

# Reliable Services, Competitive Products

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## KCCDMFI 2018 ANNUAL REPORT



**KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT AND  
MICROFINANCE FOUNDATION INC.**

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## VISION

A leading, sustainable and reliable partner of empowered organized poor communities in the Philippines.

## MISSION

In partnership with its allied institutions, KCCDMFI will continuously provide responsible and competitive microfinance products and services for the empowerment of its partner-organized communities.

## CORE VALUES

**COMPASSION** - The heart and soul of KCCDMFI is compassion for the poor. This means having sympathy for the hard life of poor people; sharing their fears and hopes; and being devoted to alleviate their condition. It also means recognizing their God-given dignity and rights and having faith in their capacity to improve their lives with the right resources and opportunities.

**SERVICE** - The purpose of KCCDMFI is to serve the poor, predominantly women-headed households, with low levels of formal education and burdened with care for their family. Staff should acquire and put to practice the knowledge, skills and attitudes of social workers in dealing with them as unique individuals with their own life history and capacities. Staff should know them not just as clients and customers, but also as partners working to improve their livelihood and living conditions.

**EXCELLENCE** - We strive to be the best banker for the poor by providing them the most appropriate loans and services that can mobilize fully the assets of poor households such as their skills, social network, savings, access to land and natural resources, ambition to feed their family, build decent housing and send their children to school for a better future. We are always seeking ways and means to improve our products and services through continuing education, research, study, mentorship and training of staff and clients. We aim to employ the best and the brightest staff, provide good compensation and benefits and build up leaders in the community.

**HONESTY** - Honesty is the best policy at all levels of the organization. Honesty is being truthful and fair in all dealings within the organization, with clients, stakeholders and government. We practice zero fraud by any staff. Fraud destroys the job and life of erring staff, destroys the organization and harms the poor we aim to serve.

**TEAMWORK** - Each and everyone in the organization has a role to play and contributes to its success or failure. We achieve our goals by working together as a team. Teamwork makes the dream work.

**BALANCE OF WORK AND LIFE** - KCCDMFI supports a proper balance between work and life of staff and clients. We make sure that daily and weekly working hours are reasonable to provide time for rest and home life. We should learn to work smart and not hard. Work should not just be a means to earn income but must be fulfilling and fun.



KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT  
AND MICROFINANCE FOUNDATION INC.

VISION, MISSION AND CORE VALUES

## STRATEGIC GOALS AND OBJECTIVES OF KCCDMFI

KCCDMFI had a loan portfolio of P143,554,580.03 as of March 2019. It managed a total of 16,256 accounts in 18 branches in Zamboanga City, Zamboanga Sibugay, Zamboanga del Norte and Marikina City. It is currently expanding its loan products to effect a wider inclusion among marginalized Filipinos.

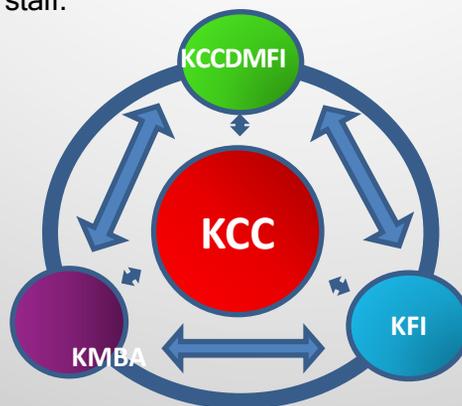
In December 2018 the KCCDMFI board of trustees adopted a new vision-mission-core values-statement, and formulated a five-year plan with the following goals: Targeting 31,948 enterprising poor in defined areas within the Philippines with a P314.9 million loan portfolio and a projected net income of P30.8 million at the end of 2023

KCCDMFI will strictly adhere to the standards of the Microfinance NGO Act on governance, financial (using PESO rating) and social performance to qualify for the 2% gross receipts tax for microfinance NGOs starting January 2019.

KCCDMFI shall pursue the following objectives to push the organization to a higher level in the next five years:

- To synergize the different KCCDMFI institutions that deliver capacity building and enterprise development services;
- To delight members with proactive products and services;
- To make KCCDMFI a happy and rewarding place to work in;
- To ensure financial sustainability of KCCDMFI;
- To actively participate in the microfinance industry and NGO-MF's initiatives; and
- To maintain the trust of partner institutions and regulator agencies.

The illustration below represents the organizational strategy of creating three institutions that deliver services to poor organized communities centered in the barangay-based Kasanyangan Community Clubs (KCCs). These institutions are KCCDMFI, Kasanyangan Mutual Benefit Association (KMBA) and Kasanyangan Foundation, Inc. (KFI). KCCDMFI provides financial services such as savings and loans. KMBA offers micro-insurance services. KFI extends support services in business and community development, and training and continuing education to client-members and staff.



# Message to KCCDMFI

Financial inclusion defined as “the proportion of individuals and firms that use financial services” has developed multiple dimensions. These reflect in the variety of banking services households and enterprises have access to at a reasonable cost such as savings, credit, remittances and pensions.

Crucial to mainstreaming financial inclusion as a global agenda is financial literacy which has been described as “the ability to grow, monitor and effectively use financial resources in enhancing one’s well-being, economic security, family and business”. Financial systems are deemed mature when individuals and families, especially the poor and underserved, are able to make informed choices on how they save, borrow and invest.

Financial inclusion and financial literacy, particularly of the poor and underserved, promote economic growth critical to the national objective of creating a market-driven, efficacious and competitive economy. These concepts have gained currency among policy makers, regulators, researchers, market practitioners and stakeholders worldwide.

Both the private and public sectors are pursuing reforms to hasten the establishment and adoption of good financial principles among Filipinos. Big strides in banking inclusivity and education have been made through new laws and measures such as sandboxing (a computer security mechanism) and digitization. This has made the Philippines a frontrunner in the financial inclusion rankings based on the 2018 Global Microscope Survey.

For its part, the microfinance industry (particularly microfinance nongovernmental organizations or MF-NGOs) has pioneered in championing consumer outreach to basic Philippine industries even in the most far-flung areas of the archipelago. As of June 2019, the Microfinance NGO Regulatory Council (MNRC) has recorded a total of over six million active clients among 28 MF-NGOs accredited under Republic Act no. 10693, also known as the Microfinance NGOs Act.

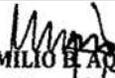
These clients hail from all regions of the Philippines, majority of whom are women. Many come from rural areas and among the fields they are engaged in are: agriculture, fishery, microenterprise, production, trading and transportation. Additionally, these MF-NGOs offer non-financial services to their clientele, further empowering the people living on the outskirts of the metropolis.

KCCDMFI is a partner of the industry in uplifting poor households and generating viable livelihoods since 2005. With over 18 branches and almost 20,000 clients, it has garnered various awards such as the ‘Pioneering Microfinance Institution Serving Hard to Reach Areas’ and ‘Most Outstanding NGO for Mindanao’.

Despite its difficulties, KCCDMFI has remained steadfast in its vision and mission of providing leading, innovative and reliable products to Western Mindanao communities, and earning MNRC accreditation in 2018 and 2019. I would like to recognize the valuable contribution of KCCDMFI in providing financial coverage to and promoting financial literacy among the working poor in the Zamboanga peninsula for more than a decade.

To its board of trustees I wish to extend my heartfelt congratulations. I also wish to cite its president and chief executive officer Ibarra Malonzo for his leadership in KCCDMFI as past chair and his diligent membership in the MNRC dating back to 2017. May KCCDMFI in the coming years continue to deliver financial and social services to communities in Mindanao.

Thank you and *mabuhay kitang tanan!*

  
**EMILIO B. AQUINO**  
Chairperson, Securities and Exchange Commission  
Chairperson, Microfinance NGO Regulatory Council



## Moving Forward: KKCDMFI's Recovery, Stability and Growth

The past three years have been a major challenge for Kasanyangan Center for Community Development and Micro-Finance, Inc. (KCCDMFI): with a membership drop of over 50% among its borrowers, portfolio at risk (PAR) rising to crisis levels, and outstanding loans with creditors going past due.

