

CELEBRATING

25
YEARS

OF BREAKING THE CYCLE OF POVERTY

ANNUAL REPORT 2009



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Vision

**A sustainable institution of change:
building vibrant “Dungganon” communities**



Chairman's Message

WE CARE

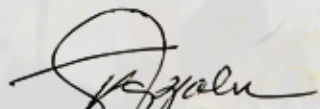
That is why 25 years ago, we dared to dream of uplifting the plight of the poorest of the poor by giving them access to credit to start their small business long before the term micro-finance was coined in the industry.

We dreamt and we succeeded in creating an institution that has changed the lives of more than 100,000 beneficiaries – mostly women – in Negros Island, Cebu, Samar, Leyte, Bohol, Palawan and now in Panay Island. So, as you turn the pages of this report, you will discover not only the story of our organization but more importantly, the triumphs and victories that our clients have achieved, where some of them reached the heights of national recognition for their performance.

We have fulfilled our dream with the help of Divine Providence and the indomitable commitment of our Board of Trustees, management and staff and we will continue to pursue our vision and mission with more vigor so that we can leave a legacy to the younger generation that to help the poor is the best way to change the culture of apathy, laxity and complacency prevailing in our country today. To give them HOPE and the means to achieve that hope is the best gift that NWTF can offer to our suffering people.

25 years and we have proven by our performance that the POOR is truly "DUNGGANON".

On behalf of the Board of Trustees, management and staff of NWTF, I thank all of you who have helped us in building this institution of CHANGE.


WILHELMINA R. GONZALES
Chairperson, NWTF



Mission

To provide sustainable financial and
client-responsive developmental services
to the poor.



MESSAGE FROM THE *Executive Director*



*T*his year's annual report marks a major milestone for NWTF. The mere fact that we are still here after 25 years is a compelling reason for us to celebrate. I am happy that the dream of making a difference in the lives of the poor and the marginalized is now a reality.

*O*ur 25 year journey so far reminds me of a quote by Ralph Waldo Emerson: "do not go where the path may lead, go instead where there is no path and leave a trail." NWTF today is not only a recognized pioneer and leader in the microfinance industry in the Philippines, it is acknowledged by practitioners to be one that is truly mission-driven, and many have come to us to learn how to do the same.

*O*ver the years, when faced with several options, we have always chosen to stay true to our mission: to help the poor elevate themselves out of poverty. Achieving our mission and financial sustainability continues to be a balancing act but we have proven for ourselves that it could be done, and this is what we recount in this 25th Annual Report – the success stories of our clients and the dynamic innovations that we have started.

*G*rowing bigger and getting older present new challenges. Now as we look forward to the next quarter century, we need to take stock and ensure that NWTF continues to stay true to its chosen course. Our challenge now is to make sure that the passion to help the poor continues to be part of our organization's culture, because it is this passion that will sustain us and make us move forward as we pursue our triple-bottom-line: social performance, financial sustainability and the conservation of the environment.

Cecilia R. del Castillo
DR. CECILIA DEL CASTILLO
Executive Director



25 Years of Handum

a walk in the past

...will have to our week-end will be abating, sleeping, ...
...on Dec. 29 and Jan. 1 ...
...bathing (Josh's favorite since he can't bubblebath in our place because we don't have a bathtub), and shopping (my favorite).
... (Since we're flying Philippine Airlines, there will be no INQUIRER on the plane.)
... We would have spent our Noche Buena in my mom's house. The night normally starts with a festive Mass at about 8 p.m., officiated by Fr. Arevalo together with some members of the Loyola House of Studies, who sing really beautiful hymns and Christmas carols during the celebration.
... (We've been very close to Fr. Rev. since the time of my dad's assassination, when by some divine intervention, he was also in Boston and was able to give all of us comfort and spiritual guidance. Sometimes, truly special friendships



are borne out of the most tragic circumstances.)

We give our gifts to the kids right after the Mass. (I have 4 nephews and 2 nieces, with ages ranging from 4 to 15) and then we eat heartily from the Christmas buffet that my mom has prepared. We normally have lechon, roast turkey (prepared by my sister Bailsy's mother-in-law, Tita Caring, which is the most delicious turkey and stuffing I've ever tasted), pasta and fresh corned beef which my mom herself prepares, and various desserts. Shortly after midnight, we all head for home.

To be fair to Josh, this year it was agreed upon that he would spend Christmas with me, and welcome in the New Year with his dad. I think that this is a fair compromise, and it gives my son the chance to share special holiday moments with both his parents.

Last year, I watched just one movie in the Metro Manila Film Festival—GMA Films' "Muro-Ami." This year, I'm definite about want-

ing to watch all the fielded entries.

I got the opportunity to interview all the movie lead stars of all the festival entries this year, either on "Today with Kris Aquino" or on "The Buzz." I also had the chance to read all the story summaries of the movies and watch all their trailers.

Every single movie is truly impressive, well-crafted and of the highest quality.

I intend to watch Star Cinema's "Tanging Yaman" first upon my return on the 30th. La Guillen had mentioned in several interviews that "Tanging Yaman" came about because Santos, Star Cinema's head, a year and a half ago was watching her first live guest appearance on TV after five long years, which happened on my program "Today with Kris."

In answer to my question on what "comedy" film she would like to direct, Direk Laurence said she had a family drama in mind, and in fact she had already written the story. As soon as the movie had already set up a meeting with Direk Laurence, and shortly after they started filming, the movie ended. Tita Malou live in a matriarchal society.

We Filipinos live in a matriarchal society. The story of "Tanging Yaman" is universal. It touches all our hearts because we all have a mother. It touches all our lives, gone against the grain at one point in our lives, gone against the grain of our mother, especially in matters of the heart. We have all had major disagreements with our siblings, and now as parents, we sometimes demand too much of our children's time and attention. And ultimately, we love deeply, and we strive harder to understand each other better. I will watch Tito Dolphy's "Muro-Ami" immediately after. Why? Because I was moved by the love that went into the movie. It was truly a love story.

People Power must forever be accepted as an integral part of the Philippine constitutional order, the unwritten security that what the written Constitution fails to deliver, the people will.



