

# CARD MBA

CARD Mutual Benefit Association, Inc.



*"Lakbay-diwa...  
...tungo sa ibayong tagumpay"*



## 2011 Annual Report

# About the Cover

The cover represents the 12th anniversary of CARD MBA. It is believed that the rainbow is the sign of hope. The institution aims to bring HOPE through protection and empowerment.

The colors of the rainbow symbolizes the 10 institutions of CARD MRI. The rays of the sun signifies the provincial and service offices of CARD MBA. On the other hand, the stars represent the institution's 12 years of relentless service to the members.



The theme and concept was created by Mr. Alexander M. Dimaculangan, Former General Manager. This theme was used during the 12th anniversary celebration of CARD MBA.



# Table of Contents

CARD MBA 2011 Board of Trustees	Pages 1-2
CARD MBA Management Advisory Committee	Page 3
Message of the CARD MRI Managing Director	Page 4
Message of the CARD MBA President	Page 5
Message of the Former General Manager	Page 6
Message of the New General Manager	Page 7
CARD MBA Mirror of Events	Page 8 - 12
CARD MBA Operational Status	Page 13
Non-financial Services	Page 14
2011 Audited Financial Statements	Page 15 - 78
Organigram	Page 79
CARD MBA Staff	Page 80
CARD MBA Provincial Staff	Page 81 - 82
List of MBA Coordinators	Page 83 - 90





*CARD MBA Board of Trustees*

# BOARD of TRUSTEES



**Jocelyn C. Decipeda**  
*President*



**Mary Ann P. Rodriguez**  
*Vice President*



**Elizabeth S. Makayan**  
*Treasurer*



**Lydia A. Mendoza**  
*Secretary*



**Conchita C. Tamayo**  
*Trustee*



**Leonisa L. Dizon**  
*Trustee*



**Vivina D. Rapsing**  
*Trustee*



**Maricel A. Ramos**  
*Trustee*



**Aniana A. Aniel**  
*Trustee*



**Ma. Therese Jane F.  
Perdito**  
*Trustee*



**Arlette A. Umali**  
*Independent Trustee*



# MANAGEMENT ADVISORY COMMITTEE



Dr. Enrique L. Navarro  
*Advisory Committee Member*



Deverna D. Briones  
*Advisory Chairperson*



Edzel A. Ramos  
*Advisory Committee Member*



Cherry A. Boncajes  
*Advisory Committee Member*



Cynthia B. Baldeo  
*Advisory Committee Member*



Glenda C. Magpantay  
*Advisory Committee Member*



Glenda H. Atabay  
*Advisory Committee Member*



Juliana B. De Leon  
*Advisory Committee Member*



Marlyn M. Marudo  
*Advisory Committee Member*



## Message from the Founder



In synergy, we produce epic results!

My warmest greeting to the members and staff of CARD MBA as it celebrates its 12th anniversary!

Indeed, time flies fleetingly! Looking back, what started as a Members Mutual Fund is now a full-fledged Mutual Benefit Association, soaring high...setting standards...steadfast as ever! CARD MBA is a proof that if we work together towards the same vision, we can achieve our aspirations.

We started this endeavour because we understand that enduring empowerment does not rely on finances alone. It requires a holistic method that includes protection – protection from life's many uncertainties and unforeseen circumstances.

I commend the MBA Coordinators and the staffs for making sure that the 1-3-5-day on Claims Settlement policy is met. This policy is very pivotal in the lives of our members and I know that you will stand by this. I respect the institution for the services it has rendered for the members and their families. With more Provincial and Service Offices, the institution is easily reached by the growing MBA community.

I also speak well of the institution's efforts to help other organizations with the same social causes like ours through the Build-Operate-And-Transfer (BOAT) program. With more empowered Filipinos, we make our armours stronger in our fight against poverty.

CARD MBA's foundation has been laid. It is strong and reliant. Today, as the new management takes the lead, I am certain that they will maintain the vigour of the institution and come up with new products and services that will redefine the meaning of protection for our members and partners.

A salute to our members and partners for their continuous trust! A salute to the staff of CARD MBA for the love and hard work you pour into the institution!

Mabuhay ka, CARD MBA!

  
Dr. Jaime Aristotle B. Alip  
CARD MRI Founder

## Message from the CARD MBA President

What does it mean for you to become empowered? What will you give to protect yourself and your family from life's uncertainties?

My warmest greeting as CARD MBA celebrates its 12th anniversary!

How fast time flies! It is overwhelming to think that we will enjoy another fulfilling year. The year 2011 has been meaningful to all of us... and for CARD MBA, it means continuous growth and progress in the Microinsurance industry. I will never forget that I became a part of this significant organization. This is an incomparable and life changing experience for me.

No one can deny that CARD MBA has come so far! It is truly an honor for all of us to OWN this dependable institution. It is comforting to be a part of an organization that is strong and established.

With CARD MBA, I feel empowered. For me, to be empowered means to come out of your shell and be a better person. To be empowered means having the opportunity to choose and have a say on matters that are important.

As a mother, I would lay everything on the line just to protect my family. CARD MBA is an instrument for all of us to protect our families and have a meaningful voice at the same time. Now, we have a voice that can stir change. Look at all of us; we are now agents of change!

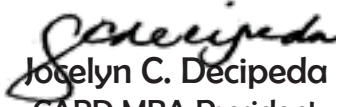
In the span of two years as the President of our association, I've learned so many things, gathered so many new experiences, and travelled to different places (both local and international) that I never thought I'd see had it not been for CARD. I am deeply thankful for all these experiences that will be with me forever.

I would like to express my gratitude to Ma'm May Dawat, Sir Alex Dimaculangan and to all the people behind CARD MRI. Of course, allow me to extend my "thank you" to Boss Aris Alip and to our beloved MBA Coordinators, fellow BOT, and to my co-members. Thank you for all the support you have given me and our institution. All of you are the reasons behind CARD MBA's stability and success.

I only hope for the continuous growth of CARD MBA and the whole CARD MRI as well. I am one with you in the daily grinds of life! Let us continue to show the difference we can make when we work together.

Again, my big thanks to everyone! Mabuhay ka, CARD MBA!



  
Jocelyn C. Decipeda  
CARD MBA President



## *Message from the CARD MBA Former General Manager*

It is amazing to watch something unfold or grow within our sight. As parents, we feel proud when we see our kids go out into the real world armed with values and wisdom. It gives us that reassuring feeling that we have done something right. This is the same feeling I harbor for CARD MBA.

It is when the core is strong that we can allow something to grow beyond our watch. Again, this is the same feeling that I have for the institution.



Over the years, we have been giving our members the best products and services that we can bring to the table. We are empowering the members by giving them the chance to protect themselves and their families. We are ensuring the members that we can help them right away in times of disasters and uncertainties. With our growing membership and partnership, we take it to heart that we have earned their trust because we are doing something right.

We don't settle for mediocrity and we always want to find better ways for our members and their families. The institution continuously opens more Provincial and Service Offices so that we can readily and efficiently answer to the needs of the members.

CARD MBA is strong not because of standing still. It endures because it reinvents itself and delights its members and partners through enhancement and advancement. CARD MBA is united because there is no room for division, only unity. It endures because it values the strength of many and uses it for the good of all.

As I go back to our inception in 2001, I can't help but be excited for the promising years ahead of CARD MBA. Our institution has grown but there is still room for further growth. Keep in mind that the reason why the institution exists is also the key to its success.

Kudos to the members and to the new set of CARD MBA leaders! I am one with you as you take on the new chapter of our institution.

A handwritten signature in black ink, appearing to read 'Alexander M. Dimaculangan'. The signature is stylized with a large 'A' and 'D'.

Alexander M. Dimaculangan  
CARD MBA Former General Manager

## Message from the CARD MBA General Manager



It is said that we are placed in certain positions in our lives for a reason...that nothing comes around by chance and that everything has a purpose.

Today, I am given a NEW purpose and that is to take the baton that is being passed to me as the new general manager of CARD MBA.

I am humbled to have the opportunity to lead it on its next journeys.

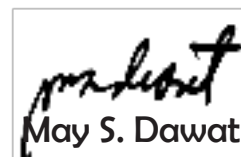
I have seen the love that our former General Manager, Sir Alexander Dimaculangan, has poured into the institution. I will always remember that as I put myself in his shoes. What big shoes to fill! But I am not worried because beside me are the strong and willful women of CARD MBA and the altruistic staffs of the institution.

The year 2011 was filled with feats and challenges. Our feats remind us that we are on the right track and inspire us to think out of the box even more. On the other hand, the challenges that came along allowed us innovate and brought out the best in each one of us.

“It’s our time” was the conference slogan during the Biennial Conference of the International Cooperative and Mutual Insurance Federation (ICMIF). Indeed, it is high time to reinvigorate our institution and truly claim that the mutual benefits sector serves its social purpose. I believe that 2012 has so much in store for all of us and together, we can go the distance!

Let me thank the members, MBA Coordinators, staff, and the whole CARD MRI Management for standing by our institution. We make up the core of CARD MBA and it is up to all of us to bring it to an eminent stage!

Mabuhay po tayong lahat!

A handwritten signature in black ink, reading "May S. Dawat".

CARD MBA General Manager

# A Mirror of 2011 Events

The CARD Mutual Benefits Association (CARD MBA) started as the CARD-Members Mutual Fund, which aims to provide benefits to members in case of death. What started as the MMF is now an institution created FOR the members and governed BY the members. CARD MBA empowers women through financial assistance and pioneering services that uplift their lives and those of their dependents as well.

CARD MBA shows growth as its assets reach P3,643,678,938. Truly, the institution is as strong as ever. And it gets better through time because CARD MBA continuously comes up with new products and improves service delivery to the members. Also, the institution welcomes the new set of Board of Trustees elected during the 12th Annual General Membership Meeting. CARD MBA also finished the Business Process Review thru the assistance of Sycip Gorres Velayo (SGV) and Co. The major recommendations on procedures for remittances and payment of claims and expenses will be implemented starting January 2, 2012. The institution boasts its 1-3-5 Target on Claims Settlement with 95% of claims paid within the target dates.

## Opening of New Provincial and Service Offices

As a continuous effort to serve the growing units of CARD MRI, CARD MBA opens new Provincial and Service Offices (SO) to efficiently cater to the needs of the members.

This 2011, 11 Provincial Offices and two Service Offices were opened with the assistance of CARD MBA staff. The said POs and SO opened in Luzon 1, Luzon 3, Visayas and Mindanao. With the new offices, members and their families can expect more improvement in the delivery of CARD MBA's services.

Below are the list of newly opened Provincial and Service Offices:

Cluster	Name of P.O. and S.O.	Date Established	Contact Person	Who Managed the Opening
LUZON 1	Benguet (S.O.)	April 26, 2011	Leo B. Alcantara	RONA R. NAVA
	Bataan	September 26, 2011	Fidela P. Castillo	
	Cagayan Valley	November 17, 2011	Lovely Joy D. Torio	
LUZON 3	Quezon 2	October 24, 2011	Napoleon B. Brofar	MAURICIO B. MAUR
	Albay	November 15, 2011	Marivic B. Buenaobra	
	Laguna 2	September 16, 2011	Aileen B. Castro	
VISAYAS	Samar	October 10, 2011	Rory B. Pia	ARISTOPHER F. PUNZALAN
	Bohol	October 14, 2011	Eduardo D. Rapsing Jr.	
	Southern Leyte (S.O.)	October 19, 2011	Michelle A. Gabriola	
MINDANAO	Capiz	November 25, 2011	Mary Rose Joy V. Lobaton	ELY B. RODRIGUEZ
	South Cotabato	June 16, 2011	Rey R. Nisnisan	
	Surigao Del Sur	September 26, 2011	Roy P. Jabonan	
	Agusan Del Norte	December 5, 2011	Ketty C. Priete	





## CARD MBA Welcomes new General Manager

The year 2011 marked another momentous event as CARD MBA welcomes a new General Manager. Ms. May S. Dawat is the new “GM” of the institution as Mr. Alexander Dimaculangan retires from his post.

With a strong foundation and leadership set by Mr. Alexander M. Dimaculangan, the new GM takes on the challenge of setting an even higher bar for the industry. The new leader of the institution seeks better products and services for the members and their dependents, most specially during uncertain times.

Many members faced challenges during the year and Ms. May Dawat is tasked to come up with ways to be of better service to the members and their families.

Ms. May Dawat leads a new pack of MBA forerunners who will set and define a new standard to the Mutual Benefits arena.



*In Photo: (Left) Former MBA General Manager, Mr. Alexander Dimaculangan with the new General Manager, Ms. RMay Dawat, during the tribute to the former. (Right) CARD MBA Staff together with CARD MRI Founder,*



*Dr. Jaime Aristotle Alip, during the Transition Meeting of the institution.*





# A Mirror of 2011 Events

## “Lakbay-diwa tungo sa ibayong tagumpay!”

This was the theme of the Annual General Membership Meeting (AGMM) held last September 8 to 9, 2011 at CARD MRI Development Institute (CMDI). The event was graced by the area representatives, BOAT partners, and staff of CARD MBA. The AGMM serves as a platform for the election of board of trustees (BOT), reporting of CARD MBA activities and operational status, awarding of essay contest, and launching of new programs/ offerings of the institution. The meeting proceeded with 620, 251 proxy votes making up a quorum of 82%.

A total of 189 area representatives participated in the BOT elections. BDSFI CEO Aristeo A. Dequito served as the COMELEC Chairman while CARD SME Bank EVP/COO Cynthia B. Baldeo and CARD Inc. Associate Director Ms. Elma B. Valenzuela served as COMELEC members. The following shows the result of the election:

PO / SO	NAME	No. of VOTES
Cavite PO	Melanie P. Catapang	306,464
	Ma. Therese Jane F. Perdito	517,751
Masbate PO	Vivina D. Rapsing	507,243
	Lucy S. Gonzales	280,130
Marinduque SO	Sarah C. Albelda	39,118
	Ma. Jocelyn Pelobello	84,989
	Maricel A. Ramos	387,948
Oriental Mindoro PO	Elenita M. Gremaldo	346,677
	Aniana A. Aniel	565,932
	Leah P. Macapugay	261,237

CARD MRI Founder Dr. Jaime Aristotle B. Alip, CARD Inc. Executive Director Flordeliza L. Sarmiento, CARD Bank EVP Lorenza dT. Bañez and CARD SME Bank President & CEO Mary Jane B. Perreras gave their messages as the meeting comes to an end.

## CARD MBA LIVE ON-AIR!



CARD MBA hit the airwaves with two live interviews on “Mga Nanay sa Kaunlaran” via Spirit FM Lucena. Ms. May S. Dawat, CARD MBA General Manager, and Ms. Jocelyn C. Decipeda, CARD MBA President graced the 30-minute live interview and discussed the products and services offered by the institution. Ms. Decipeda also shared her memorable experiences as she fulfils the obligations of her post.

Mr. Vener S. Abellera, Assistant Manager for Operations, also had a separate interview with the same program. He discussed about CaMIA and its offerings. Mr. Abellera also promoted the PAID Plan and shared its value to the listeners. Listeners were able to place their text questions about CaMIA and our representative gladly answered each inquiry.

The interview was heard via Spirit FM in Lucena in Quezon Province, Marinduque and nearby areas. It was also broadcasted via live streaming and was seen through the internet by the viewers.

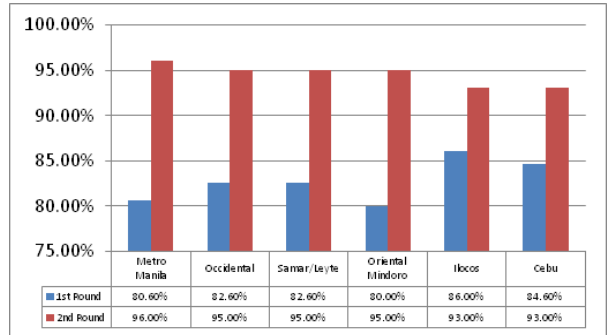
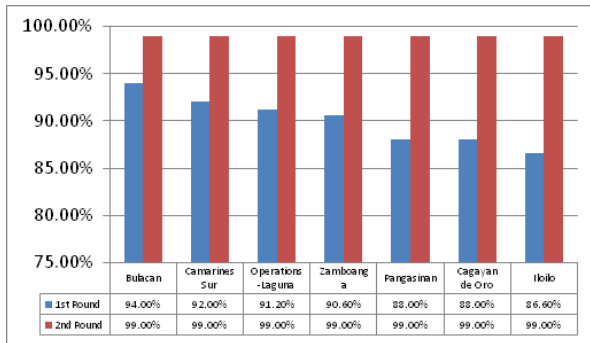
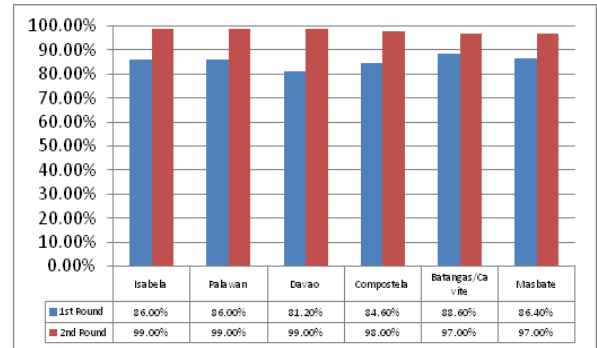
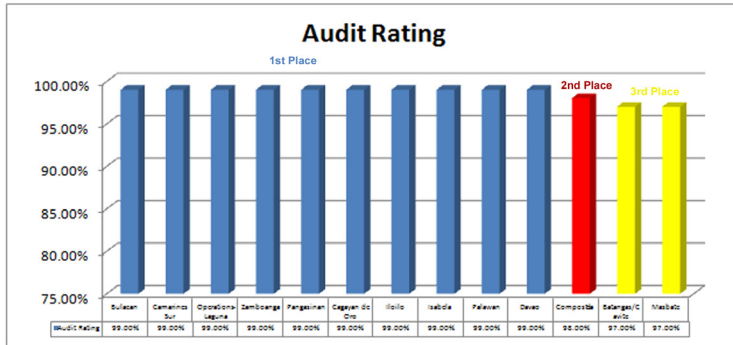
Another highlight of the AGMM was the announcement of winners for the annual essay writing contest. Members weave pieces that talk about their unforgettable experiences related to CARD MBA.

The winning essay was written by Monica H. Reyes from Oriental Mindoro. The piece was entitled “Mahiwaga ang Buhay ng Tao.” The final list of winners is presented below:

RANK	PANGALAN	PROVINCIAL OFFICE
1 <sup>st</sup> Prize	Monica H. Reyes <i>Pamagat: “Mahiwaga ang Buhay ng Tao”</i>	Oriental Mindoro PO
2 <sup>nd</sup> Prize	Matilde Delamitas	Masbate PO
3 <sup>rd</sup> Prize	Efipania Reyes	Bulacan PO
Consolation Prizes	Milagros R. Edep	Palawan PO
	Leah P. Macapugay	Oriental Mindoro PO
	Clarisse Nicolelyn Albaladejo	Camarines Sur PO
	Mylene Brecia	Laguna PO
	Estrella Landicho	Laguna PO
	Rosalita Cañete	Masbate PO
	Neñita Coton	Masbate PO



## 2011 Audit Ratings of Provincial Offices



## ABOARD THE BOAT of CARD MBA!

The Build-Operate-And-Transfer (BOAT Program) was created to promote mutuality and the benefits of Microinsurance programs for the marginalized sector in the society through the MBAs. It is a package of technology and is designed for organized groups with the intent of providing microinsurance protection for their members.

This year, CARD MBA welcomes three new partners for the said program. San Julian Multipurpose Cooperative joined last January 28, 2011. On the other hand, Sipsipin Multipurpose Cooperative joined last July 25, 2011. Lastly, Caunayan Multipurpose Cooperative joined last August 3, 2011.

We end the year with 18 BOAT Partners. Today, we have 25, 464 members with a total contribution of Php12, 661, 956.92. Benefits, worth Php514, 407.84 were also given to 558 members.

### BOAT PARTNERS

LAMPCO
DULNARC
MALAYA MPC
TIMGAS MPC
CANDELARIA
NAGUILIAN MPC
SAN ROQUE MPC
KALIKASAN MPC
HONFACRECO
SAGEM AGRA
SAN JULIAN MPC
CAUNAYAN MPC
SIPSIPIN MPC





## NEW BENEFIT PACKAGE FOR THE MEMBERS

We understand the changing times and CARD MBA passionately listens to the requests of the members and seeks for better options that we can provide.

An advisory was released regarding changes in the benefit package for the members. This took effect last January 3, 2011.

As a response to the growing appeal from the members, the institution gives an additional Php1, 000 for every two years added after four years of membership in the organization.

Here is the list of possible claims covered by the life insurance in case of death or total and permanent disability:

## *A Mirror of 2011 Events*

TAGAL NG PAGIGING KASAPI	DAGDAG BENEFISYO	KABUUANG HALAGA NA MAAARING MATANGGAP NG KASAPI	
		SAKIT/ NATURAL DEATH	AKSIDENTE
3 taon subalit wala pang 6 taon	0	50,000.00	100,000.00
6 taon subalit wala pang 8 taon	1,000.00	51,000.00	101,000.00
8 taon subalit wala pang 10 taon	2,000.00	52,000.00	102,000.00
10 taon subalit wala pang 12 taon	3,000.00	53,000.00	103,000.00
12 taon subalit wala pang 14 taon	4,000.00	54,000.00	104,000.00
14 taon subalit wala pang 16 taon	5,000.00	55,000.00	105,000.00
16 taon subalit wala pang 18 taon	6,000.00	56,000.00	106,000.00
18 taon subalit wala pang 20 taon	7,000.00	57,000.00	107,000.00
20 taon subalit wala pang 22 taon	8,000.00	58,000.00	108,000.00
22 taon subalit wala pang 24 taon	9,000.00	59,000.00	109,000.00
24 taon subalit wala pang 26 taon	10,000.00	60,000.00	110,000.00
26 taon subalit wala pang 28 taon	11,000.00	61,000.00	111,000.00
28 taon subalit wala pang 30 taon	12,000.00	62,000.00	112,000.00
30 taon subalit wala pang 32 taon	13,000.00	63,000.00	113,000.00
32 taon subalit wala pang 34 taon	14,000.00	64,000.00	114,000.00
34 taon subalit wala pang 36 taon	15,000.00	65,000.00	115,000.00
36 taon subalit wala pang 38 taon	16,000.00	66,000.00	116,000.00
38 taon subalit wala pang 40 taon	17,000.00	67,000.00	117,000.00
40 taon subalit wala pang 42 taon	18,000.00	68,000.00	118,000.00
42 taon subalit wala pang 44 taon	19,000.00	69,000.00	119,000.00
44 taon subalit wala pang 46 taon	20,000.00	70,000.00	120,000.00
46 taon subalit wala pang 48 taon	21,000.00	71,000.00	121,000.00
48 taon subalit wala pang 50 taon	22,000.00	72,000.00	122,000.00
50 taon subalit wala pang 52 taon	23,000.00	73,000.00	123,000.00



### CARD MBA JOINS ICMIF 2011 BIENNIAL CONFERENCE

CARD MBA participated in the International Cooperative and Mutual Insurance Federation's (ICMIF) 2011 Biennial Conference. ICMIF deems itself as "the voice of the world's cooperative and mutual insurance sector." The said event is the gathering of all mutual insurers across the globe and was held in Manchester, United Kingdom last October 23 to 30, 2011.

The institution was represented by Jocelyn C. Decipeda, CARD MBA President, Adela P. Ravadeneira, CARD MBA Vice President, May S. Dawat, General Manager-OIC, and Janet D. Caneo, Assistant Manager for Admin and Finance.

The theme of the conference, "It's our time..." reflects the opportunity of the sector to rise above the challenges and reinvigorate itself like never before. The event gathers the industry's leaders to discuss and share their experiences and practices that can bring learning and insights to the participants. CARD MBA representatives joined 255 other delegates from 37 countries.



