



35 YEARS
of NWTf

2019
Annual Report



35 YEARS OF NWTF

About the Cover

2019 marked another major milestone for NWTF.

35 years ago, NWTF was established as a non-governmental organization focused on poverty alleviation by providing access to funds to marginalized women in Negros Occidental.

30 years ago, also in the month of August, NWTF became one of the first replicators of Grameen-style Microfinance, starting with 4 branches in the province of Negros Occidental – giving women in the rural areas a way to help their families move out of poverty and provide moral support to one another.

Today, NWTF is present in 197 locations in the islands of Negros, Cebu, Bohol, Panay, Samar, Leyte and Luzon provinces of Palawan, Batangas, Laguna, Rizal, Quezon, Camarines Norte, Camarines Sur and Albay.

But we are nowhere at the end of our quest and there is still a lot of work to be done.

In the next years, we remain committed to continue the crusade that we started 35 years ago and will still do all that we can to help the poorest in their journey to be Dugganon.

2019

ANNUAL REPORT

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PROJECTS



PROJECT DUNGGANON

Project Dunganon 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, Project Dunganon helps them discover their own entrepreneurial spirit and realize their potential to effect positive change.



PROJECT KASANAG

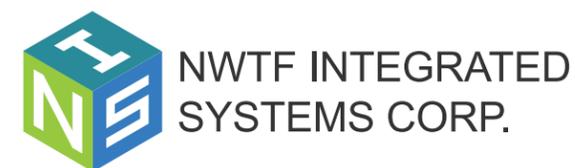
Kasanag means light that shines bright in Hiligaynon. Project Kasanag offers opportunities to rural and urban micro entrepreneurs by providing low-interest individual loans that will allow them to acquire business assets and capital to finance their growing business.

SUBSIDIARIES



DUNGGANON BANK INC.

DBI provides relevant and professional banking services to the poor including access to ATM and POS machines in the rural areas.



NWTF INTEGRATED SYSTEMS CORPORATION, INC.

NIS provides the technology infrastructure and develops systems that support NWTF operations, including a state-of-the-art data center that caters to the needs of NWTF and DBI.



Message from the **EXECUTIVE DIRECTOR**

Ms. Suzzette D. Gaston

Trying to fill Cecile's shoes has been a very challenging experience for me. Although I have worked closely with her for more than 35 years and implemented her vision in as many years, not having her there to answer my questions was quite disconcerting.

Nevertheless, even while still grieving her loss, I, together with the Board and the management team, had to do our best to continue her mission.

As the saying goes, the show must go on...and go on we did.

In the next pages you will read about the many activities and projects which Cecile had a hand in planning come to fruition this year: the 35th Anniversary Celebrations, the completion of the Community Center which we have named in her memory and the publication of the Dunganon books just to name a few.

To mark NWTF's 35 years, we had to organize numerous events in different locations because we are now so widespread in the Visayas and South Luzon with over 3,000 employees, it was more practical to celebrate over several days, in separate venues.

Celebrating a major milestone would be meaningless if we did not involve the half-million clients who are our

reason for being. So branch-level Foundation Days were upsized, and client-centric activities like Dunganon Markets featuring and highlighting the clients' skills and talents were organized in strategic areas across NWTF's territory and more progressive clients were also invited to join Business Summits so that they could continue to upgrade their entrepreneurship, with the objective that they ultimately join the mainstream business community.

In a way, because our vision for NWTF has always been clear to everyone, operationally 2019 was not a very difficult year to move ahead. I admit there were challenges that we did not anticipate during an election year, like the delays in the opening of new branches in the first half of the year and the succession of typhoons in the last quarter, which almost diminished our capacity to effectively reach more people and communities.

In spite of multiple challenges which ended the year almost as a cliff-hanger for everyone at NWTF, through great teamwork, we were able to rally and ultimately reach and even surpass the targets we had set for ourselves to achieve for the year.

As we step into the next chapter of our Dunganon Journey, I am certain that by working together, we will surely continue to slowly but surely achieve the vision and mission that we took on 35 years ago.



Message from the **BOARD CHAIRPERSON**

Ms. Maria Teresa Montelibano

Joining NWTF as an incorporator in 1986 was one of the best decisions I have made in my life. I confess that at the time, when I accepted Cecile's invitation, I thought that it would be just another of the "good works" projects, similar to others we had done together growing up.

The role I took on as a member of the Board of Trustees over the years was to actively support the initiatives and innovations that management came up with. I believe that the full trust that the Board gave management all this time has allowed it to grow and mature into an organization that is respected for its pioneering initiatives.

In spite of my long service as a member of the Board, this is the first time I have ever accepted the chairmanship, primarily because I feel I owed it to Cecile, who passed away in December 2018, to ensure that NWTF successfully transitions into the next stage with the next generation of management leadership.

As it turned out, 2019 was a mixed bag of celebrations and challenges: on one end, the 35th Anniversary festivities, super-sized Foundation Days, Dunganon Markets, Business Summits and even the inauguration of the Cecilia del Castillo Community Center complex in San Carlos City were the high points of the year, while on the other extreme, Operations had to overcome so many obstacles in opening the new branches as scheduled due

to the provincial elections. Moreover, several typhoons affected the livelihoods of our clients in the islands of Samar and Leyte as well as the new branches in the Bicol region.

Throughout the rollercoaster of events, I have to say that NWTF has once more proven its resiliency as a team and we ended the year achieving and even surpassing many of the targets we had set for the year.

As for the Board, I am happy to report that we have done our best to strengthen governance by updating our Articles and By-laws in order to comply with the new requirements of the 2019 Revised Corporation Code, as well as those of the Microfinance NGO Regulatory Council or MNRC, which is the regulating body of Microfinance NGOs in the Philippines.

The Board Committees also worked hard to update their respective charters and aligning them to the provisions of the amended articles and by-laws, the Revised Corporation Code and the MNRC directives.

2019 may have been a year with many ups and downs, and yet it has reassured me personally that NWTF is filled with people who are passionate and committed to do their utmost so that it can surmount future challenges with steadfastness and vigor.

35 YEARS of NWTF

The Dunganon Journey



In any enterprise, celebrating 35 years is such a major milestone, it has two gemstones — Emerald and Jade, and has Coral as its official color.

At NWTF, commemorating 35 years of existence is just as important. To memorialize the occasion, 33 celebratory events were scheduled from August 9 to 24, 2019 spread across all the islands and provinces where NWTF operates.

