

FICOBank's Client Wins Citi MOTY Award

On the sixth run of the Citi Microentrepreneur of the Year (MOTY) Awards, FICOBank produces—for the sixth time—an awardee in the person of Mr. Cerilo M. Delfin. He is one of the many nominees for the MOTY Masikap Category. With his stunning entrepreneurial success, which is worthy of emulation by other microentrepreneurs and aspiring microentrepreneurs, Mr. Delfin was chosen by the panel of well-respected judges as the 2008 MOTY Masikap Awardee for Luzon.

The Microentrepreneur of the Year Search is a joint undertaking of the Citigroup Foundation, Microfinance Council of the Philippines, Inc. (MCPI) and Bangko Sentral ng Pilipinas (BSP). It aims to promote the development of microfinance and microenterprises in the Philippines by recognizing outstanding microentrepreneurs who have substantially grown their businesses, improved the quality of their lives and contributed to the growth of their local economies.

After retiring from military service, Mr. Cerilo Delfin returned to his hometown in Alicia, Isabela and found his niche in making puto and kutsinta. His products are distributed by vendors in some areas of the province of Isabela such as Alicia, Cauayan City, Angadanan, San Mateo, San Isidro, Echague, San Mariano and Naguilian. He provides employment to 30 vendors from his community. His initial microfinance loan from FICOBank enabled him to purchase equipment and raw materials to start his microenterprise. Mr. Delfin is a living proof that there is a fulfilling life ahead for people retiring from military service.



Mr. and Mrs. Cerillo Delfin with President Herminio Ocampo, BM Ma. Pilar Atienza and AO Denver Hipolito of FICOBank and Ms. Teresita Sy-Coson of SM Group during the awarding rites of the 2008 Citi Microentrepreneur of the Year.

As a winner of the aforesaid category of MOTY Awards, Mr. Delfin received a trophy and cash prize of P75,000 from Citibank. Consequently, his Account Officer, Mr. Denver Hipolito, also received a cash incentive in the amount of P10,000. With this feat, FICOBank was given a Plaque of Recognition for its participation to the MOTY Awards and its ability to produce an awardee. The awarding ceremony was held on November 19, 2008 at the Galeriya Bangko Sentral of the Metropolitan Museum of Manila. The President and CEO of FICOBank, Mr. Herminio G. Ocampo, led the other Bank officers in attending the said ceremony.

FICOBank Pulled the Trigger in '08

Business and Resources Grew amid Global Financial Crisis

The global financial crisis, which started in US, showed its harsh effects in 2008. Around the world, housing, mortgage and stock markets have fallen, large financial institutions have collapse or been bought out, and governments in even the wealthiest nations have had to come up with rescue packages to bail out their financial systems.

The downfall of the banking giants, Lehman Brothers and Merrill Lynch, has so far put several major financial

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During the awarding rites, Citi Country Officer Sanjiv Vohra said: "Through this program, we are able to actively share the success stories of our outstanding microentrepreneurs, promote their successes to a much wider community base and, most importantly, create role models that will inspire and encourage others to similarly grow their microenterprises and serve as catalysts to invigorate their own communities."

Congratulations to Mr. Cerilo Delfin. As FICOBank client, we are proud of you. And because of you, FICOBank maintained its winning tradition. ♦

—Richard C. Grande

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institutions in the red, restructuring, acquisition or closure. This financial crisis has shown that in an increasingly inter-connected world, there are always knock-on effects and, as a result, bank closures in the Philippines reached an all-time high with the fall of a chain of rural banks affiliated with the Legacy Group.

Against this global and local backdrop in '08, FICOBank was able to skillfully pull the trigger and hit its financial and operational targets. At year-end, the Bank contentedly registered a significant growth in business and resources.

Three new branches in Central Luzon and six additional field offices in Cagayan Valley were established in 2008. This network expansion initiative practically extends the market reach of FICOBank to 21 strategic locations and effectively bolsters its capability to serve the banking needs of the people.

Loan releases at the end of 2008 registered a new record high of P3.286 billion. It surpassed the previous year's loan disbursements of P2.177 billion by 51%. The surge in loan volume was primarily driven by the Bank's

unmatched marketing strategies, strong demand by the public for its loan products, fast turnover of loans and high velocity of funds.

FICOBank has now total resources of P1.152 billion, up by 40% compared to 2007. Contributing to the financial growth of the Bank are its: deposit liabilities of P755.216 million, which increased by P287 million or 61% over 2007's level; net income of P40 million, which rose by P1.168 million or 3%; and capital accounts amounting to P185.686 million, which grew by P27.70 million or 18%.

The growth levels were enough to attain the projections for the year. The Bank was projected to have a P1.15 billion in resources, P655.02 million in deposits, P40 million in net income and P200 million in capital accounts by the end of the year.

For 2009, FICOBank is gearing to reach P1.50 billion in resources. It also aims to produce a loan volume of P4.50 billion, and generate P1.08 billion in deposits, P47 million in net income and P230 million in capital accounts. ♦

—RR Palac & ST Daguio

BSP Approves Five New FICOBank Branches

To meet its network expansion goal as set in its 2006-2010 Strategic Plan, FICOBank submits to Bangko Sentral ng Pilipinas (BSP) its application for authority to establish five new branches in Pangasinan and Cagayan on October 29, 2008.

The Central Applications and Licensing Group of BSP approved the application of FICOBank on December 24, 2008, considering the compliance of the Bank with the prerequisites for the grant of authority to establish branches,

completeness of the required documents that it has submitted and the feasibility of its Business Plan. This plan put into details the primary banking activities and the products and services to be offered, the competition analysis to show that each proposed branch will not lead to overbanking in the target market, and the financial projections for the first three years of operations.

Four of these branches are intended to be established in Pangasinan and these will be located in the municipalities of Lingayen, Malasiqui, Mangaldan and Umingan. The last one will be put up in Aparri, Cagayan. As required by BSP, these branches shall be opened within six months from the date of approval thereof.

After the opening of these new branches, the number of the Bank's operating units—on the whole—will be 26, which will be made up of 18 branches and 8 extension/field offices. With this would-be strength in the aspect of network, FICOBank will undoubtedly increase its production potential and eventually become bigger and better banking institution. ♦

—RR Palac

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FICOBank Goes Through Strategic Evaluation



With the maze-like challenges besetting FICOBank, which were brought about by rising competition, technological changes, global financial crisis, increasing risk of bank failure, inequitable branching rules, and inherent organizational limitations, vis-à-vis its envisioned transformation into an ideal banking institution, the Board and Management felt the urgent and compelling need to go through a strategic evaluation.

Knowing the expertise and caliber of Prof. Vicente R. Valdellon, Jr., the Bank's President and CEO, by authority of the Board, commissioned VRV Management and Property Consultancy, Inc. (VRVMPCI) to conduct the strategic evaluation of FICOBank. For this consultancy engagement, VRVMPCI assigned its President, Prof. Valdellon, and Vice-President, Mr. Jowell L. Tan, as consultants.

The strategic evaluation aimed to squarely address thematic issues and concerns regarding the Bank's strategic plan, operational and administrative systems, organizational structure, financial performance, and transformation scheme. The consultants' approach and methodology consisted of: two-sets of immersion visits to FICOBank for personal interviews with the Board, ManCom and key staff; review of the Five-Year Development Plan, annual reports, financial statements and operational processes of the Bank; and BSP and key-informant interviews.

This eight-week consultancy engagement started on October 20, 2008. The report on the deliverable end-outputs, which have been organized into three major components such as strategic thrusts, banking dynamics and blueprint for transformation, was submitted on December 22 of the same

year. The summary of the strategic evaluation of FICOBank was presented to the Board of Directors and Management Committee on January 6, 2009.

The consultants' findings revealed that FICOBank is on track in the implementation of the expansion phase (2006-2008) of its Development Plan. With reference to its strategic thrust on "ensuring a substantial market presence," the Bank has made significant progress with 7 new/improved products and services, 13 branches and 8 field offices. To further strengthen its market presence, focus on 2-3 target markets and operationalization of service-delivery standards are needed. As to "making sure that organizational structure, processes and people deliver the substantial market presence," important moves have been made by the Bank, but more must be done. On "stakeholders development," much has been achieved in growing and rewarding FICOBank's broad band of constituencies. The Bank "passes with flying colors."

According to the consultants' report, the expansion of FICOBank has happened. It has successfully produced double-digit growth in gross income, loans receivable and deposit liabilities. However, fast growth has its limits, impositions and pitfalls as well. The transformation of FICOBank is about to begin and this must transcend "doing better than what it has been doing all along." New methods, new focus and new values are called for. And the Bank's vibrant strategic response should be the "corporate" concept. With it, FICOBank shall be the "first corporate bank" in the world. ●

-RR Palac

Remote Support with Optimum Performance

In the previous issue of FICOnnect, the Information and Communication Technology Department (ICTD) highlighted the article "FICOBank Goes ONLINE." Now, the Department has taken another step towards service excellence by going... VIRTUAL. This means providing IT assistance to the growing number of branches and field offices through Remote Support.

What is Remote Support? It is the ability to control a device such as a computer connected to the internet. On a temporary and permission-based access, one is able to transfer updates, patches and other files needed to fix a certain technical issue. Thereby, allowing IT personnel to proactively maintain applications and devices through the use of a secure facility from a different location.

What is the benefit of this to our Bank? The IT personnel need not travel to the branch to resolve a technical problem. They do not need to be physically present to resolve system errors in the branches on case to case basis. They can access through the internet using a secure application to resolve it.

Imagine a report that cannot be printed at a branch in Cagayan or a file that cannot be accessed by a branch in Tarlac. If the IT personnel have to travel from the Corporate Office in Cauayan to these actual sites just to troubleshoot, their travel will eat up most of the time and such process will delay further the delivery of service to our clients.

