

FICOBANK Wins the First Ginintuang Gawad PITAK for Coop Rural Bank

The Land Bank of the Philippines, on its 46th anniversary, went across the country in search of its most outstanding partners in countryside development from among the finest primary cooperatives, cooperative rural banks, and small and medium enterprises

(SMEs). The Gawad sa Pinakatanging Kooperatiba, or Gawad PITAK, is a much-coveted honor bestowed to cooperatives and cooperative rural banks, which played and continue to play a fundamental role in the growth and economic development of their members and respective communities.

After three months of rigid screening and selection, LANDBANK finally honored the outstanding cooperatives, cooperative rural banks, and small and medium enterprises of the country in its annual Gawad PITAK and Gawad Entrepreneur, respectively, in ceremonies held on 7 August 2009 at the Don Ceasario San Diego Gym in Plaridel, Bulacan. Her Excellency President Gloria Macapagal-Arroyo led the conferment of awards with Finance Secretary and LANDBANK Chairman Gary Teves, LANDBANK President and CEO Gilda E. Pico and other dignitaries. The awarding ceremony is historic, as it



FICOBANK, through its Chairman Flordelino A. Almazan, Vice Chairman Florentino T. Somera, Jr., President and CEO Herminio G. Ocampo and EVP and COO Soledad S. Cabantac, is awarded the plaque of recognition by Her Excellency President Gloria Macapagal-Arroyo for winning the Ginintuang Gawad PITAK under the Cooperative Rural Bank Category. With PGMA are Secretary of Finance and LANDBANK Chairman Margarito B. Teves and LANDBANK President and CEO Gilda E. Pico.

Credit Scoring Project Advances FICOBANK's MF Business

As initiated in 2006, FICOBANK, in partnership with the Innovations for Poverty Action (IPA) finally started what is touted as the "paperless" loan application through the development of the software called the Credit Scoring System (CSS). It is especially designed by IPA for FICOBANK to facilitate loan processing. With its use, the overall efficiency in approving or denying a loan application is made faster and more convenient to both the client and the Account Officer (AO). Through CSS, the essential information is compiled in the software and the final analysis whether to approve or deny the client's application is determined instantly.

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General Assembly Approves Conversion of FICOBANK into Thrift Bank

In cognizance of its fast-paced development and double-digit growth, FICOBANK has foreseen the pressing need of an enormous equity build-up. With such challenge, the bank will need to transform itself into a better form of banking institution, as it cannot pursue growth and draw strength solely on the flexibility and adaptability it has developed over the years as a cooperative bank.

As laid out in its Strategic Plan, FICOBANK will pursue and sustain its historical growth, improve its ownership structure and strengthen further its governance capability. The bank also intends to expand its network of branches and extension offices from the present 26 to a bigger 40 across Cagayan Valley, Central Luzon and Northwest Luzon within the next five (5) years.

To adequately capitalize its network expansion, FICOBANK realizes



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was preceded by the signing of Republic Act 9700, or the CARP Extension with Reforms Law (CARPER). From among the Hall of Famers of LANDBANK's Gawad PITAK, CRB category, a shortlist of contenders—First Isabela Cooperative Bank (FICOBank), Cooperative Bank of Misamis Oriental and Bukidnon Cooperative Bank—vied for the Ginintuang Gawad PITAK. FICOBank is so lucky that it was chosen as the first winner of the Ginintuang Gawad PITAK under the Cooperative Rural Bank category and a recipient of a P500,000 worth of fixed assets.

As FIRST is prefixed in its corporate name, it is imperative that FICOBank should uphold its mark of being FIRST. For the years (2006-2008) in review, the bank exerted maximum efforts to excel in terms of: (1) organizational management and business operations; (2) assistance to small farmers and fisherfolk; (3) creating impact to members, community and other coop banks; (4) organizational, operational and financial sustainability; and (5) partnership with LANDBANK. The first-rate banking operations, financial performances and civic activities of FICOBank were all clear and fine in the eyes of the Gawad PITAK's validating team and board of judges; thus, getting their thumbs up.

The board of judges of the 2009 Gawad PITAK was headed by the chairmen of the Upper and Lower House Committees on Cooperatives, Senator Juan Miguel Zubiri and Representative Ernesto Pablo. The President and CEO of LANDBANK, Ms. Gilda Pico, served as the vice chairperson. The members were: Agriculture Secretary Arthur Yap, Agrarian Reform Secretary Nasser Pangandaman, Cooperative Development Authority Chairperson Lecira Juarez, Philippine Partnership for the Development of Human Resources in Rural Areas for Luzon Chairperson Rafael Gayaso, and Polytechnic University

of the Philippines President Dante Guevarra.

In reaching the zenith of the prestigious Gawad PITAK, the confidence of the diverse stakeholders of FICOBank will definitely be enhanced, as the same is a tag of its remarkable growth, high-quality performance, outstanding contributions to countryside development and adherence to international banking standards. It is expected that this Ginintuang Gawad PITAK will boost further the image of FICOBank as a preferred bank.

—RR Palac

FICOBank Launches New Loan Product

As part of the response of FICOBank towards its mission of transforming peoples' lives innovatively, a new loan product, branded as Pension Loan, is officially added to its long list of product lines. With a simple program held on June 27, 2009 at FICOBank Corporate Office, employees concerned from all its branches and field offices in Region II, to include personnel of Credit, Business Development and Internal Audit Departments and trainee-employees from Regions I and III, gathered together to participate in the said product orientation and launching.

During the program, Chairman Flordelino A. Almazan, in his opening remarks, emphasized that management should always be on its toes when it comes to the bank's products and services. He added that by developing a product with features different from those of the competitors, FICOBank could maintain its edge in the market. He reiterated that for the bank to be more competitive, employees should have continuous and extensive trainings.

Mr. Herminio G. Ocampo, FICOBank President and CEO, for his part, talked on the important values that the bank advocates to maintain its position ahead of any other banking institution in its area of operation. He stressed that the bank should uphold its market dominance in spite of the almost endless risks that prevail in the economy by improving its products and services and maintaining a customer-friendly relationship with its multi-sectoral clientele. He also disclosed the plan of the bank to give corporative participation rewards (CPR) to all its corporative members once it is converted into a thrift bank. CPR will be a major corporate social responsibility (CSR) of FICOBank.

Mr. Dionisio A. Marquez, Jr., Head of Regular Loans Unit under the Credit Department, presented the "Guidelines on the Acceptance of EP/CLOA as Loan Collateral." Engr. Marvin A. Quidasol and Ms. Violeta T. Mangupag, both Management Trainees under the Business Development Department, presented the product features and procedural guidelines of the Pension Loan of FICOBank. During the orientation, an open forum regarding the said product and guidelines stirred the presentors and participants into a lively exchange of ideas.

The product-launching event was facilitated by Mr. Andymar Castillo, HR Assistant. The bank's EVP and COO, Ms. Soledad S. Cabantac, gave the closing remarks with words of encouragement and inspiration for all.

—Jackie M. Juan

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Strengthening the Marketing Efforts of FICOBank

The early part of 2009 brought tremors to businessmen, organizations and investment houses, as the global financial turbulence threatened to shake the core of their foundations—finance. Business entities became victims of this uncontrollable chain of events. As a consequence, many were placed in a position where their flow of investments from other institutions was closely monitored. While others were looking into the unusual financial outlay movements and trends, FICOBank was focused on strengthening its sales/marketing efforts.

A three-day seminar was conducted last February 20-22, 2009 for this purpose. The first day of the seminar was held at the training hall of the Corporate Office, while the second and third days were done at the Isabelo Conference Hall of Legacy Building in Cauayan City. In attendance were 86 participant-employees of FICOBank, namely: branch managers, assistant branch managers, loans officers, account officers, field office supervisors and corporate office staff.

The seminar was preceded by a brief opening program, wherein the resource speakers were introduced. They were Professor Vicente R. Valdellon, Jr. and Mr. Jowell L. Tan of the VRV Management and Property Consultancy, Inc. They also act as consultants of FICOBank. The seminar was divided into five modules: (1) Learnabilities from other companies; (2) What we are really selling; (3) Knowing our markets very well; (4) Making the sales happen; and (5) Planning, integrating, interfacing. Each module was discussed exhaustively with examples and illustrations using existing financial institutions.

During the seminar, the speakers, Prof. Valdellon and Mr. Tan, emphasized the competitive advantage of FICOBank's unique selling propositions (USPs), strengthening its edge over the competitors. These are: (1) a professionally-managed countryside bank; (2) with 40% of deposits in liquid funds; (3) with strong profitability (26% return on equity); (4) loans are made where funds are generated; and (5) with only 5% past due ratio—a level at par with commercial banks.

Also given equal emphasis was the corporative framework, the first of its kind not only in the country, but in the world as well. In it, the practices of a private corporation are infused with cooperative principles. Common stockholders from the open market, individual private investors, business organizations and other cooperatives are welcome to join. In the spirit of cooperativism, the corporative members will be encouraged to fully participate in the bank's major activities. In return, each member, who is on equal footing, is given corporative participation rewards (CPR). The CPR that would be decided by the board will be divided equally among corporative members.

Without a doubt, the seminar served as armor, clothing the FICOBankers with more faith that can be used to overcome any crisis that may lie ahead. It provided the signal for the eagle to start its journey from a momentary slumber.

—Gloria A. Miguel

Budget Review and Mid-Year Performance Assessment

With the mystical peak of the nearby Mt. Arayat as backdrop, the Budget Review and Mid-Year Performance Assessment and Joint MANCOM-OPCOM Meeting of FICOBank was held last June 11, 2009 at the Oasis Hotel and Resort in Angeles City, Pampanga.

The meeting started at 1:00 P.M. with a prayer imploring the Almighty for wisdom and guidance, through Ms. Carlyn M. Vilorio, HRAD Head. She also facilitated the afternoon's session. The Chairman of the Board, Mr. Flordelino A. Almazan welcomed everyone and set the tone of optimism for the group. He hinted of big plans to be undertaken for the bank. This was followed by the Overview and Objectives of the budget review and performance assessment by Mr. Herminio G. Ocampo, President and CEO. He elaborated on the direction the bank is going to take for the coming years. He spoke of trends in the banking industry that sooner, not later, FICOBank has to address. He also tackled the transformation of FICOBank into a thrift bank, saying, it is the next logical big step to make.

Highlight of the meeting was the presentation of First Semester Performance, followed by Projections for July to December, 2009. Mr. Samson T. Daguio, Accounting Department Head, was given this task. Based on his presentation, some of the bankwide actual figures were slightly behind target. Several branch managers shared their concerns and strategies to "square the situation" that will eventually lead to the attainment of set goals for the year.

Dr. Robert R. Palac, Business Development Department Head, then started to present Specific Action Plans to Attain Year-End Net Income Target, to be followed by Strategies to Attain the Targets for the 2nd Semester. But before he can proceed, the group heartily sang its salutations for his coming birthday two days later. He then presented to the group for discussion purposes several options and strategies on: (a) existing products to existing customers; (b) existing products to new customers; (c) new products to existing customers; and (d) new products to new customers.

The eventful meeting ended with the closing remarks from Ms. Soledad S. Cabantac, Executive Vice President and COO. She thanked everyone for their presence and participation and encouraged the group to focus on the attainment of year-end targets.

A round of cocktails and a fellowship dinner followed, serving as energizer for the task ahead as the participants prepared to go back to their respective places of assignment.

—MA Quidasol

FICOBank Holds Annual Christmas Program for 2009



The annual Christmas Presentation of the growing FICOBank family was held last December 19, 2009 at the refurbished Tindalo Hall of Isabela Hotel in Cauayan City, Isabela.

Starting at 10:00 AM, the two-part program opened with a prayer and a Christmas message from Pastor Jade Lelina III. He is the Senior Pastor of the Dominion Church of Cauayan City. This was followed by the singing of the National Anthem, the FICOBank Theme Song and several Christmas carols. The songs served to fire up the spirit of the season in the hearts of the officers of the Bank, as they gleefully danced. Everyone was then welcomed by Mr. Herminio G. Ocampo, President and CEO of FICOBank. He came with his wife, the ever young-looking Mrs. Lydia Abalos-Ocampo. In succession, the Chairman of the Board, Mr. Flordelino A. Almazan, gave the inspirational talk, while Vice Chairman Florentino T. Somera, Jr. did the closing remarks.

Introductions for the members of the board of judges for the afternoon's competition were done while waiting for the sumptuous lunch to be served. Nine respected members from the academe and the performing arts were invited to hand down the verdict for the dancefest. Around noon, everyone partook of the prepared feast that energized the performers and spectators alike for the much-anticipated dance presentations.

Part two of the day-long festivities started at around 1:30 in the afternoon. A total of 22 performances were lined-up, representing the 18 branches with their field/extension offices, the three floors of the Corporate Office and the Area Office in Cabanatuan City in Nueva Ecija. Filled to the rafters, the venue echoed with roars of cheers, especially when the first group of

FICOBank Participates in Two National Conferences on Microfinance

For the first time, FICOBank participated in the 2009 Annual Conference of the Microfinance Council of the Philippines, Inc. (MCPI) last May 12-13 at the Century Park Hotel in Manila. The conference is a yearly activity of MCPI for its regular members and development partners. FICOBank is a newly accepted member of MCPI.

The theme of this year's conference was "Understanding the Crisis: Gearing Up for Recovery." Dr. Cayetano Paderanga, a Professor of the UP School of Economics and Chairman of the Institute for Development and Econometric Analysis, Inc., delivered a presentation on how the global financial crisis evolved and how it made its way to the Philippines.

During the plenary session, the microfinance practitioners and clients shared their respective experiences on how the harsh global economic conditions affected their business operations and what they did to cope with such adversities. Leaders of funding institutions also discussed the impact of the said crisis and the prospects for the industry amidst and beyond the crisis. Workshop sessions were also undertaken. After which, the Annual General Meeting of the 45 member-institutions of MCPI was held.

The Annual Conference of MCPI was attended by FICOBank's Chairman of the Board, Mr. Flordelino A. Almazan, President and CEO, Mr. Herminio G. Ocampo, Business Development Department Head, Dr. Robert R. Palac, and Microfinance Unit Head, Mr. Richard C. Grande.

On a separate occasion, FICOBank was represented by the Executive Vice President and COO, Ms. Soledad S. Cabantac, and Vice President for Credit and Treasury, Mr. Emilio U. Rico, Jr., in the 2009 RBAP-MABS National Roundtable Conference at the Hyatt Hotel and Casino in Manila. The event was attended by 46 MABS-participating banks in the Philippines and other partner organizations from the private sector.