Coincidentally, 2019 also marks this non-profit organization's 30 years of providing microfinance as well as non-financial services to the poorest in the Philippines. What is even more amazing is that there are employees still working at NWTF who have been here for that number of years.

In recognition of their contribution to the success of NWTF and their faithful service, six 30-year employees were awarded special edition NWTF watches in addition to the usual 30-year service award package, and more than 2,200 regular employees received NWTF 35th Anniversary commemorative watches.

A special group of 46 awardees were also recognized for personifying and living out the 7 NWTF core values of discipline, hardwork, courage, teamwork, integrity, loyalty and accountability.

CECILIA D. DEL CASTILLO COMMUNITY CENTER INAUGURATION

On August 16, 2019, the very first Cecilia D. del Castillo (CDC) Community Center was inaugurated in San Carlos City, Negros Occidental.

Built on a half hectare lot along the highway that connects Don Salvador Benedicto and San Carlos City, the CDC Community Center was the brainchild of the late Dr. Cecilia D. del Castillo. Her vision is to have multi-purpose community centers in strategic locations where NWTF operates in order to provide clients and their communities a place of refuge in times of calamities, and a place to learn, to share and celebrate in normal times.

The San Carlos City CDC Community Center has several function halls where clients, NWTF employees and other local groups can conduct meetings and training sessions. The halls are also designed to easily convert into an evacuation center in times of need.

To feature the multi-purpose functionality of the Center, as part of the inauguration activities, NWTF organized a Dunganon Market featuring the products of clients from surrounding communities.

NWTF's Client Services Department also organized several Skills Training Seminars for clients as another activity that highlighted the Center's capability.



Dungganon

{ HONORABLE }

The story of three women in Negros: their hopes, struggles, and triumphs in creating a better tomorrow.

For many years, people inside and outside of NWTF had been asking founders Cecilia del Castillo, Suzzette Gaston and Corazon Henares to share their journey in building NWTF from one of the early Grameen replicators in the Philippines into one of the most innovative Microfinance NGOs in the country today, enabling thousands of women and their families create a better tomorrow.

All three agreed that this was something they also wanted to do so that the future generations would understand why they were so passionate about their vision and mission for NWTF and also experience, even just vicariously, the hardships that everyone went through in building NWTF into what it is now.

After considering several possible authors, they decided in 2018 to commission Dr. Asuncion M. Sebastian to write their story with its accompanying historical context.

Dr. Sebastian was not a stranger to the Founders for she was for many years active in the microfinance sector and has partnered with NWTF on several occasions and had written a case study about NWTF for the Asian Institute of Management. She spent several months interviewing all key stakeholders so she could get a 360 degree picture as well as the historical connection in NWTF's journey.

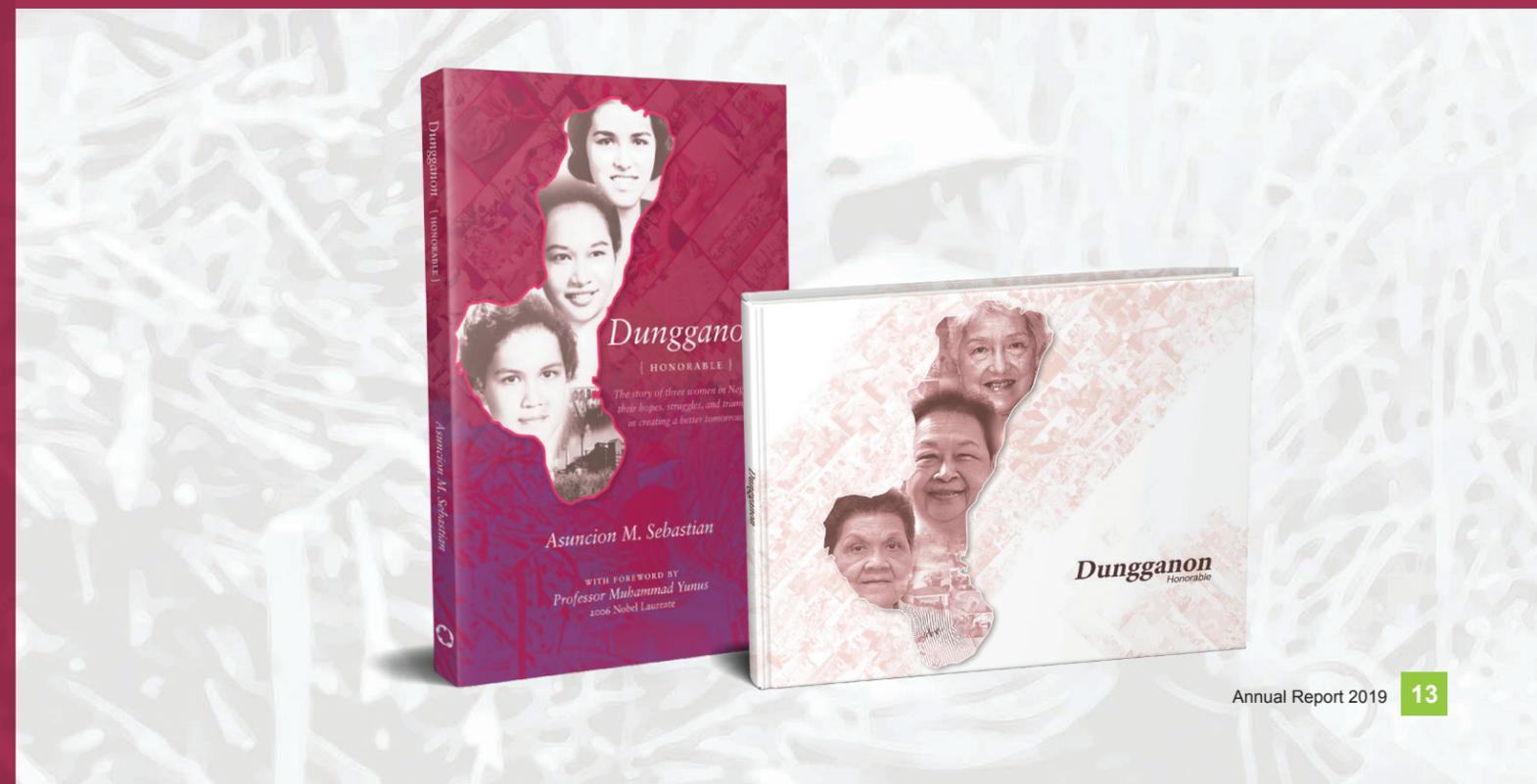
Sadly, before seeing the book published, Dr. Cecilia del Castillo passed away on December 1, 2018 after a long battle with end-stage kidney failure.

