

# 2017 ANNUAL REPORT



"Arise, shine, for your  
light has come, and the  
glory of the Lord rises  
upon you."

- Isaiah 60:1

# Partners and Affiliations

Bicol Microfinance Council (BMCI)

Center for Community Transformation (CCT)

Country Bankers Life Insurance Corporation (CBLIC)

Philippine Microfinance for Alternative  
Development & Empowerment (PhilMADE)

Intellicare (HMO Provider)

Mindanao Microfinance Council Incorporated (MMCI)

Oradian (Instafin)

Philippine Crop Insurance Corporation (PCIC)

PhilHealth

Pioneer Insurance

Rangtay sa Pagrang-ay Microfinance, Inc. (RPMI)

Talete King Panyulung Kapampangan, Inc., Foundation (TPKIF)

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# Corporate Ideals

## Vision

Communities enlightened by the love of God living in abundance, dignity, peace, and hope.

## Mission

As a Christ-centered organization, we commit to serving communities by providing access to sustainable and inclusive developmental programs and services.

## Core Values

Love of God  
Innovativeness  
Good Governance  
Humility  
Transparency  
Integrity of Creation

# Leading Toward the Light of Christ

After having been reminded in 2016 of Christ's Love for us, we have now been called to serve Him and be His catalysts of change in this world. For the year 2017, LIGHT has focused on three Rs to deepen and strengthen its workforce, partner-clients, partner-mentors, and relationship with other like-minded institutions:

**Reformation.** The organization prioritized improving the policies, guidelines, and processes of its financial and non-financial services to further serve its partner-clients based on their actual needs.

**Reconnection.** Partnerships and affiliations with other like-minded institutions, LGUs and even schools/universities were strengthened to further expand the organization's outreach and sets of services offered to both partner-clients and staff.

**Regain.** In order to move forward, the organization also gave attention to enhancing the soft and technical skills, not just of its staff but also of its partner-mentors and partner-clients through various trainings, seminars, and capacity-building programs.

Four new branches were opened this year to cater to more communities in need of the organization's services – Kidapawan, San Francisco, Digos, and Iligan. The Light Loan Program (LLP) was also developed, which offers 0% interest to partner-clients assessed to belong to the poorest of the poor sector.

Aside from the financial services offered to the partner-clients, the organization has also opted to develop and expand its non-financial services by launching its new programs – I-Connect, I-Care, I-Nurture, and Phil-Health's iGroup.

Major improvements and enhancements also took place this year such as the system automation through INSTAFIN in partnership with Oradian and the mainstreaming of the Social Performance Management (SPM) in the organization's policies and processes.

Despite moving forward with all the innovations and desire to further serve the communities, roadblocks will still be inevitable. However, these challenges have also helped push the organization to take action, improve its processes and guidelines, and look into further equipping its staff, not just with the right skills, but most especially with the right mindset to be able to fully embrace the organization's Vision, Mission, and Core Values.

Just like this year's #LEADTOLIGHT Retreat's theme verse, hailed from Isaiah 60:1 and Matthew 5:16, the Lord has been honing each and everyone in the organization to be leaders. We have all been called by the Lord to lead His people towards the true LIGHT that is Jesus Christ. And that is the most important task entrusted to us.

# Message of The Chairman

2017 has been a year full of ebbs and flows for LIGHT. But regardless of the kind of experiences the organization has encountered, we need to constantly remind ourselves of how all of these are still blessings from the Lord.

It says in Romans 5:3-5, *“Not only so, but we also glory in sufferings, because we know that suffering produces perseverance; perseverance, character; and character, hope. And hope does not put us to shame, because God’s love has been poured out into our hearts through the Holy Spirit, who has been given to us.”*

Every struggle and opportunity that knocked on our door has helped us become better and move a step forward toward the fulfillment of the mission entrusted to us by the Lord. It is not an accident that we are all called upon to serve Him through the organization. And each task we have been given to manage creates an impact to every step the organization takes no matter how big or small you think it is.

Despite of the challenges that the organization has encountered this year, we have remained faithful to the mission that the Lord has given us. These challenges have reminded us to always focus and offer the works of our hands to the Lord; for real reward is not superficial. Real reward is what comes after this life.

I encourage each and everyone of you to be like David, whom God called to be a man after His own heart. Use your God-given skills and gifts to be a blessing to others. It’s time we all take action and do our part in leading His people toward the real Light that is Jesus Christ.

To God Be the Glory!

**Fr. Eddie T. Panlilio**  
*Chairman & President/CEO*

# Message of the Executive Director

The year 2017 has not been an easy year for LIGHT, but we were still able to move forward all because of God's grace and faithfulness.

This was a year full of innovation and trying out new things. We have finally taken a step forward toward leaving the past and facing what the future holds. And that means new opportunities and challenges, which may sound ironic, but it makes the most sense. Because as we grow and take on bigger responsibilities, we will also be encountering bigger challenges along the way. As cliché as it may sound, the quote from Spiderman that says, "*with great power comes great responsibility*," pretty much sums up how our organization has been. Being only two years in paper with three decades worth of portfolio, is as, or even more, overwhelming than how it looks.

27th Australian Prime Minister, Julia Gillard, once said, "Our future growth relies on competitiveness and innovation, skills and productivity... And these in turn rely on the education of our people." This is one of the reasons why as the organization moves forward, it also considered capacity-building as one of the most important aspects of its holistic growth. We all need to be better equipped to handle the bigger challenges about to come our way. You see, accepting the mission of leading God's people toward the real Light that is Christ, isn't an easy task. It requires our full commitment, trust, and faith to the Lord and His love for us to be able to get through things without swerving into a different direction.

This year, the organization was able to expand its outreach to four new branches and has also pilot-tested some of its programs and services for the partner-clients, partner-mentors, and staff. We also have developed a new loan program for the poorest of the poor sector, organized events and activities that will help our partner-clients toward holistic transformation, provided a new corporate uniform to all regular staff, enhanced the organizational structure which included the branch utility workers as part-time regular employees, adopted system automation through INSTAFIN, and had full acquisition of the main office building.