In the second quarter of 2016, the board of trustees (BOT) was reorganized. Bold steps were taken to right-size, restructure and redeploy management and field staff. Outreach and collection targets were set for field operations along with strengthened incentives for good performance. For efficient and accurate monitoring of operations, state of the art automation technology was installed which provides the BOT and management real-time progress updates. It also shortens response time for risk management. Automation has significantly reduced the need for manual recording, giving more time for field credit officers (FCOs) to interact with members, and to undertake outreach work.

These rigorous and sustained efforts have since increased membership base and loan portfolio. Loan risks, by industry standards, have been consistently on excellent levels. Moreover, KCCDMFI has satisfactorily met its obligations with creditors, thus earning it the status of "credit in good standing". Finally, KCCDMFI has been rated "above average" by the Microfinance Council of the Philippines Inc. (MCPI).

### Moving forward

KCCDMFI has started to put substance into a long neglected but singular feature of the organization - Center for Community Development - with the innovative concept of Kasanyangan Community Club (KCC) which was introduced in all barangays covered by KCCDMFI. A KCC consists of regular members (loan borrowers) and associate members (non-borrowers with voluntary membership) who come together for self-help, addressing broader community problems, especially issues that concern the predominantly female membership of KCCDMFI. Collective efforts are proposed and planned to address the identified community concerns. KCCs raise funds in various ways to support projects and for emergency needs. KCCDMFI also provides a counterpart.

KCCDMFI is carefully venturing into non-traditional MF loan products: seasonal agriculture and aquaculture enterprises specifically for livestock, rice, corn, vegetables and seaweeds growers. These ventures have their usual birth pains, but lessons are quickly learned, and weaknesses addressed. Loans for house repairs and children's schooling have been also extended to member-borrowers in good standing with encouraging results.

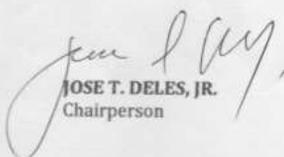
From its Zamboanga peninsula home for over a decade and a half, last year KCCDMFI turned to Metro Manila. Opening a branch in Marikina is an experiment in reaching out to highly-urbanized urban poor entrepreneurs. Setting up the branch and full operationalization predictably encountered rough seas. But close monitoring, early problem identification and consideration of the best possible options work in the branch's favor. Numbers indicate that the branch can attain its year-end milestone, advancing towards self-sufficient and profitable operations.



The BOT, management and staff are proud to issue this 2018 Annual Report, sharing KCCDMFI's strides towards recovery, stability and growth. We are grateful to our growing membership for their loyalty, support and, most of all, their trust in working with KCCDMFI.

In closing, my personal thanks for the hard work of colleagues in the board, management and staff. It's been a pleasure and a privilege to work with you.

*"Donde otros MFIs no se atreven, KCCDMFI vamos."*

  
JOSE T. DELES, JR.  
Chairperson



# The President's Report

This Report covers the last three (3) years of KCCDMFI, from FY 2016 to 2018.

A. FY 2016 was a period of rehabilitation for KCCDMFI. The enactment of the Microfinance NGO Act of 2016 provided KCCDFI the external push to put our house in order. The law, authored by Senator Bam Aquino and Append Party list, provided the legal basis for KCCDFI to undertake its rehabilitation. Whereas before, the Corporation Code and the Securities and Exchange Commission provided minimal guidance to Microfinance NGOs, the phenomenal growth of microfinance NGOs in the Philippines and increasing cases of malpractice and failure pushed Congress to enact the new law. On the other hand, the Microfinance NGOs wanted relief from heavy taxes imposed by BIR applicable to commercial financing institutions.

The new law charged Microfinance NGOs (MF NGOs) a gross receipts tax of 2 percent (instead of 5 percent plus 30 income tax), and required that MF NGOs be accredited by the Microfinance NGO Regulatory Council (MNRC). To be accredited, MF NGOs should get an average score 70 percent on a grading system based on three (3) standards: good governance, social performance and financial sustainability.

Where before most NGOs had passive board of trustees, allowing the President and management a free hand to make major decisions, the new law states that the board of trustees must take the leading role. With this fresh mandate from the law, and pressure from our creditors, the board of trustees took over command of KCCDFI.

In March 2016, the KCCDFI board of Trustees accepted the resignation of Rodolfo Quinday as President and appointed Ibarra A. Malonzo to replace him. The board of trustees was reconstituted with new members to replace three (3) resigned trustees. The board held ten (10) meetings in 2016 and twelve (12) meetings in 2017.

The board of trustees instituted the following measures within 2 years:

- 1. Retrenched all sixty-nine (69) head office personnel and rehired thirty-four (34) with lower rates;
- 2. Put in place the CASA for strict cost control measures;
- 3. Sold off assets amounting to P20 million;
- 4. Paid outstanding loans due to four financing institutions amounting to P34 million and started paying KMBA at P6 million pesos a year in interest and principal loan;
- 5. Negotiated restructuring of our outstanding loans with National Livelihood Development Corporation and PCFC amounting then to P84 million in principal;
- 6. Suspended the collateralized individual loan product because of low repayment rate.

First, we installed a management information system called "Instafin," that is entirely computerized, no longer manual recording, connecting the field credit officer with head office thru the internet and allows head office to discover fraud immediately. The system will also send text messages to the borrowers immediately upon making a transaction, such as release of loan amount, loan payment, savings, contributions and insurance contribution payment and claims received.

Second, we addressed seriously the challenge of community development. Our trustee Ms. Cabigas initiated the formation of Kasanyangan Community Clubs (KCC) that runs parallel to our centers and branches. The KCC aims to be the organization of our borrowers and potential borrowers to undertake self-help and mutual aid projects. They have their own fund-raising sources such as membership fees, savings and raffle draws to undertake community projects. As local community organizations, they



can access government social services for health, sanitation, education, livelihood development and environment protection.

Third, we have started a business development department that has developed new loan products such as house repair, education loans, and micro agricultural loans and provide business skills training for our borrowers.

Fourth, we are taking better care of our staff by providing them with more benefits and skills training. We still have a long way to go in these four areas.

**B. 2018: Year of Recovery**

Let me now report on 2018. I am happy to tell you that 2018 is a year of recovery for KCCDMFI.

1. Let me show you the summary figures on our microfinance performance for the last three years including 2018:

2. Let me show you our outreach or number of borrowers and their branch location:

We opened 3 new branches in 2018, namely, Liloy, Olutanga and Marikina. These figures clearly show that KCCDMFI is no longer sick. We are now in good health.

C. As evidence of good health we got our initial accreditation from MNRC last year good for one year up to March 2019. We amended our name to KCCDMFI in 2017 as required by MNRC guidelines.

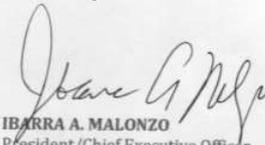
D. We also got our second accreditation from MNRC in March this year, effective April 1 and good for 3 years. This means we passed the MNRC standards for good governance, financial sustainability and social performance based on our application report. But MNRC will review and validate performance and compliance with their directives.

E. Our application for loan restructuring with National Livelihood Development Corporation (NLDC) and with People's Credit and Finance Corporation was assumed by the Land Bank of the Philippine Islands (LBP) upon the dissolution of the two (2) microfinance institutions. LBP approved our application for loan restructuring in December 2018. The principal amount of P84, 000, 000.00, which was deemed payable in ten (10) years, had accumulated penalties and interest amounting to P13, 000,000.00, which was deemed payable in five (5) years.

Meanwhile, Land Bank of the Philippines issued KCCDMFI a Certificate of Good Standing in January 2019.

To sum up our annual report, we have recovered from our downfall that started in 2014, and we have a five-year plan from 2019 to 2023 to grow KCCDMFI by three hundred percent (300%) in outreach, loan portfolio and revenues by 2023. We have recovered in 2018 and we are confident we can move forward to a brighter future.



  
IBARRA A. MALONZO  
President/Chief Executive Officer



# The Board of Trustees



**Jose Deles T. Jr.**  
**Chairperson of the board**

Deles has worked for over 30 years in development and management of donor-assisted governance and public sector reform programs, and has in-depth experience working in post-conflict and Islamic environments, particularly in the Philippines (Autonomous Region of Muslim Mindanao), Afghanistan and Cambodia.