With the theme, "Opportunities in Microfinance Amidst the Global Financial Crisis," the participants focused their attention on: the status of the MABS program and its plans for 2009 and 2010; opportunities amidst the crisis; monitoring the banks' overall microfinance performance; managing human resources; organizational best practices; staying on top of loan administration and collection; new microfinance products and services that the banks can take advantage of; and new technology that the banks can use to improve their outreach and efficiency. These were ably presented by resource speakers from the partner organizations of MABS and the private sector.

The Annual National Roundtable Conference is an event that gathers RBAP-MABS-participating banks from all regions to share and exchange experiences on microfinance best practices and innovations and to provide a face-to-face discussion with the banks' representatives on their microfinance performance through the EAGLE report card. The EAGLE Achievement Awards were conferred to outstanding MABS-participating banks. FICOBank bagged this prestigious award in 2005.

MCPI and RBAP-MABS are both major organizers of the famous Microentrepreneur of the Year (MOTY) Awards where FICOBank clients, by tradition, won the annual award.

—Richard C. Grande

FICOBank Supports Medical Mission



As part of its corporate social responsibility of extending a helping hand to the needy brethren, the FICOBank Family sponsored a medical mission dubbed as Bombo Medico 2009. This humanitarian event was spearheaded by Bombo Radyo Philippines. It was successfully held on July 5, 2009, simultaneously in 24 cities nationwide.

Hosting the medical mission in the province of Isabela was the Our Lady of the Pillar College of Cauayan City. Its spacious school gymnasium served as the extended clinic of volunteer

doctors, dentists, pharmacists, nurses and medical support staff. Free medical and dental services were provided to about 500 beneficiaries belonging to indigent families.

The sponsorship of FICOBank for this benevolent activity gained complementary results. Three-spot daily radio advertisements for seven days and a one-spot guesting/interview in the *Good Morning Philippines* program were given to the bank. It was also allowed to put one streamer inside the medical mission venue. It further received pre-plugging (four times per day) for one week. Moreover, the bank was acknowledged through a post-credit mention during the widely-known *Zona Libre* and *Bombo Hanay* bigtime radio programs of the station.

FICOBank aims to continue doing its share in helping build healthier and more progressive communities. Through this sponsorship, it hopes to create a greater social impact, not only to its members and clients, but to the public as well. Furthermore, it afforded the bank an avenue to create sufficient market awareness for its winning products, through the airwaves of the country's leading radio station.

—Mark Romel A. Sunga

KAYO AT ANG FICOBANK: Season 2 sa Bombo Radyo

Bilang tugon sa katuparan ng adhikain ng "Strategic Marketing Framework," pagkakaiba at pagkakakilanlan, nagpasya ang pamunuan ng FICOBank sa pangunguna ng Presidente at CEO nitong si Ginoong Herminio G. Ocampo na ituloy ang paggamit sa kapangyarihan at hiwaga ng radyo para sa *Kayo at ang FICOBank*. Para sa ikalawang taong pagsasahimpapawid ng programang panradyo ng bangko, may bago na itong tahanan. Ito ay ang DZNC Bombo Radyo 801 KHz, Cauayan City.

Araw ng Lunes, Pebrero 16, 2009, alas singko y medya ng umaga, napakinggan ang unang episode ng programa para sa 2009 sa bago nitong himpilan. Dalawang beses sa loob ng isang buwan, tuwing unang Lunes at ikatlong Lunes ng kada buwan, sa loob ng tatlong minuto mapakikinggan ang *Kayo at ang FICOBank*. Kung ating matatandaan, unang sumahimpapawid ang programang panradyo sa loob ng isang taon noong 2008 sa himpilang DWDY 1107 KHz, Cauayan City, tuwing araw ng Sabado, sa ganap na alas onse ng umaga hanggang alas dose ng tanghali.

Upang lalo pang mapalakas at magamit nang husto ang *Kayo at ang FICOBank* ay nagkaroon ng program review noong January 2009 sa pakikipagtulungan ng Business Development Department. Ang dating anim na segments sa bawat episode ay ginawa na lamang na apat. Ang isang oras na airtime, naging tatlong minuto, at ang apat na beses na weekly airtime bawat buwan, naging dalawang beses na lamang.

Ang dating anyo ng programa na magazine-type ay napanatili upang ma-inform, ma-educate at ma-entertain ang mga tagapakinig. Ang konsepto ng Season 2 ng *Kayo at ang FICOBank* ay fast-paced at segmented, ngunit ito'y siksik sa kaalaman at impormasyon.

Ang iba't-ibang segments ng *Kayo at ang FICOBank* Season 2 ay ang mga sumusunod: (1) *Kayo at ang FICOBank: Balitang Balita*; (2) *Kayo at ang Hiya ng FICOBank*; (3) *Kayo at ang FICOBank: Ugnayan*; at (4) *Kayo, ang FICOBank at ang Kapaligiran*.

Sa ugnayan segment, "live" na makakaugnay ng Program Anchor—sa loob ng labinlimang minuto—ang mga "persons in authority" sa pamamagitan ng phone patch o pagdalo sa himpilan ng radyo upang talakayin, liwanagin, tugunan at ilahad ang pamamahala o mga bagay sa pagpapalaganap ng mga produkto at serbisyo, at kapakinabangan bilang kaisa sa pagpapa-unlad ng buhay at pamayanan. Upang maging higit na makabuluhan ang ugnayan, inaanyayahan ang mga tagapakinig na mag-text o sumulat at maging bahagi sa pamamagitan ng reaksiyon sa mga paksang natalakay o gustong mapag-usapan at maliwanagan.

Sa bagong tahanan ng *Kayo at ang FICOBank* sa DZNC Bombo Radyo, tiwala ang pamunuan ng bangko na mas magiging malawak at mas maraming mamamayan ang mapaglilingkuran ng FICOBank sa pamamagitan ng signal outreach at patronage ng bayan sa nasabing radio station.

—Alvin Paras

FICOBank Lays Out Its Strategy for Transformation



In light of the consultants' crucial observations and vital suggestions, as pointed out in their report on the recently concluded Strategic Evaluation of FICOBank, the Board of Directors, Management Committee, Operations Committee and key staff conducted a five-day Strategic Planning Workshop at the Training Hall of the Corporate Office on March 25-29, 2009. The theme of this relevant activity is "Soaring High through Transformation: Defining Our Business, Charting Our Future."

The workshop, which was facilitated by Prof. Vicente R. Valdellon, Jr. and Mr. Jowell L. Tan of VRV Management and Property Consultancy, Inc. (VRVMPCI), was divided into two parts—(i) strategizing and (ii) operating and administering. The four decision packages on strategizing were: what we want to become; growing our new business; funding fast growth effectively; and key targets for the next five years. On operating and administering, three programs were embarked upon, and these are: marketing and servicing program; financial program; and general management program.

As inputs to the workshop sessions, the consultants presented the bank's expansion achievements, conversion options, transformation concepts, alternative formats for visioning, strategic opportunities and sustainable competitive advantage. Demand paradigm, current product line-up, service-delivery standards, new products and services for creation/activation, branch networking, finance mix, operating efficiencies, investment productivity, capital structure, and shareholders' rewards were also discussed prior to the three-group-workshop sessions. The consultants gave emphasis on the importance of "managing the present from the future."

After the five-day-thought-provoking planning activity, the directors, officers and key staff of the bank came up with a consensual decision on FICOBank Strategy for Transformation, which is made up of the bank's destiny, corporate philosophy, core values and distinctive competence. Included in its transformation plan are: key target for five years; major and complementary avenues for business growth; priority financial-policy issues and concerns; and various programs to achieve the strategic choices.

The bank's strategy for transformation is absolutely unique. And no other financial institution can just copy this transformation approach. With it, FICOBank will—without an iota of doubt—make the most out of its fundamental difference.

—RR Palac

FICOBank Inks Pact with PNU

Active advocacy of environmental protection and preservation in every community where it operates has been part of FICOBank's corporate social responsibility for many years now. As such, the bank sees to it that all its plans and programs are aligned with the view of arresting the worsening environmental degradation. These are embodied in its Alay Kalikasan Program and Environmental Management System.

Aside from the said programs, the bank also looked for other ways to concretize its concern for Mother Earth. Last July 28, 2009, the bank consummated an agreement with another institution with a parallel view. Through its President and CEO, Mr. Herminio G. Ocampo, a Memorandum of Agreement (MOA) was signed between FICOBank and the Philippine Normal University (PNU) Alicia, Isabela campus. Representing PNU was Dr. Marites C. Geronimo, its Executive Director. The MOA covers a one-year period, subject to review.

The said agreement is a collaboration between the two prestigious institutions in the implementation of PNU's two on-going projects: (1) Sagipin ang Kalikasan Outreach Project or SAKOP; and (2) Kuwentong Kapaligiran sa Bombo Radyo or KuKaBoRa. SAKOP is a continuing tree-planting or greening activity in selected communities, initially in the municipalities of Alicia and San Isidro, Isabela. Its goals include raising awareness levels among the citizenry and promoting their participation in environmental management through greening and other related activities. The objective is to put up a mini-forest, eventually developing it into a forest park in all selected sites.

On the other hand, KuKaBoRa is a weekly radio program that deals on critical issues regarding the environment. This information drive is a significant undertaking by PNU to address the challenge of the present times—the urgent need to save our planet. Different topics on environmental problems such as pollution, human health and diminishing natural resources are discussed. It is aired on Bombo Radyo, the same radio station where FICOBank has its own semi-monthly program, every Sunday from 9:30-10:00 in the morning.

For its part, FICOBank will provide the logistics for the two on-going projects. These include the transportation costs and provisions for refreshments of the resource persons and tree-planting activity participants. Other materials like streamers and tarpaulins, blank CDs for recording, paper for programs and flyers, and certificates of participation and appreciation will be given. Documentation costs will also be shouldered by the bank, especially during re-launching and re-planting schedules of the greening activities, wherein some of its personnel will be actively involved.

In return, PNU will provide the resource persons or speakers and their respective topics, not only for KuKaBoRa, but also resource materials for FICOBank's own radio program and future seminars for its employees and clients on related environmental topics. It will also provide credit mentions for the bank during the airing of its radio program. Manpower for the tree-planting activity will come from its students, facilitators and other linkages, while the planting materials will be provided by other collaborators.

With this agreement, the FICOBank management hopes to reiterate its commitment to actively work for environmental protection and preservation, starting with its home region, and hopefully the entire country. By partnering with an institution dedicated to developing mentors and educational leaders of the future, the bank also hopes to contribute its modest share in the social transformation and upliftment of our people as a whole.

—Marvin A. Quidasol

The Action Behind the Frontline

When a customer does a transaction at any FICOBank branch or satellite office, one is assured that it is not just processed within a desired time, but executed accurately as well. The story, however, does not end there.... It gets better.

Computer systems have become more complex that organizations use a variety of software (computer application) and hardware (computer, printers, servers, etc). Here at FICOBank, it is essential that our applications are available and reliable, with backup data that are accessible for any system recovery. Should there be a need to check the daily transactions or generate a previous day's report, the information is readily available for management evaluation. Compliance check is also conducted to evaluate the various systems, if they conform to the security standards of the bank. These are but only few of the actions that happen in the backroom.

In order to ensure that our bank delivers the best quality of service to its clients—aside from availability, reliability and accuracy of information—we make a commitment to keep our systems and processes in safety check.

Before, software development in any organization was about asking a programmer to write a code to automate a process or solve a computer glitch. Nowadays, systems are so big and complex that they require a team of architects, analysts, programmers, testers and users to work together and create a system out of a business requirement. This process is known as System Development Life Cycle (SDLC). It is a process of creating or enhancing systems through a chosen methodology in order to develop the desired output.

So, how is a business requirement such as a new loan or enhanced deposit product gets implemented? How are the business needs translated into a technical output? The same goes through the process of SDLC. And the branches and departments of FICOBank are involved in the various phases of this cycle, which are usually done through investigation, analysis, design, implementation and maintenance.

SDLC is made up of several phases and each is comprised of multiple steps. One of these steps is system testing, a process of evaluating the system's actual functionality in relation to the expected performance. Before we deliver any new product or implement any change in the system, we let the users or testers evaluate the system through hands-on experience. We create a team of representatives (from the branches and/or departments) that is tasked with the responsibility to understand and examine the changes in the system. The team tries out different scenarios to simulate the various processes in the bank. With it, the team could identify possible errors for fixing before the same will be brought to production. Such involvement allows the representatives to be acquainted with the operational changes that may affect their respective branch or department. In relation to the test being conducted, any requirement on process or machines (e.g. printers) will be cascaded to the various units. It allows the actual users of the application to familiarize themselves with the new or enhanced application. It is our way of making any transition seamless as possible.

This is an effort that is not completed overnight. The complexity of the project or system being developed and the consistency of the plan determine the period to complete it. It also determines the period of testing before a system is approved for launching. Any error in programming, or change in the requirement, lengthens the testing phase and delays the implementation. As such, proper development of the system and thoroughness of the testing are of paramount importance to prevent any glitches when it is implemented.

Inevitably, even after it is implemented, a system needs maintenance. Software will definitely undergo change

or improvement. And any change in the system will affect the bank's operations. When system maintenance is executed, the objective is to ensure business continuity while work is in progress. To allow change after implementation without causing work interruptions or customer inconvenience, a collective effort among the frontliners and the various support groups is needed.

These are among the actions that usually transpire behind the frontline—the acts that are intertwined and crucial in any system implementation and the steps that the bank takes to execute any computerization plan.

In line with our desire to make your banking experience at FICOBank hassle-free and satisfying, we tried the system first to make sure that it will meet, if not exceed, your expectations. This is what we call "Banking with a HEART."

—Rommel M. Lindo

FICOBank Holds Micro-Agri Loan Product Development Seminar

Following a successful pilot testing of the MABS Approach to Micro-Agricultural Lending Program and the subsequent rollouts of MAP to different MFIs in the country, FICOBank, on 18-20 March 2009, organized a seminar-workshop on Micro-Agri Loan Product Development at the Training Hall of the Corporate Office. The workshop was facilitated by the technical resource persons of the Microenterprise Access to Banking Services (MABS), headed by its Deputy Chief of Party, Ms. Meliza A. Agabin. The event was attended by the bank's President and CEO, Mr. Herminio G. Ocampo, Executive Vice President and COO, Ms. Soledad S. Cabantac, Branch Managers in Region 2, Business Development Department Head, Microfinance Unit Head, Microfinance Supervisors and Account Officers.

In general, the seminar-workshop aimed to equip the bank's officers and MF staff with new methodology on Microfinance Program. Specifically, this training activity was intended to design the salient features of the Micro-Agri Loan product and its operational guidelines.