This process improvement reduces cost and increases productivity. Eliminating the travel time means immediate action to the complaint and more customer satisfaction. A time saved is an opportunity to do other task. Hence, time saved would mean more time for IT personnel to perform other duties or attend to other branch concerns.

Would that mean the system is susceptible to data theft by unauthorized users? No, database or files containing critical information are placed in a secure environment with layers of control in our system infrastructure. It ensures data security while performing immediate service for business continuity.

In line with the Bank's commitment to create opportunities and transform lives, our systems and services are evolving as well. We want to perform our tasks better than our last performance. We want to improve process to save on time and resources, not just to lower the cost, but to efficiently deliver service and be more productive. We value service to our clients. We value our client's time.

This is what we call optimum performance—being able to perform faster and better. It is a commitment to provide updated and competitive banking services for better banking experience by the prudent banking public. ♦

—Rommel M. Lindo

Celebration of the 32nd Founding Anniversary of FICOBank



Founded in 1976 as an alternative source of financing for farmers and small entrepreneurs who cannot access financing from other financial institutions, FICOBank celebrated the 32-year anniversary of its founding on September 10, 2008 with the theme "Celebrating a Dynamic Past, Creating a Vibrant Future."

The anniversary was celebrated simultaneously at the corporate office and branch offices of the Bank. At each branch, the depositors, borrowers, other clients and supporters were invited to join the staff in celebrating this momentous event, as they are the reason for the continuing success of the Bank, particularly, in attaining its billion-peso level of resources.

The founders, past and incumbent directors, former ACDOs, representatives of coop-stockholders and development partners, members of ManCom and OpCom, and support staff were in attendance to the 32nd Founding Anniversary Celebration and Thanksgiving at the FICOBank Corporate Office. The thanksgiving ceremony was sanctified by Rev. Elmer Domingo.

In his inspirational talk, Mr. Flordelino A. Almazan, Chairman of the Board, emphasized that the

FICOBank Supports a Bloodletting Project



To meet one of its social responsibility commitments, FICOBank extended its financial support to a bloodletting project organized by Bombo Radyo

Philippines and Philippine National Red Cross on November 8, 2008. The mass blood donation was undertaken simultaneously in 24 areas of the country.

In the province of Isabela, the bloodletting was held at the High School Gymnasium of Our Lady of Pillar College in Cauayan City, Isabela. Governor Ma. Gracia Cielo "Grace" M. Padaca showed support by giving her warm welcome and inspiring remarks.

The activity, which is called "DUGONG BOMBO: A Little Pain, A Life to Gain," has three most important objectives. These are: to save people's lives; to ensure the availability of volunteer-sourced blood supply; and to create public awareness on the importance of voluntary blood donation. Notably, the Filipino spirit of *bayanihan* and moral fiber of *malasakit sa kapwa* were strengthened through this bloodletting project.

A total of 171 blood donors from the Fifth Infantry Division of the Philippine Army and people from various walks of life were registered and involved—with extreme vigor—in this one-day bloodletting activity. These life-saving volunteers also benefited from donating their blood, as the replacement of the same has improved their body resistance and blood circulation, making them feel healthier than before.

The sponsorship of this significant event is reciprocal. Our Bank was given three-spot daily radio advertisements for seven days and our President and CEO was accorded with a privilege of guesting in "Good Morning Philippines Program." Our Bank obtained post credit mention, too, during the "Zona Libre and Bombo Hanay Bigtime Programs." Moreover, our Business Development Department was allowed to install streamer and distribute flyers in the venue. With our sponsorship, FICOBank has created ample awareness, pulled great interest and got high regard from the public. And through it, our Bank's corporate brand and winning product were put on air in a radio station that has the biggest number of listeners in Region 2. ♦

—Gloria A. Miguel

FICOBank Sponsors Medical and Dental Mission



As has been often said, "Health is wealth." This adage drives FICOBank to support—through its Corporate Social Responsibility—health-related programs that will benefit the community, particularly those families that are bereft with resources. And for over a period of years, FICOBank has been a major sponsor of medical and dental missions in various areas.

During the 10th anniversary of St. Elizabeth Parish of Ilagan, Isabela on November 26-30, 2008, FICOBank was chosen to sponsor one of its important activities—the medical and dental mission. With its deep concern for the community where it serves, the Bank accepted the sponsorship of such special event. This activity, which was jointly sponsored by the Corporate Office and Ilagan Field Office, was held on November 28, 2008 at Naguilian Norte Chapel in Ilagan.

The medical and dental mission was fully supported by the Parish Priest, Rev. Fr. Goefrey B. Escorpezo, and a group of medical and dental practitioners, which include Dr. Joanne G. Martin, Dr. Manuelita D. Dela Cruz, Dr. Joy L. Balayan, Dr. Darwin P. Gaba, Dr. Milagros Nazarene C. Castañeda, Dr. Nenita B. Dyquiango and Dr. Jesusa Cristina I. Ancheta. FICOBank was represented by Mr. Romeo C. Gatan and Ms. Gloria A. Miguel.

Over 100 residents from 11 barangays of Western Ilagan were the lucky beneficiaries of this benevolent undertaking. The medical and dental services, together with the prescribed medicines, were given free. However, the recipients were encouraged to donate P30.00 each to the parish for its future activities.

The medical and dental mission was indeed a laudable activity that is worthy of emulation by other organizations and well-off individuals. The delivery of basic services to the less-fortunate citizens is not government's concern alone, but also by its constituents who really care for the pitiful plight of this marginalized sector of the society. ♦

—GA Miguel



Board in Action

FICOBANK is a vital component of the national economy, in general, and the local economy, in particular. It provides an array of financial services and solutions to a broad segment of the population. Its significance to the economy is underscored by the fact that it is part of the well-regulated banking industry. That's why it is of crucial importance that our Bank should have strong corporate governance.

Given the important financial intermediation role of our Bank in the economy and our high degree of accord to effective corporate governance, as we face intense competition in the market, the Board is required to pursue objectives that are in the interests of the recognized stakeholders. The linchpin of effective corporate governance is an active and working Board that performs its responsibilities with integrity and has the basic expertise to properly oversee and direct Management. And, in order to ensure effective corporate governance, it is necessary for our Bank to act in an open and transparent manner.

The Board of Directors is accountable to the shareholders and other stakeholders of the Bank in ensuring that it is governed and managed in a safe and sound manner and with an appropriate balance between financial performance and fulfillment of its public purpose.

To fulfill its fiduciary responsibilities, the Board—for the year that has just ended—has held 12 regular meetings and 6 special meetings. The Board has a perfect attendance during these meetings. For the record, the BOD had passed 313 Board Resolutions. In like manner, the Board Committees had conducted a total of 38 meetings, broken down into: Executive Committee – 3 meetings; Education and Training Committee – 3 meetings; Credit Committee – 12 meetings; Audit and Inventory Committee – 9 meetings; Safety Committee – 6 meetings; and Bids and Awards Committee – 5 meetings.

Among the major decisions made and actions taken by the Board include the following: adoption of the seven-pronged "ON-TRACK" Banking Direction; creation of the Corporate Governance Committee, Risk Management Committee, Nomination Committee and Investigation Committee; establishment of an area office and six new field offices; application for five additional branches; transfer of FICOBANK's Branch in Orani, Bataan to Urdaneta City, Pangasinan; revision of the Risk Management and Control Manual, Corporate Governance Manual, and Code of Discipline; adoption of the Bank's Security Plan; offering of unsecured subordinated notes (Tier 2 Capital); installation of the online banking system; compliance to legal and regulatory requirements; review and adoption of the 2009 Budget; approval of the strategic evaluation of the Bank; and confirmation of the proposed transformation plan of FICOBANK.

Moreover, the Board has performed its primary responsibilities in: ensuring that the Bank maintains a highly qualified Senior Management Team committed to fulfilling the Bank's mission with the highest standards of ethics and integrity; making sure that the internal control system is maintained and the same is strictly implemented by the management and staff; establishing appropriate policies for the Bank's safe and sound management; providing strategic direction for the Bank's business; and reviewing regularly the effectiveness of the Board.

The foregoing information are presented in an effort to make it easier for the shareholders, other stakeholders and market participants to monitor and judge the performance and effectiveness of the Board in governing the affairs of the Bank. With such disclosure on the aspect of corporate governance, it can be clearly interpreted that FICOBANK is a safe and sound banking institution.

Flordelino A. Almazan



FICOBanking: Focusing on the Fundamentals

For FICOBANK, the business of banking is not only about the management of risks. It also pivots on these specific banking fundamentals: liquidity, capital adequacy, portfolio quality, profitability, leadership and internal control, customer-driven services, and well-organized communication practices. These basics, which are embedded in our management and operation, provide the needed cushion for our bank to weather any type of crisis or upsetting events.

With the financial tsunami in 2008 that hit the financial giants in US, the entire global banking system had almost collapsed. Most banks that relaxed their credit standards by extending mortgage loans to subprime borrowers—also known as the NINJA (no income, no job or assets)—were greatly affected. The default in payment by these borrowers resulted in foreclosure of numerous housing units. With the excess in supply, and as housing prices fell, the value of collaterals supporting mortgage loans eroded. And this triggered a wave of bankruptcies among financial institutions worldwide.

Proven and tested during the Asian financial crisis in 1997, the aforementioned fundamentals kept us stable, growing, and even expanding, amid the current global financial turmoil. This enviable development of ours is in contrast to the fate of a number of rural banks that closed down one after another. While commercial banks are “back to basic,” we are laser-focused on our next phase of development—the conversion of FICOBANK into a thrift bank.