... accept. No one wanted the job of Mar Roxas, which was on of since the ... of December the ...





Project Dungganon

THROUGH THE YEARS





Negros Women for Tomorrow Foundation, Inc.



Board of Directors



As part of the 25th Anniversary celebration, Negros Women for Tomorrow Foundation showcased a wide array of products made by the Project Dungganon clients at SM City Bacolod from August 3-9 of 2009.

Using the project dungganon logo as a basis for the theme of the event, five (5) dungganon houses were built to display the products ranging from native food to bags made of indigenous materials, to fashionable accessories. The look, though not aboriginal, brought out that provincial feel as the dungganon houses represented a simple family home.

Through word of mouth, hundreds of customers went to SM City to patronize the dungganon products. Families and friends who converged at the display area added to the fiesta-like atmosphere of the exhibit, and everyone took advantage of the low prices of the high quality goods on display.

To make the exhibit even more interesting and educational, speakers from Project Dungganon and other professionals gave demonstrations on crocheting, native bags weaving, charcoal briquette

exhibit guests and customers a chance to see how the products were made and also helped in the marketing of the products that were being sold.

A fashion show presenting the different bags and fashion accessories became the highpoint of the whole event. Members of the NWTF staff and their children were transformed into ramp models showing off a wide selection of the fashion articles that were available for sale. It served as an effective marketing tool as many of the viewers bought the products after seeing the products worn on stage.

Although it was the first time that NWTF attempted to showcase its clients' products to the mainstream public, the unexpected demand from the public which resulted in high sales was just a small accomplishment when compared to the total impact on NWTF and its clients. Through the conscientious efforts, distinct cooperation and manifested unity of the Project Dungganon clients and the NWTF staff, the SM Exhibit became a tool of advertisement not just for NWTF but, more importantly, the clients of Project Dungganon.





Book Launching at SM Bacolod

Being Honorable THE PROJECT DUNGGANON STORY

*"Give a man a fish and you've fed him for today.
Teach a man to fish and you've fed him for a lifetime."*

In celebration of its 25th anniversary, Negros Women for Tomorrow Foundation, Inc. shares 25 insightful stories of its Project Dunganon members. With a careful assessment on the lives of the chosen clients, longevity and sustainability of the businesses and their tenacity towards every hurdle and predicament thrown their way, NWTF produced a book to showcase these extraordinary women.

Being Honorable: The Project Dunganon Story offers a glimpse on the plight of the different Dunganon clients. As one flips through the pages, the journey of each woman becomes the threshold that would eventually lead them to achieving their dreams.

Each story highlights the harsh realities of poverty where being poor seems to be their destiny. However, these courageous women did not lose faith. With their indomitable spirit, these they toil day and night to survive against all odds. Utilizing their basic survival skills together with the assistance of different non-governmental organizations, like NWTF, these women have broken the cycle of poverty and built an environment for their family where dreams can happen even among the poorest.

*"As Negros Women For Tomorrow Foundation turns 25,
we celebrate the many lives that we touched and continue to touch.
We're sharing the lives of these 25 remarkable women who
in spite of life's trials and tribulations, transformed their lives
and soared out of penury, in the hope that their stories
will inspire you to strive for more,
to reach out more and take part
in breaking the cycle of poverty."*

— Dr. Cecilia del Castillo —





Handum A Celebration!

The theme for this year's 25th anniversary was *Handum* – an ilonggo word that means, "Dream." Negros Women for Tomorrow Foundation celebrated these dreams.

The main highlight of the whole celebration for the 25th anniversary of Negros Women for Tomorrow Foundation was the event that was held on August 9, 2009 at the coliseum of University of St. La Salle.

With more than 6,000 Dungganon members and an average of 100 guests together with the directors, managers and staff who witnessed the occasion, 7 branches were chosen to perform a dance number coming from the music of the 80's, 90's and 2000's with a twist – traditional Filipino dance steps were to be injected within the dance. The era for the songs coincides with the commemoration of the birth of NWTF from the time it started in 1984 till the present.

The event was hosted by ABS CBN's local TV personalities, Carmela Arcolas-Gamboa and Jay Jalandoni. Carmela, the reigning Ms. Centennial of the Philippines, has been hosting special programs for the network while Jay is a co-host of the morning show.

Mrs. Olivia Yanson was the guest speaker of the said occasion. The Yanson family is the owner of the biggest bus company line in the Visayas and Mindanao. She shared stories from their humble beginnings and the hard work they invested to make their business into an empire.





Miss Wilhemina Gonzales, chairman of the board for Negros Women For Tomorrow Foundation Inc. and Dunganon Bank Inc., gave the welcoming address.

The book "Being Honorable: The Project Dunganon Story" was also presented to the 25 chosen Project Dunganon members together with the 1st group from Center 1 Project Dunganon, during the program. Representatives from the board and other known personalities from different fields handed a copy of the book and certificates to these remarkable women.

Video greetings from the president of the World's Women's Bank and Mr. Louie Ocampo were featured during the program but the biggest surprise was that of Professor Muhammad Yunus who spoke on a personal level towards the 3 directors and the whole organization.

The Project Dunganon Anthem was officially launched during the occasion. The anthem was composed by Mr. Louie Ocampo, one of the most respected composers in the Philippines, and was sang by Ms. Jolina Magdangal, a singer, actress and host by trade. Two students from the Integrated School of the University of St. La Salle and a respected doctor sang the *Project Dunganon Anthem* during the program.

Project Dunganon Theme

*Nagsimula sa isang panaginip sa Project Dunganon
Napabuti at napaunlad ang aming buhay
Isabuhay ang mithiin
Disiplina at sipag
Pagkakaisa at pagsisikap
Aming pangako sa Diyos*

*Chorus:
Dahil sa Project Dunganon
Ikaw, ako, tayong lahat ay nandito ngayon
Dahil sa Project Dunganon
Ako (Kami) ay naging Dunganon*





Dr. Cecilia del Castillo's inspiring final words were focused on the true meaning of service. Before her speech ended, Dr. Del Castillo asked everybody in the coliseum to stand and join her in singing the Project Dungganon anthem. With fervor and pride, the Dungganon members sang the song that has put meaning into what being Dungganon is all about.

