



# 2017 ANNUAL REPORT

# 2017 Annual Report

## Being **DUNGGANON**

### About the Cover

For the past 33 years, NWTF unceasingly and passionately strived to achieve its mission to alleviate poverty by extending developmental services to the poor. Being DUNGGANON means to be noble, fair, and honest.

This year's cover highlights NWTF's pledge to improve the way of life of its clients.

Being DUNGGANON for the NWTF Team means being committed in serving the clients properly and fairly while living out the NWTF core values.

With its continuing pursuit of building vibrant Dungganon communities, NWTF never stops delivering innovations which will further improve clients' access to financial and non-financial services.

As a mission-driven micro-finance institution, NWTF shall persistently inspire and motivate its clients to raise their aspirations for a better life by BEING DUNGGANON.



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# Projects



## PROJECT DUNGGANON

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.



## PROJECT KASANAG

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.

Dungganon Bank Inc. provides relevant and professional banking services to the poor.



## DO-IT FOUNDATION

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

## NWTF Integrated Systems Corporation, Inc.

NIS provides the proper network infrastructure that will support systems developed by DO-IT for NWTF. A state-of-the-art data center has been set-up to cater to the needs of NWTF and DBI Operations.

# Message from the Executive Director

Dr. Cecilia D. del Castillo



As is usual for Annual Reports, you will read in the following pages what we have accomplished in our continuing effort to fulfill our vision, mission and social goals.

We also share new product and service delivery innovations that efficiently improve accessibility to financial and non-financial support for our clients.

But we chose BEING DUNGGANON as the theme of the 2017 Annual Report to highlight the special relationship between NWTF and our clients.

The direct English translation of Dungganon is honorable or noble. At NWTF being Dungganon has a two-fold meaning: first, that the employees exemplify being dungganon and second that we do our utmost to reinforce the principles and spirit of being dungganon to our clients.

Living out our core-values has been the key to NWTF's success for the past 33 years.

1. Discipline. We have established rules of conduct, policies and guidelines which everyone follows;
2. Hardwork. We industriously do our work with enthusiasm, dedication and commitment;
3. Courage. We bravely face challenges and threats;
4. Teamwork. We cooperate with one another to reach our common goal
5. Integrity. We make sure that in everything we do we are being fair, truthful, and honest.
6. Loyalty. We prove our loyalty to NWTF by putting interest of NWTF and our clients first.

7. Accountability. When we make decisions, we consider the impact and implications and face the consequences, whether good or bad.

We reinforce their innate sense of honor and dignity as soon as new clients join NWTF's Project Dungganon. Every time they say the Members' Pledge during the weekly Center Meetings, each member renews her promise to strive to improve her life by using the earnings from her loan to support and improve the quality of life of her family; to do her best to send her children to school, to pay her weekly loan instalment and to support other members when they need assistance.

The Field Staff in turn pledge to help them improve their way of living through NWTF's Project Dungganon by committing to perform their work properly and honestly in accordance with NWTF rules and policies. They also promise not to take advantage of the poor by not asking for anything, not even a glass of water from any member or potential members.

Project Dungganon Members commit to live out BEING DUNGGANON every time they say the 11 Decisions, and this has become their most basic aspiration:

1. We will not cause harm and injustice to anyone.
2. We shall plant vegetables year-round. We shall eat plenty of vegetables and sell the surplus.
3. We shall plan for our family's welfare ensuring that it fits each family member's needs, be careful with our finances, and look after our health.

4. We shall work hard to send each of our children to school.

5. We shall maintain cleanliness throughout our homes and surrounding areas.

6. We shall build and use latrines.

7. We shall drink clean water.

8. We shall live in safe and sturdy homes and continue to make improvements when we can.

9. We shall always be ready to help each other and anyone in need.

10. We shall follow and promote the Dungganon principles of discipline, unity, and hard work.

11. We will plant trees in our homes and surrounding areas and not cut them down.

When they become part of the Dungganon Community, BEING DUNGGANON becomes a way of life, and for truly committed members, fulfilling the 11 Decisions comes naturally, and they consequently move their families out of poverty.

For Project Dungganon members who have entrepreneurial ambitions, growing and expanding their business activities takes them to the next level. We highlight the stories three clients who by BEING DUNGGANON have not only moved their families out of poverty, but by taking their business activities to the next level, they are now mainstream Small and Medium Entrepreneurs.

# Message from the Chairman

Atty. Elmira P. Maglasang



noble and honorable. By providing them with the space and structure that allows them to deepen their sense of purpose, NWTF has built a community of people with a passion for doing what is good, right and just.

As a result, NWTF has grown into a self-sustaining organization that recognizes the potential of the poor to overcome adversities. Our success is proof that with access to financial products and the necessary support, even the poorest and most destitute can build on their own skills that will enable them to take their families out of poverty, educate their children and ultimately live the good life that they dreamed for their family.

Over the years, as a member of the Board of Trustees I have witnessed how NWTF became a lifeline for the poorest in the remote parts of the Visayas while becoming a lifetime commitment for many of the Trustees and employees alike.

I believe that this is NWTF's specialty — finding people who are innately good and

accomplishments that we achieved in the past year, building on what we attained in the previous years.

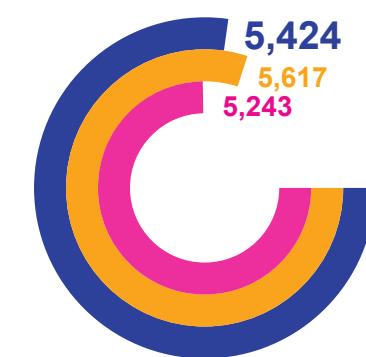
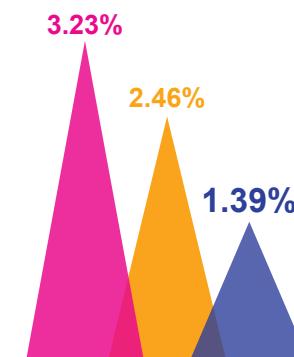
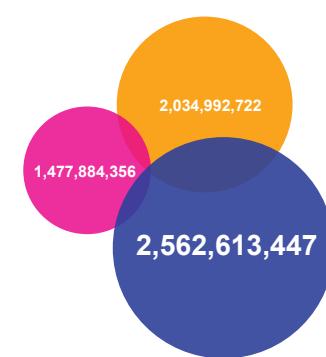
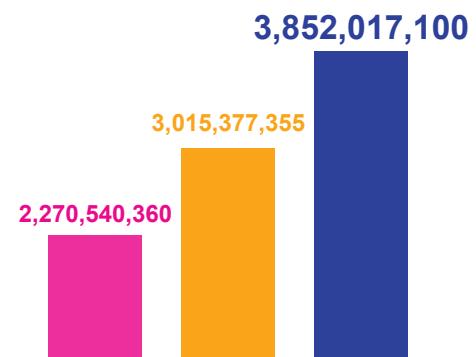
I believe that the success that NWTF has achieved thus far is because persons who join the NWTF group and decide to stay continuously strive to BE DUNGGANON.

It is my hope that the next generations of NWTF Management and Trustees shall continue to build on the legacy that we have strived so hard to preserve, so that NWTF continues to advance toward the fulfilment of its vision as an institution of change, building Dungganon communities.

