nwtf

NEGROS WOMEN FOR TOMORROW FOUNDATION, INC.

2015 ANNUAL REPORT

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ABOUT THE COVER

The cover illustrates the direction the organization has chosen to follow in the pursuit of its vision and mission. It shows the way by which Negros Women for Tomorrow Foundation has set its course for the future.

The road signs depict the different ways and levels by which the NWTF group delivers its services to clients.

First through Project Dungganon where 80% of clients who join subsist under the national poverty line, they learn financial discipline, gain business skills and start their businesses.

When they have moved up, honed their business skills and are starting to expand their business activities, they can become PD graduates and avail of the services and assistance provided by Project Kasanag to sustainably manage their cash flow and expand their business activities even further.

As they climb the economic ladder, we expect that clients will need mainstream banking services. When they reach this point, Dungganon Bank shall be ready to provide these clients with a wider array of banking services.

All throughout their journey, NWTF shall always make available to its clients support in the form of client protection services such as micro-insurance coverage and non-financial services such as skills and financial training, health services, and many more.

NWTF shall also provide clients with access to new technologies and environment-friendly products such as solar powered lamps and appliances, access to clean water and sanitary toilets so as to improve the quality of life of their families. While they better their lives financially, they do so protecting the environment for the next generation.

CONTENTS

PROJECTS

DUNGGANON a project of nwtf

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

KASANAG a project of nwtf

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. A MICROFINANCE THRIFT BANK

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

doit foundation

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

DR. CECILIA D. DEL CASTILLO
Executive Director

Message from
THE EXECUTIVE DIRECTOR

Years from now, when we look back at 2015, we will all remember it as the year that Negros Women for Tomorrow Foundation came into full bloom as a sustainable institution of change.

On the surface, if we review the year that just passed, it would seem that nothing really dramatic happened: we did not have to bounce back from any big calamity or great adversity. It seemed like we—as an organization and as individuals—were just plodding along the usual route we have followed in the past years, doing the same old things, using the same old formula that has allowed us to grow slowly but surely for the past 31 years.

But in reality, we have been taking stock of our strengths and of our capabilities. The management and board has been looking into opportunities for growth and aligning our vision of the future with our ultimate mission—in our role as catalyst for change and heights to which our clients can aspire and attain for themselves and their families.

Future generations will remember 2015 as the year that we affirmed our commitment to accompany our clients in their journey towards prosperity. By translating our vision and mission into the NWTF Road Map which we institutionalized this year, we are ensuring that clients will have access to the necessary products and services as they climb the economic ladder.

Through the NWTF Road Map, we promise that we will continue to give the poorest and most marginalized, access to financial services using the Grameen Method under the aegis of Project Dungganon.

When clients are ready to scale up, NWTF's Project Kasanag will be on hand to assist them expand their business. And when their business activities already require full scale bank services, Dungganon Bank will be on hand to take them to the next level.

In all stages of their growth, the NWTF team will continue to provide non-financial services that will allow them to upgrade their knowledge and skills, protect their families from health-related and other reversals, and strengthen their support systems.

In the pages of this annual report, we look back to what we achieved in the past year, with an optimistic outlook for the coming years and the promise that we will never stop innovating new products and services for the Dungganon so we could continue to build more Dungganon Communities.

ROBERTO G. ABELLO
Board Chairperson

Message from
THE CHAIRMAN

As a new Chairman of the NWTF Board, 2015 was a great learning experience for me. I realized that even as we accomplish so much with our deeper outreach into the rural areas, and the wider financial inclusion we offer to the poorest in our area of operations, there is still so much to do, and there is still so much that Negros Women for Tomorrow Foundation and its subsidiaries and affiliate organizations can do.

Last year, to set the direction, we agreed to fine-tune the strategic plan of the NWTF Group and came up with the Roadmap that set our direction into the future.

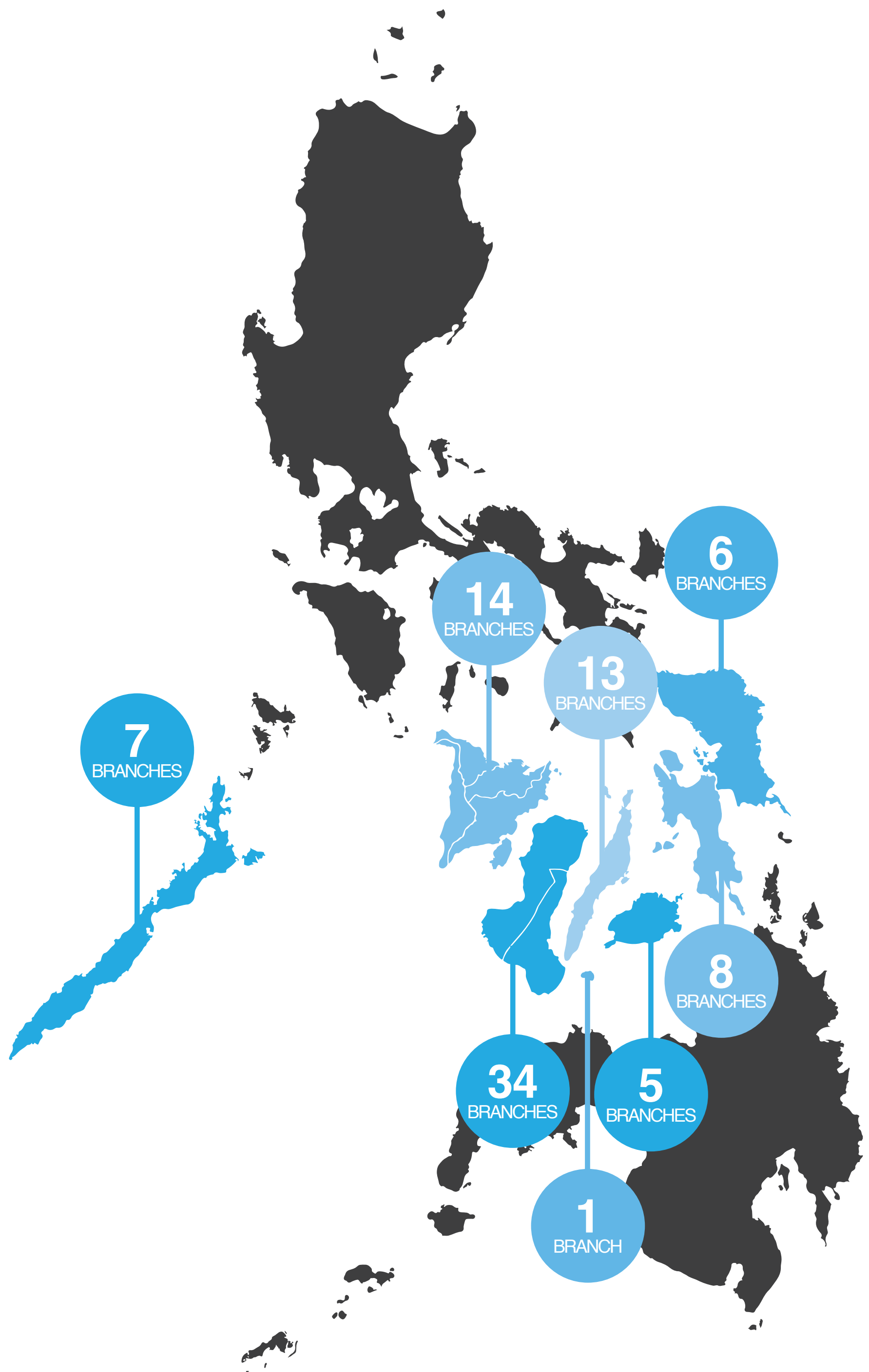
In making the Roadmap, we considered each entity's strengths and expertise. We also reviewed our products and processes to ensure that our products and services from this point forward shall not compete across corporations.