For easier understanding, I would like to share our banking fundamentals, which I believe will be appreciated by our multi-sectoral customers, development partners and market analysts. There is much to learn from the FICOBANK’s way of managing banking operations.

Liquidity is a condition in which assets are held in cash or near cash form. The essence of liquidity is having cash when you need it. Our bank maintains adequate funds to address operational liquidity requirements, legal reserves, capital expenditures and contingencies. We make it sure that our liquidity level is always higher than the liquidity reserve required by the Bangko Sentral ng Pilipinas (BSP).

Capital adequacy is stated in terms of equity capital as a percent of assets. This means that the amount of capital is adequate to pay obligations, absorb losses and still have funds to increase the bank’s assets through additional lending. It is the policy of our bank to not merely match, but beat BSP standard and industry average in terms of capital adequacy ratio. CAR is among the gauge of a bank’s financial strength.

In general, portfolio quality refers to the amount of risk of default in loan portfolio. A high quality of portfolio contains a lower amount of risk. Knowing that portfolio quality changes continually as loans are disbursed, payments are made, and payment becomes due, we make it a point that our lending operation is prudently managed—from account generation to collection, or up to remedial action. We see to it that the amount of our toxic loans is negligible and our past due ratio is kept at a single digit.

Profitability is the ability of the bank to generate net income on a consistent basis. It is often measured by net profit ratio (bottom line versus top line). Our bank has proven, in no uncertain terms, its business profitability. Operating efficiencies are competently managed. Control over operating expenses is a must-do task by all our officers and staff.

We have a very strong leadership and internal control. While our bank is generally considered as a premier financial institution, it never sidetracks the importance of a very tight internal control and risk management system. Management is always on top of any situations. It ensures that emerging problems are promptly attended to and properly acted upon.



Legal Matters

Atty. Hubert E. Molina



significan policy on bank branching which is apparently intended to liberalized the operation of banks. In its press conference, the BSP emphatically pointed out that *"The Circular amends branching policy and guidelines by rationalizing existing regulations on the establishment of banking offices. Specifically, it allows the establishment of branches and other banking offices anywhere in the country. The geographical exception would be in the eight cities within Metro Manila—namely, Makati, Mandaluyong, Manila, Paranaque, Pasay, Pasig, Quezon and San Juan—which have been identified as already adequately served. This amended branching policy is meant to promote healthy competition in the banking system and improve the delivery of efficient banking services."* Pertinent provisions of the said circular are, as follows:

- e) AN RB or a local Coop Bank shall only be allowed to establish branch/es if its COMBINED capital accounts is at least P10 million.
- f) AN RB or local Coop Bank with COMBINED capital accounts of at least P10 million but less than P50 million may establish branch/es anywhere within two-hour normal travel time by land/sea public transport from the head office, except in METRO MANILA.
- g) AN RB with COMBINED capital accounts of at least P50 million but less than P100 million may establish branch/es in any island group (Luzon, Visayas or Mindanao) where the head office is located, except in METRO MANILA.
- h) AN RB with at least P100 million capital accounts may establish branch/es anywhere in the Philippines, except in METRO MANILA UNLESS QUALIFIED UNDER ITEMS "4.a" AND "4. b" ABOVE."

The banking industry, especially the rural and cooperative banks lauded the liberal stance of the BSP. However, a close scrutiny of the newly issued branching policy would reveal that cooperative banks, like FICOBank, are placed in a disadvantaged position. Obviously, cooperative banks were left out and not taken into consideration in the said regulation since nothing has changed compared to the old branching regulation. Most notable of the flaws is the fact that a cooperative bank can only branch out within the two-hour normal travel time by public transport even if it has a capital of more than P100 million. This matter raises several questions which eventually put in issue the very wisdom of the said policy.

New BSP's Branching Policy

Why is it that a rural bank is allowed to branch out within the island group (Luzon, Visayas or Mindanao) if it has a capital of at least P50 million and a cooperative bank is not? Or to branch out anywhere in the Philippines if its capital is at least P100 million and a cooperative bank with that much capital cannot? It is worthy to note that a cooperative bank started as a rural bank until the promulgation of the Cooperative Code of the Philippines. Even after such promulgation, cooperative banks were treated as rural banks. In fact, cooperative banks are legitimate members of the Rural Banks Association of the Philippines. Why then the different treatment in the aforesaid branching regulation. Some quarters cannot help but comment that rural banks are more favored over cooperative banks.

Is the "two-hour normal travel time by public transport" rule as the determining factor of the location where a cooperative bank with capital of at least P10 million should put up its branch still relevant? Under the aforesaid regulation, even a cooperative bank with a capital of P1 billion is stuck with that two-hour travel time qualifying factor. What made it more demoralizing is the fact that while rural banks with more than P100 million capital is allowed to establish branches anywhere in the country, cooperative banks are not allowed to do so simply because of the two-hour normal travel limit. A major factor which makes such rule totally irrelevant is the requirement for a bank to invest in information technology like computers, internet and other forms of modern communication in order to survive the cut-throat competition in the market.

While the said circular provide for a general liberalized environment, it however limits if not restricts the opportunity of cooperative banks to grow and be competitive making them more as a marginalized sector in the brink of extinction if not given the proper and timely attention and treatment.

Cooperative banks welcome a healthy competition BUT let there be an even playing environment and equal opportunity and flexibility which are available to other type of banks.

Or, would this issue be a challenge to big cooperative banks like FICOBank to think whether it is time to convert into a rural bank? How about as a thrift bank? ●



From My Notes and Files

Emilio U. Rico, Jr.



"We have to pay for the sins of the past." This was what Klaus Schwab, organizer of the World

Economic Forum, said during the discussion of the Wall Street Collapse, which has its roots from the subprime mortgage crisis. And presently, we have the so-called global financial crisis.

In order to understand things, let us first define what subprime is. Subprime refers to a borrower who is less likely to repay. This type of borrower has poor credit history. If you have default and late payments in your credit card, you are included here. Subprime lending then includes loans that are extended to borrowers who have not passed the standard credit ratings.

The diagram below compares the traditional model with the subprime model.

Subprime Mortgage and Its Ill Effect

since the bank solely bears the risks attached to the borrower. Any incidence of default or non-payment puts the bank in a compromising position. A banking institution funds its lending programs through the deposits that it generates and through its borrowings from other funding institutions. These are the constraints that limit the lending activity of the bank.

In the subprime model, new players come in (i.e. mortgage brokers, rating agencies, etc). Coexistence now extends to three or more entities. This model has opened opportunities for banks to sell their mortgages to investors in the bond market in order to bring in more liquidity. This further enables the banks to recover their investment and, therefore, can lend it again to new borrowers. In the course of selling the mortgages, the risks attached to the mortgage are simultaneously sold off to the investors. Thus, the risk is passed on to the investor by the bank.

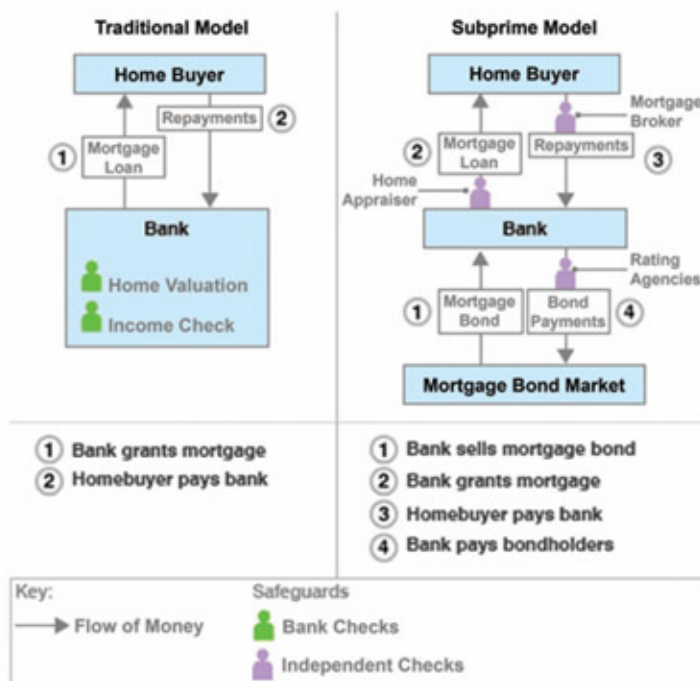
Mortgage brokers work as sales representatives for home buyers. They are independent or freelancers who earn commissions by looking for prospective clients and borrowers whom they can refer to the banks, who—in turn—offer and extend loans for home acquisition.

With the expectation that house prices appreciate in the future and with the availability of numerous foreign funds, banks opted to relax their credit scoring procedures. A borrower with no income, no job and no asset can be extended a loan, as long as the interest rate is higher. Availment of loan entails no hassles and bustles. The bank, regardless of the borrower's capacity, lends money to buy a house. This is what they call mortgage.

In order to serve more borrowers, additional funds are needed. Mortgages are then sold to another bank or investment house or directly to investors in the mortgage bond market. Investment houses package these mortgages and let a rating agency rate the same. For example, Investment House A bought a bulk of mortgages from Bank A. This investment house hires a credit rating agency to rate/classify the mortgages according to the estimated percentage of default, referred to as tranches. The highest rating of "AAA" is given to those mortgages that have low probability of default or low risk attached thereto. This is the senior tranche. The mezzanine tranche, with a rating of "AA" to "BB", has a higher risk of default compared to "AAA." The unrated equity tranche (lowest type of tranche) has the highest probability of default and non-repayment. As higher interest rates are charged against investments with higher risks, the bottom tranche has relatively higher returns compared to the first and second tranches. In terms of dividend payments, the same hierarchy is followed. Senior tranche is paid first. This is followed by the mezzanine tranche and then by the equity tranche.