This Annual Report shows that as of December 31, 2017, NWTF has over 350,000 active clients, with more than 2,000 employees in 130 branches. We also celebrate the many milestones and

# 2017 Metrics

2015  
2016  
2017



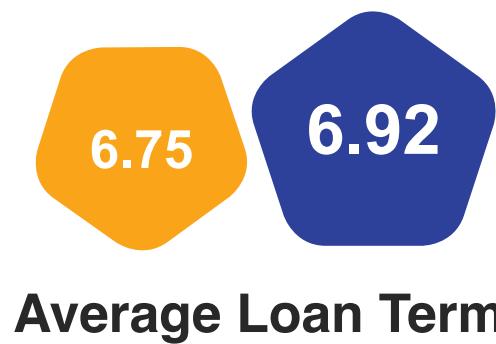
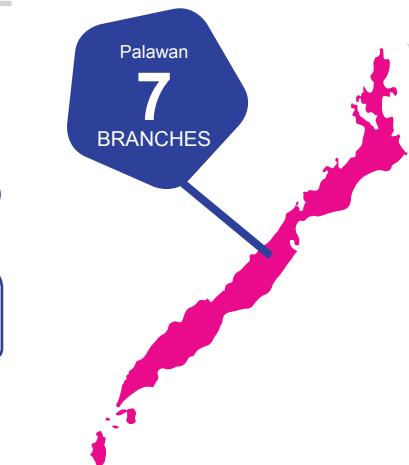
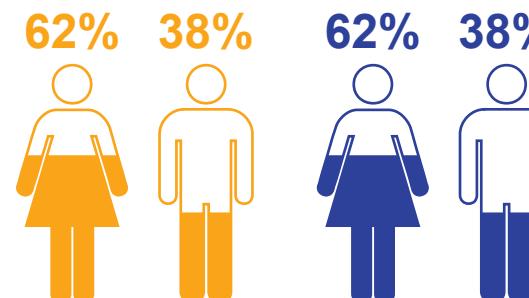
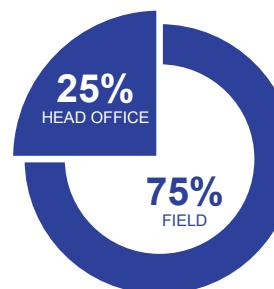
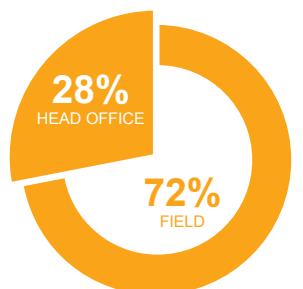
**Total Assets**  
(PHP)

**Portfolio**  
(PHP)

**PAR**

**Average Portfolio**  
(PHP)

1,871  
2,472  
**Number**



259,075  
312,066  
**387,456**  
247,726  
297,261  
**372,797**  
**Active Clients**  
with Loans

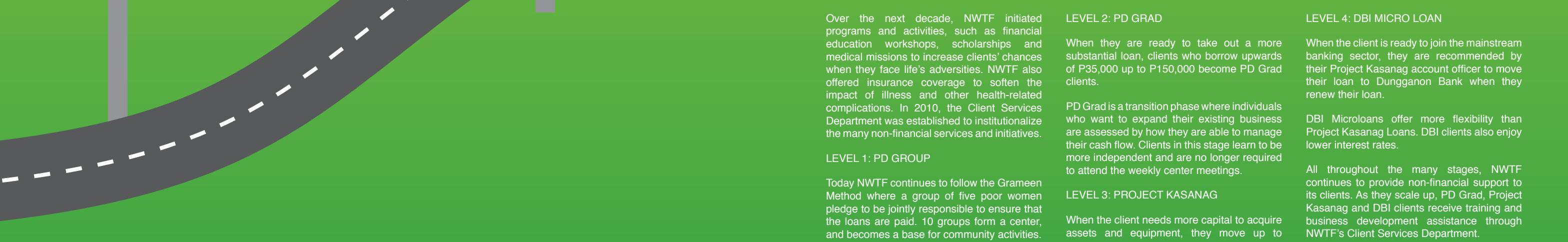
# Dungganon Grad Program

Many economists claim that microcredit alone will not solve the poverty problem. NWTF's own experience and statistical data proves this to be true. Without client protection and other non-financial services that mitigate the effects of adversities and other reversals, the poor will always have a hard time moving their families out of poverty.

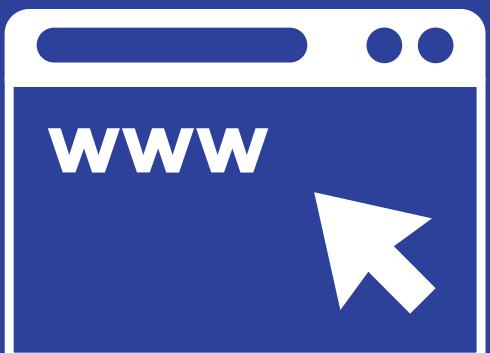
NWTF's experience also proved that those who are able to scale up and expand their business activities need loan products and services that are different from those who live below the poverty line.

Realizing that it had the necessary resources to give the more entrepreneurial clients a leg up, NWTF developed the DUNGGANON GRADUATION PROGRAM to address the needs of clients at each stage as they scale up and expand their business activities.

**PROJECT DUNGGANON GROUP →**



# CESUCO*i*



After going live in DBI Bantayan last May 2016, Dungganon Office of Information Technology (DOIT) has been developing another version of CESUCO*i* to cater to the specific needs of NWTF. An android version has also been developed for loan officers to utilize for customer application, loan application and collection process. In addition, the Cash Management System (CMS) was incorporated in the system.

With the Android version the entire process is significantly reduced by eliminating the need for filling up the manual forms then subsequent encoding in the back offices. Not to mention the cost savings for not having to print out all the manual forms and transmittal of documents. Furthermore, since data is encoded directly in the application, data validation is done at the point of entry preventing missing information upon saving and encoding of invalid data.

With the CMS integrated in CESUCO*i*, the process from collection to validation of payments and subsequent posting of such payments to loans is fully integrated. As such, the need for sending of files from one application to another or the need for manual validation of data between the two applications is eliminated. The new CMS in CESUCO*i* also has some new features like the facility for bank transfers, E-money disbursements and many more. In addition, the new CMS is designed to be ready for integration with the Accounting System that is currently being developed.

Aside from the Android version and Integration of CMS in CESUCO*i*,

there are also new modules introduced in the new CESUCO*i* such as the Missed Payment Override (where branch heads can monitor and apply partial payments) and the facility to attach photo and signature of a client.

Existing modules and processes were also improved such as; (1) Workflows were introduced for customer and loan application, incorporating the approval process in the application. (2) The new Daily Collection Sheet will now show the accumulated due of the client for insurance and not just the weekly due, thus ensuring that all dues are to be collected from the client and removes the manual monitoring on the Loan Officer. (3) Savings account are also automatically created upon creation of a client, ensuring that all clients have attached savings account as required and eliminating the process of creating it manually. (4) The loans are also now classified into three (A) Financial Loans (B) Non Financial – Inventory (C) Non Financial – Others, with these classifications the workflow process has been properly identified and segregated for each type.

With all of these new modules and features, the system aims to provide a more efficient and effective process for all the users from front end to back end.

CESUCO*i* NGO was piloted in Talisay, Negros Occidental last August 2017 and last October 2017 CESUCO*i* NGO was rolled out to production to 3 branches, namely Talisay, Binalbagan 1 and Binalbagan 2. Roll out to all NWTF branches is planned to be done by third quarter of 2018.