I am happy to note that our management team is working very hard to successfully set into motion the comprehensive plan we started in 2015 and which we will continuously fine-tune throughout the succeeding years.

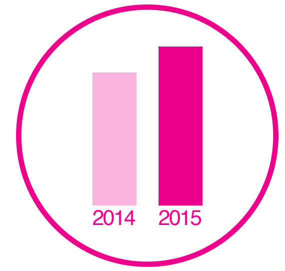
At the board level, I am happy to have a pro-active team. Our main focus was and will continue to be exploring the many opportunities and challenges presented to us, while ensuring that products, projects and programs are consistent with the organization's vision and mission.

As Chairman, I reaffirm that the Board shall persist to safeguard NWTF's sustainability so that it can continue to flourish well into the next century.

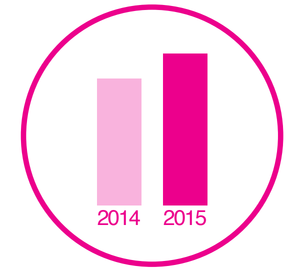
NWTF 2015 STATISTICS



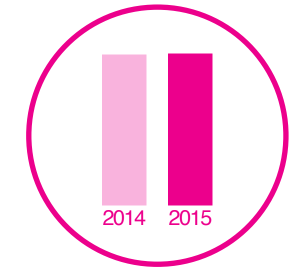
ACTIVE CLIENTS
259,075



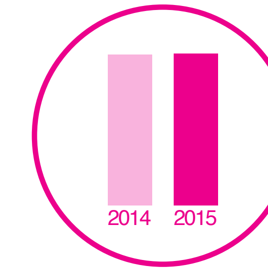
ACTIVE CLIENTS WITH LOANS
247,726



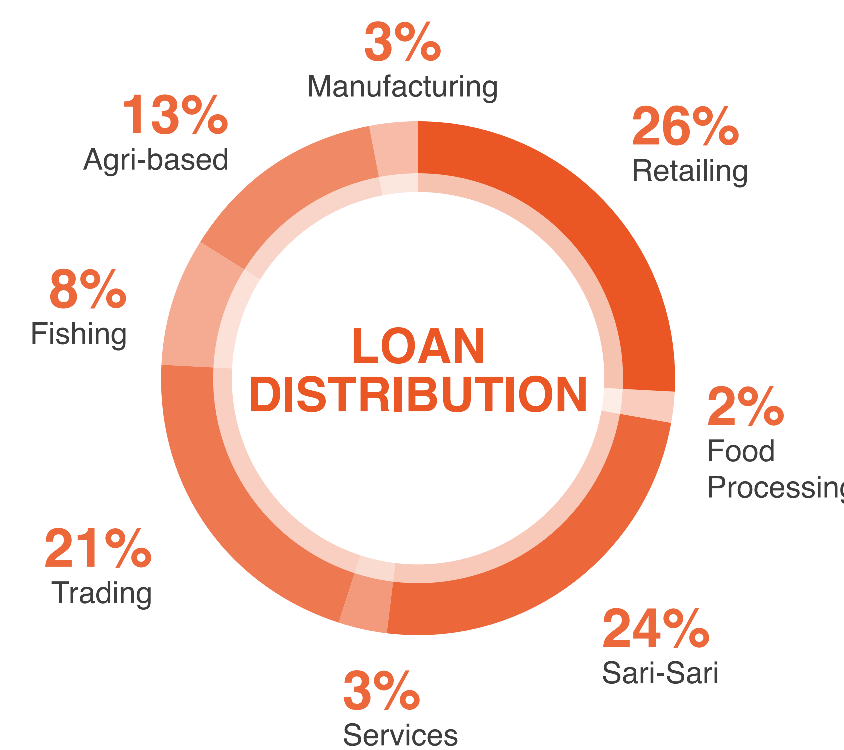
AVERAGE % OF FEMALE CLIENTS
99.98%

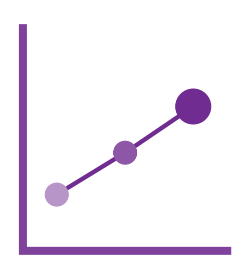


AVERAGE LOAN SIZE PER CLIENT
Php 8,409

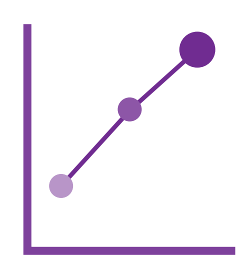


Percentage of clients with insurance coverage	98%
Clients trained through capacity building workshops	2,895
Clients treated through medical camp program	81,635
Clients legalized marriage through mass wedding ceremonies	124
Scholarships released to clients' children	705

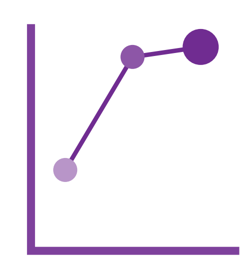




88
BRANCHES

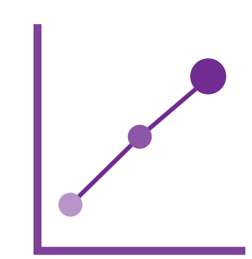


1,477,884,356
PORTFOLIO (PHP)



5,965
AVERAGE PORTFOLIO (PHP)

3.23%
PAR %



2,270,540,360
TOTAL ASSETS (Php)

● 2013 ● 2014 ● 2015

2015 Citi Microentrepreneurship Awards:

VICTORIA A. BANTILLAN

Now fifty-four years old, Victoria looks back and recounts her journey through poverty. Daughter of a sugar cane plantation worker and one of thirteen (13) children, Victoria was forced to abandon her education at the age of ten (10) in order to find work and help her parents feed her twelve (12) siblings. Like many children in that social stratum, she was expected to marry at a tender age of 18. She married 24-year-old Roberto, also an elementary school drop out who, like her parents also worked on a plantation. Her life could so easily have mirrored that of her parents and her husband's family; although she never looked down on the lives of her family, Victoria wanted more for herself, her husband and their children.

It took some persuasion by a friend to convince Victoria to attend a Project Dungganon orientation in 2004. She felt that loans were a headache and weekly center meetings a bother – something that would take time away from her work as a plantation worker. However, she knew that her dreams wouldn't be realized without taking a risk and grabbing an opportunity. Her life as an entrepreneur was, however, a tumultuous journey. Her first loan of Php5,000 was used to start a "sari-sari store" – a very small convenience store selling rice, local snacks, drinks, and other small items. Many of her customers, however, paid on credit, or "utang" in the local dialect. Needless to say, the business didn't thrive. She then tried her hand at selling used clothes

(RTW), but still the business suffered. Despite this, Victoria was able to maintain a 100% repayment rate with Project Dungganon.