# CARD MBA 2011 Operational Status

PARTICULARS			NUMBER/AMOUNT
No. Provincial Office			21
No. Of Service Office			5
No. Of Institutional Partner			14
No. Of Staff			191
No. of MBA Coordinator			801
No. of Trustee			11
No. of Active Member			1,433,240
No. of Insured Individual			7,166,200
Number of Claims Paid	Life Insurance		13,421
	Retirement		4
	Loan Redemption		3,138
	Refund of	Life Insurance	32,972
	Contribution	Retirement	209,383
Number of Claims Paid	Life Insurance		Php 179,031,224.00
	Retirement		12,693.00
	AKAP CARD		43,318,761.00
	Loan Redemption		27,810,710.00
	Refund of	Life Insurance	50,423,150.00
	Contribution	Retirement	90,100,804.00
	Total		387,293,604.00
Amount of Contribution	Life Insurance		917,340,375.00
	Retirement		305,870,245.00
	Loan Redemption		165,592,785.00
	Total		1,388,803,405.00
Excess of Revenue Over Expenses			161,056,862.00
Total Fund Balance			859,665,994.00
Total Assets			Php 3,643,678,938.00



# Non-Financial Services - 2011

## CDRAP



Types of Calamity	No. of Affected Members	AMOUNT (Php)
TYPHOON	73, 962	Php 20, 806, 638.17
FLOOD	18, 997	Php 5, 619, 678.86
FIRE AND LIGHTNING	592	Php 419, 079.79
TIDAL WAVE	79	Php 20, 723.35
TWISTER	4	Php 1, 199.25
EARTHQUAKE	30	Php 8, 679.58
<b>TOTAL</b>	<b>93, 664</b>	<b>Php 26, 873, 999</b>

## 1-3-5- Day Target on Claims Settlement

PER TYPE OF BENEFIT		1 DAY	2 DAYS	3 DAYS	4 DAYS	5 DAYS	RECONSIDERED CLAIMS	TOTAL
DEATH	MEMBER	610	6	5	2	6		629
	%	97.0%	1.0%	0.8%	0.3%	1.0%	0.0%	100.0%
	LEGAL DEPENDENT	1,150	186	135	60	174	91	1,796
	%	64.0%	10.4%	7.5%	3.3%	9.7%	5.1%	100.0%
MVAH	MEMBER	186	21	8	5	16	26	262
	%	71.0%	8.0%	3.1%	1.9%	6.1%	9.9%	100.0%
	SPOUSE	99	18	15	11	25	24	192
	%	51.6%	9.4%	7.8%	5.7%	13.0%	12.5%	100.0%
OVERALL RATING		2,045	291	168	78	221	141	2,879
		71.0%	8.0%	5.7%	2.7%	7.7%	4.9%	100%
		95.0%						





**CARD MBA  
Audited Financial  
Statements  
2011**

# INDEPENDENT AUDITOR'S REPORT



SyCip Gorres Velayo & Co.  
6760 Ayala Avenue  
1226 Makati City  
Philippines  
Phone: (632) 891 0307  
Fax: (632) 819 0872  
www.sgv.com.ph

BOA/PRC Reg. No. 0001,  
January 25, 2010, valid until December 31, 2012  
SEC Accreditation No. 0012-FR-2 (Group A),  
February 4, 2010, valid until February 3, 2013

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Center for Agriculture and Rural Development (CARD)  
Mutual Benefit Association, Inc.  
Colago Avenue, Barangay 1-A  
San Pablo City, Laguna

### Report on the Financial Statements

We have audited the accompanying financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc., (a nonstock, not-for-profit association) which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of income, statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

\* SGVMC116645 \*

A member firm of Ernst & Young Global Limited



# INDEPENDENT AUDITOR'S REPORT



- 2 -

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. as at December 31, 2011 and 2010, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

## **Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Notes 25 and 26 to the financial statements, respectively, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado  
Partner  
CPA Certificate No. 89336  
SEC Accreditation No. 0664-AR-1 (Group A),  
March 11, 2011, valid until March 10, 2014  
Tax Identification No. 160-302-865  
BIR Accreditation No. 08-001998-73-2009,  
June 1, 2009, valid until May 31, 2012  
PTR No. 3174824, January 2, 2012, Makati City  
March 10, 2012

\* SGVMC116645\*





# INDEPENDENT AUDITOR'S REPORT

## INDEPENDENT AUDITORS' REPORT

The Board of Trustees  
Center for Agriculture and Rural Development (CARD)  
Mutual Benefit Association, Inc.

### Report on the Financial Statements

We have audited the accompanying financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc., (a nonstock, not-for-profit association) which comprise the statements of financial position as at December 31, 2011 and 2010, and the statements of income, statements of comprehensive income, statements of changes in fund balance and statements of cash flows for the years then ended, and a summary of significant accounting policies and other explanatory information.

#### *Management's Responsibility for the Financial Statements*

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Philippine Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

#### *Auditors' Responsibility*

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Philippine Standards on Auditing. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.



# INDEPENDENT AUDITOR'S REPORT

- 2 -

## Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. as at December 31, 2011 and 2010, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

## **Report on the Supplementary Information Required Under Revenue Regulations 19-2011 and 15-2010**

Our audits were conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary information required under Revenue Regulations 19-2011 and 15-2010 in Notes 25 and 26 to the financial statements, respectively, is presented for purposes of filing with the Bureau of Internal Revenue and is not a required part of the basic financial statements. Such information is the responsibility of the management of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. The information has been subjected to the auditing procedures applied in our audit of the basic financial statements. In our opinion, the information is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado  
Partner  
CPA Certificate No. 89336  
SEC Accreditation No. 0664-AR-1 (Group A),  
March 11, 2011, valid until March 10, 2014  
Tax Identification No. 160-302-865  
BIR Accreditation No. 08-001998-73-2009,  
June 1, 2009, valid until May 31, 2012  
PTR No. 3174824, January 2, 2012, Makati City

March 10, 2012



# INDEPENDENT AUDITOR'S REPORT



SyCip Gorres Velayo & Co.  
6760 Ayala Avenue  
1226 Makati City  
Philippines  
Phone: (632) 891 0307  
Fax: (632) 819 0872  
www.sgv.com.ph

BOA/PRC Reg. No. 0001,  
January 25, 2010, valid until December 31, 2012  
SEC Accreditation No. 0012-FR-2 (Group A),  
February 4, 2010, valid until February 3, 2013

## INDEPENDENT AUDITORS' REPORT TO ACCOMPANY INCOME TAX RETURN

The Board of Trustees  
Center for Agriculture and Rural Development (CARD)  
Mutual Benefit Association, Inc.  
Colago Avenue, Barangay 1-A  
San Pablo City, Laguna

We have audited the financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. (the Association) for the year ended December 31, 2011, on which we have rendered the attached report dated March 10, 2012.

In compliance with Revenue Regulations V-20, we are stating that no partner of our Firm is related by consanguinity or affinity to the president, manager or principal stockholder of the Association.

SYCIP GORRES VELAYO & CO.

Michael C. Sabado  
Partner  
CPA Certificate No. 89336  
SEC Accreditation No. 0664-AR-1  
Tax Identification No. 160-302-865  
BIR Accreditation No. 008-001998-73-2009,  
June 1, 2009, Valid until May 31, 2012  
PTR No. 2641561, January 3, 2011, Makati City

March 10, 2012





**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**  
(A Nonstock, Not-for-Profit Association)

**STATEMENTS OF FINANCIAL POSITION**

	<b>December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>ASSETS</b>		
<b>Cash and Cash Equivalents</b> (Notes 6, 19 and 21)	<b>P224,701,716</b>	<b>P432,382,413</b>
<b>Time Deposits</b> (Notes 7, 19 and 21)	<b>86,625,758</b>	<b>106,210,767</b>
<b>Receivables</b> (Notes 8, 19 and 21)	<b>106,655,969</b>	<b>88,555,892</b>
<b>Financial Assets at Fair Value through Profit or Loss</b> (Notes 9 and 21)	<b>20,480,000</b>	<b>—</b>
<b>Available-for-Sale Financial Assets</b> (Notes 10 and 21)	<b>330,449,702</b>	<b>153,787,804</b>
<b>Held-to-Maturity Investments</b> (Notes 11 and 21)	<b>2,686,092,607</b>	<b>1,777,192,774</b>
<b>Property and Equipment</b> (Note 12)	<b>30,755,853</b>	<b>11,664,200</b>
<b>Investment in Associates and Deposits</b> (Notes 13)	<b>20,419,847</b>	<b>3,179,141</b>
<b>Guaranty Fund and Other Assets</b> (Notes 14, 21 and 23)	<b>136,185,641</b>	<b>89,269,947</b>
<b>Pension Asset - net</b> (Notes 19 and 20)	<b>1,311,845</b>	<b>2,975,145</b>
	<b>P3,643,678,938</b>	<b>P2,665,218,083</b>
<b>LIABILITIES AND FUND BALANCE</b>		
<b>Liabilities</b>		
Accounts payable and accrued expenses (Notes 15, 19 and 21)	<b>P71,424,922</b>	<b>P29,856,494</b>
Aggregate reserves (Note 16)	<b>1,748,838,031</b>	<b>1,239,219,990</b>
Retirement savings fund (Note 17)	<b>963,749,991</b>	<b>712,194,365</b>
<b>Total Liabilities</b>	<b>2,784,012,944</b>	<b>1,981,270,849</b>
<b>Fund Balance</b>		
Appropriated fund balance (Notes 11, 14 and 23)	<b>170,995,819</b>	<b>126,899,923</b>
Other comprehensive income (Note 10)	<b>36,560,533</b>	<b>21,898,635</b>
Unappropriated fund balance	<b>652,109,642</b>	<b>535,148,676</b>
<b>Total Fund Balance</b>	<b>859,665,994</b>	<b>683,947,234</b>
	<b>P3,643,678,938</b>	<b>P2,665,218,083</b>

See accompanying Notes to Financial Statements.



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**

**(A Nonstock, Not-for-Profit Association)**

**STATEMENTS OF INCOME**

	<b>Years Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>REVENUE</b>		
Gross earned premiums on insurance contracts	<b>₱1,082,933,160</b>	<b>₱845,957,749</b>
Interest income - net of final tax (Notes 6, 7, 8, 11 and 14)	<b>94,748,930</b>	89,251,599
Contribution income - AKAP	<b>16,050,071</b>	7,775,261
Equity in net earnings in affiliate (Note 13)	<b>3,340,706</b>	1,679,141
Fair value gains from financial assets at fair value through profit or loss (Note 9)	<b>480,000</b>	—
Others	<b>458,672</b>	2,571,951
<b>Other revenue</b>	<b>115,078,379</b>	<b>101,277,952</b>
<b>TOTAL REVENUE</b>	<b>1,198,011,539</b>	<b>947,235,701</b>
<b>COSTS AND OPERATING EXPENSES</b>		
Increase in aggregate reserves (Note 16)	<b>509,618,041</b>	406,600,501
Gross claims	<b>268,522,985</b>	164,867,366
AKAP healthcare benefits	<b>43,318,761</b>	16,847,406
<b>Net insurance claims and reserves</b>	<b>821,459,787</b>	<b>588,315,273</b>
Transportation and travel (Note 19)	<b>57,965,735</b>	45,600,277
Donation and contribution	<b>50,663,732</b>	25,060,074
Salaries and allowances (Note 19)	<b>26,670,662</b>	19,306,125
Program, monitoring and evaluation	<b>13,257,644</b>	9,027,786
Provision for impairment losses (Note 8)	<b>10,181,653</b>	2,766,175
Supplies	<b>8,533,913</b>	7,774,537
Training and development	<b>3,543,129</b>	4,419,149
Meetings and seminars	<b>3,083,170</b>	2,595,642
Depreciation (Note 12)	<b>2,753,822</b>	1,954,697
Insurance	<b>1,406,443</b>	982,395
Others (Note 18)	<b>37,434,987</b>	15,504,244
<b>Operating expenses</b>	<b>215,494,890</b>	<b>134,991,101</b>
<b>TOTAL COST AND OPERATING EXPENSES</b>	<b>1,036,954,677</b>	<b>723,306,374</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>₱161,056,862</b>	<b>₱223,929,327</b>

See accompanying Notes to Financial Statements.





**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION**  
(A Nonstock, Not-for-Profit Association)

**STATEMENTS OF COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>₱161,056,862</b>	<b>₱223,929,327</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
Changes in fair value of available-for-sale financial assets (Note 10)	<b>14,661,898</b>	<b>13,249,780</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱175,718,760</b>	<b>₱237,179,107</b>

See accompanying Notes to Financial Statements.



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION  
(A Nonstock, Not-for-Profit Association)**

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**STATEMENTS OF CHANGES IN FUND BALANCE**

	Appropriated Fund Balance (Notes 14 and 23)	Unappropriated Fund Balance	Reserve for Fluctuation in Value of Available-for- Sale Financial Assets (Note 10)	Total
As of January 1, 2011	P126,899,923	P535,148,676	P21,898,635	P683,947,234
Appropriation during the year (Notes 11, 14 and 23)	44,095,896	(44,095,896)	—	—
Excess of revenue over expenses	—	161,056,862	—	161,056,862
Other comprehensive income (Note 10)	—	—	14,661,898	14,661,898
Total comprehensive income	—	161,056,862	14,661,898	175,718,760
<b>Balance at December 31, 2011</b>	<b>P170,995,819</b>	<b>P652,109,642</b>	<b>P36,560,533</b>	<b>P859,665,994</b>
As of January 1, 2010	P57,409,271	P380,710,001	P8,648,855	P446,768,127
Appropriation during the year (Notes 11, 14 and 23)	69,490,652	(69,490,652)	—	—
Excess of revenue over expenses	—	223,929,327	—	223,929,327
Other comprehensive income (Note 10)	—	—	13,249,780	13,249,780
Total comprehensive income	—	223,929,327	13,249,780	237,179,107
<b>Balance at December 31, 2010</b>	<b>P126,899,923</b>	<b>P535,148,676</b>	<b>P21,898,635</b>	<b>P683,947,234</b>

See accompanying Notes to Financial Statements.



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**  
(A Nonstock, Not-for-Profit Association)

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	<b>₱161,056,862</b>	<b>₱223,929,327</b>
Adjustments for:		
Increase in aggregate reserves (Note 16)	<b>509,618,041</b>	406,600,501
Provision for impairment losses (Note 8)	<b>10,181,653</b>	2,766,175
Depreciation (Note 12)	<b>2,753,822</b>	1,954,697
Fair value gains from financial assets at fair value through profit or loss (Note 9)	<b>(480,000)</b>	—
Equity in net earnings of an associate (Note 13)	<b>(3,340,706)</b>	(1,679,141)
Discount amortization (Note 11)	<b>(18,568,304)</b>	(4,815,921)
Interest income	<b>(76,180,626)</b>	(84,435,678)
Cash generated from operations before changes in working capital	<b>585,040,742</b>	544,319,960
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Pension asset - net	<b>1,663,300</b>	(690,546)
Receivables	<b>7,029,565</b>	21,430,651
Increase in:		
Retirement savings fund	<b>251,555,626</b>	217,143,755
Accounts payable and accrued expenses	<b>41,568,428</b>	5,009,903
Net cash provided by operating activities	<b>886,857,661</b>	787,213,723
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Additional investments in:		
Investment in associates and deposits (Note 13)	<b>(13,900,000)</b>	(1,500,000)
Financial assets at fair value through profit or loss (Note 9)	<b>(20,000,000)</b>	—
AFS financial assets (Note 10)	<b>(162,000,000)</b>	(65,650,392)
Time-deposits	<b>(223,791,703)</b>	(225,391,375)
HTM investments (Note 11)	<b>(1,062,054,737)</b>	(815,196,627)
Loans receivable (Note 8)	—	(30,000,000)
Proceeds from:		
Time-deposits	<b>243,376,712</b>	221,375,412
Maturities of HTM investments (Note 11)	<b>127,627,312</b>	420,189,281
Interest received	<b>40,869,331</b>	46,432,552
Decrease in other assets	<b>(2,819,798)</b>	(2,639,954)
Acquisitions of property and equipment (Note 12)	<b>(21,845,475)</b>	(3,888,319)
Net cash used in investing activities	<b>(1,094,538,358)</b>	(456,269,422)

(Forward)





	<b>Years Ended December 31</b>	
	<b>2011</b>	<b>2010</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(P207,680,697)</b>	<b>P330,944,301</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>432,382,413</b>	<b>101,438,112</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>P224,701,716</b>	<b>P432,382,413</b>

See accompanying Notes to Financial Statements.



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**

**(A Nonstock, Not-for-Profit Association)**

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**NOTES TO FINANCIAL STATEMENTS**

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**1. Corporate Information**

Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. (the Association) was registered with the Securities and Exchange Commission (SEC) as a nonstock, not-for-profit association on October 29, 1999. It was granted a license by the Insurance Commission (IC) on May 22, 2001 to engage as a mutual benefit association that extends benefits and services for the welfare and financial security of its members and their families in the form of death benefits, medical subsidy, pension and loan redemption assistance and ensuring continued access to benefits and resources. The Association actively involves the members in the direct management of the Association including the implementation of policies and procedures geared towards sustainability and improved services.

As a nonstock, not-for-profit and mutual benefit association, the Association was granted tax exemption with respect to income and value-added taxes as provided under the National Internal Revenue Code of 1997 as amended by Republic Act 8424 known as the Comprehensive Tax Reform Program by the Bureau of Internal Revenue.

The registered office address of the Association is located at Colago Avenue, Barangay 1-A, San Pablo City, Laguna.

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**2. Basis of Preparation**

The accompanying financial statements have been prepared on a historical cost basis, except for financial assets at fair value through profit or loss (FVPL) and available-for-sale (AFS) financial assets which have been measured at fair value. The financial statements are presented in Philippine Peso (₱), which is the Association's functional currency. Amounts are rounded to the nearest peso, unless otherwise indicated.

Statement of Compliance

The financial statements of the Association have been prepared for submission to SEC and Bureau of Internal Revenue, have been prepared in compliance with Philippine Financial Reporting Standards (PFRS).

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**3. Changes in Accounting Policies**

The accounting policies adopted are consistent with those of the previous financial year, except for the adoption of new and amended PFRS and Philippine Interpretations from International Financial Reporting Interpretations Committee (IFRIC) that are discussed below. Except as otherwise indicated, the adoption of the new and amended PFRS and Philippine Interpretations did not have any effect on the financial statements of the Association.



- Amendment to Philippine Accounting Standards (PAS) 24, Related Party Disclosures (effective for annual periods beginning on or after January 1, 2011)

This amended Standard clarified the definition of a related party. The new definitions emphasize a symmetrical view of related party relationships and clarify the circumstances in which persons and key management personnel affect related party relationships of an entity.

In addition, the amendment introduces an exemption from the general related party disclosure requirements for transactions with government and entities that are controlled, jointly controlled or significantly influenced by the same government as the reporting entity.

- PAS 32, Financial Instruments: Presentation (Amendment) - Classification of Rights Issues (effective for annual periods beginning on or after February 1, 2010)  
The amendment alters the definition of a financial liability in PAS 32 to enable entities to classify rights issues and certain options or warrants as equity instruments. The amendment is applicable if the rights are given pro rata to all of the existing owners of the same class of an entity's non-derivative equity instruments, to acquire a fixed number of the entity's own equity instruments for a fixed amount in any currency.
- Amendment to Philippine Interpretation IFRIC 14, Prepayments of a Minimum Funding Requirement (effective for annual periods beginning on or after January 1, 2011)  
The amendment removes an unintended consequence when an entity is subject to minimum funding requirements and makes an early payment of contributions to cover such requirements. The amendment permits a prepayment of future service cost by the entity to be recognized as a pension asset.

#### Improvements to PFRSs (issued 2010)

Improvements to PFRSs, an omnibus of amendments to standards, deal primarily with a view to removing inconsistencies and clarifying wording. There are separate transitional provisions for each standard. The adoption of the following amendments resulted in changes to accounting policies but did not have any impact on the financial position or performance of the Association.

- PFRS 3, Business Combinations
- PFRS 7, Financial Instruments - Disclosures
- PAS 1, Presentation of Financial Statements

Other amendments resulting from the 2010 Improvements to PFRS to the following standards did not have any impact on the accounting policies, financial position or performance of the Association:

- PFRS 3, Business Combinations (Contingent consideration arising from business combination prior to adoption of PFRS 3 (as revised in 2008))
- PFRS 3, Business Combinations (Un-replaced and voluntarily replaced share-based payment awards)
- PAS 27, Consolidated and Separate Financial Statements
- PAS 34, Interim Financial Statements





The following interpretation and amendments to interpretations did not have any impact on the accounting policies, financial position or performance of the Association:

- Philippine Interpretation IFRIC 13, Customer Loyalty Programmes
- Philippine Interpretation IFRIC 19, Extinguishing Financial Liabilities with Equity Instruments

#### Future Changes in Accounting Policies

The Association will adopt the following new and amended PFRS and Philippine Interpretations enumerated below when these become effective. Except as otherwise indicated, the following new and amended PFRS and Philippine Interpretations will not have significant impact on the financial statements of the Association:

#### Effective in 2012

- PFRS 7, Financial Instruments: Disclosures (Amendments) - Enhanced Derecognition Disclosure Requirements (effective for annual periods beginning on or after July 1, 2011)  
The amendment requires additional disclosure about financial assets that have been transferred but not derecognized to enable the user of the Association's financial statements to understand the relationship with those assets that have not been derecognized and their associated liabilities. In addition, the amendment requires disclosures about continuing involvement in derecognized assets to enable the user to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets.
- Amendments to PAS 12, Income Taxes - Deferred Tax: Recovery of Underlying Assets (effective for annual periods beginning on or after January 1, 2012)  
The amendment clarified the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that deferred tax on investment property measured using the fair value model in PAS 40 should be determined on the basis that its carrying value amount will be recovered through sale. Furthermore, it introduces the requirement that deferred tax on non-depreciable assets are measured using revaluation model in PAS 16 always be measured on a sale basis of the asset.

#### Effective in 2013

- PFRS 7, Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2013)  
These amendments require an entity to disclose information about rights of set-off and related arrangements (such as collateral agreements). The new disclosures are required for all recognized financial instruments that are set-off in accordance with PAS 32. These disclosures also apply to recognized financial instruments that are subject to an enforceable master netting arrangement or 'similar agreement', irrespective of whether they are set-off in accordance with PAS 32. The amendments require entities to disclose, in a tabular format unless another format is more appropriate, the following minimum quantitative information. This is presented separately for financial assets and financial liabilities recognized at the end of the reporting period:
  - a) The gross amounts of those recognized financial assets and recognized financial liabilities;
  - b) The amounts that are set off in accordance with the criteria in PAS 32 when determining the net amounts presented in the statement of financial position;



- c) The net amounts presented in the statement of financial position;
  - d) The amounts subject to an enforceable master netting arrangement or similar agreement that are not otherwise included in (b) above, including:
    - i. Amounts related to recognized financial instruments that do not meet some or all of the offsetting criteria in PAS 32; and
    - ii. Amounts related to financial collateral (including cash collateral); and
  - e) The net amount after deducting the amounts in (d) from the amounts in (c) above.
- PFRS 10, Consolidated Financial Statements (effective for annual periods beginning on or after January 1, 2013)  
PFRS 10 replaces the portion of PAS 27, Consolidated and Separate Financial Statements that addresses the accounting for consolidated financial statements. It also includes the issues raised in SIC-12, Consolidation - Special Purpose Entities. PFRS 10 establishes a single control model that applies to all entities including special purpose entities. The changes introduced by PFRS 10 will require management to exercise significant judgment to determine which entities are controlled, and therefore, are required to be consolidated by a parent, compared with the requirements that were in PAS 27.
  - PFRS 11, Joint Arrangements (effective for annual periods beginning on or after January 1, 2013)  
PFRS 11 replaces PAS 31, Interests in Joint Ventures and SIC-13, Jointly-controlled Entities - Non-monetary Contributions by Venturers. PFRS 11 removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method.
  - PFRS 12, Disclosures of Involvement with Other Entities (effective for annual periods beginning periods on or after January 1, 2013)  
PFRS 12 includes all of the disclosures that were previously in PAS 27 related to consolidated financial statements, as well as all of the disclosures that were previously included in PAS 31 and PAS 28. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required.
  - PFRS 13, Fair Value Measurement (effective for annual periods beginning on or before January 1, 2013)  
PFRS 13 establishes a single source of guidance under PFRS for all fair value measurements. PFRS 13 does not change when an entity is required to use fair value, but rather provides guidance on how to measure fair value under PFRS when fair value is required or permitted.
  - PAS 1, Financial Statements Presentation - Presentation of Items of Other Comprehensive Income (effective for annual periods beginning on or after July 1, 2012)  
The amendments to PAS 1 change the grouping of items presented in OCI. Items that could be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) would be presented separately from items that will never be reclassified. The amendment affects presentation only and has therefore no impact on the Association's financial position or performance.





- Amendments to PAS 19, Employee Benefits (effective for annual periods beginning on or after January 1, 2013)  
Amendments to PAS 19 range from fundamental changes such as removing the corridor mechanism and the concept of expected returns on plan assets to simple clarifications and re-wording. The Association is currently assessing the impact of the amendment to PAS 19.
- Revised PAS 27, Separate Financial Statements (effective for annual periods beginning on or after January 1, 2013)  
As a consequence of the new PFRS 10, Consolidated Financial Statement and PFRS 12, Disclosure of Interests in Other Entities, what remains of PAS 27 is limited to accounting for subsidiaries, jointly controlled entities, and associates in separate financial statements.
- Revised PAS 28, Investments in Associates and Joint Ventures (effective for annual periods beginning on or after January 1, 2013)  
As a consequence of the new PFRS 11, Joint Arrangements and PFRS 12, PAS 28 has been renamed PAS 28, Investments in Associates and Joint Ventures, and describes the application of the equity method to investments in joint ventures in addition to associates.
- Philippine Interpretation IFRIC 20, Stripping Costs in the Production Phase of a Surface Mine (effective for annual periods beginning on or after January 1, 2013)  
This interpretation applies to waste removal costs that are incurred in surface mining activity during the production phase of the mine ("production stripping costs") and provides guidance on the recognition of production stripping costs as an asset and measurement of the stripping activity asset.