## Dungganon Expansion

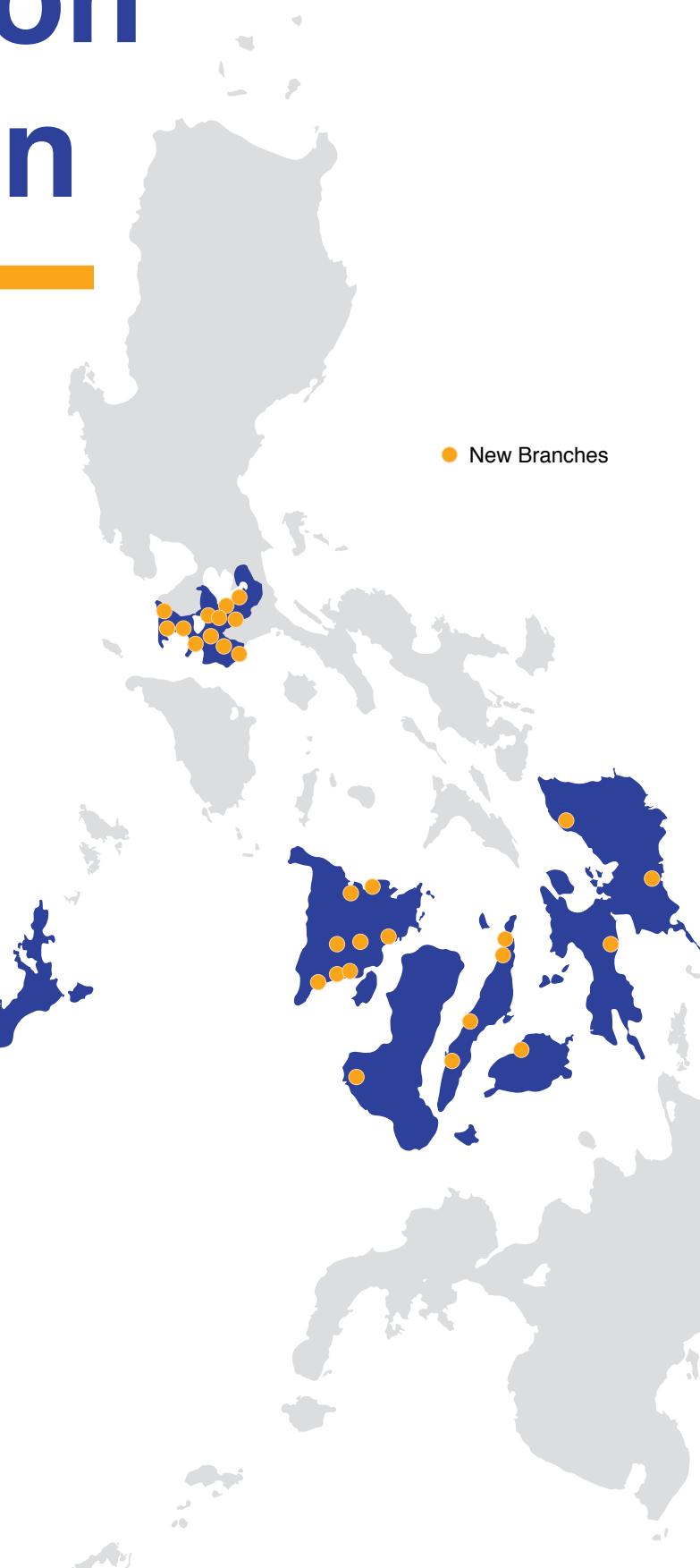
In 2017, Project Dungganon opened a total of 12 branches in Batangas and Laguna areas. More than 21,935 clients from Rosario, Bauan, Lemery, Tanauan, Nasugbu, Balayan, San Jose, San Juan, Sta. Cruz, Nagcarlan, and Pila are currently being served and is expected to still increase in number.

More branches also opened in Cebu (Moalboal, Pinamungajan, Medellin, San Remegio), Bohol (Inabanga), Panay (Guimbal, Oton, Miagao, Maasin, Dueñas, Banate, Roxas-Capiz, Altavas), Leyte (Dulag), Samar (Borongan, Calbayog) and Negros (Sipalay) Island, closing the year with a total of 129 branches.

As NWTF continues to reach more women all over the Philippines, the management decided to divide branches into six (6) divisions.

Division 1	Negros
Division 2	Cebu & Bohol
Division 3	Leyte & Samar
Division 4	Palawan
Division 5	Panay
Division 6	Batangas & Laguna

Each division is being led by an Operations Supervisor who not only supervises the areas, but also assists in reviewing existing credit policies and procedures to identify obsolete ones and recommend appropriate policies if necessary. They are also in charge of the over-all implementation and monitoring of the expansion plans, strategies, programs and services of NWTF micro-finance operations and conduct regular visits to the area and branch offices to validate reports and gather first hand information on the field operations.

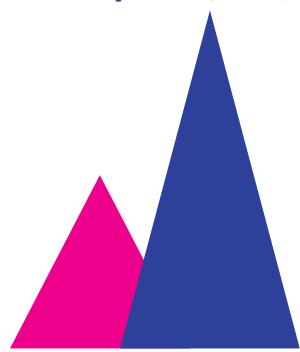


# Kasanag Expansion

## 2017 PORTFOLIO

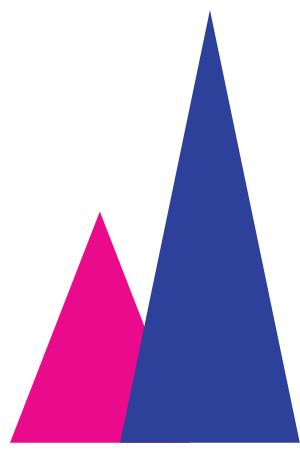
◆ 2016 ◆ 2017

Php 177,000,000



PROJECT KASANAG

Php 329,000,000



PD GRADUATES

Poverty is one of the major issues that our world faces today and organizations such as Negros Women for Tomorrow Foundation, Inc. (NWTF) is one of the many organizations that aims to alleviate it. Coupled with this vision NWTF has put up different projects to put these dreams into reality. The biggest project that they have established is Project Dungganon (PD), which aims to reach the poorest of the poor households and provide business capital to its women to empower them. NWTF believes that doing so will help the woman and her family, and ultimately, change her community for the better.

The direction of the organization has always been in line with these goals, but as a client's life prospers her economic status improves, and soon she will no longer be qualified to continue with PD. Wanting to continue helping their clients and at the same time building up the bond that they have established over the years, NWTF started their second project in 2000: Project Kasanag (PK). Aligned with NWTF's aim to help address poverty, empower women and develop communities, PK's primary mission is to help promising micro-entrepreneurs improve and expand their business. The project's main aim is to provide them, PD Graduates and those clients who need to acquire assets and additional capital for their growing business with financial services with very competitive interest rates and non-financial services (i.e. Financial Literacy) in coordination with NWTF's Client Services Department.

Through PK, NWTF can continue

to help their loyal clients and those micro-entrepreneurs who are not yet qualified for formal banking but require additional capital for their businesses. This only shows how much the organization cares for its clients and how it helps them grow not only in their enterprises but as a well-respected businessperson in society, a model Dungganon member.

Project Kasanag started off its operations with around 12-13 staff members and is now operating with 67 people as of December 2017. As of today, they are handling five sub-units under their department namely: Community Loan, Micro-agri, BagoSphere, Project Kasanag, and Project Dungganon Graduates. Moreover, they currently assist DBI for their Credit Facilities. They continue to assist their clients financially and prepare them for formal banking.

As their clientele and group continue to grow in number; diverse needs also arise. To be able to answer these needs, PK also started to expand their department to cater to the rising number of needs required by clients. With field units established in Iloilo, Mandaue, Palawan and Tacloban, PK has begun its expansion by preparing to formalize these units into full-fledged branches.

In 2018, PK will be formally launching its office in Iloilo and strengthening its units in Mandaue, Palawan, and Tacloban in preparation for setting up offices. These offices will then be converted into Dungganon Bank branches after a few years of successful operation.

# Balik Eskwela

Education of clients and their children has been one of NWTF's many objectives throughout the years. From financial literacy programs and livelihood workshops for clients to scholarships and education loans for clients' children, NWTF has ensured that its clients have easy access to education.

To further assist clients with their family's educational needs, NWTF offered a new loan product in May 2017 called Balik Eskwela. Based on the data collected from proposals and feedbacks of PD clients, the objective of the Balik Eskwela loan is to help mitigate the expenses of the clients in the education of their children in elementary, high school and college. The loan was developed not only for tuition fees but also to purchase other needs that the child might need for school. With its specific purpose, the loan helps prevent clients' misuse of the general business loan they have by providing them with another option which has a lower interest rate at 2% per month. Additionally, the lower interest helps avoid over-indebtedness, considering the loan will be used for non-income-generating activities of clients.