In 2008, she and Roberto attended a technical training workshop on Mushroom Culture administered by the Office of the Provincial Agriculturist (OPA). The free workshop attracted many of her comrades in the farm and surrounding areas. By the end of the 3-day workshop, only Victoria and Roberto took the opportunity to continue intensive training with OPA personnel.

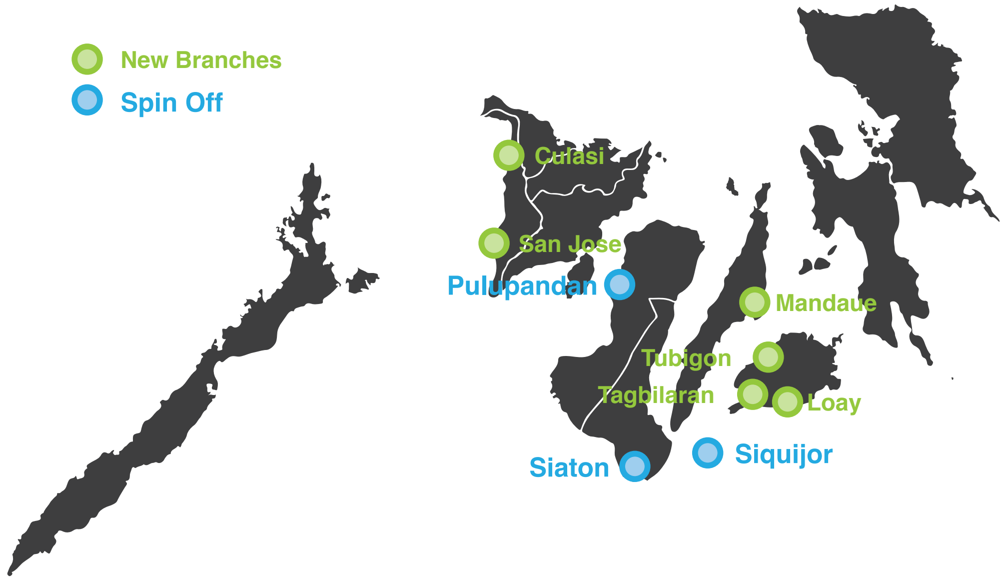
Victoria found the cultivation of mushrooms fairly straight-forward. She observed that following the OPA-taught procedures of shielding the fungi from contaminants was key to the success of her stock. Fruiting bags inoculated with spawns incubate for 45 to 60 days. The bags are then transferred to dark greenhouses where spawns are left to grow until they are ready for harvest. The discarded growing medium was then used to feed the African Night Crawlers that produce vermin castings. Victoria and her husband Roberto would harvest three (3) to four (4) times a year.

Initially, the couple would sell their mushroom harvest in neighborhood stalls within their community and in the nearby public. Victoria then ventured to the neighboring towns and cities selling her mushrooms in their government offices. Today, Victoria serves major markets and supplies several well known institutions such as the Seventh Day Adventist Hospital, Fresh Start Organic Products Company and May's Organic Garden Restaurant, all recognized for offering quality organic produce.

What they lack in their formal education they have made up with their business and farming acumen. Today, Victoria and Roberto are recognized for their expertise in mushroom production and continue to be invited as resource speakers by farmers and schools. Their most recent engagement was training a group of agriculture students from the Central Philippines State University (CPSU) in Kabankalan City. The students went to Barangay Cabadiangan, where they have their farm and stayed for a week to gain hands-on experience and knowledge from the couple.

The Bantilan's have four (4) children; the youngest of which recently graduated with a degree in B.S. Criminology.

NEW BRANCHES & SPIN OFFS



What gaps can be filled by the opening of these new branches?

REGIE JUMUAD (Branch Head): Opportunities to uplift the lives of the poor.

ROQUE CACERES (Area Supervisor): Considering the economic condition of Siquijor, I am confident that our basic products, services and special products will serve our potential clients in this area well. As our clients and their businesses grow, I see our Special Loans and Green Products playing a larger role in their lives.

ROWENA HERNAEZ (Area Supervisor): Expansion and opening new areas or branches is a great opportunity for the organization to make change and move the organization forward. Expansion means growth and a key factor in exploring new markets. As the organization grows, so too do the opportunities of the NWTF team and others looking to start their careers with roles and positions needing to be filled.

How you can you personally contribute to fill these gaps?

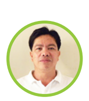
REGIE JUMUAD (Branch Head): By introducing our loan products and green loan products so we can help the community.

ROQUE CACERES (Area Supervisor): I can make a difference by educating, motivating and leading the staff assigned in this area to recruit more potential clients and rehabilitate inactive clients living in this area; offering our new products; supporting clients in improving their businesses and giving additional knowledge and skills through trainings and workshops.

ROWENA HERNAEZ (Area Supervisor): As a supervisor in this new area, I am looking forward to leading the team, encouraging new ways of thinking and finding innovative ways to approaching the challenges that a completely new area brings, and finding new ways of getting satisfaction in my career.

How do the clients feel about this new branch?

REGIE JUMUAD (Branch Head): Our clients in and around Siaton are appreciative and happy that a new branch has opened in the area. Prior to the branch opening, they had to travel over an hour to carry out transactions.

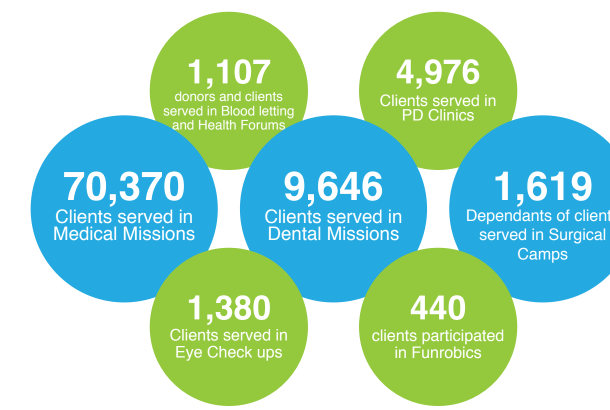


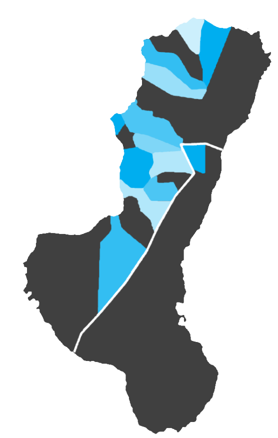
ROQUE CACERES (Area Supervisor): From two months of observing and consulting both staff and clients, they say they are now more confident that Project Dungganon will deliver services on time and concerns quickly addressed since they no longer have to wait a week like they previously had to do. The closest branch back then was 46 miles away.

ROWENA HERNAEZ (Area Supervisor): Overall, clients are happy that a new branch has opened up. Undeniably, there are a few who remain skeptical of the organization and its services, but I am confident that they will soon realize we are invested and committed in our mission to be their support in providing them with what they need to succeed in business.

THE PD CLINICS & MEDICAL MISSIONS

Health promotion, preventative medical care and curative care steer a number of the Client Services Department's initiatives as chronic diseases are some of the leading causes of disability and death in the Philippines. The "Medical Mission", a client-oriented program is designed to address the health concerns of the clients and their families. The program offers free medical consultations with free medicines, dental services and surgical missions, namely circumcisions and cleft palate procedures. The medical and dental missions are held twice a year at every branch. Recently, additional services have been offered including electrocardiogram reading, glucose testing, as well as ABI screening in select branches.





