

CHAIRMAN'S MESSAGE
PBSP's 38TH ANNUAL MEMBERSHIP MEETING
RENAISSANCE MAKATI HOTEL
TUESDAY, 27th JANUARY 2009

SALUTATION

HONOURED MEMBERS OF PBSP, OUR VALUED PARTNERS, DR CASTILLO, FRIENDS PBSP – GOOD AFTERNOON TO ALL OF YOU, AND A WARM WELCOME TO PBSP'S 38TH ANNUAL MEMBERSHIP MEETING.

INTRODUCTION

ON BEHALF OF THE BOARD OF TRUSTEES, I WOULD LIKE FIRST TO THANK THE MEMBERSHIP FOR HELPING PBSP WITH MORE THAN 75 MILLION PESOS IN THE LAST FISCAL YEAR. THIS IS THE HIGHEST MEMBERSHIP CONTRIBUTION IN OUR 38-YEAR HISTORY. 36 YEARS AGO CONTRIBUTIONS STOOD AT ONLY 6 MILLION PESOS; 8 YEARS AGO, IT WAS 26 MILLION PESOS. THANK YOU SO MUCH FOR YOUR GENEROSITY.

I WOULD ALSO LIKE TO THANK OUR PARTNER-DONOR AGENCIES FOR HELPING US REALIZE OUR PROGRAMS. IN PARTICULAR – THE U.S. AGENCY FOR INTERNATIONAL DEVELOPMENT, SPAIN'S AGENCIA ESPANOLA DE COOPERACION INTERNACIONAL, AND FUNDACION HUMANISMO Y DEMOCRACIA, THE INTERNATIONAL YOUTH FOUNDATION – AND THE MANY OTHER INSTITUTIONAL DONORS WHO HAVE HELPED. THANK YOU FOR YOUR SUPPORT.

FOR THIS FISCAL YEAR, NEW PROJECT PROPOSALS WORTH ABOUT 500 MILLION PESOS, AND SCHEDULED FOR IMPLEMENTATION IN THE COMING YEARS, HAVE ALREADY BEEN APPROVED BY OUR VARIOUS DONORS. I WISH TO ASSURE THEM OF PBSP'S FIRM COMMITMENT TO ACCOUNTABILITY, AND TO DELIVERY OF RESULTS.

TOUGH TIMES: A CALL FOR SUPPORT

WE ALL KNOW THAT THE WORLD IS IN THE MIDST OF A SERIOUS CRISIS AND THAT, AS A CONSEQUENCE, CORPORATE PROFITABILITY IS THREATENED ADVERSELY. WHEN PROFITS ARE DOWN, FUNDING SUPPORT FOR SOCIAL WORK IS THE FIRST TO BE REDUCED. YET IT IS PRECISELY THIS TIME WHEN THAT SUPPORT IS MOST NEEDED, WHEN PEOPLE ARE OUT IN THE STREETS WITHOUT A JOB, WHEN REDUCING POVERTY AND ACHIEVING SUSTAINABLE DEVELOPMENT MUST NOT BE SET ASIDE IN THE MIDST OF A DOWNTURN. AT A SIMILAR TIME WHEN OUR COUNTRY NEEDED RESPONSIVE, EFFICIENT AND WORKABLE SOLUTIONS TO THE PROBLEMS THAT FACED OUR PEOPLE 38 YEARS AGO, OUR ORIGINAL 50 MEMBERS TOOK ON THE CHALLENGE, AND FOUNDED PBSP.

LET ME NOW REVIEW BRIEFLY WHAT WE HAVE DONE LAST FISCAL YEAR, AND WHAT WE PLAN TO DO THIS YEAR.

FIRST, WITH RESPECT TO AREA RESOURCE MANAGEMENT OR ARM

200 COMMUNITIES IN 10 ARM SITES SUCH AS TAWI-TAWI, SAMAR, AND THE DISASTER AREAS OF SOUTHERN LEYTE AND ILOILO WERE SUPPORTED WITH THE HELP OF OUR MEMBERS' CONTRIBUTION. THIS YEAR, WE PLAN TO EXPAND OUR ARM PROGRAM TO 250 COMMUNITIES TO REACH A QUARTER MILLION PEOPLE. WE EXPECT MORE THAN 40,000 FAMILIES TO INCREASE THEIR INCOME AND HAVE ACCESS TO BASIC SERVICES.

I SEE HOME OWNERS FROM OUR STEP-UP ARM COMMUNITIES ARE HERE WITH US TODAY – THANK YOU FOR JOINING US.

SECOND, WITH REGARD BASIC EDUCATION

OUR GOAL IS SIMPLE – TO BRING AND KEEP THE YOUTH IN SCHOOLS, AND WHILE THERE, HELP IMPROVE THE QUALITY OF THEIR EDUCATION.

