

## **Negros Women for Tomorrow Foundation, Inc.**

### ***Brief History***

Negros Women for Tomorrow Foundation, Inc. (NWTF) began in 1984 as a non-governmental organization that aimed to help women achieve self-sufficiency and self-reliance, particularly in Negros' low-income and depressed urban and rural communities. It also sought to increase women's awareness of their economic potential, to increase their skills and productivity, and to improve their quality of life.

In 1989, after conducting studies with the assistance of the Provincial Government, NWTF replicated the Grameen Bank credit methodology and adapted it to the local conditions of Negros Occidental. The program was named Project *Dungganon*, which means "honorable". In 2000, NWTF piloted its individual lending program known as Project *Kasanag* or "light that offers hope".

### ***Methodology***

NWTF has two major loan products in the form of Project *Dungganon* and Project *Kasanag*:

#### ***Project Dungganon***

- This loan program is a replication of Grameen Bank's credit methodology. The purpose of this loan is to provide operating capital to start or expand a client's business. This loan program has a minimum loan amount of PhP 1,000 and a maximum of PhP 30,000.

#### ***Project Kasanag***

- This credit assistance is designed to help individual micro-entrepreneurs who need higher capitalization. Loan amounts under this program range from PhP 30,000 to PhP 100,000.

### ***Area of Operations***

NWTF manages 34 offices in the provinces of Negros Occidental, Negros Oriental, Cebu, Palawan, and Samar.

### ***Clients***

As of December 2004, NWTF had 58,342 active clients, 54,863 of whom are active borrowers. 97.9% of borrowers are women. Its loan portfolio reached PhP 290.6 million.

Active clients	Active savers	Active borrowers	Gender
58,342	n/a	54,863	97.9% women

As of December 31, 2004

### ***Poverty Focus***

NWTF targets clients who are at the bottom 30% of the population. Its average loan balance is PhP 5,297, equivalent to 8.7% of per capita GNP.

Average loan outstanding	Average outstanding loan size/ GNP per capita	Average deposit size
US\$94	8.7%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

GNP per capita: PhP 60,859

### ***Distinctive Features***

NWTF is one of the pioneer microfinance institutions in the Philippines. Presently, it is one of the largest MFIs in the Philippines in terms of the number of active borrowers and the value of gross loan portfolio.

### ***Innovations***

NWTF has broadened its services to include the Project *Dungganon* Insurance Package which covers a life insurance, hospital income benefit, accidental death benefit, permanent and total disablement benefit, medical reimbursements, and weekly indemnity. The insurance package also includes a retirement fund for the members. In addition, the package also covers a member's spouse against death and disablement.

In 2004, NWTF launched its scholarship program that extended scholarship grants to qualified dependents of its clients. In the same year, it also introduced its Micro-crop loan, a new product designed to address the credit needs of agrarian reform beneficiaries, giving them the opportunity to cultivate their own land and retain ownership of it.

### ***Financial Results***

NWTF's total assets amounted to PhP460.8 million as of December 2004. It had liabilities and equity worth PhP 372.9 million and PhP 87.9 million, respectively. NWTF achieved an OSS ratio of 102.8% and an FSS ratio of 100.7% in December 2004. Outstanding loans at the end of December 2004 reached PhP 290.6 million with PAR > 30 days of 4.6%. (Source: NWTF Annual Report 2004 – OSS, FSS, PAR)

Loan portfolio	Portfolio at risk > 30 days	Savings deposits	OSS / FSS	RoE / RoA
US\$ 5.2 million	4.6%	n/a	102.8 % / 100.7%	n/a

As of December 31, 2004

Exchange rate: US\$1 = PhP 56.27

### ***Challenges and Development Plans***

Major challenges faced by NWTF include the maintenance of high quality of portfolio and the introduction of a loan product that focuses on housing. In NWTF's 2004 Annual Report, one of the goals of NWTF is to reach 200,000 clients with a loan portfolio of PhP1 billion by year 2007. Action plans to achieve this goal are to expand to new areas, intensive marketing in existing areas, and loan product development.

### ***Inclusion in the Financial Sector***

In June 2005, NWTF established *Dungganon* Bank, Inc., a microfinance thrift bank. *Dungganon* Bank gives NWTF an opportunity to expand its outreach and cover as much clientele as possible while working hand-in-hand with Project *Dungganon* and Project *Kasanag*.

**Sources**

NWTF Brochures

NWTF Annual Report 2004

NWTF Annual Report 2003

[www.nwtf.ph](http://www.nwtf.ph)

Microfinance Council of the Philippines Database