After more than six months in pre-publication, the book was finally launched on August 29, 2019 with the foreword written by 2006 Nobel Peace Prize Laureate, Professor Muhammad Yunus.

Guests at the book launching who bought copies of the book received a complementary Coffee Table Book also entitled DUNGGANON, which features the many client-centric activities of NWTF.

The beautifully made coffee table book was shot by Alfred Tronco and the artwork done by Francis Akol, both Negrense artists.

Copies of the Dungganon (Honorable) book is available at NWTF Head Office and in Central Books branches as well as online at <http://central.com.ph/bookstoreplus/products/AAD047/>





DUNGGANON CLEANUP

INTERNATIONAL WOMEN'S DAY 2019

Each year, Negros Women for Tomorrow Foundation celebrates International Women's Day by holding an environmental cleanup. For its 35th year anniversary celebration, the organization launched a bigger version of this initiative.

On March 8, 2019, Dungganon Women and the NWTf Team collaborated with the local government and other organizations to ensure cleaner and healthier surroundings by launching the Dungganon Cleanup. This initiative aims to help remove garbage and other unwanted trash in affected areas and inspire responsible waste disposal.

As a result, a total of 177,442 kilograms of trash were collected by a total of 30,426 participants from 155 locations all over Visayas and other parts of Luzon.

Indeed, when women take on a challenge, they can mobilize the whole community, starting from their own households and ultimately impact the whole society.



177,442
KILOGRAMS OF TRASH COLLECTED

30,426
PARTICIPANTS

155
LOCATIONS

ABUYOG, ALAMINOS, ALITAGTAG, ALTAVAS, BACOLOD 1, BACOLOD 2, BAGO 1, BAGO 2, BAIS, BALAMBAN, BALAYAN, BANATE, BANGA, BARILI, BASEY, BATANGAS, BATANGAS, BAUAN, BAY, BAYAWAN, BAYBAY, BINALBAGAN 1, BINALBAGAN 2, BINAN, BINDOY, BOGO, BORONGAN, BROOKE'S POINT, BUGASONG, CABUYAO, CADIZ, CALATRAVA, CALBAYOG 1, CALBAYOG 2, CAMOTES, CANLA-ON, CARMEN, BOHOL, CARMEN, CEBU, CATARMAN, CATBALOGAN, CAUYAYAN, CORDOVA, CULASI, DAANBANTAYAN, DALAGUETE, DANAOG, DBI BANTAYAN, DUEÑAS, DULAG, DUMAGUETE, DUMANGAS, ESCALANTE, ESTANCIA, GUIHULNGAN, GUIMARAS, GUIMBAL, GUINDULMAN, GUIUAN, HILONGOS NORTH, HIMAMAYLAN, HINIGARAN 1, HINIGARAN 2, HINOBA-AN, IBAJAY, ILOG, ILOILO, INABANGA, ISABELA, IVISAN, JANIJAY, KABANKALAN 1, KABANKALAN 2, KALIBO, KANANGA, LA CARLOTA, LA CASTELLANA, LAOANG, LAPU LAPU, LEMERY, LEON, LEYTE, LEYTE, LILOAN, LOAY, MAASIN, ILOILO, MAASIN, LEYTE, MABINAY, MALAY, MANAPLA, MANDAUE, MEDELLIN, MIAG-AO, MINGLANILLA, MOALBOAL, MOISES PADILLA, NAGCARLAN, NARRA, NASUGBU, NAVAL, NUMANCIA, ORMOC NORTH, OTON, PAETE, PAGSANJAN, PALO, PALOMPON, PANAY, PASSI, PILA, PINAMUNGAJAN, PONTEVEDRA, PRESIDENT ROXAS, PUERTO PRINCESA NORTH, PUERTO PRINCESA SOUTH, PULUPANDAN, QUEZON, QUINAPONDAN, RIZAL, ROSARIO, ROXAS, CAPIZ 1, ROXAS, CAPIZ 2, ROXAS, PALAWAN, SAGAY, SAN CARLOS, SAN JOSE, ANTIQUE, SAN JOSE, BATANGAS, SAN JUAN, SAN PEDRO, SAN REMEGIO, SANTA ROSA, SANTANDER, SARA, SIATON, SIBALOM, SIBULAN, SILAY, SINILOAN, SIPALAY, SIQUIJOR, SOGOD, CEBU, SOGOD, LEYTE, ST. BERNARD, STA. BARBARA, STA. CRUZ, TACLOBAN, TAGBILARAN, TALIBON, TALISAY, TANAUAN, TANJAY, TAYTAY, TOLEDO, TUBIGON, UBAY, VALLADOLID, VICTORIAS



DUNGGANON MARKET

As a microfinance NGO that prides itself for being client-centric, the 35th Anniversary events also celebrated the successes of clients who have been the most important part of its success.

To highlight clients' successes, NWTF organized Dungganon Markets that featured products of 220 clients in 9 locations.

Dungganon Market is a 3-day event showcasing the products of our active clients. It aims to provide them a venue where they can link up with fellow vendors, create partnerships with local and non-local individuals and institutions, and serves as a platform to learn, network, and be engaged.





FOUNDATION DAY 2019

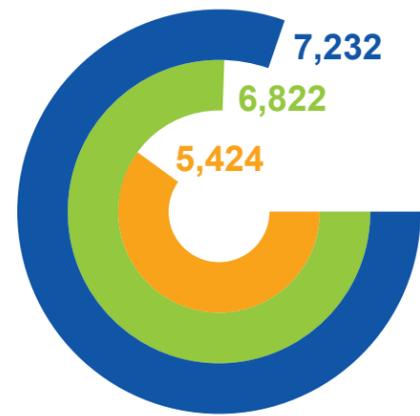
It is not all work at NWTF - at least once a year, the clients celebrate the friendships and camaraderie through song and dance, games, and all kinds of contests. It is a day when the outstanding performers are recognized, enjoy the day and have multiple chances of winning prizes.

With the theme "35 years of the Dunganon Journey", the Foundation Day 2019 celebration is extra special with fun contests and more prizes. A total of 151 Project Dunganon branches all over Visayas and other parts of Luzon celebrated the said event.

