



ECLOF
"Service is our Lifestyle"

Philippines

2016 ANNUAL REPORT

MOVING FORWARD: UNITY IN DIVERSITY



RESPONSIBLE PARTNERSHIPS TOWARD INCLUSIVE GROWTH

TABLE OF CONTENTS

Our History	3
Message from the Chairperson	4
Message from the Executive Director	5
Organizational Highlights	6
- Organizational Highlights - Operations	6
- Organizational Highlights - Finance	12
- L.I.F.E. Program	16
- Product Launching	18
- 21st General Assembly	19
- Social Performance Management	20
- Human Resource Highlights	22
Client Story: Mr. Herasmo Abelong	23
Our People	24
Members List	27
Loan Products	28
Vision, Mission, Core Values, Areas of Operations	30
2016 Audited Financial Report	31



ECLOF | Philippines
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OUR HISTORY

In 1972, ECLOF started as a desk created by the National Council of Churches in the Philippines (NCCP) to grant loan to its member churches. In 1995, it became an independent entity and was registered at the Securities and Exchange Commission (SEC) as Ecumenical Church Foundation, Inc., to extend its loan services not only to churches. In 2001, ECLOF began to operate as a microfinance institution.

Through the years, ECLOF continues to grow and expand its program and services by establishing different Unit Offices in North Luzon, South Luzon, and Palawan. These Unit Offices offer agri-microfinance; entrep loans or Micro Negosyo at Serbisyo through group loan, individual loan, and job generating loan; Small Medium Enterprise (SME) and Institutional Loans. They also provide microinsurance and savings programs to clients.

In 2010, the Board of Trustees made a strategic decision to focus on agricultural microfinance and increase ECLOF's agri portfolio to 60%.

ECLOF has also established a Learning Farm in Narra, Palawan and a Demo Farm at the Benguet State University to strengthen its advocacy on organic farming. These farms teach and train farmers to encourage them to convert to sustainable organic farming practices and livelihood activities.

As of 2016, ECLOF has a total of 20 Unit Offices. It continues to provide responsive Unit Offices and relevant products and services to its clients by institutionalizing a "one-stop-shop" program in all of its Unit Offices. This year marks the second year of ECLOF's strategic plan to reach 50,000 clients, in 3 regions, by 2019.

MESSAGE FROM THE CHAIRPERSON



For the first time in our history as a Foundation, we see an audited financial statement that has posted a substantial positive balance. While we have seen in recent years such a positive trajectory, we now experience for the first time a positive net worth of P4.0 million, owing to our 2016 net income of P9.1 million. The years when our financial bottom line was in the red are now finally over and we expect to see further growth and development ahead. Commendation to our management and staff for working very hard to achieve this is indeed very much in order.

Certainly, our great performance this past year can never be an excuse for us to consider the battle completed. For the real challenge is out there – in a country where majority of our people continue to wallow in poverty despite the abundant natural endowments that we are so blessed to have. And so our efforts must continually be enhanced in order that we can be effective instruments in meeting the challenge.

As we strengthen our corporate foundations, one of the plans that the Board and management are doing now is to invite other groups to join our membership. We really hope to see new partners which can share with us dynamic networks and novel insights as we expand our sphere of operation.

To all our members and partners then, we joyfully welcome you to our 2017 General Assembly.

A handwritten signature in black ink, appearing to read 'Floyd P. Lalwet'.

Floyd P. Lalwet
Chairman

MESSAGE FROM THE EXECUTIVE DIRECTOR



After we sailed in 2016, the year marked the exciting part of experiencing the waves. Waves of many kinds--big ones, small ones and even rugged ones, they all created some shaking on the Organization and individual. By God's grace, ECLOF rode the waves in style.

Early part of the year, we experienced some shaking: the need to comply with the requirements of the newly created Micro-Finance NGO Law, the challenge in recruitment and staffing, and the resignations of people in key positions. However, this never allowed us to hold back -- but with strong resolve, we pursued our strategic goals and 2016 operational plan.

As per our Strategic Plan, after securing the viability of programs and operations in the last three years, the focus is now on the sustainability to best provide for the community, both clients and staff.

With the cumulative loss and negative Net Worth, ECLOF prioritized to recover from losses in three years. In doing so, development and preparation for the viable portfolio mix and launching of multi-product became the focus during the year. Although challenged with the paradigm and transition from agri-product focused to multi-products, the Organization now follows a viability model that caters deliberately to both agricultural and entrepreneurial clients. We were able to position ECLOF for further growth, making the five-year theme "Responsible Partnerships Toward Inclusive Growth", at work.

We are greatly challenged, at the same time guided, with the passing of the new Micro-Finance regulation, wherein we are limited to serve the Churches and institutions, thus affecting our performance and operations of SME and Institutional Loans. An opportunity, however, also arises

amidst the challenges of the new Microfinance NGO Law. The Church and institutional accounts originally served by the Organization can be better served. Thus, the long time plan to establish the right structure is reinforced to take place as envisioned in the five-year plan that we launched in 2015. This new development will also pave the way for our GA members to actively participate in the Organization's directions and initiatives. This is going to be exciting as we can look and move forward, having unity in our diversity.

Going through challenges on both internal and external environment, ECLOF finally managed to break free from the negative fund balance with almost Php4.0M net worth at the end of year 2016 by recognizing net income of more than Php9.0M at the closing of the year. The loan portfolio and disbursements are both consistent in growth, with Php252.4M total portfolio by disbursing Php450.0M during the year. Although risk in portfolio share is posted by having higher share for Agri-loans with 73%, this can be addressed by MNS product when finally it gains its operational momentum and can cover for the diminishing ratio of the bigger loans in Institutional and SME operations. Reflecting the growth in clients with a total of 20,098 this year, this signifies that MNS products (start-up group, individual and Job generating entrepreneurial loans) are working.

Armed with competitive products, equipped operations staff on the ground and working systems for timely and accurate reporting in measuring the operations and financial performance, by having the heart for the community and in working in unity amidst diversity, ECLOF is on its way in fulfilling the call.

Forward-moving for a greater cause... to God be the Glory!

A handwritten signature in black ink, appearing to be 'R. Castro', written in a cursive style.

Rosemarie C. Castro
Executive Director

V⁴ There are diversities of gifts, but the same Spirit. V⁵ There are differences of ministries, but the same Lord. V⁶ And there are diversities of activities, but it is the same God who works all in all. – 1Corinthians 12:4-6

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

I. PORTFOLIO PERFORMANCE

ECLOF operations continue to show consistent improvement in its loan portfolio performance in terms of disbursements and loans outstanding balance during the last 5 years. The Loan Disbursement significantly improved with an increase equivalent to three times with PhP154.1M total loan disbursement in 2012, to PhP450M at the end of 2016. Loan Portfolio also shows an increase that is equivalent to two times of the PhP125.7M in 2012, to PhP252.4M at the end of 2016.

During the last 5 years average increase in Loan Portfolio is at 20% every year, while the Loan Disbursement is 30%.

A consistent return in disbursement for the last 5 years have shown improvements in terms of the increase in annual collection performance from 77% in 2012, to 94% in 2016.

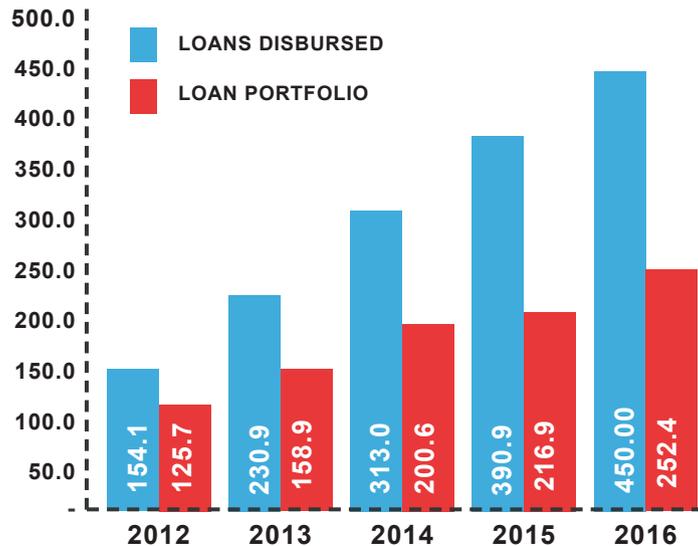


Chart 1:5 - Year Loan Disbursement and Portfolio trend (in Millions Php)

The improved performance in loan disbursements of PhP450M and loan portfolio amounting to PhP252.4M in 2016 are contributed by the good performance of the branches from the three (3) Areas.