May the Lord find us faithful in advancing His agenda of seeing communities enlightened by the love of God. Looking forward to more blessings and learnings in the next years to come, all for the glory of God!

**Concepcion B. Parantar-Diana**  
*Executive Director*



*Client Story: Ma. Rosario Lagno-Esquerria*

**BUTUAN BRANCH: MULTI-PURPOSE LOAN PROGRAM**  
*Carinderia | Sari-Sari Store | Flower Arrangement Business*



# ADVERSITIES TO BLESSINGS

Tragedies, as unfortunate as they may be, can be turned into something positive if we would let it and do something about it. Michelle Obama even once said, *“You should never view your challenges as a disadvantage. Instead, it’s important for you to understand that your experience facing and overcoming adversity is actually one of your biggest advantages.”* When Ms. Rosario Lagno-Esguerra, one of our Multi-Purpose Loan (MPL) Program beneficiaries from LIGHT Butuan Branch, looked back at the time when her and her husband’s employment was severely affected by a flashflood tragedy in Ormoc, you will never see any signs of regret on her face.

She and her husband met and started a family in Leyte. Even after the said tragedy, they still tried starting a business in the area, but it seems like God has a different plan for them. So after the business did not prosper, they decided to move out to Leyte and start a new life in Butuan City.

In 1995, Rosario started her sari-sari store business, which eventually levelled up to offering cooked meals. Because of her hard work and consistency, she was able to get another stall at a busy area in the city, which initially offered flower arrangement services. However, this proved to be not too profitable, so they had to change it to something else. Good thing Rosario’s a natural when it comes to managing a business, so she came up with the idea of selling nilagang saba with ginamos/bagoong, which became a hit especially to the students in the area. That business prospered, but then she had to vacate the place in her 5th year, because the owner wanted to stop the lease and use it for his own business. As unlucky as it may seem, business is business and things like this happens. However, instead of feeling down about the incident, Rosario took it positively and focused more on her main store. Because she had more time, she was also able to practice her flower arrangement skills again and even did plant and flower propagation. Who would have thought though that the business that didn’t prosper before is now one of her main sources of income?

It was in 2008 when she first borrowed from a Microfinance institution in her area. However, she would be an on and off partner-client because she was only after the CBU (Capital Build-Up). But when LIGHT came in, she became more consistent with becoming a partner-client and would even actively attend and participate in the cluster meetings. She maintained her Php 10,000.00 loan, which she uses as a working capital for her sari-sari store and cooked meals business. If you’d be able to get a chance to visit her place of business, you’ll see that her passion and creativity in it. Her store has an eye-catching pastel-colored aesthetics, which captures the attention of the students nearby. She also surrounded her store with plants and flowers to showcase her other business and passion. Her store is such a breath of fresh air.

Rosario further shares that one of the reasons why she now stays and no longer an on and off partner-client is because of the cluster meetings. She learns a lot from the modules about values formation, helps build more meaningful relationships with like-minded microentrepreneurs in their area, and in return she infects everyone with her positive outlook in life.

Her relationship with LIGHT goes beyond superficial. She sees it as a community where she can grow more and share her blessings as well.



## Client Story : Rosita Baring

**CEBU SOUTH BRANCH: GROWTH-ORIENTED MICROENTERPRISE LOAN PROGRAM**

*Wholesale/Retail of Fruits and Vegetables | Carinderia | Piso-Net Shop Business*

# MADE FOR THE BIZ

We have all been created for a purpose. Each of us has our own set of skills that we can use to help us grow and further God's kingdom. And truth be told, not everything that we want to do is what we're destined to really do or become. God has bigger plans for us, but sometimes we have yet to discover it because we can be too stubborn. Don't you agree?

One of LIGHT's GML (Growth-Oriented Microenterprise Loan Program) beneficiaries, Ms. Rosita Baring is no ordinary person. We can call her the Wonder Woman of Carbon Market in Central Cebu City because of how good she can juggle being a wife, a mother, a home maker, and an entrepreneur. Her main business is a vegetable wholesale/retail trading in Carbon, which is known as the mother of all wet markets that is always alive, chaotic and brimming with a hodgepodge of wares to offer – from fresh produce to Ukay-Ukay to fighting cocks. She has been trading in the area for about 20 years.

Rosita takes a look around her business and reminisced the time when they just started working in the area and her husband was still a pahinante (driver). They didn't have it easy and they both really had to work hard and learn how to run a business from scratch. And now she would constantly be bombarded with calls from various suppliers and customers because she has proven herself worthy of their business. But the entrepreneur within Rosita just wouldn't stop! Aside from her vegetable trading business, she also has a carinderia, a PISO-NET shop, and a few apartment units for rent. Talk about fully utilizing every bit of resources she can.

She came to know the organization through one of LIGHT's marketing efforts for the GML program. She admitted to borrowing from 5-6 loan sharks and such because she would often need additional working capital especially when she doesn't have readily available cash, but she knows that she needs to take advantage of the availability of certain products. That is why she is very thankful to LIGHT for providing her financial needs at a reasonable rate to help with her business's cash flow.

Admittedly, Rosita is a big risk-taker, but her determination to succeed and overcome anything has proven to be greater than any challenge she encounters. Struggles are inevitable. But Rosita believes in the skills God has given her to manage and be a good steward of His blessings.

She truly is made to for the biz.



# Client Story : Arlene Reponte

BUTUAN BRANCH: AGRI-LOAN PROGRAM

# QUEEN OF THE LAND

*“Marunong nang magluto, pwede nang mag-asawa!”*

As much as equality and feminism are slowly being accepted in our society, a lot of women in our generation have still been subconsciously groomed to become the perfect housewives. They say a woman needs to learn how to cook, do the laundry, iron clothes, and clean the house. And while there is nothing wrong with learning such skills, the sad part is that the reason is to serve her future husband. And someone who doesn't know, even just one of these skills, would often be teased as someone who's not yet ready for the married life. But is that really all there is to being a woman?