Literally speaking, we have now three goods which are for sale: the senior tranche, with the least risk, as Product A; the mezzanine

THE MODEL OF MORTGAGE LENDING



Traditionally, the transaction is only limited to the bank and the borrower (home buyer). The bank lends money to the borrower and they coexist until such time that the borrower has fully paid his obligation. Take note that the borrower has been evaluated, found out that he is capable of paying his monthly obligations and has passed the credit standards of the institution before any loan is extended to him. Careful screening and evaluation are undertaken

Subprime Mortgage...

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tranche, with the moderate risk, as Product B; and the equity tranche, with the greatest risk, as Product C. Investors from the mortgage bond market buy these goods from investment houses based on their appetite for risk.

The investment house collects the mortgage payments of the borrowers, whose loans originated from the bank. Any non-payment will be borne by the house and the investors. Therefore, losses are incurred by the investment house and the investors, whose money were used to buy the mortgages from the bank.

This is what happened in the subprime crisis. Majority, if not all, of the borrowers defaulted in their payments. With the increasing interest rate on loans, coupled with the unexpected fall in house prices, there is an apparent disincentive for the borrowers to retain their homes. The value of the equity on home investment is less than the current market price. So, they'd rather lose their homes to foreclosure than to pay mortgages with higher interest that they cannot afford in the first place. Rate of foreclosures then increased and inventories start to pile up. Without much liquidity, investment houses had a hard time paying their obligations. This predicament eventually triggered them to declare publicly that they are bankrupt. And this had created a rippling effect within and outside the financial system. Several investment houses had shouted for bail-out while others were left with no options but to close and file for bankruptcy as well.

As a result, we now face and suffer the infamous global recession or what they call the protracted financial crisis. The crisis, which started in the US, spread throughout Europe and Asia and is now starting to seep into the Philippine economy. As Prof. Benjamin Diokno of the UP School of Economics said, "The worst is yet to come."

It is for this reason that the regulating agencies are now setting precautions for the full brunt of the financial crisis in 2009. Let us bear in mind the lessons learned in extending loans to subprime borrowers. Let us re-examine our credit policies and procedures and make the necessary adjustments. Our credit standards should not be compromised in any way so as to protect our loan investments/portfolio. Borrowers must be very carefully chosen. Risk appetite should be reduced. Provision for our capital expenditures should be taken into account and the control of the same must be strictly implemented, as liquidity position is paramount at this stage. Any capital outlay that can be deferred must be shelved for the meantime. Only those that are found to be important should be financed. More importantly, contentment for a conservative profit or growth should be preferred. Surviving this crisis is of greater significance right now. To be able to stay afloat, let us all work together to properly anchor our ship. With the proper anchoring of our ship, we will only be tossed by the waves but never sink and be crashed. ♦

The Economic Importance of Banks

By Samson T. Daguio



Financial institutions determine the efficiency with which savings by households and firms are channeled into the most productive investment opportunities in the economy. They are the core mechanisms by which resources are efficiently allocated throughout an economy and key drivers of productivity, growth and opportunities. The prosperity of developed economies is underpinned by the existence of a well-functioning financial sector and a number of influential studies show that the efficiency of a country's financial system is critically important in determining its growth and dynamism.

The importance of banks rests on their business of making medium- and long-term loans to borrowers using the funds of depositors who may require repayment at very short notice. Banks pool customers' deposits together and act on their behalf by first assessing potential borrowers' ability to repay and then monitoring them to make sure that the funds are used for the purpose agreed upon. Some banks rely on interbank market to meet any additional funding requirements. By this process, banks enable households and businesses to borrow to purchase key items such as home, or invest in new opportunities, repaying depositors with interest as loan repayments are made. This process creates an efficient allocation of finance at the centre of all modern economies.

However, the nature of this business carries inherent risk. If a large number of depositors demand immediate repayment of their savings, a bank without access to alternative funds would be forced to call in outstanding loans at short notice, causing severe disruption for borrowers and the wider economy. If the bank is judged to be solvent but not liquid, the central bank may provide access to funds, on condition that the same will be subject to a penalty rate and secured by a good-quality collateral. In extreme cases, such distress at one bank can spread to other banks. When this raises risks to the whole banking system, the potential cost in terms of bail-outs or loss of economic output and employment will be very high.

In the current global banking crises, the inability to assess possible losses on complex assets has led to sharp and widespread increase in the costs of funding for all banks around the world. This has led to higher borrowing costs for households and companies, pushing many advanced economies into recession. It also raised the risk of systematic collapse, which would mean greater losses in output, employment and ultimately taxpayers' money. ♦

Proud to be a FICOBanker

Carlyn M. Vilorio



Economist, finance experts and business leaders predict that the full effect of last year's weakened US Wall

Street will soon be awfully felt across the globe this 2009. Already in the news, companies are closing, jobs are being lost and, very recently, famous billionaires in the Europe and in America have committed suicides due to severe depression over financial losses. That brings many to question, where is God through all these things? Or perhaps as this column is titled, how do we find confidence in times of crisis?

I did a little research on the operational meaning of confidence and here are the things that came-up. Confidence means a freedom from doubt, belief in one's self and one's abilities. It also speaks of a feeling of trust in someone or something and a state of hopefulness that events will be favorable. In a sense, **confidence is a mental conditioning** one can visualize internally (mentally) to create external realities that one desires. Likewise, **having confidence is a choice** a person can decide upon for himself or herself on what perspective to take in the middle of circumstances that he or she is facing. With that, I have here five points that we all can consider on how to be more confident in times of crisis:

1. **Positive attitude always.** As they say, we can overcome evil by doing good. We can replace fear with faith by trusting God. We can turn our scars into stars. And find the sun still shining behind the clouds. However, don't get me wrong. Being positive is not bringing in denial to negative situations and just pretend that it is not there. It is not. Being positive in dealing with negative situations or maybe negative people bring a positive effect to your (take note it's your) mental and spiritual state. Strong optimism springs optimal confidence. At most times, we cannot control the situation and even other people, but we can control ourselves and take courage to be positive in everything. Be happy. It's a sure way to be healthy. Well, we can't afford to be sick in times of crisis, won't we?
2. **Productivity in all activities.** More often, troubles—especially serious ones—caused some sort of a paralysis that takes many of us into the bondage of sulking and hanging over problematic situations. Sadly, some resort to drugs, liquor and other forms



Confidence in Times of Crisis

of escape that would make things all the worse. I was told that one of the best antidotes in any crisis is to be more productive. Not the irrelevant busyness over trivial stuffs but to be meaningfully fruitful in important matters. Yes, there are things we cannot change as of the moment. But there are sure things that we can have significant contribution when we are productive. In itself, it is already solution to our problems.

3. **Perseverance.** *Tough times never last but tough people do. When the going gets tough, the tough gets going. A winner never quits and a quitter never wins.* Very encouraging lines from one of my favorite books by Robert Schuller. Again, it's a choice to be persevering in all the hardships that life will throw on us. Perseverance is not for those faint in heart. It is for the courageous who makes an iron-will decision to get it through no matter how difficult the situation may be. Problems should make us better as crisis should strengthen our character to be a better individual. I believe God is not much after our comfort and convenience. He is more concerned in developing our character. As the wise old Book says, "...suffering produces perseverance, perseverance, character and character, hope." Romans 5: 3
4. **Prayer power.** Prayer is the one thing in common in all major religions. Studies show that those who pray more are those who have lesser high blood pressure and have a more happy disposition. In the Christian life, prayer is not a magical chant to a Supreme Being that would create a total turn-around in dire situations, rather is it an act of acknowledging the presence of a loving God to be the source of our strength and resiliency in times of misery. Yes, there is a powerful force behind an honest prayer especially coming from a humble heart. There are times that our situation will change because of our prayers but more often we are changed (for the better) for our situation.
5. **Hold on to God's promises.** God is faithful. His promises never fail and we can trust on his Word to give us comfort and provide the needed strength in any crisis that we will face. Like prayer, God's Word is also powerful. We just have to tap into its realm to experience the wonders it can do for our lives. I have listed here some of my personal favorite bible verses that have carried me through in facing life's difficult moments:



Proud to be...

from page 11

"We say with confidence, The LORD is my helper, I will not be afraid. What can man do to me?" (Hebrews 13:6)

The LORD is my light and my salvation; whom shall I fear? The LORD is the strength of my life; of whom shall I be afraid? Though a host should encamp against me, my heart shall not fear: though war should rise against me, in this will I be confident." (Psalm 27:1,3)

"For the Lord shall be your confidence, and shall keep your foot from being taken." (Proverbs 3:26)

"But they that wait upon the Lord shall renew their strength; they shall mount up with wings as eagles; they shall run, and not be weary; and they shall walk, and not faint." (Isaiah 40:31)

"And this is the confidence that we have in Him that, if we ask any thing according to His will, He hears us: And if we know that He hears us, whatsoever we ask, we know that we have the petitions that we desired of him." (1John 5:14, 15)

"God will supply all my needs according to His glorious riches in Christ Jesus." (Philippians 4:19)

And all of God's people say Amen to that!



2008 Olympics and Obamania

Thank God for the good health in 2008! The only two "diseases" that I got and I am sure most of us got infected as well in 2008 were the fuzz in the Beijing Olympics and of course, like the rest of the world, the Obamania fever. Both have captivated and inspired many of us in many ways we never could have imagined.

Beijing Olympics exceeded all expectations. The Opening Ceremonies alone have captured 28 million earthlings glued in their TV screens for more than four hours. International media have described it as both spectacular and spellbinding. The success of the Beijing Olympics has firmly stamped China in the global arena as a new superpower nation in Asia. Their progress inspires me to yearn for that day that Philippines will also host the Olympics like Japan and South Korea before. I am turning 40 in three-year time and I really hope to hear that time-honored line of "Let the Games begin" in my lifetime and in my country. Perhaps we should hear that hope also from the 2010 presidential 'wannabes' who, at this point, have already been sounding off their trumpets.