**Atty. Ibarra A. Malonzo**  
**President and CEO**

As president of the National Federation of Labor (NFL), Malonzo spurred the transformation of plantation unions into agribusiness cooperatives under agrarian reform (AR). The spin-off into AR and social forestry eventually led to NGO microfinance work and KCCDMFI.



**Illuminada L. E. Cabigas**  
**Champion of KCCDMFI ComDev and KC Club**

A *magna cum laude* graduate in business administration with a master's degree in public administration, Cabigas is a certified public accountant and former president of Land Bank of the Philippines (LBP). She pushed for creation of the community development unit based in Kasanyangan Community Clubs which initiate projects to uplift the lives of poor families.





**Angela L. Baes**  
**Corporate secretary**

A graduate of Bachelor of Science in Commerce, major in accounting at Ateneo de Zamboanga University, Baes is a former manager of United Coconut Planters Bank (UCPB).

**Czarmilson P. Manza**  
**Treasurer**

Manza is a development professional with more than 10 years of work experience in rural development programs particularly in the fields of agriculture, food security, policy advocacy and organizational capacity building.



**Jun Jay E. Perez**  
**Member**

A master's degree holder in business administration from the *Pamantasan ng Lungsod ng Maynila*. Perez is a former officer-in-charge of the National Anti-Poverty Commission – microfinance unit.

**Hermis S.Tan**  
**Member/Client representative**

A businessman from Alicia, Zamboanga Sibugay, Tan cultivates agricultural lands for copra production. Tan has also developed a modest seaside resort with affordable rates which safeguards the environment and provides some local employment.



## KCCDMFI MEMBERS ESSAY NON-TRADITIONAL LIVELIHOODS

Microfinance and micro-entrepreneurship in the country are now three decades old. Steep competition among microfinance institutions (MFIs) reflects the double truism that even as it provides millions of poor women and their families with sustainable livelihoods, micro-credit is good business. How does KCCDMFI rise to the challenge of growing competition? “More and better” seems to be KCCDMFI’s mantra; being more innovative and being better at what it does.

This annual report highlights the experiences of three client-members as they move out of the traditional *sari-sari* (dry goods) store that is standard for new loan beneficiaries into uncharted waters, so to speak. One member combines fishing and processing of sea cucumber, building fishing boats in the process, another goes hugely into repair and reconditioning of motor vehicles while maintaining a self-sewn mini-RTW (ready-to-wear) line of high-end Muslim gowns, yet a third combines rubber and coconut planting with running a modest seaside resort. KCCDMFI nominated Ridzna Samdani, Darwisa Abbong and Hermis Tan as entries to the 2019 Citi Micro-Entrepreneurship Awards sponsored by Citi Philippines, *Bangko Sentral ng Pilipinas* and the Microfinance Council of the Philippines, Inc.

### ***Ridzna Jandani Abbong: Up from poverty***

The interweaving narratives of class, ethnicity and gender are writ large in Ridzna Jandani Abbong’s life. Ridzna, 37, has been a KCCDMFI member-beneficiary since 2003.

The oldest of five children abandoned by a father who sought employment in Malaysia (and quietly remarried there), Ridzna had to give up dreams of learning teaching in college after completing high school at 17.



As her mother's helpmeet, Ridzna engaged in production of *copra* (dry coconut meat) and steamed grated cassava (*kamanting*), and also vegetable trading. At 18 Ridzna married jeepney driver Madz Abbong who had helped her transport goods over the years. With the birth of a daughter the couple ventured to Malaysia. No child was born in Malaysia in their seven-year stay because their priorities were to earn and save. They returned to Jolo in 2000 with over P40,000 in earnings converted into jewelry. But with poor livelihood prospects there and to avoid getting entangled in a family conflict they moved to Zamboanga City in 2001 with only a jeepney and sparse belongings.

Parked by the boulevard, the jeepney served as family lodging for a year until an aunt allowed them to stay in a small room in a rented house in Rio Hondo. By then Ridzna had two sons. In 2003 she joined KCCDFI (later KCCDMFI), her first loan funding the sales of foodstuff including corn on the cob, and coconut milk and sugar in sachets. With a second loan of P6,000 Ridzna opened a small dry goods store, adding eggs, rice and other items on sale.

With a third loan the couple purchased a welding machine, needed for Madz' first jeepney repair job. The police customer provided everything else including a pair of scissors and plain metal sheets. The Abbongs netted P15,000 on this first job presaging the robust profits on future jobs. Typhoon Sendang which devastated Northern Mindanao in 2011 proved a bonanza to the Abbongs.

Earlier a P12,000 loan from KCCDMFI netted them P50,000 in jeep repair which served as their capital in Cagayan de Oro City. They bought 50 muddied machines at P1,500 apiece (some on installment), later sold at P9,000 to P12,000 per unit after cleaning and minimal repairs. They also earned about P60,000 on a new Tamaraw jeepney priced at P21,000 which sold for P85,000. Within a 10-year period starting in 2004-05, Ridzna estimates a total of over 400 vehicles bought, repaired and/or cleaned, and sold.

While the jeepney repair business makes good profits for the hard-working couple, it is Ridzna's business acumen - which she started to develop while vending on Jolo's streets - that is key to their continuing success story. Consider that as virtual refugees in Zamboanga City in 2001 they only had a jeepney and little else beyond the clothes on their back. For about two years they had to make do with jeepney earnings to feed a family of five (another two sons were added later).

With a keen eye for what would quickly sell, Ridzna's KCCDFI loans yielded her tidy earnings daily. Branching out to household items, Ridzna purchased pots, pans, plates and basins for reselling to neighbors sometimes at double the price. In 2016 she ventured into buy-and-sell of pillowcases and bed covers whose poor quality prompted Ridzna to sew the items herself, upping product quality and raising profits. This emboldened her to produce Muslim gowns for women with herself as model.



Ridzna with jeeps for retrofitting.

Her first attempts with cut-out patterns from Manila paper apparently fit her and she now sells gowns at P300-P500 net each. Note that she had no experience or training in dressmaking, to start with.

The Abbong couple has had its share of troubles, most notably in 2013 when a son was jailed on false drug charges. In fact it was his then girlfriend's family which was engaged in drug dealing, he was merely "collateral damage". On a relative's promise that the son would be freed in 24 hours for a sum of P120,000, Ridzna pawned all her jewelry to raise the amount. All she got back was her son's motorcycle. Instead he went to jail, freed only after the efforts of a lawyer who cost P50,000 in legal fees..

For all the travails that fill her 37 years, Ridzna is light-hearted and fetching in her beauty. She recalls how she and her siblings survived on the *kamanting* staple during an impoverished childhood, and how she hardly met any kin during the first years in Zamboanga City. Now relatives are numerous. Ridzna expresses her gratefulness to KCCDFI/KCCDMFI for its invaluable help at a time "when even my own relatives did not extend help". KCCDMFI's credit has afforded her an exit poverty strategy, has provided for her children's schooling (one works as a nurse in Saudi, another is a criminology graduate), and encourages her to pursue her dreams big and small.



Ridzna at work on a Muslim gown and inspecting vehicles for reconditioning.

### ***Darwisa Adil Samdani: Daring and decisive***

Comely Darwisa Samdani, 40, is gentle and soft-spoken, belying the qualities of daring and decisiveness that have brought her business ventures far and wide, literally and figuratively, since she took out her first P4,000 loan from KCCDFI in 2007.

Unable to proceed to college due to poverty, Darwisa married early at 17, the union producing her only child, now newly graduated from criminology. Her husband left for Malaysia in 2004 but, by then, the couple was estranged because, Darwisa says, she "cannot accept polygamy". Darwisa met and married Haier Samdani, captain of a fishing boat. Haier started the sale of small charcoal packs with driftwood in Sibugay converted into coal and sold at P150 per sack in Zamboanga City. With her first KCCDFI loan, Darwisa expanded into selling cooked food and opening a small *sari-sari* store on the side. For two years she also engaged in buy-and-sell of scrap metal and empty plastic containers.