Meet Arlene Reponte, one of LIGHT's partner-clients in Butuan City under the Agri-Loan (AGL) Program. You would think that it would be the man of the household who would be into farming, but in Arlene's household that wasn't the case. She grew up having farming as the main source of income of their family. She said that the land they currently farm on was entrusted by a Chinese-family friend and that she eventually fell in love with farming as time goes by. That's why now that she's married, she opted to continue cultivating the land entrusted to their family, while her husband works fulltime for a plywood company. It is amazing to see how her eyes light up whenever she would talk about farming. You can feel her passion for it in her every word and how she appreciates and values the craft.

She came to know LIGHT through a friend back in 2016. She used her first loan with the organization to procure fertilizer and other farm inputs. Aside from farming, she further shared that she also has a sari-sari store and does ornamental plant propagation to augment the income from the farm since the money will be stocked for four months. This just goes to show that aside from knowing the ins and outs of farming, she really does have the entrepreneurial mind and will.

Arlene is proud that farming is part of what helped her family get through the tough times. She and her husband work hard as partners to provide for the family and they were able to send their two kids to school. As a matter of fact, her eldest has already graduated with a degree in BS Education and was given the opportunity to teach in a private school in the city. Their youngest is still in fifth grade and is also as determined as her kuya.

Passion and hard work have been part of Arlene's recipe for success. She pursued the road less travelled for women and she never cared about the stereotypes. She is one empowered woman who knows what she wants, goes after it, and works hard until she gets there.



# Client Story: Jessica Petaluna

CEBU SOUTH BRANCH: LIGHT LOAN PROGRAM  
Sari-Sari Store | Street Food Cart

# THE BUILDING BLOCKS TO REACHING HER DREAMS

As a Microfinance-NGO, we still have so much to improve on if we would want to help further and bring more people out of poverty. It is the ultimate goal for every institution like us, but the real question is: How do we get there?

There are so many ways and the possibilities are endless if we truly want to help people. But as an organization whose main instrument is microfinance, we should be making use of our God-given resources to be able to help others just like how Jesus would. Because of this goal, the organization released its newest loan product in 2017 – the Light Loan Program (LLP). This new service provides 0% interest loans to the poorest of the poor as its main objective is to fully assist people with growing their small businesses without the burden of paying for any unnecessary expenses or interests they cannot afford yet.

One of the first beneficiaries of the said program is Ms. Jessica Petaluna from LIGHT Cebu South Branch. She is in her late 40s, married, and with 7 kids. 2 of her kids decided not to go to school to help their parents in the chores at home and in earning for the household. *“Pangarap ko pong makitang makapagtapos ng pag-aaral ang mga anak ko,”* shared Jessica. Despite their current situation, she remains positive that their determination and hard work, with the help of the loan they get from the organization, will be the main ingredients in giving their children the education and future they deserve.

Jessica grew up working as a tindera in different stores, hence her choice of business, which is a sari-sari store with a barbecue stand. This kind of set-up is common amongst Filipino women, especially in low-income families, as it helps in providing additional income for the household and enables them to still be able to care for the kids and some of the chores at home. Aside from that, she and her husband also manage 2 separate street food carts where they sell tempura, fishball, peanuts, palamig, etc.

Jessica used the loan she received from LIGHT as an additional working capital for her street food cart (additional stocks and maintenance). She is very grateful to the organization for providing such services instead of her previous loans from the Bombay (5-6 loan scheme), which drowned her into more debts instead of helping grow her business.

Stories like Jessica’s may seem trivial to some, but it’s the small things that become the building blocks toward reaching the bigger dreams. And with the new Light Loan Program of the organization, may we be able to help build more dreams and turn them into reality one Filipino family at a time.

# Financial Performance

## INDICATORS

	2017	2016
Revenues	Php 637,294,473	Php 166,200,000
Assets	Php 1,192,332,899	Php 938,088,000
Liabilities	Php 938,727,291	Php 797,500,000
Fund Balance	Php 253,605,608	Php 141,038,000

## RATIOS

### INDICATORS

	2017	2016
Operational Self-Sustainability	140.76%	142 %
CBU to Outstanding Loan Ratio	37.33%	46%
LR to Total Assets	81%	81%
Current Ratio	2.96:1	2:1
Debt to Equity Ratio	3.70:1	5.64:1

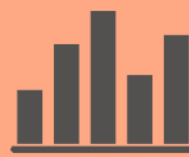


# Operational Performance

(2017) 118,889

**CLIENT OUTREACH**

(2016) 117,698



(2017) 969.456M

**LOAN PORTFOLIO**

(2016) 758.03M

(2017) 3.1B

**TOTAL AMOUNT  
DISBURSED**

(2016) 2.86B



(2017) 18,000

**AVERAGE LOAN SIZE**

(2016) 6,057.28

(2017) 7.65%

**PORTFOLIO-AT-RISK**

(2016) 7.42%



(2017) 361.9M

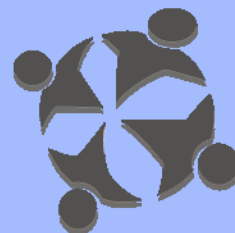
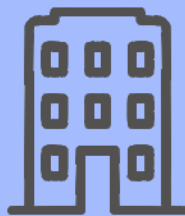
**CAPITAL BUILD-UP**

(2016) 346.3M

(2017) 53

**NUMBER OF BRANCHES**

(2016) 49



(2017) 5,423

**NUMBER OF CLUSTERS**

(2016) 6,388

(2017) 543

**NUMBER OF LOAN OFFICERS,  
ACCOUNT OFFICERS, AND  
AGRI-SPECIALISTS**

(2016) 510



(2017) 902

**TOTAL NUMBER  
OF STAFF**

(2016) 820

# Year-End Highlights

**53** Branches



**902** Staff



**118,889** Client Outreach

**1.2B** Total Amount of Assets



**3.1B** Total Amount Disbursed

**637M** Revenues



# Year - In Review



## BRANCH DEDICATION

As part of the organization's expansion program, 4 new branches were opened in 2017 (Iligan, Digos, San Francisco, and Kidapawan).