There are two types of Balik Eskwela loans – Balik Eskwela 1 for elementary and high school students and Balik Eskwela 2 for college students. Balik Eskwela 1 is available in the months of May and June, while Balik Eskwela 2 is based on college semesters. The product's loan amount should not exceed the GL loan amount of the client.

To qualify to receive the Balik Eskwela loan, a client must have at least one year of membership with Project Dungganon. The client must be active with 100% repayment rate and must have a productive loan, such as the general loan and a special loan for business (e.g. asset acquisition loan). The client must also have an existing business to avail of the loan product. Before a client can apply, client information must be verified by the loan office through a loan supervisory visit to ensure that client's status is accurate. Balik Eskwela 2 proposals have an additional requirement - clients must present an official receipt or school assessment.

The Balik Eskwela loan is an important milestone for Project Dungganon and NWTF hopes its implementation will have a positive impacts on the lives of its clients. After all, for NWTF, helping Dungganon families achieve goals associated with attaining degrees and formal training is one of the most vital efforts of the organization.

## BALIK ESKWELA 1 TOTAL DISBURSEMENT

Negros	20,234	55,361,100
Cebu & Bohol	4,538	13,000,000
Leyte & Samar	1,563	3,853,500
Palawan	914	3,076,500
Panay	954	2,900,500
Total	28,203	78,191,600

## BALIK ESKWELA 2 TOTAL DISBURSEMENT

Negros	19	301,000
Cebu & Bohol	9	197,000
Leyte & Samar	89	234,000
Palawan	39	151,000
Panay	1	
Total	157	883,000.00

# Community and Micro-Agri

A community is defined as a group of people in a society who help each other with their needs. According to Sona Mehring, founder and CEO of the non-profit CaringBridge, "a community is more than just a group of people living in a particular area. A community is a group of people we lean on when times are tough; our friends, family, and neighbors who are there for us when we need love, support and encouragement." In line with this thought, NWTF, in its aim to make a better community for its clients, created a loan product that could bring clients closer to one another by giving them a sense of teamwork and cooperation.

In February 2016, NWTF launched its Community Loan product to realize this goal and cater to qualified active centers of Project Dungganon. The primary objective of the loan is to provide a group of existing clients with an opportunity for another livelihood that will help them supplement their current income. The loans are managed by the Community Loan Unit which aims to organize active Dungganon centers into sustainable and profitable associations or cooperatives. Orientation and training on the product features, financial literacy, and clients' duties and responsibilities to their associations are provided by the unit. Recognition tests are then conducted to ensure that they fully understand. These are all done before the release of loans that will serve as initial capital to start and operate a proposed business. A series of monitoring activities follow to ensure the success of the association's business proposal.

Currently, NWTF has launched the said product to 8 branches, namely Hinigaran, Cauayan, Ilog, Kabankalan, Himamaylan, Mabinay, Isabela, and Binalbagan 2. The most promising endeavor is that of Center 167 Women's Association - a bakery in Brgy. Tuguis, Hinigaran, Negros Occidental. It was established in August 2017 with a loan capital of P65,000. Their NWTF loans have covered a gamut of operating expenses, from the down payment for their baking equipment to the acquisition of materials for the bakery's structure, purchase of ingredients, and a year's lease for the lot on which the bakery stands.

Operating from Monday to Sunday, starting from 4 a.m. to 6 p.m., the bakery earns a daily gross income of Php 3,000-4,000. The association is projecting a possible expansion to Hinigaran Proper, as well as hiring more bakers and acquiring additional equipment such as a bread slicer and pastry table.

Venturing into entrepreneurship is helping improve the skills of the association's members in not only baking but also effective business management. Beyond being an additional source of income, establishing the bakery has strengthened the members' relationships. As a member of the community loan, members of the association were able to not only uplift their individual lives but also help others within their society by providing employment opportunities. They are also stimulating economic activity in their locality.

## COMMUNITY LOAN AS OF DECEMBER 2017

	Total
Recognized and Active Associations	137
Total Loan Release (Since the start)	Php 22,562,986
Loan Balance	Php 13,877,581

## CURRENT AREAS



# WASH Program: Phase 2 with Water.org

In 2014, NWTF launched a WASH (Water Access, Sanitation, and Hygiene) program to address limited access to clean water and substandard sanitation practices, particularly open defecation. A major component of this program was a partnership with water.org, an international non-governmental organization, who provided technical support and funding in order to achieve a target of 15,000 WASH loans by July 2017.

The partnership proved very successful, and by July 2017, NWTF was able to release 50,654 loans, more than triple the original target. The open model, where clients are free to choose their toilet design (meeting sanitation standards) and the duly accredited masons to construct them, as well as the Green Product Staff (GPS) model are the main reasons for the success of this program. GPS are responsible in educating clients on proper sanitation, hygiene and the importance of clean drinking water. They also market the WASH products to meet each clients' needs.

NWTF also offers WASH loans to clients so that they can purchase water filters and pay for water connection fees. Toilet construction makes up eighty percent (80%) of WASH loans, with water filters making up twelve percent (12%) and the remaining eight (8%) comprised of water connection loans.

Satisfied with the program results, NWTF and water.org have entered into the second phase of the partnership, with a target of 30,000 WASH loans by July 2018. NWTF aims to achieve this target by investing on its current structure with a focus on training the GPS, assessing and improving its product offerings to ensure they meet client's needs and expectations, and ensuring that the WASH loans are available in every area that they operate in.



Dungganon Bank client Mrs. Christine Frias, a 38-year-old businesswoman, and her husband, Mr. Vilmar Frias, have two beautiful daughters and a slew of thriving businesses, but when they were younger they had different dreams. With college degrees in Elementary Education and Nursing, respectively, they aimed to gain their licenses after graduation. Unfortunately, they failed to pass their exams. This did not make them lose hope, but instead motivated them to test their entrepreneurial skills. With the help of Christine's sister-in-law residing in California, they had enough capital to start their own sari-sari store. Their first business turned out to be a success because of their zealous effort.

Their drive to better their and their family's life did not end there however. Vilmar decided to drive a tricycle for additional income. Using their earnings from both livelihoods, they bought a pedicab to rent out at 30 pesos a day. From one pedicab unit, they were able to increase the number to seven. Having more than one source of income, the couple was able to save enough money to establish a new line of business: an eatery that was located at a nearby market. Maintaining the newly established endeavour was not an easy feat but they were able to manage.

Christine decided to join Project Dungganon after a regular customer in their eatery offered them an opportunity to acquire a bakery oven and even presented his assistance during the bakery's start-up after she expressed her concern about not having any experience. During the course of running the bakery, the couple observed that the bakery income was high and it required closer management. They came to a decision to give up the eatery to focus on their bakery, for which Christine was able to purchase more equipment and hire employees. Their profit was then used to establish a computer shop and water delivery business.

Christine wisely invested in her family's businesses. From her simple beginnings as a member of Project Dungganon, she was able to graduate to Project Kasanag and then become Dungganon Bank, Inc. client – her first foray into formal banking as a woman entrepreneur. For her, being "Dungganon" is to be committed and driven to rise above adversity and failures. There is always a solution to every problem. You just need faith, effort and perseverance to achieve it. Her Dungganon membership helped her pursue a better future for her family. She was able to renovate her house and buy a permanent lot for her bakery business. The Frias family also gives back to the community, being actively involved in and sponsoring events in their barangay.

One of family's aspirations is to open another bakery in Kabankalan City. They are planning to use the next loan in building another bakery. The NWTF Inc. certainly keeps that dream alive. They are grateful for all the things the company has done for them. For them, NWTF is indeed changing the lives of its clients for the better.

## Dungganon Graduate Program Success Story: **CHRISTINE** Frias



## Dungganon Graduate Program Success Story: **TERESITA** Cordova



Before having their own business, Mrs. Teresita Cordova and her husband have raised pigs and chickens, while working for a fishing business. As employees, they acted as liaisons between the fishermen and the business owners, negotiating the price of the fish the owner will purchase. Encouraging her to find an additional means of income, Teresita's two sisters-in-law eventually convinced her to join Project Dungganon. Her husband was at first hesitant about her taking out a loan, as he was worried about how they will pay back the loan. He relented after she convinced him of the benefits and he agreed to try and see if it would work.