The most exciting part of the workshop was the activity on the 2nd day, where all the participants were tasked to conduct fieldwork in Jones and Echague, Isabela. They were divided into four teams and each was given a research work to do. The teams interviewed some peanut and corn farmers, goat raisers, existing microfinance clients of the bank, and other organizations in the area.

On this event, FICOBank and MABS renewed their commitment to work together and utilize their respective resources in the implementation of the MABS Approach to Agricultural Microfinance, which is consistent with the objectives of MABS Program, by signing a two-year Memorandum of Agreement. As agreed upon by the two parties, FICOBank shall be responsible for the efficient implementation of the Micro-Agricultural Loan while MABS shall provide technical assistance in the form of in-house training and coaching to ensure proper implementation of MAP during the pilot-test period. This MOA took effect on March 18, 2009.

Micro-Agricultural Loan will address the financial needs of the small farmers and fisherfolk in the regions where FICOBank is operating. The bank believes that the impact on poverty alleviation rests on providing credit opportunities to this marginalized sector of the society.

—RC Grande

FICOBank: Entering the Big League in Banking Through Transformation



FICOBank has been in the financial market for over 29 years now since it opened its door to the banking public in January 1980. Over this period, FICOBank has learned to cope with the rapidly evolving business environment where it is subsumed and has shown its ability to perform extremely well in spite of some internal limitations and numerous external threats.

Taking seriously into account the results of its recently concluded strategic evaluation—where its fast-paced strategy and double-digit growth require enormous equity build-up—FICOBank will need not only to keep drawing on the flexibility and adaptability it has developed over the years, but more importantly, to transform itself into a right form of banking institution that is “built to last.”

The bank’s available and relevant option is either to upgrade itself into a thrift bank or to convert itself as a rural bank. The thrift bank route is the most appropriate option because of: the broader source of stockholders; no restrictions on branch openings; wider range of products and services; and better stature in public image.

The transformation of FICOBank demands internal change not only in form, but in doing business. And the bank’s vibrant strategic response is the corporative concept. With it, FICOBank will be the first corporative bank in the world—a professionally-managed thrift banking corporation practicing the essential principles of cooperativism.

The clients and sympathizers—as well as the officers and employees—of FICOBank will be encouraged to become corporative members by: investing in common or preferred stock; maintaining minimum savings and/or time deposits; and borrowing whatever type and value of loan at least once a year. For their full financial participation, the corporative members will be entitled to a democratized profit-sharing scheme called corporative participation rewards (CPR), in addition to their cash and/or stock dividends. CPR will be the major CSR (corporate social responsibility) of FICOBank.

As a corporative thrift bank, FICOBank itself will become a “grand winning product” with a unique and sustainable competitive advantage in the financial arena. And we foresee FICOBank as the biggest thrift bank outside Metro Manila, with unibank-caliber management corps serving more than 200,000 common people in the countryside as corporative members in the next five years.

“As a corporative thrift bank, FICOBank itself will become a ‘grand winning product’ with a unique and sustainable competitive advantage in the financial arena.”

FICOBank will likewise transform into a “learning organization.” Certain values, attitudes and habits will be cultivated institutionally. All of these are geared towards: giving particular importance to the ordinary people in the countryside; self-starting initiatives to try out new things; and doing things very differently. In essence, FICOBank will transform into a fuller-service countryside banking institution.

FICOBank is now full-grown and ready to enter the “big league” in the banking industry.

Flordelino A. Almazan

FICOBank at 33: Soaring Higher Towards Banking Excellence



The year 2009 marks FICOBank's 33 years of successful existence. Founded in 1976 by a group of *samahang nasyon* and cooperative leaders in Isabela, FICOBank is one of the first 29 cooperative banks in the country organized to provide alternative financial services to the small rural clientele in the countryside, particularly the Agrarian Reform Beneficiaries (ARBs).

When it started its banking services to the public four years later, a firm commitment was made by its founding members and employees that FICOBank will be a catalyst of wealth creation and overall countryside development, and that it will be driven by a constant passion to be the best for its clientele. This commitment is so deeply ingrained in the bank's culture that even the passing of time and changes in bank leadership could not erase or alter. Now, with a network of 26 branches and field offices strategically located in Cagayan Valley (Region 02), Northern Luzon (Region 01) and Central Luzon (Region 03), and almost 300 well-trained employees, FICOBank continues to implement vigilant and sustainable strategies to maintain its enhanced performance and to build up its fundamentals, guided by a strong commitment to excel, not for glory, but for its customers and members.

In its 33rd year, FICOBank manifests its continuing aspiration to be the best in its field, while averting mediocrity and avoiding complacency in everything it does. Proof of this are the recognitions bestowed on it through the years, symbolizing three decades of unwavering service, unmatched strength and unparalleled success.

The Best Cooperative Bank in the Philippines

Recently, FICOBank was awarded by the Land Bank of the Philippines the Ginintuang Gawad PITAK (Cooperative Rural Bank Category, 2009), besting two other cooperative banks from the ranks of Gawad PITAK Hall of Famers. Previous to this, FICOBank was a Gawad PITAK awardee for 12 consecutive years starting in 1995 up to 2006, and a Gawad PITAK Hall of Famer in 2007, the only cooperative bank in the country ever to achieve such distinction.

Producer of Microentrepreneur of the Year (MOTY) Awardees (2002-2008) and EAGLE Achievement Award for Excellent Performance in Microfinance (2003 and 2005)

Of what value is the existence of a business if its operations and services are not felt by the people in the community being served? True to its mission of transforming people's lives, FICOBank has fashioned, over the years, innovative products and services designed to give greater impact on the lives of the people by way of increased income and improved living conditions. The microfinance program of the bank has done this by enabling its borrowers to become successful entrepreneurs. Since the first run of the MOTY Awards in 2002, six microfinance clients have been honored and recognized as outstanding microentrepreneurs in different categories in the national and island-group (Luzon) levels. The bank's microfinance program is one of the best in producing successful projects to its clients in terms of income generation, financial growth and employment creation—measurable parameters that did not escape the eyes of others when the aforementioned awards and recognition were accorded to the bank by the Microfinance Council of the Philippines and the USAID-funded Microenterprise Access for Banking Services (MABS).

The Top Performing Cooperative Bank in the Country

Despite the challenging business environment and the continued implementation of its biggest branch network expansion plan in its 29 years of operations, FICOBank's performance in 2008 and the first half of 2009, is one of the best in the coopbanking industry. The bank posted a net income of P42 Million in 2008, and P27 Million from January to June 2009. This translates to a return on equity of 24% and return on assets of 4.23% (for year 2008). All other financial indicators

Legal Matters



Atty. Hubert E. Molina

As they often say, "Marriage is not always a bed of roses." True enough, incidents of failed marriages

or relationships have been increasing nowadays. This may be due to problems or conflicts arising from infidelities, emotional, financial, psychological and other various factors which others have lumped them up as "irreconcilable differences." Aggravating the conflict, relatives and friends relayed some information to the partners with a lot of innuendos, blazing and making the relationship irreparable. But whatever the cause of the failure or break up, whether mutual or unilateral, peaceful or violent, it has been observed that when it comes to the settling of their properties, the issue oftentimes becomes turbulent. Besides the issue of child custody, this is one of the most contested issues of failed relationships. What then are the respective rights of the spouses or partners on their properties which they brought to the marriage, acquired or received during the marriage or as a result of the marriage?

To resolve the issue of property rights of former partners, this will depend largely on the governing property relations of the concerned parties. This matter is quite important since the applicable property relations will determine whether some acts previously made by either partners affecting their property are valid, especially so if the act was an act of ownership. There is no hard and fast rule though on this matter as there are factors that have to be considered. Have the parties in a relationship entered into the sanctity of a valid marriage? Or, are they still on a "trial stage" or what is most commonly known as "live-in relationship" or "common-law marriage?" Or, are they living together because they cannot enter into a valid marriage for whatever reason? This article will tackle all these different scenarios.

For partners who have fortunately, or some might say unfortunately, undergone the sanctity of marriage, their property relations shall be governed either by what they themselves agreed upon or by operation of law. Among the more popular property relations of married couples are: (i) Absolute Community of Property; (ii) Conjugal Partnership of Gains; and (ii) Complete Separation of Property.

Can future spouses enter into a contract providing for the terms and conditions defining their own property relations that will take effect during their marriage? Yes, this is called marriage settlement or what is popularly known as "prenuptial agreement." They may either choose any of the aforesaid property relations or modify them or create an entirely unconventional arrangement as long as it is not contrary to law, morals, good

Marriage Settlement

customs, public order or public policy. Sensitive and controversial as it may seem, especially so when a rich person has required the other partner for them to enter into a prenuptial agreement, it would appear to some that this is practical and would somehow erase any skepticism that one partner is just only after the money of the other and for the less fortunate partner to show that "Love is all that matters."

While property relations may be agreed upon by the future spouses, to be valid though, the law requires some formalities. The marriage settlement/prenuptial agreement and any modification thereof should be: (i) in writing; (ii) signed by the partners; (iii) executed before the celebration of the marriage; and (iv) the marriage settlement must be registered in the local civil registry where the marriage contract is recorded, as well as in the proper registries of properties. If any of those formalities have not been complied with, the prenuptial agreement shall be null and void. In such case, the property relations of the spouses shall be governed by the applicable law at the time of marriage.

It should be borne in mind that after the marriage, the prenuptial agreement is binding as law between the spouses and the same can no longer be altered, amended or modified even by mutual agreement of both spouses. Said agreement can only be terminated either by a judicial order, upon legal separation or annulment of the marriage or upon death of either spouse.

Should the marriage however does not take place for whatever reason despite the execution of a marriage settlement or prenuptial agreement, said agreement including any donation by reason of marriage is rendered void. This is so because the agreement is intended to govern the property relations of the married couple. Exceptions to this rule however are those stipulations that do not depend on the celebration of the marriages, such as the recognition of an illegitimate child.

In the event that the spouses failed or refused to execute a prenuptial agreement or the one agreed upon is judicially declared to be null and void, the laws provide that the spouse's property relations shall be governed by either Absolute Community of Property or Conjugal Partnership of Gains depending on the date of the celebration of the marriage. If the celebration of the marriage happened before August 3, 1988, which is the effectivity date of the Family Code, the Conjugal Partnership of Gains shall be applicable. However, if the marriage occurs during the effectivity of the Family Code, the Absolute Community of Property shall govern the property relations of the spouses. In light of the said provision of the law providing for a default system, there exists a governing property relations in every marriage.

To be able to understand the rights of the spouses, it is then imperative that the different systems governing property relations should be explained.

(to be continued)

Ten Little Things You Can Do for the Environment



- 1** Use a glass of water when brushing your teeth. Every year, billions of liters of freshwater are wasted by simply not using a glass when brushing your teeth. Turning off the faucet while brushing will save approximately 29,000 gallons of water per year for a household of five.
- 2** Don't use straws. Many people say that straw is the most stupid invention. It is unnecessary and only adds to the waste problem.
- 3** Say NO to plastics when shopping. Bring your own reusable bags when doing your grocery, or when buying single items like a book or a CD. A plastic bag or even a paper bag is unnecessary.
- 4** Turn off the lights. When there is ample daylight or when no one is using it, always remember to turn off the lights. Not only is electricity saved, temperature is also lowered as light gives off heat.
- 5** Walk. Take the stairs. Walking regularly is good for the heart. Opt for the stairs instead of the elevator. Practice car pooling or take public transportation, thus lowering carbon gas emissions.
- 6** Unplug cellphone chargers after use. All unused electronic devices should be unplugged after use. Some consume more electricity when not in use. Microwave ovens with timers use more electricity on stand-by mode the entire day than when dinner is cooked with it.
- 7** Use both sides of the paper. Maximize the use of paper and make sure to recycle it afterwards. Not only are wastes lessened but the unnecessary cutting of more trees is also stopped.
- 8** Turn off the shower when soaping. Avoid the excessive use of water through long and frequent showers. Doing it three times a day not only uses precious freshwater but also creates more waste water into rivers and lakes. It also dries the skin.
- 9** Never burn anything. Burned resources are lost forever. Burning also releases harmful substances into the atmosphere. Reduce and reuse always. Practice composting and recycling whenever possible.
- 10** Tell your friends about these things. Spread the word and help make a difference.

Did you know?

That the first state deposit bank, Banco di San Giorgio (Bank of St. George), was founded in 1407 at Genoa, Italy.

That the name "bank" was derived from the Italian word "banco" which means "desk/bench."

That the earliest evidence of money-changing activity is depicted in a silver drachma coin from ancient colony Trapezus on the Black Sea, 350-325 BC, presented in the British Museum in London.

The first patented and early and not-so-successful prototype of an ATM was designed in 1939 by Luther Simjian. However, some experts have the opinion that James Goodfellow of Scotland holds the earliest patent date of 1966 for a modern ATM, and John D. White in the US is often credited for inventing the first free-standing ATM design. In 1967, John Sheperd-Baron invented and installed an ATM in a Barclays Bank in London. Don Wetzel invented an American-made ATM in 1968. It wasn't until the mid to late 1980s that ATMs became part of mainstream banking.

The first credit card was issued in 1951 by Diners Club and American Express. It was the first "plastic money" that was issued to 200 customers who could not use it at 27 restaurants in New York. It was only until the establishment of standards for the magnetic strip in 1970 that the credit card became part of the information age.

That the first cheques came into use in 1875.

The Bangko Sentral ng Pilipinas (BSP) is the central bank. It was rechartered on July 3, 1993 pursuant to the provisions of the 1987 Philippine Constitution. The first central bank governor was Miguel Cuaderno, Sr.

That the first bank established in the Philippines was El Banco Español Filipino de Isabel II, in honor of the reigning queen of Spain—Isabella II, daughter of King Ferdinand VII. The bank's office was located at the Royal Custom House (Aduana) in Intramuros.

Coincidentally, the first transaction of the bank was a lending transaction recorded on May 1, 1852, in which the bank discounted a promissory note from a Chinese client. Three days later, the bank recorded its first deposit transaction. On September 1869, the bank officially dropped the name of the queen after she was ousted from the Spanish throne during the revolution. From that time, the bank was simply known as El Banco Español Filipino (now Bank of the Philippine Islands).

That the first bank notes (or paper money) in the Philippines had the issue date May 1, 1952 and could be redeemed in Mexican coins in gold or silver.

That the first bank robbery in America happened during the night of August 31, or the early morning of September 1, 1798 at the Bank of Pennsylvania at Carpenters' Hall.