## INSTAFIN

LIGHT signed a partnership with Oradian on June 30, 2017 for the automation of the organization's system. The platform simplifies the organization's operations and makes record keeping and reporting more accurate.



## ON-BOARDING TRAINING PROGRAM

The On-Boarding Training Program was organized to create awareness and ownership to the organizational goals and values, and awareness and compliance to LIGHT's code of conduct.

## BASIC FACILITATION SKILLS TRAINING

A basic facilitation skills training was held on February 24, 2017 at the LIGHT Main Office to strengthen the facilitation skills of the organization's workforce in the field.



# Year - In Review



## AREA ACCOUNTANTS' ORIENTATION

The orientation for the Area Accountants provided awareness about the duties, responsibilities, and covered areas of every area accountants.

## BRANCH LEADERS' CONFERENCE

The Branch Leaders' Conference held on May 24-26, 2017 at The Sulo Riviera Hotel in Quezon City was organized to strengthen the implementation of the organization's products and services aligned with the approved policies and guidelines.



## FINANCIAL WELLNESS SEMINAR

The Financial Wellness Seminar on May 27, 2017 at The Sulo Riviera Hotel in Quezon City equipped the organization's Branch Managers and Account Officers with the knowledge and skills to help strengthen and empower the organization's Growth-Oriented Micro Enterprise Loan or GML partner-clients.

## HR CONFERENCE

The organized HR Conference on September 11-13, 2017 at The Manor Hotel in Baguio City provided the Area Managers, Branch Managers, and OICs with the right skills and knowledge to implement the organization's policies and guidelines based on the process of the new work ethics.



# Year - In Review



## ANNUAL STAFF RETREAT & ANNIVERSARY CELEBRATION

The Annual Staff Retreat & Anniversary Celebration of LIGHT was held on October 12-14, 2017 at The Waterfront Hotel in Cebu City and was attended by the BOT, all of the organization's staff, partner-mentors, scholars and selected partner-clients.

## ANNUAL SUMMER OUTING

A summer outing in the main office and per area was organized to promote camaraderie, help battle stress, and improve productivity among the staff.



## TREE PLANTING ACTIVITY

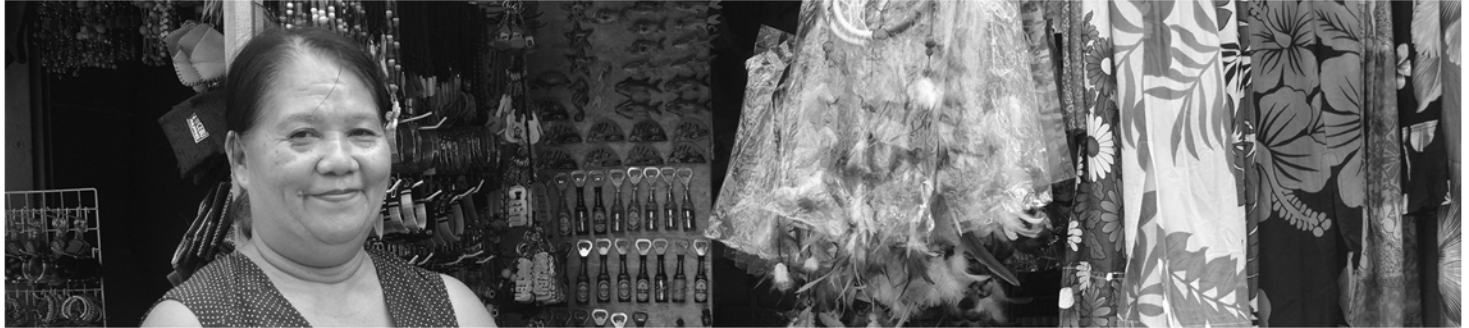
LIGHT partnered with TPKI for the organization's Annual Tree Planting activity in line with one of its core values – Integrity of Creation. This year's activity was held on October 4, 2017 in Magalang, Pampanga.

## ANNUAL CHRISTMAS CELEBRATION

To celebrate the birth of our Lord and Savior, Jesus Christ, LIGHT organized a Christmas Fellowship at the main office and branches. The theme for this year's celebration was about health and fitness to raise awareness in taking care of our body as the temple of the Holy Spirit.



# Year - In Review



**2,118**

**Partner-Clients  
enrolled in PhilHealth's  
iGroup Program.**

**Partner-Clients  
enrolled in the  
Microinsurance  
Program**

**178,594**

# Year - In Review



## USAPANG PAMILYA

Quarterly topics/inputs to partner-clients which are done monthly in LIGHT branches focusing on building a Christian home.

## CLUSTER MEETING MODULE

These are themed modules per month with weekly topics to be discussed during cluster meetings in the community. This module aims to provide inputs for values formation.



## SCHOLARSHIP PROGRAM

The organization commits to help deserving children of our partner-clients to continue their college education through the provision of monthly allowances and tuition fees until they graduate. As of December 2017, LIGHT has 76 scholars.



# Year - In Review



## I-CONNECT

This activity aims to strengthen marriages of partner-clients through renewing and refreshing their marriage vows and at the same time giving emphasis on the biblical perspective of marriage. We allocated 10 couples per branch, but with a total of 454 couples.



## I-CARE

A health symposium for the partner-clients to get them well-informed on how to prevent/manage lifestyle diseases like heart disease, stroke and diabetes, bundled with a Zumba exercise. We were able to cater to 10 branches with a total of 3,570 participants.

## DRRM (DISASTER RISK REDUCTION MANAGEMENT)

This is the provision of relief goods to our partner-clients who were victims of calamities like typhoon, flood, fire, earthquake. We allocate 200 pesos per client for relief goods and Php 1,500.00 for construction materials. For this project, we were able to cater to 1,351 partner-clients.





LEAD WITH INTEGRITY AND GOOD GOVERNANCE  
IN HELPING COMMUNITIES FOR HOLISTIC  
TRANSFORMATION (LIGHT) MICROFINANCE, INC.