After the program, McDonald's provided lunch for the Dungganon clients.

Handum: A Celebration! was a tribute to the 25 years on the lives of thousands of extraordinary women whose stories and dreams made this occasion a success.



CITI
MICROENTREPRENEUR
OF THE YEAR AWARDS

2009
Masikap
Regional Winner

SHIRLEY ECOT
San Carlos City,
Negros Occidental

Peanut production, peanut trading
and peanut processing

Shirley Ecot owns "Fritzie's Peanuts", a brand of peanut snacks named after her only daughter. Loans of increasing amounts from Negros Women for Tomorrow Foundation have helped her to grow her business quickly. Today Shirley supplies to well-established malls and stores in Western Visayas. She has also acquired two parcels of land on which she grows her own peanuts and houses her processing facilities.

Shirley

Masikap
MICROENTREPRENEUR OF THE YEAR



Citi Foundation





CITI
MICROENTREPRENEUR
OF THE YEAR AWARDS

2009

Maunlad
National Winner

VIRGINIA LUBGUBAN
Bacong, Negros Oriental

**Furniture-making
Bakeshop owner
Cattle fattening**

Virginia Lubguban and her husband Aly, a former OFW, run three businesses that complement each other: a furniture-making shop that primarily uses wood materials from trees that they planted in their own farm 15 years ago; a bakery business that uses scrap wood materials from the furniture shop to fire the ovens; and a cattle-fattening enterprise that mixes the cow dung and sawdust from the furniture shop to be used as organic fertilizer for the tree farm and the cattle grazing area. The three businesses, expanded through the help of Negros Women for Tomorrow Foundation, in effect, reuse and recycle wastes. Besides this, they provide employment for 39 persons and enjoy huge profits from their businesses.

Virginia

Maunlad
MICROENTREPRENEUR OF THE YEAR



Citi Foundation





For the year 2009, the training department of NWTF has given different types of trainings, seminars and workshops not just for its staff but also to other microfinance institutions.

Barefoot MBA

SEMINAR ON BUSINESS CONCEPTS



The first Barefoot MBA workshop was held last August 24-29 of 2009 at the NWTF Building where 25 participants (16 participants from NWTF and 9 participants from several MFI organizations) experienced and processed various studies and examples that are applicable to the realities of the everyday business routines of small entrepreneurs.

The Barefoot MBA teaches business concepts to undereducated entrepreneurs through a collection of simple, contrasting stories. Each story is followed by discussion questions and an optional learning activity to further identify, isolate and apply the lesson. The context of the stories in this document reflects the cultural specifics of the chosen area. The lessons from the stories are universal and, with hope, may lay the groundwork for Barefoot MBA curricula around the globe.

The goal of the Barefoot MBA curriculum is to provide people with the knowledge they need to make better business decisions, both as business owners and as advisers to others. To that end, the information that students learn helps them explore and confidently pursue business options that previously seemed out of reach. With the Barefoot MBA curriculum, participants may develop sufficient business acumen and confidence to make decisions and take informed, calculated risks that propel and sustain their business success.



Management Development Program

CITIBANK'S MANAGEMENT TRAINING



Citibank's Management Development Program held several trainings at the NWTf Building. Attended by 14 MFIs like Cebu Caritas, Ugyon Foundation, Inc., and many more, with participation coming from different supervisors and managers of NWTf, the program stressed on bringing out the leader in every participant.

The purpose of the program was to show that each and every individual have the qualities that it takes to become a leader and become the leader they want to be. Topics on what motivates people, communication styles and other matters were addressed.

The Management Development Program helps participants understand how personal values and motivation influence managerial perspectives. With better communication styles that can effectively influence people and outcomes, the self-development plan can build the strengths and overcome the weaknesses of the managers. This becomes an integral factor in holding critical conversations for managing the performance and development of the staff.



citibank





The Environment

GIVING BACK TO MOTHER NATURE

Being an advocate on the issues of the environment and global warming, Negros Women for Tomorrow Foundation (NWTF) has incessantly given importance not just on the finance, health and wellness or education of its employees and clients, but also on the progressing effects on the depletion of our natural resources.

Through research and several studies made, NWTF has been facilitating seminars as a channel of information on ways on how to mitigate several factors towards global warming and other environmental problems.

Forest degradation has become an epidemic and will have severe consequences if left unchecked. The Charcoal Briquette project is a contribution to the process of addressing issues affecting the environment caused by pollution that will become an alternative livelihood for NWTF clients.

Charcoal Briquettes are made from everyday agricultural and commercial residues such as sugarcane thrashes, rice, hull, rice straws, saw dust and the like, which are environmentally friendly.

By switching to this alternative way of charcoal, you can help conserve and protect the environment and prevent landslides by reducing the demand for charcoal made from trees.

In many parts of the world, people are making this new and modern fuel-saving time, saving energy, saving our environment and creating income.

The Envirofit cooking stove burns traditional biomass fuels and is engineered to emit significantly less toxic emissions and use less fuel. Built of durable, high quality material and engineered to address the unique cooking habits of women, the Envirofit stove is a result of over five years of research and testing in coordination with internationally recognized academic institutions such as Colorado State University.

The stove has already successfully undergone pilot testing in Chitradurga and Dharmapuri. Certified under the most stringent environmental testing conditions in the USA.

The Research and Client Services departments are making continuous efforts to look for different types of innovative gadgets that are practical and useful for homes and other establishments that can be distributed around Negros and other provinces. Also, with the use of such items, we do not just contribute to saving the earth's natural resources but find ways and means to fight poverty through savings and finance.