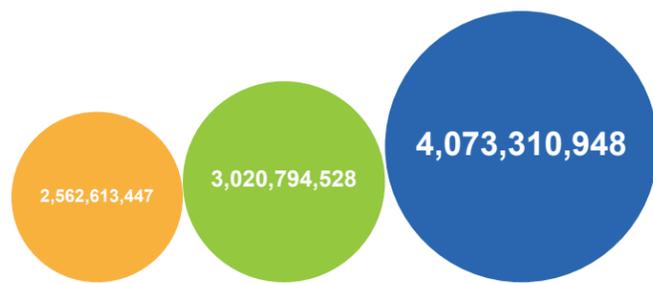


FACTS & FIGURES

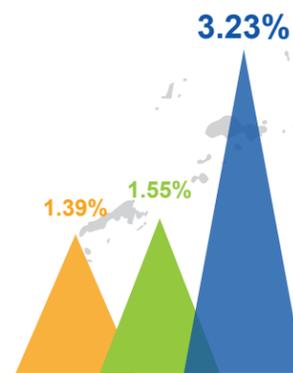
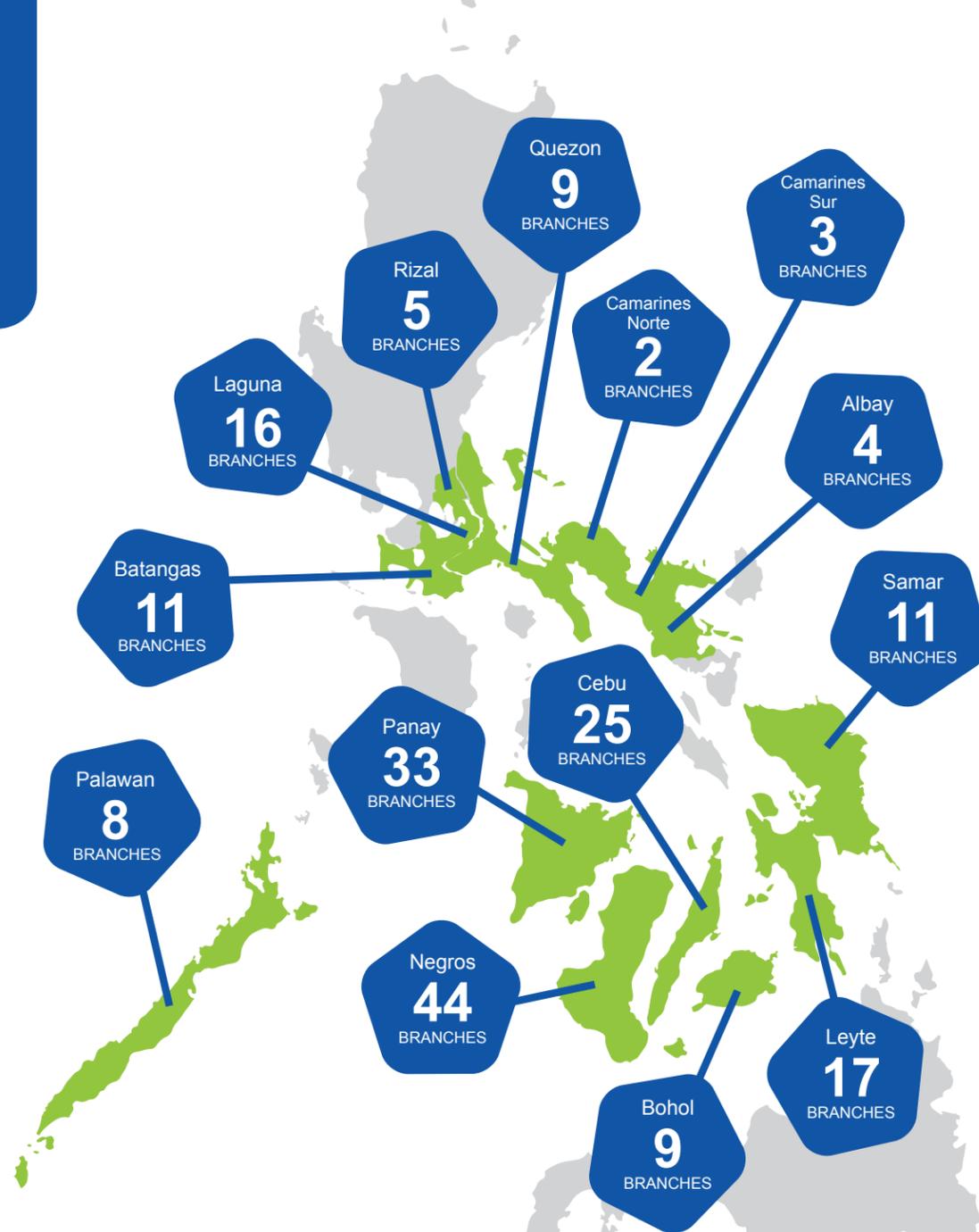
● 2017 ● 2018 ● 2019



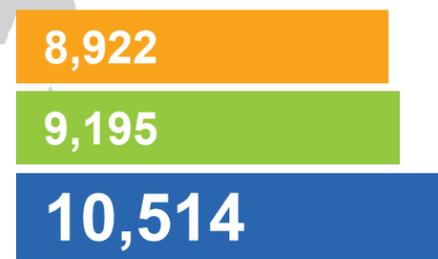
Average Portfolio (Php)



Portfolio (Php)