Speaking of that, I was one of those who got caught in the Obamania fever late last year after Barack Obama's historic election as the first black President of the most powerful nation in the world. I have watched the two Palmer presidents in the TV series 24-Hours, admired Morgan Freeman in the Deep Impact movie and I still remember well the book entitled The Man by Irvin

Wallace that I read way back in college (that was 20 years ago by the way). But those black US presidents in the TV, movie and book I have mentioned, even in their fictitious 'bida' character fall below comparison with the kind of magic a real Barack Obama have fascinated us all. His victory is truly inspirational. Coming from an obscure background, he has managed to defy all odds in his life to become the most powerful man of the world today. Obama gives every boy and girl around the world a hope that they can be somebody that they want to become as long as they dare to dream big dreams and be passionate for a cause to make a positive difference in the lives of others. Yes, his timing must have been perfect, they say he is a gifted orator with razor-sharp intellectual skills, charm and political savvy but I believe what made him the 44th President of the United States is his strength of character that exudes uprightness and decency at its best. That is the kind of leader most people would look up to and follow. Personally, come 2010, I have just simple criteria in voting a presidential candidate. I want a president who inspires people to be the best that they can be. I want a president who has the high respect of people because he is honorable in many ways. Of course, I don't expect a saint. I just want somebody genuine... as pure as Barack Obama. Whew! I am still high over my Obamania fever.



Starting the Year Right

In 2008, we have experienced a very loooong holiday break (11 days straight!). Albeit it was fast-paced considering all the parties, reunions and most of it eating to our heart's content. The long period made many of us miss work and our officemates. So during the first working day of FICOBank, we made sure to get together as one family and dedicate 2009 to God's gracious hand. We have invited Pastor Joey and his wife Pastora Maricon Magundayao of Jesus Christ the Deliverer Church to lead the FICOBank Family in seeking God's guidance, protection and provisions so we can serve our clients better. Many, as I was told, were particularly moved during our prayer time. Pastor Joey declared blessings upon blessings to come to FICOBank as we continually bless other people by managing well the resources entrusted to us. It was also during that devotion time when we were injected with the right biblical perspectives in seeing 2009 as the year of the God's favor for the FICOBank Family. After our prayer time, our President gave his New Year's message for everyone. He mentioned about the uncertainties of present times, as the world toils over the financial struggles that's gripping the market. But quick to add that FICOBank is secured in God's hand because we always acknowledge His Divine power in everything that we do. FICOBank's faith to God continues to remain as the bed rock foundation of what it is today and in the future. It is this humble spirit of surrendering everything to God's care that makes the FICOBank Family confident in times of crisis and continually be proud to be a FICOBanker. ☺

FICOBank Family Gave Warmth to Many Hearts in a Cold December Morning

Christmas Care and Share Year 3...
Banking with a Heart Continues.



In the Christmas of 2006, FICOBank Family started its Care and Share activity to their underprivileged brothers and sisters. Groceries, toys, clothes and shoes were distributed to the less fortunate folks in the neighboring barangay of FICOBank Corporate Office. Last December 2007, FICOBank staff went to the emergency hospital in Cauayan to give ward patients medicines, food, milk and other Christmas goodies.

Now on its third year, the FICOBank Family renewed its devotion to show its caring spirit by sharing to people with less in life. FICOBankers holding office at its corporate headquarters all contributed by giving gifts for poor people in neighboring barangay. Thus, in the early morning of 13 December 2008, FICOBank senior officers and personnel sponsored a gift-giving activity at Barangay Sillawit in Cauayan City. They showered Christmas presents to more than 100 indigent families identified by the Department of Social Welfare and Development. Many elderly folks and children were given toys, clothes, shoes and grocery items. For that whole morning, in the cold chill of Christmas weather, FICOBankers brought smiles to the faces of people and warmth to many hearts. ♦

-CM Viloria

FICOBank's Christmas Party... 2008's Last Hurrah!



Holding of FICOBank's Christmas Party is the Bank's way of ending the year with a big bang! And 2008 Christmas party is not an exception. In fact, 2008's party is the most exceptional so far. Branches and the per-floor-Departments in the Corporate Office were practicing until almost midnight daily prior to the Christmas program to give their best performances. All the 15 presentation numbers were very short of a High School Musical production number. The costumes to the concept are sure head turners that even folks in Las Vegas, Hollywood including Bollywood will be starstruck.

The competition is so stiff that practices and rehearsals were all kept in secret and even the identities of the judges were only known during the competition proper. The three judges were Ms. Pauline Pagulayan, Ms. Shirley Mabanag and Ms. Norma Velasco. They are all Master Teachers in DepEd. The board of judges was chaired by Ms. Velasco, holder of master's degree in PE from the University of the Philippines.

Winners were adjudged according to the following criteria: relevance to Christmas (30%); audience impact (30%); participation of different heads of office (30%); and a portion on costume (10%). Besting all the other participants, the following groups won: 4th place - Head Office; 3rd place - Roxas Branch; 2nd place - third floor (composed of HR and Admin, Business Development and Internal Audit departments) of the Corporate Office. Grand prize went to the second floor Corporate Office departments composed of Asset Management and Legal Department, ICT Department and the Office of the Board.

We again look forward to 2009 Christmas Party as FICOBankers continue to become better bankers and likewise better dancers! ♦

-CM Viloria

FICOBank Opens Four More Field Offices



In pursuing the Bank's goal of market dominance as one of its five-pronged strategic thrusts up to 2010, the establishment of field offices as support units of the existing branches is of paramount importance. Aside from being an extension of the branch, a field office serves as the Bank's business-link to its clients in terms of marketing and information, loan release and repayment, and remittance/money transfer. As the competition in providing financial services increased extremely in intensity, the Bank is keeping its focus more concentrated on the "near-you" aspect of the market.

In addition to its four field offices, FICOBank opened—on a staggered manner—three more FOs in Isabela and one in Nueva

Vizcaya over a period of four months (September-December, 2008). Its field offices in Isabela are located right at the business junctions of the municipalities of Echague, Tumauni and Cabagan. Likewise, its FO in Bambang, Nueva Vizcaya is situated at the commercial hub of the municipality. With the strategic locations of these FOs, the public can now make transactions with the Bank more conveniently, inasmuch as they are just few minutes away from the clients' respective places of work, business or residence.

The Echague Field Office, located at Provincial Road cor. Atip St., Silauan Sur, Echague, Isabela, is under the umbrella of Jones Branch that is headed by BM Angel T. Salvador. The Bank's field offices in Tumauni and Cabagan, both under the domain of the Head Office that is managed by BM Xerxes T. Dela Cruz, are situated at National Hwy., Lingaling, Tumauni, Isabela and National Hwy., Ugad, Cabagan, Isabela, respectively. The Bambang Field Office, which can be found at National Hwy., Calaoan Bambang, Nueva Vizcaya, is under the unit of Solano Branch that is led by BM Emerson C. Umayam.

With the field offices—increasing the dominance of the branches in the financial market—the Bank will: definitely extend its market reach; practically take full advantage of the growth stage of its winning financial products; easily multiply its business volume; and eventually become bigger. ♦

—Mark Romel A. Sunga

Head Office Marks Its 29 Years of Banking Service



The First Isabela Cooperative Bank, Inc. (FICOBank) opened its banking operation to the public on January 2, 1980 through its Head Office (HO), which was then situated at the CAVADECO Compound in Cauayan City.

After about 15 years, the FICOBank Head Office was transferred to its permanent location at the Public Market of Cauayan.

To bring the services of the Bank nearer to the places of work, business and residence of the clients, the Head Office expanded its network by establishing field offices in Tumauni and Cabagan, Isabela. This strategic move strengthens the capacity of the HO to serve its customers better and increase its capability to attract more clients in its area of business operation.

Today, the Head Office is now on its 29th year of providing

innovative financial products and services to thousands of multi-sectoral clients who are enjoying a banking experience that is secure, pleasing and comfortable.

Thanks to my staff for being true-blue FICOBankers—dedicated and committed to the organizational culture of "doing better than: what was before, what is expected, and what the others can do." They are ever ready to respond to all customers' queries about deposit and loan accounts as well as remittance and money transfer services.

As Manager of the Head Office, my primary concerns include the marketing of the Bank's products and services, collection of loans that are overdue or about to mature, and supervision of all banking transactions of the HO and its field offices.

On its 29th year, we are expecting that our Head Office will again be adjudged as one of the top performers of the year. And we will make this, not just a commitment, but a tradition for the succeeding years. ♦

—Xerxes T. Dela Cruz

A Creditman's Journey in Central Luzon

By Napoleon A. Ventucillo, Jr.



On the last week of February 2008, I received a memorandum stating my new assignment as Credit Officer in Central Luzon. At first, I was so reluctant for I will be working afar from my family. Being optimistic, however, I accepted the challenge with pride, thinking that distance between us will just be alright as long as it will be for the immediate interest of FICOBank and for my family's welfare in the long run.

With confidence that my rigid trainings and preparations are enough to effectively carry out the task, I started out my work in Central Luzon with fervor. My actual experience, however, proved that this is easier said than done. Traveling is a mere routine, but taking a trip for four to eight hours daily in visiting each branch in Central Luzon is totally a strange thing for me.