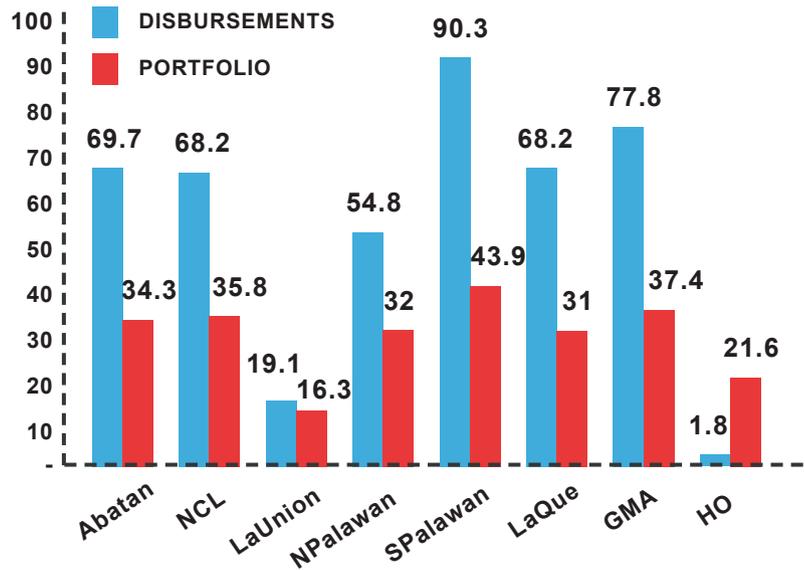


Chart 2- Portfolio and disbursement Shares per Branch (in Millions Php)

Highest contributor to 2016 disbursement and portfolio is South Palawan Branch, previously called Central Palawan Branch, with PhP90.3M total disbursement and PhP43.9M portfolio. GMA Branch is second with most contribution, again for both disbursement and portfolio, with PhP77.8M total disbursement and PhP 37.4M portfolio. For the third with most contribution in terms of disbursement is Abatan Branch with PhP69.7M. On the other hand, the 3rd highest contributor for the portfolio is North Central Luzon (NCL) Branch with PhP35.8M.

The top branches for collections' performance are South Palawan with PhP83.7M, Abatan with PhP81.1M and GMA with PhP76M.

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

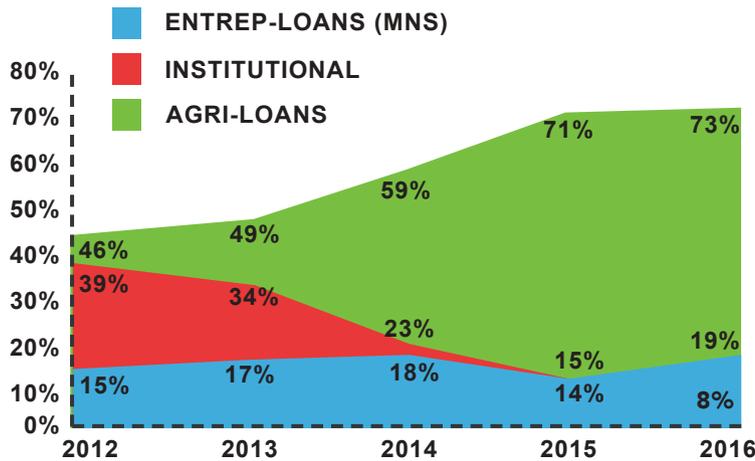


Chart 3: Loan Portfolio Share per Product Trend

With the improving performance in the disbursements and loan portfolio over the last 5 years, there are underlying factors considered during the course of operations. One is the composition of portfolio in terms of client focus, as well as the viability of operations toward achieving inclusive growth. The external factor affecting the market or the organization itself, such as legal policies and regulations are also a major consideration.

While ECLOF Philippines is targeting the 60:40 share in portfolio, wherein 60% represents loans to agri-clients and 40% for the entrepreneurial clients, a consistent increase during the last 2 years ranging from 71% to 73% agri loan shares are registered. This is brought by the change in regulations for MF-NGO that ECLOF Philippines has to comply.

It is a fact that the higher the agri-loans, the greater the risk. But in ECLOF Philippines' case, the more than 60% share is brought by the tempered and calibrated slowing down of operations of Institutional and SME loans, as this is no longer within the accepted bounds of MF operations. Thus, a significant decrease of the Institutional and SME loans -- contributing just 8% from the average 23% share during the last 5 years. On the other hand, while the entrepreneurial loans share is consistent during the last 5 years with an average share of 16%, it is expected to increase in the coming years when the multi products for entrepreneurial clients are implemented in all the Unit Offices of ECLOF.

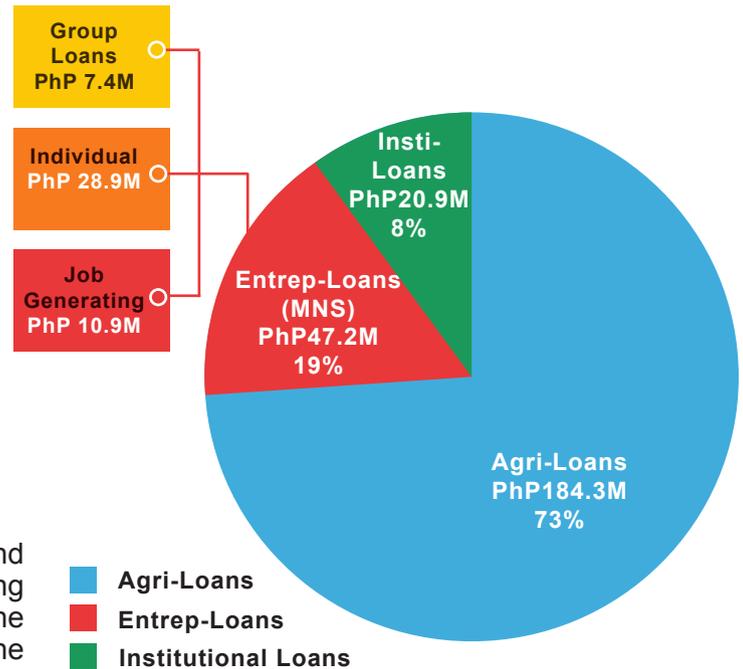


Chart 4: Loan Portfolio Distribution per Product

Both the Entrepreneurial and Agricultural Loans increased the portfolio amount and share rate as compared to last year. The Entrepreneurial Loans representing 19% of the total portfolio is at PhP31M last 2015 and ended this year with PhP47.2M. Agricultural Loans which represents 73% of the portfolio grew from PhP154M in 2015 to PhP184.3M at the end of 2016. The institutional and SME Loans, affected by the transition and compliance to the new MF-NGO Law, decreased the portfolio from last year's PhP31.6M to PhP20.9M this 2016.

Entrepreneurial Loans consist of three (3) products: the MNS or Micro Negosyo and Serbisyo Loans for Group with PhP7.4M portfolio, the MNS-Individual Loans with PhP28.9M and the MNS-JobGen or Job Generating Entrep Loans with PhP10.9M portfolio at the end of 2016.

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

II. CLIENT OUTREACH

Client outreach reflected a consistent growth in the last 5 years, from a total of 6,889 in 2012 to 20,098 at the end of 2016. The Active Clients or the clients with loans, also registered increase equivalent to more than three times in 5 years, from 5,024 in 2012 to 15,404 in 2016.

The increase in total clients during the year is at 55%, from 12,951 in 2015 to 20,098 at the end of 2016. This was brought by the increase of production staff per Unit Office to comply with the proper portfolio mix according to the market needs and the opening of San Fernando La Union and Taytay, Palawan Offices.