In a few years Darwisa shifted to more valuable marine catch such as *mulmul* (parrot fish), *lapu-lapu* (grouper) and most highly-priced of all ... sea cucumber (called *balat* by locals, a Tagalog term), as well as shells of mother of pearl. She offered higher prices ensuring a steady supply from fishers in nearby barangays. Dried sea cucumber is a top delicacy in China especially among its burgeoning middle class. Fresh sea cucumber sells at P1,800 per kilo, rising to P3,000 per kilo once dried after a 1-2-week drying process.



With a P40,000 loan from KCCDFI in 2010 Darwisa focused on sea cucumber and expansion of her dry goods store. Although lucrative, she stopped the scrap buy-and-sell business in 2012, her energies increasingly drawn to the store (e.g. selling shell for crafts and, later, provisioning the fishing boats) and the building of fishing boats.

The prized marine catch inhabit coral reef and are caught either by hand or fishing spear. (Sea cucumber is also found among sea grass or on the sea bottom and can be cultured.) Scaling up of operations needed having one's own fishing boat.

Darwisa's loans have increased over the years. Darwisa and Haier built their first fishing boat or motorized *banca* in 2011 at a cost of P85,000 which included two 16-hp engines (one as reserve). Subsequently they had a new one built yearly and now have a fleet of six motorized *banca*s. The older *banca*s have been sold off mostly to kin and in-laws, many of whom work on the fishing boats. Each boat has a team of four including the machine operator and two *buseros* (divers).



Darwisa with first-class fish catch.

Meanwhile Darwisa has acquired two pieces of land. The first is a 1.7 hectare-lot planted to 400 coconut trees in Zamboanga Sibugay inherited from her mother, the second spans 3.7 hectares with corn-coconut intercropping. Darwisa plans to expand the coconut plantation. She has also built a P1.5 million home in Sibugay tended by her mother.

When asked about her recording and accounting practices, Darwisa matter-of-factly confessed to having none. One could say, she knows, and grows, business by instinct. When son Bensader married in July, it was like Christmas and Hariraya combined for Muslim weddings are grand occasions. But not to worry about expenses, Darwisa had started saving up for this event long years ago, with no disruption to her business, then and now.

Darwisa plans to build a bigger boat to travel far and catch more. But husband Haier, in his mid-50s, has had to go slow with his weak heart and *unico hijo* Bensader is considering training as a pilot. Again, not to worry about sustainability. This businesswoman, after all, goes by more than instinct. With the schooling, and mentoring, of two nieces and two nephews to serve as her successor generation, her gaze is steady, her grasp sure, future-wise.



Darwisa Samdani with the marine export business she and her husband manage, and with the newly-built fishing boat.





Boy Tan at his Imelda rubber plantation.

### ***Hermis Tan: Career Change in Midlife***

Hermis (Boy) Soria Tan is unlike the typical microfinance client in looks and life story: male, 59, lanky and with experiences that rival the most riveting telenovela. Yet what drives him is akin to the dreams that inspire the critical mass of the country's female micro-entrepreneurs: turning their lives around, providing for family, reaching out to community. But Boy's narrative is more dramatic than most.

In the 1940s his father traveled from Beijing with kin to settle in Alicia in what is now Zamboanga Sibugay province, setting up a merchandise store with his Boholana wife that included trading in fresh and dried fish. Over the years the couple purchased 48 hectares of agricultural land straddling coast and hillside in Barangay Tangalan. But a series of deaths--an older brother in a pirate raid, his mother from cancer, and his father in mediating a fight--compelled the remaining eight children to move to Zamboanga City.

His paternal Chinese grandmother taught the brood to mend sacks of copra and to repack peanuts in sachets for sale. Robust sales of sacks, peanuts and empty cooking oil cans earned enough for grandmother to send all eight kids to school. (Grandma taught them so well, half of the siblings now run their own hardware stores.)

Unable to speak Chinese, Boy moved from Chong Hua school to the city grade school graduating with honors, followed by secondary school in Ateneo, college in Mindanao State University in 1976. Completing a hotel management degree in 1980, Boy stayed on as member of the Darangan Cultural Troupe with an 8-city tour in North America in 1984 and a final performance at the Cultural Center of the Philippines which introduced him to the world of high fashion and modeling.

As male model with lucrative side jobs (such as trading in antiques as protégé of Pitoy Moreno), Boy hit it rich but, soon enough, picked up an ultimately self-destructive habit. Bizarre as it sounds, it was the Twin Towers tragedy on Sept. 11, 2001 that firmed up Boy's resolve. Watching TV footage of the inferno, Boy told himself "This is the right time for me (to break free of the habit)", packed his bags and never looked back.

Soon Boy found his way back to the family land in Tangalan where two brothers had modest fishing operations. He spent a month sleeping and shedding the 15-year old habit picked up in Manila. Boy was soon in full command of his faculties and turned to the family farm. After clearing seven hectares of land, Boy purchased several thousand rubber seeds and polybags with an initial P5,000 loan from KFI (precursor of KCCDMFI). He employed labor from the 48 families that had settled in the family land - the men for clearing and replanting, the women for seed preparation.



The choice of rubber was dictated by soil tests and the fact that rubber yields a monthly income, while coconut earns quarterly. Work on coconut and rubber employs only seven farmers (for maintenance) and a greater number for allied tasks but their true value lies in the stable income afforded farmers.

The plantations have also provided funds to develop a modest beach resort which charges affordable rates. It opened in early 2018 with truckloads of families, mostly from the Subanen indigenous tribe, coming on weekends and special occasions such as birthdays. There is no corkage fee, drinking water is free and so are children 15 and below. Boy plans to open a small restaurant that can provide employment for another handful of people. Labor, as with coconut and rubber, will come from the families settled in the area who enjoy usufruct rights in terms of planting vegetables and rice for family consumption, and also fishing.

Hermis Tan's turning his life around in his late 50s—mobilizing coconut, rubber and a sun-blessed coast, and harnessing human capital in the form of settler families—also presages a turnaround in the life of Barangay Tangalan, nearly 400 kilometers away from Zamboanga City, off-the-beaten track and vulnerable to political instability that has hounded the Zamboanga peninsula since the 1970s or earlier.

In slaying his demons and honoring the promise of life abundant for himself, Boy Tan is sharing that promise with his neighbors, those who till the land and fish the waters and, by that token, helping bring peace and prosperity to a troubled province.



Boy Tan with rubber cup lumps and amidst rice field.

## ***ComDev projects make strides in KCC barangays***

The KCCDFI (now KCCDMFI) was founded in 2005 on the twin mandates of creating livelihoods and building communities, but it has neglected the latter to focus on the former. Fast forward a decade later to a 2016 KCCDMFI board meeting tackling reorganization. New trustee Illuminada (Luming) Cabigas had proposed the setting up of Kasanyangan Community Clubs or KCCs in KCCDMFI barangays as vehicles for mutual aid and protection.

Not a few other trustees and executive staff were lukewarm to the idea, citing the problems of funds and overburdened staff. But Luming won over the doubters with her impeccable logic and some fundamental truths. She stressed that microfinance *per se* cannot address all the issues arising out of poverty: income, housing, education, health. This is where community development comes in which fosters unity among people to help them confront their problems such as lack of housing, toilets, electricity, etc. Hence the concept of a local organization—Kasanyangan Community Club—empowered, able to raise funds and to harness other resources including those of government. Community development proceeds in tandem with business development. But, in the best traditions of community organizing, Luming emphasizes that the birthing process will eventually have to

“let go” because the local organization will have to learn to stand on its own. “No government institution or do-gooder NGO” can achieve the organization’s goals otherwise it will “perpetuate dependency”, she adds.

Thus Luming has helped formulate seven goals for KCCs to be integrated into people’s daily lives. These include livelihood training, entrepreneurial development, decent housing, access to health and social services, education for all, environmental protection, and preservation of arts, culture and sports. After all, Luming concludes, community organizing is a way of life, not a project.

Luming is a business administration graduate *magna cum laude*, and a certified public accountant. Now in her 80s, Luming retired from the Land Bank as senior vice president in 1996, headed the People’s Credit and Finance Corporation (PCFC) in 2003, and was president-chief executive officer of Landbank Countrywide Development Fund until 2010. In 2001 PCFC granted Kasanyangan Foundation, Inc. microfinance unit (KCCDFI’s precursor) a P3 million loan whose renewal hinged on KFI’s spinning off its microfinance unit into another organization. There was apprehension over KFI’s social orientation that might undermine its microfinance operations; KFI had no income-generating projects. PCFC granted the newly-formed KCCDFI a P50 million credit fund.