WE SUPPORT VARIOUS SCHOOLS IN MINDANAO. THAT ASSISTANCE HAS REDUCED DROPOUT RATES, IMPROVED STUDENT ATTENDANCE, AND RAISED PERFORMANCE LEVELS IN THE NATIONAL ACHIEVEMENT TESTS. BUT WE NEED MORE HELP FROM YOU TO MAKE SCHOOLING ACCESSIBLE TO MORE CHILDREN, IMPROVE FACILITIES, AND TRAIN TEACHERS – PARTICULARLY IN MINDANAO.

THIRD, WITH REGARD INFORMATION TECHNOLOGY

OUR IMPACT EVALUATION SHOW THAT THE TEACHERS WE TRAIN BECOME MORE EFFECTIVE WHEN USING INFORMATION AND COMMUNICATION TOOLS. BECAUSE WE'VE ENABLED SCHOOLS TO BECOME COMMUNITY-WIDE INFORMATION RESOURCE CENTER, SERVING NOT ONLY STUDENTS BUT THE BROADER COMMUNITY AS WELL.

SO WE NEED YOUR SUPPORT AS WE AIM TO CONNECT 1,000 SCHOOLS TO THE INTERNET BY THE END OF 2010. WE ENJOIN ALL – PARTICULARLY OUR TELCO MEMBERS – TO CONTRIBUTE TO OUR COMPUTER DONATION CAMPAIGN, TO SUPPORT THE ICT TRAINING OF MORE TEACHERS, AND TO LAUNCH ICT PACKAGES AFFORDABLE BY OUR PUBLIC SCHOOLS.

FOURTH, WITH RESPECT TO ENTERPRISE DEVELOPMENT

OUR FOCUS IS JOB CREATION. AND OUR GOAL IS TO CREATE 24,000 JOBS THIS YEAR. THROUGH DEVELOPMENT FINANCE WE WILL SUPPORT PARTNERS SUCH AS RURAL BANKS, THE PINOY ME FOUNDATION, ASA FOUNDATION, AND THE ABS-CBN FOUNDATION AS THEY REACH OUT TO MORE MICROENTERPRISES.

WE WILL DESIGN THE “MSME EQUITY INVESTMENT” AS A NEW INITIATIVE. THIS NEW PRODUCT WILL BE PILOT-TESTED FROM AMONGST THE WINNERS OF OUR BUSINESS-IN-DEVELOPMENT, (OR BID) CHALLENGE, AND CLIENTS OF OUR BUSINESS ADVISORY PROGRAM.

AT THIS MOMENT, TWO OF OUR WINNERS – RAGS-2-RICHES OF PAYATAS AND ECHOSTORE LOCATED AT FORT BONIFACIO – ARE COMPETING AGAINST OTHER BID WINNERS FROM AROUND THE WORLD. FR. XAVIER ALPASA OF ATENEO AND CHIT JUAN ARE PRESENTLY MAKING THEIR SALES PITCH TO INVESTORS IN THE NETHERLANDS. LET’S HOPE THEY WIN.

FIFTH, WITH REGARD HEALTH AND WATER

OUR CENTERPIECE WILL CONTINUE TO BE THE TB LINC PROJECT, WHICH WE’RE IMPLEMENTING TOGETHER WITH THE U.S. AID AND THE DEPARTMENT OF HEALTH. WE WILL FOCUS ON HELPING NEEDY LOCAL GOVERNMENTS DETECT AND CURE THIS DREADED DISEASE. WE ALSO STRONGLY ENCOURAGE YOU, TO GET INVOLVED IN TB CONTROL PROGRAMS -- SOMETHING THAT ABOUT 30 OF OUR MEMBERS HAVE COMMITTED TO DO.

TO PREVENT WATER-BORNE DISEASES, WE WILL EXPAND OUR COMMUNITY-BASED WATER SYSTEM PROJECTS. WE WILL WORK WITH THE DEPARTMENT OF EDUCATION TO BRING THE **WATER ACCESS, SANITATION AND HEALTH, (OR WASH)** PROGRAM TO SCHOOLS THAT WE ARE ALREADY ASSISTING. OUR AIM IS TO INSTALL 150 WATER SYSTEMS IN SCHOOLS AND POOR COMMUNITIES.

AND FINALLY ON THE ENVIRONMENT

WE'VE ALWAYS BELIEVED THAT PEOPLE RELYING ON NATURE'S RESOURCES MUST CO-EXIST WITH PROTECTION OF THE SOURCE OF THAT LIVELIHOOD. OUR ECOLOGY PROGRAMS IN SAMAR, CEBU HILLYLANDS, OLANGO ISLAND, AND AT OUR CENTER FOR RURAL TECHNOLOGY DEVELOPMENT IN LAGUNA EXPRESS THIS CONVICTION TANGIBLY. ALL THESE HAD BEEN PROMOTING AGRICULTURAL DEVELOPMENT AND ORGANIC FARMING LONG BEFORE "ORGANIC" BECAME PART OF THE GREEN VERNACULAR.