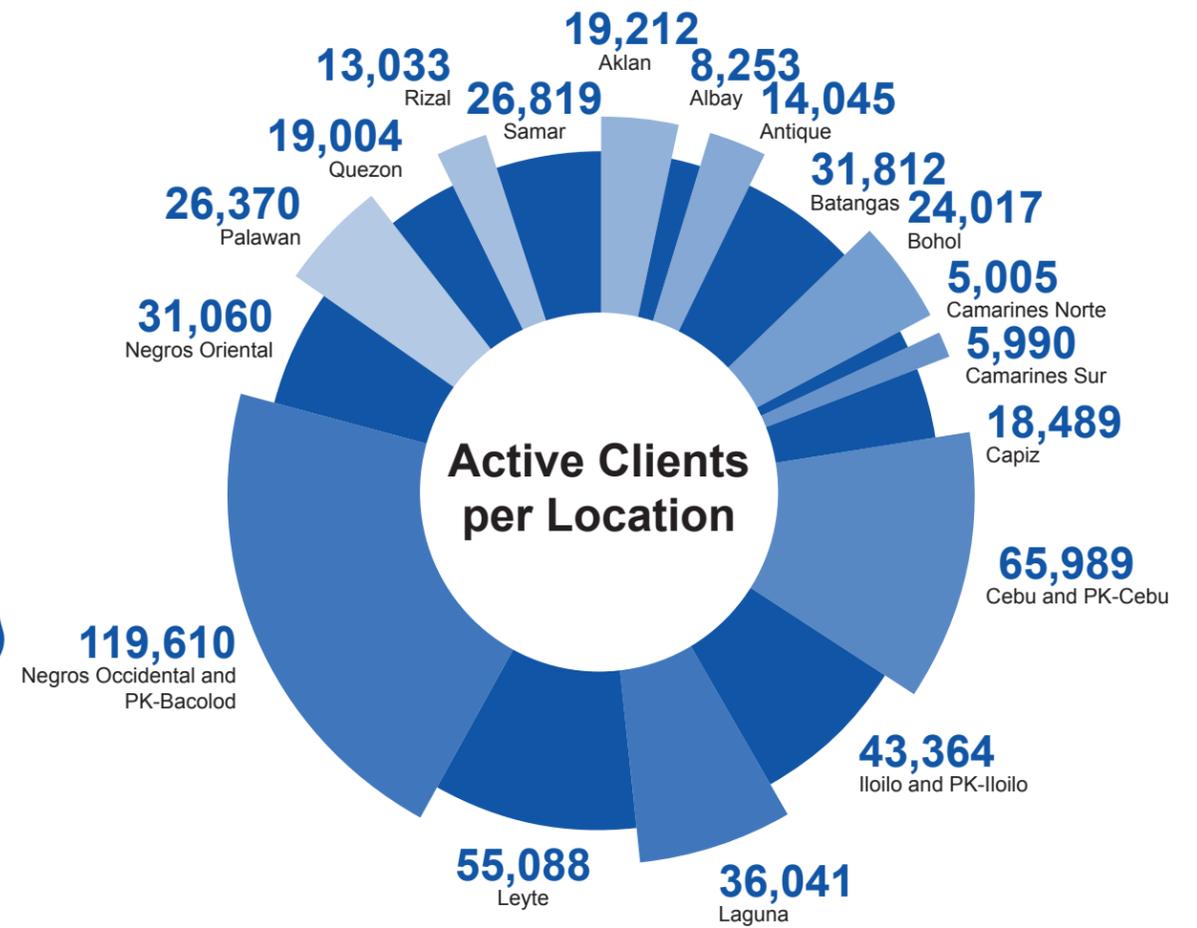
PAR



Average Loan Size



Average Loan Term



372,797 442,785
563,201
Active Clients with Loans

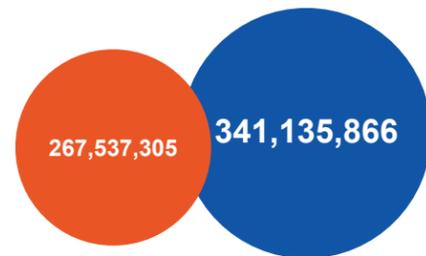
387,456 462,620
585,981
Active Clients

FACTS & FIGURES

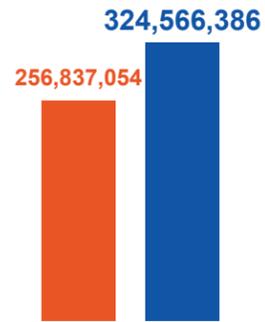
● 2018 ● 2019

4,260
5,307

Active Clients with Loans



Portfolio (Php)



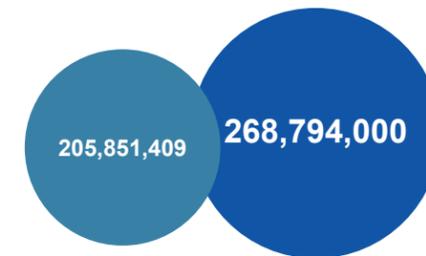
Total Assets (Php)

FACTS & FIGURES

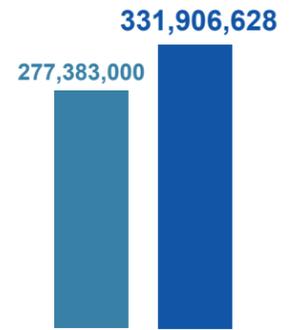
● 2018 ● 2019

9,546
11,061

Active Clients with Loans



Portfolio (Php)



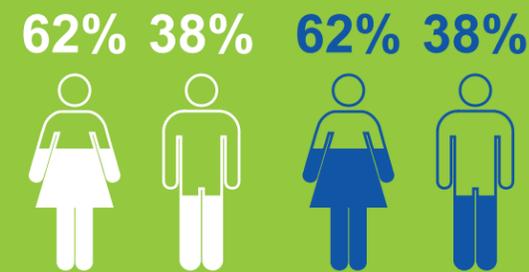
Total Assets (Php)