Luming Cabigas visiting Barangay Concepcion, Ipil, Zamboanga Sibugay.





Unstable footbridge flooded during rains and high tide.



The same footbridge, cemented, as KCC project.

Luming joined the KCCDFI board of trustees in 2014 replete with ideas on how to perk up the organization. Local KCCs were established preceded by orientation sessions in 2016-17. In November 2017 450 representatives from 80 barangays met in a general assembly to form a KCC Federation. Current federation president is Yolanda Sembrano of Barangay Tetuan.

KCCs have four sources of funds: individual members' savings fund with a P20 weekly minimum deposit qualifying non-client beneficiaries to be KCC members; the KCC center fund created through KCC fund raising campaigns which netted P1.4 million in 2018 and P800,000 in 2019; the *Damayan* Fund consisting of P200 yearly payments per member which provides a death benefit of P20,000 to members regardless of cause of death; and KCCDMFI which allocates specific sums for projects.

Grace Beron Rosales, head of KCCDMFI's Community Development (ComDev) unit said that at the beginning it was not clear how the KCC scheme would develop. But as community projects, big and small, started to emerge, things began to fall into place. Examples of small projects are free haircuts and "Operation Tuli", a free circumcision activity undertaken in coordination with seven military doctors, which benefits 122 boys in one day.

Barangay Tolosa in Zamboanga City's east coast has 130 members spread among four centers which meet in succession meet each Thursday morning Barangay Tolosa KCC decided to have a bigger center building was constructed along with a flush toilet. Barangay Mampang also in the city's east coast has a perennial water shortage problem. The barangay has 30 KCCDMFI centers and the decision was to construct a deep well in one center using KCC funds of P17,000. Projects in Barangay Patalon, Talisayan and Barangay Lumbangan, Tumaga pertained to center renovation and purchase of furniture and fixtures, all from local KCC funds. (Bigger projects include construction of a foot bridge, a dryer and installation of a water system which will be featured separately.)





Client-members in Barangay Buluan had limited means of drying seaweed.

Grace affirms that the KCCs have, in fact, contributed to KCCDMFI's outreach and brought in new client-members. As well, potential leaders are identified as in touching base with 4Ps links (4Ps is a conditional cash transfer program of government.) Some barangay folk ask, "Why have the projects come only now? Grace says that the ComDev concept is an organizing strategy in the field, integration within the community which, so far, has hardly been practiced.

Step-by-step community organizing is laborious and time-taking. KCC simplifies the process by calling center leaders to an FGD (focus group discussion) on vision-mission-goals and structures. Shortly after point persons are identified, and plans are drawn up for the broader processes of community integration, and skills training in mobilizing people, needs identification, accessing resources and networking.

Grace says that the KCC federation can be tapped to help in information campaigns on programs and services, and on activities planned for members. In the past communications coursed through field operations suffered delays because field personnel were preoccupied with collection and outreach. The KCC federation affords direct ground-level contact to people. Future plans include training in garment making, financial literacy (in partnership with business development unit), toilet provisioning in Talon-Talon and information dissemination on access to health.



New seaweeds dryer has boosted quality and volume of products.





Before and after the construction of the water system in Barangay Salaan.

and community development are two faces of KCCDMFI. MF has had a headstart of 14 years while comdev is barely three years old. Nevertheless both realize that comdev must catch up and keep pace with microfinance if KCCDMFI is to be healthy and whole.

This instinctive fruit comes to the fore in the account on the Salaan water system. If this business development means earning more to raise income, community development means being able to bathe and keep one's house clean, daily.

#### BARANGAY CONCEPCION CONCRETE FOOT BRIDGE

The cementing of a 12-meter bamboo footbridge has made all the difference for some 60 households in an interior settlement in Barangay Concepcion, Kabasalan, Zamboanga Sibugay. Located by a river that pours out into the sea, the foot bridge would be covered by water during rains and high tide, rendering passage difficult, if not dangerous, and turning muddy the foot path at both ends.

KCCDFI (and later KCCDMFI) has many client-members in the area engaged in fishing, dried fish production and crab fattening. These include the aforementioned 60 households whose members had to traverse daily the poorly built 1.5-meter wide bamboo bridge which served as the cheapest

and easiest link to the bigger municipality. Past efforts to raise funds and solicit donations ended short of the amount needed for a proper cemented footbridge.

But hopes were raised with the entry of Kasanyangan Community Club which seeks to address urgent community problems when it can. Center chief and KCC leader Lorma Ilisan made a strong case for a safe bridge and pathway and, in time, KCCDMFI approved the P41,200 budget for materials. Local counterpart including cash from the KCC fund and labor amounted to over P10,000. Students, seniors, KCC and KCCDMFI members, and everyone else, can now leave and return home safely.

#### BARANGAY BULUAN SEAWEED DRYER

A 10 ft x 12 ft bamboo seaweed dryer has just been turned over to the Kasanyangan Community Club in Barangay Buluan, Ipil, Zamboanga Sibugay. Rosalie Inzo is chief of the KCCDMFI center in Buluan and also KCC leader. Ten years ago Rosalie shifted from running a bakery to seaweed farming. The 50 members who will benefit from the dryer gather fish and seaweed for livelihood.

Without a dryer fisherfolk simply lay the seawood on the ground with dirt and soil sticking to the dry product.



Drying takes longer because seawater and moisture cannot drip out of the seaweed as they do when dried on bamboo slats. Consequently the soil-dried seaweed are considered Class B and passed up by middle-persons who consolidate purchases for shipping to Cebu. Seaweed or *agar-agar* is a prime ingredient for first-class plastic products.

Center members pay a modest maintenance fee for use of the dryer. This ensures quick and quality repair of torn or broken parts of the dryer. This way the dryer can last for as long as four to five years. The dryer was built with P40,000 from KCCDMFI and nearly P8,000 in local counterpart, mostly consisting of labor. Children are involved in the cleaning process and Rosalie hires neighbors' kids for this with her two adult children now professionals.

#### BARANGAY SALAAN WATER SYSTEM

Among the rural poor who constitute a significant section of KCCDMFI's membership, Sitio Buluan (on a hilltop in Barangay Salaan, Zamboanga City) has known water deprivation more keenly than most. Until a year ago water for household use had to be fetched by foot from springs one kilometer away over rough and steep terrain. Laundry had to be done alongside streams distant from homes, also the source of water for vegetable gardens during dry months. Water was cited as one of Buluan's top problems by Nerissa Eugenio, center chief and KCC president at various occasions.

Buluan residents--particularly close to 40 households covered by KCCDMFI--now have easier access to water. A simple water system was installed in August 2018 through a P35,000 grant from KCCDMFI's Members Integrated Community Development Fund which purchased 2,000 meters of hose and other materials. Local counterpart consisted of labor and meals of workers amounting to about P7,500.

Ten households have since attached hoses from the main outlet to their homes. However they coordinate hours of use so as not to exhaust the water supply. Households further off fetch water through the *habal-habal* (motorcycle, a public form of transport in upland communities). Children and the entire family can now bathe daily, no more are stacks of dirty dishes dirty clothes a common sight in Butuan homes.

Village folk however need to do two things. First, modest fees to raise a fund for maintenance, second, to reforest the bare parts of the hillside to ensure a sustainable water source and to safeguard the wellbeing of the earth and the people in Buluan.