Apart from the medical missions that take place throughout the year, PD Clinics were opened in fourteen (14) branches, namely:

- Bago
- Silay
- Cadiz
- Manapla
- Pulupandan
- Hinigaran
- Pontevedra
- La Castellana
- La Carlota
- Canlaon
- Isabela
- Kabankalan
- Binalbagan
- Talisay

Lifestyle Diseases such as Diabetes and Heart Problems are becoming more and more prevalent. NWTF is aware that these can be prevented with proper education and exercise. In line with this, NWTF has an ongoing partnership with the Diabetes Information Team and Pulmonary Team through the annual Diabetes Awareness Month culminated by the Funrobics competition wherein members and staff join in the activities such as walking and a dance competition where NWTF's clients showcase their talent. There are also seminars and free consultations and laboratory check ups, namely Random Blood Sugar (RBS), Electrocardiograms (ECG), Blood Pressure and Glycated Hemoglobin (Hba1c) testing in selected areas during medical missions.

Capacity Building WORKSHOPS

Doormat and Pot Holder Making

Clients learn the art and techniques in making rugs and pot holders. They then use these skills to improve and/or expand their businesses.

Wealth Management and Savings Generation

This is a financial literacy workshop that aims to increase participants' level of awareness on savings and personal wealth management. The basic concept and principles of saving and understanding family cash flow are the key topics of this training course.

Center Leadership and Stewardship Training

This training intends to provide insight into essential servant leadership attitudes and skills as center leaders, as well as broaden participants' perspectives as effective leaders in the community.

Generate Your Business Idea Training

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

Livelihood: Macramé

Clients learn different techniques in macramé to make an assortment of basic designs and unique pieces.

Basic Bookkeeping

This training gives participants basic knowledge on recording that they can use in their business, i.e. record daily sales and expenditures to see if the business is generating income.

Meat Processing

Fiipinos are passionate about eating and many NWTF clients are keen on putting up small restaurants, called "*carinderias*", usually straight out of their homes. In this training course, clients are taught several recipes that are staples for any *carinderia*, such as chorizo, tocino (processed breakfast meat), and siomai (dumplings).

Micro Insurance IMPROVEMENTS

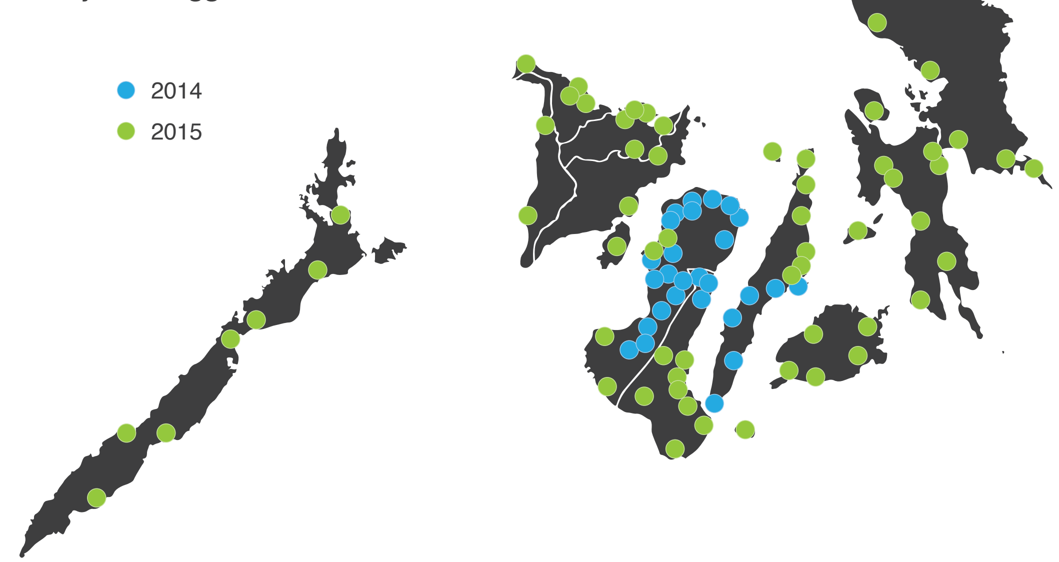
The Dungganon Memorial Plan is a non-financial, supplemental package offered to all clients to lessen the financial burden from the loss of a family member. The plan serves to protect the businesses and savings built by clients, providing security and the means to honor past love ones with dignity and pride.

The current weekly amortization of Php3.00 (USD 0.06) includes a half or full glass casket; embalming services; 7-15 days viewing period in the funeral home inclusive of facilities and equipment; use of a funeral car during the procession and Php 5,000 (USD 106) worth of groceries.

OLD PLAN	NEW PLAN (Upgrades)
Ordinary/Charity Casket	Full Glass/Half Glass Casket (May vary in different PD Branches)
7 days viewing period	10-15 days viewing period
Free use of Mortuary equipment such as candle holder, crucifix, lights, carpets and curtain	Free use of Mortuary equipment such as candle holder, crucifix, lights, carpets and curtain
Free use of funeral car within the PD branch coverage	Free use of funeral car within the PD branch coverage
None	Php5,000 worth of groceries as added benefits

"The benefits that my wife received from Project Dungganon have been a great help to our family especially when she was in the hospital. The grief we feel from her loss is, in a way, eased because the burden of worrying about the financial cost of a funeral has been lessened by the assistance of her memorial plan."—Rene Sayon (Husband of Project Dungganon Client, Mayline Sayon)

Project Dungganon Branches with MAF 11



NWTF SCHOLARSHIP PROGRAM

The scholarship offering has two types, the Dungganon Scholarship Program (DSP) and the Dungganon Educational Program (DEP). Aside from the scholarship grant, the DSP provides monthly food allowance for the scholars. Similarly, the DEP is designed to cater to the most marginalized students where the Progress Out of Poverty Index (PPI) score serves as a benchmark in screening applicants.

There have been over 145 graduates of the NWTF Scholarship Programs since launching in 2004. Nineteen (19) have joined the NWTF Team, both in the head office and its branches; forty-six (46) employed in other companies; and two (2) are proceeding to Law.

Like so many in other countries, there are those who need or simply opt to take vocational courses in order to join the workforce as soon as possible. It is for this reason that select individuals of the NWTF Team focused on creating the Technical-Vocational Educational Program, working with local government agencies, associations and businesses to offer this fast track to employment, made available to NWTF clients' children. Since it started, one hundred forty (140) have successfully completed the program. Among the graduates, sixty-six (66) are Food & Beverage (F&B) students who are currently undergoing on-the-job training (OJT) at esteemed hotels and restaurants in Bacolod and Kabankalan cities. Eight (8) students who attended the Department of Health-Licensed Massage Therapy NCII Course are currently employed in a spa in Ilollo City.

In 2015, the Community Based Training Program (CBTP) was developed, offering free training in F&B courses. NWTF partnered with the government agency, Technical Education and Skills Development Agency (TESDA), and TESDA accredited schools to be able to offer this opportunity to qualified students. Many companies recognize and hire TESDA Certified individuals, especially in the fields of F&B, electrical mechanics.