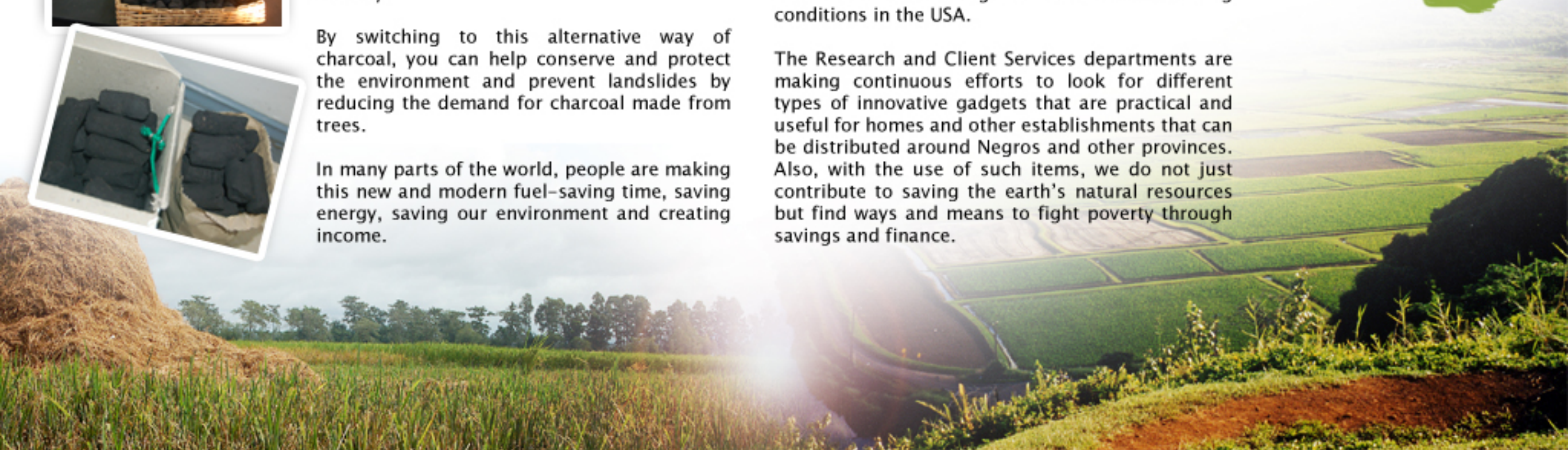
Charcoal Briquette



**Colorado
State
University**



Envirofit Cookstove





KIVA & NWTF

CROSSING PATHS FOR A COMMON GOAL

NWTF partnered with *Kiva Microfunds* in July 2009. Kiva Microfunds is a non-profit organization based in San Francisco, California that connects people via the Internet and help alleviate poverty through lending.

The Kiva website (www.kiva.org) states that the organization was born because of the following beliefs: that –

- ✓ People are by nature generous, and will help others if given the opportunity to do so in a transparent, accountable way;
- ✓ The poor are highly motivated and can be very successful when given an opportunity; and
- ✓ By connecting people, we can create relationships beyond financial transactions, and build a global community expressing support and encouragement of one another."

Kiva promotes dignity, accountability and transparency. By encouraging the development of partnerships between lender and borrower, Kiva respects the dignity of the borrower by not providing the usual dole-out that other poverty-alleviation programs offer. It also fosters a culture of accountability because borrowers are expected to pay back their loans, which also motivates them to work extra hard to repay their loan.



People who know NWTF and its history, wouldn't be surprised that NWTF and Kiva crossed paths and ended up as partners in their shared mission of poverty alleviation, for not only do the two organizations share the same goals, they were both inspired by the work of Professor Muhammad Yunus.

By its partnership with Kiva, NWTF aims to continue recognizing good clients, an endorsement of good performance which it started in the book it published to celebrate its 25th Anniversary. This time, through Kiva stories of clients are made available via the World Wide Web. By posting their stories and business profiles on the Kiva website, NWTF is sharing the success stories of its clients while inviting people from around the world to participate first-hand in helping improve their living situation.

To prepare the branch staff in the full integration of Kiva into its loan processing operations, workshops are being conducted not only to inform everyone involved why NWTF partnered with Kiva, but also to orient them on how to incorporate Kiva into their daily routine.

The workshop also provides hands-on training on how to take digital photos and videos of the clients that will be posted on the Kiva website.

Seven branches from Negros Occidental participated in the initial rollout starting July 2009 and posted stories on the Kiva website. In the last six months of 2009, NWTF has enjoyed the support of individuals Kiva lenders from all over the world and has raised over US\$ 130,000 for 335 of its clients.

The Kiva partnership is just another way by which NWTF continues to share its experiences in Microfinance with the rest of the world, and proving that the poorest and the most marginalized have the capacity to pull themselves out of poverty with just a little help and encouragement.



Ed w/ Bago Branch Staff



Training Loan Officers





Dungganon Bank Inc.

BANKING FOR A BETTER TOMORROW

Vision

A leading microfinance thrift bank committed to empower and uplift the standard of living of the poor.

Mission

Service with Honor: To provide professional financial services, especially to the poor, by promoting a culture of honesty and excellence.

Dungganon Bank, Inc., (DBI) is the Micro-finance Thrift Bank of NWTf that offers savings, loans and other products and services. DBI offers what is typically found from other banks but with the distinction of a heavy emphasis on its microfinance program. This unique feature entertains different types of clients from all walks of life where savings and credit become readily available to them.

DBI classifies all loans as either traditional or microfinance depending on the amount and term –

- ▶ The traditional loans provide credit services to both agrarian and commercial clients, particularly those in the rural areas. The priority clients are farmers and fishermen, small and medium entrepreneurs and consumer clients. Its traditional loan products are adapted to the needs of these target sectors.
- ▶ Microfinance Loans are small loans granted to the basic sectors, on the basis of the borrower's cash flow. These loans are granted to women and men of poor and low-income households for their microenterprises and small businesses to enable them to raise their income levels and improve their living standards. These loans are typically unsecured but bigger loan amounts may require collaterals.
- ▶ Other Consumer Loans – like OFW loans granted to OFW workers for placement and for processing of their documents

Under each classification, the bank has developed product lines based on the purpose and target client.

It continues to develop and adapt more loan and savings product lines as it endeavors to better serve the needs of its clients.

With DBI's vision-mission, NWTf will surely go the extra lengths to achieve what they set out to do since the beginning – FOR A POVERTY FREE PHILIPPINES.