In 1999, she received her first loan of Php 1,500.00 for which she intended to use as start-up capital. She utilized it to buy fish from the fishermen in addition to the bulk purchase she arranged for her employer for a small percentage. Her own fish purchasing activities turned out to be so successful that she stopped working to become a full-time entrepreneur. Her business involved buying fresh fish from fishing vessels and processing the items into dried fish.

By 2005, Teresita and her husband had bought a truck for long-distance purchasing of fish from Sipalay and Hinoba-an. Another blessing three years later in the form of a pump boat, which they bought with the business' profit and a PD Grad loan from Project Dungganon. The assets allowed them to acquire a wider range of products and deliver to municipalities in both provinces of Negros.

Even with this success, it was not always smooth sailing for the couple. They lost Php 300,000.00 in 2014 due to rejected stocks. Despite what happened, they endured with the help of consistent flourishing business operations and a two-year loan from NWTF of Php 250,000.00. They regained their loss after a while.

Today, they are prospering and now employ seven laborers. Teresita is also a consistent NWTF awardee for Micro Entrepreneur of the Year from 2013-2017. In fact, she was recognized by the branch as a good example of an entrepreneur who succeeded. She is now a Dungganon Bank client. Upon

being asked for advice for NWTF clients, Teresita said, "If you are given the opportunity, utilize it in the right way, build a business and be responsible and accountable enough to pay what you have loaned."

Besides their business and personal achievements, Teresita and her husband are also active in their community, where he is a barangay official. The couple sponsor the events in their barangay and the local school, as well as providing financial assistance to those in need. "If God gave us the blessings, we need to share it with others", Teresita says of her community efforts.

She dreams of buying additional assets – a truck and a pump boat – to expand her business. She also wants to ensure her daughter receives a college education. For her, NWTF is one of God's endless blessings for their family and she hopes to realize her dreams through it. "If you have dreams, be confident enough to take risk. Just trust in God and do the hard work. And when you fall, be brave enough to stand up."



## Dungganon Graduate Program Success Story: **ANA Divinagracia**

The year was 1998 when the Divinagracia family was put to the test. The head of the family, Mr. Gideon Divinagracia had been laid off due to a company recession. With a family of five in need of a stable income, he and Mrs. Ana Divinagracia had to think of a way to ensure their family's sustenance during those trying times. With hard work, dreams of a better life and keen business sense, the couple not only persevered but managed to build a successful enterprise.

In Manila, Gideon began thinking about putting up a small business. Not having any idea where to start, he remembered one event in his life wherein he needed some hollow blocks for his grandfather's burial but struggled to find a supplier due to the limited stocks around their area. Thus, the hollow block business came to mind. He talked it over with his wife and after deciding to push through with it, Gideon bought a second-hand hollow block machine in Manila with his savings. Unfortunately, after the

purchase he no longer had any means to buy other materials needed for the business. It was then that Ana decided to apply for a Project Dungganon loan, at first without her husband's knowledge for fear that he would not support her. Her first application was disapproved but this did not hinder her from reapplying. After talking to the branch head, she was granted a loan amount of Php 3,000.

When Gideon arrived home they started their business, experimenting on the process of how hollow blocks were made using a mixture of sand and cement. It was a frustrating process of trial and error, but in the end they were able to finally produce the blocks. By the year 1999, they had acquired a tricycle for their business, and a 4-wheel delivery vehicle six years after.

With their business' continuous growth, Ana applied for more capital and became a PD Grad member in 2011. Her increased loan was utilized for the expansion of their business' product line

and the acquisition of heavy equipment. Amidst their success, Ana and Gideon continued to journey with her financial partner: Dungganon. She eventually became a Dungganon Bank, Inc. client where she can apply for a much bigger amount. With each other's support, Ana and Gideon not only succeeded in their business but were also able to raise two children, who are now professionals.

For Ana, "You must put God first in everything you do". She knows that it is us who make our own destiny, but it is the Lord who guides our steps. Throughout her years with Project Dungganon, Ana didn't stop dreaming and aspired big. She believed in the potential of their business growing beyond a simple hollow block manufacturing enterprise and eventually becoming an established hardware and construction supply business. She envisions offering employment to others in their community, and through this small step she can share her blessings of being a Dungganon member to others.

## Health and Wellness Partner Physician: **Dr. Emily Zerrudo**

Dr. Emily Zerrudo, is an Orthopedic and Sports Medicine specialist and a mother of three children. She considers herself as a service oriented individual and finds value and fulfillment in her profession by serving others. Volunteer work is not new for her and she has never considered it as a job.

She became part of the team when one of the partner doctors introduced her to NWTF's work and encouraged her to join the medical team. She was convinced when she heard about its main advocacy which is to empower women. Seeing first hand all the programs and services NWTF is doing for its clients, captured her heart. The fact that she is a part of a team who continues to help women and their families keeps her going and inspires her to serve more people.

Dr. Zerrudo has been with the Medical Mission team for almost 9 years and is a partner doctor for Dungganon clinics for 4 years. According to her, being NWTF's partner doctor is an honor and serving others makes her happy and gives her fulfillment.



## A scholar's dream: **Lara Marie Oberio**

"I am ready for employment" she quoted while her face reveals the excitement. Lara Marie S. Obero is one of the one hundred eleven (111) Senior High School (SHS) scholars admitted last SY 2016-2017.

During her 11th grade, Lara specialized in commercial cooking and got a National Certificate (NC) II for Commercial Cooking when she took the national assessment exam. Currently in Grade 12, she is taking up Bread and Pastries Production and will take another national assessment exams to earn another NC II. With her strong will and determination, Lara is positive to pass that assessment.

Lara has always aspired to help her parents get out of their current situation and she is very optimistic that as a Dungganon Scholar, she is closer to realizing that dream.



# BUSINESS SUMMIT 2017



## Transforming Lives Through Entrepreneurship

Negros Women for Tomorrow Foundation Inc. (NWTF) has been operating as a Microfinance Institution for more than three decades. Prof. Muhammad Yunus has acknowledged it to be one of the earliest Microfinance Institutions that replicated the Grameen Method in the country. From the 4 branches in Negros Occidental it initially opened in the late 80's, today, NWTF has more than 130 branches serving about 350,000 clients across the 6 major islands of the Visayas (Negros, Panay, Cebu, Bohol, Leyte and Samar), and the Southern Luzon Provinces of Batangas, Laguna and Palawan.

Most of NWTF clients start with small businesses such as trading, manufacturing, agriculture and food processing. NWTF provides them with a small working capital to sustain their daily business activities. This is supplemented by non-financial services such as Capacity Building, Education, Development Services and Health and Wellness, to help them grow their business while protecting



them from reversals in life. Today, some of these clients have proven that with hard work and support from NWTF, they can succeed and provide more for their families.

NWTF recognizes that its work does not end there for many of the clients have potential for greater things — this is the rationale for the NWTF BUSINESS SUMMIT.

This year's Business Summit aimed to provide NWTF Clients —from Project Dungganon Graduates, Project Kasanag and Dungganon Bank Inc.— opportunities to receive inputs and information on

"How To Make The Business Grow", from various government agencies such as Department of Trade and Industry (DTI)/ Negosyo Center, Department of Labor and Employment (DOLE), Bureau of Internal Revenue (BIR), Social Security System (SSS), PhilHealth, Pag-Ibig Fund and Bureau of Small and Medium Enterprises Development.

The event was held at The Sugarland Hotel in Bacolod City on November 18, 2017 and was participated in by 448 successful and advance clients coming from various branches in Negros Island. Director Jerry Clavesillas of Bureau of Small and Medium Enterprise

Development was the Keynote Speaker during the summit followed by all the speakers from different government agencies that were invited.

The speakers from the different government agencies made the presentation and provided information that will help the participants in formalizing their respective businesses.