The NWTFF Team

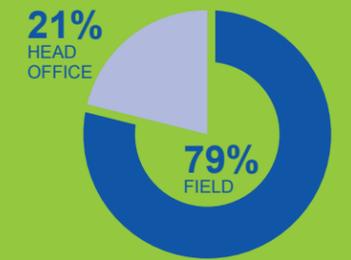
● 2018 ● 2019

3,060
3,823

Number

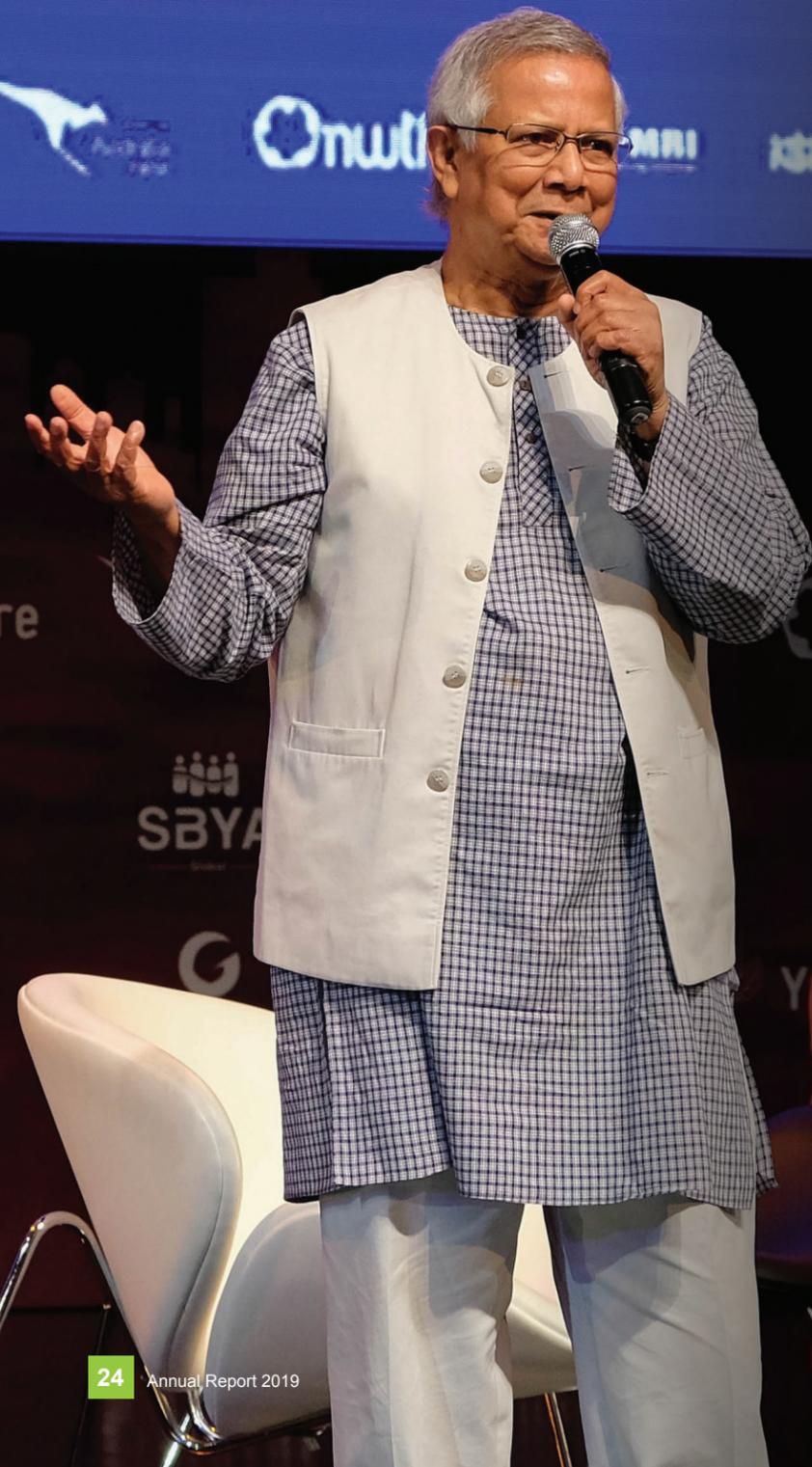


Gender



Location

SOCIAL BUSINESS YOUTH SUMMIT



It was a significant moment for the Philippine social business scene as Nobel Laureate Prof. Muhammad Yunus, visited the country as the keynote speaker for the Social Business Youth Summit in March 22-23 at the College of St. Benilde. Organized by the Social Business Youth Alliance, a social business that aims to empower the next generation of social business leaders, the summit brought together more than 500 like minded individuals composed of students, social entrepreneurs, innovators, activists, social investors to talk about social business and create sustainable solutions to some of the most pressing social issues affecting us today.

The two day event showcased 35 speakers discussing various topics like supporting youth innovation, skills development, and innovation in education. Panel sessions tackled challenges on women in the workforce and as entrepreneurs, lack of resources for social businesses, youth engagement, and how to create an ecosystem for innovation and social change.

The summit also featured more than 15 hours of knowledge sharing and workshops, all designed to inspire the youth and help them create and develop their ideas to help solve social issues.

NWTF, Inc. as an avid supporter of Prof. Yunus and as an advocate for social business, helped bring the event to life as a major sponsor. We were well represented with more than 40 participants composed of members of the board, managers and employees all attending the event to share the knowledge and learn more about social business.



As part of our commitment to spreading the social business agenda, we also invited and brought more than 30 students and faculty members to take part, gain a deeper understanding of social business and to inspire and take part of the social business movement. Representatives from the University of St. La Salle Bacolod, University of Negros Occidental – Recoletos, Carlos Hilado Memorial State College, and Foundation University of Dumaguete were all overjoyed to attend the event. Students were inspired to take home the lessons learned and share it with their fellow classmates. Teachers and administrators gained more knowledge on the challenges facing the education system and how to address them.

It was also at the summit where Foundation University signed a memorandum of understanding to become the first established Yunus Social Business Center in the Philippines.

Negros Women for Tomorrow Foundation, Inc. continues to push the social business agenda in the Philippines and supports social entrepreneurs through various knowledge learning sessions, networking events, and bringing together stakeholders to build an ecosystem for social innovation and change.



SOCIAL BUSINESS EVENTS

Social Business Events in 2019:

1. 1st Negros Social Business Forum at University of St. La Salle with Shazeeb Islam, Founder of YY Ghosti, SBYA
2. Design Thinking for Educators – Technological University of the Philippines-Visayas (TUP-V)
3. Social Business Summit – Bangkok, Thailand
4. Design Thinking Caravan – TUP-V, Negros Occidental Highschool, St. John's Institute, Victorias Science High School
5. Makesense Dumaguete – Foundation University
6. Ashoka Youth Years Coalition – Manila

NWTF proudly champions the cause of social business and social entrepreneurship. We organized the 1st Negros Social Business Forum in February. Hosted by the University of St. La Salle, the forum was attended by more than 100 students and faculty members. Our keynote speaker, Shazeeb M Khairul Islam, founder of the Social Business Youth Alliance, gave the audience an introduction to social business, and inspired them to start their own. Also featured were local social enterprises Bagosphere, Wala-Usik store, and Hybrain.

To give other employees and members of the academe gain a deeper understanding of social business and network with other practitioners all over the world, we brought a delegation to attend the Social Business Summit in Bangkok, Thailand in June. The event was graced by social business founder and champion, Prof. Muhammad Yunus, and was joined by more than 1,000 international delegates and featured social enterprises from 30 different countries. Various topics centered around social business were discussed. Innovation, education, and challenges were some of the key topics as panel sessions led by social innovators and icons delved into these issues.

We also continue to work with academic institutions to help them incorporate social innovation and entrepreneurship in their agenda. NWTF organized a Design Thinking for Educators workshop for our partner universities. Teachers from Foundation University, Carlos Hilado Memorial State

College, University of Negros Occidental Recoletos, University of St. La Salle Bacolod and the Technological University of the Philippines – Visayas, attended the two day workshop where they were taken to various social enterprises in Bacolod to see how they operate and achieve their social, financial and environmental objectives. Day two was a classroom session on human centered design thinking, and teachers had an opportunity to learn using empathy to design solutions to problems. All the participants came away with a deeper understanding of social business, social innovation and designing solutions, as well as being equipped with the knowledge and skills to teach these lessons in the classroom.