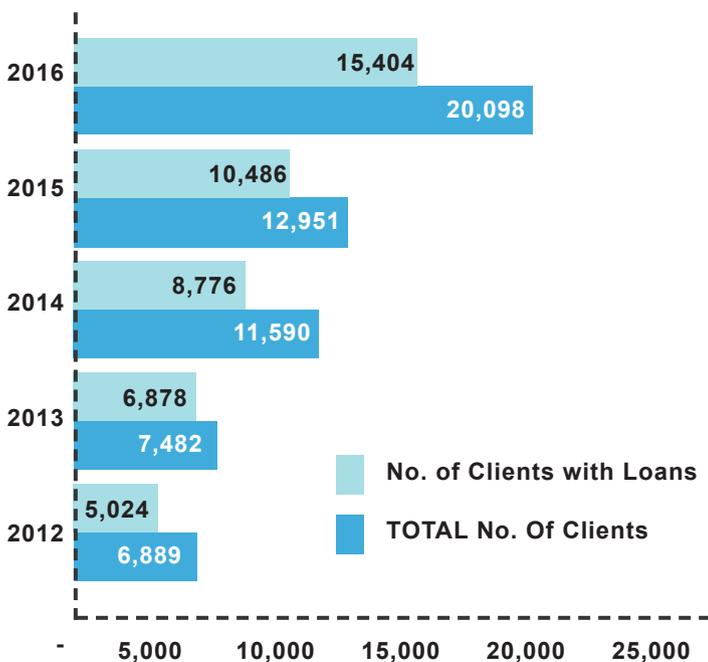


Chart 5: Total Clients and Active Clients Trend



Chart 6: Clients per Branch

Contributing to the increase in client outreach during the year are the Unit Offices in North Central Luzon (NCL) Branch with 3,629 Total Clients. This is followed by the Greater Manila Area (GMA) Branch with 3,314 and LaQue Branch with 2,924 Total Clients. In terms of performing Clients or Active Clients, the top contributor is GMA Branch with 2,686 clients with loans, followed by LaQue Branch with 2,509 and NCL with 2,386 active clients.

III. PORTFOLIO QUALITY

During the year, Portfolio At Risk (PAR) performance is affected by the impending policy and regulations for the MF-NGO. This further leads to the urgency and consideration for the Institutional and SME accounts to be under another organization. The portfolio is initially reviewed and a tempered disbursement for loans more than PhP150,000.00 is initiated, while portfolio mix of Agri and Entrep loans are implemented. This results to a decrease in the Institutional and SME portfolios from PhP31.6M last 2015 to

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

Php18.6M at the end of 2016. This controlled disbursement resulted to an increase in PAR for the organization which was from 16% to 18% and 14% to 17% for the Past Due accounts. Other factors affecting the increase in PAR were the HR recruitment and staffing challenges as well as performance management, which are now being considered as priorities for improvement.

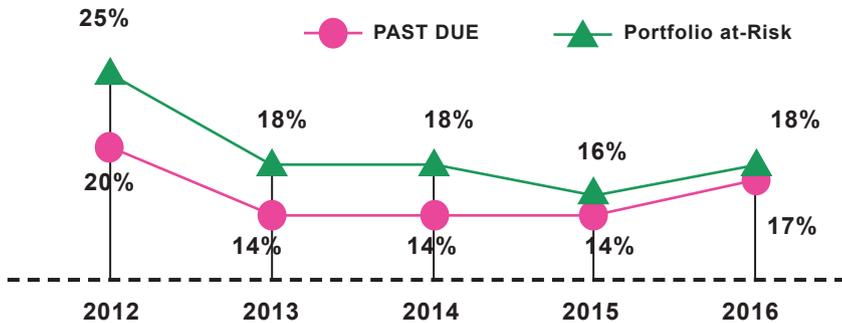


Chart 7: Portfolio at Risk and Past Due Rates Trend

Portfolio At Risk performance contributed by the Operations Unit Offices mostly registered unfavorable and increased rates except for the La Union due to the opening of new Unit Office contributing to an increase in portfolio that brought down the PAR from 48% to 35% at the end of the year. Abatan Branch with its 2 Unit Offices within an office and South Palawan with 3 Program Unit Offices in different areas are the 2 Branches who have maintained single digit PAR of 8% and 6% respectively.

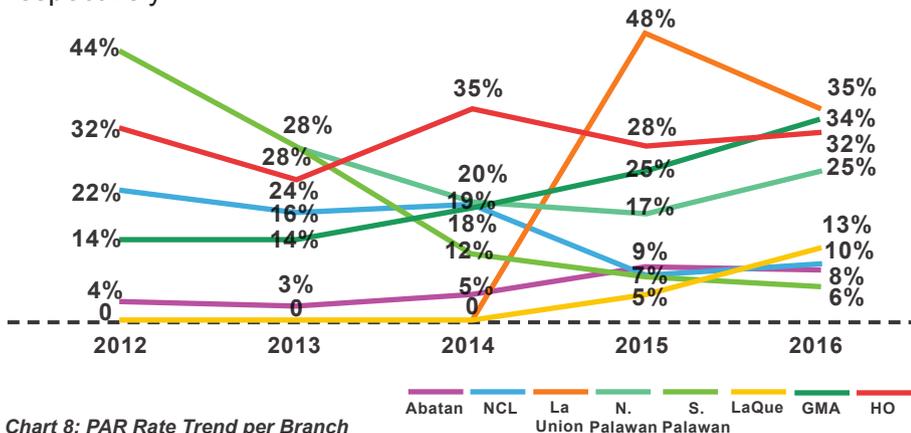


Chart 8: PAR Rate Trend per Branch

TOP PERFORMERS

UNIT



Quez, South Palawan Branch
(Program Supervisor: Mr. Roland Guanco)

BRANCH



South Palawan Branch
(Branch Manager: Mr. Johnel Cinco)

AREA



Branch Managers:
Mr. Andrew Farner Aguila (North Palawan)
Mr. Johnel Cinco (South Palawan)

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

BEST PROGRAM OFFICER (PO)



Albert Villaruz
Unit: Narra, Palawan

Albert started in Brooke's Point Unit Office before his transfer to Narra Unit Office last year. In the three years that he served in Brooke's Point Unit Office, he maintained quality portfolio having single digit Portfolio at Risk. He was one of those who contributed to the improvement of Brooke's Point Unit Office from rehabilitation to its sustaining success today.

He is described by his leaders as a responsible and dependable employee, dedicated and working hard to be "brilliant with the basics" and following the policies and standards of the organization as he performs his tasks. A family man and a pleasant co-worker, he embodies how it is to live up to EP's tagline "Service is our Lifestyle" by going an extra mile in rendering service to the community and ECLOF.

Currently, he is now at Narra Unit Office so he will be able to share his technical knowhow and leadership. Keep up the good work Albert!

BEST PROGRAM SUPERVISOR (PS)



Jose Lumbag
Unit: Baguio City

Jose joined ECLOF as a program officer in Atok Satellite Office in May 2011. He was one of the instrumental team members who helped improved Atok's operational performance to become the independent Unit Office that it is today. Having the qualities of a leader, he was promoted as the PS in November 2012 (just a little more than a year!). As the PS, he maintained the good operational performance of the Unit Office by consistently hitting a single digit Portfolio at Risk.

In January 2016, he was transferred to Baguio Unit Office and once again exemplified his leadership and management skills by improving its operational performance. Apart from this, he also contributed in the product development of the Green House Loan.

Jose is remarkable in his skills in people management, decision making, critical thinking and analysis. He is an effective leader by being friendly and open to his people without compromising his values and objectivity. Great Job Jose!

BEST BRANCH MANAGER (BM)



Andrew Farner Aguila
Branch: North Palawan Branch

Andrew has four things in his sleeve as this year's Best Branch Manager. First, he exerts effort in understanding the organizational policies which, second, is coupled with his wisdom and analytical skills enables him to properly translate and contextualize them as they are being implemented. Third, he takes an extra mile to get to know his people in order to build a better relationship with them. Lastly, he has integrity, the kind being a role model, meaning what he says, so people follow him.

Andrew has gone a long way from starting as a Program Supervisor in Narra Unit Office. He recalled it took a lot of courage and faith to be able to pass through the rough times. Narra has been through a lot of challenging times and a strong leader was needed in order to turn around its performance. He leads the consistent improvement of the operational performance of the Unit Office, making it at the top 3 Unit Offices of 2016. He is currently the Branch Manager of North Palawan, doing his best in juggling three different Unit Offices: maintaining the good operational performance of Narra Unit Office; rehabilitating Puerto Princesa Unit Office, and guiding the newly opened Taytay Unit Office.

As a leader, Andrew values building a positive and productive culture, having an open mind to recognize past mistakes, and being a good example for his staff to follow. He believes in providing space for the staff to be confident with themselves and discover & develop their own leadership. Congratulations Andrew!

ORGANIZATIONAL HIGHLIGHTS - OPERATIONS

OPENING OF UNIT OFFICES

In 2016, ECLOF continues to expand its areas of operations with the opening of Unit Offices in Infanta, Quezon and San Fernando, La Union. The former covers the municipalities of Infanta, Real, and General Nakar while the later covers the municipalities of Burgos, Bagulin, Naguilan, Bauang, San Fernando City, San Juan, Bacnotan, Luna, Balaoan, Bangar, Sudipen, Santos, and San Gabriel.

These Unit Offices serve EP loan products and services to clients, further expanding EP's client outreach especially to the vulnerable and marginalized.