UNIVERSITY OF ST. LA SALLE
Bacolod City



Dr. Cecilia del Castillo
prese



Signum Lasallianum

AWARDED TO DR. CECILIA DEL CASTILLO

On June 6, 2009, Dr. Cecille del Castillo was conferred the Signum Lasallianum Award by the University of St. La Salle Board of Trustees and Administration during the Graduate School Graduation Rites at the University of St. La Salle Coliseum.

This award was given in recognition of her exemplary contribution to Philippine education and/or to the La Sallian mission of "teaching minds, touching hearts and transforming lives." In reference to this, the board has seen that Dr. Del Castillo's passionate commitment to help sustain, improve and uplift the welfare of women especially in Negros Occidental through NWTF has been a source of inspiration to those who have worked with her and have benefited by the organization's mission.

NWTF's advocacy of service to the poor, especially to women, by providing them the needed entrepreneurial training and financial support has empowered them to be more secure and independent. The Signum Lasallianum Award serves as a confirmation to NWTF's testament towards being a sustainable institution of change in order to build vibrant, "dungganon" communities.



Given this 6th day of June
in the year of the Lord 2009.



Looking Forward

CLIENT SERVICES DEPARTMENT

As part of the continuing efforts of NWTF, the Client Services Department will be launching for the year 2010 different activities geared towards their goal of efficient and effective delivery on non-financial services to their NWTF clients.

The Business Advisory activity facilitates the transformation or movement of client businesses from livelihood to entrepreneurial level. Through this program, NWTF is able to enable clients to work on their legal official procedures like licensing, business management, financial literacy courses and many more. Once formalized, the client will be enabled to consolidate or expand their business. This activity also prepares clients for awards that are given to microentrepreneurs on a yearly basis locally, regionally and nationally.

The Action Research on Risk Management Innovation is the gathering of data that ascertains the viability of the proposed innovations for clients' who are enabled to mitigate their vulnerabilities from risks and over indebtedness. Through this data, the department is able to gather the baseline study completion of client information from their past to the present.

The study shows the clients current situation from the target and controlled branch. Clients are interviewed for the Entrepreneurial component and Individual Emergency Fund (IEF) component. These were tested on clients from Bago and Bogo, Cebu.

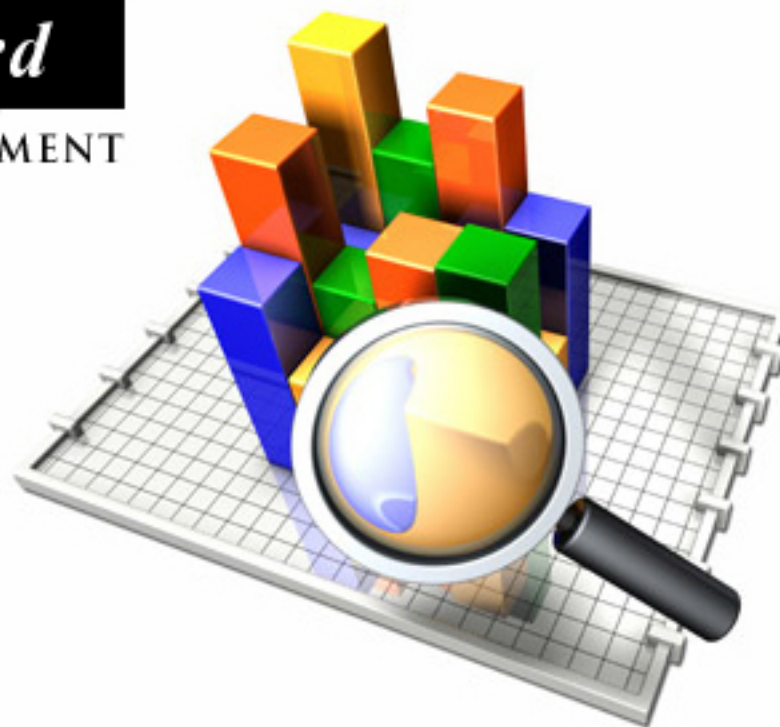
The inclusion of Project Dunganon clients in the Philhealth Insurance Coverage under the government's "Philhealth Masa Program" will be piloted in District 1 and District 4 of Negros Occidental for 2010. This program was made possible through the efforts of both the government and the client services department.





Looking Forward

RESEARCH DEPARTMENT



Social Performance Management

NWTF is a recognized leader in the Social Performance Management (SPM) best practice especially in its implementation of the Progress out of Poverty Index (PPI). PPI looked into the policies and procedures that were aligned to the mission towards the achievement of social goals of the SPM. Through the participation of various departments and levels in the organization, the implementation of this practice hastens the possibility of addressing the different needs of the organization.

With the efforts of NWTF, dissemination of SPM's practical approach in the MFI community became a purpose that needed to be shared in order to achieve a wider impact. As a result of this endeavor, other MFIs have asked NWTF to impart their knowledge and experiences on SPM.

With meticulous intentions, NWTF has consciously and properly moved towards the achievement of the triple bottom line of microfinance: financial, social and environmental protection awareness.

Being a social institution, NWTF has spread its vision-mission not just within their organization but also with the MFI community.

Community Loans

The concept of microfinance is to provide economic opportunity to an individual in a community. NWTF has been looking into group/community loans that are sustainable and actively engaged in a business that benefits the whole community such as dryers for dried fish or small rice mills. It will look at how the different individuals live their lives especially the economic activity of the person within the community that will give them the highest economic impact.

This service will be open not just to Project Dunganon members but to those would like to avail of the product. As NWTF studies the area and groups better, the main ingredient is the significant indication of the business being microeconomic with the intention of observing the community, not the individual. Although NWTF is aware that the process is not perfect, they hope to make a difference in the Dunganon communities.