Through our initiatives, social entrepreneurship has taken a foothold in our partner universities. With our support, Foundation University of Dumaguete City has established the first Yunus Social Business Center in the Philippines. The Technological University of the Philippines Visayas has established HIVE, a technology business incubator with social enterprises as one of the key pillars and focus areas. They have also conducted design thinking caravans for Negros Occidental High School, Victorias National High School, and St. John's Institute. Through this event, students are exposed early on to social issues, and come up with their own unique and sustainable business ideas to solve these problems.

NWTF greatly values the importance of partnerships in achieving our goals. We joined the Ashoka Youth Years coalition, an alliance of organizations and individuals from the public and private sectors, all sharing the same vision of making everyone, especially the youth, a changemaker. Through this alliance, a prototype mapping of members was developed to identify the players in the social innovation space and to find out what each member can offer and what they need in return. This makes it easier for all involve to find the right partners, learn about best practices, and offer the knowledge they have to other members.



GREEN PRODUCTS



1,021,733

Since 2014, we have changed more than 1 million lives by providing access to safe water and proper sanitation



In 2019 alone, a total of **370,008** people benefited from **WASH Program**

212,861 Total number of loans released since 2014

₱ 1,715,209,633

Total amount of loans disbursed since 2014

- Toilet : 204,408 loans | Php 1,667,557,493
- Water Filter : 4,089 loans | Php 13,175,896
- Water Connection : 4,364 loans | Php 34,476,244



2019 Releases

WASH PROGRAM

(Water Access, Sanitation, and Hygiene)

77,085

Total number of loans released

₱ 603,470,291

Total amount of loans disbursed



TOILET

75,164

number of loans released

₱ 591,484,344

amount of loans disbursed



WATER FILTER

601

number of loans released

₱ 1,206,600

amount of loans disbursed



WATER CONNECTION

1,320

number of loans released

₱ 10,779,347

amount of loans disbursed

ENERGY ACCESS



24,634

Number of people with improved energy access

Source: <https://impactcalculator.gogla.org/>

19,390 Total number of loans released since 2016

₱ 76,983,010

Total amount of loans disbursed since 2016

- Solar Light : 18,465 loans | Php 75,300,010
- Cookstove : 925 loans | Php 1,683,000



5,087

Total number of loans released

₱ 21,382,740

Total amount of loans disbursed



SOLAR LIGHT

4,888

number of loans released

Php 21,108,590

amount of loans disbursed



COOKSTOVE

199

number of loans released

Php 274,150

amount of loans disbursed

CLIENT SERVICES



SCHOLARSHIPS



Scholars



Senior High School	2,149
Technical Vocation	193
Client Scholars (Technical Vocation)	128
4-year course	901



TRAINING WORKSHOPS



Clients attending training workshops



Center Based Training	742,298
Livelihood Skills Training	8,159
Business Training	985
Business Development Service Workshops	784

ENVIRONMENTAL PROJECTS



31,560

MANGROVES PLANTED
during branch activities

16,361

TREES PLANTED
during branch activities

64

CLEANUP ACTIVITIES CONDUCTED



2,000
trees planted

TREE PLANTING • MS. KALIKASAN • CHEERING CONTEST

BUSINESS SUMMIT

LEVEL 1: Stabilizing Growth Through Business Formalization (Panay and Tacloban)

LEVEL 2: "Moving towards Business Sustainability (Negros and Cebu)

Stabilizing Growth Through Being Dungganon (Batangas)



2,320

participants

595
Bacolod

521
Cebu

234
Panay

452
Tacloban

518
Batangas

CLIENT WELLNESS



MASS WEDDING



FUNROBICS



MEDICAL CAMP & BLOOD LETTING

345,468
clients served at
MEDICAL CAMPS

635
clients married at
MASS WEDDINGS

1,590
clients joined the
FUNROBICS

DUNGGANON MEDICAL PARTNERS
146 Clinics **132** Laboratories **143** Pharmacies

2,496
clients participated in
BACKYARD FARMING



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E-Mail ph-inquiry@kpmg.com.ph

REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members
Negros Women for Tomorrow Foundation, Inc. (a Microfinance NGO) 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 Microfinance NGO) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2019 and 2018, and the consolidated statements of revenues and expenses and other comprehensive (loss) income, 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, 2019 and 2018, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards (PFRSs).

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.

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PTR No. MKT 8116769
Issued January 2, 2020 at Makati City

May 26, 2020
Makati City, Metro Manila

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.
(A MICROFINANCE NGO) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31	
	2019	2018
ASSETS		
Current Assets		
Cash and cash equivalents	P318,523,051	P383,875,045
Short-term investments	-	27,290,000
Receivables - net	4,821,953,377	3,841,056,175
Other current assets	140,748,876	86,060,419
Total Current Assets	5,281,225,304	4,338,281,639
Noncurrent Assets		
Financial assets at fair value through other comprehensive income	520,032	13,873,016
Property and equipment - net	356,458,625	279,415,638
Computer software - net	3,895,184	870,125
Investments properties - net	9,001,649	3,300,169
Right-of-use assets-net	69,299,323	-
Deferred tax assets - net	14,833,640	8,049,658
Long-term time deposit	-	18,907,000
Total Noncurrent Assets	454,008,453	324,415,606
	P5,735,233,757	P4,662,697,245
LIABILITIES AND FUND BALANCES		
Current Liabilities		
Accounts payable and other current liabilities	P506,280,611	P505,911,079
Deposit liabilities	75,397,348	68,399,037
Due to members	2,458,494,384	2,132,573,183
Income tax payable	13,328,416	856,638
Current portion of loans payable	162,400,000	48,977,267
Current portion of lease liabilities	21,405,94	-
Total Current Liabilities	3,237,306,703	2,756,717,204
Noncurrent Liabilities		
Retirement liability	201,819,983	17,701,708
Loans payable - net of current portion	50,635,000	52,580,000
Lease liabilities - net of current portion	45,350,013	-
Total Noncurrent Liabilities	297,804,996	70,281,708
Total Liabilities	3,535,111,699	2,826,998,912
Fund Balance	2,200,122,058	1,835,698,333
	P5,735,233,757	P4,662,697,245