#### Effective in 2014

- PAS 32, Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities (effective for annual periods beginning on or after January 1, 2014)  
These amendments to PAS 32 clarify the meaning of "currently has a legally enforceable right to set-off" and also clarify the application of the PAS 32 offsetting criteria to settlement systems (such as central clearing house systems) which apply gross settlement mechanisms that are not simultaneous.

#### Effective in 2015

- PFRS 9, Financial Instruments: Classification and Measurement (effective for annual periods beginning on or after January 1, 2015)  
PFRS 9 as issued reflects the first phase on the replacement of PAS 39 and applies to classification and measurement of financial assets and financial liabilities as defined in PAS 39. In subsequent phases, hedge accounting and impairment of financial assets will be addressed with the completion of this project expected on the first half of 2012. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Association's financial assets, but will potentially have no impact on classification and measurements of financial liabilities.
- Philippine Interpretation IFRIC 15, Agreements for the Construction of Real Estate  
This interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors which should be





applied retroactively and prospectively. The interpretation requires that revenue on construction of real estate be recognized only upon completion, except when such contract qualifies as construction contract to be accounted for under PAS 11, Construction Contracts, or involves rendering of services in which case revenue is recognized based on stage of completion. Contracts involving provision of services with the construction materials and where the risks and reward of ownership are transferred to the buyer on a continuous basis will also be accounted for based on stage of completion.

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#### 4. Summary of Significant Accounting Policies

##### Use of Judgments Estimates and Assumptions

The preparation of the financial statements in conformity with PFRS requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of relevant facts and circumstances as of the date of the financial statements. Actual results could differ from such estimates. For further information on critical judgments, estimates and assumptions, refer to Note 5.

##### Cash and Cash Equivalents

Cash includes cash on hand and in banks. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of three (3) months or less and that are subject to an insignificant risk of changes in value.

##### Financial Instruments

###### Date of recognition

Financial instruments are recognized in the statement of assets, liabilities and fund balance when the Association becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace are recognized on the settlement date.

###### Initial recognition of financial instruments

Financial instruments are recognized initially at fair value of the consideration given (in the case of an asset) or received (in the case of a liability). Except for financial instruments valued at fair value through profit or loss (FVPL), the initial measurement of financial assets includes transaction costs.

The Association classifies its financial assets in the following categories: HTM investments, loans and receivables and AFS financial assets. The classification depends on the purpose for which the investments were acquired and whether they are quoted in an active market. Management determines the classification of its financial assets at initial recognition and re-evaluates this designation at every reporting date.

###### Determination of fair value

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations (bid price for long positions and ask price for short positions), without any deduction for transaction costs. When current bid and asking prices are not available, the price of the most recent transaction provides evidence of the current fair value as long as there has not been a significant change in economic circumstances since the time of the transaction.



For all other financial instruments not listed in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include net present value techniques, comparison to similar instruments for which market observable prices exist and other relevant revaluation models.

#### Day 1 profit

Where the transaction price in a non-active market is different to the fair value from other observable current market transactions in the same instrument or based on a valuation technique whose variables include only data from observable market, the Association recognizes the difference between the transaction price and fair value (a Day 1 profit) in the statement of revenue and expenses. In cases where use is made of data which is not observable, the difference between the transaction price and model value is only recognized in the statement of income when the inputs become observable or when the instrument is derecognized. For each transaction, the Association determines the appropriate method of recognizing the Day 1 profit amount.

#### Financial assets or financial liabilities at FVPL

This category consists of financial assets or financial liabilities that are held for trading or designated by management as at FVPL on initial recognition. Derivative instruments, except those covered by hedge accounting relationships, are also classified under this category.

Financial assets or financial liabilities at FVPL are recorded in the Association's statement of financial position at fair value, with changes in fair value being recorded under "Fair value gains from financial assets at FVPL" account in the association statement of income.

Financial assets or financial liabilities are classified in this category are designated by management on initial recognition when any of the following criteria are met:

- the designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the assets or liabilities or recognizing gains or losses on a different basis; or
- the assets and liabilities are part of a group of financial assets, financial liabilities or both which are managed and their performance are evaluated on a fair value basis, in accordance with a documented risk management or investment strategy; or
- the financial instrument contains an embedded derivative, unless the embedded derivative does not significantly modify the cash flows or it is clear, with little or no analysis, that it would not be separately recorded.

#### HTM investments

HTM investments are non-derivative financial assets that comprise fixed or determinable income securities of which the Association has the positive intention and ability to hold until maturity. Investments intended to be held for an undefined period are not included in this classification. These investments are initially recognized at cost, being the fair value of the consideration paid for the acquisition of the investment. All transaction costs directly attributable to the acquisition are also included in the cost of the investment. Subsequent to initial recognition, these investments are carried at amortized cost, using the effective interest rate (EIR) method. The cost is computed as the amount initially recognized minus principal repayments, plus or minus the cumulative amortization using the EIR method of any difference between the initially recognized amount and the maturity amount. This calculation includes all fees and points paid or received between parties to the contract that are an integral part of the EIR, transaction costs and all other premiums and





discounts. Gains and losses are recognized in the statement of income when the investments are derecognized or impaired, as well as through the amortization process. These investments represent debt securities where the Association has the positive intent and financial capability to hold to maturity.

#### Receivables

Receivables include non-derivative financial assets with fixed or determinable payments that are not quoted in an active market and for which the association has no intention of trading.

Receivables are carried at amortized cost using the EIR method, reduced by unearned discounts, capitalized interest on restructured loans and allowance for impairment losses. Gains and losses are recognized in the statement of income when the receivables are derecognized or impaired based on comparison with fair value.

#### AFS financial assets

AFS financial assets are those investments which are designated as such or do not qualify to be classified as designated as at FVPL, HTM investments or loans and receivables. They are purchased and held indefinitely, and may be sold in response to liquidity requirements or changes in market conditions. They include equity investments, money market papers and other debt instruments.

After initial measurement, AFS financial assets are subsequently measured at fair value. Interest earned on holding AFS financial assets are reported as interest income using the EIR. The unrealized gains and losses arising from the fair valuation of AFS financial assets are excluded from reported earnings and are reported as "Reserve for fluctuation in value of AFS financial assets" (net of tax, where applicable) in the other comprehensive income in the fund balance section of the Association's statement of financial position. When the security is disposed of, the cumulative gains or losses previously recognized in equity is recognized in the Association's statement of income.

When the fair value of AFS financial assets cannot be measured reliably because of lack of reliable estimates of future cash flows and discount rates necessary to calculate the fair value of unquoted equity instruments, these investments are carried at cost, less any allowance for impairment losses. Dividends earned on holding AFS financial assets are recognized in the Association's statement of income when the right of payment has been established.

The losses arising from impairment of such investments are recognized as "Impairment losses" included under "General and administrative expenses" in the Association's statement of income.

AFS financial assets are non-derivative financial assets that are designated as such or do not qualify to be classified as financial asset at FVPL, HTM investments or loans and receivables. These investments are initially recorded at cost, being the fair value of the consideration paid for the acquisition of the investment, excluding all transaction costs directly attributable to the acquisition. After initial recognition, these investments are measured at fair value. Unrealized gains and losses are reported as a separate component of statement of comprehensive income until the investment is derecognized or the investment is determined to be impaired. On derecognition or impairment, the cumulative gain or loss previously reported in fund balance is transferred to the statement of income.





As of December 31, 2011 and 2010, AFS financial assets include investment in mutual fund companies and equity investment in preferred shares in CARD Bank, Inc., which is not considered as an investment in associate. Investment in mutual fund companies is initially recorded at fair value and revalued at year end in reference to published bid-values. The investment in preferred shares is initially recorded at cost, being the fair value of the investment at the time of acquisition. Such investment is carried at cost due to the unpredictable nature of future cash flows and the lack of other suitable methods of arriving at a reliable fair value.

#### Other financial liabilities

Issued financial instruments or their components, which are not designated at FVPL are classified as other financial liabilities where the substance of the contractual arrangement results in the Association having an obligation either to deliver cash or another financial asset to the holder, or to satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of own equity shares. The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount after deducting from the instrument as a whole the amount separately determined as the fair value of the liability component on the date of issue. After initial measurement, other financial liabilities are subsequently measured at amortized cost using the EIR method. Amortized cost is calculated by taking into account any discount or premium on the issue and fees that are an integral part of the EIR.

This accounting policy applies primarily to the Association's accounts payable and accrued expenses, retirement savings fund and other obligations that meet the above definition (other than liabilities covered by other accounting standards, such as income tax payable and pension liability).

#### Classification of Financial Instruments Between Debt and Equity

A financial instrument is classified as debt if it provides for a contractual obligation to:

- deliver cash or another financial asset to another entity; or
- exchange financial assets or financial liabilities with another entity under conditions that are potentially unfavourable to the Association; or
- satisfy the obligation other than by the exchange of a fixed amount of cash or another financial asset for a fixed number of equity shares.

If the Association does not have an unconditional right to avoid delivering cash or another financial asset to settle its contractual obligation, the obligation meets the definition of a financial liability.

The components of issued financial instruments that contain both liability and equity elements are accounted for separately, with the equity component being assigned the residual amount, after deducting from the instrument as a whole, the amount separately determined as the fair value of the liability component on the date of issue.

#### Derecognition of Financial Assets and Liabilities

##### Financial assets

A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- the rights to receive cash flows from the asset have expired;
- the Association retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass through'



- arrangement; or
- the Association has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Where the Association has transferred its rights to receive cash flows from an asset and has neither transferred nor retained substantially all the risk and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Association's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the carrying amount of the asset and the maximum amount of consideration that the Association could be required to repay.

#### Financial liabilities

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expired. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in the Association's statement of income.

#### Impairment of Financial Assets

An assessment is made at each reporting date as to whether there is objective evidence that a specific financial asset may be impaired. If such evidence exists, any impairment loss is recognized in the statement of income.

#### Assets carried at amortized cost

If there is objective evidence that an impairment loss on financial assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original EIR (i.e., the EIR computed at initial recognition). The carrying amount of the asset shall be reduced through use of an allowance account. The amount of the loss shall be recognized in the statement of income.

The Association first assesses whether objective evidence of impairment exists individually for financial assets that are individually significant, and individually or collectively for financial assets that are not individually significant. If it is determined that no objective evidence of impairment exists for an individually assessed financial asset, whether significant or not, the asset is included in a group of financial assets with similar credit risk characteristics and that group of financial assets is collectively assessed for impairment. Assets that are individually assessed for impairment and for which an impairment loss is or continues to be recognized are not included in a collective assessment of impairment.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed. Any subsequent reversal of an impairment loss is recognized in the statement of income, to the extent that the carrying value of the asset does not exceed its amortized cost at the reversal date.





#### Assets carried at cost

If there is objective evidence that an impairment loss on an unquoted equity instrument that is not carried at fair value because its fair value cannot be reliably measured, or on a derivative asset that is linked to and must be settled by delivery of such an unquoted equity instrument has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the current market rate of return for a similar financial asset.

#### AFS financial assets

If an AFS financial assets is impaired, an amount comprising the difference between its cost (net of any principal payment and amortization) and its current fair value, less any impairment loss previously recognized in the statement of income, is transferred from equity to the statement of income. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in the statement of income. Reversals of impairment losses on debt instruments are reversed through the statement of income if the increase in fair value of the instrument can be objectively related to an event occurring after the impairment loss was recognized in the statement of income.

#### Offsetting of Financial Instruments

Financial assets and financial liabilities are offset and the net amount is reported in the statement of assets, liabilities and fund balance if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

#### Deferred Acquisition Costs (DAC)

Commissions and other acquisition costs incurred during the financial period that vary with and are related to securing new healthcare plan contracts and/or renewing of existing healthcare plan contracts, but which relate to subsequent financial periods, are deferred to the extent that they are recoverable out of future revenue margins. All other costs are recognized as expense when incurred.

Subsequent to initial recognition, these costs are amortized on a straight-line basis over the life of the contract. Amortization is charged to the statement of income. The unamortized acquisition costs are shown as DAC in the Assets Section of the statement of revenue of assets, liabilities and fund balance.

An impairment review is performed at each reporting date or more frequently when an indication of impairment occurs. The carrying value is written down to recoverable amount. The impairment loss is charged to the statement of income.

#### Investment in Associate and Deposits

Investments in CARD MRI Information Technology, Inc. (CMIT) and BotiCARD, Inc., associates, are accounted for under the equity method of accounting. An associate is an entity in which the Association has significant influence and which is neither a subsidiary nor a joint venture. Under the equity method, the investment in associate is carried in the statement of financial position at cost plus post-acquisition changes in the Association's share in the net assets of the investee. The statement of income reflects the Association's share of the results of the operations of the investee. Unrealized gains arising from intercompany transactions are eliminated to the extent of the Association's interest therein. Unrealized losses are eliminated similarly but only to the extent that there is no evidence of impairment of the asset transferred. Dividends received are treated as a reduction in the carrying value of the investment.





### Property and Equipment

Property and equipment, except for land, is stated at cost less accumulated depreciation and any impairment in value. Land is carried at cost less any impairment in value. The initial cost of property and equipment comprises its purchase price, including taxes and directly attributable cost to bring the asset to its working condition and location for its intended use. Expenditures incurred after the fixed assets have been put into operation, such as repairs and maintenance are normally charged to income in the period in which the costs are incurred. In situations where it can be clearly demonstrated that the expenditures have resulted in an increase in the future economic benefits expected to be obtained from the use of an item of property and equipment beyond its originally assessed standard of performance, the expenditures are capitalized as an additional cost of property and equipment.

Depreciation is computed using the straight-line method over the estimated useful lives (EUL) of the assets as follows:

	Years
Building	10-15
Transportation equipment	5
Computer and office equipment	3
Office furniture and fixtures	3

Fully depreciated assets are retained in the accounts until they are no longer in use and no further charge for depreciation is made with respect to these assets.

The useful life and the depreciation method are reviewed periodically to ensure that the period and the method of depreciation are consistent with the expected pattern of economic benefits from items of property and equipment.

The carrying values of the property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying values may not be recoverable. If any such indication exists and where the carrying values exceed the estimated recoverable amounts, an impairment loss is recognized in the statement of revenue and expenses.

### Impairment of Nonfinancial Assets

At each reporting date, the Association assesses whether there is any indication that its non-financial assets may be impaired. When an indicator of impairment exists or when an annual impairment testing for an asset is required, the Association makes a formal estimate of recoverable amount. Recoverable amount is the higher of an asset's (or cash-generating unit's (CGU)) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets, in which case the recoverable amount is assessed as part of the CGU to which it belongs. Where the carrying amount of an asset (or CGU) exceeds its recoverable amount, the asset (or CGU) is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset (or CGU).

An impairment loss is charged to operations in the year in which it arises, unless the asset is carried at a revalued amount, in which case the impairment loss is charged to the revaluation increment of the said asset.



For nonfinancial assets, excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount since the last impairment loss was recognized. If that is the case, the carrying amount of the asset is increased to its recoverable amount. The increased amount cannot exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of income unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase. After such a reversal, the depreciation expense is adjusted in future years to allocate the asset's revised carrying amount, less any residual value, on a systematic basis over its remaining useful life.

#### Fund Balance

Fund balance represents accumulated excess of revenue over expenses.

#### Revenue Recognition

The Association assesses its revenue arrangements against specific criteria in order to determine if it is acting as principal or agent. The Association has concluded that it is acting as principal and agent in its revenue agreements. The following specific recognition criteria must also be met before revenue is recognized:

##### Premiums revenue

Premiums are recognized as earned when due. When premiums are recognized, actuarial liabilities are computed, with the result that benefits and expenses are matched with such revenue.

##### Contribution income - AKAP

Contribution income - AKAP from healthcare agreements, which is one (1) year period and where the Association assumes the risk of funding the member's healthcare services and related administrative costs, are recognized as revenue over the period of agreement.

##### Interest income

Interest on interest-bearing placements and securities are recognized based on the accrual accounting using the EIR method.

#### Insurance Contract Liabilities

##### Life insurance contract liabilities

Life insurance liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for life insurance contracts is calculated on the basis of a prudent prospective actuarial valuation method where the assumptions used depend on the circumstances prevailing in each life operation.

##### Liability adequacy test

Liability adequacy tests are performed annually to ensure the adequacy of the insurance contract liabilities. In performing these tests, current best estimates of future contractual cash flows, claims handling and policy administration expenses are used. Any deficiency is immediately charged against the statement of income initially by establishing a provision for losses arising from the liability adequacy tests.

#### Claim Costs

Liabilities for unpaid claim costs and loss adjustment expenses relating to insurance contracts are accrued when insured events occur. The liabilities for unpaid claims, including those for incurred but not reported losses, are based on the estimated ultimate cost of settling the claims. The





method of determining such estimates and establishing reserves are continually reviewed and updated. Changes in estimates of claim costs resulting from the continuous review process and differences between estimates and payments for claims are recognized as income or expense in the period when the estimates are changed or payments are made.

#### Operating Expenses

Operating expenses constitute cost of administering the business. These expenses are recognized as expense when incurred.

#### AKAP Healthcare Benefits

AKAP healthcare benefits and claims include all claims incurred, including estimates of medical care services that have been rendered on behalf of the members but for which claims have either not yet been received or processed, and for liabilities for physician, hospital and other medical cost disputes.

#### Retirement Cost

The Association is covered by a noncontributory defined benefit retirement plan.

The Association's retirement cost is determined using the projected unit credit (PUC) method. Under this method, the current service cost is the present value of retirement benefits payable in the future with respect to services rendered in the current period. The asset recognized in the statement of assets, liabilities and fund balance, in respect of defined benefit pension plan, is the fair value of the plan assets at the reporting date less the present value of defined benefit obligation, together with adjustments for unrecognized actuarial gains or losses and past service costs. The defined benefit obligation is calculated annually by an independent actuary using the PUC method. The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows using interest rate on government bonds that have terms to maturity approximating the terms of the related retirement liability or applying a single weighted average discount rate that reflects the estimated timing and amounts of benefit payments. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are charged to or credited against income when the net cumulative unrecognized actuarial gains and losses at the end of the previous period exceeded the greater of the 10.00% of defined benefit obligation or the 10.00% of the fair value of plan assets at that date. These gains or losses are recognized over the expected average remaining working lives of the employees participating in the plan.

Past service cost is the present value of any units of future benefits credited to employees for services in periods prior to the commencement or subsequent amendment of the plan. This is recognized immediately in income, unless the changes to the pension plan are conditional on the employees remaining in service for a specified period of time (the vesting period). In this case, past service costs are amortized on a straight-line basis over the vesting period.

#### Leases

The determination of whether an arrangement is, or contains a lease, is based on the substance of the arrangement at inception date, and requires an assessment of whether the fulfillment of the arrangement is dependent on the use of a specific assets and the arrangement conveys a right to use the asset. A reassessment is made after inception of the lease only if one of the following applies:

- a) there is a change in contractual terms, other than a renewal or extension of the arrangement;
  - b) a renewal option is exercised or an extension granted, unless that term of the renewal or extension was initially included in the lease term;
  - c) there is a change in the determination of whether fulfillment is dependent on a specified asset;
- or





- d) there is a substantial change to the asset.

Where a reassessment is made, lease accounting shall commence or cease from the date when the change in circumstances gave rise to the reassessment for any of the scenarios above, and at the renewal or extension period for the second scenario.

#### Company as lessee

Leases where the lessor retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Operating lease payments are recognized as an expense in the statement of income on a straight-line basis over the lease term. Indirect costs incurred in negotiating an operating lease are added to the carrying value of the leased asset and recognized over the lease term on the same basis as the lease income. Minimum lease payments are recognized on a straight-line basis while the variable rent is recognized as an expense based on the terms of the lease contract.

#### Provisions

Provisions are recognized when an obligation (legal or constructive) is incurred as a result of a past event and where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessment of the time value of money and, where appropriate, the risks specific to the liability. Where discounting is used, the increase in the provision due to the passage of time is recognized as an interest expense.

#### Contingent Liabilities and Contingent Assets

Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

#### Events After the Reporting Date

Post-year-end events that provide additional information about the Association's position at reporting date (adjusting events) are reflected in the financial statements. Post year-end events that are not adjusting events are disclosed in the notes to the financial statements when material.

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### 5. Significant Accounting Judgments, Estimates and Assumptions

The preparation of the financial statements in accordance with PFRS requires the Association to make estimates and assumptions that affect the reported amounts of assets, liabilities, income and expenses and disclosure of contingent assets and contingent liabilities. Future events may occur which will cause the assumptions used in arriving at the estimates to change. The effects of any change in estimates are reflected in the financial statements as they become reasonably determinable.

Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.



## Judgments

### Product classification

The Association has determined that the insurance policies it issues have significant insurance risk and therefore meet the definition of an insurance contract and should be accounted for as such.

### Classification of HTM investments

The Association classifies non-derivative financial assets with fixed or determinable payments and fixed maturity as HTM investments. This classification requires significant judgment. In making this judgment, the Association evaluates its intention and ability to hold such investments to maturity. If the Association fails to keep these investments to maturity other than in certain specific circumstances, the Association will be required to reclassify the entire portfolio as AFS financial assets and to measure these at fair value and not at amortized cost. The Association has HTM investments amounting to ₱2,686.09 million and ₱1,777.19 million as of December 31, 2011 and 2010, respectively (Note 11). As of December 31, 2011 and 2010, the fair market value of HTM investments amounted to ₱2,880.25 million and ₱1,960.18 million, respectively (Note 11).

### Classification of financial assets not quoted in an active market

The Association classifies financial assets by evaluating, among others, whether the asset is quoted or not in an active market. Included in the evaluation on whether a financial asset is quoted in an active market is the determination on whether quoted prices are readily and regularly available, and whether those prices represent actual and regularly occurring market transactions on an arm's length basis. The carrying values of AFS financial assets not quoted in an active market amounted to ₱127.50 million and ₱67.50 million as of December 31, 2011 and 2010, respectively (Note 10).

### Fair value of financial instruments

The Association carries certain financial assets at fair value, which requires extensive use of accounting estimates and judgments. Fair value determinations for financial assets and liabilities are based generally on listed or quoted market prices. If prices are not readily determinable or if liquidating the positions is reasonably expected to affect market prices, fair value is based on either internal valuation models or management's estimate of amounts that could be realized under current market conditions, assuming an orderly liquidation over a reasonable period of time.

While significant components of fair value were determined using verifiable objective evidence (i.e., foreign exchange rates, interest rates, volatility rates), the amount of changes in fair value of these financial assets and liabilities would affect profit and loss and equity. The following are the details of financial instruments carried at fair value:

	2011	2010
<b>Financial assets</b>		
Financial assets at FVPL (Note 9)	<b>₱20,480,000</b>	<b>₱—</b>
AFS financial assets (Note 10)	<b>330,449,702</b>	153,787,804

The fair values of the Association's financial instruments follow (Note 21):

	2011	2010
Financial assets	<b>₱3,785,976,389</b>	₱2,831,784,692
Financial liabilities	<b>71,424,922</b>	29,856,494





#### Allocation of interest income for retirement savings fund

Actual interest income earned from investments on life insurance premiums, loan redemption and retirement savings fund account is initially distributed based on a 25:25:50 ratio. The interest income allocated to the retirement savings fund is adjusted at year end to conform with the amount as determined by the actuary.

#### Estimates

##### Impairment of nonfinancial assets

The Association assesses impairment on assets whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. The factors that the association considers important which could trigger an impairment review include the following:

- significant underperformance relative to expected historical or projected future operating results;
- significant changes in the manner of use of the acquired assets or the strategy for overall business; and
- significant negative industry or economic trends.

The Association recognizes an impairment loss whenever the carrying amount of the asset exceeds its recoverable amount. Recoverable amounts are estimated for individual assets or, if it is not possible, for the CGU to which the asset belongs.

For the years ended December 31, 2011 and 2010, no impairment loss has been recognized for the Association's property and equipment.

The related balances of the Association's nonfinancial assets follow (Note 12):

	2011	2010
Property and equipment	<b>₱30,755,853</b>	₱11,664,200
Accumulated depreciation	<b>8,245,568</b>	7,285,406
Depreciation	<b>2,753,822</b>	1,954,697

##### Impairment losses of receivables

The Association reviews its receivables to assess impairment annually. In determining whether an impairment loss should be recorded in the statement of revenue and expenses, the Association makes judgments as to whether there is any observable data indicating that there is a measurable decrease in the estimated future cash flows from a portfolio of loans before the decrease can be identified with an individual loan in that portfolio. Total receivables net of allowance for impairment losses amounted to ₱106.66 million and ₱88.56 million as of December 31, 2011 and 2010, respectively (Note 8). Allowance for impairment losses amounted to ₱3.49 million ₱6.01 million as of December 31, 2011 and 2010, respectively (Note 8).

##### Impairment of AFS financial assets

The Association determines that AFS financial assets are impaired when there has been a significant or prolonged decline in the fair value below its cost. This determination of what is significant or prolonged requires judgment. In making this judgment, the Association evaluates among other factors, the normal volatility in price. In addition, impairment may be appropriate when there is evidence of deterioration in the financial health of the investee, industry and sector performance, changes in technology, and operational and financing cash flows. As of December 31, 2011 and 2010, the fair market value of AFS financial assets amounted to ₱330.45 million ₱153.79 million, respectively (Note 10).