NWTF-PD Scholars taking Degree Courses

	DSP	DEP
First Year	129	
Second Year	64	
Third Year	92	54
Fourth Year	137	88
Total	**422**	**142**

NWTF-PD Scholars taking Technical-Vocational Courses

Course	# of Scholars granted for FREE scholarship offered by affiliate school
Contact Center Services NCII	29
Food & Beverage Services NCII	4
Housekeeping Services NCI	8
Food & Beverage Services NCII for Community Base Training	66
Total	**107**

Course	# of Regular Scholars
DOH-Licensed Massage Therapy	8
Housekeeping	7
Food and beverage Services NCII	3
Organic Agriculture NCII	16
Total	**34**

Norberto Deja: A SCHOLAR'S STORY

Many children are thrust into lives facing trials that seem insurmountable: some may have irresponsible parents who place far too little care about their future; some are exposed to problems as drugs and alcoholism. Despite those major roadblocks in life, there are children who have the spirit to face the challenges. They channel the hardship and pain and convert it into hope that fuels their drive, pushing them to dream bigger, aim higher and achieve greater goals. They are children who learn the essence of hard work and perseverance. Norberto is one such child.

Born on November 17,1989 on Bantayan Island in northern Cebu, the second-eldest of ten (10) children to a fisherman and a housewife—Norberto's life would seem bleak to many outsiders. Growing up he witnessed the sacrifice and grueling struggle his parents went through just to put food on the table and make ends meet. On one of those days he vowed to never to be a burden to his parents or his siblings. He focused on his education: riding his rusty old bike to and from school, packing his share of rice and small fish for lunch each day, staying in the classroom during recess so as not to spend on treats or get into any trouble with other children. He carried on like this till high school, a period in his life that presented a new challenge come graduation. How was he going to proceed to college? His parents couldn't afford it, especially with eight younger children to support.

Norberto turned to prayer and held firmly to his faith. In February 2006, only one (1) month before graduation, NWTF announced the enrollment of the Scholarship Program's examinations for the school year 2006-2007. His mother, a client of NWTF for seven (7) years jumped at the opportunity and assisted him in collecting and passing all the necessary requirements. "Nothing can stop me now. This is my only chance and I will not let this opportunity pass. This is the only way that I will be able to go to college. This will be the way that I can help my parents." For the first time in his life, Norberto travelled by boat outside Bantayan Island to Bacolod City where examinations were being held in the NWTF head office. Not knowing a single person in Bacolod City and with roughly USD 30 in his pocket for his entire stay, someone from the NWTF office offered him a place to stay till his return trip home the day after examinations. Of the seven (7) examinees from Bantayan Island, Norberto was one of the two who were accepted into the NWTF Scholarship Program. He got a full scholarship for tuition and miscellaneous fees with monthly food allowance.

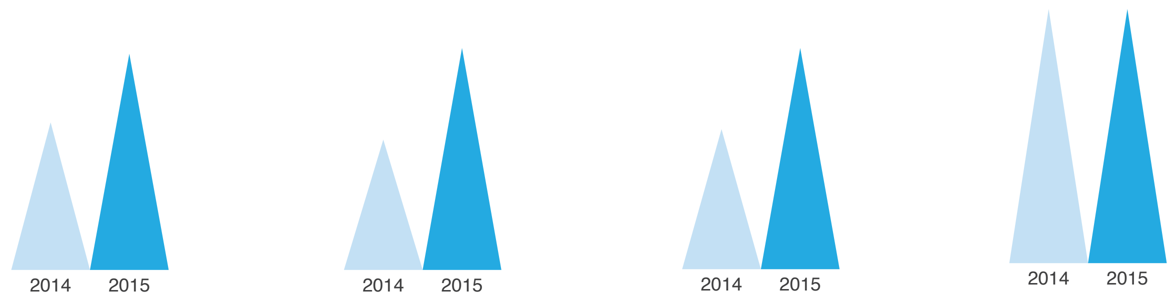
Even with the help of the scholarship, Norberto remained frugal. He used his high school uniform, sewing his college insignia on its breast pocket and rode his trusty old bike. He remained dedicated to his studies, his life revolving around his education. He recognized the significance of this opportunity to further his education, especially knowing that his eldest brother gave up his chance to an education in order to help his parents and siblings.

Norberto clung to the words of Colin Powell: "A dream doesn't become reality through magic; it takes sweat, determination and hard work". University was not an easy time for him, and it took just that – sweat, determination and whole lot of hard work. In April 2010, that hard work was rewarded with a college degree (BS in Commerce Major in Management Accounting) and an Academic Award for getting the highest grades among the Management Accounting students.

Today, Norberto is a bookkeeper in Dungganon Bank, Inc. on Bantayan Island – his hometown. A year prior to transferring to DBI Bantayan, he was a Loan Officer in Project Dungganon Catbalogan Branch on Samar Island. "My family and I are very grateful to Project Dungganon. The scholarship was a way out for me, for our family. I do not at all look down on my father being a fisherman, and I know deep in my heart that if I wasn't able to attend college, I would be out on the seas as well. Now, I am so proud of being able to help my parents financially and to help put my younger siblings through school. It is my greatest achievement and an investment that will forever benefit my family."

"I chose to work in NWTF because I want to be an instrument to help and serve other people especially the poor, to help uplift their lives just like NWTF has done for me and my family."

PD Grad

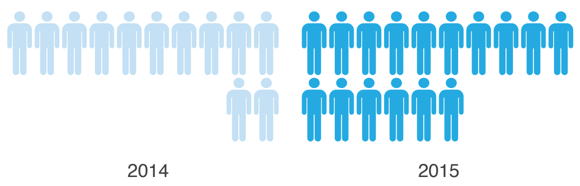


No. of Accounts with Loan
2,105

Disbursements
Php 174 M

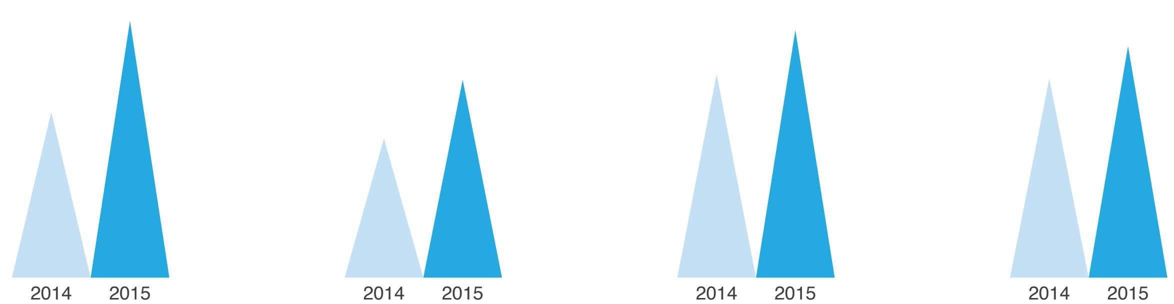
Portfolio
Php 86.4 M

Repayment Rate
99%



Loan Officers
16

Kasanag

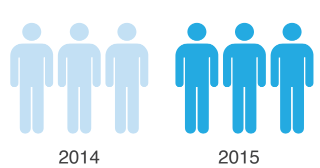


No. of Accounts with Loan
1,988

Disbursements
Php 61.5 M

Portfolio
Php 77 M

Income generated
Php 7.2 M



Loan Officers
3

ROSITA I. PABALAN

PD Grad Client

2015 Citi Microentrepreneurship Awards Nominee

Capital, hard work, compliance with business regulations, compassion for employees, strong customer relationships, and product quality–these are the reasons for her success, Rosita Pabalan says when asked during an interview. In 2015, Rosita was nominated for Citibank Entrepreneur of the Year.