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# The Management



**Atty. Ibarra A. Malonzo**  
President and CEO

**Mercedes G. Faustino**  
Vice-President and Chief Operating Officer (COO)



**Janette G. Pejana**  
Finance Department Head

**Marissa V. Fortuna**  
Administration and Human Resource Department  
Head



**Catherine A. Elumbra**  
Field Operations Head



**Keith A. Perez, CPA**  
Accounting Department Head



**Grecia B. Rosales**  
Community Development Head

**Rhett Ray P. Quinday**  
Business Development Service Head



**Noel D. Simbajon**  
Management Information System Head

**Karen Kay R. Diesto**  
Executive Assistant to the CEO and COO



**Nelita B. Pulmano**  
Secretary



# FIELD OPERATIONS



Catherine A. Elumbra  
Field Operations Head

## AREA MANAGERS



Beverly P. Francisco  
Area A



Ma. Luisa M. Barilla  
Area B



Mirelyn J. Manjalon  
Area C



Nonafe C. Acenas  
Area D



Noemi C. Alindajao  
Area E

## BRANCH MANAGERS

Aleida S. Hasim  
Talisayan Branch

Jaymie R. Segovia  
Mercedes Branch

Ruthmarie B. Hechanova  
Sinunuc Branch

Angelyn P. Borbon  
Cabaluy Branch

Cristy Camins M. Pilar  
Sangali Branch

Raidah A. Nebriya  
Tetuan Branch

Saadiya Q. Isnain  
Talon-Talon Branch

Alma A. Tawasil  
Maasin Branch

Genebyl Ochavillo  
Santa Maria Branch

Katherine J. Kasim  
Putik Branch

Abigail B. Acorin  
Sta. Catalina Branch

Jenevie S. Lubrica  
Curuan Branch

Wimbie G. Martinez  
Imelda Branch

Rachel P. Uddin  
Kabasalan Branch

Merlyn G. Caitom  
Ipil Branch

Jasmine V. Basog  
Olutanga Branch

Myra Laudin  
Siocon Branch

Gilbert Alcalde  
Liloy Branch

Richard Rana  
Marikina Branch

Floramay Belandres  
Vitali Branch



## ALELI F. FRANCISCO: BREAKING THE MEMBERSHIP DROUGHT WITH VEGGIE FARMING

Newly-widowed Alelie Fernandez Francisco, 40, raises her family of six in the same way she handles her KCCDMFI work: through sound planning, discipline and judicious time management. Alelie is a commerce graduate who started with KCCDFI as a client-member for nearly three cycles. In early 2006 she was accepted as field credit officer or FCO (now field development officer or FDO). Her current assignment, Mercedes municipality, has 15 centers (with an average of 25-35 members). She visits three centers daily in clusters to save on time and is thus able to cover the 15 centers weekly.

Alelie is KCCDMFI's top FDO earner for two years in a row, exceeding standards set for a monthly incentive award including a minimum of 300 clients (she has reached 400 to 490) and below 3% portfolio-at-risk or PAR rate. She easily makes the P175,000 monthly revenue requirement with a P9-14 million total monthly loan portfolio. (PAR refers to the total unpaid balance in the FDO's monthly loan portfolio.)

In the past the monthly incentive pay averaged only P1,000 or more for field staff, scaled up last year with high performers getting as much as P10,000. Currently 44 field staff qualify for the incentive pay including 25 FDOs and some area and branch managers. Aleli leads the pack by any measure averaging P11,000 to P12,000 monthly incentive pay since 2018. This she owes in large part to the micro agriculture loans she pioneered in her area but that is getting ahead of our story.

To backtrack, KCCDFI (now KCCDMFI) in its first 15 years or so, focused on straightforward loans (called RPA or repayable project assistance), hesitant to move into non-traditional products and services deemed too risky. Repeated efforts of field staff to raise membership through outreach stalled on the critical issue of loan product. At the same time other MFIs

had started innovating way ahead of KCCDFI, with the latter losing out on membership growth. In fairness mention must be made of a deep financial crisis in KCCDFI that took a few years to resolve. To make a long story short by late 2018 KCCDMFI, shedding its fears, put out its new offerings: loans for house repair, education and micro-agri ventures.

Alelie believed that micro agri would work in Barangay Salaan, an upland community 12 kilometers from Zamboanga City proper with vegetable farming as a major source of livelihood. As a child Alelie had planted veggies to raise money for her school food allowance. This knowledge base was crucial to implementing the scheme modified to fit the vegetable farming cycle.



Aleli at KCCDMFI entrance.



KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT  
AND MICROFINANCE FOUNDATION INC.

ALELI F. FRANCISCO:  
BREAKING THE MEMBERSHIP DROUGHT WITH VEGGIE FARMING

Veggie farmers could start repaying loans in 4-6 months upon start of harvest, while interest (lower at 18% than the standard 20%) could be paid in 1-4 months. One Salaan member took out a P50,000 loan on her second cycle to plant high-value veggies including ampalaya (bitter gourd), espada (small chili peppers), bell pepper and cucumber.

The long drought was over: micro agri loans zoomed from zero to P40 million in one year, constituting 20% of KCCDMFI's total loan portfolio. Apart from the point-on planning and favorable geography that includes an abundant water supply, what accounts for this breakthrough? Part of the conceptualization was realizing that a good half of KCCDMFI's clientele have farming activities, usually undertaken by husbands.

Arguably the biggest factor was that veggie farmers now had control as buyers and as sellers. In the past financiers and traders dictated the prices of fertilizers and seeds

loaned out to farmers, as well as prices of produce which they took as payment. Farmers lost both ways: buying high and selling low. KCCDMFI's micro agro scheme simply undercut this grossly exploitative arrangement. Aleli points to the 2006 shift from Grameen (group loan responsibility) to ASA (individual accounts) as instrumental in reducing the high drop-out rate of members. She adds that an FCO's way with members can spell the difference between growing or losing your clientele. (For instance: Be respectful especially to seniors, come early or on time, welcome questions, laugh easily.)

With her husband's sudden death late last year, how does she cope? The children number six with ages ranging from 17 to five. The four older kids live with her, the two youngest with her mother for school proximity. Week-ends they come together to say mass at Fort Pilar and to visit her husband's grave. During the nine years that KCCDFI required its field personnel to stay at the branch office, her husband raised the children and taught them well—in cooking and other house chores, and in basic values. The oldest child fetches three others from school to save on fare and keep them safe.

Still, raising the P500 daily needed for food and school expenses is hard so Alelie does buy-and-sell on the side that includes liniments (haplas) and RTW (ready-to-wear) items. Until last year Aleli's husband banned her from using the motorcycle. Now it makes the tight balance of work and home possible, collapsing space, multiplying hours. She also tells herself: there will be problems aplenty, we must know how to handle them. Do not bring family problems to the workplace.

Poor working women are indeed the critical mass that keep MFIs afloat and sustain them. But staff, including and especially field personnel who are near-entirely female (save for the drivers), are the organization's backbone. The story of Aleli Fernandez, like those of her fellow FDOs, shows this to be true. Apart from the salary and incentive and loans, KCCDMFI believes that it is sisterhood - the empathy between and among FDOs and client-members - that helps keep it alive and growing.



Cathy Elumbra, field operations head; president and CEO Bong Malonzo, top FCO awardee Aleli Fernandez at KCCDMFI's 17<sup>th</sup> anniversary celebration, and Mercy Faustino, vice president & COO.



# LOAN PRODUCTS AND SERVICES

## Repayable Project Assistance (RPA)

- Uncollateralized individual loan products
- Php 2, 000 - 10, 000 initial loanable amount
- Payable in 6 months or 24 weeks
- 20% interest rate in 6 months
- No service charge
- Free passbook and ID



## House Repair Loan

- For Housing Repair / Improvement
- Php 2, 000 - 25, 000 loanable amount
- 6 - 12 months loan term
- Low interest



## Educational Loan

- For Educational Purposes
- Php 2, 000 - 10, 000 loanable amount
- 6 months loan term



## Integrated Credit Assistance for Rural Entrepreneur (iCARE)

- Uncollateralized individual loan for agricultural productions such as:
- Rice Production Loan
- Corn Production Loan
- Vegetable Production Loan
- Seaweeds Production Loan
- Piggery Loan
- Rubber Latex Marketing Loan



## Financial Loan Assistance for Micro-Entrepreneur (FLAME)

- Collateralized individual loan product
- Collateral Requires Land Title
- Php 10, 000 - 300, 000 loanable amount
- 6 months - 1 year loan term
- 3% diminishing rate per month



## Other Services

- Community Development Program and Services
- Medical Outreach
- Feeding Programs
- Kasanyangan Community Club (KCC)
- Skills Training and Livelihood Programs
- Community Development Projects



KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT  
AND MICROFINANCE FOUNDATION INC.