#### Retirement and other employee benefits

The determination of the obligation and cost of retirement and other employee benefits is dependent on the selection of certain assumptions used by actuaries in calculating such amounts. Those assumptions include, among others, discount rates, expected return on plan assets and salary increase rates. In accordance with PFRS, actual results that differ from the Association's assumptions, subject to the 10.00% corridor test, are accumulated and amortized over future periods and therefore, generally affect the recognized expense and recorded obligation in such future periods.

While the Association believes that the assumptions are reasonable and appropriate, significant differences between actual experiences and assumptions may materially affect the cost of employee benefits and related obligations.

As of December 31, 2011 and 2010, the Association has unrecognized net actuarial losses amounting to ₱15.12 million ₱5.30 million, respectively (Note 20).

#### Provision for reserves

The estimation of ultimate liability arising from claims made under life insurance contracts is the Association's most critical accounting estimate. There are several sources of uncertainty that need to be considered in the estimate of the liability that the Association will ultimately pay for such claims. Previous experience and trends are fundamentally considered in determining the liability. In determining the provision for reserves, estimates are made as to the expected number of deaths, illness or injury for each of the years in which the Association is exposed to risk. These estimates are based on standard industry and national mortality and morbidity tables. The estimated number of deaths, illness or injury determines the value of possible future benefits to be paid out, which will be factored into ensuring sufficient cover by reserves, which in return is monitored against current and future premiums. Estimates are also made to future investment income arising from the assets backing life insurance contracts. These estimates are based on weighted average rate of return arising from the assets backing life insurance contracts. Refer to Note 21 for the key assumptions used in the estimation of provision for reserves.

#### Contingencies

Contingent liabilities are not recognized in the financial statements. These are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefit is probable.

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## 6. Cash and Cash Equivalents

This account consists:

	2011	2010
Cash on hand and in banks	<b>₱42,671,841</b>	₱71,580,370
Time deposits	<b>182,029,875</b>	360,802,043
	<b>₱224,701,716</b>	₱432,382,413

Cash in banks earns interest at the prevailing bank deposit rates. Short-term deposits are made for varying periods of between one (1) day and three (3) months depending on the immediate cash requirements of the Association and earn interest at the prevailing short-term deposit rates.



Cash in bank earns interest ranging from 1.00% to 3.00% in 2011 and 2010. Time deposits earn interest ranging from 2.75% to 4.00% and 3.00% to 4.50% in 2011 and 2010, respectively.

Interest income earned from savings account and time deposits follow:

	2011	2010
Cash in banks	<b>P548,495</b>	P557,635
Time deposits (Note 7)		
Short-term	<b>6,407,840</b>	3,179,677
Long-term	<b>9,908,742</b>	44,107,586
	<b>P16,865,077</b>	P47,844,898

## 7. Time Deposits

This account consists of:

	2011	2010
Short-term investments	<b>P456,441</b>	P449,202
Long-term investments	<b>86,169,317</b>	105,761,565
	<b>P86,625,758</b>	P106,210,767

Short-term time deposits bear annual interest at rates ranging from 1.00% to 4.00% in 2011 and 1.00% to 4.50% in 2010. The long-term deposits bear annual interest at rates ranging from 4.00% to 6.00% in 2011 and 2010. Interest income from time deposits amounted P16.32 million and P47.29 million in 2011 and 2010, respectively (Note 6).

## 8. Receivables

This account consists of:

	2011	2010
Accrued interest receivable	<b>P35,311,295</b>	P29,960,055
Accounts receivables (Note 19)	<b>33,184,402</b>	30,379,988
Loans receivable (Note 19)	<b>30,000,000</b>	30,000,000
Other receivables	<b>11,648,677</b>	4,223,170
	<b>110,144,374</b>	94,563,213
Less allowance for impairment losses	<b>3,488,405</b>	6,007,321
	<b>P106,655,969</b>	P88,555,892

The following is a reconciliation of the changes in allowance for impairment losses:

	2011	2010
At January 1	<b>P6,007,321</b>	P3,241,146
Provision for impairment losses	<b>10,181,653</b>	2,766,175
Amounts written off	<b>(12,700,569)</b>	—
<b>At December 31</b>	<b>P3,488,405</b>	P6,007,321





Accrued interest receivable pertains mainly to interest accrued arising from cash and cash equivalents, long-term investments, long-term notes, investments in government securities, corporate bonds and notes.

Accounts receivables are generally on 1-30 day terms. Receivables from related parties represent premiums collected by related parties from the Association's members (Note 19).

In 2010, the Association loaned ₱30.00 million to its associate, CARD MRI Information Technology, Inc. (CMIT), to finance CMIT's working capital requirements in its first year of operation. The loan earns interest of 6.00% per annum with various maturities until December 31, 2016.

Other receivables consist of billings for the cost of the Association's materials and other brochures, cash advances of officers and employees, commissions and claims paid for in behalf of the insurance agency.

As of December 31, 2011 and 2010, allowance for impairment losses for receivables determined on a specific basis follows:

	<b>Other Receivables</b>	<b>Accounts Receivables</b>	<b>Total</b>
At January 1, 2010	₱-	₱3,241,146	₱3,241,146
Provision for impairment losses	588,251	2,177,924	2,766,175
At December 31, 2010	<b>588,251</b>	<b>5,419,070</b>	<b>6,007,321</b>
Provision for impairment losses	<b>3,393,240</b>	<b>6,788,413</b>	<b>10,181,653</b>
Amounts written off	<b>(649,516)</b>	<b>(12,051,053)</b>	<b>(12,700,569)</b>
<b>At December 31, 2011</b>	<b>₱3,331,975</b>	<b>₱156,430</b>	<b>₱3,488,405</b>

## 9. Financial Assets at FVPL

As of December 31, 2011, financial assets at FVPL consist of private equity securities. The rollforward of these investments follows:

Acquisition cost	₱20,000,000
Fair value gain from FVPL financial assets	480,000
	<b>₱20,480,000</b>

## 10. Available-for-Sale Financial Assets

This account consists of:

	<b>2011</b>	<b>2010</b>
Unquoted equity securities - at cost		
Investment in preferred shares	<b>₱127,500,000</b>	₱67,500,000
Investments in mutual fund - at market	<b>202,949,702</b>	86,287,804
	<b>₱330,449,702</b>	<b>₱153,787,804</b>





The carrying values of AFS financial assets have been determined as follows:

	<b>Unquoted Equity Securities</b>	<b>Investments in Mutual Fund</b>	<b>Total</b>
At January 1, 2010	₱47,500,000	₱27,387,632	₱74,887,632
Placements	20,000,000	45,650,392	65,650,392
Fair value gains	—	13,249,780	13,249,780
At December 31, 2010	<b>67,500,000</b>	<b>86,287,804</b>	<b>153,787,804</b>
Placements	<b>60,000,000</b>	<b>102,000,000</b>	<b>162,000,000</b>
Fair value gains	—	<b>14,661,898</b>	<b>14,661,898</b>
<b>At December 31, 2011</b>	<b>₱127,500,000</b>	<b>₱202,949,702</b>	<b>₱330,449,702</b>

The Association purchased additional 300,000 and 100,000 preferred shares of CARD Bank, Inc., an affiliated Microfinance-Oriented Rural Bank, in 2011 and 2010, amounting ₱60.00 million and ₱20.00 million, respectively. The Association owns 600,000 and 300,000 preferred shares of CARD Bank, Inc., as of December 31, 2011 and 2010, respectively.

The reserve for fluctuation in value of the investments in mutual funds amounted to ₱36.56 million and ₱21.90 million in 2011 and 2010, respectively. This is presented as “Other comprehensive income” in the statements of financial position.

The rollforward of the reserve for fluctuation in value of AFS financial assets follows:

	<b>2011</b>	<b>2010</b>
Beginning balance	<b>₱21,898,635</b>	₱8,648,855
Other comprehensive income		
Changes in fair value of AFS financial assets	<b>14,661,898</b>	13,249,780
	<b>₱36,560,533</b>	₱21,898,635

## 11. Held-to-Maturity Investments

In 2011 and 2010, HTM investments include government securities reclassified to guaranty fund and other assets which amounted to ₱127.49 million and ₱83.39 million (Notes 14 and 23). These investments are deposited with the IC, in accordance with the provisions of the Insurance Code, as security for the benefit of policyholders and creditors of the Association.

As of December 31, 2011 and 2010, the carrying amounts and fair values of these securities follow:

	<b>2011</b>		<b>2010</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
Fixed treasury notes	<b>₱1,554,367,699</b>	<b>₱1,631,565,995</b>	₱962,471,561	₱1,027,736,656
Retail treasury bonds	<b>526,311,190</b>	<b>561,893,156</b>	290,463,355	313,018,277
Government bonds	<b>393,988,308</b>	<b>440,389,869</b>	369,757,858	431,847,811
Corporate bonds	<b>211,425,410</b>	<b>246,400,216</b>	154,500,000	187,577,324
	<b>₱2,686,092,607</b>	<b>₱2,880,249,236</b>	<b>₱1,777,192,774</b>	<b>₱1,960,180,068</b>

These investments bear annual interest rates ranging from 3.75% to 9.33% in 2011 and 3.60% to 12.00% in 2010 and will mature between one (1) and ten (10) years from the statements of financial position. Interest income from these investments amounted ₱77.65 million and ₱41.41 million in 2011 and 2010, respectively.



The carrying value of HTM investments follows:

	2011	2010
At January 1	<b>₱1,777,192,774</b>	₱1,403,351,659
Additions	<b>1,062,054,737</b>	815,196,627
Amortization of bond discount	<b>18,568,304</b>	4,815,921
Reclassification to guaranty fund (Note 14)	<b>(44,095,896)</b>	(25,982,152)
Maturities	<b>(127,627,312)</b>	(420,189,281)
<b>At December 31</b>	<b>₱2,686,092,607</b>	₱1,777,192,774

## 12. Property and Equipment

The composition and movements in this account follow:

### 2011

	At January 1	Additions /Depreciation	Reclassifications /Disposals	At December 31
<b>At Cost</b>				
Land	<b>₱2,101,835</b>	<b>₱13,532,930</b>	<b>₱-</b>	<b>₱15,634,765</b>
Transportation Equipment	<b>5,486,396</b>	<b>86,000</b>	<b>(1,758,164)</b>	<b>3,814,232</b>
Computer and Office Equipment	<b>10,802,475</b>	<b>3,119,796</b>	<b>(1,964)</b>	<b>13,920,307</b>
Office Furniture and Fixtures	<b>558,900</b>	<b>114,222</b>	<b>(33,532)</b>	<b>639,590</b>
Building	<b>-</b>	<b>4,992,527</b>	<b>-</b>	<b>4,992,527</b>
<b>Total</b>	<b>18,949,606</b>	<b>21,845,475</b>	<b>(1,793,660)</b>	<b>39,001,421</b>
<b>Accumulated Depreciation</b>				
Transportation Equipment	<b>2,609,313</b>	<b>961,194</b>	<b>(1,758,164)</b>	<b>1,812,343</b>
Computer and Office Equipment	<b>4,407,379</b>	<b>1,671,044</b>	<b>(1,964)</b>	<b>6,076,459</b>
Office Furniture and Fixtures	<b>268,714</b>	<b>121,584</b>	<b>(33,532)</b>	<b>356,766</b>
<b>Total</b>	<b>7,285,406</b>	<b>2,753,822</b>	<b>(1,793,660)</b>	<b>8,245,568</b>
<b>Net Book Value</b>	<b>₱11,664,200</b>	<b>₱19,091,653</b>	<b>₱-</b>	<b>₱30,755,853</b>

### 2010

	At January 1	Additions /Depreciation	Reclassifications /Disposals	At December 31
<b>At Cost</b>				
Land	<b>₱2,000,000</b>	<b>₱101,835</b>	<b>₱-</b>	<b>₱2,101,835</b>
Transportation Equipment	<b>3,902,265</b>	<b>1,584,131</b>	<b>-</b>	<b>5,486,396</b>
Computer and Office Equipment	<b>8,890,453</b>	<b>1,912,022</b>	<b>-</b>	<b>10,802,475</b>
Office Furniture and Fixtures	<b>268,569</b>	<b>290,331</b>	<b>-</b>	<b>558,900</b>
<b>Total</b>	<b>15,061,287</b>	<b>3,888,319</b>	<b>-</b>	<b>18,949,606</b>
<b>Accumulated Depreciation</b>				
Transportation Equipment	<b>1,862,658</b>	<b>746,655</b>	<b>-</b>	<b>2,609,313</b>
Computer and Office Equipment	<b>3,288,691</b>	<b>1,118,688</b>	<b>-</b>	<b>4,407,379</b>
Office Furniture and Fixtures	<b>179,360</b>	<b>89,354</b>	<b>-</b>	<b>268,714</b>
<b>Total</b>	<b>5,330,709</b>	<b>1,954,697</b>	<b>-</b>	<b>7,285,406</b>
<b>Net Book Value</b>	<b>₱9,730,578</b>	<b>₱1,933,622</b>	<b>₱-</b>	<b>₱11,664,200</b>



### 13. Investment in Associates and Deposits

Details of the Association's investments in associates follow:

	2011	2010
CMIT	<b>₱16,472,026</b>	₱3,179,141
BotiCARD	<b>3,947,821</b>	—
	<b>₱20,419,847</b>	<b>₱3,179,141</b>

The details of CMIT investment follow:

	2011	2010
Acquisition cost		
At January 1	<b>₱1,500,000</b>	₱—
Placements	<b>10,000,000</b>	1,500,000
At December 31	<b>11,500,000</b>	1,500,000
Accumulated equity in net earnings:		
At January 1	<b>1,679,141</b>	—
Equity in net earnings	<b>3,292,885</b>	1,679,141
At December 31	<b>4,972,026</b>	1,679,141
	<b>₱16,472,026</b>	<b>₱3,179,141</b>

In 2011, the Association advanced ₱10.00 million to CMIT representing deposits for future stock subscription for the associate's 100,000 common shares at ₱100 par value, pending SEC approval.

In 2010, the Association purchased 15,000 common shares of CMIT amounting ₱10.00 million representing 30% ownership.

The undistributed accumulated equity in CMIT's net earnings of ₱4.97 million and ₱1.70 million as of December 31, 2011 and 2010, respectively, which were included in the Association's unappropriated fund balance, are not available for dividend declaration until these are actually received.

In 2011 the Association also purchased 780,000 common shares of BotiCARD Inc. representing 39% ownership amounting ₱3.90 million.

The details of the BotiCARD investment as of December 31, 2011 follow:

Acquisition cost	₱3,900,000
Equity in net earnings	47,821
	<b>₱3,947,821</b>

The undistributed accumulated equity in BotiCARD's net earnings of ₱0.05 million as of December 31, 2011, which were included in the Association's unappropriated fund balance, are not available for dividend declaration until these are actually received.





Financial information of Association's associates follow:

	2011	2010
<b>CMIT</b>		
Total assets	<b>₱134,158,799</b>	₱72,492,856
Total liabilities	<b>87,609,204</b>	61,895,720
Net income	<b>10,976,284</b>	5,597,136
<b>BotiCARD</b>		
Total assets	<b>7,986,710</b>	—
Total liabilities	<b>2,326,093</b>	—
Net income	<b>122,617</b>	—

#### 14. Guaranty Fund and Other Assets

This account consists of:

	2011	2010
Guaranty fund (Note 23)	<b>₱127,487,319</b>	₱83,391,423
Refundable deposit	<b>4,300,000</b>	1,800,000
Deferred acquisition cost	<b>818,452</b>	698,568
Miscellaneous assets	<b>3,579,870</b>	3,379,956
	<b>₱136,185,641</b>	₱89,269,947

The guaranty fund was created under Section 392 of the Insurance Code of the Philippines, as amended under Presidential Decree No. 1455, to be used for any valid benefit claim of any of its members. These investments are government securities deposited with the IC, in accordance with the provisions of the Insurance Code, as security for the benefit of policyholders and creditors of the Association. The guaranty fund earns annual interest rates ranging from 6.87% to 12.00% in 2011 and 2010.

The rollforward analysis of guaranty fund follows:

	2011	2010
At January 1	<b>₱83,391,423</b>	₱57,409,271
Appropriation for guaranty fund (Notes 11 and 23)	<b>44,095,896</b>	25,982,152
At December 31	<b>₱127,487,319</b>	₱83,391,423

#### 15. Accounts Payable and Accrued Expenses

The movement in this account follows:

	2011	2010
Collection fee payable (Note 19)	<b>₱18,930,163</b>	₱10,286,144
Accrued expenses	<b>16,974,285</b>	5,544,159
Accounts payable - CAMIA (Note 19)	<b>14,387,864</b>	4,278,429
Claims payable	<b>11,365,401</b>	3,167,185
Unearned contribution income - AKAP	<b>6,220,273</b>	5,377,110
Held in trust - CAMIA (Note 19)	<b>3,498,282</b>	1,132,615
Others	<b>48,654</b>	70,852
	<b>₱71,424,922</b>	₱29,856,494



Collection fee payable are non-interest bearing and are generally on a 1-30 days payment terms.

Accrued expenses pertain to accruals for employee benefits, professional and legal fees, utilities and supplies.

Accounts payable and held in trust CAMIA represents premiums collected from policyholders in behalf of CAMIA.

Unearned contribution income - AKAP represents proportion of written premiums, gross of commissions payable, that are attributable to subsequent periods.

## 16. Aggregate Reserves

The movement in this account follows:

	2011	2010
At January 1:		
Life insurance	<b>₱1,166,662,766</b>	₱774,876,374
Loan redemption	<b>72,557,224</b>	57,743,115
	<b>1,239,219,990</b>	832,619,489
Provisions:		
Life insurance	<b>482,819,594</b>	391,786,392
Loan redemption	<b>26,798,447</b>	14,814,109
	<b>509,618,041</b>	406,600,501
At December 31:		
Life insurance	<b>1,649,482,360</b>	1,166,662,766
Loan redemption	<b>99,355,671</b>	72,557,224
	<b>₱1,748,838,031</b>	₱1,239,219,990

This account represents provisions for reserve liabilities for life insurance and loan redemption insurance computed on the basis of a prudent prospective actuarial valuation method where the assumptions used depend on the circumstances prevailing in each life operation.

Under the Association's life insurance program, members and its qualified dependents are entitled to receive a minimum amount of benefit upon death or permanent disability duly approved by the Association after meeting certain conditions as stated in the certificate of membership issued to members. A member who withdraws membership from the Association shall be entitled to 50.00% of the life insurance contribution less any benefits already paid, provided the member has been an active member for three (3) consecutive years. Reserve liabilities are set up for any future claims.

The loan redemption insurance covers the outstanding loan balance of members from CARD Bank and Center for Agriculture and Rural Development (CARD) Inc. in case of death of a member-borrower. The Association also records provision for reserve liabilities on loan redemption insurance. As of December 31, 2011 and 2010, loans covered by the Association's loan redemption insurance amounted to ₱22,365.26 million and ₱15,492.65 million, respectively.





In addition, the risk-based capital ratio of a bank, expressed as a percentage of qualifying capital to risk-weighted assets, should not be less than 10.0% for both solo basis (head office and branches) and consolidated basis (bank and subsidiaries engaged in financial allied undertakings but excluding insurance companies). Qualifying capital and risk-weighted assets are computed based on BSP regulations. Risk-weighted assets consist of total assets less cash on hand, due from BSP, loans covered by hold-out on or assignment of deposits, loans or acceptances under letters of credit to the extent covered by margin deposits and other non-risk items determined by the Monetary Board of the BSP.

Under BSP Circular No. 360, effective July 1, 2003, the capital-to-risk assets ratio (CAR) is to be inclusive of a market risk charge. BSP Circular No. 709, effective January 1, 2011, revised the definition of qualifying capital instruments with respect to Hybrid Tier 1 and Lower Tier 2, and specified that no new issuances of capital instruments shall be included in Upper Tier 2 Capital.

As at December 31, 2011 and 2010, the Bank's CAR is in compliance with the regulatory requirement. The CAR of the Bank as reported to the BSP as at December 31, 2011 and 2010 are shown in the table below.

	2011	2010
	(amounts in millions)	
Tier 1 capital	₱369.0	₱244.0
Tier 2 capital	230.1	125.5
Gross qualifying capital	599.1	₱369.5
Less required deductions	—	—
Total qualifying capital	₱599.1	₱369.5
Risk weighted assets	₱2,515.7	₱2,057.6
Tier 1 capital ratio	14.7%	11.9%
Tier 2 capital ratio	9.1%	6.1%
Total CAR	23.8%	18.0%

The BSP, under BSP Circular No. 538 dated August 4, 2006, has issued the prescribed guidelines implementing the revised risk-based CAR framework for the Philippine banking system to conform to Basel II recommendations. The new BSP guidelines took effect on July 1, 2007.

The regulatory qualifying capital of the Bank consists of Tier 1 (core) capital, which comprises paid-up common stock, surplus, undivided profits, less required deductions such as deferred income tax and goodwill. The other component is Tier 2 supplementary capital which includes paid-up preferred stock, general loan loss provision and deposit for future stock subscription - common and preferred stock.

The improvements in the Bank's regulatory qualifying capital as at December 31, 2011 is mainly due to the increases in paid-up common and preferred stock, surplus, and undivided profits, along with the increase in general loan loss provision.

The increases in the Bank's risk-weighted assets as at December 31, 2011 reflects the growth in total credit risk-weighted assets arising from increase in non-performing loans net of specific loan loss provision which are given a risk weight of 175%, microfinance and SME loans receivable from customers which are given a risk weight of 75.0%, as well as increases in market-risk weighted assets.



#### Dividend Declaration

On April 16, 2011, the BOD declared 8.0% and ₱10.0 per share cash dividends to preferred and common stockholders, respectively, and 20% common stock dividends for the 1,375,647 outstanding shares, which were approved by the BSP on June 1, 2011. The cash dividends amounted to ₱22.5 million while the stock dividends amounted to ₱27.5 million, which were paid on June 10, 2011 to preferred and common shareholders of record as at April 29, 2011 and June 2, 2011, respectively.

On May 15, 2010, the BOD declared 8.0% and ₱20.0 per share cash dividends to preferred and common stockholders, respectively, which were approved by the BSP on June 17, 2010. The cash dividends amounted to ₱35.6 million, which were paid on June 18, 2010 to preferred and common stockholders of record as at April 30, 2010. Dividends per share to preferred and common stockholders amounted to ₱16.0 and ₱20.0, respectively.

#### Financial Performance

The following basic ratios measure the financial performance of the Bank:

	2011	2010
Return on average equity	34.2%	28.5%
Return on average assets	5.3	3.6
Net interest margin	37.4	34.0

#### **16. Retirement Benefits**

The Bank, CARD MRI Development Institute, Inc. (CMDI), CARD Mutual Benefit Association (MBA), Inc., CARD SME Bank, Inc. (formerly Rural Bank of Sto. Tomas, Inc.), CARD MRI Insurance Agency (CAMIA), Inc., CARD Business Development Service Foundation (BDSF), Inc., CARD MRI Information Technology, Inc. (CMIT), BotiCARD, Inc., and CARD, Inc. maintain a funded and formal noncontributory defined benefit retirement plan - the CARD MRI Multi-Employer Retirement Plan (the Plan) - covering all of their regular employees. The Plan has a projected unit cost format and is financed solely by the Bank and its related parties. The Plan complies with the requirement of Republic Act No. 7641 (Retirement Law). The Plan provided lump sum benefits equivalent to at least one half (1/2) month salary for every year of service, a fraction of at least six months being considered as one whole year upon retirement, death, total and permanent disability, involuntary separation (except cause) or voluntary separation after completion of at least ten years of service with the participating companies. However, starting 2011, the Plan provides lump sum benefits equivalent to 120% of final salary for every year of Credited Service, a fraction of at least six (6) months being considered as one whole year upon retirement, death, total and permanent disability, involuntary separation (except cause) or voluntary separation after completion of at least one year of service with the participating companies.

The principal actuarial assumptions used in determining retirement liability for the Bank's retirement plan as at January 1, 2011 and 2010 are shown below:

	2011	2010
Discount rate	9.5%	11.2 %
Expected rate of return on assets	5.0	8.0
Future salary increases	12.0	10.0
Estimated working lives (in years)	23.0	22.0





The Association entered into a memorandum of agreement with CMIT for the software and hardware maintenance and other IT related services of the Association's Core Banking System (CBS) aggregating ₱77.77 million in a period of five (5) years until 2015. In 2011, the Association paid ₱15.44 million in relation to the services rendered.

- i. The Association acquired 40% ownership of BotiCARD Inc. representing 780,000 shares at ₱5 par amounting ₱3.90 million. The BotiCARD Inc. aims to make affordable medicines readily available to CARD members in different rural villages.

Allowance for impairment losses on amounts due from related parties amounted to ₱3.49 million and ₱4.16 million as of December 31, 2011 and 2010 (Note 8). This assessment is undertaken each financial year through a review of the financial position of the related party and the market in which the related party operates.