Learning the fish cracker business after years of working with her father-in-law, Rosita and her husband Kent Pabalan ventured on their own with a Php5,000 loan from NWTF in 2009. Kent focused on production while Rosita on marketing their product around Cadiz and neighboring towns in Negros Island. From the start, Rosita knew the value of good relationships with employees and customers. She devoted much of her effort in cultivating new business relationships and nurturing existing ties.

Fast-forward to 2015, on her 4th loan cycle of Php80,000, the Pabalan's begin supplying fish crackers to six major towns and cities in the province; all three children are in school; they've ventured into the tricycle rental business; and have invested in several properties.

Till this day, Rosita is driven by her determination to provide for her children's needs, especially a proper education—herself a graduate of a local college, Colegio de San Agustin. She aspires to grow her business and build a better manufacturing facility for her product and aims to supply other markets in and around her province.

Asked what advice she can give other women entrepreneurs, she says, aside from the obvious–having the capital, a business owner must be good to her employees. They must be treated fairly, compensated well and given all the benefits due them. As the owner, you must be there to help them in their time of need. Rosita has helped a number in her community financially, aside from her employees. If you have the means to help, do so, she says. Asked what "not to do" as a business woman, she replies, 'never be rude to your customers; always make sure to help them as much as you can.'

DO-IT and NIS

Dungganon Office of Information Technology and NWTF Integrated Systems

As NWTF goes into more areas, offers more products and provides more services to our clients and the communities we work in, service delivery has become increasingly important. It is now a matter of how quickly we can get the right information to the decision-makers at various levels of the organization, whether they are head office managers, area heads or even loan officers in the field.

Putting in place a system that is fast, reliable and accurate is certainly not easy in the rural areas. Communication and network infrastructure is poor and undependable while cost is prohibitive. However, the system needs to be in place for us to provide better service to our clients. In this regard, NWTF decided to plan the migration of most, if not all of its systems to centralized ones so that data is properly stored and information is readily available anytime, anywhere.

In 2015, Dungganon Office of Information Technology (DO-IT) completed the development of a centralized loan tracking and savings system, the upgraded version of CESUCO. Dungganon Bank now uses this and testing is already in place to implement a similar system for NWTF. Thorough reviews, development and testing are currently ongoing for the other systems used by the organization—Cash Management System, Accounting System, and others.

To make sure that all the systems mentioned above will work well, NWTF has invested in NWTF Integrated Systems (NIS) to come up with the proper network infrastructure that will support them. A state-of-the-art data center has been set-up to cater to the needs of NWTF and DBI Operations. This data center, located at the New NWTF Building in Bacolod has the following features:

- 40 sqm (expandable to 80 sqm) fully equipped data center with a 20kva standby UPS load capacity, a 7.5T Down-Flow UniFlair Precision Air Conditioning Unit & a FM200 Fire Suppression System
- Capacity to hold at least 10 42U Racks
- Equipped with environmental monitoring for leak, vibration, temperature/humidity sensor and security video
- Has a 10G Fiber Network that connects the two NWTF Buildings

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

Really, these investments in technology form part of the over-all push of NWTF to not only secure the future of the organization, but more importantly, cement its commitment to provide better service to its clients and the community.

Water Access, Sanitation and Hygiene (WASH) Program OPEN MODEL

Water. Sanitation. Hygiene. Access to these essentials is a challenge shared by poor around the world. Communities, governments and organizations working to provide these know far too well the dire effects of the lack thereof, and it continues to remain high on the list of priorities in overcoming poverty.

In 2014, NWTF launched the Water Access, Sanitation and Hygiene (WASH) Program to address these issues: limited access to clean drinking water and substandard sanitation practices. The organization offered WASH Loans to clients that would make it possible for them to cover the labor and material expenses of a water connection, purchase of a water filter, or construct a sanitary toilet through NWTF accredited masons.

Initially, a franchise model was established allowing masons to be become franchisees and authorized installers of sanitary toilets in their communities. This model was successful in ensuring that the toilets met the standard sanitary requirements and that it created new entrepreneurs in local communities. However, these franchisees were not able to meet the increasing number of NWTF clients wanting to have toilets installed in their homes. They simply could not cope and NWTF was not able to rollout the project as initially planned.

After some research, it was decided that an open model would far benefit the clients, giving them the freedom to canvas and choose their own masons, or from a list of NWTF accredited ones. The accreditation of local masons ensured that standard sanitary requirements are met, while accrediting more local masons in an area would give the community an opportunity to earn from their work on these projects.

WASH Officers were also trained to complement this model; educating clients on proper sanitation, hygiene and the importance of clean drinking water during Center Meetings, and introducing the WASH products to address their needs.

By December 2015, one thousand two hundred sixteen (1,216) toilets were installed across the 34 branches in Negros Island, five hundred fifteen (515) water filters released, and seven (7) water connections with water service providers in Manapla and Sagay branches were made. These numbers are expected to increase soon with the anticipated launch of this project to all other branches of NWTF in Panay, Cebu, Bohol, Samar, Leyte and Palawan.

In 2014, NWTF partnered with water.org, an international, non-profit organization that provides innovative, market-based solutions to bringing water and sanitation around the world. Water.org provides grant funding and technical assistance allowing NWTF to offer WASH loans to its micro finance clients. As of December 2015, the organization is well on track in achieving its target of 15,000 WASH Loans by 2017.

The Dungganon Water Filter enables members to filter water usually coming from "deep-well" sources and have safe and clean drinking water.

Members can choose between bamboo, plywood, or concrete outhouses, depending on their budget. All toilets come with a porcelain flush bowl and a septic tank.

Reintroduction of Energy-saving COOKSTOVES

Common sight in the Philippines is a woman or child carrying a load of chopped wood on their heads or backs. This bunch of 2 to 3-foot lengths of wood is processed in their homes and sold as fire wood or charcoal to their neighbors or to middle men who then re-sell the charcoal in local markets. The vast majority of the poor in this country rely on wood and charcoal daily to cook their meals or to simply heat water. Thick black soot coats their cook pots, tables and the walls of their homes and businesses. Needless to say, large quantities of wood and charcoal is used and wasted daily due to its inefficiency.

In 2009, NWTF introduced cost-efficient, energy-saving cookstoves to its clients for their households and small businesses. The Envirofit Cook Stove, a spin-off of Colorado University's Engines and Energy Conversion Laboratory and manufactured in different parts of the world, is built from high quality, durable material that is easy and safe to use; needing 30-70% less wood or charcoal, cuts cooking time in half and reduces CO_2 emissions by 40-60%.

From 2009 to 2013, more than 3,500 clients took out loans of between Php1,800 to Php2,500 for these cook stoves.

In early 2013, NWTF's distribution of these cook stoves was put on hold because of importation roadblocks. It took close to two (2) years to find a distributor, who now works directly with NWTF. In the third quarter of 2015, two new types of cook stoves were reintroduced to clients: the ECONOCHAR Charcoal Cook Stove and the ECONOFIRE Wood Cook Stove. The cook stoves reduce charcoal consumption by up to 57% and wood consumption by up to 68%, respectively.