As a result of the Business Summit, NWTF plans to establish a Business Assistance Center to serve the needs of its clients in the formalization of their respective businesses.



# Environmental Awareness

**17,660**  
trees planted

**37,490**  
mangroves planted

Caring for the environment has always been an essential goal of NWTF. Aside from promoting green products to its clients, various activities have been conducted regularly to address its environmental goals.

One such activity is the NWTF Environmental Protection Initiative that started in August 2017. Tree and Mangrove planting activities all over Negros Island, Cebu, Samar, Bohol and Leyte and clean up drives in coastal areas, streets and rivers across Panay, Palawan, and Batangas were also organized and participated in by Project Dunganon clients.

NWTF also partnered with the Municipal Government of Manapla, Negros Occidental and the Tortosa Pumpboat Association to adopt and help protect the 2 hectares of mangrove forest in Barangay Tortosa in Manapla.

The Manapla Municipal Government in cooperation with the local pumpboat association will fund the construction of a perimeter fence around the area, while NWTF will establish a structure that will serve as a multi-purpose hall for training, meetings and other functions.



## Livelihood Skills Training: Meat and Fish Processing

NWTF does not only provide financial services to its clients, it also educates and improves their capabilities through capacity building workshops. These are done by expert trainers who are experts in their fields. The objective of the training is to provide clients with the opportunity to learn new skills that could become an added source of income. The course that has proven most successful for clients is the Meat and Fish Processing Course.

Filipinos are passionate about eating and many NWTF clients are keen on putting up small restaurants, called "carinderias", usually straight out of their homes or even selling snacks to their neighbors. Clients are taught several recipes that are staples for any carinderia, such as chorizo (sausage), tocino (breakfast meat), siomai (dumplings), fish nuggets and fish balls. It is a hands-on training where every participant makes each product step by step. Basic pricing and costing of the products are also taught during the training.



## Center Based Training

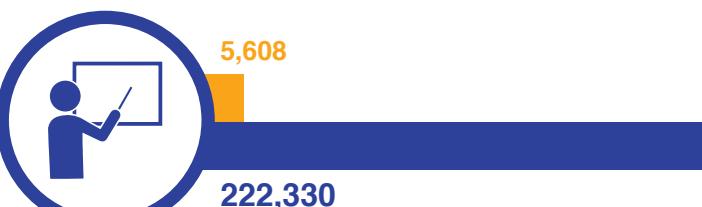


The Center-based training program is specifically designed to educate and reach more clients who are not able to avail of the usual capacity building workshops. Using a simple portable speaker and a storage device that contains the audio recordings, clients listen to different training modules during their weekly center meetings. These audio files include the Generate Your Business Idea training module, that is usually taught during the usual capacity building trainings, the Disaster Management Module which teaches about how to be prepared for natural calamities, and Health Related modules that aim to increase level of awareness in various common illnesses.

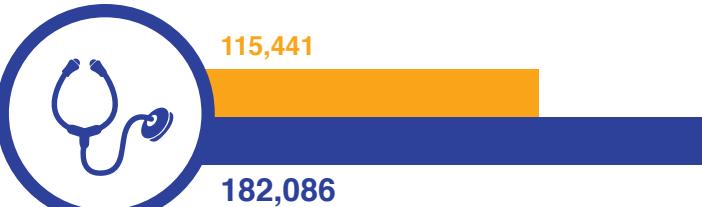
# Client Services

2016      2017

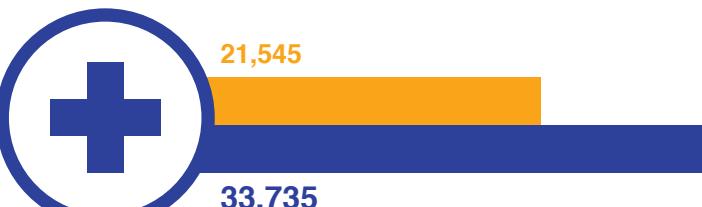
Clients attending training workshops



Clients served at medical camps



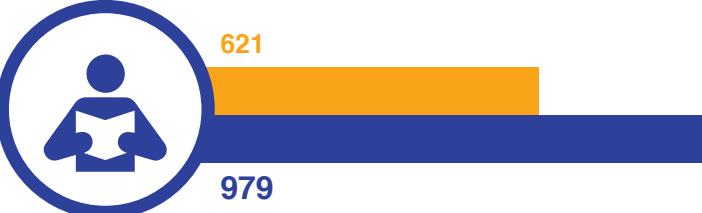
Clients served by clinics



Clients married at Mass Wedding



Scholars



# 5by20 Program

## Coca-Cola Foundation and TESDA

The 5by20 Program in partnership with Coca-Cola Foundation and TESDA aims to economically empower the women beneficiaries by providing them the necessary knowledge, skills and attitude that will transform them into better and successful entrepreneurs.

In particular, it aims to capacitate the women beneficiaries to overcome barriers to business success, and enable them to tap resources to grow their business, such as accessing additional capital and connecting to business or peer networks.

Since the implementation of the program in February 2016, the partnership has achieved inspiring and positive results for the program graduates.



**18,705**  
scholars

**35**  
branches

**13,035**  
graduates



# New Pathways

## Learning to Livelihood Program



Hundreds of women in Negros and Samar Islands are participating in the Learning to Livelihood (L2L) program, offered by New Pathways to Enterprise, a U.S.-based non-profit organization, in partnership with NWTF. L2L program aims to enable women to have profitable and fulfilling livelihood so they can achieve a better life for their families. The program also nurtures women throughout the entrepreneurial cycle, from business start up to selecting a profitable business idea, through 'hands-on' technical and business skills training. This comprehensive approach significantly improves livelihood training results, offering a greater likelihood of long-term sustainability and personal satisfaction. Results demonstrate that the L2L program is having a significant impact on the lives of marginalized women and their families. Here are some examples.

Members of Nagkaurusa nga Kababay-an san Danao I (NAKADA), "United Women of Danao 1", chose hog-raising as their preferred livelihood in 2013, since the demand for pork is higher than the supply in Samar areas. Their hard work and perseverance has paid off over the years. A longitudinal study in 2016 revealed that 100% of the women had experienced an increase in their family's income from their hog-raising business, and 57% were contributing half of their families' income. Primary uses of the additional income were for their children's education, food for the family, and healthcare. Based on their successful performance, NEW Pathways and NWTF are expanding their agricultural skills through the Livestock Integrated Farming Enterprise (LIFE) project integrating production, processing, and trading, and enabling the women to grow specialty vegetables and poultry for the Calbayog City market.

Members of the Masaling Women's Livelihood Association are the most recent graduates of the L2L program. The majority of participants selected personal selling under license with Lins Cleaning Agents, a livelihood whose time commitment complements their substantial responsibilities as mothers and housewives. Working in support groups at the community level, the women are traveling each week by tricycle to market days in neighboring areas to sell their products.

# Ideas 42



In 2015, Ideas 42 and NWTF formally set to run the scale up of heuristics-based financial and business management training in the Philippines after Ideas 42 had a consultation meeting with NWTF's Client Services Department.

Prior to its launch in the Philippines, the Financial Heuristics Training started in the Dominican Republic and India. It received good feedback from participants and also realized more opportunities for innovation.

In mid-2016, the scale-up project for the Financial Heuristics training was officially launched in the Philippines using an Interactive Voice Response which provided a convenient and practical business and financial management training to 2,066 client from NWTF's Dungganon branches in Bago, Valladolid, La Carlota and Pontevedra. The training went on for 21 weeks and in the local dialect Hiligaynon. It had 4 modules: (1) cash separation, (2) credit management, (3) inventory management and (4) supplier management. It also had a 24/7 call service where participants could access the current and previous training topics by calling the training number.

The response from Project Dungganon clients was good with a 73% pick up rate, 83% average listenership and 32% of them used the call service. For sari-sari and retail businesses, Financial Heuristics significantly improved business practices because it was easy to understand and could be easily adopted by both new and more experienced entrepreneurs.