Infanta, Quezon Unit Office Opening



San Fernando, LU Unit Office Opening

ANNUAL REVIEW AND PLANNING

In the last quarter of 2016, EP Management Team gathered for its Annual Review and Planning. The team revisited the challenges and accomplishments EP had encountered in the past 2 years since the implementation of the 5-year Strategic Plan; then identified major plans for 2017.

As a result, 7 Key Results areas (KRAs) for 2017 were crafted which are:

- 1 Organizational Culture that is consistent with our Core Values (SPM)
- 2 Expansion through Saturation
- 3 Quality Portfolio
- 4 One-Stop-Shop Implementation
- 5 Active Partnership and Networking
- 6 Financial Performance – accuracy and timeliness of reports
- 7 Organizational System and Procedures



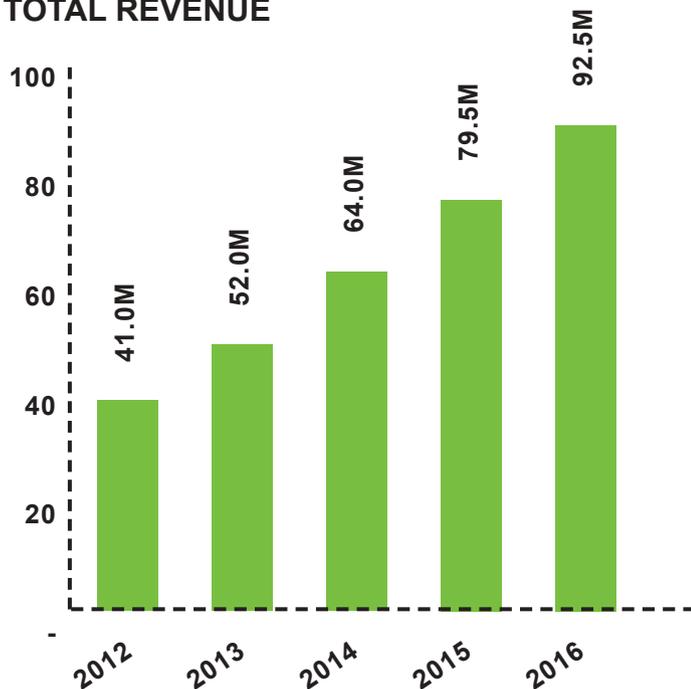
EP Management Team

ORGANIZATIONAL HIGHLIGHTS - FINANCE

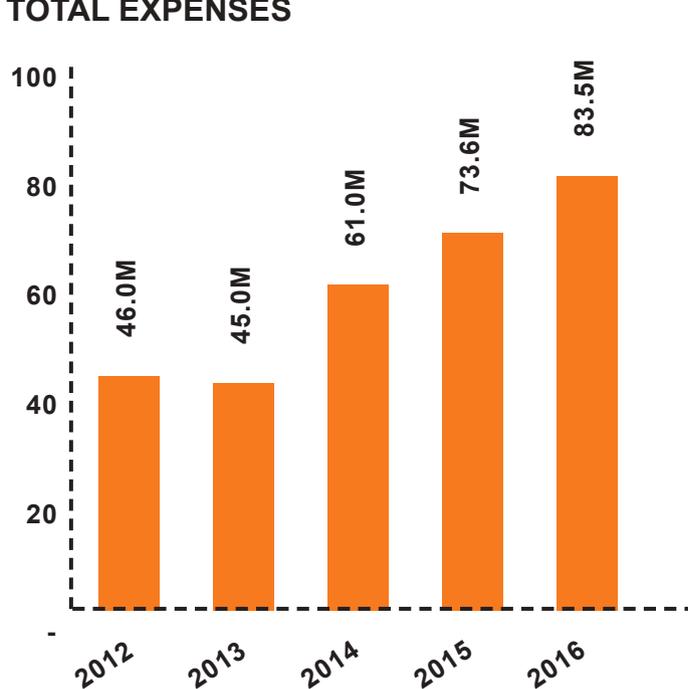
ECLOF's financial performance registers a consistent increase in the last 5 years. Total Revenue from operations has an annual average increase of 22%. This year's increase in Total Revenue is at 16%, from PhP79.5M in 2015 to PhP92.5M at the end of 2016. Along with the increase in production in terms of revenue, operating expense consistently increases as well, except in the year 2013 where the average annual increase was at 18%. The increase in Total Expenses for the year is at 13% from PhP73.6M in 2015 to PhP83.5M this 2016.

Summary of Revenue and Expenses (in millions PHP)	2012	2013	2014	2015	2016
Total Revenue	41	52	64	79.5	92.5
Total Expenses	46	45	61	73.6	83.5
Net Income/ (Loss)	-5	7	3	5.9	9.0
OSS	89%	116%	105%	108%	111%
FSS	87%	112%	104%	106%	109%
OCR	36%	34%	33%	35%	36%