THE PROGRESS OUT OF POVERTY INDEX



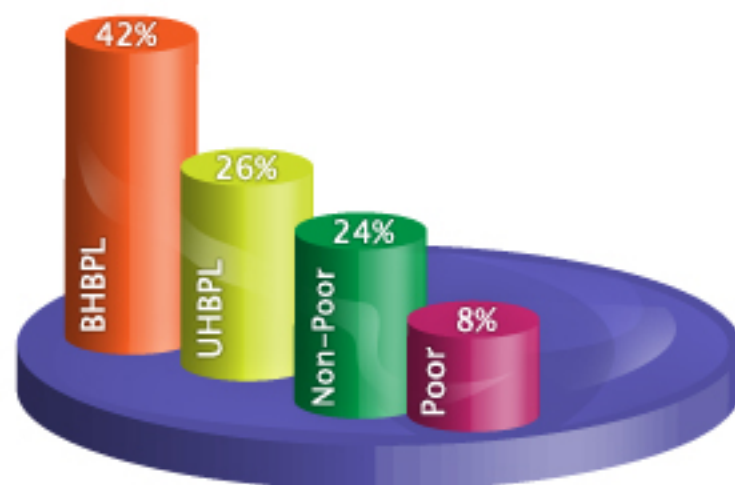
It has been more than a year that NWTF has been using PPI to track its clients' poverty level upon entry in the program, as well as the effect of the client's membership with the project over time. The regular monitoring on the poverty level of the client is relative to the initiative of the institution to ensure that it is creating positive social impact on the lives of its clients.

The latest PPI Report generated covering the period of January 2009 to March 15, 2010 covering survey size of 40,976 reflected the following significant information:

A. PD Targeted Clients

A.1. Based on Probability

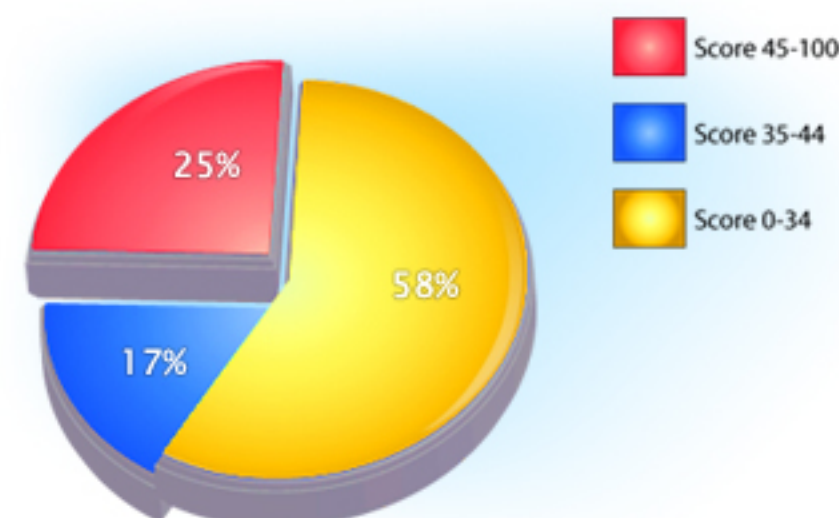
POVERTY ENTRY 2009



PPI scores showed that 68% of PD Entry clients are considered PD Target Clients – those who belong to the poorest level or those living below the national poverty line. This is higher than the initial findings during the pilot test of the tool which showed that 60% of PD Entry clients are below the national poverty line.

A.2. Based on Raw Scores

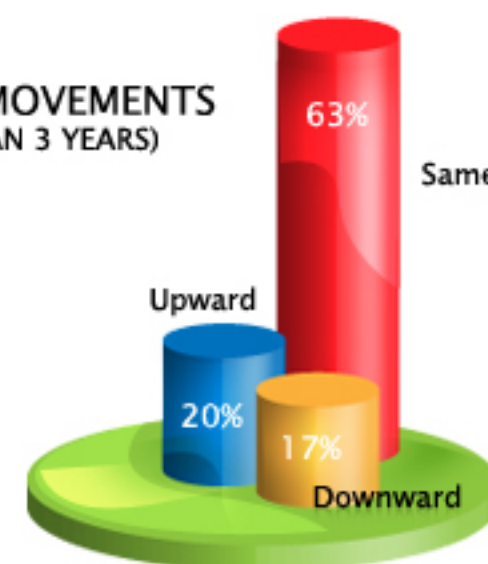
PPI RAW SCORES



Based on PPI Raw Scores, the result showed that 58% of the Entry Clients are living Below the National Poverty Line while the other 17% is living within the economic bracket of \$2.00 a day or within the National Poverty Line. Entry Clients who are in the Non-Poor category was recorded with 25%.

B. For Clients Less Than 3 Years with the Project

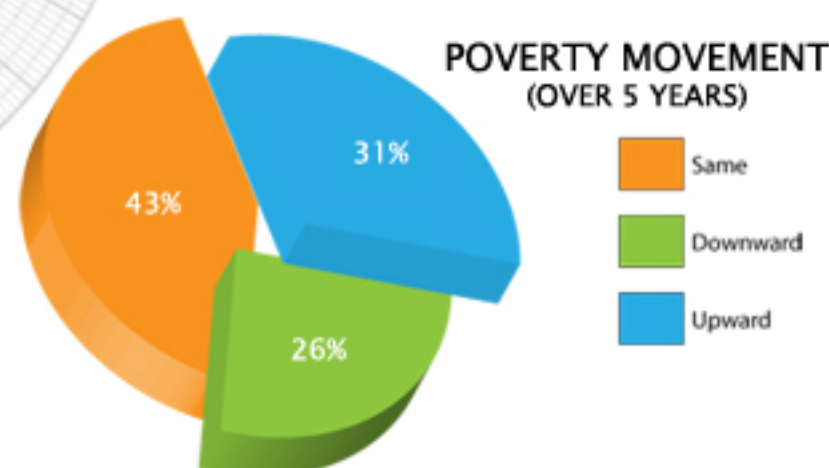
POVERTY MOVEMENTS (LESS THAN 3 YEARS)



b.1. For the clients less than 5 years with PD – more than half of the clients or a very high percentage of 59% have stayed the same in terms of poverty level being with the project for less than 5 yrs.



C. For Clients Over 5 Years with the Project



c.1. There is a high percentage of 43% of PD clients who just stayed the same in terms of their poverty condition after being with the project for more than 5 yrs.

c.2. There is only a very slight difference in percentage between those clients who have an Upward movement (31%) and those who experienced a Downward movement (26%) in terms of poverty movement.