Proud to be a FICOBanker

Carlyn M. Vilorio



In its third offering, this column continues with its original concept of focusing on the "true, good and beautiful" side of life. It is meant to be positive and

encouraging, to inspire and to see the best in people and situations without denying the things that need to be improved on. As a relentless optimist, who thank God in everything, I hope you'll enjoy reading as much as I did in writing this.

In Good Times and Bad, Our Job Is Still Our Most Valuable Asset

A friend once told me that a person will never get rich materially by remaining employed. Perhaps that's true. However, in these unstable times, only a stable salary can put stability into our lives. I remember a John Travolta film (Mad City) many years back. His role was a security guard at a local museum and the plot revolved around the gripping hostage situation he staged because he got fired that afternoon. It got so much media attention because it involved a group of kindergarten kids on their museum tour that day. During the drama, a reporter asked him why he did it. His answer was plain and painful—he love what he is doing and he doesn't want to lose his monthly paycheck because that small fragile piece of paper is the only thing that holds his life together. I am sure that most of us are like him. That 15th and 30th doesn't only mean paydays. These are the days that fuel us to go on with our lives. While some of us have other sources of income, our stable salary will still give us the kind of steady security that will give us peace of mind in providing for our and family's daily needs. And with that in mind therefore, we should see our jobs as still our most valuable asset.

What must we do to keep our work/asset appreciating in value? I believe giving more of ourselves and by investing more time for it is the best way. According to some psychologists, giving TIME more often means giving LOVE. This brings me to this old poem whose message remains fresh and new for every worker who values his work....



LOVE YOUR WORK By HL Neri

If you don't like your work,
you'll need three times the energy;
to force yourself to work,
to resist the force,
and finally to work.

If you love your work,
your desire to do it
will be like a wind
to propel your ship
with much less fuel.

If you like your work,
you work no more
for work, when you like it,
is work no longer,
but sheer enjoyment.

If you enjoy your work,
you'll work and work
without counting the hours
and you'll reap and enjoy
more earnings as well.

Lastly, in the Bible (Genesis 2:15) right after the Creation: "The Lord God took the man and put him in the Garden of Eden to work on it and take care of it." Imagine the first thing that God wants the man to do. Not to eat, not to play but to work and to take care of what was assigned to him. Therefore, our job must be pretty important in the order of things that God wants us to fulfill here in this world. God wants the best for us and He has given us our work now as a valuable asset that can be a channel of His blessings for us and our family.

Growing Old Gracefully

Last March this year, FICOBank had a planning workshop to strategize on what to achieve and how to do it for the next five to ten years. As we were putting in all our visions and targets, it dawned to our group that by the time we have completed all our plans, all of us will be a decade older. Some will be nearing their 40s, most will be in their 50s and a handful will already be in the old age threshold of 60 years and above. This thought stayed with me for a while, not because I am afraid to age (I have accepted this inevitable fact of life for a long time), but because I want to build up my excitement in looking forward as I increase in years.

Increasing in years... I would like to take off from that. Similar to our planning workshop, I think we should also plot our targets as we live our lives and get older. In my opinion, eagerly pursuing the following can be an exciting path to take, as we add on to our years...

1. Increase in Faith

To many people, getting close to God happens only when life is already closing on them. This is too late. I believe that our relationship with God should be getting deeper and sweeter as we age. Experience tells me that the most fulfilling relationship is found in knowing that Jesus is my Lord and Savior and that God is the lover of my soul. Why? Because in this life, only God truly satisfies. Nothing and no one will even come close to that.

2. Increase in Family Connection

According to one of my friends, the only times family gets together aside from reunions are during occasions like birthdays, weddings, baptisms and funerals. I find this sad. Perhaps growing old would give more freedom to one person to connect more to family members. I term this as strengthening of support systems. When bodies and bones get brittle, this connection will strengthen relationships that one truly needs, as we journey in this life.

3. Increase in Friends

This is one area that I really look forward to. I would like to meet more people and get engaged into healthy and meaningful relationships on top of my numerous friends that I have amassed in decades. Friends that I can laugh and grow old with like my friends now. To me, quality friendships fill up our intellectual and emotional longings that are much needed when we grow older.



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From My Notes and Files

Emilio U. Rico, Jr.



One might ask, "What is marketing? What is internal control?"

Wikipedia describes

marketing as "an integrated communications-based process through which individuals and communities discover that existing and newly identified needs and wants may be satisfied by the products and services of others." On the other hand, it defines internal control as "a process affected by an organization's structure, work and authority flows, people and management information systems, designed to help the organization accomplish specific goals or objectives."

But how will you manage such extreme opposites without sacrificing their respective goals? It would not be easy doing this because each has its own objective for existence.

The primary goal of marketing is to bring business to the company. It tries to attract more sales and revenues through various and creative ways that it deems suitable. It is centered on the bottom line of the company. Focus is given on creating a demand for the products offered and on how it can lure the consumers to fashion an illusion of need, without necessarily affecting their existence. In short, marketing is focused mainly on the quantity—the amount of business it can generate for the company.

On the other hand, internal control tries to balance things. It serves as the balance scale of foreseen and unforeseen events of the company. Processes and systems of the company are set up in the beginning to address this. Its check-and-balance role revolves around the quality issue of the business generated.

It can be clearly seen that marketing and internal control can't go together in full extent. Internal control impedes the activities of marketing in trying to accomplish its objective and vice versa. The presence of an issue on quality and quantity—that needs to be addressed—is apparent.

Reconciling Marketing and Control

A problem also exists on how one can be achieved without sacrificing the other.

For a profit organization, one cannot just consider quantity and totally ignore quality, or vice versa. If quantity is considered, millions in business volume may be generated, but, only an insignificant percentage might bring revenues. The greater part will create a huge loss. It's like buying hundreds of kilo of a commodity at a very low price, with the goal in mind of selling these later at a higher price, only to find out that 80% of the commodity is rotten and merely 20% is good. This scenario might lead to an early and unexpected demise of an organization. The fact that marketing and control, by themselves, have their own justifications should not be taken for granted.

When confronted with this predicament, a good and sound decision must be made. One must not be short-sighted, considering only either control or marketing and not both. A sound decision lies in looking at the bigger picture. Both marketing and control must be mulled over independently and jointly, weighing their impact on the overall health of the organization. A compromise may also be considered. To achieve a win-win solution, a slight deviation from the internal control mechanisms can be made; however, the importance of imposing limits on the said deviation must be underscored. The appetite for risk may also be reflected, as this will influence the decision to be made. But this appetite must be synchronized with the current economic and environmental conditions on which the organization is exposed to. During normal times, an organization can be more accommodative of aggression. But during downturns, risk-aversion might be a better option.

Needless to say, focusing only on either marketing or control cannot make an organization healthier. A compromise must be made, but with caution. Assessment of the real present environmental conditions and prospects for the future must be integrated in the decision-making process. Reconciliation is not always an easy task, but it gets the job done.

Compilation

Samson T. Daguio



How will the BIR proceed with future audit investigations after the BIR effects the

compromise settlement of the cooperatives unpaid assessments?

The authority of the Commissioner to examine any taxpayer's books of account and accounting records, and make an assessment of the correct amount of tax is provided for under Section 6 of the NIRC, as amended. However, it would appear that this power has now been qualified, as far as cooperatives

Cooperatives Matter on Examination of Books of Accounts

are concerned. Article 61 of the PCC of 2008, entitled "Tax and Other Exemptions," states the majority of the tax incentives available to cooperatives. Paragraph 3 of said Article goes on to state that "Nothing in this article shall preclude the examination of the books of accounts or other accounting records of the cooperative by duly authorized internal revenue officers for internal revenue tax purposes only, after previous authorization by the Authority." The Authority, as defined under Article 5(8) of RA No. 9520 is the Cooperative Development Authority (CDA), which is responsible for the registration and regulation of cooperatives.

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you'll need three times the energy;
to force yourself to work,
to resist the force,
and finally to work.

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with much less fuel.

If you like your work,
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Proud to be...

from page 12

4. Increase in Fortune

Of course! Who would not want this? Working, saving and investing will increase a whole lot of possibilities to do in the future. Mr. Colayco, author of the bestselling book *Wealth within your Reach*, tells about the different stages people should understand in wealth building: the START-UP stage where all income comes from active income and there is no investment income yet; the BUILD-UP stage where 20% is passive income that comes from investment; the FINE TUNING stage where up to 60% of regular income is coming from investments (asset allocation); and finally, RETIREMENT stage where the chosen lifestyle is supported by investment income and there is no longer need to work. As John Maxwell puts it, "Pay first before play." And that should start now.

5. Increase in Focus

Having more education, more experiences and exposure make one person to narrow down his/her focus on what really matters. Personally, I am very excited to discover more in life to make me determine the less that I should just focus on. For example, people we will meet and the ones that we should keep, memories of experiences to trash or to treasure and arrive at some realization on some decisions that would make an impact not only in success, but more so in significance to others. By having more focus on the few will put more meaning and will make life more interesting to grow old with.

To some people, growing old is scary, but we can be secured in God's care. He has given us a promise that...



Now that's growing old with grace.

Michelle, Michael and Me

What could be the point of putting these three together? One is a hugely popular First Lady of the remaining superpower in the world, the other is the controversial King of Pop, now immortalized because of his unexpected death before a big comeback and the third is an incessantly proud FICOBanker. Well, what do you know? These three have one thing in common—all of them have placed

parenting at the top of their lifelong agenda. Mrs. Obama, aside from being First Lady, wants to be known also as mom-in-chief of her two adorable girls. Michael Jackson was attributed by his daughter Paris as the "best father you can ever imagine..." during his memorial service. And me, I just feel great hearing my 12-year-old daughter pray every night thanking God for making me her mom. A few months back, one of my friends in the office asked me how I am raising my daughter, especially that she is now in her teenage-transformation year. I told my colleague that, first and foremost, I pray for and with her. I firmly believe in the power of prayer. Every morning while she is still asleep, I would pray over and lay my hands on her and declare all the promises of God in the bible for our children. We would also pray together every night. And we devote that special time every Sunday to pray for all our family and friends. I also make it a point to have as many ridiculous fun times together, especially during Friday afternoons—our official fun time. Of course, I know that my parenting is not perfect (some colleagues criticize me for not having a cable connection and imposing no-TVs during weekdays) and I still don't know what the future holds. But I take comfort that God is my partner in raising a child of whom He has entrusted to my care. On this note, I would like to share the following pleasing, perfect and precious promises of the bible for our children that we can claim. God is faithful and He never fails in His promises.

God's Promises for Our Children

King David said, he never saw the righteous forsaken or their children begging for bread; therefore we will always be generous and lend freely, and our children will always be blessed. **Psalm 37:25-26**

I thank You Father God for making our children MIGHTY in the land; I say, this means my children are therefore, MIGHTY in Spirit while alive in this earth, my children are MIGHTY in Truth while alive on this earth, and My children are MIGHTY in Your ways, Father; and I thank You for doing this for my children. **Psalm 112:1-2**

My children are a reward (or a gift) from You Father, and I praise You that You add no sorrow to Your gifts. **Psalm 127:3**

I also praise You, that as I train my children in the way they should go, when they are old I know that they WILL NOT depart from Your ways, because Your Word promises me such. **Proverbs 22:6**

I praise You, that all my children shall be taught of You, and great shall be their peace. **Isaiah 54:13**

I thank You also, Father, that NO weapon formed against me or my children will ever prosper. No bullies can harm my children; no death can steal my children; no sickness will take root and no rebellion will take root, in Jesus' name. For every single tongue or weapon that rises up against me, my children I WILL condemn, in Jesus' name; for this is my inheritance as a child of the Most High God, and my vindication is from God. So I thank You Father, that my children WILL grow in peace, in prosperity, and in favor before You, Father God and before mankind. In Jesus' name. **Isaiah 54:17**



FICOBank Malasiqui Branch Opens



Sans the pomp and pageantry, the Malasiqui Branch of FICOBank was formally opened to the banking public last June 11, 2009. At around 7:00 a.m., under sunny early morning skies, the simple yet meaningful

blessing rites were held. Indeed, a portent of good things to come for the bank, and to everyone associated with it.

Officiating the ceremony was Rev. Father Eric Galivo, Assistant Parish Priest of the St. Ildephonse Parish of Malasiqui, Pangasinan, under the Archdiocese of Lingayen-Dagupan. The solemn rites started with candle lighting and prayers, imploring the Almighty for His blessings. Coin-throwing in all corners of the bank, and the blessing with Holy Water followed.

In attendance were the top brass of the bank, headed by the Chairman, Mr. Flordelino A. Almazan, President and CEO, Mr. Herminio G. Ocampo, Executive Vice President and COO, Ms. Soledad S. Cabantac, the Department Heads, the Branch Managers, the local government executives of Malasiqui, other bank employees and several guests from the locality.

Chairman Almazan gave the opening remarks, followed by the messages of the top two local government executives of Malasiqui, the message of President Ocampo, and, finally, the closing remarks by EVP Cabantac. Both Mayor Armando C. Domantay, Sr. and Vice Mayor Mariano F. Espinoza, of this town, commended the choice of site of the new FICOBank branch. They also expressed their sincere gratitude to the bank's top management for its investment in Malasiqui. They emphasized the big potential of the town, especially on financing for micro, small and medium enterprises, and its fast-track developments. The good vice mayor even suggested the possibility of putting up an extension office, in the near future, to serve the banking needs of its barangays in the southern part of the town.

On the part of the bank, President Ocampo thanked the people of Malasiqui, through their top local executives, for the warm welcome. He also acknowledged the big potential of the town and reiterated the importance of microfinance for microentrepreneurs. As Malasiqui is largely an agricultural municipality, he also informed the guests of FICOBank's roots and membership structure—its formation in the '70s by farmers' groups and cooperatives. He also mentioned that more branches in the province of Pangasinan are set to open. The president offered the bank's support in the development of the town through hand-in-hand cooperation with the local government.

EVP Cabantac gave the closing statements and reiterated FICOBank's readiness in supporting the development programs of Malasiqui. She then invited everyone to partake of the sumptuous meal prepared by the staff, headed by Mr. Vicente Quintos, the branch manager.

—Marvin A. Quidasol

Malasiqui: The Newest Host of FICOBank

After Umingan, Malasiqui is the second town in the province of Pangasinan to host a branch of FICOBank. Unlike Umingan though, which is the gateway of the province when coming from adjacent Nueva Ecija, Malasiqui is situated in the geographical center. It is located 35 kilometers southeast of Lingayen, the capital town, and approximately 175 kilometers south of Manila. It lies in the very heart of Pangasinan, in its central plains. It is bounded by the towns and cities of: Villasis and Urdaneta City to the east; Alcala, Bayambang and Basista to the south; San Carlos City to the west; and Calasiao and Santa Barbara to the north.