TOTAL REVENUE



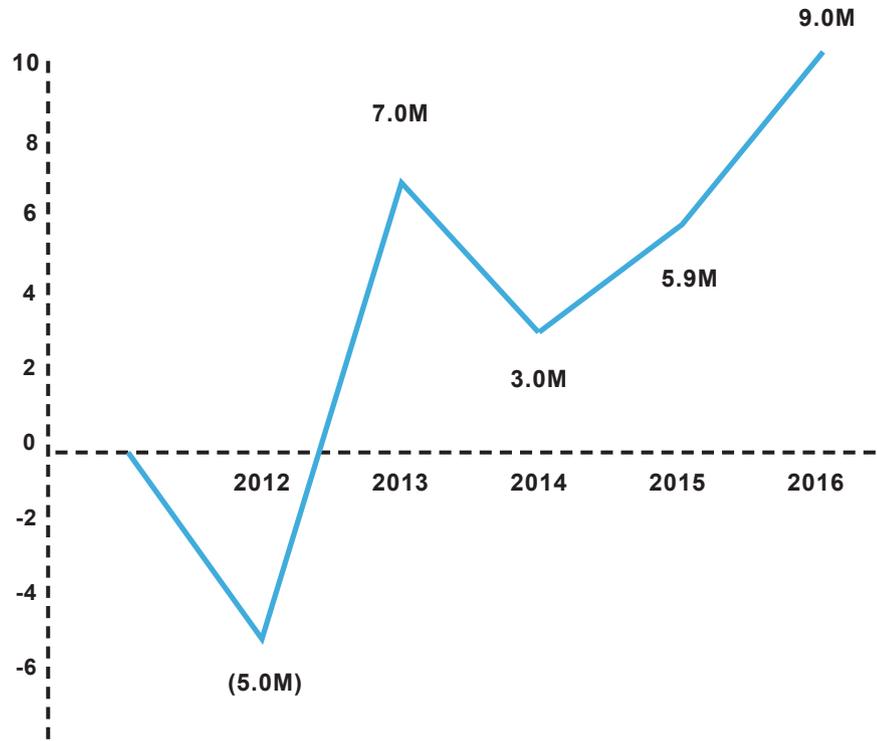
TOTAL EXPENSES



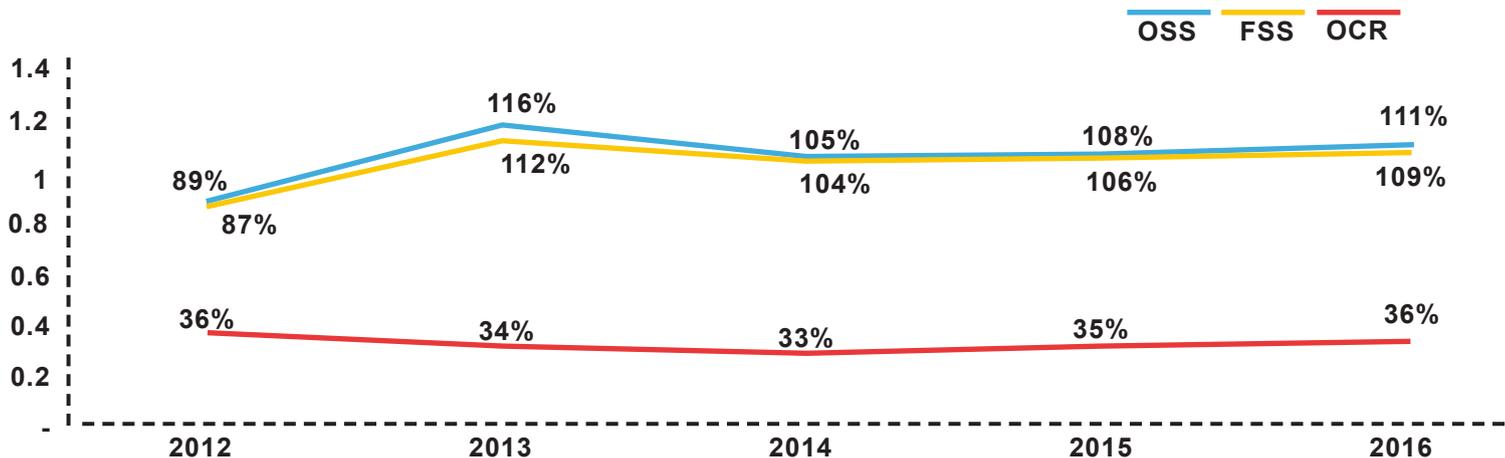
ORGANIZATIONAL HIGHLIGHTS - FINANCE

Highest Net Income during the last 5 years is registered during the year with PhP9.0M. The second Highest was in 2013 with PhP7.0M, followed by PhP5.9M in 2015. Measuring the Operating Self-Sufficiency (OSS), ECLOF was able to reflect 4 consecutive net revenues in the last 5 years after the net loss in 2012. The highest OSS was in 2013 with 116%, followed by 111% this year. Financial Self-Sufficiency (FSS) during the last 5 years reflects consistent ratings with the OSS after including imputed costs of capital and other external considerations, rates were kept to 2% to 4% differences from the OSS. The year-end FSS is at 109%, second highest from the 2013 rate of 112%. The Operating Cost Ratio (OCR) is still at steady rate between 33% to 36%, with the lowest registered in 2014 at 33% while the highest in 2012 and 2016 at 36%. The ideal OCR rate of 13%-21%, which indicates a good measure of the efficiency of the lending operations, is yet to be achieved.

Net Income / (Loss)



OSS, FSS, and OCR



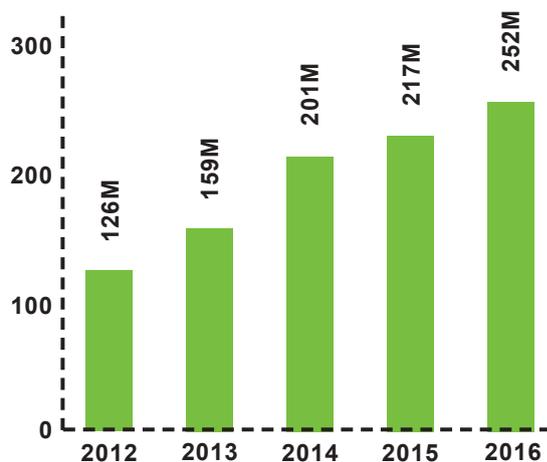
ORGANIZATIONAL HIGHLIGHTS - FINANCE

Summary of Financial Position (in millions PHP)

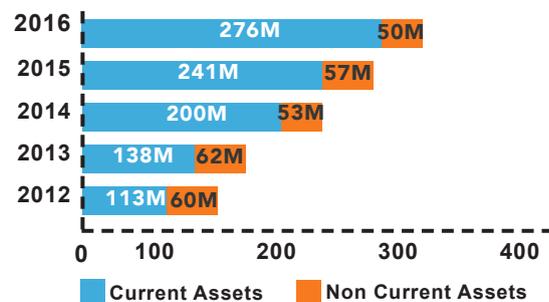
	2012	2013	2014	2015	2016
Current Assets	113	138	200	241	276
Non-Current Assets	60	62	53	57	50
TOTAL ASSETS	173	200	254	298	326
Current Liabilities	38	39	84	98	122
Non-Current Liabilities	156	174	181	204	200
TOTAL LIABILITIES	194	214	265	303	322
FUND BALANCE	(20)	(14)	(11)	(5.1)	3.9
TOTAL LIABILITIES AND FUND BALANCE	173	200	254	298	326

There is a steady improvement in the Financial Position for the past 5 years, as assets have been strengthened by the continuous growth in Loan Portfolio. This can be seen with significant increase in Current Assets wherein major contributions came from the Loan Portfolio that grew from PhP126M to PhP252M in five years. The Non-Current Assets, on the other hand, declined from PhP60M to PhP50M in five years, largely contributed by the decrease in long term receivables from Institutional Loan Portfolio. Total Liabilities have increased from PhP194M to PhP322M due to the loans that are required to fund the increasing Loan Portfolio. It is also important to note that the increase in productivity as brought by increasing loan portfolio has eliminated the PhP20M negative Fund Balance in 2012 and brought the organization to a positive Fund Balance of PhP3.9M at the end of 2016.

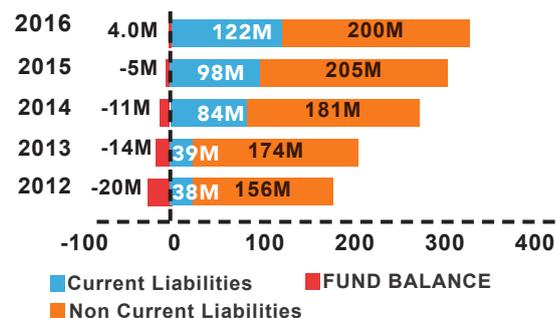
LOAN PORTFOLIO



ASSETS



Liabilities and FUND balance



As there was no significant increase or changes in the Non Current Assets that ranges from PhP50M to PhP60M, funds are directly invested to operating or performing assets which are the Loan Portfolio, Cash and some Capital Expenditures for opening or renovating a Unit Office. On the other hand, the increase in Current Liabilities, which somehow look significant is brought by borrowing funds and Collateral Build Up, which is not exceeding 30% of Loan Portfolio. Thus, the increase from PhP38M to a high of PhP122M in five years for the Current Liabilities. Since the Average Loan Term for borrowed funds is 3years, Non-Current Liabilities including the Fund Held In Trust from ECLOF INTERNATIONAL (EI) reflected a consistent big portion of Liabilities which was from PhP156M to PhP200M. As the productivity level of Organization increased, so a reflection of positive Fund Balance is achieved at the end of 2016 of almost PhP4.0M.

ORGANIZATIONAL HIGHLIGHTS - FINANCE

Five-Year Trend of Net Income Per Branch (in million PhP)