## 20. Employee Benefits

The Association and CARD Group institutions maintain a funded and formal noncontributory retirement plan - the CARD Multi-Employer Retirement Plan - covering all regular employees. The plan has a projected unit cost format and is financed by the Association and eight (8) other related institutions. The plan complies with the requirement of Republic Act No. 7641 (Retirement Law) and provides lump sum benefits upon retirement, death, total and permanent disability, involuntary separation (except for cause) or voluntary separation after completion of at least ten years of service with the participating institutions.

The principal actuarial assumptions used in determining retirement liability for the Association's retirement plan are shown below:

	2011	2010
Discount rate	7.08%	9.47%
Expected rate of return on assets	5.00%	5.00%
Future salary increases	12.00%	12.00%

The amounts of pension asset recognized in the statements of financial position are as follows:

	2011	2010
Fair value of plan assets	₱9,143,500	₱7,263,500
Present value of pension obligation	(23,320,200)	9,584,400
Deficit	(14,176,700)	(2,320,900)
Amortization of past service cost	364,300	-
Net unrecognized actuarial loss	15,124,245	5,296,045
	₱1,311,845	₱2,975,145



The movements in the fair value of plan assets recognized follow:

	2011	2010
At January 1	<b>₱7,263,500</b>	₱5,920,400
Contribution	<b>2,183,100</b>	1,375,200
Expected return	<b>363,200</b>	473,600
Benefits paid	<b>(1,234,500)</b>	(16,000)
Transfer to (from) plan	<b>201,100</b>	(454,700)
Net actuarial gain (loss)	<b>367,100</b>	(35,000)
<b>At December 31</b>	<b>₱9,143,500</b>	<b>₱7,263,500</b>

The plan assets consist of the following:

	2011	2010
Government securities	<b>₱3,944,206</b>	₱3,682,288
Time deposit	<b>3,000,991</b>	2,062,974
Savings account	<b>301,013</b>	198,423
Others	<b>1,897,290</b>	1,319,815
	<b>₱9,143,500</b>	<b>₱7,263,500</b>

The overall expected rate of return on plan assets represents expected long-term rate on the retirement fund investments, net of operating expenses (e.g., trustee's fees, actuarial valuation fees, service charges, etc.) The actual return (loss) on plan assets amounted to ₱0.73 million and ₱0.44 million for the years ended December 31, 2011 and 2010, respectively.

The Association is required to contribute of ₱33.61 million to the fund in 2012.

The movements in the present value of pension obligation follow:

	2011	2010
At January 1	<b>₱9,584,400</b>	₱4,290,600
Current service cost	<b>1,522,700</b>	657,500
Interest cost	<b>907,600</b>	475,000
Past service cost	<b>1,946,400</b>	–
Benefits paid	<b>(1,234,500)</b>	(16,000)
Transfer to (from) plan	<b>201,100</b>	(454,700)
Actuarial loss	<b>10,392,500</b>	4,632,000
<b>At December 31</b>	<b>₱23,320,200</b>	<b>₱9,584,400</b>

The amounts included in pension expense in the statements of income follow:

	2011	2010
Current service cost	<b>₱1,522,700</b>	₱657,500
Interest cost	<b>907,600</b>	475,000
Net actuarial gains recognized during the year	<b>197,200</b>	1,700
Expected return on plan assets	<b>(363,200)</b>	(473,600)
Vested past service cost	<b>1,570,300</b>	–
Past service cost	<b>11,800</b>	24,054
	<b>₱3,846,400</b>	<b>₱684,654</b>





The movements in the net pension asset follow:

	2011	2010
At January 1	<b>₱2,975,145</b>	₱2,284,599
Pension expense	<b>(3,846,400)</b>	(684,654)
Actual contributions	<b>2,183,100</b>	1,375,200
<b>At December 31</b>	<b>₱1,311,845</b>	₱2,975,145

The rollforward of unrecognized actuarial losses follows:

	2011	2010
At January 1	<b>(₱5,296,045)</b>	(₱630,745)
Net actuarial gain (loss)	<b>367,100</b>	(35,000)
From pension obligation	<b>(10,392,500)</b>	(4,632,000)
Amortization of actuarial gains	<b>197,200</b>	1,700
<b>At December 31</b>	<b>(₱15,124,245)</b>	(₱5,296,045)

Amounts of the current and previous periods follow:

	2011	2010	2009	2008
Fair value of plan assets	<b>₱9,143,500</b>	₱7,263,500	₱5,920,400	₱5,481,008
Present value of defined benefit obligation	<b>(23,320,200)</b>	9,584,400	4,290,600	2,263,186
Surplus (deficit)	<b>(₱14,176,700)</b>	(₱2,320,900)	₱1,629,800	₱3,217,822
Experience adjustments on plan liabilities	<b>₱10,392,500</b>	₱4,632,000	₱1,140,514	₱37,353,612
Experience adjustments on plan assets	<b>₱367,100</b>	(₱35,000)	(₱696,908)	(₱79,765)

## 21. Management of Insurance and Financial Risks

### Governance Framework

The Association has established a risk management function with clear terms of reference and with the responsibility for developing policies on market, credit, liquidity, insurance and operational risk. It also supports the effective implementation of policies at the overall association and individual business unit levels.

The policies define the Association's identification of risk and its interpretation, limit structure to ensure the appropriate quality and diversification of assets, alignment of underwriting and reinsurance strategies to the corporate goals and specify reporting requirements.

### Regulatory Framework

Regulators are interested in protecting the rights of the members and maintain close vigil to ensure that the Association is satisfactorily managing affairs for the member's benefit. At the same time, the regulators are also interested in ensuring that the Association maintains appropriate solvency position to meet liabilities arising from claims and that the risk levels are at acceptable levels.

The operations of the Association are subject to the regulatory requirements of the IC. Such regulations not only prescribe approval and monitoring of activities but also impose certain restrictive provisions (e.g., margin of solvency to minimize the risk of default and insolvency on the part of the insurance companies to meet the unforeseen liabilities as these arise, minimum guaranty fund, risk-based capital requirements).



### Margin of solvency (MOS)

The Association is required to maintain at all times an MOS for life insurance business of ₱500,000 or ₱2.00 per thousand of the total amount of its insurance in force as of the preceding calendar year on all policies, except term insurance, whichever is higher.

The MOS shall be the excess of the value of its admitted assets (as defined under the IC Code), exclusive of its paid-up capital, over the amount of its liabilities, unearned premiums and reinsurance reserves. As of December 31, 2011 and 2010, the Association's MOS based on its calculations amounted to ₱637.00 million and ₱527.00 million, respectively. The final amount of the MOS can be determined only after the accounts of the Association have been examined by the IC specifically as to admitted and non-admitted assets as defined under the same Code.

The surplus available for MOS for the Association follows:

	2011	2010
Admitted assets	<b>₱3,441,226,269</b>	₱2,481,577,958
Admitted liabilities	<b>2,712,588,022</b>	1,954,581,540
Net worth	<b>₱728,638,247</b>	₱526,996,418

As of December 31, 2011 and 2010, the estimated non-admitted assets of the Association's life operations, as defined under the Code, which are included in the accompanying statements of financial position follows:

	2011 (Estimated)	2010
Cash and cash equivalents	<b>₱12,765,210</b>	₱58,993,677
Property and equipment - net	<b>2,284,713</b>	3,395,010
Other assets	<b>81,762,795</b>	121,251,437
	<b>₱96,812,718</b>	₱183,640,124

If an insurance company failed to meet the minimum required MOS, the IC is authorized to suspend or revoke all certificates of authority granted to such companies, its officers and agents, and no new business shall be done by and for such Association until its authority is restored by the IC.

### Guaranty fund

As a mutual benefit association, the IC also requires the Association to possess a guaranty fund of ₱5.00 million. This minimum amount shall be maintained at all times and it must be increased by an amount equivalent to 5% of the Association's gross premium collections until the guaranty fund reaches 12.5% of the minimum paid up capital for domestic life insurance companies or ₱125.00 million. As of December 31, 2011 and 2010, the Association has a total of ₱127.49 million and ₱83.39 million, respectively, representing guaranty fund which is deposited with the IC (Notes 14 and 23).

### Fixed capital requirements

In September 2006, the Department of Finance issued Order 27-06 increasing the capitalization requirements for life, nonlife and reinsurance companies on a staggered basis for the years ended December 31, 2006 up to 2011. Depending on the level of the foreign ownership in the insurance company, the minimum statutory net worth and minimum paid-up capital requirements vary. The minimum paid-up capital is pegged at 50% of the minimum statutory net worth.





As of December 31, the required minimum statutory net worth and minimum paid up capital for the Association follows:

	2011	2010
Minimum statutory net worth	<b>₱350,000,000</b>	₱200,000,000

IMC No. 26-2008 provides that in view of the compliance of insurance companies with the requirement of IMC 10-2006, the scheduled increase due December 31, 2008 have been deferred for a year. Hence, the IMC reiterates that by December 31, 2011, insurance companies should comply with the increase previously scheduled for December 31, 2010. As of December 31, 2011, the Association has complied with this requirement.

#### Risk-based capital requirements (RBC)

In October 2006, the IC issued IMC NO. 6-2006 adopting the RBC framework for the life insurance industry to establish the required amounts of capital to be maintained by entities in relation to their investment and insurance risks. Every life insurance entity is annually required to maintain a minimum RBC ratio of 100.00% and not fail the trend test. Failure to meet the minimum RBC ratio shall subject the insurance entity to the corresponding regulatory intervention which has been defined at various levels.

The RBC ratio shall be calculated as Member's equity divided by the RBC requirement whereas, Members' equity is defined as admitted assets minus all liabilities inclusive of actuarial reserves and other policy obligations.

The following table shows how the RBC ratio was determined by the Association based on its calculation:

	2011	2010
Member's equity	<b>₱859,665,994</b>	₱683,947,234
RBC requirement	<b>310,231,042</b>	256,223,129
RBC Ratio	<b>277.11%</b>	266.93%

The final amount of the RBC ratio can be determined only after the accounts of the Association have been examined by the IC specifically as to admitted and non-admitted assets as defined under the same Code.

The main risks arising from the Association's financial instruments follow:

#### Consolidated compliance framework

In November 2006, the IC issued IMC 10-2006 integrating the compliance standards for the fixed capitalization and risk-based capital framework. Under this IMC, all insurers shall annually comply with the RBC ratio requirements.

Subsequent to year 2006, the fixed capitalization requirements for a given year may be suspended for insurers that comply with the required RBC hurdle rate, provided that the industry complies with the required Industry RBC Ratio Compliance Rate. The IMC provides the annual schedule of progressive rates for the Industry RBC Ratio Compliance Rates and the RBC Hurdle Rates from 2007 to 2011. For the review year 2011 which shall be based on the 2010 synopsis, the Industry RBC Ratio Compliance Rate is 90% and the RBC Hurdle Rate is 250%. For the review year 2010



which shall be based on the 2009 synopsis, the Industry RBC Ratio Compliance Rate is 90% and the RBC Hurdle Rate is 200%. Failure to achieve one of the rates will result in the imposition of the fixed capitalization requirement for the year under review.

#### Insurance Risk

The principal risk the Association faces under insurance contracts is that the actual claims and benefit payments or the timing thereof, differ from expectations. This is influenced by the frequency of claims, severity of claims, actual benefits paid are greater than originally estimated and subsequent development of long term claims. Therefore, the objective of the Association is to ensure that sufficient reserves are available to cover these liabilities.

The above risk exposure is mitigated by diversification across a large portfolio of insurance contracts and geographical areas. The variability of risks is also improved by careful selection and implementation of underwriting strategy and guidelines, as well as the use of reinsurance arrangements for the loan redemption fund.

Amounts recoverable from reinsurers are estimated in a manner consistent with the outstanding claims provision and are in accordance with the reinsurance contract. Although the Association has reinsurance arrangements, it is not relieved of its direct obligations to its policyholders and thus, a credit exposure exists with respect to ceded insurance, to the extent that any reinsurer is unable to meet its obligations assumed under such reinsurance agreements. The Association's placement of reinsurance is diversified such that it is neither dependent on a single reinsurer nor are the operations of the Association substantially dependent upon any single reinsurance contract.

#### Underwriting risk

Underwriting risk represents the exposure to loss resulting from actual policy experience adversely deviating from assumptions made in the product pricing. Underwriting risks are brought about by a combination of the following:

- Mortality risk - risk of loss arising due to policyholder death experience being different than expected.
- Morbidity risk - risk of loss arising due to policyholder health experience being different than expected.
- Investment return risk - risk of loss arising from actual returns being different than expected.
- Expense risk - risk of loss arising from expense experience being different than expected.
- Policyholder decision risk - risk of loss arising due to policyholder experiences (lapses and surrenders) being different than expected.

These risks do not vary significantly in relation to the location of the risk insured by the Association, type of risk insured and by industry. Undue concentration by amounts could have an impact on the severity of benefit payments on a portfolio basis.

The Association's underwriting strategy is designed to ensure that risks are well diversified in terms of type of risk and level of insured benefits. Underwriting limits are in place to enforce appropriate risk selection criteria. For example, the Association has the right not to renew individual policies, it can impose deductibles and it has the right to reject the payment of fraudulent claims. Insurance contracts also entitle the Association to pursue third parties for payment of some or all cost. The Association further enforces a policy of actively managing and prompt pursuing of claims, in order to reduce its exposure to unpredictable future developments that can negatively impact the Association.





The key assumptions to which the estimation of liabilities is particularly sensitive are as follows:

#### Mortality and morbidity rates

Assumptions are based on standard industry and national tables, according to the type of contract written, reflecting recent historical experience and which are adjusted where appropriate to reflect the Association's own experiences. An appropriate but not excessive prudent allowance is made for expected future improvements.

An increase in rates will lead to a larger number of claims and claims could occur sooner than anticipated, which will increase the expenditure and decrease the funds of the Association.

#### Investment return

The weighted average rate of return is derived based on a model portfolio that is assumed to back liabilities, consistent with the long term asset allocation strategy. These estimates are based on current market returns as well as expectations about future economic and financial developments.

An increase in investment return would lead to a reduction in expenditure and an increase in the funds of the Association.

#### Expenses

Operating expenses assumptions reflect the projected costs of maintaining and servicing in force policies and associated overhead expenses. The current level of expenses is taken as an appropriate expense base, adjusted for expected expense inflation adjustments if appropriate. An increase in the level of expenses would result in an increase in expenditure thereby reducing the funds of the Association.

#### Lapse and surrender rates

Lapses relate to the termination of policies due to nonpayment of premiums. Surrenders relate to the voluntary termination of policies by policyholders. Policy termination assumptions are determined using statistical measures based on Association's experience and vary by product type, policy duration and sales trends.

An increase in lapse rates early in the life of the policy would tend to reduce the funds of the Association, but later increases are broadly neutral in effect.

#### Discount rate

Life insurance liabilities are determined as the sum of the discounted value of the expected benefits and future administration expenses directly related to the contract, less the discounted value of the expected theoretical premiums that would be required to meet these future cash outflows. Discount rates are based on current industry risk rates, adjusted for the Association's own risk exposure.

A decrease in the discount rate will increase the value of the liability.

#### Sensitivities

The analysis below is performed for a reasonable possible movement in key assumptions with all other assumptions held constant, on the statement of revenue and expenses. The correlation of assumptions will have a significant effect in determining the ultimate claims liabilities. It should also be stressed that these assumptions are nonlinear and larger or smaller impacts cannot easily be gleaned from these results. Sensitivity information will also vary according to the current economic assumptions, mainly due to the impact of changes to both the intrinsic cost and time value of options and guarantees.



## 2011

	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>
Increase (decrease) on gross liabilities	(P433,813,861)	P398,020,094
Increase (decrease) on net liabilities	433,813,861	398,020,094
Increase (decrease) on revenue	433,813,861	(398,020,094)

## 2010

	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>
Increase (decrease) on gross liabilities	(P18,139,306)	P28,151,573
Increase (decrease) on net liabilities	(18,139,306)	28,151,573
Increase (decrease) on revenue	18,139,306	(28,151,573)

The sensitivity analyses take into account upward movements in the discount rates and upward and downward movements in mortality and morbidity rates. These do not necessarily represent management's view of expected future rate changes.

### Financial instruments

The Association's principal financial instruments are cash and cash equivalents, time-deposits, receivables, guaranty fund, financial assets at FVPL, AFS financial assets, HTM investments, accounts payable and accrued expenses. The main purpose of these financial instruments is to finance their operations. The following table sets forth the carrying values and estimated fair values of financial assets and liabilities recognized as of December 31, 2011 and 2010:

	<b>2011</b>		<b>2010</b>	
	<b>Carrying Value</b>	<b>Fair Value</b>	<b>Carrying Value</b>	<b>Fair Value</b>
<b>Financial Assets</b>				
Loans and receivables				
Cash and cash equivalents	P224,701,716	P224,701,716	P432,382,413	P432,382,413
Short-term investments	456,441	456,441	449,202	449,202
Long-term investments	86,169,317	86,169,317	105,761,565	105,761,565
Receivables				
Accrued interest receivable	35,311,295	35,311,295	29,960,055	29,960,055
Accounts receivables	33,027,972	33,027,972	24,960,918	24,960,918
Loans receivable	30,000,000	30,000,000	30,000,000	30,000,000
Other receivables	8,316,702	8,316,702	3,634,919	3,634,919
Refundable deposits	4,300,000	4,300,000	1,800,000	1,800,000
Financial assets at FVPL	20,480,000	20,480,000	—	—
AFS financial assets				
Quoted	202,949,702	202,949,702	86,287,804	86,287,804
Unquoted	127,500,000	127,500,000	67,500,000	67,500,000
HTM investments				
HTM investments	2,686,092,607	2,880,249,236	1,777,192,774	1,960,180,068
Guaranty fund	127,487,319	132,514,008	83,391,423	88,867,748
	<b>P3,586,793,071</b>	<b>P3,785,976,389</b>	<b>P2,643,321,073</b>	<b>P2,831,784,692</b>
<b>Financial Liabilities</b>				
Accounts payable and accrued expenses	P71,424,922	P71,424,922	P29,856,494	P29,856,494





Due to the short-term nature of transactions, the carrying amounts of financial instruments such as cash and cash equivalents, receivables, investments, refundable deposits, accounts payable and accrued expenses approximate their fair values.

For unquoted equity investments classified as AFS, these investments are carried at cost less allowance for impairment losses due to the unpredictable nature of future cash flows and the lack of suitable methods for arriving at a reliable fair value.

For investments in mutual fund companies, fair values are established by reference to published bid-values.

#### Fair value hierarchy

The Association uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted (unadjusted) prices in active markets for identical assets or liabilities.

Level 2: Other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly.

Level 3: Techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy as of December 31, 2010:

#### 2011

	Level 1	Level 2	Level 3	Total
<b>AFS FINANCIAL ASSETS</b>				
Investments in mutual fund	<b>P202,949,702</b>	<b>P-</b>	<b>P-</b>	<b>P202,949,702</b>
Preferred shares	-	-	127,500,000	127,500,000
	<b>P202,949,702</b>	<b>P-</b>	<b>P127,500,000</b>	<b>P330,449,702</b>

#### 2010

	Level 1	Level 2	Level 3	Total
<b>AFS FINANCIAL ASSETS</b>				
Investments in mutual fund	P86,287,804	P-	P-	P86,287,804
Preferred shares	-	-	67,500,000	67,500,000
	P86,287,804	P-	P67,500,000	P153,787,804

The fair values of unquoted AFS financial assets are not reasonably determinable due to the unpredictable nature or future cash flows and the lack of suitable methods of arriving at the reliable fair value. Accordingly, these unquoted shares are presented at cost amounting to P127.50 million and P67.50 million in 2011 and 2010, respectively.

There were no transfers among levels 1, 2 and 3 in 2011 and 2010.

#### Financial Risks

The Association is exposed to financial risk through its financial assets, financial liabilities and insurance liabilities. In particular, the key financial risk that the Association is exposed to is that the proceeds from its financial assets may not be sufficient to fund the obligations arising from its insurance contracts. The most important components of this financial risk are credit risk, liquidity risk and market risk.



These risks arise from open positions in interest rate, currency and debt securities products, all of which are exposed to general and specific market movements.

#### Credit risk

This is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation.

The following policies and procedures are in place to mitigate the Association's exposure to credit risk:

- The credit risk in respect of customer balances, incurred on non payment of premiums or contributions will only persist during the grace period specified in the policy document or when the policy is either paid up or terminated.
- Reinsurance is placed with highly rated counterparties and concentration of risk is avoided by following policy guidelines in respect of counterparties' limits that are set each year and are subject to regular reviews. At each reporting date, management performs an assessment of creditworthiness of reinsurers and update the reinsurance purchase strategy, ascertaining suitable allowance for impairment.
- The Association sets the maximum amounts and limits that may be advanced to corporate counterparties by reference to their long term credit ratings.

The table below shows the maximum exposure to credit risk for the components of the statements of financial position.

	2011	2010
<b>Financial Assets</b>		
Loans and receivables		
Cash and cash equivalents (excluding cash on hand amounting ₱2.51 million and ₱2.97 million, in 2011 and 2010, respectively)	<b>₱222,190,992</b>	₱429,414,018
Short-term investments	<b>456,441</b>	449,202
Long-term investments	<b>86,169,317</b>	105,761,565
Receivables		
Accrued interest receivable	<b>35,311,295</b>	29,960,055
Accounts receivables	<b>33,184,402</b>	30,379,988
Loans receivable	<b>30,000,000</b>	30,000,000
Other receivables	<b>11,648,677</b>	4,223,170
Refundable deposit	<b>4,300,000</b>	1,800,000
Financial assets at FVPL	<b>20,480,000</b>	—
AFS financial assets		
Quoted	<b>202,949,702</b>	86,287,804
Unquoted	<b>127,500,000</b>	67,500,000
HTM investments	<b>2,686,092,607</b>	1,777,192,774
Guaranty fund	<b>127,487,319</b>	83,391,423
	<b>₱3,587,770,752</b>	₱2,646,359,999





The credit risk is concentrated on the following:

	2011	2010
Related parties	<b>₱149,947,983</b>	₱258,815,078
Unrelated parties	<b>3,437,822,769</b>	2,390,513,316
	<b>₱3,587,770,752</b>	₱2,649,328,394

The table below provides information regarding the credit risk exposure of the Association by classifying assets according to the Association's credit ratings of counterparties as of December 31, 2011 and 2010.

### 2011

	Neither Past-Due nor Impaired		Past Due and Impaired	Total
	Investment Grade	Non-investment Grade		
<b>Financial Assets</b>				
Loans and receivables				
Cash and cash equivalents	<b>₱222,190,992</b>	<b>₱-</b>	<b>₱-</b>	<b>₱222,190,992</b>
Short-term time deposits	456,441	-	-	456,441
Long-term time deposits	86,169,317	-	-	86,169,317
Receivables				
Accrued interest receivable	35,311,295	-	-	35,311,295
Accounts receivables	33,027,972	-	156,430	33,184,402
Loans receivable	30,000,000	-	-	30,000,000
Other receivables	-	8,316,702	3,331,975	11,648,677
Refundable deposit	4,300,000	-	-	4,300,000
Financial assets at FVPL	20,480,000	-	-	20,480,000
AFS financial assets				
Quoted	202,949,702	-	-	202,949,702
Unquoted	127,500,000	-	-	127,500,000
HTM investments				
HTM investments	2,686,092,607	-	-	2,686,092,607
Guaranty fund	127,487,319	-	-	127,487,319
	<b>₱3,575,965,645</b>	<b>₱8,316,702</b>	<b>₱3,488,405</b>	<b>₱3,587,770,752</b>

### 2010

	Neither Past-Due nor Impaired		Past Due and Impaired	Total
	Investment Grade	Non-investment Grade		
<b>Financial Assets</b>				
Loans and receivables				
Cash and cash equivalents	<b>₱429,414,018</b>	<b>₱-</b>	<b>₱-</b>	<b>₱429,414,018</b>
Short-term time deposits	449,202	-	-	449,202
Long-term time deposits	105,761,565	-	-	105,761,565
Receivables				
Loans receivable	30,000,000	-	-	30,000,000
Accounts receivables	24,960,918	-	5,419,070	30,379,988
Accrued interest receivable	29,960,055	-	-	29,960,055
Other receivables	-	3,634,919	588,251	4,223,170
Refundable deposit	1,800,000	-	-	1,800,000
AFS financial assets				
Quoted	86,287,804	-	-	86,287,804
Unquoted	67,500,000	-	-	67,500,000
HTM investments				
HTM investments	1,777,192,774	-	-	1,777,192,774
Guaranty fund	83,391,423	-	-	83,391,423
	<b>₱2,636,717,759</b>	<b>₱3,634,919</b>	<b>₱6,007,321</b>	<b>₱2,646,359,999</b>



The Association uses a credit rating concept based on the borrowers and counterparties' overall credit worthiness, as follows:

- Investment grade - Rating given to borrowers and counterparties who possess strong to very strong capacity to meet its obligations
- Non-investment grade - Rating given to borrowers and counterparties who possess above average capacity to meet its obligations

The Association trades only with members who are also members of the related parties. The receivables represent mostly collections of the related parties pertaining to contributions for premiums for life insurance, loan redemption assistance and provident fund unremitted to the Association. Receivables are generally on a 1-30 days terms and are all current. All receivables are neither past due nor impaired.