Malasiqui, a first class municipality, is one of six local government units comprising the Third Congressional District of Pangasinan. It is composed of seventy three (73) barangays interconnected by an excellent road network. It is linked to the rest of the province by five major roadlines: Villasis - Malasiqui; Bayambang (from Camiling, Tarlac) - Malasiqui; Urdaneta City - Malasiqui; San Carlos City - Malasiqui; and Calasiao - Santa Barbara - Malasiqui.

The municipality of Malasiqui is characterized by flat lands and rolling uplands. It has a total land area of 13,138 hectares, 78% of which are classified as level to nearly level, and the rest, gently sloping and undulating. This makes the town suited for agriculture with rice, corn and tropical lowland vegetables as main crops. It is also famous for its mango, having one of the largest concentration of mango tree population in the country today.

The latest branch of FICOBank is located along the busy Montemayor Street, Poblacion, Malasiqui, right across the University of Perpetual Help System, Malasiqui Campus. It is also just a stone's throw away from the sprawling public market and commercial center. Of its 73 barangays, Poblacion is the most thickly populated with 10,377 residents. This is according to the latest actual count on population and household per barangay, conducted by the Rural Health Centers I and II in 2005. This number represents a sizable portion of the total population of the town: 125,633 residents comprising 22,208 households.

The people of Malasiqui are predominantly Roman Catholics in religious affiliation, with a sprinkling of other Protestant and Born-again groups. Pangasinan and Ilocano are the two major dialects spoken. The English and Pilipino languages are also used in households, schools and government offices, and in business transactions.

The town is currently experiencing a high commercial growth. This is spurred mainly by high consumer spending generated by the increase in family incomes directly attributed to remittances of overseas contract workers (OCWs). It is estimated that the OCW population of Malasiqui as a percentage of adult labor force, is as much as 22%—one of the highest in the Philippines. This phenomenon is so significant that almost all households in the town have at least one family member working outside the country.

With such potential, it is very clear that the choice of Malasiqui as the host of the latest addition to the FICOBank family is the wise and right one for the years to come.

—MA Quidasol

FICOBank Cabanatuan Branch: Faring Better at Its New Home

The opening of the new office of FICOBank Cabanatuan Branch on June 18, 2008 marked the start of a momentous challenge for the whole organization. The event sailed through in the face of some negative feedbacks, restrictions to geographical area linked to the operation of a similar type of bank in the province, and other issues/matters that were required for completion before the given deadline. These concerns though, were negated by the warm welcome showed by the people of this premier city of Nueva Ecija. It served to strengthen the resolve of our branch manager and staff not to stray from our priority of transforming people's lives innovatively. With complete trust in God's guidance, that was what we're set to do.

Being well-prepared to serve the prospective clients, we assumed our posts. We studied the local business environment, prudently observed the culture of the Novo Ecijanans and made an independent study on the feasibility of the area. It was perceived that FICOBank could be sustainable and competitive, given its diversified products and services. We dug deep into the potentials of Cabanatuan City via alternative marketing campaigns.

As of May 15, 2009, or after an 11-month period of operation at the Central Terminal of this city, our branch has attained modest accomplishments. Total loan portfolio reached P18.89 million, deposit liabilities totaled P11.94 million while net income registered P0.24 million. As far as our branch TARGET is concerned, the aforementioned figures point to an unimpressive performance. Yet, when looking at opportunities, the possibilities are endless, especially when it comes to how marketing roles are played. This could very well be the anchor needed to make FICOBank the "first choice bank" in the years ahead.

Such unending thrust of making FICOBank a preferred bank in the countryside entails a tactical move. On May 18, 2009, our branch transferred to its new site along the Maharlika Highway (Dicarma District, Cabanatuan City). The strategic location, coupled with the active marketing drive of our branch personnel, resulted to more positive performance indicators. With heightened promotional activities, our branch is now ready to conquer and participate in friendly competition with other similar players in the city.

Through the immeasurable efforts and sacrifices of Northern and Central Luzon personnel, the good news of increasing figures continue to come every day. As per record, total loan portfolio rose by 12% (P21.31 million – representing 122 accounts), deposit liabilities went up by 25% (P14.97 million – 193 accounts), and net income attained a 43% increase (P0.35 million). These figures (as of June 30, 2009) are very promising, driving our team harder to strive for excellence. It is believed that through continuous teamwork and "running that extra mile" to meet clients' needs and demands, the Cabanatuan branch will be one of the best performing branches in the future. All these things—plans and dreams of our branch—shall materialize through the blessings of the Almighty God, as all credit are given to Him, the source of the strong determination to succeed.

—Conrad Yap, Jr.

GMA 7 Features Batang Masinop

Transforming people's lives innovatively has been the ultimate mission of FICOBank. The management sees to it that this can be visualized in every product and service the bank has developed and offered to its market, especially to the masses. On June 06, 2009, it was witnessed on national television how this mission continually lives, marking another milestone in its banking history.

A deposit facility that is truly affordable is the Batang Masinop Savings Account (BMSA). It is designed to inculcate the value of savings among children, preparing them well for effective resource management. Minimum initial deposit and maintaining balance is P100.00. This supports the assertion that banking can be everybody's business. It is not just for wealthy people or for the less fortunate. It is best exemplified in the case of June A. Lugud, a 15-year-old newsboy of Cabanatuan City, Nueva Ecija. He has been in the streets selling newspapers to establishments and business offices, including FICOBank's servicing branch. The former manager provided the initial amount needed to open a BMSA account for June.

At a very young age, June Lugud strove to battle an impoverished life. With his parents and seven siblings as inspiration, he set his sights on a better tomorrow. His aspirations include finishing a college education and eventually landing a decent and stable job. Everyday, he sets aside a portion of his earnings, although sometimes, even this is compromised to sustain the family's needs.

The popular television network GMA 7, did not fail to notice such display of hard work and discipline to set aside earnings despite limited resources. June was featured in its program *Wish Ko Lang*. In coordination with various companies, a livelihood package was granted to his family. This included a pedicab for his peddling and a scholarship for his college education. A substantial amount was also given as financial assistance for his education from FICOBank, through the Vice President and Central Luzon Area Head, Mr. Emilio U. Rico, Jr.

The boy who used to dream is now actually holding the key to success. It is not the end of his struggles, however. Rather, it signals a fresh start to live his dreams. In times like this, it is an honor for the bank to share its mission through a small beginning, resulting to a big transformation in the lives of other people. The story of this young breadwinner is indeed inspirational. Making it more formidable is that through thrift and savings, he will be able to shape a better future for him and the whole family.

The objective of advocating thriftiness to everyone, especially at a young age, eventually leads to the country's economic gain. The youth will be taught how to handle their finances well, ultimately making them successful citizens in the future. By creating innovative products and services, the bank is gradually recognized to a greater extent. It is making a name for itself in the entire banking industry. To other June Luguds out there, you can also begin to build your future like he did. Together with FICOBank, you can soar like an eagle, as it continually serves you with a heart.

—Desiree Cray N. Agdeppa

Looking Back to My Journey

By Richard C. Grande



It is always fulfilling to look back to my journey in FICOBank since I joined its family in 2001. Time really moves fast, as it is already my eighth year with the bank.

I was a fresh college graduate when I joined FICOBank as an Account Officer. I was one of the six newly recruited personnel to introduce the bank's microfinance product using the Microenterprise Access to Banking Services (MABS) individual lending methodology. My first assignment was at the Roxas Branch. During those days, it was a challenging task to promote a new loan product in an extraordinary new market segment—the microentrepreneurs.

The nature of an Account Officer's job was very difficult. Fieldwork was always the order of the day. It was very stressful, especially when there were bad accounts. The hassle of a heavy rain or the blazing heat of the sun didn't stop me from doing the things that were needed to be done. Going out and talking with a number of microentrepreneurs to sell the microfinance product was a must. Interview with neighbors, barangay officials, creditors, suppliers and other informants to establish the creditworthiness of every applicant was also required. I was always thoroughly prepared to defend my recommendations on clients' loan applications during branch credit committee meetings. After the release of the loan proceeds, I was required to collect the amortizations, in full and on time, to avoid delinquent accounts. I established my networks and linkages in the area to help me in meeting my targets. My duties as an AO were indeed tough, yet fulfilling.

After eight months, I was designated as the branch's Microfinance Supervisor. For two years, I supervised three account officers. Being an MF Supervisor, my eagerness was reborn while my self-esteem got a boost, as the said position was a managerial accountability and a great responsibility. Knowing the scope of the job, I regularly conducted staff meetings to discuss the status of the microfinance program and to plan the activities for the next day or week. All matters or concerns discussed during the meetings, together with the program status, were relayed to the Branch Manager.

In my own capacity, I went out with the staff to coach them in order to develop and build their skills and know their directions since not all of the matters related to the program were learned during the training. Every week, I visited at least 10 clients, active or not, to get feedbacks on how well the account officers served them. I tried to find out how the microfinance program helped their microenterprise grow and how the bank can expand its assistance to them. Getting their success stories was also equally important in building a strong relationship with the clients.

In 2004, I was promoted as a Credit Analyst of the Credit Department at the Corporate Office. The nature of the job was

more professional. I was responsible in validating and analyzing big ticket (regular loan) accounts of the bank. There were only three Credit Analysts at that time manning the whole department. After eight months, I was tasked to assist the beleaguered microfinance operation of the Solano Branch. Because of massive incidents involving fraud, all account officers in the branch resigned. After six months of reforms, the microfinance operations of the branch gradually stabilized. By mid-2005, my training as a Branch Service Officer (BSO) began and I satisfactorily completed the same. Eventually, in 2007, I was reunited with the microfinance operation of the bank under the Credit Department, as MF Unit Head.

It is rewarding to recall my career path in FICOBank as a former Account Officer who has gone through different challenging tasks. Without the proper training and technical support given by the bank and the MABS technical persons, I would not have effectively accomplished my tasks. I am thankful for having a very able manager, in the person of Madam Ponet of Roxas Branch, during my first assignment in the bank. She provided me the basic knowledge on the discipline of microfinance and the value of loving my job. I salute my present boss, Sir Emil, who molded and helped me mature as a professional. Above all, I would like to thank FICOBank for the opportunity to work and show my skills and competence under its system.

To my colleagues in the microfinance unit of the bank, I know that there are still a lot of things that need to be done in our operation. We are still far behind in our objectives. But I believe that with our collective efforts, in partnership with the branch where we are assigned, we will all together traverse and stay on course the road map that we have recently drawn. For me, this great challenge comes with great responsibility; and if we succeed, it will certainly give us GREAT fulfillment.

To the account officers, do not be contented with your present positions. Be definite and clear about your ambitions. Try mapping your future in the bank. Work hard and do your work well. Finish your work for the day and do not be ruled by the 5:00 p.m. knock-off time. Love your work as an AO. Be serious about your job. Have the initiative and always aim to meet your targets. Dream and know what and where you want to be in your life. Just like you, I have a lot of dreams that until now, I am working hard to achieve.

As a former AO of the bank, I hope that—in my own little way—my professional journey with FICOBank will inspire you and the next generation of account officers. Even if you start small, you have the opportunity to grow, if you want to. Just do your best and your dreams will guide you.

Moreover, look around you in the branch. There are lots of success stories and great accomplishments. The branch manager and assistant branch manager, obviously, have better achievements than me. Try to find out their career paths and learn from them.

Here's a toast to all of you! And who knows, you will all be up there. See you all at the top!

My Saga: A Beginner's Story

By Christian Joy R. Reyes



Welcome to FICOBank!

Despite the flagging economy and geopolitical tumult, the business of a "bank with a HEART" is better than ever—surpassing the billion-peso mark, successive branch openings and nonstop hiring of employees.

In this article, I will try to bring a view of a world of work with pleasure, or pleasure with work.

Whichever applies, still, I got the best experience.

But what really sets this article apart from others?

I know no one who can share with you better the knowledge, happenings and involvement that I experienced as a management trainee who was given a remarkable break.

With no further ado, let us go into the details.

It never came to my mind that one day I would be writing a testimony. I always thought of it in a religious context or in legal terms, like a testimony in court. Yet, here I am.

Testimony of a management trainee...

A lot of thoughts and emotions flooded me as I entered the corporate office. I was nervous knowing that I am a neophyte in the workplace as well as to the job itself. Yet, there was much excitement because of my eagerness to go through the designed training program.

April 20: My official start at FICOBank - A week with the Human Resource and Administration Department for a thorough orientation on the history, operation and administration of the bank, under Ms. Carlyn M. Vilorio, Department Head, and Mr. Andymar D. Castillo, HR Assistant.

April 27: Reminiscing "classroom" happenings at the Business Development Department with Dr. Robert R. Palac, Department Head (teacher), and co-management trainees Rodel B. Dayag and Warren C. Tuppal (classmates) - Ten days of intensive training on marketing through numerous workshops, discussions and presentations. Role playing regarding the selling of the products (deposit and loan) and services of FICOBank were done. These were undertaken to prepare us in drafting a Marketing Plan to be implemented within one week in Cabanatuan City.

May 10: Pilot test in Cabanatuan City - A week's time was allotted for our "stress test." We were going to determine the most effective way of delivering the bank's products and services to the identified target market/prospective clients.

Going to this city taught me many things I could not have imbibed from books. I became more adept and equipped for the tasks ahead. I would like to convey our heartfelt thanks to BM Rolando Simbulan, Mr. Conrad Yap, Ms. Leilanie Jardiel, Mr. Joel Mamuric, Ms. Lyn Gungon and Ms. Leila Paula Tumanday for their warm welcome, support and care during our stay.

June 1: Start of a new course (telling) at Roxas Branch - After Cabanatuan City in Nueva Ecija, I am back to Isabela. With the Roxas Branch as my new school and BM Zorina "Ponet" Aradanas as my new teacher, I am again a student acquiring new knowledge. Two serious months of training will surely help me become better.

It is now the third month of my training. Through all experiences, I can say that being a management trainee is not easy. It is a responsibility that requires excellence in everything you do. It necessitates prudence and wisdom. These are teachings imparted by my mentors that are now inculcated in my mind.

For the family I gained, there is nothing more I want. Thank you!

79 New Proud FICOBankers for 2009

The economic crisis is here to stay for some time. It is a fact that the country has learned to live with. The people are bombarded with daily news about the seemingly unstoppable rise in unemployment and continuous lay-offs. Beyond doubt, more and more jobseekers are competing for jobs that are becoming fewer every day. Fortunately, FICOBankers can proudly say that their very own company remains unaffected by this current economic situation. It appears that the word "lay-off" has long been replaced by the positive words "expansion and continuous hiring" in FICOBank's dictionary. The bank continues to offer promising job opportunities, not only to Isabelinos, but to many Filipinos from all over Regions I, II and III as well. While recession or economic downturn can be a trying time for any organization, FICOBank sees it as an opportune time to strategically acquire fresh talents. Needless to say, it managed to hire employees who all have something new and significantly different things to offer.