THANK YOU FOR YOUR UNRESTRICTED CONTRIBUTIONS AND FOR SUPPORTING THE FESTIVAL OF TREES, AND OTHER FUNDRAISING CAMPAIGNS, WHICH FUNDED THESE PROGRAMS.

FINANCIAL OUTLOOK FOR 2009

TURNING NOW TO OUR FINANCIAL OUTLOOK FOR THIS FISCAL YEAR, LET ME FIRST HIGHLIGHT THE FOLLOWING:

FIRST, WE WILL INCREASE OUR ASSISTANCE THROUGH GRANTS AND FINANCIAL ADVANCES BY 35% IN 2009 FROM 301 MILLION PESOS LAST YEAR TO 417 MILLION PESOS THIS YEAR.

SECOND, WE WILL ALLOT 200 MILLION PESOS IN DEVELOPMENT LOANS TO MICRO, SMALL AND MEDIUM SCALE ENTERPRISES, HIGHER BY ABOUT 160 MILLION PESOS COMPARED WITH LAST FISCAL YEAR.

THIRD, WE WILL INCREASE REVENUES BY 28%, FROM 365 MILLION TO 468 MILLION PESOS.

FOURTH, WE WILL INCREASE OUR TOTAL EXPENDITURES BY 36% WITH MOST GOING TO GRANTS, DONATIONS, AND PROJECT-RELATED EXPENSES. WE WILL MAINTAIN OUR OPERATING EXPENSE RATIO TO REVENUE AT THE NORM OF 10% - 12%.

CONCLUSION: 38 YEARS OF CORPORATE CITIZENSHIP

(show rider chart 1972-2007)

LET ME CONCLUDE BY AGAIN EXPRESSING MY CONCERN THAT THE CRISIS OF THE SCALE, WE NOW FACE, COULD ERODE FUNDING SUPPORT, PRECISELY AT A TIME WHEN DEMAND FOR AID OF ALL SORTS ARE RISING. THE ROLE OF AN INSTITUTION LIKE PBSP BECOMES MORE CRITICAL AT THIS TIME. IT IS IN FACT, A TIME FOR ALL OF US TO COME TOGETHER.

AS WE GATHER TODAY ON THIS FOUNDATION DAY, WE MUST NOT ONLY ANNOUNCE OUR GOOD INTENTIONS BUT ALSO MOVE TO CARRY THEM OUT. WE CANNOT RAISE EXPECTATIONS AMONGST THE POOR AND TAKE LITTLE RESPONSIBILITY IN MEETING THEM. YES, SOMETHING MUST BE DONE – BY OURSELVES AND BY THE POOR THEMSELVES – SO THAT THEY ARE LIBERATED BY WHAT AND HOW WE HELP, LIBERATED TO WORK, TO SAVE, TO BE HOPEFUL, AND TO BE BRAVE.

IN THE YEAR AHEAD, WITH COMPETITION BECOMING GREATER FOR FUNDING THAT COULD BE LOWER, WE HAVE TO WORK HARDER TO WIN DONOR SUPPORT, DEMONSTRATING OUR EFFICIENCY AND EFFECTIVENESS THROUGH GREATER TRANSPARENCY AND RIGOROUS EVALUATION OF THE WORK WE DO. WE SIMPLY HAVE TO DO MORE WITH LESS.

BUT IF YOU CONTINUE PUTTING POVERTY REDUCTION AT THE HEART OF YOUR BUSINESS, I HAVE FAITH THAT TOGETHER, WE WILL CONTINUE TO USE THIS PRIVILEGE TO MAKE A DIFFERENCE IN THE LIVES OF OUR PEOPLE.

THANK YOU AND GOOD AFTERNOON.

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CONCLUSION RIDER CHART

PBSP Indicators in Average Values

Amounts in Million Pesos	<i>First Decade</i>	<i>Second Decade</i>	<i>Third Decade</i>	<i>Last 8 Years</i>
1. Member contributions	7.96	9.07	37.61	52.90
2. Total Annual Income/Revenue	9.81	33.33	167.34	285.75
3. Total net worth of Foundation	20.92	75.17	215.87	318.16
4. Total Annual Program Assistance	7.07	24.64	137.38	266.83
5. Number of Projects Assisted (Service Count)	70	140	218	235
6. Number of Proponents (Service Count)	54	118	90	93
7. Number of Beneficiaries Reached	62,446	65,406	80,691	309,966
8. Number of member companies	130	120	169	195
9. Number of Foundation Staff	22	114	222	177