Everyday, I have to do the rounds and make the validations for all loan application folders that were submitted. For those who don't know me may think that I'm a salesman instead of a creditman because I always bring too much baggage, which contain my uniforms, blankets and other personal things. It's really hard, but I have to carry on. Although traveling all day is cumbersome, I have to manage my time. Upon arrival, I just quench my thirst with a glass of water and review the loan applications before going back for fieldwork covering the credit and background investigation, appraisal of collaterals, and other related works that need to be accomplished within the day. Most often than not, the allotted time for each branch is very limited; thus, I have to extend my work until wee hours. I could not complain because it's part of the duty I gladly assumed. Sometimes, I'd rather spend the night at the branch office, lying down my tired body on the table or on the chairs with the loan documents placed beside me, than to travel back to our staff house for a comfortable rest.

I always tried to hide my efforts and wished my works to have a light joy with springtime which never let anyone guess the labors it had cost me. It is only through strenuous labor and intense effort and by grim energy and firm courage that we move on to better things. Despite these sacrifices, I'm proud to say that with my own contribution along with my co-employees' efforts, our FICOBank Area Office in Central

FICOBank: A Catalyst in Transforming Lives

By Alvin Christian S. Madriaga



A popular advertisement on television asserts that "impossible is nothing." My experience in life proves that this assertion is true. Trials and hardships in life are bound to happen. However, if there is someone—be it a natural person or juridical person—to lean on, there are no problems, difficulties or impediments in life that cannot be surmounted.

My father, Mr. Jerry Edwin Q. Madriaga, had worked with various banks all throughout his career. Although he had a stable job then, we still encountered some difficulties and discomforts in life, especially, when all of us (his children) reached college. Our financial requirements for consumption and education began to rise above our means.

There was even an instance that my mother had to work abroad in order for us to pursue our college studies. Her contract, however, lasted only for about five months, as her compensation, which is expected to supplement my father's net take-home pay, was still not enough to sustain our needs.

Fortunately, my older brother got a chance to travel and work in the United States of America. This once-in-a-lifetime opportunity for my brother had given us a sort of relief at that certain point in time, though we were emotion-stricken in longing for his presence. I was in third-year college when our family somewhat started to recover from what I called our version of "financial crisis." Oddly enough, trials still didn't completely leave us in spite of my brother's financial support.

With such predicament, my father finally decided to look for another job. Luckily, as it was, he found one. FICOBank was at that time establishing its branch in Paniqui, Tarlac and was in need of a branch manager to handle the operations of the said banking unit. He eagerly filed his application and, favorably, he got the job.

I have noticed that no other bank had given him so much importance as an employee the way FICOBank did—starting from the day he filed his application to the time he signed his contract as a regular manager, and probably, up to the moment he will retire from it. It is only FICOBank which has given him that significant and unmatched importance.

With FICOBank, as my father's first-rate employer with first-class employees' benefits, we have immediately recovered from our former cash-strapped situation. Our basic needs and some comforts in life are already met. Our home is now livelier than before. Our family bonding and faith in God are strengthened alike. Thanks to FICOBank for making one's life easier. It's not a myth but a reality that FICOBank—beyond doubt—transforms people's lives directly or indirectly. ♦

Cerilo Delfin: An Exemplar of Success



As a soldier before, Mr. Cerilo M. Delfin went through rigid trainings and risky combat missions so as to protect the interest of the country and its citizenry. After retirement, he found himself in another combat—the fight against the oppression of poverty. With minimal retirement pay, he couldn't provide his family the comforts of life that he long dreamt of. Equipped with the necessary military trainings and combat experiences, he drew and executed an "OPLAN ENTREPRENEURSHIP" where he could obtain a vantage point and strategic victory.

Personal Background

Mr. Cerilo Delfin is a resident of Paddad, Alicia, Isabela. He finished an auto-diesel mechanic course, but chose to become a soldier. With the nature of his military work, he was assigned in various places. In one of the places of his assignment, he met his wife, Mrs. Agnes Delfin, then a teacher. The couple played a vital role in society, as the former gave added force in protecting the country while the latter helped in shaping a better citizenry. They were blessed with three children. The eldest is now a graduate of BS in Commerce while the two younger children are still studying.

As a soldier, Mr. Delfin has many horrible and heroic stories to tell. With his 21 years in military service, he was assigned in far-flung places and encountered a hundred of combats with the enemies of the government. He has defeated numerous foes. His unbeatable foe, however, was his loneliness for being away from his family. After his innumerable encounters in the battlefield for which he has given all his best, he opted to avail of the early retirement program to be with his much-loved family.

Enterprise Background

Right after his retirement, Mr. Delfin decided to engage in

farming. He used his retirement pay in acquiring rice land. Counting the returns of his investment and noting the seasonality of and risks associated with such endeavor, Mr. Delfin encountered some setbacks in farming operations and in family survival and development. With this undesirable situation, which was even made worst by his cash-strapped circumstances, Mr. Delfin and his family found themselves under the control of their cruel enemy—a.k.a. poverty. Trained in the military to be combat-ready, he gave himself no option but to be in full battle gear to fight the tyranny of poverty. Being familiar with the art of war, he meticulously drew and masterfully executed his "OPLAN ENTREPRENEURSHIP".

As laid down in his war plan against poverty, he established a micro *puto-kutsinta* outfit. With the product design provided by his brother-in-law and a start-up capital which was made up of small amount of family savings and initial loan of P20,000.00 from FICOBank, he put up a small processing plant and acquired the equipment necessary thereto. These are the tactical strategies adopted by Mr. Delfin in initiating his war against poverty with the end of claiming victory over such merciless foe.

After three years in operation, his major products (*puto* and *kutsinta*) and allied product (being a distributor of ice cream on stick) are well-sold in the market. Likewise, his microenterprise posted a snowballing growth in terms of sales, earnings and resources. He has now 30 vendors who are selling his products within the municipality of Alicia and nearby towns. At this point, he can now lay claim to a strategic victory with his war against poverty.

Secret of Success

Mr. Delfin is a "hands-on" entrepreneur. He sees to it that he has a hand in everything regarding business matters—even the tiniest details. He believes in the saying, "If you want something to be done the way you want it to be, do it yourself." Through this, he does the preparation, grinding and cooking/baking of his *puto* and *kutsinta* products. He also diligently oversees the marketing phase of his products.

To take full advantage of the earnings of their household processing outfit, a sari-sari store was established within their residential compound. This economic activity is managed by his wife. And to make the most out of his 30 vendors, he expanded his microenterprise by becoming a distributor of JAS Ice Cream.

As each success has a record of hardwork behind it, Mr. Delfin personifies such distinctive quality. He works almost day and night just to meet the demands of his customers. And during peak seasons, he had to work almost 24 hours a day.

His undertaking is not extraordinary and has no special tactics, unusual gimmickries and fancy frills. Just plain hardwork and

Cerilo Delfin: An Exemplar...

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determination to succeed are all that matter. "Success will come if you take a personal hand on the business. It would be difficult to assign it to somebody else." That is one of Mr. Delfin's business dictums that eventually induced success.

Expansion Plan

Due to the incessant demand on his products, Mr. Delfin has foreseen the need to make the volume of his production bigger. Just recently, he widened his production area and added another oven. With this, he is planning to hire one more helper to operate the oven. He strongly believes that his vision of becoming a leader in this industry will soon come true with the help of his vendors who play vital role in bringing his puto and kutsinta within the reach of his large yet increasing number of customers.

Socio-Economic Influence

Mr. Delfin is renowned in the community for being a gallant soldier and a hardworking microentrepreneur. He is a person who possesses high moral standards and socially responsible behavior.

His 21 years in military uniform and his exemplary performance in protecting the interests of the country and its citizenry are worth highlighting. These are indeed commendable feats which his family, community and country are equally proud of.

His struggle to conquer poverty and his success version touched other lives, particularly his neighbors, relatives and friends. His weapons, which were proven effective and valuable, in prevailing over poverty are hardwork and strong determination. His prime asset is his "A-1" credit reputation.

He is perceived by other people as somebody who values education. A case in fact is his eldest child who is now a bachelor's degree holder and his other children who are both studying. He encourages his vendors to support the education of their children despite financial difficulties.

With the existence of his business, he was able to provide livelihood opportunities to his neighbors who have no steady source of income. They serve as his vendors. Each of them is now earning at least P500.00 a day. One of them is Lito, a polio victim and a father of two, who personally admitted that without the puto and kutsinta of Mr. Delfin, he has no idea on how to provide the daily sustenance of his family. He sells the products of Mr. Delfin around Alicia the whole day utilizing a motorcycle acquired through financing.

His life and business success story—especially now that he is a Masikap Awardee of the Citi Microentrepreneur of the Year—continually inspires other people to struggle in overcoming poverty and underdevelopment. Mr. Delfin's story proves that it really pays to never lose faith in God and believe in one's ability to survive despite the countless problems and perils in life.

Mr. Cerilo Delfin is truly an exemplar whose qualities are worthy of emulation by other people. ♦

—RC Grande & RR Palac

Kabayan Enterprise Loan Is Now Available for MSMEs

On September 15, 2008, FICOBANK launched its latest loan product—the Kabayan Enterprise Loan. This is an addition to the Bank's wide range of loan products. It is designed for new and graduating micro clients, including owners/operators of small and medium enterprises (SMEs). Specifically, it intends to augment the borrowers' undersupplied capital at a level that can sufficiently address their maturing obligations, inventory build-up, business expansion and other business-related financial needs.

The present clients of the Bank's Kabayan Microfinance Loan who are in need of bigger capital can now shift to the Kabayan Enterprise Loan, which extends a loan amount up to P250,000.00. With it, the commitment of the Bank to continuously provide the credit requirements of its microfinance clients—from their microenterprises to their small- or medium-sized enterprises—is kept uninterrupted.