PPI DATA USE

The most recent PPI data showed an increase from the initial 60% to 68% of the Entry clients belong to the poverty level below the National Poverty Line. This is a good sign that the initial changes or improvements made based on the PPI pilot testing data has created positive result specifically in the area of clients targeting processes such as poverty mapping, IGSS, and conduct of poverty scorecard interview.

On the other hand, the PPI data generated specifically covering clients 3 to 5 years with the project, also will serve as the institution's basis for improving or enhancing its client business development services. The establishment of the Client Development Services Department has been the initial and direct result of taking into consideration the establishment of continuous and a level-up intervention on improving clients' quality of life particularly clients who have stayed longer with the project. With the data as basis, it has also been suggested that the loan officers training will be enhanced through incorporating business development counseling, mentoring and coaching to capacitate them in guiding and providing advice to their clients regarding managing business endeavor.

Core Elements of NWTF's Success in Managing its Social Performance

- A balanced Board, with both financial and non-financial skills and experience.
- A commitment to the depth of poverty outreach, reflected both in the decision to instigate the "back to basics" strategy in the light of mission drift, and in the adoption of a new targeting tool: the PPI, a poverty score card with the core statistically correlated to the national poverty line (both decisions are described in detail in this summary)
- A high level of product innovation and adaptation
- A strong research department – undertaking a range of focused studies.
- The recognized need to develop strong operational systems – as a basis for sound overall performance, balancing financial and social goals.

OVERALL FURTHER CHALLENGES

This process of strengthening and streamlining the organizational systems has been a key focus for the last 3 years and is still work in progress. Making the link to operational decisions will require further integration of the PPI and social performance data as part of the MIS. There is also still a need to further integrate social aspects such as HR appraisal and incentives. Despite the attempt to reunite with its target clients, the challenge still remains for NTWF to more precisely define the changes it seeks to create in its clients' lives, and more importantly to set specific social objectives against which to manage its social performance.



Report of Independent Auditors

THE BOARD OF TRUSTEES & MEMBERS OF
NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

We have audited the accompanying separate financial statements of Negros Women for Tomorrow Foundation, Inc. (a nonstock, nonprofit corporation), which comprise the statements of financial position as at December 31, 2009 and 2008 and the statements of comprehensive income, statements of changes in fund balances and statements of cash flows for the years then ended, and notes, comprising a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance whether the financial statements are free from material misstatement.

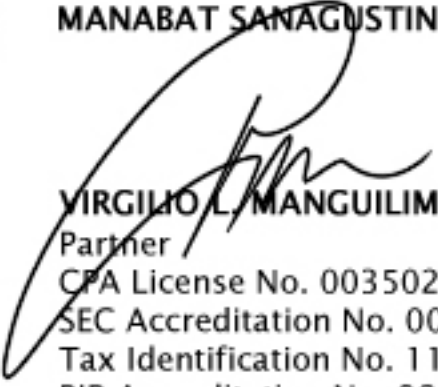
An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the separate financial statements present fairly, in all material respects, the unconsolidated financial position of Negros Women for Tomorrow Foundation, Inc. as of December 31, 2009 and 2008, and its unconsolidated financial performance and its unconsolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

MANABAT SANAGUSTIN & CO., CPAs



VIRGILIO L. MANGUILIMOTAN

Partner
CPA License No. 0035026
SEC Accreditation No. 0047-AR-2
Tax Identification No. 112-071-561
BIR Accreditation No. 08-001987-11-2007
Issued July 10, 2007; Valid until July 9, 2010
PTR No. 2092715MB
Issued January 7, 2010 at Makati City

March 8, 2010
Makati City, Metro Manila



Performance Indicators

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. Consolidated Performance Indicators			
For the period ended December 31, 2008, November 30, 2009 and December 31, 2009			
	2008 (audited)	2009	
	December	November	December
I. OUTREACH			
Recognized members	189,028	210,798	212,143
Total outreach	123,542	130,627	131,686
Active members	84,958	82,834	83,466
Active borrowers	80,473	76,279	78,025
II. COLLECTION EFFICIENCY & PORTFOLIO QUALITY			
	93.73%	94.37%	94.24%
Total collections during period	1,131,922,709	997,828,155	1,000,362,847
Amt. Due during period plus Amt. Past due	1,207,680,886	1,057,349,692	1,061,485,577
III. PORTFOLIO AT RISK			
	3.24%	3.49%	3.31%
Balances of loans past due (31 – days up)	14,432,287	13,205,502	13,777,275
Value of loans outstanding	444,874,313	378,066,791	416,231,997
IV. SUSTAINABILITY:			
OPERATING COST RATIO	32.40%	31.79%	33.87%
Operating Expense	142,097,700	130,806,700	145,849,163
Ave. loans outstanding	428,523,879	411,470,552	430,553,155
OPERATIONAL SELF-SUFFICIENCY	108.29%	109.18%	107.71%
Operating Income	202,278,289	187,533,692	199,513,888
Total Operating Expense	185,884,408	171,767,661	185,226,360
FINANCIAL SELF-SUFFICIENCY	105.77%	107.60%	105.65%
Operating Income	202,278,289	187,533,692	199,513,888
Adj. Total Operating Expense	191,450,470	174,289,832	188,837,412
V. CAPITAL ADEQUACY/LEVERAGE			
EQUITY TO ASSET RATIO	15.93%	18.06%	27.63%
Total Equity	110,189,792	125,955,823	187,171,787
Total Assets	676,934,096	697,292,155	677,449,907
VI. LIQUIDITY			
CURRENT RATIO	124.84%	122.86%	136.18%
Current Assets	567,245,584	598,773,125	579,435,823
Current Liabilities	453,140,487	487,377,581	425,499,953



Report of Independent Auditors

THE BOARD OF TRUSTEES & MEMBERS OF
NEGRO WOMEN FOR TOMORROW FOUNDATION, INC.