## **AUDITED FINANCIAL STATEMENT**

December 31, 2017

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the financial statements of Lead with Integrity and Good Governance for Holistic Transformation (“Light”), which comprise the statements of financial position as at December 31, 2017, and the statements of operation, statements of changes in equity and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2017, and its financial performance and its cash flows of the years then ended in accordance with the Philippine Financial Reporting Standard (PFRS).

#### *Basis for Opinion*

We conducted our audit in accordance with Philippine Standards on Auditing (PSAs). Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the International Ethics Standards Board for Accountancy (BOA) under BOA resolution 263-2015, together with the ethical requirements that are relevant to our audit of the financial statements in Philippines, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matters*

The 2016 financial statements were audited by another auditor, whose reports have been furnished to us, and our opinion insofar as it relates to the amounts included for Lead with Integrity and Good Governance for Holistic Transformation (“Light”) financial statements are based solely on the report of the other auditors.

#### *Responsibilities of Directors and Those Charged with Governance for the Consolidation Financial Statements*

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with PFRS, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to liquidate the Company or to cease operations, or have no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company’s financial reporting process.

#### *Auditor’s Responsibilities for the Audit of the Financial Statements*

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with PSAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As a part of an audits in accordance with PSAs we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the director's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on the Supplementary Information Required Under Revenue Regulations (RR) No. 19-2011 and RR 15- 2010 of the Bureau of Internal Revenue

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information in Note 22 to the financial statements is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such as information is the responsibility of management. The information has been subjected to the auditing procedures applied in our audits of the basic financial statements. In our opinion, he information is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

LEAD WITH INTEGRITY AND GOOD GOVERNANCE IN HELPING COMMUNITIES FOR  
HOLISTIC TRANSFORMATION (LIGHT) MICROFINANCE, INC.

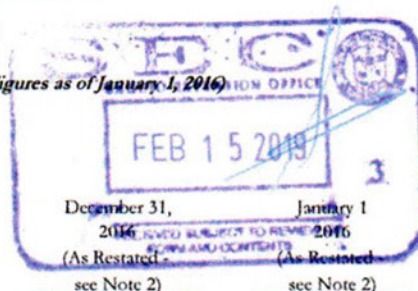
(A Nonstock, Nonprofit Organization)

STATEMENT OF FINANCIAL POSITION

DECEMBER 31, 2017

(With Comparative Figures as of December 31, 2016 and Corresponding Figures as of January 1, 2016)

(Amounts in Philippine Pesos)



	Notes	2017	December 31, 2016 (As Restated - see Note 2)	January 1 2016 (As Restated - see Note 2)
<b>ASSETS</b>				
<b>CURRENT ASSETS</b>				
Cash and cash equivalents	6	P 200,094,550	P 32,180,190	P 21,010,876
Loans and interest receivables - net	7	933,109,112	912,392,248	125,302,111
Non-trade and other receivables - net	7	13,761,810	14,149,479	9,165,565
Other current assets	8	7,891,062	11,794,786	1,845,034
Total Current Assets		<u>1,154,856,534</u>	<u>970,516,703</u>	<u>157,323,586</u>
<b>NON-CURRENT ASSETS</b>				
Property and equipment - net	9	33,147,657	28,395,449	2,460,344
Intangible assets - net		56,723	66,390	2,116,051
Other non-current assets	8	4,271,985	5,122,589	983,174
Total Non-current Assets		<u>37,476,365</u>	<u>33,584,428</u>	<u>5,559,569</u>
<b>TOTAL ASSETS</b>		<u>P 1,192,332,899</u>	<u>P 1,004,101,131</u>	<u>P 162,883,155</u>
<b>LIABILITIES AND FUND BALANCE</b>				
<b>CURRENT LIABILITIES</b>				
Trade and other payables	10	P 26,765,305	P 34,711,931	P 17,587,205
Microsavings	11	361,930,337	346,295,892	38,314,768
Loans and borrowings	12	1,563,258	9,660,867	-
Income tax payable		150,032	-	-
Total Current Liabilities		<u>390,408,932</u>	<u>390,668,690</u>	<u>55,901,973</u>
<b>NON-CURRENT LIABILITIES</b>				
Loans and borrowings	12	707,176	2,270,434	-
Retirement benefit obligation	16	29,599,118	27,817,707	26,755,390
Provisions	13	518,012,065	518,503,752	139,490,899
Total Non-current Liabilities		<u>548,318,359</u>	<u>548,591,893</u>	<u>166,246,289</u>
Total Liabilities		<u>938,727,291</u>	<u>939,260,583</u>	<u>222,148,262</u>
<b>FUND BALANCE</b>		<u>253,605,608</u>	<u>64,840,548</u>	<u>(59,265,107)</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>		<u>P 1,192,332,899</u>	<u>P 1,004,101,131</u>	<u>P 162,883,155</u>

See Notes to Financial Statements.

LEAD WITH INTEGRITY AND GOOD GOVERNANCE IN HELPING COMMUNITIES FOR  
 HOLISTIC TRANSFORMATION (LIGHT) MICROFINANCE, INC.

(A Nonstock, Nonprofit Organization)

STATEMENT OF COMPREHENSIVE INCOME  
 FOR THE YEAR ENDED DECEMBER 31, 2017

(With Comparative Figures for the Year Ended December 31, 2016)

(Amounts in Philippine Pesos)



	Notes	2017	2016 (As Restated - see Note 2)
<b>REVENUES</b>			
Interest income on loan receivables	7	P 565,043,269	P 495,725,391
Other income	14	<u>72,251,204</u>	<u>66,341,136</u>
		<u>637,294,473</u>	<u>562,066,527</u>
<b>OPERATING EXPENSES</b>			
Project costs	15	322,671,463	317,681,134
General and administrative expenses		<u>129,858,685</u>	<u>126,089,630</u>
		<u>452,530,148</u>	<u>443,770,764</u>
<b>EXCESS OF REVENUES OVER EXPENSES BEFORE TAX</b>		<b>184,764,325</b>	<b>118,295,763</b>
<b>TAX EXPENSE</b>		<u>218,778</u>	<u>-</u>
<b>EXCESS OF REVENUES OVER EXPENSES AFTER TAX</b>		<u>184,545,547</u>	<u>118,295,763</u>
<b>OTHER COMPREHENSIVE INCOME</b>			
Item that will not be reclassified subsequently to profit or loss —			
Remeasurement of retirement benefit obligation	16.2	<u>4,214,513</u>	<u>4,862,892</u>
<b>TOTAL COMPREHENSIVE INCOME</b>		<u>P 188,760,060</u>	<u>P 123,158,655</u>

See Notes to Financial Statements.