The Association conducts periodic review of allowance for credit losses each financial year through examining the financial position of the related party and the market in which the related party operates.

#### Liquidity risk

This risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial instruments.

The following policies and procedures are in place to mitigate the Association's exposure to liquidity risk:

- a) The Association liquidity risk policy sets out the assessment and determination of what constitutes liquidity risk for the Association. Compliance with the policy is monitored and exposures and breaches are reported to the management. The policy is regularly reviewed for pertinence and for changes in the risk environment.
- b) Set guidelines on asset allocations, portfolio limit structures and maturity profiles of assets, in order to ensure sufficient funding available to meet insurance and investment contracts obligations.

The following table shows an analysis of assets and liabilities analyzed according to whether they are expected to be recovered or settled within one (1) year and beyond one (1) year from reporting date:

#### 2011

	Up to one year	1-3 years	3-5 years	Over 5 years	No term	Total
<b>Financial assets</b>						
Loans and receivables						
Cash and other cash items	P222,190,992	P-	P-	P-	P-	222,190,992
Time deposits	66,125,758	20,500,000	-	-	-	86,625,758
Receivables						
Accrued interest receivable	35,311,295	-	-	-	-	35,311,295
Accounts receivables	33,184,402	-	-	-	-	11,648,677
Loans receivables	-	30,000,000	-	-	-	30,000,000
Other receivables	11,648,677	-	-	-	-	33,184,402
Refundable deposit	-	-	-	-	4,300,000	4,300,000

(Forward)





	Up to one year	1-3 years	3-5 years	Over 5 years	No term	Total
Financial assets at FVPL	20,480,000	—	—	—	—	20,480,000
AFS financial assets	—	—	—	—	330,449,702	330,449,702
HTM investments						
HTM investments	400,821,000	412,204,181	786,194,703	1,086,872,723	—	2,686,092,607
Guaranty fund	—	5,561,253	79,025,582	42,900,484	—	127,487,319
	<b>P789,762,124</b>	<b>P468,265,434</b>	<b>P865,220,285</b>	<b>P1,129,773,207</b>	<b>P334,749,702</b>	<b>P3,587,770,752</b>
<b>Financial liabilities</b>						
Other financial liabilities						
Collection fee payable	P18,930,163	P—	P—	P—	P—	P18,930,163
Claims payable	11,365,401	—	—	—	—	11,365,401
Unearned contribution income - AKAP	6,220,273	—	—	—	—	6,220,273
Accounts payable - CAMIA	14,387,864	—	—	—	—	14,387,864
Accrued expenses	16,974,285	—	—	—	—	16,974,285
Held in trust - CAMIA	3,498,282	—	—	—	—	3,498,282
	<b>P71,376,268</b>	<b>P—</b>	<b>P—</b>	<b>P—</b>	<b>P—</b>	<b>P71,376,268</b>

## 2010

	Up to one year	1-3 years	3-5 years	Over 5 years	No term	Total
<b>Financial assets</b>						
Loans and receivables						
Cash and other cash items	P432,382,413	P—	P—	P—	P—	P432,382,413
Time deposits	24,352,790	81,857,977	—	—	—	106,210,767
Receivables						
Accrued interest receivable	29,960,055	—	—	—	—	29,960,055
Accounts receivables	30,379,988	—	—	—	—	30,379,988
Loans receivables	—	30,000,000	—	—	—	30,000,000
Other receivables	4,223,170	—	—	—	—	4,223,170
Refundable deposit	—	—	—	—	1,800,000	1,800,000
AFS financial assets	—	—	—	—	153,787,804	153,787,804
HTM investments						
HTM investments	113,086,192	598,800,072	246,355,640	818,950,870	—	1,777,192,774
Guaranty fund	16,314,070	—	1,594,599	65,482,754	—	83,391,423
	<b>P650,698,678</b>	<b>P710,658,049</b>	<b>P247,950,239</b>	<b>P884,433,624</b>	<b>P155,587,804</b>	<b>P2,649,328,394</b>
<b>Financial liabilities</b>						
Other financial liabilities						
Collection fee payable	P10,286,144	P—	P—	P—	P—	P10,286,144
Claims payable	3,167,185	—	—	—	—	3,167,185
Unearned contribution income - AKAP	5,377,110	—	—	—	—	5,377,110
Accounts payable - CAMIA	4,278,429	—	—	—	—	4,278,429
Accrued expenses	5,544,159	—	—	—	—	5,544,159
Held in trust - CAMIA	1,132,615	—	—	—	—	1,132,615
	<b>P29,785,642</b>	<b>P—</b>	<b>P—</b>	<b>P—</b>	<b>P—</b>	<b>P29,785,642</b>

## Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risks: foreign exchange rates (currency risk), market interest rates (interest rate risk) and market prices (price risk).

The following policies and procedures are in place to mitigate the Association's exposure to market risk:

- 1) The market risk policy sets out the assessment and determination of what constitutes market risk for the Association. Compliance with the policy is monitored and exposures and breaches are reported to the association risk committee. The policy is reviewed regularly for pertinence and for changes in the risk environment.



- 2) Set asset allocation and portfolio limit structure, to ensure that assets back specific member liabilities and that assets are held to deliver income and gains for members which are in line with expectations of the members.
- 3) Stipulated diversification benchmarks by type of instrument, as the association is exposed to guaranteed bonuses, cash and annuity options when interest rates falls.

#### Currency risk

The Association's principal transactions are carried out in Philippine peso and its foreign exchange risk arises primarily with respect to U.S. dollars, in which some of its investments are denominated. The following table shows the details of the Association's foreign currency denominated monetary assets and liabilities and their Philippine peso equivalents.

	2011		2010	
	U.S. Dollar <sup>(1)</sup>	Peso Equivalent	U.S. Dollar <sup>(1)</sup>	Peso Equivalent
Cash in bank	\$2,710	₱118,806	\$-	₱-
Time deposits	5,327	233,536	5,229	241,584

<sup>(1)</sup> The exchange rate used was ₱43.84 to US \$1.00.

#### Sensitivity analysis

The following table demonstrates sensitivity to a reasonably possible change in the Philippine Peso exchange rate, with all other variables held constant, of the Association's income before income tax (due to changes in the fair value of currency sensitive monetary assets and liabilities).

	Currency	Increase (decrease) in Philippine Peso rate	Effect on Profit
2011	USD	+1.95%	₱6,858
		-1.95%	(6,858)
	Currency	Increase (decrease) in Philippine Peso rate	Effect on Profit
2010	USD	+3.0%	₱7,248
		-3.0%	(7,248)

#### Interest rate risk

This interest rate risk is the risk that the value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates.

Floating rate instruments expose the Association to cash flow interest risk, whereas fixed interest rate instruments expose the Association to fair value interest risk.

The Association's interest risk policy requires it to manage interest rate risk by maintaining appropriate mix of fixed and variable rate instruments. The policy also requires it to manage the maturities of interest-bearing financial assets and interest-bearing financial liabilities. Interest on fixed interest rate instruments is priced at inception of the financial instrument and is fixed until the maturity.





The following table shows the information relating to the Association's financial instruments as of December 31, 2011 and 2010 that are exposed to fair value interest rate risk presented by maturity profile.

## 2011

	Range of interest rate	Up to a year	Over one (1) year
Cash and cash equivalents-regular deposit	1.00% to 3.00%	₱42,671,841	₱-
Cash and cash equivalents-time deposits	3.00% to 4.50%	182,029,875	-
Short-term investments	1.00% to 4.00%	456,441	-
Long-term investments	4.00% to 6.00%	86,171,317	20,500,000
HTM investments	3.75% to 9.33%	400,821,000	2,285,271,607
Guaranty fund under other assets	6.87% to 12.00%	-	127,487,319
<b>Total financial assets</b>		<b>₱712,150,474</b>	<b>₱2,433,258,926</b>

## 2010

	Range of interest rate	Up to a year	Over one (1) year
Cash and cash equivalents-regular deposit	1.00% to 4.00%	₱71,580,370	₱-
Cash and cash equivalents-time deposits	3.00% to 6.00%	360,802,043	-
Short-term investments	1.00% to 3.38%	449,202	-
Long-term investments	6.00% to 8.00%	23,534,444	82,227,121
HTM investments	5.87% to 12.00%	113,086,192	1,664,106,582
Guaranty fund under other assets	6.88% to 12.00%	16,314,070	67,077,353
<b>Total financial assets</b>		<b>₱585,766,321</b>	<b>₱1,813,411,056</b>

### Price risk

The Association's price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, AFS investments.

Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

The Association's investment policy requires it to manage such risks by setting and monitoring objectives and constraints on investments, diversification plan, and limits on investment in each country, sector and market. Investments in derivatives are also not allowed.

### Sensitivity analysis

The following table demonstrates sensitivity to a reasonably possible change in the market value of investments in mutual fund companies, with all other variables held constant, of the Association's equity (due to changes in the net asset value of mutual funds).

	Amount	Increase (decrease) in fair value	Impact on fund balance
<b>2011</b>	<b>₱202,949,702</b>	<b>+23.50%</b>	<b>47,693,180</b>
		<b>-23.50%</b>	<b>(47,693,180)</b>
	Amount	Increase (decrease) in fair value	Impact on fund balance
<b>2010</b>	<b>₱86,287,804</b>	<b>+21.50%</b>	<b>₱18,551,878</b>
		<b>-21.50%</b>	<b>(18,551,878)</b>



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## 22. Commitment and Contingencies

There were no commitments, guarantees and contingent liabilities that arose in the normal course of the Association's operations which are not reflected in the accompanying financial statements. As of December 31, 2011 and 2010, management is of the opinion that losses, if any, from these commitments, guarantees and contingent liabilities will not have a material effect on the Association's financial statements.

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## 23. Appropriated Fund Balance

	2011	2010
Guaranty fund (Note 14)	<b>₱127,487,319</b>	₱83,391,423
AKAP CARD	<b>18,508,500</b>	18,508,500
CDRAP	<b>15,000,000</b>	15,000,000
MAHP	<b>10,000,000</b>	10,000,000
	<b>₱170,995,819</b>	₱126,899,923

The Association is required to increase the guaranty fund based on the 5.00% annual gross premium collections until the guaranty fund reaches 12.50% of the minimum paid up capital for domestic life insurance companies or ₱175.00 million. Accordingly, the Association appropriated a portion of guaranty fund amounting to ₱44.10 million and ₱48.76 million in 2011 and 2010, respectively (Notes 11 and 14).

In 2008, the Association entered into a "Third party agreement" with PHILHEALTHCARE Inc. for the issuance of Ang inyong Kalusugan ay Pangangalagaan ng CARD (AKAP CARD) exclusively to its members and dependents. Under the agreement, the Association is to set-up an appropriated fund equal to ₱6,000 per member.

The Association appropriated ₱15.00 million for CARD MRI Disaster Relief Assistance Program (CDRAP) aimed at providing relief assistance to its members and dependents during calamities and other disasters in form of cash or relief goods.

The Association appropriated ₱10.00 million for Microfinance and Health Protection (MAHP) program on CARD Healthy Pinoy. The program is administered by by CARD MRI Development Institute, Inc. (CMDI), related party under CARD MRI, as a protection service package to its members and dependents which include Health loan to cover the premium payment for health insurance or PhilHealth, Credit with Education on health such as Dengue Prevention, Planning for Health, Using Health Services and Health Insurance and offer discounted health services and cheaper medicines.

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## 24. Approval of Financial Statements

The accompanying financial statements of the Association were authorized for issue by the Board of Trustees on March 10, 2012.





## 25. Supplementary Information Required Under Revenue Regulations 19-2011

The Association is exempted from taxes as provided for under Tax Reform Act of 1997.

The following schedules and information on taxable income and deductions of the Association follows:

- a. The summary of the Association's revenue in 2011 is as follows:

Gross earned premiums on insurance contracts	₱1,082,933,160
Interest income - net of final tax	94,748,930
Contribution income - AKAP	16,050,071
Equity in net earnings in affiliate	3,340,706
Fair value gains from financial assets at FVPL	480,000
Miscellaneous income	458,672
	<u>₱1,198,011,539</u>

- b. The summary of the Association's direct cost of service representing net insurance claims and reserves follows:

Increase in aggregate reserves	₱509,618,041
Gross claims	268,522,985
AKAP healthcare benefits	43,318,761
	<u>₱821,459,787</u>

- c. The itemized deductions of the Association in 2011 are as follows:

Transportation and travel	₱57,965,735
Donation and contribution	50,663,732
Salaries and allowances	26,670,662
Program, monitoring and evaluation	13,257,644
Provision for doubtful accounts	10,181,653
Supplies	8,533,913
Training and development	3,543,129
Meetings and seminars	3,083,170
Depreciation	2,753,822
Insurance	1,406,443
Others	37,434,987
	<u>₱215,494,890</u>

- d. Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, license and permit fees lodged under the caption 'Others' under the 'Operating expenses' section in the Association's statements of income.



Details consist of the following:

License and permit fees	₱379,774
Documentary stamp taxes	62,260
	<u>₱442,034</u>

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## 26. Supplementary Information Required Under Revenue Regulations 15-2010

The Association reported and/or paid the following types of taxes in 2011:

### Value added tax (VAT)

As a nonstock, not-for-profit and mutual benefit association, the Association was granted tax exemption with respect to income and value-added taxes as provided under the National Internal Revenue Code of 1997 as amended by Republic Act 8424 known as the Comprehensive Tax Reform Program by the Bureau of Internal Revenue (Note 1).

- a. Net Sales/Receipts and Output VAT declared in the Association's VAT returns follows:

The Association is exempt from VAT.

- b. Details of Input VAT follow:

The Association is exempt from VAT.

- c. Information on the Association's importations

The Association does not undertake importation activities.

- d. Taxes and Licenses

This includes all other taxes, local and national, including real estate taxes, license and permit fees lodged under the caption 'Others' under the 'Operating expenses' section in the Association's statements of income.

Details consist of the following:

License and permit fees	₱379,774
Documentary stamp taxes	62,260
	<u>₱442,034</u>

- e. Withholding Taxes

Details consist of the following:

Withholding taxes on compensation and benefits	₱810,936
Expanded withholding taxes	169,269
	<u>₱980,205</u>





f. Tax Assessments and Cases

The Association has not been involved in any tax cases under preliminary investigation, litigation and/or prosecution in courts or bodies outside the Bureau of Internal Revenue.



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**

**SCHEDULE OF ALL THE EFFECTIVE STANDARDS AND INTERPRETATIONS  
[which consist of PFRSs, Philippine Accounting Standards (PASs) and Philippine  
Interpretations] effective as of December 31, 2011:**

<b>PFRSs</b>	<b>Adopted/Not adopted/ Not applicable</b>
PFRS 1, First-time Adoption of Philippine Financial Reporting Standards	Not applicable
PFRS 2, Share-based Payment	Not applicable
PFRS 3, Business Combinations	Not applicable
PFRS 4, Insurance Contracts	Adopted
PFRS 5, Non-current Assets Held for Sale and Discontinued Operations	Not applicable
PFRS 6, Exploration for and Evaluation of Mineral Resources	Not applicable
PFRS 7, Financial Instruments: Disclosures	Adopted
PFRS 8, Operating Segments	Not applicable
PAS 1, Presentation of Financial Statements	Adopted
PAS 2, Inventories	Adopted
PAS 7, Statement of Cash Flows	Adopted
PAS 8, Accounting Policies, Changes in Accounting Estimates and Errors	Adopted
PAS 10, Events after the Reporting Period	Adopted
PAS 11, Construction Contracts	Not applicable
PAS 12, Income Taxes	Adopted
PAS 16, Property, Plant and Equipment	Adopted
PAS 17, Leases	Adopted
PAS 18, Revenue	Adopted
PAS 19, Employee Benefits	Adopted
PAS 20, Accounting for Government Grants and Disclosure of Government Assistance	Not applicable
PAS 21, The Effects of Changes in Foreign Exchange Rates	Adopted
PAS 23, Borrowing Costs	Not applicable
PAS 24, Related Party Disclosures	Adopted
PAS 26, Accounting and Reporting by Retirement Benefit Plans	Not applicable
PAS 27, Consolidated and Separate Financial Statements	Not applicable





<b>PFRSs</b>	<b>Adopted/Not adopted/ Not applicable</b>
PAS 28, Investments in Associates	Adopted
PAS 29, Financial Reporting in Hyperinflationary Economies	Not applicable
PAS 31, Interests in Joint Ventures	Not applicable
PAS 32, Financial Instruments: Presentation	Adopted
PAS 33, Earnings per Share	Not applicable
PAS 34, Interim Financial Reporting	Not applicable
PAS 36, Impairment of Assets	Adopted
PAS 37, Provisions, Contingent Liabilities and Contingent Assets	Adopted
PAS 38, Intangible Assets	Adopted
PAS 39, Financial Instruments: Recognition and Measurement	Adopted
PAS 40, Investment Property	Adopted
PAS 41, Agriculture	Not applicable
Philippine Interpretation IFRIC-1, Changes in Existing Decommissioning, Restoration and Similar Liabilities	Not applicable
Philippine Interpretation IFRIC-2, Members' Shares in Co-operative Entities and Similar Instruments	Not applicable
Philippine Interpretation IFRIC-4, Determining whether an Arrangement contains a Lease	Not applicable
Philippine Interpretation IFRIC-5, Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds	Not applicable
Philippine Interpretation IFRIC-6, Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment	Not applicable
Philippine Interpretation IFRIC-7, Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies	Not applicable
Philippine Interpretation IFRIC-9, Reassessment of Embedded Derivatives	Not applicable
Philippine Interpretation IFRIC-10, Interim Financial Reporting and Impairment	Not applicable
Philippine Interpretation IFRIC-12, Service Concession Arrangements	Not applicable
Philippine Interpretation IFRIC-13, Customer Loyalty Programmes	Not applicable
Philippine Interpretation IFRIC-14, PAS 19 - The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction	Not applicable



<b>PFRSs</b>	<b>Adopted/Not adopted/ Not applicable</b>
Philippine Interpretation IFRIC-16, Hedges of a Net Investment in a Foreign Operation	Not applicable
Philippine Interpretation IFRIC-17, Distributions of Non-cash Assets to Owners	Not applicable
Philippine Interpretation IFRIC-18, Transfers of Assets from Customers	Not applicable
Philippine Interpretation IFRIC-19, Extinguishing Financial Liabilities with Equity Instruments	Not applicable
Philippine Interpretation SIC-7, Introduction of the Euro	Not applicable
Philippine Interpretation SIC-10, Government Assistance - No Specific Relation to Operating Activities	Not applicable
Philippine Interpretation SIC-12, Consolidation - Special Purpose Entities	Not applicable
Philippine Interpretation SIC-13, Jointly Controlled Entities - Non-Monetary Contributions by Venturers	Not applicable
Philippine Interpretation SIC-15, Operating Leases - Incentives	Not applicable
Philippine Interpretation SIC-21, Income Taxes - Recovery of Revalued Non-Depreciable Assets	Not applicable
Philippine Interpretation SIC-25, Income Taxes - Changes in the Tax Status of an Entity or its Shareholders	Not applicable
Philippine Interpretation SIC-27, Evaluating the Substance of Transactions Involving the Legal Form of a Lease	Not applicable
Philippine Interpretation SIC-29, Service Concession Arrangements: Disclosures	Not applicable
Philippine Interpretation SIC-31, Revenue - Barter Transactions Involving Advertising Services	Not applicable
Philippine Interpretation SIC-32, Intangible Assets - Web Site Costs	Not applicable
PIC Q&A No. 2006-01: PAS 18, Appendix, paragraph 9 -Revenue recognition for sales of property units under pre-completion contracts	Not applicable
PIC Q&A No. 2006-02: PAS 27.10(d) - Clarification of criteria for exemption from presenting consolidated financial statements	Not applicable
PIC Q&A No. 2007-03: PAS 40.27 - Valuation of bank real and other properties acquired (ROPA)	Not applicable
PIC Q&A No. 2008-01 (Revised): PAS 19.78 - Rate used in discounting post-employment benefit obligations	Not applicable
PIC Q&A No. 2008-02: PAS 20.43 - Accounting for government loans with low interest rates under the amendments to PAS 20	Not applicable





<b>PFRSs</b>	<b>Adopted/Not adopted/ Not applicable</b>
PIC Q&A No. 2009-01: Framework.23 and PAS 1.23 - Financial statements prepared on a basis other than going concern	Not applicable
PIC Q&A No. 2010-01: PAS 39.AG71-72 - Rate used in determining the fair value of government securities in the Philippines	Not applicable
PIC Q&A No. 2010-02: PAS 1R.16 - Basis of preparation of financial statements	Adopted
PIC Q&A No. 2011-01: PAS 1.10(f) - Requirements for a Third Statement of Financial Position	Not applicable



**CENTER FOR AGRICULTURE AND RURAL DEVELOPMENT (CARD)  
MUTUAL BENEFIT ASSOCIATION, INC.**

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**SCHEDULE OF RECEIPTS AND DISBURSEMENTS**

**Receipts**

Gross contributions	₱1,107,700,093
Investment income	73,141,438
Other proceeds	2,083,739
<b>Total Receipts</b>	<b>₱1,182,925,270</b>

**Disbursements**

Claims payments	208,522,985
Investments	953,654,661
Operating expenses	211,149,889
Other expenses	17,278,432
<b>Total Disbursements</b>	<b>₱1,390,605,967</b>





## **INDEPENDENT AUDITORS' REPORT ON SUPPLEMENTARY SCHEDULES**

The Stockholders and the Board of Directors  
Center for Agriculture and Rural Development (CARD)  
Mutual Benefit Association, Inc.  
Colago Avenue, Barangay 1-A  
San Pablo City, Laguna

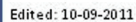
We have audited in accordance with Philippine Standards on Auditing, the financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. as at and for the years ended December 31, 2011 and 2010 and have issued our report thereon dated March 10, 2012. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The accompanying schedule of all the effective standards and interpretations under PFRS as of December 31, 2011 and schedule of all the receipts and disbursements are the responsibility of the Association's management. These schedules are presented for the purpose of complying with Securities Regulation code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.