A graduation ceremony was organized last September 19-22, 2017 to recognize the graduates of Financial Heuristics Project. Scale up of the project is still underway 2018 to other Dungganon branches.

# Net-Works



In 2012, NWTF partnered with the Zoological Society of London (ZSL), a global conservation organization that provides technical expertise, local community organization and partner development to launch the Net-works program in Bohol, a cross-sector initiative designed to address the growing environmental problem of discarded fishing nets in coastal communities in the Visayas region. The program established a community-based process of collecting discarded fishing nets by using Project Dungganon centers as buying stations where people could sell the used nets. This created extra income for people selling the used nets, and for the buying stations, who in turn would store the nets, and then bale them before they would be shipped off to Aquafil, a global producer of nylon 6 yarn who would recycle the used nets into yarn.

Another essential component of the program was an education campaign that informed NWTF clients of the environmental issues that discarded nets and waste cause, and how it affects

them. Emphasizing both the economic impact, in terms of extra income from the sale of used nets; and environmental impact, the program has become a success in creating stronger coastal communities.

By 2017, NWTF and ZSL has shipped 55 tons of discarded nets from Bohol and Bantayan. We have identified other potential coastal areas, and opened a buying station in Tiglawigan, Cadiz, collecting shipping more than 20 tons of used fishing nets in just one year since starting. This has in turn benefited numerous barangays in the area, with used nets coming nearby towns and cities namely Silay, Escalante and Victorias.

The Networks program has proven to be very successful, impacting both the community and the environment. The partnership model between NWTF, ZSL and Aquafil ensures that scale can be achieved, as additional areas have been surveyed and identified for expansion, further protecting the environment and helping the lives of the people in the community.



# Social Business Innovations

Negros Women for Tomorrow Foundation has, for many years, improved the lives of countless people in different areas of Luzon and Visayas. In fulfillment of its mission, NWTF is continuously providing and creating sustainable financial and client-responsive developmental services to the poor. In line with its vision and mission, NWTF aims to implement social business innovations not only for its clients, but for external parties (non-clients) as well.

NWTF's Social Business Innovations mission is to support Filipino social enterprises that tackle the nation's

health, educational, and environmental issues. The objective of this initiative is to support entrepreneurs in the Philippines who are developing poverty alleviating solutions in the health, education and environment sectors, regardless whether they are in the start-up or growth stage.

A research study of Social Business Innovations was started last November 2017 at the Municipality of Manapla to identify the social issues and economic potential of the community. Manapla was one of the target areas for Social Business mainly because while the municipality has a high income, it also

has a high poverty incidence which implies income inequality.

The NWTF-Social Business Team also conducted surveys and interviews with some of the residents in Barangay Punta Mesa and Barangay Punta Salong to verify the data gathered from their Municipal and Barangay Officials.

Data gathered during the survey and interviews are being used to develop initiatives and services that may be extended to the area concerned.

# Social Enterprise for Development with schools

NWTF is a mission-driven microfinance institution and is considered a social enterprise; likewise, it is the only not-for-profit organization at the forefront of promoting social entrepreneurship in the Visayas, partnering with schools and social enterprises.

In line with this, NWTF has signed a memorandum of understanding with partner-schools in promoting social entrepreneurship: University of St. La Salle, Carlos Hilado Memorial State College, and Colegio de San Agustin in Negros Occidental; and Foundation University in Negros Oriental.

In high hopes to strengthen these partnerships, NWTF recently took the initiative to sponsor a workshop in Bacolod City — the 4-day learning event entitled 'Social Entrepreneurship Faculty Development Seminar' (SEFDS) was conducted with the intent to bring together

faculty from schools that are interested to integrate social entrepreneurship content in their respective curricula.

The NWTF-sponsored run is already the fourth amongst other workshops. It was piloted in November and December 2016 with 23 faculties from 9 participating schools from Luzon. Its success was followed by two more runs in Mindanao (hosted by the Ateneo de Davao University) and Visayas (hosted by the University of San Jose Recoletos Cebu) in August and October 2017.

During the workshop, the participating schools shared their respective institutional plan with regard to Social Entrepreneurship (SE). Some of the schools plan to integrate SE in their curricula and subject matters, to use SE-related case studies for classroom discussions and to conduct SE-related research activities. Most of the

participating schools intend to create awareness among students, parents, industry partners, and business leaders. On-the-Job Trainings and immersions in partnership with social enterprises (such as NWTF) are also being explored.

As a response to the instigation of these plans, NWTF made a commitment to provide access to its organization as part of student immersion in SE, as well as access to its clients, depending on the needs of the schools. NWTF also offered to be a venue for students' OJT, with (real) training design intended to build the capacity of the students. As for the integration of SE in business planning and competition, NWTF has offered to be a partner-sponsor of the schools and has articulated its willingness to assist in identifying subject matter experts as well as spearhead a quarterly gathering among the partner-institutions to keep the members updated.

# Oikocredit

## Bridging the Gender Gap in Microfinance



NWTF has built a healthy relationship with Oikocredit through several projects both have shared for years. One of the most recent is the 'Bridging the Gender Gap in Microfinance' project, which initially started on July 2017 and is targeted to be finished by April 2018.

The project aims to integrate gender and client empowerment towards better responsible finance practices and social performance. Oikocredit engaged the services of two foreign consultants who conducted the catalyst processes and guided the implementation of FALS methodology, including innovations in the process, toolkit, and providing on & off-site guidance to NWTF.

The Financial Action Learning System (FALS) is a client-led methodology which brings clients and financial service providers (FSPs) together as partners in developing empowering and financially sustainable products and services. FALS adopts simple proven tools from the generic Participatory Action Learning System (PALS) and Gender Action Learning System (GALS) to integrate (1) product design and market research; (2) client financial empowerment; and (3) social performance management.

To date, two phases have been completed: the preparation and training. The preliminary preparation formally started after the signing of TOR and project briefing. It was then followed by the planning and workshop meetings of the core team from NWTF, Oikocredit and consultant.

Right after the preparation, the training phase kicked-off with the 'Financial Empowerment Client Workshop' in Week 1 where 23 selected community champions learned the first catalyst process of using the FALS tools. Week 2 was focused on the 'MFI-level Integration and Gender Mainstreaming FSP Workshop'. It was a refinement of the FALS methodology and finding ways of streamlining the integration to product design, social performance management (SPM), organizational planning and capacity development with 12 NWTF personnel. Lastly, in Week 3, review and planning were conducted with regard to the integration of the tools to the overall operations and processes of NWTF.

Although the overall impact could not be measured yet since the project is still in progress, nevertheless, both NWTF and Oikocredit are very optimistic that the project will have positive results and that ultimately, the goal of empowering clients through more responsible finance practices will be achieved.



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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. and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2017 and 2016, and the consolidated statements of revenues and expenses and other comprehensive income (loss), 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, 2017 and 2016, 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 used 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 April 30, 2018

Tax Identification No. 162-411-175

BIR Accreditation No. 08-001987-34-2017

Issued September 4, 2017; valid until September 3, 2020

PTR No. 6615138MD

Issued January 3, 2018 at Makati City

March 19, 2018  
Makati City, Metro Manila

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.  
AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