**LEAD WITH INTEGRITY AND GOOD GOVERNANCE IN HELPING COMMUNITIES FOR  
HOLISTIC TRANSFORMATION (LIGHT) MICROFINANCE, INC.**

*(A Nonstock, Nonprofit Organization)*

**STATEMENT OF CHANGES IN FUND BALANCE**

**FOR THE YEAR ENDED DECEMBER 31, 2017**

*(With Comparative Figures for the Year Ended December 31, 2016)*

*(Amounts in Philippine Pesos)*

	<u>Notes</u>	<u>Grants and Contribution</u>	<u>Cumulative Results of Operations</u>	<u>Remeasurement of Retirement Benefit Obligation</u>	<u>Total Fund Balance</u>
Balance at January 1, 2017					
As previously reported	P	1,002,000	P 140,373,721	-	P 141,375,721
Effect of prior period adjustments		-	( 81,398,065 )	4,862,892	( 76,535,173 )
As restated	P	1,002,000	P 58,975,656	P 4,862,892	P 64,840,548
Donations received		5,000	-	-	5,000
Other comprehensive income		-	184,545,547	4,214,513	188,760,060
<b>Balance at December 31, 2017</b>	<b>P</b>	<b><u>1,007,000</u></b>	<b>P <u>243,521,203</u></b>	<b>P <u>9,077,405</u></b>	<b>P <u>253,605,608</u></b>
Balance at January 1, 2016					
As previously reported	P	55,000	( P 14,596,615 )	-	( P 14,541,615 )
Effect of prior period adjustments	2	-	( 44,723,492 )	-	( 44,723,492 )
As restated		55,000	( 59,320,107 )	-	( 59,265,107 )
Additional contribution		945,000	-	-	945,000
Donations received		2,000	-	-	2,000
Other comprehensive income		-	118,295,763	4,862,892	123,158,655
<b>Balance at December 31, 2016</b>	<b>P</b>	<b><u>1,002,000</u></b>	<b>P <u>58,975,656</u></b>	<b>P <u>4,862,892</u></b>	<b>P <u>64,840,548</u></b>

*See Notes to Financial Statements.*

**LEAD WITH INTEGRITY AND GOOD GOVERNANCE IN HELPING COMMUNITIES FOR  
HOLISTIC TRANSFORMATION (LIGHT) MICROFINANCE, INC.**

*(A Nonstock, Nonprofit Organization)*

**STATEMENTS OF CASH FLOWS**

**FOR THE YEARS ENDED DECEMBER 31, 2017 AND 2016**

*(Amounts in Philippine Pesos)*

	Notes	2017	2016 (As Restated - see Note 2)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Profit (Loss) before tax		P 184,764,325	P 118,295,763
Adjustments for:			
Interest expense on borrowings	12, 15	454,113	394,478
Interest expense on Capital Build-Up	15	6,523,526	6,222,479
Interest income on bank deposits	3, 14	(291,995)	( 114,037)
Interest income on short-term investment	3, 14	(51,738)	-
Retirement Expense	16.1	5,995,924	5,925,209
Pre-Operating Cost		-	2,078,661
Loss on write off - AR	15	282,000	34,517,619
Loss on write off - LR	15	10,030,220	-
Depreciation and Amortization	9, 15	8,391,661	4,210,386
Operating loss before changes in operating resources and liabilities		<u>216,098,036</u>	<u>171,530,558</u>
Decrease (increase) in loan and interest receivable		(30,747,083)	( 787,090,137)
Decrease (increase) in Advances to Branches		-	-
Decrease (increase) in non-trade and other receivables		105,669	( 39,501,533)
Decrease (increase) in other current assets		3,903,724	( 6,385,711)
Increase (decrease) in trade and other payables		(7,946,626)	17,124,726
Increase (decrease) in Capital Build-Up		15,634,445	307,981,124
Increase (decrease) in loans and other borrowings		<u>(8,097,609)</u>	<u>9,660,867</u>
Cash generated from (used in) operations		188,950,556	( 326,680,106)
Cash received from interest income	3, 14	343,733	114,037
Cash paid for interest expense	12, 15	(6,977,639)	( 6,616,957)
Cash paid for taxes		<u>(68,747)</u>	<u>( 3,564,041)</u>
Net Cash From (Used in) Operating Activities		<u>182,247,903</u>	<u>( 336,747,067)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Acquisition/Disposal of properties and equipments	9	(13,134,202)	( 30,145,491)
Acquisition/Sale of intangible assets		-	( 29,000)
Acquisition/Disposal of other non-current assets		<u>850,604</u>	<u>( 4,139,415)</u>
Net Cash From (Used in) Investing Activities		<u>(12,283,598)</u>	<u>( 34,313,906)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Proceeds/Payment of Loan	12	(1,563,258)	2,270,434
Capital Contributions		-	945,000
Grants and Donations		5,000	2,000
Increase (Decrease) in Estimated Liability on Litigation	13	(491,687)	379,012,853
Net Cash From (Used in) Financing Activities		<u>(2,049,945)</u>	<u>382,230,287</u>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>		<u>167,914,360</u>	<u>11,169,314</u>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>		<u>32,180,190</u>	<u>21,010,876</u>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR AT END OF YEAR</b>		<u>P 200,094,550</u>	<u>P 32,180,190</u>