For the record, the first client of this newly launched loan product is Mr. Henry Bayaua of San Manuel, Isabela. He is a "jewel" of the FICOBANK's Microfinance Program, being an outstanding client and national winner of the 2007 Microentrepreneur of the Year (MOTY) Awards by the Citigroup Foundation, Microfinance Council of the Philippines and Bangko Sentral ng Pilipinas.

The Kabayan Enterprise Loan is expected to be another winning product of FICOBANK, as it is remarkably patronized in its take-off phase. With its clear potential, the Bank will definitely improve further its financial performance and level of outreach through this easy-to-access loan product. Apparently, Kabayan Enterprise Loan is one of the innovative financial solutions espoused by the Bank to transform people's lives. ♦

—Richard C. Grande

ARE YOU IN NEED OF CASH FOR YOUR ENTERPRISE?



THE KABAYAN ENTERPRISE LOAN CONVENIENTLY
PROVIDES YOU THE CASH YOU URGENTLY
NEED FOR YOUR ENTERPRISE.
APPLY NOW AT ANY FICOBANK OFFICES NEAREST YOU.



Rapid Appraisal and Mobilization Campaign for Kabataang Masigasig Savers Club



In full awareness of its vital role in helping parents introduce their teenaged children the importance of personal financial management, FICOBank created its Kabataang Masigasig Savers Club (KMSC) for teens who are at least first year in high school and not over 19 years of age. Corollary to this move, a Facilitator's Manual on Rapid Appraisal and Mobilization Campaign (RAMC) was developed to initiate the savings program among the teens.

The trial run of the KMSC-RAMC was done in the areas of the Head Office and Alicia Branch. In partnership with the High School Department of the University of Perpetual Help System (UPHS) in Cauayan City and the Ingud Ramona Integrated School (IRIS) in Angadanan, Isabela, the Bank conducted the Rapid Appraisal and Mobilization Campaign on November 7 and December 16, respectively. This drive is in support to DepEd's Memorandum No. 305, series of 2006, and advocacy of "Integrating Savings Consciousness in the Basic Education Curriculum."

There were 42 high school students who participated in the KMSC-RAMC at UPHS. On the other hand, 46 students were in attendance to the same activity at IRIS. Mr. Mark Romel Sunga and Ms. Gloria Miguel, Planning Assistant and Marketing Assistant, respectively, of the Business Development Department of FICOBank, facilitated the two-stage sessions of RAMC. They were assisted by Mr. Leo Limbos of the Head Office and Ms. Ma. Antonette de Leon of Alicia Branch.

At the end of the Rapid Appraisal Session, the participants were able to: explain the importance of developing the habit of saving; differentiate "capacity to save" from "willingness to save"; determine how much each is capable and/or willing to save; and acquire the fundamental money-management skills. And at the end of the Mobilization Campaign Session, the participants were able to: familiarize themselves on the deposit products of FICOBank; form the Kabataang Masigasig Savers Club; learn the wisdom of sowing and reaping; sign-up for KMSC membership; and open the "first savings account."

A youngster's "first savings account" under KMSC is ideal for securing the basic financial management skills, and it is full-featured enough to carry the accountholder through not only up to college but into the workplace. It establishes a banking relationship—between the accountholder and FICOBank—which is relevant to everyday life. It also assists a young person's efforts in building-up savings, reducing expenditures and pursuing a lifetime financial goal.

As part of its corporate social responsibility and community service, FICOBank will conduct the Rapid Appraisal and Mobilization Campaign among teenagers in collaboration with selected schools and youth organizations. The KMSC-RAMC is an intangible investment in a teen's future which is capable of stimulating life-long habits. ♦

—MR Sunga

ENVIRONMENTAL CONCERN

Pinsala ang dulot ng hindi pagpapahalaga sa kalikasan. Ang walang pakundangang pagtatapon ng mga basura na naka-imbak sa mga kanal, ilog at iba pang daluyan ng tubig ay nagsasanhi ng pagbara, at isa sa mga dahilan ng matinding pagbaha sa panahon ng tag-ulan. Ang disiplina sa wastong pagtapon ng mga basura ay kailangan. Ating ingatan ang kalikasan upang ang buhay, kalusugan at kabuhayan ay mapangalagaan.



Let's Make Life Light

Three-Minute Management Course

Lesson 1:

A man is getting into the shower just as his wife is finishing up her shower, when the doorbell rings. The wife quickly wraps herself in a towel and runs downstairs.

When she opens the door, there stands Bob, the next-door neighbour. Before she says a word, Bob says, "I'll give you £800 to drop that towel." After thinking for a moment, the woman drops her towel and stands naked in front of Bob. After a few seconds, Bob hands her £800 and leaves. The woman wraps back up in the towel and goes back upstairs.

When she gets to the bathroom, her husband asks, "Who was that?" "It was Bob the next-door neighbour," she replies. "Great!" the husband says, "did he say anything about the £800 he owes me?"

Moral of the Story: If you share critical information pertaining to credit and risk with your shareholders in time, you may be in a position to prevent avoidable exposure.

Lesson 2:

A priest offered a nun a lift. She got in and crossed her legs, forcing her gown to reveal a leg. The priest nearly had an accident. After controlling the car, he stealthily slid his hand up her leg. The nun said, "Father, remember Luke 14:10?" The priest removed his hand. But, changing gears, he let his hand slide up her leg again. The nun once again said, "Father, remember Luke 14:10?" The priest apologized, "Sorry sister but the flesh is weak." Arriving at the

convent, the nun went on her way.

On his arrival at the church, the priest rushed to look up Luke 14:10. It said, "...Friend, go up higher. Then shalt thou have glory..."

Moral of the Story: If you are not well informed in your job, you might miss a great opportunity.

Lesson 3:

A sales rep, an administration clerk, and the manager are walking to lunch when they find an antique oil lamp. They rub it and a Genie comes out. The Genie says, "I'll give each of you just one wish."

"Me first! Me first!" says the admin clerk. "I want to be in the Bahamas, driving a speedboat without a care in the world." Puff! She's gone. "Me next! Me next!" says the sales rep. "I want to be in Hawaii, relaxing on the beach with my personal masseuse, an endless supply of Pina Colodas and the love of my life." Puff! He's gone. "OK, you're up," the Genie says to the manager. The manager says, "I want those two back in the office after lunch."

Moral of the Story: Always let your boss have the first say.

Lesson 4:

An eagle was sitting on a tree resting, doing nothing. A small rabbit saw the eagle and asked him, "Can I also sit like you and do nothing?" The eagle answered, "Sure, why not." So, the rabbit sat on the ground below the eagle and rested. All of a sudden, a fox appeared, jumped on the rabbit and ate him.

Moral of the Story: To be sitting and doing nothing, you must be sitting very, very high up.

Lesson 5:

A turkey was chatting with a bull. "I would love to be able to get to the top of that tree," sighed the turkey, "but I haven't got the energy." "Well, why don't you nibble on some of my droppings?" replied the bull, "they're packed with nutrients." The turkey pecked at a lump of dung, and

it actually gave him enough strength to reach the lowest branch of the tree.

The next day, after eating some more dung, he reached the second branch. Finally, after a fortnight, the turkey was proudly perched at the top of the tree. He was promptly spotted by a farmer, who shot him out of the tree.

Moral of the Story: Bullshit might get you to the top, but it won't keep you there.

Lesson 6:

A little bird was flying south for the winter. It was so cold the bird froze and fell to the ground into a large field. While he was lying there, a cow came by and dropped some dung on him. As the frozen bird lay there in the pile of cow dung, he began to realize how warm he was. The dung was actually thawing him out! He lay there all warm and happy, and soon began to sing for joy. A passing cat heard the bird singing and came to investigate. Following the sound, the cat discovered the bird under the pile of cow dung, and promptly dug him out and ate him.

Moral of the Story: (1) Not everyone who shits on you is your enemy. (2) Not everyone who gets you out of shit is your friend. (3) And when you're in deep shit, it's best to keep your mouth shut!

This ends the three-minute management course. ☺ -phf.com.ph

Missing Bird

A priest lost his pet bird, so he asked during the mass...

"Anyone has a bird?"

All the men stood up.

The priest clarified, "I mean anyone seen a bird?"

All women stood up.

The priest further clarified, "I mean anyone seen my bird?"

All the nuns stood up.

Waaaaahehehe...

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 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 steward 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.

Resolute Resolutions

Tips for Keeping the Goals You've Set for the New Year

It's a New Year—a new start. There's a flush of hopefulness as the New Year begins. This year can be the year that you begin to live a life resembling your dreams.

The catch is that hopes and dreams are effortless but making them come true takes dedication. In a millisecond you can imagine of wearing expensive 501 Levi's pants or envision driving your own car. You can almost taste how good it would feel to see yourself living in your dream house or get the job you've been pursuing. Yet achieving our dream involves a steady effort—which is where most of us trip up.

As any child knows, making promises is easy; it's keeping them that can be difficult. So, how do you make this year different?

Well, based on a research, here are 10 tried and true ways to keep yourself moving steadily toward your goals and your dreams:

- 1 Find a Support Group.** Use the Internet to find support groups. They are out there for almost any goal, both face-to-face and online groups. These groups can help you even when you're overwhelmed or discouraged.
- 2 Employ a Life Coach.** Many people find that professionally trained and certified coaches provide methods and accountability that really work.
- 3 Buy a Journal.** Professional athletes and trainers often use a daily journal to plan and chart progress. You can make your own: outline the stages of your project or goal; make a chart to track daily and weekly progress; keep notes to reflect on progress and make adjustments.
- 4 Don't keep your goal a secret.** Tell family and friends to get them involved.
- 5 Choose a special calendar that's just for this goal.** You can buy a paper calendar and track your progress using markers or stickers, or use a computer scheduling program or online calendar.
- 6 Keep your goal in mind.** Buy a toy that symbolizes your goal. Place one on your bathroom mirror, one in the car and one on your computer at work. A reminder of your goal will be in your field of focus throughout your day. This will make it harder to accidentally forget your goal, even when your office mate brings in homemade cookies.
- 7 Start a blog about the pursuit of your goal.** You may find this keeps you focused and it may attract others who share the same interest.
- 8 Use the Buddy System.** Find a friend with the same or similar goal. One phone call once a week can really help keep you both on track. And doing goal-oriented things together is always a help.
- 9 Bring it to work** – letting your office mates know that you're heading towards a goal opens the possibility of additional support.
- 10 Commit, commit, commit** – This is the most essential step. It could even be argued that it is the only step that matters. You can plan and talk forever, but until you truly commit to following through day after day, your goal will elude you.