December 31

2017

2016

ASSETS		
<b>Current Assets</b>		
Cash and cash equivalents	P470,723,126	P325,067,841
Short-term investments	55,240,503	44,860,00
Receivables - net	2,988,413,487	2,368,041,212
Other current assets	63,691,420	66,142,537
<b>Total Current Assets</b>	<b>3,578,068,536</b>	<b>2,804,111,590</b>
<b>Noncurrent Assets</b>		
Investment securities	22,956,545	25,164,969
Property and equipment - net	223,510,918	174,284,754
Real and other properties acquired - net	3,404,293	2,880,667
Deferred tax assets - net	6,601,308	6,049,375
Long-term time deposit	17,475,500	2,886,000
<b>Total Noncurrent Assets</b>	<b>273,948,564</b>	<b>211,265,765</b>
	P3,852,017,100	P3,015,377,355
LIABILITIES AND FUND BALANCES		
<b>Current Liabilities</b>		
Accounts payable and other current liabilities	P510,272,217	P446,766,434
Income tax payable	1,832,878	1,671,466
Deposit liabilities	80,326,945	69,410,268
Due to members	1,721,368,283	1,376,702,017
Current portion of loans payable	31,969,700	38,628,790
<b>Total Current Liabilities</b>	<b>2,345,770,023</b>	<b>1,933,178,975</b>
<b>Noncurrent Liabilities</b>		
Retirement liability	24,944,594	21,702,936
Loans payable - net of current portion	58,900,267	7,954,543
<b>Total Noncurrent Liabilities</b>	<b>83,844,861</b>	<b>29,657,479</b>
<b>Total Liabilities</b>	<b>2,429,614,884</b>	<b>1,962,836,454</b>
Fund Balance	1,422,402,216	1,052,540,901
	P3,852,017,100	P3,015,377,355

CONSOLIDATED STATEMENTS OF REVENUES AND EXPENSES AND  
OTHER COMPREHENSIVE INCOME (LOSS)

Years Ended December 31

		2017		2016			
		General Fund	Restricted Fund	Total	General Fund	Restricted Fund	Total
<b>REVENUES</b>							
Interest Income	P942,690,683	P -	P942,690,683	P724,083,606	P -	P724,083,606	
Service Fees	175,510,341	-	175,510,341	133,426,267	-	133,426,267	
Development fund fees	-	89,476,982	89,476,982	-	91,421,992	91,421,992	
Income from green products	27,544,742	-	27,544,742	12,932,813	-	12,932,813	
	1,145,745,766	89,476,982	1,235,222,748	870,442,686	91,421,992	961,864,678	
<b>COST AND EXPENSES</b>							
Due to members	32,747,215	-	32,747,215	24,845,000	-	24,845,000	
Impairment losses	31,443,103	-	31,443,103	23,372,361	-	23,372,361	
Loans payable	4,009,520	-	4,009,520	1,023,559	-	1,023,559	
Deposit from customers	1,957,816	-	1,957,816	1,934,226	-	1,934,226	
Other expenses	820,400,788	-	820,400,788	643,007,339	-	643,007,339	
	890,558,442	-	890,558,442	694,182,485	-	694,182,485	
<b>OTHER REVENUES</b>							
Bad debts recovery	15,487,803	-	15,487,803	1,026,552	-	1,026,552	
Foreign exchange gain - net	-	-	-	9,559,858	-	9,559,858	
Miscellaneous	13,675,999	-	13,675,999	19,968,053	-	19,968,053	
	29,163,802	-	29,163,802	30,554,463	-	30,554,463	
<b>INCOME BEFORE INCOME TAX</b>	284,351,126	89,476,982	373,828,108	206,814,664	91,421,992	298,236,656	
<b>INCOME TAX EXPENSE</b>	4,763,795	-	4,763,795	4,509,260	-	4,509,260	
<b>NET INCOME</b>	279,587,331	89,476,982	369,064,313	202,305,404	91,421,992	293,727,396	
<b>OTHER COMPREHENSIVE INCOME (LOSS)</b>							
Items that will not be reclassified to the statement of revenues and expenses							
Remeasurement of net retirement liability	P2,919,362	P -	P2,919,362	(P7,407,954)	P -	(P7,407,954)	
Deferred tax	(115,979)	-	(115,979)	(38,340)	-	(38,340)	
	2,803,383	-	2,803,383	(7,446,294)	-	(7,446,294)	
Item that may be reclassified to the statement of revenues and expenses							
Net change in fair value of available-for-sale financial assets	260,977	-	260,977	2,676,227	-	2,676,227	
	3,064,360	-	3,064,360	(4,770,067)	-	(4,770,067)	
<b>TOTAL COMPREHENSIVE INCOME</b>	P282,651,691	P 89,476,982	P372,128,673	P197,535,337	P91,421,992	P288,957,329	

**NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.  
AND SUBSIDIARIES**

**CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES**

**Years Ended December 31**

	Remeasurement				
	General Fund	Restricted Fund	Employee Benefits Reserve	Net Change in Fair Value of Available-for-Sale Financial Asset	Total
Balance at December 31, 2016	P594,649,816	P468,783,898	(P9,752,769)	(P1,140,044)	P1,052,540,901
Grants for operations		(2,267,358)	-	-	(2,267,358)
Total comprehensive income for the year:					
Net income for the year	279,587,331	89,476,982	-	-	369,064,313
Net change in fair value of available-for-sale financial assets	-	-	-	260,977	260,977
Remeasurement of net retirement liability	-	-	2,803,383	-	2,803,383
	279,587,331	89,476,982	2,803,383	260,977	372,128,673
<b>Balance at December 31, 2017</b>	<b>P871,969,789</b>	<b>P558,260,880</b>	<b>(P6,949,386)</b>	<b>(P879,067)</b>	<b>P1,422,402,216</b>
Balance at December 31, 2015	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	202,305,404	91,421,992	-	-	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)
	202,305,404	91,421,992	(7,446,294)	2,676,227	288,957,329
<b>Balance at December 31, 2016</b>	<b>P594,649,816</b>	<b>P468,783,898</b>	<b>(9,752,769)</b>	<b>(P1,140,044)</b>	<b>P1,052,540,901</b>

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

**Years Ended December 31**

	2017	2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Income before income tax	P373,828,108	P298,236,656
Adjustments for:		
Interest expense	38,714,551	27,802,785
Depreciation	31,909,775	30,126,372
Impairment losses	31,443,103	23,372,361
Retirement cost	10,505,768	8,800,415
Unrealized foreign exchange losses (gains)	2,512,281	(9,559,858)
Loss on sale of noncurrent assets held-for-sale	-	272,857
Loss (gain) on disposal of property and equipment	(204,210)	11,389
Fair value gain on available-for-sale financial assets	(260,977)	(2,676,227)
Reclassification of allowance for impairment losses on real and other properties acquired	(1,414,296)	-
Interest income	(4,681,348)	(5,548,764)
	482,352,755	370,837,986
Changes in:		
Receivables	(651,356,031)	(664,942,556)
Other current assets	2,451,116	(23,282,128)
Accounts payable and other current liabilities	63,526,154	25,345,850
Deposit liabilities	10,916,677	(321,530)
	(92,109,329)	(292,362,378)
Interest received	4,681,348	5,548,764
Grants for operation	(2,267,358)	7,526,739
Contributions to the retirement fund	(4,344,748)	(4,875,000)
Income tax paid	(5,270,295)	(3,958,288)
Interest paid	(38,714,551)	(27,802,785)
<b>Net cash used in operating activities</b>	<b>(138,024,933)</b>	<b>(315,922,948)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Proceeds from disposal of property and equipment	204,210	32,501
Additions to property and equipment	(80,658,586)	(82,373,429)
Change in:		
Short-term investments	(10,380,503)	(44,860,000)
Investment securities	2,730,378	4,487,244
Real and other properties acquired	(66,400)	(3,743,949)
Long-term time deposit	(14,589,500)	(2,886,000)
Other noncurrent assets	-	3,006,615
<b>Net cash used in investing activities</b>	<b>(102,760,401)</b>	<b>(126,337,018)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Increase in due to members	P344,666,266	P403,584,651
Proceeds from loans	84,923,000	58,000,000
Payment to loans	(40,636,366)	(49,290,084)
Net cash provided by financing activities	388,952,900	412,294,567
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>148,167,566</b>	<b>(29,965,399)</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>325,067,841</b>	<b>345,473,382</b>
<b>EFFECT OF FOREIGN EXCHANGE RATE CHANGES IN CASH AND CASH EQUIVALENTS</b>	<b>(2,512,281)</b>	<b>9,559,858</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR</b>	<b>P470,723,126</b>	<b>P325,067,841</b>