NEGRO WOMEN FOR TOMORROW FOUNDATION, INC. (A Nonstock, Nonprofit Corporation)

SEPARATE STATEMENTS OF FINANCIAL POSITION

		Years Ended December 31	
	Note	2009	2008
ASSETS			
CURRENT ASSETS			
Cash and cash equivalents	5, 18	P 120,868,447	P 101,889,948
Receivables – net	6, 7, 18	443,841,902	461,172,081
Other current assets	8, 18	12,892,967	3,836,066
TOTAL CURRENT ASSETS		577,603,316	566,898,095
NONCURRENT ASSETS			
Investment in subsidiary	9, 18	55,000,000	55,000,000
Property and equipment – net	10	37,498,572	40,513,559
Other noncurrent assets	11, 18	7,348,019	15,756,816
TOTAL NONCURRENT ASSETS		99,846,591	111,270,375
		P 677,449,907	P 678,168,470
LIABILITIES			
CURRENT LIABILITIES			
Accounts payable and accrued expenses	18	P 116,416,900	P 140,075,990
Accrued interest	12, 13, 18	1,083,012	1,222,602
Due to members	12, 18	239,177,859	230,792,780
Retirement liability	15, 18	6,480,196	3,254,890
Current portion of loans payable	13, 18	58,954,898	79,028,599
TOTAL CURRENT LIABILITIES		422,112,865	454,374,861
NONCURRENT LIABILITY			
Loans payable – net of current portion	13, 18	68,165,255	113,603,817
TOTAL LIABILITIES		490,278,120	567,978,678
FUND BALANCES		187,171,787	110,189,792
		P 677,449,907	P 678,168,470



Report of Independent Auditors

THE BOARD OF TRUSTEES & MEMBERS OF
NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. (A Nonstock, Nonprofit Corporation)			
SEPARATE STATEMENTS OF COMPREHENSIVE INCOME			
		Years Ended December 31	
	Note	2009	2008
INTEREST INCOME			
Loans and advances to customers		P 161,625,168	P 166,098,680
Deposits and short-term placements with banks		2,749,008	1,741,056
		164,374,176	167,839,736
INTEREST EXPENSE			
Loans payable		16,135,555	24,489,187
Due to members		4,648,292	2,540,600
		20,783,847	27,029,787
NET INTEREST INCOME BEFORE IMPAIRMENT LOSSES		143,590,329	140,809,949
IMPAIRMENT LOSSES	13, 18	15,860,252	16,447,848
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES		127,730,077	124,362,101
OTHER INCOME (LOSS)			
Service fees		29,810,789	29,908,679
Foreign exchange gain(loss)	18	(576,158)	1,931,006
Miscellaneous		3,171,984	2,289,795
		32,406,615	34,129,480
OTHER EXPENSES			
Salaries, wages and bonuses	14	69,445,718	67,039,661
Travel and transportation		22,134,940	21,870,486
Employee benefits	14, 15	11,920,857	11,407,232
Depreciation	10	7,546,750	7,138,620
Rent	16	5,008,325	4,720,819
Stationery and office supplies		4,513,803	4,933,780
Representation and entertainment		4,437,622	3,832,960
Seminars and training		3,694,234	2,698,581
Postage, telephone and telegram		3,667,419	3,295,791
Light and water		3,167,950	2,923,839
Taxes and licenses		1,440,184	1,642,836
Repairs and maintenance		1,355,937	1,504,709
Professional fees		1,045,040	2,821,102
Insurance		421,976	248,421
Miscellaneous		6,048,408	6,018,863
		145,849,163	142,097,700
NET EXCESS OF INCOME OVER EXPENSES		P 14,287,529	P 16,393,881
TOTAL COMPREHENSIVE INCOME		P 14,287,529	P 16,393,881



Report of Independent Auditors

THE BOARD OF TRUSTEES & MEMBERS OF
NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. (A Nonstock, Nonprofit Corporation)

SEPARATE STATEMENTS OF CHANGES IN FUND BALANCES

		Years Ended December 31	
	Note	2009	2008
GENERAL FUND			
Balance at beginning of year		P 110,189,792	P 93,795,911
Net excess of income over expenses for the year		14,287,529	16,393,881
		124,477,321	110,189,792
RESTRICTED FUND			
Transfers to restricted fund	17	62,694,466	-
Balance at end of year		P 187,171,787	P 110,189,792



Report of Independent Auditors

THE BOARD OF TRUSTEES & MEMBERS OF
NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC. (A Nonstock, Nonprofit Corporation)

SEPARATE STATEMENTS OF CASH FLOWS

		Years Ended December 31	
	Note	2009	2008
CASH FLOWS FROM OPERATING ACTIVITIES			
Net excess of income over expenses		P 14,287,529	P 16,393,881
Adjustments for:			
Interest expense		20,783,847	27,029,787
Impairment losses on receivables	7, 11	15,860,252	16,447,848
Depreciation	10	7,546,750	7,138,620
Interest income		(164,374,176)	(167,839,736)
Receivables written-off	7	(14,950,168)	(11,882,331)
Gain on disposals of property and equipment	10	(10,482)	(557,841)
Operating loss before working capital changes		(120,856,448)	(113,269,772)
(Increase) decrease in receivables	6	18,500,875	(11,872,145)
Increase (decrease) in:			
Accounts payable and accrued expenses		(23,659,090)	45,186,669
Retirement liability		3,225,306	1,049,644
Cash used in operations		(122,789,357)	(78,905,604)
Interest received		164,374,176	167,839,736
Interest paid		(20,923,437)	(27,825,762)
Net cash provided by operating activities		20,661,382	61,108,370
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property and equipment		16,794	716,996
Additions to property and equipment	10	(4,538,075)	(4,064,566)
Increase in other assets		(2,728,884)	(4,428,723)
Net cash used in investing activities		(7,250,165)	(7,776,293)
CASH FLOWS FROM FINANCING ACTIVITIES			
Increase in due to members		8,385,079	51,888,973
Payment of loans – net		(65,512,263)	(58,498,643)
Transfers to restricted fund	17	62,694,466	–
Net cash provided by (used in) financing activities		5,567,282	(6,609,670)
NET EXCESS OF INCOME OVER EXPENSES		18,978,499	46,722,407
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		101,889,948	55,167,541
CASH AND CASH EQUIVALENTS AT END OF YEAR		P 120,868,447	P 101,889,948