# Computerization: A Journey Towards Digitalization

Management Information System (MIS) is a unit responsible for providing timely and accurate information to the board and management for decision-making. MIS provides the big picture of the prevailing conditions of the institution. The usefulness of MIS came to the fore when KCCDMFI reached a critical juncture - almost half of its branches were closed due to monitoring problems. Had there been a computerized KCCDMFI MIS unit at that time, such problems should not have happened or should have been minimized.

The experience however, paved the way for the computerization of KCCDMI MIS. It eliminates the tasks of manual recording and monitoring of loan transactions. The level of complexity in monitoring loans and other transactions of the institution has been lowered dramatically.

Prior to computerization, KCCDMFI had practiced a manual system of MIS. With each loan transaction recorded manually. Field credit officers (FCOs) attended center meetings on a daily basis carrying an FCO register 24 inches long, 8 inches wide and  $\frac{3}{4}$  of an inch thick. All center transactions of the FCOs are recorded in the register.

Manual recording is time-consuming and prone to errors especially if you were doing it on a very long register. When errors were committed, the FCOs often had to stay long hours in their respective branches to trace and correct the errors. Only then could they return home.

With the manual MIS, monthly reports took weeks because ample time was needed to manually consolidate data. Sometimes, due to time constraints, the submitted reports were riddled with inaccuracies and therefore not reliable.

KCCDMFI's subscription with a cloud-based software is the first bold step towards computerization. The software minimizes the errors that are usually committed during data consolidation of data and report preparation. Reports that previously took weeks or sometimes months to produce, can now be readily available and can be accessed anywhere anytime as long as there is an internet connection.



The senior field development records daily operations manually (left) and by computer (right).

The computerization of KCCDMFI MIS is an affirmation of one of KCCDMFI's core values; the value of balance of work and life. With computerization, FCOs have more time for their respective families, and they can home early since recording errors have been minimized and transactions have been automated and computerized.

Furthermore, computerization minimizes the opportunity for fraudulent transactions since data consolidation is done in real time. Besides, embedded in the system is a text messaging service which informs clients through text messages of each transaction made with the FCO or in the office. This service confirms to clients that the repayments were transmitted to, and received in, the office.

### INSTAFIN: The First Bold Step To Digitalization

INSTAFIN is a cloud-based software from Oradian which KCCDMFI has subscribed to, for MIS computerization. With INSTAFIN KCCDMFI is able to monitor its operations and access data in real time. INSTAFIN is instrumental in the recent increase of KCCDMFI's loan portfolio and number of clients. For a long time, KCCDMFI had only one loan product and resisted creating another one because of the complexities of manual recording. With INSTAFIN, KCCDMFI has over 10 different loan products designed to meet the clients' needs.

The road towards digitalization may be long and full of challenges but with INSTAFIN, KCCDMFI has taken a first bold step forward that concretizes the saying: "a journey of a million miles begins with a single step."



(caption)



# THE KCCDFI MBA



## Ano nga ba ang KCCDFI MBA?

- ✓ Isang Non-Stock & Non-Profit na Samahan.
- ✓ Samahan na pinagmamay-arian at pinamamahalaan ng mga Kasapi.

### Legal ba ito?



Nakarehistro sa:

- ✓ Office of the Insurance Commission at
- ✓ Securities and Exchange Commission.



## Mga Produkto ng KCCDFI MBA

### 1. Basic Life Insurance Plan

- 1.1. Death Benefit
- 1.2. Total and Permanent Disability
- 1.3. Accidental Death and
- 1.4. Motor Vehicle Accidental Hospitalization (MVAH) Benefits.

A. Retirement Savings fund

B. Refund of Contribution

### 2. Credit Life Insurance Plan



## Basic Life Insurance Plan

### Halaga ng Lingguhang Kontribusyon:

Php 20.00

Php 15.00 - Life Insurance  
Php 5.00 - RSF

### Katunayan ng pagiging Kasapi:

Sertipiko ng Pagiging Kasapi  
(Certificate of Membership)



## Anong Benepisyo ang Makukuha sa KCCDFI MBA?

Death Benefit

= Depende sa tagal ng pagiging Kasapi ayon sa Table of Life Insurance Benefit



### TABLE OF LIFE INSURANCE BENEFITS

Length of Membership (Tagal ng pagiging Kasapi)	Cause of Death/Total and Permanent Disability (Dahilan ng pagkamatay o Total at Permanenteng pagkakabaldado)	Benefits (in Php) (Benepisyo)	
		Member (Kasapi)	Survivor and Dependent (Mabibilangang Benepisyo)
6 months or less (Wala pang isang taon)	Due to pre-existing conditions (Dahil sa kondisyon na umiiral bago magiging Kasapi)	2,000	None
	Due to Natural Death but not pre-existing condition (Sakit nangangailangan magiging Kasapi)	3,000	None
More than 6 months up to 12 months (Isang taon)	Due to Accident (Dahil sa aksidente)	100,000	20,000
	Due to Natural Death (Dahil sa sakit)	10,000	2,500
More than 12 months (Mabigat na taon)	Due to Accident (Dahil sa aksidente)	100,000	20,000
	Due to Natural Death (Dahil sa sakit)	50,000	10,000
	Due to Accident (Dahil sa aksidente)	100,000	20,000
	Motor Vehicle Accidental Hospitalization	10,000	



## Total at Permanenteng Pagkakabaldado

### 2 Dalawa ang maituturing na sanhi ng total at permanenteng pagkakabaldado

1. Dahil sa sakit o sakuna na naging sanhi ng:
  - 1.1. Pagkaputol ng dalawang kamay;
  - 1.2. Pagkaputol ng dalawang paa;
  - 1.3. Pagkaputol ng isang kamay at isang paa;
  - 1.3. Pagkabalug ng dalawang mata.
2. Dahil sa sakit o sakuna na wala namang naputol na bahagi ng katawan.

Ang mga pangyayaring tulad nito ay babayaran lamang matapos ang anim (6) na buwan na obserbasyon.

BUWAN	PARTIKULAR	KONTRIBUSYON	HALAGA NG BUWANANG BENEPISYO			
			100,000	50,000	20,000	10,000
1	NOTICE OF TPD	60	5,556	2,778	1,111	556
2-6	OBSERVATION	300	27,790	13,890	5,555	2,780
	TOTAL	360	33,336	16,668	6,666	3,336
NAIBAYAD NA KONTRIBUSYON**			360	360	360	360
TOTAL NA BENEPISYO MATAPOS ANG ANIM (6) NA BUWAN			33,696	17,028	7,026	3,696
7	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
8	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
9	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
10	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
11	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
12	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
13	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
14	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
15	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
16	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
17	BUWANANG BENEPISYO	0	5,556	2,778	1,111	556
18	BUWANANG BENEPISYO	0	5,548	2,774	1,113	548
TOTAL NA BENEPISYO			100,360	50,360	20,360	10,360



## Accidental Death Benefit

Sa pagkamatay ng Miyembro o ng kanyang lehitimong kaanak dahil sa aksidente, makakatanggap ang miyembro/beneplisyaryo ng benepisyo ayon sa Table of Life Benefits.

MVAH

## Motor Vehicle Accidental Hospitalization Benefit

Para sa Kasapi at Legal na asawa:

- ✓ Pagpapa-ospital na hindi kukulangin sa 24 oras.
- ✓ Nakarehistro ang na-aksidenteng sasakyan.
- ✓ May lisensya and driver.
- ✓ Hindi lasing ang driver o ang biktima.

**Dapat Tandaan:** Walang matatanggap na benepisyo kung ang naaksidente ay LASING o lulung sa ipinagbabawal na gamot sa panahon ng pagkaka-aksidente



## Retirement Savings Fund



### Retirement Savings Fund (5.00/week)

Ito ay paraan ng pag-iipok ng mga kasapi upang sa kanilang pagretiro may matanggap silang benepisyo na magagamit sa kanilang pangagailangan.

### Ano ang Refund of Contribution

Matapos ang tatlong (3) taon na patuloy na pagiging aktibong kasapi ng Samahan, ang isang kasapi na titiwalag or magre-resign sa Samahan ay makatanggap ng limampung bahagdan (50%) ng lahat ng kanyang naibigay na kontribusyon sa Life Insurance.