Indeed, "many are called but only a few are chosen." From among a thousand of applicants, less than a hundred made the grade. It is with pleasure that the 79 new additions to the FICOBank family for January-July 2009 are introduced. They are:

- | | |
|-------------------------------|---------------------------------|
| 1. Ms. Evangeline Paras | 41. Ms. Jennifer Agustin |
| 2. Mr. Gilbert Galope | 42. Mr. Hilarion Dela Cruz |
| 3. Mr. Lizalde Cabiles | 43. Mr. Reygie Bungcayao |
| 4. Mr. Denver Pine | 44. Mr. Alberto Devilar |
| 5. Mr. Abraham Aurelio | 45. Ms. May Allen Fernandez |
| 6. Mr. Arjen Soriano | 46. Ms. Maria Victoria Buan |
| 7. Ms. Norilyn Gungon | 47. Ms. Richell Salazar |
| 8. Mr. Florentino Bosi | 48. Ms. Baby Jane Cabang |
| 9. Mr. Vicente Magaoay | 49. Ms. Jennifer Tacadino |
| 10. Ms. Mary Rose Fernando | 50. Mr. Mark Ed Eslabon |
| 11. Mr. Donald Lauigan | 51. Ms. May Ann Joy Birco |
| 12. Mr. Charleston Halog | 52. Ms. Neze Miranda |
| 13. Mr. Anthony Resurreccion | 53. Mr. Jake Joaquin Asirit |
| 14. Ms. Lovelyn Medina | 54. Ms. Adelaida Modesta Taguba |
| 15. Mr. Vicente Quintos | 55. Ms. Cecilia Taguam |
| 16. Mr. Benedict Peralta | 56. Ms. Jonalyn Maravillosa |
| 17. Mr. Jayson Claro | 57. Ms. Annalyn Ragudo |
| 18. Ms. Mary Joy Ronquillo | 58. Ms. Marianne Joie Molina |
| 19. Mr. Warren Tuppal | 59. Mr. Norman Rinon |
| 20. Ms. Arcelie Belleza | 60. Ms. Rowena Sabban |
| 21. Ms. Kareng Grace Ramos | 61. Ms. Sunshine Urbano |
| 22. Ms. Genelene Linaza | 62. Ms. Rosalinda Sevidal |
| 23. Mr. Arthur Odfeminina | 63. Ms. Alona Camia |
| 24. Ms. Leila Paula Tumanday | 64. Mr. Sonny Fabro |
| 25. Ms. Christian Joy Reyes | 65. Ms. Edna Ramirez |
| 26. Mr. Rodel Dayag | 66. Mr. Carlo Espinoza |
| 27. Ms. Jhoanna Malubay | 67. Ms. Glizielene Ascaño |
| 28. Ms. Nicole Kay James | 68. Mr. Teofilo Vitente |
| 29. Mr. Samuel Baniqued | 69. Mr. Dondon Presilda |
| 30. Mr. Edwin Javaluyas | 70. Mr. Rene Astrero |
| 31. Mr. Bryan Tulagan | 71. Mr. Gideon Quetives |
| 32. Ms. Ronalyn Gonzales | 72. Mr. Anthony John Cadorna |
| 33. Ms. Angelie Psyhe De Leon | 73. Mr. Harold Nuesa |
| 34. Mr. Judith Gamido | 74. Mr. Jay Bacting |
| 35. Engr. Marvin Quidasol | 75. Ms. Analyn Balive |
| 36. Mr. Jackie Juan | 76. Ms. April Joy Quintero |
| 37. Ms. Dodilyn Lagapa | 77. Ms. Anna Marie Altar |
| 38. Ms. Graciella Marie Sacro | 78. Ms. Katrina Ann Alip |
| 39. Ms. Donna Jane Empania | 79. Ms. Michelle Calimag |
| 40. Ms. Gladys Rogel | |

—Nicole Kay C. James

My Life... Then and Now

By Annalyn J. Ragudo



According to Bernice Johnson, "Life's challenges are not supposed to paralyze you; they're supposed to help you discover who you are." This quote aptly describes my life early on. At a very young age, I experienced sorrow when my father died while only in my elementary years. This tragic blow forced me to become mature. I told myself that in spite of his death, I will finish my college studies—as promised when he was still alive. When I entered the tertiary level, I was very happy because in four years' time, I will already be fulfilling my promise to him.

During my third year in college, an agency, Service-on-line Corporation (SOL), was recruiting students for International Practicum in Singapore. Luckily, I was one of the students who passed the series of interviews. On April 23, 2008, we were on our flight to the Lion City via Jet Star 3K562. Our batch of 11 students came from different colleges and universities. We reached Changi Airport at around three o'clock in the afternoon. April 26, 2008 was my first day of on-the-job training (OJT) in Topshop of Wing Tai Asia Pte Ltd. Our supervisor informed us about our target sales and discussed the promotion for that day. That was what I appreciated in Wing Tai Asia. Before opening the shop, the supervisor briefed the staff. It was really hard to adjust during the first week of training because we had to stand while serving the customers from opening until closing time. After two weeks, I slowly adjusted to my training as sales coordinator. I was enjoying talking to customers, especially when asked to decide what clothing item suited them. I considered that as a very big accomplishment, a good start in building their trust.

I was sent to a seminar on New Employee Orientation (NEO) on July 09, 2008. This course served as the orientation for the new staff regarding the company's mission and vision, core values, benefits of regular employees, company history, and product knowledge. I learned that Wing Tai was not only engaged in merchandising of apparel, but also in food and real estate. The following day, I took my Customer Service Course (CSC). I learned the importance of customer service, how to handle complaints and how to please the customers. Wing Tai had the "mystery shopper program." They measured staff efficiency in terms of customer service twice a month through a mystery shopper who reported to the human resources department about actual experiences and observations in the shop. The outstanding outlet was then given a prize. Our shop ranked 2nd out of all Topshop outlets in Singapore during my fourth month of training. We obtained the highest rating in August, the fifth month of training. I was very happy for being one of the staff who served the mystery shopper.

My OJT in Singapore widened my horizon. I acquired knowledge in the NEO, CSC and product knowledge seminars during my six-month stay. I also observed that all business establishments in Singapore focused on customer service and convenience. Instead of paying coins for fare, the EZlink card was used. The card was swiped as you board and exit the bus and mass rapid transit. The same card can also be used when eating at McDonald's Singapore, Kentucky Fried Chicken and Long John Silver. Another thing that caught my attention was when I opened a savings account at the Post Office Savings Bank (POSB). They let the customers watch their products

and services while waiting. This is a good marketing strategy as the customers are entertained while gaining advertising mileage for their products and services. The POSB ATM card can also be used in purchasing groceries, petrol and shopping.

I came back to the Philippines via Philippine Airlines on October 30, 2008, in time for enrollment for the second semester in order for me to graduate. This semester was another challenge because I took 30 units—an overload. I also needed to pass the interview for honor student-candidates by six brilliant panelists headed by Fr. Ranhilio Aquino, Vice President of Academic Affairs of Cagayan State University (CSU). This was to test whether the candidates were really qualified or not by testing their communication skills. This interview was very critical because failure meant not being considered as honor awardees, even if the standard academic grades were met. I prayed that God will give me wisdom so that the panelists will be satisfied with my answers. When told by our program chair of entrepreneurship that I successfully passed the interview, I almost cried because of happiness. So during our graduation on April 2, 2009, I was pronounced as one of the 10 cum laude awardees, out of almost 1,500 graduates and one of the top 10 outstanding students in 2009 of CSU. When our University President, Dr. Roger P. Perez, awarded my medal, I felt like I just reaped all the fruits of my sacrifices.

One time, I went to the Lyceum of Aparri together with my best friend and saw a poster of FICOBANK, being in need of employees for various positions. I got their e-mail address and sent my resume and application letter to its Human Resource and Administration Department (HRAD). After two weeks, I received a call from a HRAD staff, asking me to report to the corporate office for psychological and intelligence quotient tests. I was blessed when I passed the exams. The HRAD staff called again and asked me to report for an interview with Ms. Carlyn M. Vitoria, HRAD Head, and later with the panelists. After the interview, I went home to Aparri. On the following day, I received another call from a staff informing me that I passed the panel interview and further told that I needed to report for the final interview with Mr. Herminio G. Ocampo, President and CEO of FICOBANK. After a few minutes Ms. Vitoria told me that I successfully got the nod of President Ocampo. I cannot express how happy I felt being hired by FICOBANK.

I reported on July 6, 2009 for my first day at FICOBANK. I was the earliest that day at the Solana Branch where I will be trained as a general clerk (GC). For two weeks, I had my training as GC. After that, I received a memo from HRAD to report on July 21, 2009 to the corporate office for an important matter. I was very nervous because I did not have the slightest idea why I was being summoned. Madam Carlyn informed me that from that day on, I would be re-assigned as marketing assistant of the Business Development Department. That day I was very happy. To think that I started training at Solana Branch as GC only last July 06, 2009, then became a marketing assistant two weeks later. Such privilege accorded me deserves a reciprocal action. Thus, I will do my best to become an asset of FICOBANK and to contribute for its continuous growth and success. Through hard work, I hope I can fulfill my dreams so that after three to five years, I will be an assistant manager in one of its growing network of branches. I hope to continue devoting my time and energies to work until retirement day comes.

FICOBank Selects Nominees for the 2009 Citi MOTY Awards



From left: Rosalie Castro and Marichu Ocol, FICOBank's nominees for MOTY Awards

During the Annual Conference of the Microfinance Council of the Philippines, Inc. (MCPI) on May 12-13, at the Century Park Hotel in Manila—where the Board Chairman, President/CEO, BDD Head and

MFU Head of FICOBank have attended—the 2009 Citi Microentrepreneur of the Year (MOTY) Awards was launched. This is a nationwide search for the outstanding Filipino microentrepreneurs who are worthy of emulation by other people, especially the struggling and aspiring microentrepreneurs. It is funded by Citi Foundation and is implemented locally in partnership with MCPI and the Bangko Sentral ng Pilipinas.

The first MOTY was held in 2002, in conjunction with the centennial celebration of Citi in the Philippines. This awards program is one of the corporate-social-responsibility initiatives of Citi. It advocates awareness and support for the microfinance industry by giving due recognition and honor to outstanding microentrepreneurs.

Since its first run, six microfinance clients of FICOBank were already chosen as MOTY awardees. Ms. Josephine Alima (2002) and Mr. Henry Bayaua (2007) clinched the national MOTY titles under the *Maunlad* category. Mr. Orlando Dulay (2004) and Mr. Luciano Mendoza (2005) were recognized as MOTY's island winners for Luzon under the same category. Ms. Rizalina Magdula (2006) won the special environment award while Mr. Cerilo Delfin (2008) bagged the MOTY award for Luzon under the *Masikap* category.

This year's MOTY search is the seventh run of the awards program. The members of the selection committee are: BSP Governor Amando Tetangco, Jr. (Chairperson), Mr. Sanjiv Vohra (Co-Chairperson), Ms. Teresita Sy-Coson, Mr. Fernando Zobel de Ayala, Ms. Marixi Rufino-Prieto, Mr. Joey Concepcion III, Mr. Antonino Alindogan, Atty. Felipe Gozon and Dr. Darwin Yu.

MOTY recognizes outstanding microentrepreneurs in two categories—*Masikap* and *Maunlad*. The *Masikap* category is open to microentrepreneurs who have successfully started a business that later evolved into a consistent source of income for the family. On the other hand, the *Maunlad* category is open to microentrepreneurs who have made their microenterprises grow exponentially, to the extent that they are already providing employment for their family and community. A national awardee and three island-group (Luzon, Visayas and Mindanao) awardees for each category will be chosen.

All nominees should satisfy the following criteria: (1) business assets not exceeding P300,000 for the *Masikap* category and P1,000,000 for the *Maunlad* category; (2) a 100-percent repayment rate; and (3) measurable results

in terms of employment generation, sales turnover, growth in enterprise profits and rate of reinvestment of profits. Moreover, the awardees should be model citizens in their respective communities, demonstrate social responsibility and are endowed with high moral standards.

The nominees of FICOBank for the seventh run of the Citi Microentrepreneur Award of the Year are Ms. Rosalie Castro for the *Masikap* category and Ms. Marichu Ocol for the *Maunlad* category.

Ms. Castro is a microfinance client of Roxas Branch. She is engaged in wholesaling of onions, garlic and other spices and in retailing of fruits, rice and grocery items. Through her savings and borrowings from FICOBank, she was able to: establish four trading stalls; buy a secondhand forward truck that is used in supplying goods to 50 retail outlets; and acquire a one-hectare orchard that is planted with about a hundred of mango trees.

Ms. Castro believes that her success could greatly be attributed to her being honest, credible, resourceful and God-fearing. She keeps the high quality of her products and continually maintains reasonable pricing. She is not adversely affected by the present economic condition, as she works harder during these difficult times and thinks of creative ways to maintain or even increase her profits. She is also a hands-on microentrepreneur, as she practically handles the “nuts and bolts” of the operations of her microenterprise. She has a practical management ability and passion for entrepreneurial growth. Her business secret includes saving more and spending less, particularly on irrelevant activities.

Ms. Marichu Ocol, a 45-year-old microentrepreneur, is a client of Alicia Branch. From the experience she gained as a cook, she started a small *carinderia* business. Later, she diversified her business activities by venturing into scrap-buy-and-sell business, internet café and *sari-sari* store. During the harvest season, she also engages in corn trading through purchase-order agreement with the BMEG Feed Mill. All of these undertakings are registering impressive profits. With such business profits, she was able to acquire real properties and several vehicles.

Ms. Ocol is a woman of dedication and hard work. Although there are now 20 employees working for her, she still prefers doing most of the work. She monitors all aspects of her business operation so that loopholes may be avoided. She is such a workhorse that sometimes she goes nonstop, especially during the harvest season. She continues to be amazed how she has attained success in life. She admits there is no surefire formula being followed. A combination of hard work, patience and determination to succeed were factored in. She adds that she is God-fearing, dedicated to her work, honest and well-disciplined. She also values the virtue of humility and being considerate towards others.

Our nominees for this year's MOTY awards met the criteria set by Citi, BSP and MCPI. With their sterling entrepreneurial qualities and stunning success stories, we could expect that they will continue the winning tradition of FICOBank as producer of outstanding Filipino microentrepreneurs.