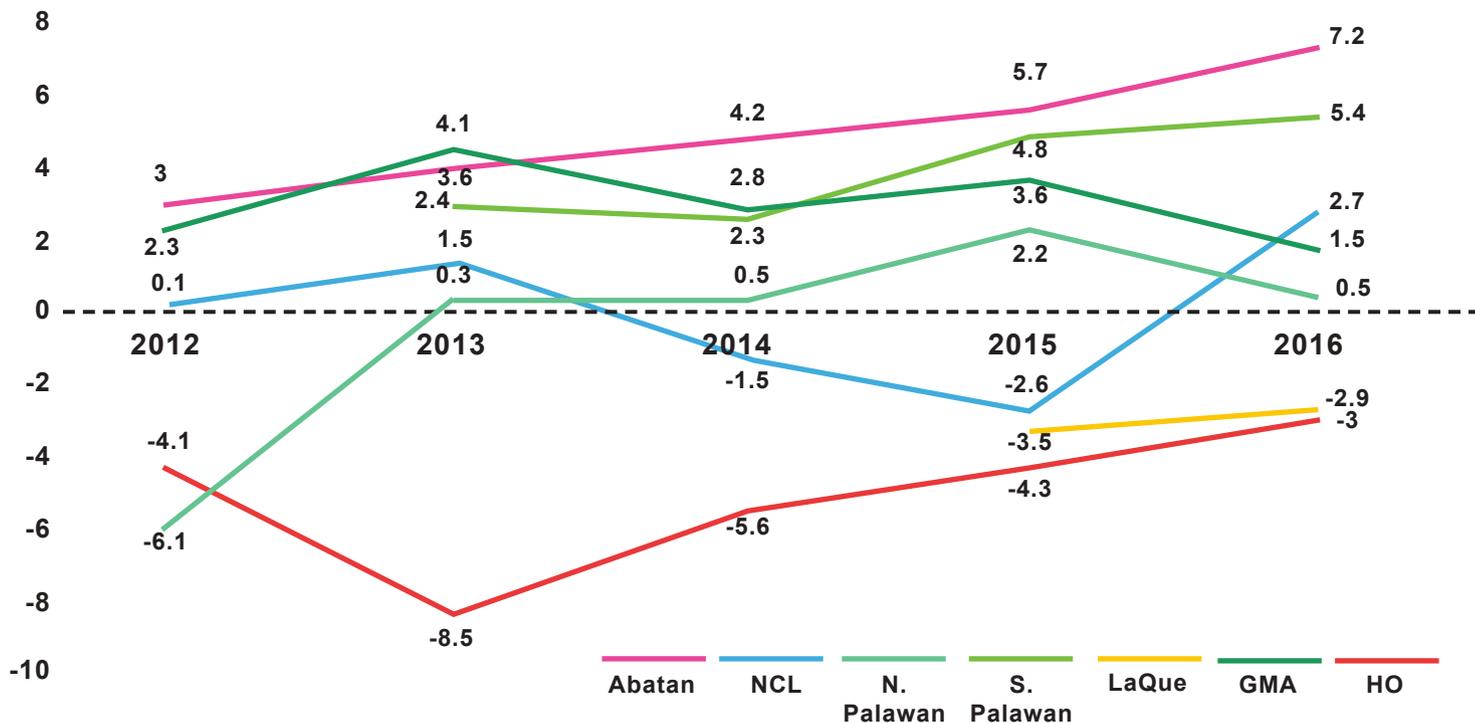


Chart 8: PAR Rate Trend per Branch

Distribution of contribution to the growth in Net Income during the past five years from the 3 Major Areas: Palawan, North and South Luzon are performed by the 20 Unit Offices. This year, the highest Net Income in the history of ECLOF is achieved and at same time posted a breakthrough, from a negative Net Worth that is as high as Negative Loss of PhP20.0M to a positive Fund Balance of almost PhP4.0M.

Abatan Branch is consistent in contributing the highest Net Income during the last three years. This year it contributed PhP7.2M with just two operating Units within one Office in Buguias, Benguet. This is followed by South Palawan, consistent outstanding performer during the year, which contributes an increased Net Income as compared to its last year's contribution with PhP5.4M. North Central Luzon (NCL) with its Baguio Office as one of the oldest Unit offices of ECLOF, manages to contribute an income of PhP2.7M, a significant improvement from last year's loss in Branch income due to re-alignment of the Agoo Unit Office. Decreasing bottom-line registered by the GMA and North Palawan Branches with PhP1.5M and 0.5M Net Income respectively. Newly opened Unit Offices in Taytay-North Palawan, San Fernando La Union and Infanta, Quezon are relatively young to contribute to Net Income.

ORGANIZATIONAL HIGHLIGHTS - L.I.F.E PROGRAM

L.I.F.E PROGRAM (LIVING INTEGRATED FARMING THE ECLOF WAY)

ECLOF LIFE Program soared in 2016 with training events on basic organic farming, training and consultation meeting with farmer association leaders, farmers' exposure and a day in a farm activities, engaging both clients and staff. ECLOF also partnered with various organic practitioners and Mr. Primo Suza, Farm Officer, participated in a training and exposure in one of the organic farms in Laguna in order to further its advocacy on organic farming.

TRAINING EVENTS ON BASIC ORGANIC FARMING

ECLOF has been visiting and engaging various municipalities within its areas of operations to promote organic farming through training. Facilitated by the Corporate Planning and Communications Department through Mr. Primo S. Suza, Farm Officer, as the resource person, the 2-day training aims to educate farmers and farmer groups on the principles of organic farming, its benefits and different technologies as well as formulation of different organic concoctions, pesticides and insecticides. The participants also get to make organic concoctions and visit organic farms for first-hand experience.

For 2016, a total of 8 trainings were conducted in La Trinidad, Benguet; Infanta, Quezon; Narra, Taytay and Quezon, Palawan; and San Juan and Bauang, La Union with a total of 431 participants trained.



FARMERS ASSOCIATION LEADERS' TRAINING AND CONSULTATION MEETING

ECLOF invited different farmer association leaders and local government units of Palawan to a 1-day activity to enhance their knowledge on the different areas of the value chain; such as, but not limited to, production, marketing and post-harvest. The main objective of the activity was to provide inputs to farmers on emerging opportunities in agriculture from the provincial perspective, marketing and agribusiness opportunities, as well as organic farming. ECLOF invited Engr. Haidei Mendoza of the Palawan Agriculture Office, Mr. James Amparo the Founder, President, and CEO of Yovel East Research and Development Inc., and Mr. Keith Mikkelson the owner of Aloha Farm, an organic farm, as speakers for the activity.



ORGANIZATIONAL HIGHLIGHTS - L.I.F.E PROGRAM

L.I.F.E PROGRAM (LIVING INTEGRATED FARMING THE ECLOF WAY)

FARMERS EXPOSURE AND INSIGHT TRIP

ECLOF also facilitated the learning activity of pineapple farmers from Calauan, Laguna in pineapple farms in Bugarin, Pililia, Rizal. The activity was intended for the farmers to share their farming practices with one another and initiate partnerships. The activity was a success as the farmers gained fresh insights which they could apply in their respective farms. They also gained new friends for possible and potential market of their produce.



A DAY IN THE FARM

Staff also participated in farming activities through an activity called “A day in the Farm” in ECLOF farms. The activities were aimed to get staff experience various farming activities and learn more about organic farming, which is an advocacy of the organization. Palawan Area staff gathered at the EP LIFE Farm to help in the farming activities; while North Luzon Area staff supported the recovery of the EP Demo Farm which was damaged by Typhoon Lawin.

Finally, ECLOF also started preparing its property at Lamot, Calauan to be a learning farm in South Luzon Area.



ORGANIZATIONAL HIGHLIGHTS - PRODUCT LAUNCHING

EP Group Loan: Pang Agri Na! Pang Entrep Pa!

Driven to deliver more responsive and relevant products to our clients, EP launched its newest product – Micro Negosyo at Serbisyo – Group Loan (MNS-GL).

EP's MNS-GL is one of a kind as it targets clients who are starting their new businesses. Through MNS-GL, EP aims to generate micro livelihood businesses and economic productivity to clients who are otherwise disqualified by other MFIs. EP, being an active MFI, does not want to further add to the credit pollution of MFIs reaching out to this same market segment. As the MF industry continues to mature at a very fast rate, which is now at its commercialization stage, EP must target new markets in existing areas where most MFIs compete.

In relation with this new product, EP's portfolio sharing maintains at 60% for agri loans and 40% for entrep and institutional loans. As our tagline goes -- 1 ECLOF: 3 Regions, 5 Years, 50K clients. Pang-Agri na, Pang-Entrep pa!



Product Launching (June 27, 2016)

ORGANIZATIONAL HIGHLIGHTS - 21st GENERAL ASSEMBLY

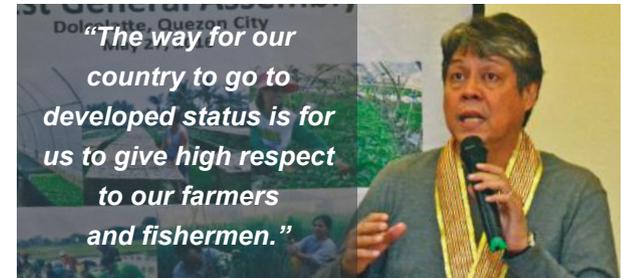
The Board of Trustees, management team, staff, members of the general assembly and program partners once again gathered last May 27, 2016 for the 21st General Assembly of ECLOF Philippines at the Dolcelatte, Quezon City. The theme for this year's assembly was "The Launch: Riding the Paradigm Ship."

Mr. Donato G. Alcoba, Jr., EP's Development Consultant, hosted the day's event while Atty. Floyd P. Lalwet, Chairman of the Board, gave the Welcome Remarks and Rev. David Tabo-oy of the Episcopal Church in the Philippines gave a biblical reflection of Luke 5:4;

"Put out into deep water, and let down the nets for a catch."

Highlight of the event was the keynote address of Sen. Francis "Kiko" Pangilinan. Sen. Kiko's talk centered mainly on inclusive growth. First, he shared the disheartening reality of poverty in our country and how many of our farmers (particularly the coconut farmers) and fishermen are characterized by it. According to him, access to credit is one of the interventions to address this. Nevertheless, microfinance institutions, like ECLOF, play an important role as the only way to deal with this problem is through a sustained partnership of both public and private sectors towards farm enterprise management and development. The idea is to mobilize resources so that our farmers and fishermen become farm managers and entrepreneurs themselves. Sen. Kiko further shared he can relate

with farmers and their love for their product as he himself manages an organic farm. Lastly, in the words of Sen. Kiko,



Afterward, a question and answer portion was opened where Sen. Kiko accommodated the questions from the guests and participants. He clarified his pronouncements and heard the stories and situations particularly from our program partners.

In the afternoon, the business session was spearheaded by Atty. Lalwet, Ms. Rosemarie Castro, Executive Director, and Ms. Mary Jane Baldago, Corporate Secretary.