**SYCIP GORRES VELAYO & CO.**

Michael C. Sabado  
Partner  
CPA Certificate No. 89336  
SEC Accreditation No. 0664-AR-1 (Group A),  
March 11, 2011, valid until March 10, 2014  
Tax Identification No. 160-302-865  
BIR Accreditation No. 08-001998-73-2009,  
June 1, 2009, valid until May 31, 2012  
PTR No. 3174824, January 2, 2012, Makati City

March 10, 2012





# CARD MBA STAFF



General Manager - OIC	May S. Dawat
Assistant Manager. for Operation-Vis Min	Vener S. Abellera
Assistant Manager. for Operation-Luzon	Roselito A. Magpantay
Assistant Manager for Admin. and Finance - OIC	Janet D. Caneo
In-House Actuary	Fritzie M. Goza
Compliance Officer	Federico B. Pepillo Jr.
Cluster Manager- Mindanao Cluster	Ely B. Rodriguez
Program and Relations Manager	Arlene R. Umandap
Cluster Manager- Luzon 1 Cluster	Mauricio B. Maur
Acting Cluster Manager - Visayas Cluster	Aristopher F. Punzalan
Provincial Manager	Rona R. Nava
Provincial Manager with Int'l Grp Assign.	Oliver M. Reyes
Admin Officer	Maribel M. Almanza
Finance Officer	Sheryl Rose Ann V. Brul
Acting Program and Relations Officer	Edison P. Tuico
Acting Claims Settlement Officer	Roselle C. Badillo
Acting Cluster Accountant	Nice C. Macalalad
Finance Officer-OIC	Kathryn Joyce M. Bonilla
Executive Assistant	Melanie T. Elpa
Admin Assistant	Avigail Tarzona
Bookkeeper	Maria Shyna G. Prado
Gen. Bookkeeper-OIC	Reynel S. America
Accounting Officer-OIC	Nerilyn P. Marceño
Bookkeeper	Aimee E. Deza
Bookkeeper	Vincent M. Saltorio
Insurance Processor	Renalyn E. Abrigo
Bookkeeper	Sarah Jane V. Calabia
Insurance Processor	Leni A. Ampeloquio



# CARD MBA

## PROVINCIAL OFFICE STAFF

CLUSTER LUZON 1	
Cluster Manager	RONA R. NAVA
Pangasinan	
Position	Name
Insurance Processor	Montejo, Jaypee Matabalan
Acting Marketing Officer	Facunla, Joel Ramos
Claims Processor	Alcantara, Leo Baddal
Insurance Processor	Tabuyo, Princess Ann Tiri
Bookkeeper	Bermudez, Miradel
Bataan	
Position	Name
Marketing Officer	Castillo, Fidela Pullan
Bookkeeper	Dela Cruz, Elmer Caballero
Insurance Processor	Ortiz, Gladies Valdez
Ilocos	
Position	Name
Acting Provincial Manager	Santero, Maricris Austria
Marketing Officer	Caringal, Jayson Nido
Insurance Processor	Baldo, Angelicah Arzadon
Nueva Vizcaya (Isabela)	
Position	Name
Acting Provincial Manager	Pagaduan, Sheilalyn Echalar
Bookkeeper	Torio, Lovely Joy Dobra
Insurance Processor	Tulagan, Mandrake Payopay
Bookkeeper	Salvador, Michelle Herrera
Bookkeeper	Lapat, Lorena Rafael
Insurance Processor	Borromeo, Julie Ann Marayag
Cagayan	
Position	Name
Asst. Provincial Manager	Nacua, Janicekith Embajador
Bookkeeper	Dionaldo, Monalie Lagutin
Insurance Processor	Marababon, Jaycel Gabule
Acting Marketing Officer	Priete, Ketty Cabilogan
Insurance Processor	Geromo, Ma. Stephany Sumalpong
Insurance Processor	Hontiveros, Lowel Jules Hallazgo
Bookkeeper	Magallanes, Ann Jaraine E
Palawan	
Position	Name
Marketing Officer	Joya, Arnold Suilan
Insurance Processor	Caabay, Jonah Maru
Bookkeeper	Nitollama, Richard Madarcos
Bulacan	
Position	Name
Provincial Manager	Alimagno, Ma. Joyce Manguerra
Acting Marketing Officer	Alega, Preciousa Aiza Banaag
Insurance Processor	Bonifacio, Abigail Sta. Ana
Bookkeeper	Javilona, Cyrin Barrozo
Insurance Processor	Sigua, Ma. Hazel Limson
Insurance Processor	Ticao, Jayson Nocos
CLUSTER LUZON 2	
Cluster Manager	NEMIE G. MENDOZA
Cavite	
Position	Name
Bookkeeper	Alvarado, Eleanor Moralde
Insurance Processor	Villanueva, Anthony Kinaadman
Insurance Processor	De Mayo, Almira Ferma
Insurance Processor	Alimuin, Jennylyn Dionisio

Oriental Mindoro	
Position	Name
Marketing Officer	Lasac, Bernadette Ortiz
Insurance Processor	Olivarez, Nathaniel Anlacan
Bookkeeper	Jacinto, Ressa Jean Oirada
Bookkeeper	Villena, Maygielyn Lucas
Occidental Mindoro	
Position	Name
Provincial Manager	Patricio, Boy Nazher Zabala
Bookkeeper	Latusa, Jessabel Labasan
Insurance Processor	Manalo, Marie Kristine Salvador
Metro Manila 1	
Position	Name
Acting Provincial Manager	Abata, Gina Cucal
Acting Marketing Officer	Reyes, Nico Endrenal
Bookkeeper	Bacuyag, Gerlie Ordillo
Insurance Processor	Bae, Ricky Roxas
CLUSTER LUZON 3	
Cluster Manager	EDISON R. REYES
Quezon 1	
Position	Name
Provincial Manager	Par, Allan Napao
Bookkeeper	Mercene, Herminia Agpalo
Insurance Processor	Perocho, Rachel Calubayan
Insurance Processor	Medina, Jaussen Ola
Bookkeeper	Cantos Jovelyn D
Quezon 2	
Position	Name
Provincial Manager	Brofar, Napoleon Brosas
Provincial Manager	Borruel, Raxon Diaz
Bookkeeper	Escano, Mariane Gordula
Insurance Processor	Posrado, Janice Rodriguez
Insurance Processor	Llamas, Jean Rosalie Logatoc
Bookkeeper	Arche, Mary Joy Leonado
Camarines Sur	
Position	Name
Provincial Manager	Buenaobra, Marivic Bensurto
Marketing Officer	Icaro, John Paulin Panapanaan
Insurance Processor	Nadonza, Miralyn Cabilogan
Insurance Processor	Cledera, Hazel Talaran
Bookkeeper	Anzorandia, Estefani Teoxon
Insurance Processor	Mendoza, Loreto Jr. Agaton
Bookkeeper	Canuel, Niña B.
Bookkeeper	dela Cruz, Jackelyn
Laguna 1	
Position	Name
Provincial Manager	Batarlo, Gerardo Hervera
Marketing Officer	Comia, Christopher Evangelista
Bookkeeper	Macalino, Mary Anne Lacson
Insurance Processor	Angeles, Annam Venus Alcantara
Bookkeeper	Hernandez, Lyra Pineda
Insurance Processor	Mendoza, Jenny
Insurance Processor	Pergis, Jinky L.
Laguna 2	
Position	Name
Acting Marketing Officer	Castro, Aileen Bartolome
Insurance Processor	Foloso, Kathrina Cabangon
Insurance Processor	Pereda, Michael Monterey

# CARD MBA

## PROVINCIAL OFFICE STAFF

VISAYAS CLUSTER	
Cluster Manager	OLIVER M. REYES
Cebu	
Position	Name
Provincial Manager	Yutiga, Roy Medina
Bookkeeper	Gabriola, Mechelle Arendaje
Insurance Processor	Albarida, Annabel Marcelino
Insurance Processor	Dadol, Malyn Dilao
Masbate	
Position	Name
Provincial Manager	Patay, Catherine Mojica
Marketing Officer	Montilla, Francis Ramones
Bookkeeper	Labao, Ma. Bella Lajos
Insurance Processor	Venancio, Erwin Gonzales
Insurance Processor	Manlapaz, Marvin
Insurance Processor	Castillo, Darlin Tugbo
Leyte	
Position	Name
Acting Provincial Manager	Navera, Chito Creo
Insurance Processor	Mendoza, Darwin Solana
Bookkeeper	Segarino, Tetchie Boholst
Insurance Processor	Labarda, Gelyn Gerez
Insurance Processor	Baquino, Ruthlyn Pusa
Insurance Processor	Ramos, Siegfred Serrano
Iloilo	
Position	Name
Provincial Manager	Martecion, Rosalie Buhat
Provincial Manager-OIC	Barnuevo, Gemma Balatayo
Insurance Processor	Juanites, Robecel Pagsugiron
Claims Processor	Bernantes, Amy Gadayan
Bookkeeper	Fernandez, Sarah Ibañez
Samar	
Position	Name
Acting Provincial Manager	Pia, Rory Bactul
Insurance Processor	Gabiana, Joan Fabrigar
Bookkeeper	Ramos, Janelle Verccio
Bohol	
Position	Name
Marketing Officer	Rapsing Jr., Eduardo Dones
Bookkeeper	Olmedo, Rica Mae
Insurance Processor	Seroy, Ronaldo Ando
Capiz	
Position	Name
Insurance Processor	Cabales, Froilan James D.
Marketing Officer	Lobaton, Marry Rose V.

MINDANAO CLUSTER	
Cluster Manager	ELY B. RODRIGUEZ
Davao	
Position	Name
Acting Provincial Manager	Jimenez, Rosenie Catalogo
Bookkeeper	Almirol, Mirasol Solis
Insurance Processor	Velasquez, Elyn Amoroto
Insurance Processor	Cebulleros, Roselyn Garcia
Misamis Oriental (Cagayan De Oro)	
Position	Name
Asst. Provincial Manager	Nacua, Janicekith Embajador
Bookkeeper	Dionardo, Monalie Lagutin
Insurance Processor	Marababon, Jaycel Gabule
Acting Marketing Officer	Priete, Ketty Cabilogan
Insurance Processor	Geromo, Ma. Stephany Sumalpong
Insurance Processor	Hontiveros, Lowel Jules Hallazgo
Bookkeeper	Magallanes, Ann Jaraine E
Zamboanga Del Norte	
Position	Name
Provincial Manager	Lanoy, Carla Fe Aballe
Insurance Processor	Sagario, Julie Anne Magdolot
Bookkeeper	Paglinawan, Marycres Comendador
Bookkeeper	Bertulfo, Messy Ortega
Compostela Valley	
Position	Name
Acting Marketing Officer	Pondevida, Catherine Emuy
Bookkeeper	Tuazon, Lenie Samo
Bookkeeper	Medina, Jilley Ticmon
Insurance Processor	Jaramillo, June E
South Cotabato	
Position	Name
Acting Provincial Manager	Nisnisan, Rey Robles
Insurance Processor	Ca-ay Jr, Robinson Daquio
Bookkeeper	Gomez Nerlyn Idjao
Surigao Del Sur	
Position	Name
Provincial Manager	Jabonan, Roy Palao
Bookkeeper	Marquez, Jelly Ann Pechon
Insurance Processor	Dumail, Manilyn Pugado



# 2011 MBA COORDINATORS

Albay Provincial OFFICE		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
	<b>LEGAZPI</b>	
1	1 LEGASPI	Melanie Abejuro
	2 DARAGA 1	None
	3 DARAGA 2	Lerma M. Mendoza
	4 BACACAY	Margie B. Baral
	5 TABACO	Gladina B. Rabanos
	6 STO. DOMINGO	Mary Ann L. Balane
	7 TIWI	None
	8 PILAR	Imelda O. Leosala
	<b>BICOL 2</b>	
2	9 TINAMBAC 1	Cecilia A. Mendoza
	10 TINAMBAC 2	None
	11 TINAMBAC 3	Dolores A. Cirujano
	12 TIGAON 2	Cresencia Barrameda
	13 SAGNAY	Aryen Tria
	<b>BICOL 3</b>	
3	14 GOA	Annabelle Cereno
	15 LAGONOY	None
	16 TIGAON 1	Fe C. Zoleta
	17 SAN JOSE	None
	18 GOA 2	Edna Royo
	<b>BICOL 4</b>	
4	19 NABUA	Imelda Barauelo
	20 NABUA 2	None
	21 IRIGA 1	Janita B. Dorosan
	22 IRIGA 2	Mary Barquin
	23 BUHI	Eugenia T. Leido
	24 BATO	Cynthia B. Sanchez
	<b>BICOL 5</b>	
5	25 POLANGUI	Juanita Federico
	26 POLANGUI 2	Serena Rubianes
	27 LIGAO 1	Maria Zoraida Anora
	28 LIGAO 2	Imelda O. Miranda
	29 LIGAO 3	Marilyn Olleta
	30 CAMALIG	Evelyn Austero
	31 OAS	Cindy R. Castro
BATAAN PROVINCIAL OFFICE		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
	<b>PAMPANGA 1</b>	
1	1 GUAGUA	Lolita A. Aquino
	2 FLORIDA BLANCA	Irene R. Patiam
	3 SAN FERNANDO 2	Sylvia B. Suliva
	4 LUBAO	Aurora B. Vitug
	<b>PAMPANGA 2</b>	
2	5 APALIT	Aniceta C. Ramos
	6 SAN SIMON	Lorena T. Manabat
	7 MACABEBE	Judith M. Mendoza
	8 MABALACAT	Teresita C. Luza

		PAMPANGA 3	
3	8	ARAYAT	Aireen Lumbang
	9	CABIAO	Marcelina DC. Dorico
	10	MAGALANG	Rhodelene S. Limpin
	11	MEXICO	Leilani Q. Pamintuan
		BATAAN	
4	12	BALANGA	Yolanda L. De Jesus
	13	DINALUPIHAN	Gertrudes P. Natividad
	14	ORANI	Cherrie Albo
		ZAMBALES	
5	15	CASTILLEJOS	Melody R. Rasing
	16	SAN NARCISO	Cristina R. Villamor
BOHOL PROVINCIAL OFFICE			
NO.		AREA/BRANCHES	NAME OF MBA COORDINATOR
		BOHOL 1	
1	1	ANTEQUERA	Alda B. Villareal
	2	TAGBILARAN 1	Damiana H. Garcia
	3	PANGLAO	Zelona N. Tubiano
	4	CALAPE	Marilyn D. Dumali
	5	TAGBILARAN 2	None
	6	MARIBOJOC	Mercedita G. Medequiso
	7	LOON	Milagros L. Tenajeros
		BOHOL 2	
2	6	TUBIGON	Cleofe A. Libutan
	7	GETAFE	Policarpia Cempron
	8	TALIBON	Riza A. Austria
	9	TRINIDAD	None
	10	CLARIN	Anecita O. Lomosbog
	11	UBAY	Raquel L. Evangelista
		BOHOL 3	
3	12	BACLAYON	Jeanette J. Talo
	13	CARMEN	None
	14	LOBOC	Dionesia T. Acuña
	15	SIERRA BULLONES	Zenaida N. Alolino
	16	BILAR	Nena Q. Estar
		BOHOL 4	
4	17	DIMIAO	Elnora B. Japos
	18	LOAY	None
	19	JAGNA	Melita M. Ipil
	20	GUINDULMAN	Teresita Monalde
	21	VALENCIA	Tita S. Fernandez
		SIQUIJOR	
5	22	SIQUIJOR	Ardine M. Eleo
	23	LARENA	Gonie P. Edrozo
	24	LAZI	Jessie P. Duhaylungsod
	25	MARIA	Maria Jane Paulin
		NEGROS 1	
6	26	DUMAGUETE	Leonora V. Futralan
	27	VALENCIA	Fefe D. Alabado
	28	BACONG	None
	29	SIBULAN	None



# 2011 MBA COORDINATORS

6	30	SIATON	None
	31	TANJAY	Flordulce C. Banogan
	32	AMLAN	Stephanie Rose J. Catan
NEGROS 2			
7	33	BAIS	Emma Encierto
	34	MANJUYOD	Jannette P. Cabual
	35	PAMPLONA	None
	36	BINDOY	Maria Cheryl Caygan
	37	AYUNGON	None
BULACAN PROVINCIAL OFFICE			
	NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
BULACAN 1			
1	1	MARILAO	Marissa De Dios Sablan
	2	MEYCAUYAN	Evelyn G. Valenzuela
	3	NORZAGARAY	Josephine T. Villan
	4	SAN JOSE DEL MONT	Jamela R. Castro
	5	SAN JOSE DEL MONT	Rosdel M. De Leon
BULACAN 2			
2	7	BALIUGAG	Catalina A. Escaner
	8	PLARIDEL	Zoraida Geronimo
	9	PULILAN	Evangelina L. Sabiduria
	10	SAN ILDEFONSO	Liezel L. Aragon
	11	SAN MIGUEL	Emilia S. Fernando
BULACAN 3			
3	12	CALUMPIT	Thelma m. Alvarez
	13	GUIGUINTO	Segundina Sevilla
	14	HAGONOY	Maria Nieves Trinidad
	15	MALOLOS	Melissa S. Balite
CAMANAVA 1			
4	16	CALOOCAN SOUTH	Rosario T. De Leon
	17	CALOOCAN EAST	Rosalina B. Dimapilis
	18	NOVALICHES 1	Geraldine Francisco
CAMANAVA 2			
5	20	VALENZUELA 1	Alma B. Soriano
	21	MALABON 1	Hean D. Rosales
	23	NAVOTAS 2	Carmensita M. Ramos
TARLAC 1			
6	24	CAPAS	Jelica D. Halili
	25	STA. IGNACIA	Flordeluna Hidalgo
	26	TARLAC CITY 1	Eugenia Lacadin
	27	TARLAC CITY 2	Lolita Serapion
	28	TARLAC CITY 3	Mayviyl Pascua
TARLAC 2			
7	29	PANIKUI	Yolanda Dacum a
	30	SAN MANUEL	Leny R. Dela Pena
PANGASINAN 6			
8	31	ALAMINOS	Aurelia Sison
	32	ANDA	Argie Caniedo
	33	AGNO	Alma U. Nilo
CAGAYAN VALLEY PROVINCIAL OFFICE			
	NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
CAGAYAN 1			
1	1	ALCALA	None
	2	BAGGAO	Jaydivina P. Passion
	3	IGUIG	Anilou C. Adduru
	4	SOLANA 2	Imee B. Cabaddu
	5	TUGUEGARAO CITY	Myleen E. Quilang
	6	PENABLANCA	None

CAGAYAN 2			
2	7	GATTARAN	Marilou S. Pico
	8	LAL-LO	Norma Cristobal
	9	APARRI	Ma. Corazon O. Arimatea
	10	GONZAGA	Rosana B. Diza
	11	STA. TERESITA	Rosemarie C. Cortez
3	12	LASAM	None
	13	ALLACAPAN	Nenita G. Valdez
	14	BALLESTEROS	Fely A. Dela Cruz
	15	SANCHEZ MIRA	Shirley C. Mallari
	16	CLAVERIA	Elizabeth R. Calumpit
ISABELA 1			
4	17	CABAGAN	Rosemaria B. Tenedero
	18	TUMAUINI	Zolaima B. Matias
	19	ILAGAN	Amelia A. Temora
	20	CAUAYAN CITY	Elebitha L. Gallebo
	21	GAMU	None
	22	NAGUILIAN	None
CAMARINES SUR PROVINCIAL OFFICE			
	NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
SIPOCOT BANK			
1	1	SIPOCOT 1	Estrellita S. Cortezano
	2	SIPOCOT 2	Rowena de Una
	3	SIPOCOT 3	Josephine M. Bollosa
	4	SIPOCOT 4	
	5	RAGAY	Isabel B. Castillo
PILI BANK			
2	7	PILI 1	
	8	PILI 2	Lilia Delos Santos
	9	BULA 1	Juliet Molave
	10	BULA 2	
	11	OCAMPO 1	Chona N. Gianan
	12	OCAMPO 2	Gina K. Tabayag
NAGA BANK			
3	13	NAGA 2	Rebecca F. Royales
	14	NAGA 1	Marilyn T. Azul
	15		
	16	CAMALIGAN	Michelle P. Galan
	17	SAN FERNANDO	Nenita A. Balane
	18	MILAOR	Elma C. Ferrer
	19	MINALABAC	Ines Ojeda
	20	CALABANGA 1	Dalisay Barcelá
DAET BANK			
4	22	DAET 1	Normita Vasquez
	23	DAET 2	Melba dela Cruz
	23	DAET 2	Abante, Jade D
	24	LABO	Adelaida D. Acheron
	25	PANGANIBAN	Nena H. Benamira
	26	STA. ELENA	Emily G. Lim
	26	STA. ELENA	Marieta E. Buenafior
	27	PARACALE	Welma V. Aranas
5	28	BASUD	Anita S. Duero
	28	BASUD	Tejeresas, Angela S.
	29	LIBMANAN	Maricris A. Avenido
LIBMANAN BANK			
5	30	PASACAO	Jenifer N. Ortega



# 2011 MBA COORDINATORS

	31	PAMPLONA	Gemma A. Gasco
<b>CAPIZ PROVINCIAL OFFICE</b>			
	No.	AREA/BANCHES	NAME OF MBA COORDINATOR
		<b>ROXAS BANK</b>	
1	1	PANAY	None
	2	PRES. ROXAS	Imelda L. Salaya
	3	ROXAS 1 MAIN	Rosine B. Aguirre
	4	PONTEVEDRA	Gina B. Matalubos
	5	PANITAN	Mercy B. Rollian
	6	ROXAS 2	Aria Anna Abella
	7	ROXAS 3	Jennifer Sazon
	8	IVISAN	Rosemarie Soberano
	9	SIGMA	May Ann Janette Fano
	10	MAAYON	Elma D. Delfin
	11	MAMBUSAO	Genalyn Horario
	12	DUMALAG	Cocejo Faeldonea
		<b>ESTANCIA BANK</b>	
2	13	ESTANCIA MAIN	None
	14	BALASAN	None
	15	CARLES	None
	16	SARA	LORNA L. ORO
		<b>PASSI BANK</b>	
3	17	PASSI MAIN	Lorna L. Ballos
	18	POTOTAN	Imelda M. Agravante
	19	SAN ENRIQUE	Marilyn B. Barrientos
	20	DUMARAO	Leonila C. Samelo
<b>CEBU PROVINCIAL OFFICE</b>			
	No.	AREA/BANCHES	NAME OF MBA COORDINATOR
		<b>CEBU 1</b>	
1	1	CORDOVA	Judith T. Amotan
	2	LAPU-LAPU 1	None
	3	LAPU-LAPU 2	Aprilyn Balakid
	4	MANDAUE 1	None
	5	TALAMBAN	None
		<b>CEBU 2</b>	
2	6	CEBU 1	Letecia G. Del Corro
	7	CEBU 2	Perlita Tampus
	8	MABOLO	Jovencia E. Amay
	9	MINGLANILLA	Carin P. Juezan
	10	TALISAY 1	Ma. Teresa C. Rauraut
	11	TALISAY 2	Teresita Locaylocay
		<b>CEBU 3</b>	
3	12	MANDAUE 2	None
	13	LILOAN	Geraldines S. Garbo
	14	DANAO	Ligaya P. Ramos
	15	CARMEN- CEBU	Janet C. Gilong
	16	CAMOTES- ISLAND	None
	17	SOGOD	Zenaida D. Abayon
		<b>CEBU 4</b>	
4	18	DAAN BANTAYAN	Juditha D. Gilbuena
	19	BANTAYAN 1	Analiza D. Sevillejo
	20	BANTAYAN 2	Elsa O. Ilusorio
	21	BORBON	Candelia Densing
	22	BOGO	Jocelyn B. Fernandez
	23	SAN REMEGIO	Florencia L. Daitol
	24	MEDELLIN	Ma. Cristita P. Yuyos
		<b>CEBU 5</b>	
5	25	BADIAN	None
	26	NAGA 2	None

	27	NAGA 1	Mila M. Vidosola
	28	BARILI	Ana Marata
	29	DUMANJUG	Hermicilla Sagaysay
	30	MOALBOAL	Fritzchelen S. Gador
	31		<b>CEBU 6</b>
6		ARGAO	None
	32	CARCAR	None
	33	DALAGUETE	Martinez Alma
	34	OSLOB	None
	35	SAMBOAN	Delza Anggong
	36	SIBONGA	Ma. Genelyn O. Ordenza
	37		<b>CEBU 7</b>
7		BALAMBAN	Gemma Tojong
	38	LUTOPAN	Loida F. Abijao
	39	PINAMUNGAJAN	None
	40	TOLEDO	Isidra V. Jaures
	41	TUBURAN	Evangeline M. Lahaylahay
<b>COMPOSTELA VALLEY PROVINCIAL OFFICE</b>			
	No.	AREA/BANCHES	NAME OF MBA COORDINATOR
		<b>DAVAO 2A</b>	
1	1	TAGUM 1	Mabagee B. Maraviles
	2	TAGUM 2	Illuminda Monreal
	3	KAPALONG	Milagros B. Dasas
	4	MACO	Marlene T. Cosares
	5	NEW CORELLA	Miriam Buctot
	6	ASUNCION	Leriam C. Javines
		<b>DAVAO 2B</b>	
2	7	PANABO 1	Shirley T. Homoc
	8	PANABO 2	Aida E. Sevilla
	9	CARMEN	Barbara Grace Villagracia
	10	STO. TOMAS	Flora C. Lacaba
	11	TAGUM 3	Cristina Q. Palor
	12	BUNAWAN	Norie Rubilla
		<b>DAVAO 4A</b>	
3	13	GOV.GENEROSO	Lydia E. Gallego
	14	LUPON	Erlinda A. Mejos
	15	PANTUKAN	Aquilina O. Mabitazan
	16	BANAYBANAY	Marlie Jean S. Gimeno
	17	SAN ISIDRO	Erlinda B. Montemor
		<b>DAVAO 4B</b>	
4	18	MANAY	Nellie F. Racsa
	19	MATI 1	Elisa Rositase
	20	MATI 2	Lourdes D. Ventura
	21	CARAGA	Pureza Labasano
	22	BAGANGA	Lorraine S. Terio
		<b>COMVAL</b>	
5	23	NABUNTURAN	Lilia R. Renario
	24	MONTEVISTA	Nida Labastera
	25	MONKAYO	Gloria N. Visto
	26	MAWAB	Marivic P. Husain
	27	MARAGUSAN	Merlyn C. Lumakang
	28	COMPOSTELA	Judith B. Balaod
	29	NEW BATAAN	Enky Maamo
<b>NAME OF PROVINCIAL OFFICE: DAVAO</b>			
	No.	AREA/BANCHES	NAME OF MBA COORDINATOR
		<b>DAVAO 1-A</b>	
1	1	TORIL	Lilibeth R. Quizo
	2	CALINAN	Ma. Theresa U. Timbal
	3	MATINA 1	Corazon P. Reoyan