High-Capacity SOLAR PRODUCTS

In 2009, NWTF first introduced solar products to provide clients with affordable and reliable energy. It started with a range of small desk lamps and solar lamps with mobile phone chargers. Over the years, clients have integrated solar lamps in their homes and businesses. In fact, it has become a staple "appliance" for the home and business that many clients aspire to own.

BF Desklamp

- 1.5 watts with 3 light modes
- Runtime:
  - Low – 50 hrs.
  - Medium – 7 hrs.
  - High – 4 hrs.
- 1 Solar Panel
- Cell phone charger

Seeing that the small units were being used both in clients' homes and businesses, the Strategic Projects Team worked on finding cost-efficient, larger capacity solar systems to meet their diverse needs and maximize utility.

The GreenLite 10W and 30W with Stand Fan are products that have evolved as a result of continued consultations with the clients and staff product tests since NWTF started the Solar Product Loans six years ago. These larger capacity units are typically used in bigger households that have already tried the smaller systems and have a need to use more lights or need the fan for comfort and other such needs.

GreenLite 10W (3 lights)

- 10 watts with 3 lights
- Runtime:
  - 1 Lamp – 12 hrs.
  - 2 Lamps – 9.8 hrs.
  - 3 Lamps – 6.5 hrs.
  - 3 Lamps + Charger – 4.2 hrs.
- 1 Solar Panel
- Cell phone charger

GreenLite 30W (4 lights) with stand fan

- 30 watts with 4 lights
- Runtime:
  - 4 Lamps – 14.7 hrs.
  - 4 Lamps + charger – 10.4 hrs.
  - 2 Lamps + charger + fan – 6.8 hrs.
- 1 Solar Panel
- Cell phone charger
- Stand Fan: Timer – 6 hrs.

NWTF has sold more than 1,000 units of these GreenLite systems, while total no. of solar systems sold in 2015 is 5,300 units.

Irene Toledo: TAKING HOLD OF OPPORTUNITIES

It is common in many impoverished Filipino families that the eldest children sacrifice their education to help their parents and younger siblings financially. Irene Toledo is no exception. It was especially hard for Irene when her father died, having to carry the load to support her mother and work to put her two younger siblings through college.

Her story begins in Himamaylan, a moderately sized third class city in Negros Province, with a population of just over 103,000 (2010). Irene did not think of leaving her city but rather recognized a business opportunity. The main mode of transportation in Himamaylan includes pedicabs and tricycles (motorcycles with side cars attached). She sought to be a supplier of spare parts for these motor cab drivers, offering 30 to 60 day payment terms with interest. Like many in her position, Irene took out a loan with a moneylender who was charging her exorbitant interest rates. She endured this burdensome lender-borrower relationship for three solid years.

In 2005, she was introduced to NWTF and learned the concept of microfinance through the initial orientation, and acquired additional business skills during the center meetings and various training workshops offered by the organization. Irene's initial loan was Php 3,000.00, roughly USD 60 if converted today. As her customer base grew, her inventory did so as well. She diversified her merchandise, offering electrical and fishing parts to cater to the large fishing community of the city, opening a store in the public market. Only a year after her first loan with NWTF, Irene made the decision to put up a hardware store and became the largest supplier of spare parts, electrical, fishing and hardware supplies in Himamaylan. Irene did not stop there; in 2007, she established a pump boat (outrigger fishing boat) fabrication business with an average sale of two (2) boats per month.

Irene employs five (5) workers in her businesses. She readily complies with all mandatory benefits such as Social Security, PhilHealth (health care) and Pag-Ibig (housing) to her employees. Irene is also active in her church and offers monthly tithes, and extends financial help to her neighbors in their times of need.

Today, at the age of 39, Irene admits that she has no plans of marrying, as she is devoted to her businesses. As she initially set out to do, she was able to finance her younger siblings' education–her brother holding a Bachelor of Science degree in Marine Engineering and her sister a Bachelor of Science Business Management graduate.

"I still have my niece and nephew to send to school. Yes, I am single but I am not alone. I am very happy and fulfilled. The success of my businesses, the employment I provide and the help I am able to give to others fuels and inspires me."

KPMG

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REPORT OF INDEPENDENT AUDITORS

The Board of Trustees and Members
Negros Women for Tomorrow Foundation, Inc. and Subsidiaries

We have audited the accompanying consolidated financial statements of Negros Women for Tomorrow Foundation, Inc. (a nonstock, nonprofit corporation) and Subsidiaries (the Group), which comprise the consolidated statements of financial position as at December 31, 2015 and 2014, and the consolidated statements of comprehensive income, consolidated statements of changes in fund balances and consolidated 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 Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with Philippine Financial Reporting Standards, 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.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated 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 about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgement, including the assessment of the risks of material misstatement of the consolidated 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 consolidated 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 consolidated financial statements.

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

Opinion

In our opinion, the consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Group as at December 31, 2015 and 2014, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

R.G. Manabat & Co.

May 24, 2016
Makati City, Metro Manila

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

CONSOLIDATED STATEMENTS OF FINANCIAL POSITION

	December 31		
	2015	2014 (As restated)	January 1, 2014 (As restated)
ASSETS			
Current Assets			
Cash and cash equivalents	**P345,473,382**	P262,434,600	P204,006,638
Receivables - net	**1,725,340,814**	1,395,668,573	1,011,360,334
Other current assets	**43,680,207**	33,924,855	24,931,070
Total Current Assets	**2,114,494,403**	1,692,028,028	1,240,298,042
Noncurrent Assets			
Investment securities	**24,299,759**	25,962,718	23,350,186
Property and equipment - net	**122,081,587**	109,506,454	74,785,126
Real properties acquired - net	**266,921**	316,957	122,304
Deferred tax assets - net	**6,391,075**	3,736,779	3,020,883
Other noncurrent assets - net	**3,006,615**	697,053	709,848
Total Noncurrent Assets	**156,045,957**	140,219,961	101,988,347
	P2,270,540,360	P1,832,247,989	P1,342,286,389
LIABILITIES AND FUND BALANCES			
Current Liabilities			
Accounts payable and other current liabilities	**P421,420,584**	P331,661,154	P291,936,320
Income tax payable	**1,970,795**	1,399,588	2,016,705
Deposits from customers	**69,731,798**	54,165,324	42,770,928
Due to members	**973,117,366**	728,852,367	476,224,701
Current portion of loans payable	**37,873,417**	77,678,737	62,066,609
Total Current Liabilities	**1,504,113,960**	1,193,757,170	875,015,263
Noncurrent Liabilities			
Loans payable - net of current portion	**-**	5,173,418	36,045,422
Retirement liability - net	**10,369,567**	9,188,288	1,815,514
Total Noncurrent Liabilities	**10,369,567**	14,361,706	37,860,936
Total Liabilities	**1,514,483,527**	1,208,118,876	912,876,199
Fund Balances	**756,056,833**	624,129,113	429,410,190
	P2,270,540,360	P1,832,247,989	P1,342,286,389

CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31

	2015			2014 (As restated)		
	General Fund	**Restricted Fund**	**Total**	**General Fund**	**Restricted Fund**	**Total**
NET INTEREST INCOME						
Loans and advances to customers	**P509,726,008**	-	**P509,726,008**	P424,666,281	-	P424,666,281
Deposits and short-term placements with banks	**2,566,969**	-	**2,566,969**	2,537,998	-	2,537,998
Investment securities	**888,890**	-	**888,890**	904,364	-	904,364
	513,181,867	-	**513,181,867**	428,108,643	-	428,108,643
INTEREST EXPENSE						
Loans payable	**2,869,485**	-	**2,869,485**	6,066,511	-	6,066,511
Due to members	**18,885,041**	-	**18,885,041**	14,774,565	-	14,774,565
Deposits from customers	**1,924,464**	-	**1,924,464**	1,765,916	-	1,765,916
	23,678,990	-	**23,678,990**	22,606,992	-	22,606,992
NET INTEREST INCOME BEFORE IMPAIRMENT LOSSES	**489,502,877**	-	**489,502,877**	405,501,651	-	405,501,651
IMPAIRMENT LOSSES	**20,383,618**	-	**20,383,618**	25,538,640	-	25,538,640
NET INTEREST INCOME AFTER IMPAIRMENT LOSSES	**469,119,259**	-	**469,119,259**	379,963,011	-	379,963,011
OTHER INCOME – Net						
Service fees	**91,374,460**	-	**91,374,460**	78,031,942	-	78,031,942
Development cost	**-**	**76,793,761**	**76,793,761**	-	83,659,545	83,659,545
Foreign exchange gain (loss) – net	**(1,698,187)**	-	**(1,698,187)**	573,202	-	573,202
Miscellaneous	**4,888,058**	-	**4,888,058**	6,935,091	-	6,935,091
	94,564,331	**76,793,761**	**171,358,092**	85,540,235	83,659,545	169,199,780
OTHER EXPENSES	**520,658,353**	-	**520,658,353**	382,324,212	-	382,324,212
INCOME BEFORE INCOME TAX	**43,025,237**	**76,793,761**	**119,818,998**	83,179,034	83,659,545	166,838,579
INCOME TAX EXPENSE	**1,929,886**	-	**1,929,886**	2,762,364	-	2,762,364
NET INCOME	**P41,095,351**	**P76,793,761**	**P117,889,112**	P80,416,670	P83,659,545	P164,076,215
OTHER COMPREHENSIVE LOSS						
Item that will not be reclassified to profit or loss						
Remeasurement of net retirement liability	**(P239,652)**	-	**(P239,652)**	(P5,657,593)	-	(P5,657,593)
Deferred tax	**18,371**	-	**18,371**	44,978	-	44,978
	(221,281)	-	**(221,281)**	(5,612,615)	-	(5,612,615)
Items that may be reclassified to profit or loss						
Net change in fair value of available-for-sale securities	**(1,922,657)**	-	**(1,922,657)**	2,704,862	-	2,704,862
	(2,143,938)	-	**(2,143,938)**	(2,907,753)	-	(2,907,753)
TOTAL COMPREHENSIVE INCOME	**P38,951,413**	**P76,793,761**	**P115,745,174**	P77,508,917	P83,659,545	P161,168,462

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

CONSOLIDATED STATEMENTS OF CHANGES IN FUND BALANCES

Years Ended December 31

			Remeasurement		
	General Fund (As restated)	**Restricted Fund**	**Employee Benefits Reserve**	**Net Change in Fair Value of AFS Financial Asset**	**Total**
Balance at January 1, 2015	P327,539,776	P300,568,145	(P2,085,194)	(P1,893,614)	P624,129,113
Grants for operations	16,182,546	-	-	-	16,182,546
Total comprehensive income for the year:					
Net income for the year	41,095,351	76,793,761	-	-	117,889,112
Net change in fair value of AFS securities	-	-	-	(1,922,657)	(1,922,657)
Remeasurement of net retirement liability for the year	-	-	(221,281)	-	(221,281)
	41,095,351	76,793,761	(221,281)	(1,922,657)	115,745,174
Balance at December 31, 2015	**P384,817,673**	**P377,361,906**	**(P2,306,475)**	**(P3,816,271)**	**P756,056,833**
Balance at January 1, 2014					
As previously reported	P212,355,619	P216,908,600	P3,527,421	(P4,598,476)	P428,193,164
Restatement due to change in accounting policy	1,217,026	-	-	-	1,217,026
As restated	213,572,645	216,908,600	3,527,421	(4,598,476)	429,410,190
Grant for operations	33,550,461	-	-	-	33,550,461
	247,123,106	216,908,600	3,527,421	(4,598,476)	462,960,651
Total comprehensive income for the year:					
Net income for the year					
As reported	79,721,842	83,659,545	-	-	163,381,387
Restatement due to change in accounting policy	694,828	-	-	-	694,828
As restated	80,416,670	83,659,545	-	-	164,076,215
Net change in fair value of AFS securities	-	-	-	2,704,862	2,704,862
Remeasurement of net retirement liability for the year	-	-	(5,612,615)	-	(5,612,615)
	80,416,670	83,659,545	(5,612,615)	2,704,862	161,168,462
Balance at December 31, 2014	P327,539,776	P300,568,145	(P2,085,194)	(P1,893,614)	P624,129,113

CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31

	2015	2014 (As restated)
CASH FLOWS FROM OPERATING ACTIVITIES		
Income before income tax	**P119,818,998**	P166,838,579
Adjustments for:		
Impairment losses	**20,383,618**	25,538,640
Interest expense	**23,678,990**	22,606,992
Depreciation	**16,931,958**	17,038,999
Retirement expense	**6,358,824**	5,149,729
Fair value gain (loss) on available-for-sale financial asset	**(1,922,657)**	2,704,862
Gain on disposal of property and equipment	**(28,498)**	(195,390)
Interest income	**(3,847,803)**	(3,456,266)
	181,373,430	236,226,145
Changes in:		
Receivables	**(298,551,747)**	(405,645,909)
Other current and noncurrent assets	**(21,817,217)**	(8,984,040)
Accounts payable and other current liabilities	**44,969,672**	34,892,983
Deposits from customers	**15,566,474**	9,440,854
	(78,459,388)	(134,069,967)
Grants for operation	**16,182,546**	18,547,535
Interest received	**3,847,803**	3,456,266
Income tax paid	**(2,944,485)**	(2,016,074)
Contributions to the retirement fund	**(5,417,197)**	(3,434,548)
Interest paid	**(23,610,768)**	(22,033,460)
Net cash used in operating activities	**(90,401,489)**	(139,550,248)
CASH FLOWS FROM INVESTING ACTIVITIES		
Additions to property and equipment	**(29,507,091)**	(52,012,118)
Proceeds from disposal of property and equipment	**28,498**	447,181
Change in investment securities	**3,585,616**	(2,612,532)
Change in to real properties acquired	**46,987**	(215,037)
Net cash used in investing activities	**(25,845,990)**	(54,392,506)
CASH FLOWS FROM FINANCING ACTIVITIES		
Proceeds from loans	**P37,900,000**	P65,500,000
Payment to loans	**(82,878,738)**	(65,756,950)
Contributions from members	**244,264,999**	252,627,666
Net cash provided by financing activities	**199,286,261**	252,370,716
NET INCREASE IN CASH AND CASH EQUIVALENTS	**83,038,782**	58,427,962
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	**262,434,600**	204,006,638
CASH AND CASH EQUIVALENTS AT END OF YEAR	**P345,473,382**	P262,434,600