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

	Years Ended December 31					
	2019			2018		
	General Fund	Restricted Fund	Total	General Fund	Restricted Fund	Total
REVENUES						
Interest Income	P1,507,924,374	P -	P1,507,924,374	P1,216,082,091	P -	P1,216,082,091
Service Fees	259,297,728	-	259,297,728	213,549,247	-	213,549,247
Insurance commission	128,776,404	-	128,776,404	98,309,787	-	98,309,787
Development fund	-	73,100,604	73,100,604	-	56,614,589	56,614,589
Income from green products	35,445,540	-	35,445,540	27,136,111	-	27,136,111
	1,931,444,046	73,100,604	2,004,544,650	1,555,077,236	56,614,589	1,611,691,825
COST AND EXPENSES						
Impairment losses	72,292,617	-	72,292,617	47,113,154	-	47,113,154
Interest expense	71,646,222	-	71,646,222	52,658,794	-	52,658,794
Other expenses	1,351,656,423	-	1,351,656,423	1,085,574,165	-	1,085,574,165
	1,495,595,262	-	1,495,595,262	1,185,346,113	-	1,185,346,113
OTHER REVENUES						
Foreign exchange gain - net	2,692,808	-	2,692,808	-	-	-
Miscellaneous	35,208,925	-	35,208,925	19,331,557	-	19,331,557
	37,901,733	-	37,901,733	19,331,557	-	19,331,557
EXCESS OF REVENUES OVER EXPENSES	473,750,517	73,100,604	546,851,121	389,062,680	56,614,589	445,677,269
INCOME TAX EXPENSE	48,712,767	-	48,712,767	41,397,229	-	41,397,229
NET EXCESS OF REVENUES OVER EXPENSES	425,037,750	73,100,604	498,138,354	347,665,451	56,614,589	404,280,040
OTHER COMPREHENSIVE INCOME						
Items that will not be reclassified to the statement of revenues and expenses						
Remeasurement of net retirement liability	(P144,602,341)	P -	(P144,602,341)	P2,441,496	P -	P2,441,496
Deferred tax	2,279,482	-	2,279,482	(70,987)	-	(70,987)
	(142,322,859)	-	(142,322,859)	2,370,509	-	2,370,509
Item that may be reclassified to the statement of revenues and expenses						
Net change in financial assets at fair value through other comprehensive income	199,343	-	199,343	(221,826)	-	(221,826)
	(142,123,516)	-	(142,123,516)	2,148,683	-	2,148,683
TOTAL COMPREHENSIVE INCOME	P282,914,234	P73,100,604	P356,014,838	P349,814,134	P56,614,589	P406,428,723

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.
(A MICROFINANCE NGO) AND SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES

	Years Ended December 31				
	General Fund	Restricted Fund	Employee Benefits Reserve	Remeasurement	
				Net Change in Financial Assets at Fair Value through Other Comprehensive Income	Total Fund Balance
Balance at January 1, 2019	P1,226,502,634	P614,875,469	(P4,578,877)	(P1,100,893)	P1,835,698,333
Grants received for operations	8,408,887	-	-	-	8,408,887
Total comprehensive income	425,037,750	73,100,604	-	-	498,138,354
Net excess of revenues and expenses	425,037,750	73,100,604	-	-	498,138,354
Remeasurement of net retirement liability, net of tax	-	-	(142,322,859)	-	(142,322,859)
Net change in financial assets at fair value through other comprehensive income	-	-	-	199,343	199,343
	425,037,750	73,100,604	(142,322,859)	199,343	356,014,838
Balance at December 31, 2019	P1,659,949,271	P687,976,073	(P146,901,736)	(P901,550)	P2,200,122,058
Balance at January 1, 2018	P871,969,789	P558,260,880	(P6,949,386)	(P879,067)	P1,422,402,216
Grants received for operations	6,867,394	-	-	-	6,867,394
Total comprehensive income	347,665,451	56,614,589	-	-	404,280,040
Net excess of revenues and expenses	347,665,451	56,614,589	-	-	404,280,040
Remeasurement of net retirement liability, net of tax	-	-	2,370,509	-	2,370,509
Net change in fair value of financial assets at fair value through other comprehensive income	-	-	-	(221,826)	(221,826)
	347,665,451	56,614,589	2,370,509	(221,826)	406,428,723
Balance at December 31, 2018	P1,226,502,634	P614,875,469	(P4,578,877)	(P1,100,893)	P1,835,698,333

CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31	
	2019	2018
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax expense	P546,851,121	P445,677,269
Adjustments for:		
Depreciation and amortization	87,250,671	48,722,394
Impairment losses	72,292,617	47,113,154
Interest expense	71,646,222	52,658,794
Retirement cost	39,516,221	9,901,550
Loss(gain) on disposal of property and equipment	107,889	(69,558)
Gain on disposal of investment properties	-	(755,755)
Unrealized foreign exchange (gains) losses	(2,692,808)	16,801,178
Interest income	(1,507,924,374)	(1,216,082,091)
	(692,952,441)	(596,033,065)
Changes in:		
Receivables	(914,515,453)	(902,622,223)
Other current assets	(54,688,457)	(22,368,999)
Accounts payable and other current liabilities	369,533	(4,361,138)
Deposit liabilities	6,998,311	(11,927,908)
Due to members	325,921,201	411,204,900
	(1,328,867,306)	(1,126,108,433)
Interest received	1,386,400,074	1,218,733,258
Grants received for operation	8,408,887	6,867,394
Contributions to the retirement fund	(287)	(14,702,940)
Income taxes paid	(48,960,230)	(43,892,806)
Interest paid	(72,045,702)	(52,658,794)
Net cash used in operating activities	(55,064,564)	(11,762,321)
CASH FLOWS FROM INVESTING ACTIVITIES		
Proceeds from disposal of investment properties	-	1,039,966
Proceeds from disposal of property and equipment	-	69,558
Additions to:		
Computer software	(3,944,109)	(1,044,150)
Property and equipment	(142,366,336)	(104,196,136)
Changes in:		
Short-term investments	27,290,000	27,950,503
Financial assets at fair value through other comprehensive income	13,552,327	8,639,877
Long-term time deposit	18,907,000	(1,431,500)
Net cash used in investing activities	(86,561,118)	68,971,882
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	P 162,400,000	P40,000,000
Payment of lease liabilities	(32,511,237)	-
Payment of loans	(48,977,267)	(29,312,700)
Net cash provided by financing activities	80,911,496	10,687,300
NET DECREASE IN CASH AND CASH EQUIVALENTS	(60,714,186)	(70,046,903)
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	383,875,045	470,723,126
EFFECT OF MOVEMENTS IN EXCHANGE RATES ON CASH AND CASH EQUIVALENTS HELD	(4,637,808)	(16,801,178)
CASH AND CASH EQUIVALENTS AT END OF YEAR	P318,523,051	P383,875,045