—RR Palac

Rising After a Fall

The Norma Esteban Success Story



It is a mistake to suppose that microentrepreneurs succeed without failures. More often, they succeed through failures. Instruction, study, advice and example could never have taught them so well as failure has done. Life has its ups and downs, as business has its successes and failures. Norma Esteban has gone through life's rags-to-riches-to-rags test, but eventually wrapped up such acid test of life into triumph with the unfailing assistance of the Microfinance Program of FICOBank.

Personal Background

Norma was exposed early to the harsh realities of life. Faced with her family's financial scarcity, she was forced to stop schooling after her graduation from high school in favor of her younger siblings. As she was determined to help her parents in providing the basic needs of their family, she tried to undertake various micro-selling activities just to earn money. Norma vended gas and coffee among fishermen in Magat Dam. Later on, she tried retailing tilapia.

After a few years of hard work and sacrifice, which were all dedicated to her family, she finally decided to form her own family. She was married to her God-sent lifetime partner, Mr. Ding Esteban, a fisherman in the village. They were blessed with three children.

As her husband's income was apparently insufficient to meet the family's financial requirements, she was compelled to work harder in tandem with her husband. In the midst of their abject poverty, both spouses did not allow themselves to suffer defeat in life and failure in livelihood. Above all, they didn't allow their children to go through what they've gone before—no college degree and wealth to inherit. They dreamt of: feeding them food they've never tasted; sending them to the best school; and providing all their necessities in life.

As her husband continued trawling net under the blaze of the sun and in the darkness of the night, Norma stood firm on her dream of a comfortable life for her family and maintained a glimmer of hope that it will soon be realized.

Enterprise Milieu

Knowing the complexity and owning the familiarity of such business, Norma and her husband ventured into fish production. With an initial capital of P5,000.00, they put up two units of fish cage in Magat Dam. With their perseverance, hard work and dedication—that is rightly rewarded by substantial profit—their fish cages expanded to 20 units. In view of the fact that their fish production can only be harvested after six months, Norma kept on buying and selling tilapia to address their daily requirements. Before the crack of dawn, she was already at the dam site to do business with the fishermen and households living in the squatter area floating over the waters of Magat. With this daily routine, her husband was always on her side to provide support.

Capitalizing on the steady growth of her business, Norma invested her profit in financing activities. She supplied aquatic feeds to the fish-cage operators in the area. Their payments were made during harvest season. In order to meet the growing demands of her feeds-financing operation, she was encouraged to borrow funds from bigtime traders. Her business success for 10 years enabled her to acquire real estate properties, a forward truck and two trading stalls. It, likewise, gave her family the luxury of building a new house.

The success of this undertaking, however, did not last long. With the entry of bigtime financiers in the area and the "fish-kill" phenomenon in Magat Dam, Norma experienced difficulties in collection. As a result of her inability to collect receivables, she was forced to sell her properties just to pay her financial obligations and protect her creditworthiness. With this adversity, she found herself back to nothing.

Despite her business failure, she kept hold of the old adage "Success is not in never falling, but in rising after a fall." As there is no better option but to rise after a fall and start all over again, she welcomed with a spark of hope the news that FICOBank was offering Microfinance Loan in the area. With an initial loan amounting to P40,000.00, Norma bought fingerlings, stocked feeds and revived her fish-production business. Part of such loan was utilized to re-establish her buy and sell of fish. Having a trustworthy intent, bankable character and good repaying habit, she promptly repaid her first-cycle loan without difficulty. Each loan obtained from the bank was invested in her business to ensure its growth. To date, she operates 10 units of fish cage. Likewise, her buy-and-sell business posts a remarkable growth in terms of sales and earnings.

Developing the Habit of Saving

Researches show that people who learn to save money early in life tend to make smarter financial decisions later. In learning the importance and in developing the habit of saving, we must consider the following:

Facts about Savings

- ✓ People can save and want to save money for future needs.
- ✓ People need to make savings into usefully large lump sums.
- ✓ People have the capacity to save, even the poor ones who are often thought of as marginal earners.
- ✓ People do save if there is a mechanism or system that will allow them to do so.

Imperatives of Savings

- ✓ Savings is essential to being good stewards of the money that God “lends” to us.
- ✓ Savings is an important way of providing for our future—both for our needs and that of others.
- ✓ Savings can help us avoid debt.
- ✓ Savings can prepare us for any unexpected expenses.
- ✓ Savings is a freedom account because it frees us from financial worries and difficulties.
- ✓ Savings can help us become financially secure or even wealthy.
- ✓ Savings can help us meet our goals, whether they're short-, medium- or long-term.
- ✓ Savings can help give us the financial freedom to do what we want.
- ✓ Savings constitute a tool towards our empowerment, which has more than just a financial and economic impact.

Thoughts on Savings

- ✓ It's not a matter of how much we earn that counts but of how much we save.
- ✓ No one ever went broke saving money.
- ✓ Financial independence means earning more than what we spend and saving more than what we borrow.
- ✓ Our choice to save expansively rather than to consume expensively is the foundation of money management.
- ✓ Save as much as we can by sticking to our budget.
- ✓ A person who doesn't save is a slave of those who save.
- ✓ Our savings today will allow us to use it for our needs and welfare tomorrow.
- ✓ Our savings today will save us and our families tomorrow.

—RR Palac

Willingness to Save Versus Capacity to Save

To begin saving at a teenage stage is beneficial. Savings can be used for future plans such as for college education, starting capital after graduation or for financial requirements of future family. The ability of saving money is often easier said than done. But when it becomes a priority and habit, there are ways to set aside for savings even in the tightest budget.

Success in saving money is more of willingness. There are those who succeed despite their limited inflow of cash because of their saving attitude, discipline and ability to give up the temptation of unnecessary expenses which is not a simple task. However, some fail not because they have insufficient funds; rather, they are unwilling to stop their useless activities or worthless pleasures and left nothing to save.

Having the capacity to save is also a factor of success. A teenager receiving bigger amount of allowance has the capability of saving more. However, the saving habit or willingness to save is still considered very necessary.

Certainly, saving money is a tough responsibility. It often involves sacrifice for a brighter future. It is an idea that teenagers should realize and live by in order to secure their financial future. It is always better to sow seeds of investment today, at a younger age, and harvest the same at the time of retirement.

The best way to start is by setting a savings goal—something to hold on that will keep the fire burning—to be used for the purchase of personal necessities such as a latest unit of cellphone, jewelry, trendy dress or something special to buy. When receiving allowance, one must decide on how much to set aside. Allotting 20 percent of the daily allowance would accumulate to a big amount after a couple of months or years.

It is desirable to put hard-earned money at FICOBANK for safekeeping so as to contribute in the economy's money cycle for the development of the community. In addition, it is unadvisable to let the money lying idle in a coinbank at home without gaining its interest potential.

Money is valuable. It is earned through hard work—a fact that sometimes is taken for granted by the young generation because of the dole out way of receiving allowance. It is often forgotten that they are spending from the sweat and uphill struggle of their parents. Teenagers must learn to spend wisely and be able to willingly save some for future use. Keep saving for the realization of an aspiration and spend only on something worthwhile. Let the attitude of saving be reaped tomorrow.

—Mark Romel A. Sunga



Let's Make Life Light

From Ahem's Collections

Chewing Gum

A Pinoy is having his SNACK (bread and ube jam), when an American man, chucking chewing gum, sits down next to him. The Pinoy ignores the American who, nevertheless, starts a conversation. American: "You Filipino folks eat the whole bread?" Pinoy (in a bad mood): "Of course." American (after blowing a huge bubble): "We don't. In the States, we only eat what's inside. We collect the crusts in a container, recycle them, transform them into croissants and export them to the Philippines." The American has a smirk on his face. The Pinoy listens in silence. The American persists: "D'ya eat jelly with the bread?" Pinoy: "Of course." American (cracking his gum between his teeth and chuckling): "We don't. In the States, we eat fresh fruit for breakfast, then we put all the peels, seeds and leftovers in containers, recycle them, transform them into jam and export them to the Philippines." The Pinoy (kind of pissed) then asks: "Do you have sex in America?" American: "Why? Of course we do," the American says with a big smirk. Pinoy: And what do you do with the condoms once you've used them?" American: "We throw them away, of course." Pinoy: "In the Philippines, we don't throw them. We put them in a container, recycle them, melt them down into chewing gum and export them to America."

—www.pinoyjokes.net

A Child's Prayer

One night, a father passed by his son's room and heard his son praying: "God bless Mommy, Daddy and Grandma. Ta ta, Grandpa."

The father didn't quite know what this meant, but was glad his son was praying. The next morning, they found Grandpa on the floor, dead of a heart attack. The father reassured himself that it was just a coincidence, but was still a bit spooked.

The next night, he heard his son praying again: "God bless Mommy and Daddy. Ta ta, Grandma."

The father was worried, but decided to wait until morning. Sure enough, the next morning Grandma was on the floor, dead of a heart attack.

Really scared, the father decided to wait outside his son's door the next night. And sure enough, the boy started to pray: "God bless Mommy. Ta ta, Daddy."

At that point, the father was crapping his pants. He stayed up all night, and went to a doctor early the next day to make sure his health was fine. When he finally came home, his wife was waiting on the porch. She said, "Thank God you're here... we could really use your help! We found the milkman dead on our porch this morning!"

—www.ex-designz.net

Job Applicant's Interview

An applicant was filling out a job application. When he came to the question, "Have you ever been arrested?" He answered, "No."

The next question, intended for people who had answered in the affirmative to the last one, was "Why?" The applicant answered it anyway: "Never got caught."

—www.dyoks.com

Contract Proposal

Three contractors are bidding to fix the White House fence. One is from the Philippines; the others are from Mexico and USA. The American gets a tape measure and does some measuring and says, "The job will cost \$900.00: \$400.00 for materials, \$400.00 for labor and \$100.00 for me." The Mexican does the same and says, "\$700.00: \$300.00 for materials, \$300.00 for labor and \$100.00 for me." The Pinoy leans over to the White House official and whispers, "\$2,700.00."

The official says, "WHAT! You didn't even measure like the other guys! How do you expect me to consider your bid?" Easy, the Pinoy said, "\$1,000.00 for you, \$1,000.00 for me and we hire the guy from Mexico."

The next day, the Pinoy and the Mexican are working on the fence.

—www.pinoyjokes.net

Doctor's Office

A woman goes into the doctor's office and says, "Doctor, you have to help me... I've got this problem. You see I can't stop farting. I fart all the time, only they are silent and don't stink. As a matter of fact, I've farted 20 times just now while talking to you". The doctor fills out a prescription and tells the lady: "Here, take these and come back in a week". So she leaves and a week later comes back to the doctor's office. "Doctor, doctor you must help me! Now things are worse. I'm still farting all the time, they are still silent but now they smell something awful. You must do something! What were those pills you gave me?" The doctor replied, "Oh don't worry, those pills were just to fix your sinus condition, now we'll work on your hearing problem".

—www.funny-blond-jokes.co.uk

Doctor, Lawyer and Lots of Money

An old man lying on his deathbed summoned his doctor, lawyer and priest. He handed each of them an envelope containing £30,000. "Gentlemen, they say you can't take it with you, but I am going to try. When they lower my casket into the ground, I want each of you to toss in the envelope I gave you".

After the funeral, the doctor confessed to the other two, "We needed money to build a new clinic so I kept £20,000 and only threw in £10,000". The Priest also confessed, "We needed renovations at the church so I

The lawyer shook his head in disgust. "Gentlemen, I am ashamed of you... I threw in a cheque for the full amount".

—www.funny-blond-jokes.co.uk



Congress has taken seriously the complaints of several cooperatives with regard to improper taxation and audits. The most ordinary interpretation of this provision in the PCC of 2008 is that the CDA has the authority to approve, and conversely, disapprove the examination of books of account of a cooperative, notwithstanding the authority of the Commissioner to issue Letters of Authority for the audit examination of taxpayers. Note that the law does not just require notification of the CDA by the BIR of an audit investigation to be conducted for a cooperative; it requires "previous authorization" by the CDA. Thus, the BIR may have to come to some form of agreement with the CDA with regard to the latter's authority to approve audit examinations of cooperatives. As far as we know, this constitutes the first instance where the Commissioner of BIR actually has to seek approval from another entity before conducting an audit investigation. It would be interesting, to say the least, to see how the BIR and the CDA harmonize their respective powers under this provision of the PCC of 2008.

After having gone through the concessions granted to cooperatives under RA No. 9520, also known as the "Philippine Cooperative Code of 2008," we now move on to the procedural aspects of availment of tax incentives by cooperatives before we tackle the incentives themselves.

Article 144 of the Philippine Cooperative Code of 2008, hereinafter referred to as the PCC of 2008, states "that before a cooperative may secure its Certificate of Exemption (from taxes), which the BIR issues in the form of a BIR Ruling, the cooperative must first present its new certificate of registration at the nearest BIR Office. The nearest BIR Office shall also be responsible for the issuance of the Certificate of Exemption." Hence, even the procedure for the issuance of Certificates of Exemption by the BIR would appear to be subject to an overhaul, as cooperatives exist throughout the country, and the BIR National Office is definitely not the nearest BIR Office for any cooperative located outside of Quezon City. Actually, under Section 2.1.4 of Revenue Delegated Authority Order (RDAO) No. 3-2009, dated 15 May 2009, the Regional Directors of the various regions, concurrent with the Assistant Commissioner of Internal Revenue (ACIR)-Legal Service have the authority to issue the Certificates of Tax Exemption for cooperatives, citing the old Cooperative Code of the Philippines. Said RDAO further states that given the concurrent jurisdiction of the ACIR-Legal Service and the Regional Directors, the taxpayer has the option as to where to file its request for the issuance of the Certificate of Exemption (to the exclusion of the other office with concurrent jurisdiction). That having been said, the BIR should issue some form of revenue regulation to formalize

the procedure, inclusive of the requirements, to be adopted by either the Regional Directors and/or the ACIR-Legal Service with regards to the issuance of said certificates.

Can the BIR refuse to issue a Certificate of Exemption to a cooperative?

Under Section 6 of RR No. 20-2001 (regulations implementing the old Cooperative Code of the Philippines), the BIR requires the submission of at least eight documents accompanying the letter-request for the issuance of a Certificate of Exemption. Likewise, the regulations provided that only certain types of cooperatives could avail of the tax incentives, as provided for in the old Cooperative Code of the Philippines. Notably, with the inclusion of all types of cooperatives in the PCC of 2008 as being qualified for tax incentives, practically, all cooperatives can apply for said incentives. Further, it should also be noted that Article 143 of the PCC of 2008 expressly states that any provision of RR No. 20-2001 that is inconsistent with the PCC of 2008 is considered as repealed, amended or modified accordingly.

