Grants for operation	7,526,739	16,182,546
Interest received	5,548,764	3,455,859
Income tax paid	(3,958,288)	(2,944,485)
Contributions to the retirement fund	(4,875,000)	(5,417,197)
Interest paid	(27,802,785)	(23,610,768)
Net cash used in operating activities	(319,981,206)	(88,703,302)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	(78,315,171)	(29,507,091)
Proceeds from disposal of property and equipment	32,501	28,498
Change in:		
Investment securities	4,487,244	3,585,616
Real properties acquired	(3,743,949)	46,987
Short-term investment	(44,860,000)	-
Long-term investment	(2,886,000)	-
Other noncurrent assets	3,006,615	-
Net cash used in investing activities	(122,278,760)	(25,845,990)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	P58,000,000	P37,900,000
Payment to loans	(49,290,084)	(82,878,738)
Contributions from members	403,584,651	244,264,999
Net cash provided by financing activities	412,294,567	199,286,261
NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS	(29,965,399)	84,736,969
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	345,473,382	262,434,600
Effect of foreign exchange rate changes in cash and cash equivalents	9,559,858	(1,698,187)
CASH AND CASH EQUIVALENTS AT END OF YEAR	P325,067,841	P345,473,382