On a lighter note, like last year, all three areas of EP showcased products of their clients with a contest on the best booth according to the year's theme. The winning booth was of South Luzon's.



Early in the year, ECLOF Philippines (EP) welcomed Mr. Anton Simanowitz, a Social Performance Management (SPM) Consultant tapped by ECLOF International (EI), for a visit to discuss on SPM. Mr. Simanowitz visited both unit office staff and clients where he became familiar with EP's operations then sat down with key officers to discuss on SPM.

SPM is “the implementation of management practices that translate the institution’s social mission into practice.” It is about setting your value as a microfinance institution with accepted social goals. The main question that should be answered is – How does an organization, or EP for that matter, help its clients deal with their problems? There are universal standards for SPM to guide organizations address this question which they can contextualize accordingly. EP, being a development organization, adheres to SPM.

WHO DO WE REACH?

EP reaches to the most vulnerable sectors of the community – the agriculture sector. Farmers and fisher folks are particularly vulnerable as they are susceptible to natural disasters. They also live in far-flung areas where access to social services are difficult. ECLOF Field staff reached to these clients to accommodate and provide for their financial needs. It is noteworthy as well that these are the same people who provide food in our plates; thus, as a whole, EP contributes to food security of the country.



CLIENT SATISFACTION

EP enjoys relatively high client retention rate. This shows how the organization strives to live through its tagline “Service is our Lifestyle.”

EP has facilitates a client feedback mechanism and Client Exit Interview where clients can freely express their comments, positive encouragements, and suggestions to the organization that, in turn, inspires or help ECLOF improve its products and service delivery.

RESPONSIBILITY TO STAFF

EP works to better care for its people so that they grow as the organization grows and contribute to its mission and goals. EP, being a service provider, acknowledges the important role of its staff in operations. And so it continues to improve itself in staff management; such as staff development program and teambuilding activities.



In 2016, EP, through its Human Resources Department, conducted a staff satisfaction survey. The survey highlighted that majority of its employees are satisfied with the organization especially in terms of good working relationship, work environment, and career development.

VALUE FOR CLIENTS AND TO THE COMMUNITIES

Besides its financial products and services, EP provides non-financial services to its clients and the communities to help facilitate community development in its areas of operations.



Training on Basic Organic Farming is conducted to farmers and farmer groups in all EP's areas of operations where

basic concepts and formulation of organic concoctions are taught EP also operates two organic farms – EP L.I.F.E. Farm in Narra, Palawan and EP Demo Farm at the Benguet State University in La Trinidad, Benguet. These farms were set up as a place for learning, research, and exposure of farmers on organic farming.

EP likewise provides two microinsurance facilities to its clients – Credit Group Life (CGL) for credit insurance and CB Kalinga for life insurance.

Before the year ends, EP launched Cash Disbursement Facility in select Unit Offices. This facility aims to cater more clients in the rural areas who are having it difficult to deal with bank requirements, further expanding ECLOF's client outreach to the vulnerable and marginalized.

Finally, last December 4, 2016, EP conducted its first Health, Medical, and Dental Outreach to the clients of Calauan & Sta. Cruz, Laguna. In partnership with LIFELINE Foundation, who provided the medical & dental volunteers, clients and their family members were given free medical consultation and dental services. The activity was also sponsored by Country Bankers Life Insurance Corporation who donated medicines and umbrellas and Philippine Bible Society who donated 400 bibles to giveaway to clients.

ADHERENCE TO CLIENT PROTECTION PRINCIPLES (CPP)

EP has set of policies established to guide its staff through the organization and protect its clients and the information they have confided. The following are Client Protection Principles and the related EP policies.

Client Protection Principles (CPP)	EP Policies
Prevention of over-indebtedness	Loan Evaluation & Appraisal
Promotion of Transparency	Loan Documentation
Responsible Pricing	Product Policies
Appropriate Collection Practices	Loan Collection/Repayment
Ethical Staff Behavior	CODES
Mechanism for Redress of Grievance	Client Feedback
Privacy of Client Data	Loan Documentation

ORGANIZATIONAL HIGHLIGHTS - HUMAN RESOURCE HIGHLIGHTS

ECLOF, by the end of the year, is 200 strong, with majority of its staff in operations and the rest are support staff. This is a 22% increase from last year's HR complement as a response to the organization's strategic plan to expand its areas of operations. ECLOF opened Unit Offices in Infanta, Quezon; San Fernando, La Union; and Taytay, Palawan.

A total of four staff development training events were conducted during the year specifically for the leaders of the Operations Department. These were People Management (Situational Leadership) Training, New Supervisors Training, One-stop-shop Unit Management Training, and Finance 101. North Luzon Area Key Officers also participated the yearly Global Leadership Summit held in Baguio City convened by APPEND Philippines in partnership with Willow Creek Association.

ECLOF also conducted a staff satisfaction survey participated by 44% of staff. The survey highlighted that 69% of employees are satisfied with the organization because of their satisfaction on relationship management, work environment and career development.

Finally, ECLOF gave time for staff teambuilding and sports. Last June 26-27, 2016, all ECLOF staff gathered at Pranjetto Hills Resort and Conference Center at Tanay, Rizal for a time to break from their usual office work and foster friendship and camaraderie among each other.



Global Leadership Summit



People Management (Situational Leadership) Training



Team Building



LOYALTY AWARDS

Marian D. Sacyaten
Executive Assistant
10 years



Florentino Angnganay – Branch Manager: 5 years
Johnel Cinco – Branch Manager: 5 years
Jose Lumbag – Branch Manager: 5 years
Marjorie Adaclog – Finance and Admin Officer: 5 years
Ma. Ercille Adova – Program Supervisor: 5 years
Marcing Dao-anes – Program Supervisor: 5 years
Samuel Penas – Program Officer: 5 years
Jomyie Santos – Finance and Admin Associate: 5 years

CLIENT STORY

Mr. Herasmo Abelong: Manna from Above

From the municipality of Quezon, Palawan, Mr. and Mrs. Herasmo Abelong have been serving their community through the many roles they play. Herasmo (50) is a client of ECLOF Philippines-Quezon Unit since 2014. With his wife – Miriam, they are managing their three micro-businesses; namely Instant Ginger with Turmeric and Moringa Oliefera, Catering Service, and Bridal Gown Shop.

Their Instant Ginger with Turmeric and Moringa Oliefera Tea first came into development when they were invited to represent the Municipality of Quezon in the 2011 Baragatan Festival, an annual provincial-wide celebration. During the event, each municipality showcased their local products – both raw and processed. The Abelongs brought raw turmeric and started processing turmeric tea. Mrs. Abelong recalled with excitement the popularity of their product back then. It also helped that turmeric was slowly gaining ground for being a medicinal plant. They won 2nd place in the event which was a big feat as it was Quezon's first win in 10 years. Then, Mrs. Abelong's father suffered from stroke, his second. Because of the complications (he also had diabetes and tuberculosis), his body could no longer sustain and they were advised to try alternative medicine. That's when Mrs. Abelong really proved the medicinal power of turmeric.



Their suppliers of native turmeric and ginger are farmers, about 16, who are actually indigenous peoples living in nearby communities of Aramaywan and Berong in Quezon and Ipilan in Narra. They deliver about 300 kilos every week. Through the years, their turmeric tea has grown and flourished. It has reached other provinces as far as Masbate, Davao and Zamboanga Sibugay and other countries such as Israel through their OFW customers. They have also been by approached by government agencies to help them improve their production and market their turmeric tea.

Their other two businesses are also booming. A lot of locals have booked their catering service for their weddings and other events. It likewise provided income to their neighbors, both young and adults. During summer vacation in particular, their young neighbors would flock and help in preparing the place for an event wherein they could try and learn table skirting while having allowance at the same time. Their parents are likewise happy and at peace as their children are spending their time worthily. Meanwhile, Mrs. Abelong opened a bridal gown shop because of the increasing demand from their clients.

Mr. Abelong is currently serving as a Brgy. Captain and pastor of their local church. He is also an organic farming practitioner and advocate, having organized and encouraged fellow farmers to further their skills in farming. Meanwhile, Mrs. Abelong is a health advocate. She is currently the President of the Tuberculosis Taskforce Federation of Quezon, which was organized by their Municipal Health Office. Previously, she was part of the taskforce on Malaria. In conclusion, hard work, passion and faith in God are Mr. and Mrs. Abelong's instruments in succeeding in their different endeavors – be it business or community engagements. Their support to their community are their way of fostering their relationship with God.