*See Notes to Financial Statements.*

# Board Of Trustees



**EDDIE T. PANLILIO**  
*Chairman & President/CEO*



**NOEL B. ALIPIO**  
*Vice Chairman & Corporate Treasurer*



**ATTY. ANTONIO P. JAMON, JR.**  
*Corporate Secretary*



**PTRA. EDITH D. PINEDA**  
*Member*



**CONCEPCION P. DIANA**  
*Vice President, COO & Executive Director*



**GRACE D. BAUTISTA**  
*Member, Operations Director*



**PERRY P. PAZ**  
*Member, Institutional Support Group Director*



# Management Team



**GIRLIE M. TERING-TERING**  
*North Luzon Operations Manager*



**MICHEL M. ANZANO**  
*South Luzon Operations Manager*



**IAN MARK B. VILLACRUZ**  
*VisMin Operations Manager*



**MACARIO D. DE CASTRO, JR.**  
*Administration Department Manager*



**MARY GRACE B. CAMPANER**  
*Human Resources Department Manager*



**MARIA BELEN M. SISON**  
*Client Services Department Manager*



**GREGGY C. CANJA**  
*Finance & Accounting Department Manager*



**RICHARD C. DELOS SANTOS**  
*Audit Department Manager*

# Branch Directory

## NORTH LUZON

**Angeles Branch**  
2F Casa Mitzi Bldg., Sto. Rosario St.,  
Sto. Domingo, Angeles City, Pampanga, 2009  
(045) 4583162 | angeles@light.org.ph

**Baliwag Branch**  
2F Juzmag Bldg., Plaza Naning,  
Brgy. Poblacion, Baliwag, Bulacan, 3006  
(044) 7980433 | baliwag@light.org.ph

**Binangonan Branch**  
2F 0161 National Road, Brgy. Palangoy,  
Binangonan Rizal, 1940  
(02) 7064716 | binangonan@light.org.ph

**Capas Branch**  
2F Trope Bldg., Santo Domingo 1, Capas, Tarlac, 2315  
(045) 6283878 | capas@light.org.ph

**Dagupan Branch**  
2F Assada Center, A.B. Fernandez Ave.,  
Dagupan City, Pangasinan, 2400  
(075) 5405741 | dagupan@light.org.ph

**Gapan Branch**  
Unit 304 3F TSI Building, Bucana, Sto. Nino St.,  
Gapan City, 3105  
(044) 9511123 | gapan@light.org.ph

**Guagua Branch**  
2F Unity Building, Plaza Burgos, Guagua,  
Pampanga, 2003  
(045) 6242541 | guagua@light.org.ph

**Malolos Branch**  
1215 - A1 J&R Building, McArthur Highway,  
Sumpang Matanda, Malolos City, Bulacan, 3000  
(044) 7955877 | malolos@light.org.ph

**Marikina Branch**  
2F Sisco Building, Sumulong Highway,  
Corner M. Cruz St., Sto. Nino, Marikina City, 1820  
(02) 5319853 | marikina@light.org.ph

**Meycauayan Branch**  
2F GM De Guzman Building, Malhacan Hi-Way,  
Meycauayan City, Bulacan, 3020  
(044) 6933023 | meycayuayan@light.org.ph

**Pasig Branch**  
Unit 5, Ground Floor, #17 RN Building, San Antonio,  
Shaw Blvd., Pasig City  
(02) 5318809 | pasig@light.org.ph

**Quezon City Branch**  
Unit 2C & 2D New Domain Plaza,  
19 Holy Spirit Drive, Don Antonio Heights, Quezon City  
(02) 9624166 | quezoncity@light.org.ph

**San Carlos Branch**  
2F Ger-Nor Building, Martin Posadas Avenue,  
San Carlos City, Pangasinan, 2420  
(075) 6334668 | sancarlos@light.org.ph

**San Fernando, La Union Branch**  
2F Shania Tower, Quezon Ave., Brgy. Sevilla,  
San Fernando City, La Union, 2500  
(072) 6820972 | sanfernando@light.org.ph

**Talavera Branch**  
2F Mirador's Building, Esguerra District,  
National Highway, Talavera, Nueva Ecija, 3114  
(044) 9510136 | talavera@light.org.ph

**Tarlac Branch**  
2F JNLB Building, Blk. 4 Juan Luna St., Sto. Cristo,  
Tarlac City, 2300  
(045) 4708090 | tarlac@light.org.ph

**Tuguegarao Branch**  
2F Centennial Building, corner Arellano & Blumentrit St.,  
Centro 9, Tuguegarao City, Cagayan, 3500  
(078) 3962478 | tuguegarao@light.org.ph

**Urdaneta Branch**  
2F S. Com Building, Mc Arthur Hi-Way, Brgy. Nancayasan,  
Urdaneta City, Pangasinan, 2428  
(075) 6334671 | urdaneta@light.org.ph

**Valenzuela Branch**  
Unit 4-C JATSCO Building, General T. De Leon St.,  
Karubatan, Valenzuela City, 1441  
(02) 2777468 | valenzuela@light.org.ph

## SOUTH LUZON

**Balayan Branch**  
3F EGM III Bldg., Paz St., Brgy. 7, Balayan, Batangas, 4213  
(043) 7408844 | balayan@light.org.ph

**Batangas Branch**  
2F R&E Macatangay Bldg., Apacible St., Brgy. 10, Batangas City, 4200  
(043) 7274092 | batangas@light.org.ph

**Binan Branch**  
3F 3A and 3B Raja Cordell Bldg., Blk. 4, Lot 1,  
Nepa National Highway, Brgy. San Vicente, City of Binan, 4024  
(049) 5113828 | binan@light.org.ph

**Calamba Branch**  
2F J Alcasid Bldg., Business Center, Brgy. Uno,  
Crossing, Calamba, Laguna, 4027  
(049) 5086427 | calamba@light.org.ph

**Daet Branch**  
2F Sto. Nino Commercial Centers, Dasmarias St.,  
Btgy. VIII, Daet, Camarines Norte, 4600  
(054) 8850592 | daet@light.org.ph