## Credit Life Insurance Plan



### Benepisyo ng Programang Credit Life Insurance Plan

#### Halimbawa

Utang ng Kasapi ay	= Php 60,000.00
Nabayarang halaga bago mamatay	= Php 50,000.00
Natirang utang	= Php 10,000.00

Sa pagkamatay ng kasapi, babayaran ng KCCDFI MBA ang:

- Institusyong inutangan ng halagang Php 10,000.00 at
- Ibabalik sa benepisaryo ang halagang Php 50,000.00.

## Sinu-sino ang sakop ng SEGURO ?

#### PARA SA MAY ASAWA:

- ✓ Miyembro
- ✓ Legal na asawa
- ✓ Mga tunay na anak o Legal na ampon 2 weeks (14 days) old Hanggang hindi hihigit sa 21 years old

#### PARA SA DALAGA O BINATA NA WALANG ANAK:

- ✓ Miyembro
- ✓ Mga legal na magulang 60 taong gulang hanggang 65 taong gulang.

#### PARA SA DALAGA O BINATA NA MAY ANAK:

- ✓ Miyembro
- ✓ Mga tunay na anak (Biological Children)

## Ang kaibahan ng Lehitimong Kaanak sa Benepisaryo

- ✓ Ang Lehitimong Kaanak ay sakop ng SEGURO, samakatuwid, babayaran ng KCCDFI MBA ang kanilang pagkamatay o Total at Permanenteng Pagkabalado
- ✓ Samantalang ang Benepisaryo ay toga-tanggap lamang ng benepisyo kung ang kasapi ang mamamatay.
- ✓ Hindi sakop ng SEGURO ang benepisaryong hindi Lehitimong Kaanak

## Ang Taning ng SEGURO

Ang Life Insurance ay nagkakabisa simula sa pagkabayad ng unang kontribusyon at natatapos sa:

- Pagtiwalag (Resignation)
- Pagkatanggal (Termination)
- Pagreretiro (Retirement/Exit Age)
- Pagkamatay (Death)
- Total at Permanenteng Pagkabalado (TPD)
- Hindi pagbayad ng kaukulang kontribusyon sa loob ng 45 days grace period.

## Kwalipikasyon para maging Kasapi ng KCCDFI MBA

- ✓ Mula 18 hanggang 60 taong gulang lamang ang tatagapang bagong miyembro ng KCCDFI MBA Program.
- ✓ Dapat siya ay isang aktibong miyembro ng KCCDFI o empleyado ng KCCDMFI o KCCDFI MBA o iba pang organisadong grupo na kinikilala ng KCCDFI MBA
- ✓ Magbayad ng Membership Fee na Php 50.00 (One-time Payment Upon enrollment)

## Mga kailangang dokumento sa pagiging Kasapi

- ✓ **Mag-Fill Up** ng Application Form.
- ✓ **Marriage Contract** ng miyembrong may asawa o **Marriage Contract** ng magulang ng miyembrong walang asawa
- ✓ **Birth Certificate** ng miyembro, lehitimong anak at lehitimong asawa.

## Alternative Documents

- ✓ **Affidavit of Two Disinterested Person**
- ✓ **Baptismal Certificate**

#### Panala:

Kinakailangang isagawa ang lahat ng Affidavit habang buhay pa ang Kasapi at Lehitimong Kaanak nito.



KCCDFI Mutual Benefit Association, Inc.  
2nd Flr. KCCDFI Bldg., MCLL Highway  
Guiwan, Zamboanga City, Philippines 7000  
kccdfi\_mba@yahoo.com  
www.kccdfimba.com



Para sa mga karagdagang impormasyon, tumawag lamang sa mga numerong ito:

(062) 990-2429  
Hotline No. 0955-5793-477 o 0955-5793-476

At makipag-ugnayan kay:

Ms. Ma. Perla B. Jalao-Medina  
KCCDFI MBA Promotion & Marketing Officer  
0905-1432-482

Ms. Maria Teresa C. Gonzales  
KCCDFI MBA, General Manager



KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT  
AND MICROFINANCE FOUNDATION INC.

The KCCDMFI Mutual Benefit Association

# KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT AND MICROFINANCE FOUNDATION, INC.

## FINANCIAL STATEMENTS DECEMBER 31, 2018

*(With Comparative Figures As At and For The Year Ended December 31, 2017)*

	2018	2017 As Restated
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash	P31,634,832	P26,501,091
Loans and other receivables, net	119,858,904	118,301,238
Prepayments and other current assets	4,401,784	1,937,720
<b>Total Current Assets</b>	<b>155,895,520</b>	<b>146,740,049</b>
<b>Noncurrent Assets</b>		
Property and equipment, net	39,978,281	42,833,290
Investment properties	25,036,531	22,624,561
Restricted cash	11,782,640	8,070,688
Fair value measured at OCI	1,500,000	1,500,000
Intangible assets, net	1,240,872	1,770,182
Deferred tax asset	-	12,774,547
<b>Total Noncurrent Assets</b>	<b>79,538,324</b>	<b>89,573,268</b>
	<b>P235,433,844</b>	<b>236,313,317</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
<b>Current Liabilities</b>		
Members' deposits	P75,958,076	74,277,953
Accounts and other payables	4,743,796	13,991,265
Loans payable	12,123,630	84,769,659
Income tax payable	432,878	582,010
<b>Total Current Liabilities</b>	<b>93,258,380</b>	<b>173,620,887</b>
<b>Noncurrent Liabilities</b>		
Loans payable, net of current portion	104,679,086	-
Funds held in trust	11,782,640	8,070,688
Retirement liability	1,452,990	-
Other noncurrent liabilities	-	31,763,819
<b>Total Noncurrent Liabilities</b>	<b>117,914,716</b>	<b>39,834,507</b>
<b>Total Liabilities</b>	<b>211,173,096</b>	<b>213,455,394</b>
<b>Members' equity</b>		
Fund balance	18,718,417	20,283,631
Reserved funds	5,542,331	2,574,292
<b>Total Members' Equity</b>	<b>24,260,748</b>	<b>22,857,923</b>
	<b>P235,433,844</b>	<b>P236,313,317</b>



**KASANYANGAN CENTER FOR COMMUNITY DEVELOPMENT  
AND MICROFINANCE FOUNDATION, INC.**

*(A Non-stock, Non-profit Organization)*

**STATEMENTS OF INCOME  
FOR THE YEAR ENDED DECEMBER 31, 2018  
(With Comparative Figures For The Year Ended December 31, 2017)**

	2018	2017 As Restated
<b>REVENUES FROM OPERATIONS</b>		
Interest income on loans	₱80,571,038	₱78,175,400
Income from insurance premiums	3,854,100	4,990,459
	<b>84,425,138</b>	<b>83,165,859</b>
<b>COST OF OPERATIONS</b>		
	78,212,476	85,720,970
<b>Gross Operating Revenue</b>	<b>6,212,662</b>	<b>(2,555,111)</b>
<b>NON-OPERATING REVENUE</b>	<b>1,310,926</b>	<b>885,175</b>
<b>NON-OPERATING EXPENSE</b>	<b>1,214,458</b>	<b>912,371</b>
<b>Gross Non-operating Revenue</b>	<b>96,468</b>	<b>(27,196)</b>
<b>INCOME BEFORE INCOME TAX</b>	<b>6,309,130</b>	<b>(2,582,307)</b>
<b>INCOME TAX EXPENSE</b>	<b>1,697,928</b>	<b>798,485</b>
<b>NET INCOME</b>	<b>₱4,611,202</b>	<b>(₱3,380,792)</b>



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## Front cover

KCCDMFI client member Darwisa Adil Samdani, drying her harvest of sea cucumber in Barangay Arena Blanco, Zamboanga City.

## Editorial Staff

Jurgette Honculada, writer-editor, Jerome Rabara, photography & layout, Noel Simbajon, contributor, Karen Diesto, layout associate, and Ibarra Malonzo, editorial consultant.

## We are MNRC-Accredited!



# KCCDMFI : Kaagapay ng bawat pamilyang Pilipino!



***Where other MFIs dare not go,  
KCCDMFI goes . . .***