OUR PEOPLE

STAFF



HEAD OFFICE



ABATAN BRANCH



NORTH CENTRAL LUZON BRANCH



LA UNION BRANCH

OUR PEOPLE

STAFF



NCR BRANCH



CALABARZON BRANCH



NORTH PALAWAN BRANCH



SOUTH PALAWAN BRANCH

OUR PEOPLE

BOARD OF TRUSTEES



Atty. Floyd P. Lalwet
Chairman



Minnie Anne M. Calub
Vice-Chairman



Christie Rowena C. Plantilla
Treasurer



Lauro C. Millan
Member



Rogelio G. Decal
MEMBER



Rev. Eliaquim de Aquino, Sr
MEMBER

MEMBERS LIST

Church and Church Related Organizations



National Council of Churches in the Philippines (NCCP)



Episcopal Church in the Philippines (ECP)



United Church of Christ in the Philippines (UCCP)



Iglesia Filipina Independiente (IFI)



The Salvation Army (SA)



Union Theological Seminary (UTS)



Iglesia Unida Ekyumenikal



IGLESIA EVANGELICA METODISTA EN LAS ISLAS FILIPINAS (IEMELIF)



Convention of Philippine Baptist Churches (CPBC)

NON-GOVERNMENT ORGANIZATIONS AND PEOPLES ORGANIZATIONS



ECLOF International



Consortium of Christian Organizations and Rurban Development (CONCORD)



PUNLA Sa Tao Foundation



OIKOCREDIT



Federation of Peoples' Sustainable Development Cooperative (FPSDC)



Llano Multi-purpose Cooperative (LLAMPCO)



Old Sta. Mesa Savings and Credit Cooperative (OSMSCC)

COOPERATIVES

LOAN PRODUCTS

Agri Loans/Agri-microfinance - financing facility to those engaged in agriculture to provide food and create livelihood for every family and their immediate community. The amount lent is used for agricultural production, livestock and aqua products, and asset acquisition to support the agricultural activity. **Agri-microfinance products** are as follows:

1 Agricultural Production

This credit product aims to provide financing program for farmers producing:



Grains

such as rice, corn, and others



Fruits

fruit trees including their by-products (such as coconut, cashew, mango, banana, citrus and others) and shrub fruits (such as strawberry, pineapple, watermelon, melon and others)



Vegetable

such as chopsuey, pinakbet vegetables and others



Flowers & Herbs

2

Livestock & Aqua Products

This credit product covers production and processing of by-products of:



Poultry

Chicken, duck and others



Livestock

hogs, goat and others



Cattle

Carabao or Cow



Aqua products

fish, shrimp, crab cages, seaweeds, shells and others

3

Asset Acquisition

This credit product covers:



Land acquisition and/or improvement for farming purposes

such as direct acquisition, tilling, greenhouse, solar dryer construction and others



Farm Machinery and/or equipment

such as thresher, water pump, hand tractor, harvester and others



Vehicle for farm

produce transportation



ECLOF

“Service is our Lifestyle”

Philippines

LOAN PRODUCTS

Entrep Loans/Micro Negosyo at Serbisyo (MNS) Loans are categorized into three as follows:



Group Loan

aims to generate micro livelihood businesses and economic productivity to clients who want to start their own businesses.



Individual Loan

to provide additional working capital to strengthen existing businesses or enterprises.



Job Generating Loan

provide additional capital to individuals engaged in businesses that generate jobs, if not undergo strengthening and primarily needs to increase their working capital or buy fixed assets for the business.

OTHER PRODUCTS

Client Service Loan (CSL) is an extended financial service facility that addresses emergency or improvement needs, including hospitalization of any family member, calamity, burial assistance, education (such as tuition fees), house repair/renovation and appliance purchase to loyal clients with excellent current EP credit history.

Small & Medium Enterprise Loan (SME) is designed to give financing facility to small and medium enterprises to support their business expansion and augment their working capital. SMEs play a vital role in the local economy in terms of employment and growth. Aside from stimulating entrepreneurship and innovation, SMEs also contribute to the expansion and diversification of markets and increase in savings rate and investment base.

Institutional Loan (IL) is intended for churches, schools, cooperatives and non-government organizations (NGOs). It is divided into two (2) categories: General Capital Loans for Church/School infrastructure projects and Development Capital Loans for re-lending fund of Cooperatives and NGOs and for income-generating projects of schools and churches.



ECHO

“Service is our Lifestyle”

VISION

Realizing human dignity

MISSION

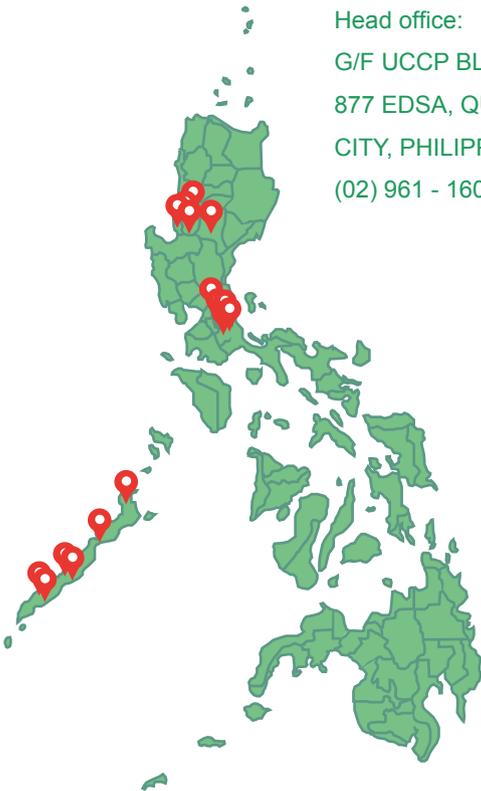
ECLOF Philippines is committed to build communities and livelihood, which are sustainable - economically viable, socially desirable and environmentally sound.

CORE VALUES

Service with
T - Teamwork
I - Integrity
E - Excellence
S - Stewardship

AREAS OF OPERATION

Head office:
 G/F UCCP BLDG.,
 877 EDSA, QUEZON
 CITY, PHILIPPINES
 (02) 961 - 1600



		UNIT	ADDRESS	CONTACT NUMBER
NORTH LUZON AREA	Abatan Branch	Buguias 1 & 2	3rd Floor Mariano Cobcobo Bldg., Abatan, Buguias, Benguet	0909-113-6335 0907-359-2214
		Atok	Sumakey Bldg., Paoay, Sayangan, Atok, Benguet	0946-338-0263
	North Central Luzon Branch	Baguio	Rm 209 Lyman Ogilby Bldg., Magsaysay Ave. Baguio City	(074)442-1080
		Nueva Vizcaya	2nd Floor Cuaresma Bldg. National Highway, Bambang, Nueva Vizcaya	(078) 392-1050
La Union Branch	Agoo	Dra. Pacis Bldg., Consolacion, Agoo, La Union	0946-970-6092	
	San Fernando 1 & 2	2nd floor, Uy bldg, Catbangen, San Fernando, La Union	(072)687-1290	
SOUTH LUZON AREA	NCR Branch	Marikina 1 & 2	3rd Floor Maryland Bldg., 1 Gil Fernando Ave. Brgy. San Roque, Marikina City	(02)646-0798
		Cainta 1 & 2	4th Floor MORE Business Center, No. 2225, KM. 23, Ortigas Ave. Extension, Brgy. San Isidro, Taytay, Rizal	(02)571-1867
	CALABARZON Branch	Tanay	41 Ft. Catapusan St., 2nd Floor Unit E, Plaza Aldea, Tanay, Rizal	(02)212-6895
		Calauan, Laguna	L. Geirosa St., Brgy. Silangan, Calauan, Laguna	(049)310-1243
Sta. Cruz, Laguna		2nd Floor Ansanpua Bldg. Cailles cor. Alfonso St., Poblacion III	(049)539-5086	
PALAWAN AREA	North Palawan	Puerto Princesa City	Unit 5, ARL 111 Bldg., Rizal Avenue, Puerto Princesa City, Palawan	(048)434-8045
		Narra	Malvar Ave., Poblacion, Narra, Palawan	0930-491-3410
		Taytay	Babes Ann Apartelle, National Highway, Purok 6, San Lorenzo, Brgy. Poblacion, Taytay, Palawan	0917-110-1255
	South Palawan	Brookes Point	Modelo 11 Bldg., Narrazid St. District 11, Poblacion, Brookes Point, Palawan	0946-983-4430
		Quezon	2nd Floor, TGT Bldg., Poblacion, Quezon, Palawan	0907-709-7611
		Rizal	Lubaton Bldg., Punta-Baja, Rizal, Palawan	0909-949-3013