All things considered, it appears that the BIR cannot refuse to issue a Certificate of Exemption to a duly registered cooperative. The only qualification stated in the PCC of 2008 for the issuance of the certificate is that the cooperative has its new certificate of registration. On the other hand, Sections 60 and 61 of the PCC of 2008 require that cooperatives, primarily those which deal with both members and non-members, have to meet certain conditions in order to avail of the tax incentives. If the new certificate of registration actually certifies that the cooperatives have met the conditions necessary for the availment of the incentives, then the BIR should issue the corresponding Certificate of Exemption without the need for any other documentation. However, if the certificate of registration cannot state with clarity that the cooperative has qualified under Sections 60 and 61 of the PCC of 2008, then the BIR should be allowed to require the submission of other supporting documents confirming the qualification of a cooperative for the tax incentives. The required documents under the now repealed RR No. 20-2001 are actually documents which will confirm that the cooperative has complied, or will comply, with the qualifications for tax incentives under Articles 61 and 62 of the old Cooperative Code of the Philippines. Further, these qualifications are basically the same as those now enumerated under Section 60 and 61 of the PCC of 2008. Hence, arguably, there is no reason to change or lessen the documents considered by the BIR as necessary to determine the qualification of a cooperative for tax incentives.

—Andrew James Gerard D. Ruiz
KPMG Corner, kpmg.com.ph

Prior to the development of the software, the IPA research team gathered and analyzed the microfinance clients' information from FICOBank's MIS data. Subsequently, the credit scoring model was developed by running a regression analysis. The credit scoring model determines the credit worthiness of clients based on their corresponding historical data.

The onset of using the software, however, stirred questions among the bank's AOs. In an orientation held last July 15, 2009 at the training hall of the Corporate Office, concerns were raised on their role in loan accounts generation, as inherent to the adoption of the Credit Scoring System of the bank.

"The usage of the software does not eliminate the role of the Account Officers since they are the actual people who would use it. Only, their workload will be lessened, and it is hoped that it will let them increase their productivity," Ms. Eula Ganir, IPA's Project Associate, said. She added that the software will simply accelerate the loan application process. "If you used to give forms to be accomplished by the clients, now you won't be doing the same since forms such as the application form, CIBI and cashflow analysis are already programmed in 'netbooks' to give a decision whether a client's application will be approved or denied," Ms. Ganir added.

The pilot test of the project is set at FICOBank Head Office. The rollout of the project will be done simultaneously in all FICOBank branches and field offices afterwards. The pilot test will last for three to six months. Ms. Rean Del Moro, IPA's Project Associate in the Philippines said, that during the pilot-test period, the team will assess the efficiency of the software being developed. "The six-month period will let us know the weaknesses of the project that will be encountered along the way. Also, the pilot test will give us the big picture on how the CSS works in the field, thus giving us room for re-evaluating the project. Any component of the project design that will turn out erroneous and unsuitable will either be modified or eliminated," Ms. Del Moro related.

The FICOBank management believes that the implementation of the Credit Scoring System is a great leap for advances in its goal to outreach microfinance to more clients. It provides convenience for both the clients and Account Officers since bulky forms are eliminated in the process. Likewise, the initial decision whether the client's loan application is approved or denied is determined instantly, thereby saving time and even cutting costs down.

-Jackie M. Juan

Rising After...

from page 20

Social Responsibility

Norma is a great help not just to her own family, but to her relatives and community as well. She was an instrument for the attainment of her sister's educational aspiration who recently earned a bachelor's degree in Commerce. She also extends financial support to her two cousins who are in college.

She is a model citizen in the community and upholds the highest moral standards. Although she is not a member of any socio-civic organization nor holds any position in the barangay, Norma is actively involved in community affairs. She is always ready to support, in any way, the programs and projects of her community. Actually, her microenterprise is in line with the government's OTOP (One-Town-One-Product) Program, as Ramon, Isabela is "tagged" as the fish capital of Cagayan Valley because of the presence of the Magat Dam and the thriving freshwater fish industry found in the area.

Acquiescing with the spin of the turbine of Magat Dam, Norma is an absolute paradigm of what life means. She knows how to value

responsibility and credibility, to stand on her words even if it meant losing what she had longed for. She could have deserted her financiers to escape her debts and enjoy her luck, but she did not do it. Instead, she maintained her creditworthiness by willingly giving up all her investments and started again from scratch. She kept her credit record spotless although her debtors had forsaken her. Indeed, she is a paragon of honor as she chose to lose her hard-gained properties than to lose her conscience. More importantly, she proved to herself, to her neighbors living in squatters floating over the waters of Magat, and to other microentrepreneurs that "a minute's success pays the failures of years."

Truly, the measure of a person is not how well he/she prepares for everything to go right, but on how gracefully he/she stands up and moves on after everything goes wrong. And as for Norma, she still managed to maintain her composure although the dreams she built were falling apart in front of her.

She is like the waters of Magat. From the mountains of life's challenges, she came running through the rocky sides of the valley where she experienced the difficulties and intricacies of life. She came to a deep and vast hollow of Magat Reservoir that called for her endurance and patience. Yet, she refused to remain in that hopeless hole but sought her way out through the penstocks of Magat Dam. And now, at last, she's free—free like the river of Magat—free to bring life to her own banks, and free to give hope to the people who are witnesses to her life's journey.

-RC Grande, DC Agdeppa & RR Palac

Did you...

from page 22

That in the early twentieth century, Willie Sutton was asked why he robbed banks and he was reported answering "Because that's where the money is." Another famous robber was John Dillinger who committed bank robbery crimes in mid-western America. Some considered him a dangerous criminal, while others idolized him as a supposed present-day Robin Hood. He gained this reputation (and the nickname Jackrabbit) for his graceful movements during bank heists such as leaping over the counter and many narrow gateways.

Modern science discovered that a person's pupil has certain peculiarities which differ from others. However, it is not practical to use this method to establish one's identity. If you resort to this means on a person cashing a check but without an ID, you may encounter some problem. *Paano kung bulag?*

That the fingerprint is still the best method of identifying a person. No two persons have identical fingerprints, even identical twins. Another principle states that "Fingerprint does not change from cradle to grave." Of course, it will change in size, but not in characteristics.

Jose "Peping" Ignacio, branded by NBI as the man with the golden hand, was the best forger during his time. He used to forge signatures without looking at the genuine model. It is called "forgery by memory." Ignacio was arrested, charged and convicted for several cases and falsifications. He died while serving his prison term. But before he died, he was able to set free several of his co-inmates in Muntinlupa by forging the signatures of the members of the Board of Parole, quite a record for the *Guinness Book*.

That the best way to address the threat of a hold-up is to strengthen our defenses. Security expert Dan Wurth states, "An ideal security program relies on effective preventive measures rather than on quick reactions at the moment of attack."

-Johnson B. Pascual

FICOBank at 33:...

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significantly improved: total resources expanded by 40% (from P820.48 Million to P1.15 Billion), gross loans increased by 22% (from P527.54 Million to P642.60 Million) and capital accounts rose by 18% (from P157.99 Million to P185.69 Million), further affirming FICOBank's position as one of the country's best-capitalized and financially-performing cooperative banks.

Drawing inspiration from these feats, FICOBank aims to soar even higher towards banking excellence and recognition. The bank is set to scale greater heights, as it continues to make its clients' successes its business and inspiration.

Ever mindful of the changing banking landscape and realities in the banking regulatory environment, FICOBank will continue to implement its branching mode in the provinces of Central and Northern Luzon. It will constantly re-engineer its processes and technology platforms to better improve its customer service by way of meeting growing financial needs, speed in the delivery of services and related rising customer expectations.

Likewise, FICOBank, now fully grown and ready to enter the "big league" of the banking industry, is set to transform itself into a higher form of banking institution, one that is "built to last." FICOBank - from Cooperative Banking to Corporative Thrift Banking.

In its 33rd year, FICOBank, together with all its stakeholders, is looking forward to more fruitful years of service as well as continuous and reciprocal partnership with the banking public for its unfading support and patronage. And as it has been for the past three decades, FICOBank will continue to seek God's guidance and grace in all its undertakings. For we acknowledge that all of its accomplishments in the past, and the best that are yet to happen, are possible only through the power of God in our lives. With Divine inspiration, FICOBank will progress on and soar high to the path of greatness that God has set for it 33 years ago, all for His glory and honor.

—Herminio G. Ocampo

General Assembly...

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the need to broaden its investors' base so as to increase its common stock. The irony, however, is that the bank cannot expect capital increases of a consequential magnitude from its 227 common stockholders (all *samahang nayons* and cooperatives), as most of them are now defunct. With it, there is a compelling need for fresh equity from individual investors in the open market to ensure its continued growth. Its borrowers, depositors and sympathizers have enthusiastically expressed their intent in buying common stock, which it cannot issue under the rules and regulations governing cooperative banks.

The bank's pursuit of growth and quest for bigness are constrained by its staying as a cooperative bank. By converting/upgrading itself into a thrift bank, with the approval of the Bangko Sentral ng Pilipinas (BSP), the bank can source fresh equity from individual investors to better service the people in the countryside.

With FICOBank's conversion into a thrift bank, it will have a broader source of stockholders, lesser restrictions on branch openings, wider range of products and services, and better stature in public image. Moreover, in allowing private individuals with broad business experience to join the board of directors, FICOBank will become a stronger bank with better governance capabilities in setting even higher goals for the future.

Considering the foregoing premise—as presented by Mr. Herminio G. Ocampo, President and CEO of FICOBank, and as supported by Dr. Eulogio T. Castillo, Professor and Director of the Agricultural Credit and Cooperative Institute, University of the Philippines at Los Baños (ACCI-UPLB), Mr. Guillermo L. Carisma, Jr., Board Chairman of the Cooperative Banks Federation of the Philippines (BANGKOOP), and Mr. Mernilo C. Ocampo, Assistant Vice President and Regional Head of the Land Bank of the Philippines in Cagayan Valley—the bank's stockholders, in a Special General Assembly Meeting on 28 February 2009 at Isabela Hotel, Cauayan City, unanimously approved the conversion/upgrade of FICOBank into a thrift bank.

The application, together with the feasibility study and other requirements, for the conversion/upgrade of FICOBank into a thrift bank was already submitted to the Monetary Board of the Bangko Sentral ng Pilipinas. The conversion/upgrade of FICOBank into a thrift bank is, by and large, feasible and doable. We hope that our application will be favorably acted upon by BSP.

—RR Palac

Proud to be...

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Gush of Affection for Tita Cory



Months back, I dreamt of seeing you in a beautiful garden surrounded by raving people who are so thrilled having pictures taken with you. Waking up, I remember reading in the news that you were again back in the hospital then. I felt a sudden pain of sadness that I will never meet you in person, take a picture with or even hug you like somebody dearly close. I remember saying a prayer to God that morning to heal you

completely so you can still see a peaceful and progressive Philippines that all of us dream of. Now that you're gone, I do not know if that will happen in my lifetime. But what I know is that I will always think of you for the rest of my life because you have inspired me, like many others, in many ways you may not even know about. I remember you when I read Maya Angelou's poem entitled *Phenomenal Woman*: "...the sun of my smile / the grace of my style / Now you understand just why my head's not bowed. I don't shout or jump about or have to talk real loud. When you see me passing, it ought to make you proud. I say, it's in the click of my heels, The bend of my hair, The palm of my hand, The need of my care, 'Cause I'm a woman Phenomenally. Phenomenal woman, That's me." Yes, that's you. A phenomenal woman indeed! Tita Cory, you made me proud to be a woman. You made me confident of what I am as a person and secure where God has placed me where I am now. Because like you, I know I have a purpose. And because of you, I will always take pride to be a Filipina. And well yes, even better, proud to be a FICOBanker.



**Pension mo ng ilang buwan,
minsan mo nang makakamtan.**

PENSION LOAN

Get a loan for any productive or providential purposes out of your pension. With FICOBank's Pension Loan, you can now get an upfront and lumpsum cash in exchange for mortgaging your right to receive a specified number of your future monthly pension. It's so easy and quick. If you are an SSS or PVAO pensioner, just simply come to our FICOBank branch or extension office with the needed requirements and your pension loan will be immediately processed.

This loan product has the following salient features:

- ✓ Can be accessed by SSS or PVAO pensioners;
- ✓ Amount of loan is up to 100% of the net monthly pension times the number of months to pay, but in no case be more than P50,000.00;
- ✓ With one-time release of approved loan;
- ✓ The term of loan is from 3 to 12 months;
- ✓ Mode of payment is monthly via authority to debit from savings account; and
- ✓ With only 2% interest per month and no service charge.

So what are you waiting for? Be one of our clients and experience the FICOBank way of banking. Enjoy the difference!



**Sa oras ng kagipitan, mayroon
kang agarang makakapitan.**

JEWELRY LOAN

Take advantage of an instant loan which does not consider the C's of credit in the evaluation of borrower's eligibility. FICOBank Jewelry Loan offers the fastest means of granting credit that is solely backed up by acceptable types of jewelry. Take a loan on the spot out of your precious jewelry now!

This loan product has the following salient features:

- ✓ High appraisal;
- ✓ 2.5% interest per month;
- ✓ No service charge;
- ✓ No advance interest;
- ✓ No hidden charges;
- ✓ Immediate release of loan proceeds; and
- ✓ Renewable upon its maturity.



FICOBank at 33: Soaring Higher Towards Banking Excellence

"Excellence is doing ordinary things extraordinarily well."

In its 33rd year, FICOBank manifests its continuing aspiration to be the best in its field, while averting mediocrity and avoiding complacency in everything it does. Proof of this are the recognitions bestowed on it through the years, symbolizing three decades of unwavering service, unmatched strength and unparalleled success.

*Drawing inspiration from these feats, FICOBank aims to soar **even** higher towards banking excellence.*

www.ficobank.com



LANDBANK
Ginintuang Gawad PITAK
(Cooperative Rural Bank Category)
2009



LANDBANK
Gawad PITAK Hall of Fame
(Cooperative Rural Bank Category)
2007



LANDBANK
Gawad PITAK Winner
(Cooperative Rural Bank Category)
1995-2006



USAID **nnps**
EAGLE Achievement Award
(Excellent Performance in Microfinance)
2003 & 2005



BANGKOOP
COOPERATIVE BANKS FEDERATION OF THE PHILIPPINES
Chairman's Award for Excellence
(No.1 in Financial Performance)
2004-2006



citigroup
Producer of Microentrepreneur of the Year (MOTY) Awardees
2002-2008