**Dasmarias Branch**  
#203 3F GCS Commercial Space, General E. Aguinaldo  
Hi-Way, San Agustin 2, Dasmarias City  
(046) 4350179 | dasma@light.org.ph

**Gumaca Branch**  
2f MAJT Building, A. Bonifacio St., Brgy. Pipisik,  
Gumaca, Quezon, 4306  
(042) 7174957 | gumaca@light.org.ph

**Imus Branch**  
551 UCPB Building, Gen. Emilio Aguinaldo Hi-Way,  
Tanzang Luma 1, Imus City, Cavite 4103  
(046) 4378205 | imus@light.org.ph

**Iriga Branch**  
Door 206 2F Everest Plaza, Hi-Way 1, San Miguel,  
Iriga City, Camarines Sur, 4431  
(054) 881-7668 | iriga@light.org.ph

# Branch Directory

## Legazpi Branch

2F 114 Ammin Holdings Building, Penaranda St.,  
Oro Site, Legazpi City, Albay, 4500  
(052) 7424631 | legazpi@light.org.ph

## Lipa Branch

2F Bibon's Auto Supply, 12 Kap-S Luz St., Lipa City, Batangas, 4217  
(043) 7574874 | lipa@light.org.ph

## Lucena Branch

2F Shierelane P. Lucero Building, 80 Quezon Avenue,  
Brgy. II, Lucena City, Quezon, 4301  
(042) 7175817 | lucena@light.org.ph

## Naga Branch

Unit 102 GF Galleria De San Francisco,  
Penafrancia Avenue, Naga City, Camarines Sur, 4400  
(054) 8810301 | naga@light.org.ph

## Paranaque Branch

2F Fraltec Building, 8193 Dr. A. Santos Ave.,  
Brgy. San Isidro, Paranaque City, 1700  
(02) 8024516 | paranaque@light.org.ph

## Pasay Branch

Rm. 202 & 203, 2F Cementina Building, 160 A. Arnaiz Ave.,  
(Libertad) Corner, Cuenca Zone 9, Brgy. 69, Pasay City  
(02) 7720316 | pasay@light.org.ph

## Pinamalayan Branch

1F KV Homes Building, Madrid Blvd., Zone 2,  
Pinamalayan, Oriental Mindoro, 5208  
(0977) 8760063 | pinamalayan@light.org.ph

## San Pablo Branch

2F ACM Building, #57 Paseo Arsenio Escudero  
corner MH Del Pilar St., San Pablo City, 4000  
(049) 5034706 | sanpablo@light.org.ph

## Rosario Branch

3F RRE Building, B4, Lot 14, Costa Verde Subdivision,  
Tejeros Convention, Rosario, Cavite, 4106  
(046) 4727623 | rosario@light.org.ph

## Sta. Cruz Branch

2F Laguna Good Year Sales Center Building, Falcon St.,  
Brgy. 5, Sta. Cruz, Laguna, 4009  
(049) 5019441 | stacruz@light.org.ph

## VISAYAS-MINDANAO

### Butuan Branch

2F Ruffy Tiu Bldg., 3, Montilla Blvd., cor. Montilla St.,  
Butuan City, Agusan Del Norte 8600  
(085) 8153998 | butuan@light.org.ph

### Cebu South Branch

2F Dy Building, South National Highway, Bulacao,  
Talisay City, Cebu, 6045  
(032) 2314818 | cebusouth@light.org.ph

### Davao Branch

3F Door 20 San Pedro Building, San Pedro St.,  
Davao City, Davao Del Sur, 8000  
(082) 2967528 | davao@light.org.ph

### Digos Branch

2F Besnar Building, Rizal Ave., Digos City, Davao Del Sur, 8002  
(082) 2371267 | digos@light.org.ph

### General Santos Branch

#301 3F Rotunda Building, General Santos City,  
South Cotabato, 9500  
(083) 5523573 | gensan@light.org.ph

### Iligan Branch

3F Du Point Management Corporation, Roxas Ave.,  
Sairey Hiway, Iligan City, Lanao Del Norte, 9200  
(063) 2246281 | iligan@light.org.ph

### Kabankalan Branch

Door 7 & 8 2F ARTM Building, JY Perez Memorial Highway,  
Brgy. 2, Kabankalan City, Negros Occidental, 6111  
(034) 4419368 | kabankalan@light.org.ph

### Kidapawan Branch

2F YTEL Commercial Building, Jose Abad Santos St.,  
Kidapawan City, North Cotabato, 9400  
(064) 2480023 | kidapawan@light.org.ph

### Lapu-Lapu Branch

4F Meinguito Building, M.L. Quezon Highway, Pusok,  
Lapu-Lapu City, Cebu, 6015  
(032) 2617180 | lapulapu@light.org.ph

### Ormoc Branch

2F Avenido Building, San Pedro St., Ormoc City, Leyte, 6541  
(053) 5612861 | ormoc@light.org.ph

### San Francisco Branch

2F Rose Premiere Land Corporation, Obiedoza St.,  
Brgy. 4, San Francisco, Agusan Del Sur  
(085) 8390055 | sanfranz@light.org.ph

### Silay Branch

2F LSJ Building, Juan Valencia St., Silay City,  
(Washington St., Brgy. 3), Negros Occidental, 6116  
(034) 4584681 | silay@light.org.ph

### Tacloban Branch

3F Room A-304 F. Mendoza, Commercial Complex,  
141 Sto. Nino St., Tacloban City, Leyte, 6500  
(053) 5238139 | tacloban@light.org.ph

### Tagbilaran Branch

2F Lim Limuel Building, Belderol St., Cogon District,  
Tagbilaran City, Bohol, 6300  
(038) 4111674 | tagbilaran@light.org.ph

### Tagum Branch

Zaragosa Building, Gante Road, Magugpo West,  
Tagum City, Davao Del Norte, 8100  
(084) 2162769 | tagum@light.org.ph



**Lead with Integrity and Good Governance in Helping  
Communities for Holistic Transformation (LIGHT) Microfinance, Inc.**  
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