Once you've really committed yourself to your goal, everything else will follow. Formally making a commitment varies according to your nature: write a contract with yourself; make a promise to yourself and tell your friends; draw a line in the sand and step over it; take a vow before a person you respect. It doesn't matter what you decide to do to—all that matters is you do it. Source: news.californiapsychics.com/newsletter

Saving for a Better Future

If you don't have much money, or even if you have much, it is important that you should manage well whatever money you have. You have to stretch the value of each peso as far as possible by spending less and saving more.

How can you respond to such demand, save anything? YES, by all means!

First, you must discover where your money is going. To do this, you must keep a record of your expenditures so that you'll have a clear picture where your coins are dropping.

Second, you must wisely manage your money by avoiding unnecessary expenditures and by saving money as it goes out (keeping few coins from your expenditures) as well as when it comes in (deducting few pesos from your income). Making that choice—to save expansively rather than consume expensively—is the foundation for money management.

Finally, you should deposit your hard-earned savings in Ordinary Savings Account and later convert it to an eight-percent-interest-bearing Ciento-Otso Savings Account at FICOBANK—the best place where you can put your savings with lots of added value. It is not advisable to save it at home because: its value will decline due to inflation; it's vulnerable to physical risks; and it might be spent in some trivial way or the other.

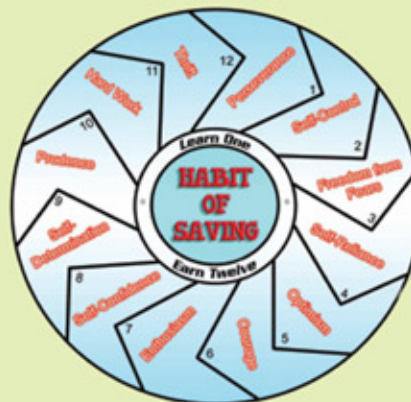
Having savings means freedom because it frees you from financial worries and difficulties when they suddenly attack.

No matter how much money—or how little—you save, it adds up and helps build your financial future.

Start your savings plan now! ♦

The Habit of Saving

Learn One, Earn Twelve



One who develops the habit of saving acquires at the same time many of the needed habits and traits which lead to success, especially, self-control, self-confidence, self-determination, hard work, thrift, optimism, enthusiasm, perseverance, prudence, courage and freedom from fears.

Learn one, the habit of saving, and earn twelve other personal habits and traits. ♦

—RR Palac & MR Sunga

Takeaways on Saving Money

- ✓ Saving money can be easy and even fun when you see how much you are able to save.
- ✓ Make saving money a game and include your family too.
- ✓ Saving money does not mean eliminating things you enjoy, just taking a new approach.
- ✓ Make saving money a habit, not something you feel you have to do.
- ✓ Saving money involves sacrificing and giving up some of the things you want. ♦

A Creditman's...

from page 15

Luzon—in a short span of time—has now a total of P44.196 million loan releases with 238 accounts. It has only one account from Microfinance Loan that turned sour. Of course, nobody will ever go wrong in living up with Aristotle's wisdom... "Pleasure in the job puts perfection in the work."

For me, it's the call of duty, the challenge of the task and the experience that these entail which molds me into a strong and better person. Indeed, as one among the chosen personnel assigned in Central Luzon, I consider it as an honor for giving me the opportunity and the trust to do the job and get things done. Thanks to the continuous support and encouragement of my superior and comrades. Without them, the burning passion that incessantly inspires me to fulfill my work will subside.

This is my life and story as creditman—a wonderful experience that I really treasure and can proudly tell my children in the future. I hope that my co-employees who are assigned in Central Luzon would feel the same. ☺



"He who would accomplish little must sacrifice little; he who would achieve much must sacrifice much; he who would attain highly must sacrifice greatly."

—James Allen

"Far and away, the best prize that life offers is the chance to work hard at work worth doing."

—Theodore Roosevelt
Speech in New York
September 7, 1903

Celebration of...

from page 4



32-year anniversary of the founding of FICOBank is quite a milestone and it is proper that this historic occasion is jointly celebrated by the Bank's major stakeholders.

Mr. Herminio G. Ocampo, President and Chief Executive Officer of FICOBank, focused his message on the vital past of the Bank—from its birth years, early years, growth years and expansion years—as well as its vibrant posture in the future.

In continuing the anniversary celebration, Ms. Lilibeth Garcia rendered a very entertaining number by singing the theme song of FICOBank and the old Filipino favorite song entitled "Dahil sa Iyo." The audience was delighted by the breath-taking dance performance of the SAYAWEH from the University of La Salette and the awe-inspiring performance by the Talking Hands Dance Troupe of Merry Sunshine Montessori School.

Gold pins were awarded to Ms. Marjorie Cabigas, Ms. Ruby Flores, Ms. Marilyn Raza and Mr. Vildomar Torres for their loyalty to the Bank, as manifested by their 10 long years of dedicated and unwavering service. The Vice-Chairman of the Board, Mr. Eufemio M. Basuel, concluded the anniversary celebration by his closing remarks. ☺

—GA Miguel

ENVIRONMENTAL CONCERN

Tinatayang isang milyong cubic meters kada taon ang naaanod na top soil tuwing may malakas na unos at ulan. Ang pagsama ng taba ng lupa sa tubig-baha ay soil erosion. Ang pagkaanod ng top soil patungo sa mga kanal, sapa at ilog ay nagsasanhi ng siltation. Ang pagbaba ng ani at pagbabaw ng tubigan ay ilan lamang sa kabit-kabit na epekto ng pagwalang-bahala sa kapaligiran. Pag-isipan natin ito at tayo'y kumilos bago tuluyang mawalan ng kabuhayan at pamayanan.

ENVIRONMENTAL CONCERN

Ang mga nawalang buhay, epekto ng baha, guho, pagkasira at pagkawala ng kabuhayan ay mga paramdam ng kapaligiran na pinagwalang-bahala. Tama na ang pagiging manhid sa mga 'di kanais-nais na pangitain. Imulat ang kamalayan. Labanan, kumilos at tutulan ang pagwawalang-bahala sa ating kapaligiran. Pag-isipan natin ito. Tayo ay sama-samang kumilos bago tuluyang mawala ang ating kabuhayan at pamayanan.



Otso porsyento (8%) na interest ay sigurado sa P100,000.00 na deposito!

Ciento-Otso Savings Account

At FICOBank, you can now have your most anticipated savings account that will satisfy your investment need. Enjoy your money's earning potential through FICOBank's Ciento-Otso Savings Account. This exclusive account provides high interest on your savings deposit that could not be earned elsewhere.

Ciento-Otso Savings Account has the following salient features:

- ✓ Minimum initial deposit and maintaining balance of P100,000.00 for natural person;
- ✓ Interest rate of 8% per annum (subject to 20% withholding tax), credited and compounded quarterly;
- ✓ Insured with Philippine Deposit Insurance Corporation (PDIC) up to P250,000.00 per depositor;
- ✓ Maximum withdrawal of five times per month (1st-2nd withdrawal – with no charge; 3rd-5th withdrawal – with P200.00 charge per withdrawal); and
- ✓ Automatically converted to Ordinary Savings Account if it falls below the minimum required balance or exceeds the allowed number of withdrawals per month. ☺



Ang pampinansyal na solusyon sa pag-unlad ng inyong negosyo

Kabayan Enterprise Loan

Keep the expansion and competitiveness of your enterprise. In today's highly competitive market environment, timing is of vital importance. That's why FICOBank offers the Kabayan Enterprise Loan—a fast and supportive financing option that allows you to respond immediately to the rapidly changing needs of your enterprise. With it, you can get the cash you need and the personal attention you deserve.

Kabayan Enterprise Loan has the following salient features:

- ✓ Can be accessed by graduating micro clients including owners/operators of small and medium enterprises;
- ✓ Amount of loan is up to P250,000.00;
- ✓ With flexible term of loan of up to one year;
- ✓ Can be amortized weekly, semi-monthly or monthly via PDCs;
- ✓ With low interest rate;
- ✓ No (hard) collateral; and
- ✓ Fast processing of loan. ☺

CREATING OPPORTUNITIES, TRANSFORMING LIVES



Josephine Alima
(Alima's Peanut Cookies)
2002 National Awardee



Orlando Dulay
(G&B Buko Pie)
2004 Awardee for Luzon



Luciano Mendoza
(JAS Ice Cream on Stick)
2005 Awardee for Luzon



Rizalina Magdula
(Magdula Junkshop)
2006 Special Awardee



FICOBANK: A PRODUCER OF MICROENTREPRENEUR OF THE YEAR



Henry Bayaua
(Henrico Metal Craft)
2007 National Awardee



Cerilo Delfin
(Puto and Kutsinta)
2008 Awardee for Luzon



Who's next?

* National
* Luzon
* Special
AWARDEE

Hurry! Visit our branch or field office near you for more information on how our Microfinance Program and Development Support could help your enterprise prosper in a way that can make you
THE NEXT OUTSTANDING MICROENTREPRENEUR.



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