# 2011 MBA COORDINATORS

1	4	MATINA 2	Rosalie Medel
	5	TALOMO	Sheryll Hope M. Gabriel
	6	MARILOG	Danah B. Sato
	7	TUGBOK	Susan Bigno
		DAVAO 1-B	
2	8	SAMAL	Ellena Taporoc
	9	TIBUNGCO	Crisanta E. Garcia
	10	BUHANGIN 2	Marilou T. Duque
	11	BUHANGIN 1	Ma. Cecilia D. Buncalan
	12	SAMAL 2	None
		DAVAO 3-A	
3	13	DIGOS 1	Fedelina Bejoc
	14	DIGOS 2	Beverly B. Manubag
	15	STA. CRUZ	Sisinia Reyes
	16	BANSALAN	Langgi F. Futolan
	17	MATANAO	Niery N. Carillo
		DAVAO 3-B	
4	18	HAGONOY	Restina N. Lanticse
	19	MALALAG	Victoria M. Daligdig
	20	STA. MARIA	Jeanette D. Tagab
	21	PADADA	Jean Cameros
	22	MALITA	Ednely Cuerda
		CARDBANK DAVAO	
5	23	AGDAO 1	Ma. Jun Gonzales
	24	AGDAO 2	Aileen C. Natividad
	25	AGDAO 3	Elizabeth O. Reoja
	26	AGDAO 4	Blesilda M. Años
	27	BANGKEROHAN 1	Gilda G. Paco
	28	BANGKEROHAN 2	Maria P. Del Rosario
	29	BOULEVARD	Sarah V. Yap
	30	ALMENDRAS	Jasmin Rhodora Bagtasos
	31	BAJADA	Veneranda E. Pipon
	32	BUCANA	Elizabeth J. Geogangco
	Ilocos Provincial Office		
NO.	AREA/BRANCHES		NAME OF MBA COORDINATOR
		ILOCOS 1	
1	1	PASUQUIN	Luzviminda L. Martinez
	2	SARRAT	None
	4	BACARRA	Primrose C. Manglal-lan
	5	LAOAG 1	Virginia B. Ergino
	6	LAOAG 2	Aida B. Bielza
	7	VINTAR	None
			ILOCOS 2
2	8	SOLSONA	Marilyn T. Malvar
	9	DINGRAS	Carmen C. Estolonio
	10	BATAC	None
	11	BANNA	None
	12	SAN NICOLAS	Vanessa Pagud
	13	PAOAY	Emma Galimba
			ILOCOS 3
3	14	STO. DOMINGO	Jeanile V. Tacazon
	15	BADOC	Ma. Esperanza M. Asuncion
	16	PINILI	Lourdes C. Cabie
	17	CABUGAO	Susana S. Soclo
	18	MAGSINGAL	Caridad C. Pablico
	19	SAN JUAN I.S.	Nancy N. Veneciano
		ILOCOS 4	
4	20	NARVACAN	Eden M. Mendoza
	21	STA. MARIA	None

	22	VIGAN 2	None
	23	VIGAN 1	Generosa J. Acas
	24	BANTAY	None
	25	SANTA	None
		ILOCOS 5	
5	26	CANDON 1	None
	27	CANDON 2	Emily M. Bisoy
	28	STA. LUCIA	None
	29	TAGUDIN 1	Lolita Fajardo
	30	STA. CRUZ	Cristeta Magpali
	31	TAGUDIN 2	None
		ILOCOS 6	
6	32	BANGUED	Imelda V. Aguilar
	33	DOLORES	Vicky C. Barbosa
	34	PIDIGAN	Mildred Palad
	35	BUCA Y	Azel Garcia
	36	TAYUM	Rhochelle Reyes
		LA UNION 1	
7	37	SAN JUAN L.U.	None
	38	BACNOTAN	Charlyn C. Ursua
	39	BALAOAN	None
	40	BANGAR	Zenaida Villanueva
	41	LUNA	None
		LA UNION 2	
8	42	SAN FERNANDO 1	Ma. Elena P. Montoya
	43	SAN FERNANDO 2	Marilou A. Rimorin
	44	BAUANG 1	Marissa D. Gapuz
	45	BAUANG 2	Maylene G. Fariñas
	46	NAGUILIAN	Ruby C. Buscayno
ISABEL PROVINCIAL OFFICE			
NO.	AREA/BRANCHES		NAME OF MBA COORDINATOR
		ISABELA 2	
1	1	ALICIA	None
	2	ECHAGUE	None
	3	SANTIAGO CITY	None
	4	JONES	Josephine M. Porca
	5	RAMON	Milaflor I. De Guzman
	6	SAN MATEO	None
		ISABELA 3	
2	7	CABATUAN	Trinidad E. Santos
	8	ROXAS	Elsie B. Alipio
	9	AURORA	None
		QUIRINO	
3	10	AGLIPAY	Cristina T. Samin
	11	CABARROGUIS	Fely V. Labitoria
	12	CORDON	Echelle M. Hullana
	13	DIFFUN	Joy M. Aquino
	14	MADDELA	Agnes S. Baculanta
		NUEVA VIZCAYA	
4	15	BAGABAG	Ana Degamo
	16	SOLANO	None
	17	BAYOMBONG	Marilou Cabacungan
	18	BAMBANG	Cheryl C. Mendoza
	19	DUPAX DEL NORTE	Arceli R Estil
	20	ARITAO	Gina D. Ramos
		IFUGAO	
5	21	LAMUT	None
	22	LAGAWE	None



# 2011 MBA COORDINATORS

23	BANAUE	None
<b>LAGUNA PROVINCIAL OFFICE</b>		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>LAGUNA 2</b>		
1	1 PAETE	Ma. Eva T. Madridejos
	2 MABITAC	Teodora Aclan
	3 SINILOAN	Emereciana Realiza
	4 FAMY	Annie Fe L. Rabe
	5 LUMBAN	Kathleen S. De Leon
	6 STA. MARIA	Florentina Pabia
<b>LAGUNA 3</b>		
2	7 STA. CRUZ 1	Emelita Mercado
	8 STA. CRUZ 2	Lailanie G. Zambalez
	9 PAGSANJAN	Marilyn P. Zaguirre
	10 MAGDALENA	Florinda B. Arceta
	11 MAJAYJAY	Rustica M. Malixi
	12 CAVINTI	Nilda R. Javier
<b>QUEZON 6</b>		
3	13 INFANTA 1	Mary Ann F. Cuervo
	14 INFANTA 2	Rotchie M. Tierra
	15 INFANTA 3	Janice Persia
	16 REAL 1	Lennie S. Nunag
	17 REAL 2	Maila S. Masdo
	18 GANERAL NAKAR	Medy A. Miras
<b>RIZAL 1</b>		
4	19 CAINTA 1	Agnes M. Fuertes
	20 CAINTA 2	Alma P. Ballas
	21 TAYTAY 1	Victoria Manrique
	22 ANGONO	Lurecia R. Dedase
<b>RIZAL 2</b>		
5	23 BINANGONAN 1	Emily d. Balagoza
	24 BINANGONAN 2	Victoria Garcia
	25 MORONG	Necitas E. Berdan
	26 TANAY 1	Gemma C. Inarda
	27 JALA JALA	Yolanda L. Magsalin
<b>LEYTE PROVINCIAL OFFICE</b>		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
1	1 TACLOBAN 1 AND 2	Lilia A. Yman
	2 TACLOBAN 3	Rosela Acerden
	3 TACLOBAN 4	Consolacion, Zalarria
	4 TACLOBAN 5	Rizalie Ministerio
	5 TACLOBAN 7	Paulita Dalore
	6 TACLOBAN 8	Ma. Teresita Algo
	7 BABATNGON	Thelma Davin Tuldac
	8 PALO	Lea S. Baqueros
	9 TANAUAN	Bencila, Cleofe Paz M.
	10 MAC ARTHUR	Myrna Tabada
	11 DULAG	Marilou Colonia
	12 DAGAMI	Ma. Suzette Iroy
	13 ALANG-ALANG	Rosemarie T. Tulod
	14 CARIGARA	Ma. Beth Arpon
	15 BILIRAN	Ma.Nenita V. Villacorte
	16 NAVAL	Teresita C. Caparro
	17 KANANGA	Felina Rojas
	18 KAWAYAN	Teolita S. Demate
	19 MAHAPLAG	Erlinda N. Raza
	20 SOGOD	Aurora E. Godinez

21	BONTOC	Caroline O. Baldomar
22	PADRE BURGOS	Elena Clarus
23	MAASIN	Adelyn Quirong
24	BAYBAY 1	Imelda T. Española
25	INOPACAN	Milagros A. Peteros
26	HILONGOS	Trinidad P. Paulo
27	BATO	Cabrera, Julia G.
28	ABUYOG	Annabel P. Cinco
29	HINUNANGAN	Alice S. Pan
30	SAN JUAN	Salvacion I. Taganguin
31	ORMOC 1	Louie Ann P. Magallanes
32	ORMOC 2	Juliet A. Bazarte
33	ISABEL	Lourdes M. Raagas
34	TABANGO	Vilma T. Sandoval
35	ALBUERA	Roqueta Madulla
36	PALOMPON	Merlie Bregaudit
<b>MASBATE PROVINCIAL OFFICE</b>		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>MASBATE AREA 1</b>		
1	1 MOBO	Sonny Dellosa
	2 MILAGROS	Gina B. Francisco
	3 BALUD	Mariecris C. Viterbo
<b>MASBATE AREA 2</b>		
2	4 SAN JACINTO	Sarah C. Albelda
	5 SAN FERNANDO	Marife L. Grufiezo
	6 BATUAN	Kathleen A. Gelit
<b>CATAINGAN AREA</b>		
3	7 PVC	Eva Baybayon
	8 ESPERANZA	Elvira V. Soria
	9 CATAINGAN	Maria L. Galupo
	10 PLACER 1 & 2	Elvie O. Mativo
<b>DIMASALANG AREA</b>		
4	11 USON 1 & 2	Lucy S. Gonzales
	12 PALANAS	Jona E. Arpon
	13 CAWAYAN 2	Novie Paden
<b>AROROY AREA</b>		
5	14 BALENO	Marivi P. Rapsing
	15 AROROY	Ronice T. Arevalo
	16 MANDAON	Rodylne B. Amaro
<b>METRO MANILA OFFICE</b>		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>NCR 1 A</b>		
1	1 TAGUIG 1	Elsie C. Albino
	2 TAGUIG 2	Ma. Levy L. Canaria
	3 PATEROS	Emily L. Rapsing
	4 MUNTINLUPA 2	Justina E. Apuya
	5 MUNTINLUPA 3	Lorna Pili
<b>NCR 1 B</b>		
2	6 PASAY 1	Marilyn T. Palencia
	7 PASAY 3	Leticia Balanquit
	8 PARAÑAQUE 1	Merced Z. Legurpa
<b>NCR 2</b>		
3	9 MARIKINA 1	Nelly M. Valenzuela
	10 MARIKINA 2	Leoncia Lamac
	11 SAN JUAN	Maria Zamora
	12 PASIG 1	Florid Aldeo
	13 PASIG 2	Emily L. Bagares
	14 STA. MESA	Rosemarie C Sanchez



# 2011 MBA COORDINATORS

NCR 3		
4	15	COMMONWEALTH 1 Ma. Lilibeth Cudiamat
	16	CUBAO Georgina Regalado
	17	TANDANG SORA Carol G. Camacho
NCR 4		
5	18	PACO Mary Ann V. Bartoline
	19	SAMPALOC Jessica Bona
	20	STA. ANA Presetacion Modina
	21	STA. CRUZ Josefina Manalaysay
	22	DEL MONTE 1 Evelyn Cueva
	23	DEL MONTE 2 Fatima M. Fincale
CARD BANK LAS PIÑAS		
6	24	PLP 1 Ann Lou B. Jimenez
	25	PLP 2 Myla O. Chan
	26	CAA 1 Erlinda Esto
	27	CAA 3 Imalu T. Tecio
	28	TAL 4 Resurrection R. Catanan
CARD BANK MAKATI		
7	29	MAKATI 1 Carmencita Biluan
	30	MANDALUYONG 2 Ma. Belen M. Llamas
RIZAL 3		
8	31	ANTIPOLO 1 Vina Maglalang
	32	ANTIPOLO 2 Mila Demapaylo
	33	ANTIPOLO 3 Violeta Magaling
OCCIDENTAL MINDORO PROVINCIAL OFFICE		
NO.	AREA/BRANCHES	NAME OF MBA COORDINATOR
CARD BANK MAMBURAO		
1	1	MAMBURAO 1 Lina R. Peji
	2	MAMBURAO 2 None
	3	ABRA DE ILOG Emelenia L. Polinag
	4	STA. CRUZ 1 Florabel A. Marales
	5	STA. CRUZ 2 Analyn Ramos
	6	PALUAN Eloisa T. Vicente
CARD BANK SABLAYAN		
2	7	Sablayan 2 Miravilla V. Urieta
	8	Sablayan 1 None
	9	Ligaya Ruth E. Nocelo
	10	Pag-asa Josie P. Daguinotas
CARD BANK SAN JOSE 1		
3	11	San Jose 1 None
	12	San Jose 2 Isabel E. Vergara
	13	San Jose 3 SUSANA M. PECSON
	14	San Jose 4 Angelita D. Ismael
	15	San Jose 5 Lornalyn S. Rivera
CARD BANK SAN JOSE 2		
4	16	Magsaysay 1 Emilie S. Magan
	17	Magsaysay 2 None
	18	Magsaysay 2 None
	19	Rizal 1 Gloria F. Bautista
	20	Rizal 2 Digna B. Valdevieso
	21	Calintaan Vilma Padilla
	22	Calintaan Juliana M. Morales
PALAWAN PROVINCIAL OFFICE		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
PALAWAN 1		
1	1	PUERTO PRINCESA 1 Ana May M. Maberit
	2	PUERTO PRINCESA 1 Lolita A. Calupcupan
	3	PUERTO PRINCESA 2 Lita B. Vejano
	4	PUERTO PRINCESA 2 Phoebe F. Carandang
	5	PUERTO PRINCESA 3 Carlita M. Namuco
	6	PUERTO PRINCESA 4 Merlina C. Nalica

PALAWAN 2		
2	1	NARRA 1 Milagros R. Edep
	1	NARRA 1 Ma. Cristina Q. Paloma
	2	NARRA 2 Elizabeth E. Apolinario
	2	NARRA 2 Marie Paz Del Rio
	3	ABORLAN Ginalyn O. Aston
	4	QUEZON Letecia D. Baldonado
4	4	QUEZON Charyl P. Lato
PALAWAN 3		
3	1	BROOKES POINT Frediswinda Amlasan
	1	BROOKES POINT Consuelo B. Casipe
	1	BROOKES POINT Florence Padul
	2	ESPAÑOLA Carmen Tayactac
	2	ESPAÑOLA Leticia A. Pagliawan
	3	BATARAZA 1 Sarbia A. Tumandao
	3	BATARAZA 1 Noemi G. Guardian
	4	BATARAZA 2 Alma T. Delote
	5	RIZAL Diery D. Espada
PALAWAN 4		
4	1	ROXAS 1 Yolanda G. Baquiao
	1	ROXAS 1 Ravima Manzano
	2	ROXAS 2 Evangeline P. Palay
	2	ROXAS 2 Lilian N. Samperoy
	3	SAN VICENTE Arlene Rey
	3	SAN VICENTE Agnes Gonzales
	4	TAYTAY 1 Marilou E. Severino
	5	TAYTAY 2 Imelda T. Maravillas
	5	TAYTAY 2 Juno Molid
PANGASINAN PROVINCIAL OFFICE		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
Pangasinan 1		
1	1	URDANETA 2 Josefina Francisco
	2	URDANETA 1 None
	3	ASINGAN Morita D. Ramirez
	4	TAYUG None
	5	ALCALA None
	6	ROSALES Veronica V. Pasuquin
Pangasinan 2		
2	7	SISON 1 Jacqueline F. Bermudez
	8	SISON 2 Carmelita N. Caballero
	9	SAN MANUEL Evelyn H. Ramirez
	10	BINALONAN Maria Cresilda Cascolan
Pangasinan 3		
3	11	MANGALDAN 1 Corazon Tambaoan
	12	MANGALDAN 2 Lorena Cacabelos Suquila
	13	SAN FABIAN Paz Valdez Frianeza
	14	SAN JACINTO Lilia N. Calachan
	15	MANAOAG Josie Pajarillo Marquez
Pangasinan 4		
4	16	lingayen 1 Ma. Elena Portia
	17	BUGALLON Bernadette B. Malicdem
	18	MANGATAREN Lydia M. Artates
	19	AGUILAR Marilyn E. Palapar
	20	LINGAYEN 2 Alma Valdez
	21	BINMALEY Marita Bautista
Pangasinan 5		
5	22	SAN CARLOS 1 Araceli Balbiran Dela Cruz
	23	SAN CARLOS 2 Rizza Dela Cruz Salinas
	24	CALASIAO Nancy Victorino Santiago
	25	STA. BARBARA Nida Larracas
	26	DAGUPAN Lorielyn N. Arzadon



# 2011 MBA COORDINATORS

<b>Pangasinan 7</b>		
6	27	CAMILING Luzviminda Lagasca
	28	BAYAMBANG 2 Mary Jane Emilio
	29	BAYAMBANG 1 Merlita Galletes Bergado
	30	MALASIQUI 2 Julie Anne B. Wilson
	31	MALASIQUI 1
	32	URBIZTONDO Clarisse Nicole Lyn B. Albaladejo
<b>Latrinindad</b>		
7	33	LA TRINIDAD 1 None
	34	LA TRINIDAD 2 Mildred G. Paleng
	35	LA TRINIDAD 3 None
	36	LA TRINIDAD 6 None
	37	LA TRINIDAD 7 None
	38	LA TRINIDAD 8 Yolanda T. Ringor
	39	BAGUIO 2 None
	40	BAGUIO 1 None
	41	BAGUIO 3 Ronelyn B. Antonio
	42	LA TRINIDAD 4 Anita C. Benguet
	43	LA TRINIDAD 5 None
	44	ARINGAY Herminia Padilla
	45	ROSARIO Elizabeth G. Salting
	46	AGOO Maydie M. Dolloga
	47	TUBAO Arceli Susana Suguitan
	48	STO. TOMAS Maria Zanduea
<b>QUEZON 1 PROVINCIAL OFFICE</b>		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>SARIAYA</b>		
1	1	SARIAYA 1 Cresencia L. De Torres
	2	SARIAYA 2-3 Conchita C. De Luna
	3	SARIAYA 2 Marjorie Acunin
	4	SARIAYA 3 Ma. Ana Magbuhat
	5	SARIAYA 4 Nora M. Closa
	6	SARIAYA 5 Jocelyn De Guzman
	7	SARIAYA 6 Nenita D. Lagrazon
<b>LUCENA</b>		
2	8	LUCENA-LUCENA 1 Teodorica C. Cabling
	9	LUCENA Nancy Manalo
	10	LUCENA-LUCENA 2 Jenet G. Palmiery
	11	LUCENA 2 Virginia Ancheta
	12	LUCENA-LUCENA 3 Daisy T. Barrantes
	13	LUCENA-LUCENA 4 Michelle I. Abordo
	14	LUCENA-LUCENA 5 Marissa S. Gabad
	15	LUCENA-LUCENA 6 Consuelo E. Cabangon
	16	LUCENA-LUCENA 7 Benigna O. Rodillo
<b>UNISAN</b>		
3	17	UNISAN Roberta I. Soriano
<b>AGDANGAN</b>		
4	18	AGDANGAN Melchora Amparo
<b>PAGBILO</b>		
5	19	PAGBILOA 2 Teresita Patriarca
<b>TAYABAS</b>		
6	20	TAYABAS Julie Mendoza
<b>SAMPALOC</b>		
7	21	SAMPALOC Josephine Salayo
<b>PADRE BURGOS</b>		
8	22	AGDANGAN Oliva D. Aguilar
<b>QUEZON PROVINCIAL OFFICE - 2</b>		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>CARD BANK GUMACA - A</b>		
1	1	GUMACA 1 Aida M. Decena
	2	GUMACA 2 Aida M. Decena

	3	GUMACA 3	Eduviges D. Merilloza
	4	GEN. LUNA	Nela Garcia
	5	MACALELON	Marilyn R. Rogel
	6	PITOGO	Narcisa F. Olgina
		CARD BANK GUMACA-B	
2	7	CALAUAG 1	Beatriz B. Jimenez
	8	CALAUAG 2	Teresa S. San Pablo
	9	CALAUAG 2	Melinda V. Silvestre
	10	GUINAYANGAN	Jenelee F. Buenaflor
	11	LOPEZ 1	Emma Imperio
	12	LOPEZ 2	Emma Foloso
	13	BUENAVISTA	Esperanza Vasquez
		CRD BANK TAGKAWAYAN	
3	14	DEL GALLEGO	Salvacion B. Seda
	15	TAGKAWAYAN 1	Analiza P. Regodon
	16	TAGKAWAYAN 2	None
		CARD BANK MULANAY	
4	17	MULANAY 1	Norma Atabay
	18	MULANAY 2	Norma Atabay
	19	CATANAUAN 1	Sheryl Consolacion
	20	CATANAUAN 2	Generosa Z. Pernia
	21	SAN NARCISO 1	Estrella I. Imperial
	22	SAN NARCISO 2	None
	23	SAN ANDRES	None
		CARD BANK QUEZON	
5	24	ALABAT	Matet Arandela
	25	QUEZON QUEZON	Imelda Caperina
		CARD BANK ATIMONAN	
6	26	ATIMONAN 1	Rosenda R. Marfil
	27	ATIMONAN 2	Rosemarie V. Estrope
	28	PLARIDEL	Maria Angela Noriel
SAMAR PROVINCIAL OFFICE			
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR	
		SAMAR	
1	1	CATARMAN	Angelina Comahig
	2	SAN JOSE	Anaflor S. Olarte
	3	LAO-ANG	Nerissa Romero
	4	CALBAYOG 2	Irene Gitigan
	5	STA. MARGARETA	Amelita M. Panzo
	6	ALLEN	Flordeliza P. Tan
	7	CATBALOGAN	Asuncion V. Dote
	8	STA. RITA	Delia L. Sablayan
	9	PARANAS	Ma. Delia B. Elope
	10	DOLORES	Floriza R. Bergonio
	11	LLORENTE	Vilma C. Fua
	12	GUIUANAN	Anna Grace D. Omlang
	13	GEN. MCARTHUR	Natividad N. Jababao
	14	SALCEDO	Maxima P. Ranoco
	15	BALANGIGA	Preciosa I. Aquino
	16	BASEY	Evelyn Desantores
SOUTH COTABATO PROVINCIAL OFFICE			
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR	
		SARGEN 1	
1	1	ALABEL	Angeles B. Agusan
	2	GENSAN 1	Marilyn L. Gandas
	3	GENSAN 3	Lara Cabuyoc
	4	GENSAN 6	Melyflor S. del Carmen
	5	MALAPATAN	Atlubulan M. Elenita
	6	MALUNGON	Helen L. Lumbos
	7	GLAN	Rhodora A. Sison



# 2011 MBA COORDINATORS

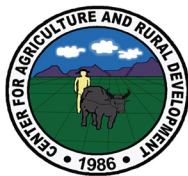
<b>SARGEN 2</b>		
2	8	GENSAN 2
	9	GENSAN 4
	10	GENSAN 5
	11	KIAMBA
	12	MAASIM
	13	MAITUM
<b>SOUTH COTABATO A</b>		
3	14	KORONADAL 1
	15	KORONADAL 2
	16	POLOMOLOK
	17	TANTANGAN
	18	TAMPAKAN
	19	TUPI
<b>SOUTH COTABATO B</b>		
4	20	BANGA
	21	STO. NIÑO
	22	SURALLAH 1
	23	SURALLAH 2
	24	TAMPAKAN
	25	TBOLI
<b>SULTAN KUDARAT</b>		
5	26	BULUAN
	27	ESPERANZA
	28	ISULAN
	29	TACURONG 1
	30	TACURONG 2
	31	PRESIDENT QUIRI
<b>NORTH COTABATO A</b>		
6	32	ANTIPAS
	33	KIDAPAWAN 1
	34	KIDAPAWAN 2
	35	MAKILALA
	36	PRESIDENT ROXA
		None
<b>NORTH COTABATO B</b>		
7	37	CARMEN
	38	KABACAN
	39	MATALAM
	40	M'LANG
	41	TULUNAN
		Chusseth D. Contayoso
<b>NORTH COTABATO C</b>		
8	42	MIDSAYAP 1
	43	MIDSAYAP 2
	44	ALAMADA
	45	LIBUNGAN
	46	PIGCAWAYAN
		None
<b>MAGUINDANAO</b>		
9	47	DATU ODIN SINSU
	48	COTABATO 1
	49	COTABATO 2
	50	PARANG
		None
		Guianesa A. Sakal
<b>SURIGAO DEL SUR PROVINCIAL OFFICE</b>		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
<b>AGUSAN SUR</b>		
1	1	SANFRANCISCO
	2	PROSPERIDAD
	3	TALACOGON
	4	TRENTO
	5	BAYUGAN 2
	6	BAYUGAN 1
	7	STA. JOSEFA
	8	BAROBO

9	BISLIG	Trinidad T. Ligaspi
	10	LIANGA
	11	LINGIG
	12	HINATUAN
	13	HINATUAN 2
	14	ARAS-ASAN
<b>SURIGAO SUR 2</b>		
2	15	SAN AGUSTIN
	16	TANDAG
	17	TAGO
	18	MADRID
	19	CARRASCAL
		Lydiosa Lebarios
<b>ZAMBOANGA DEL NORTE PROVINCIAL OFFICE</b>		
NO	AREA/BRANCHES	NAME OF MBA COORDINATOR
1	1	JIMENEZ
	2	CALAMBA
	3	PLARIDEL
	4	BONIFACIO 1
	5	PAGADIAN
	6	DUMALINAO
	7	DAPITAN
	8	OROQUIETA 1
	9	MARANDING
	10	PAGADIAN 1
	11	MOLAVE
	12	TUBOD
	13	OZAMIZ
	14	PINAN
	15	BONIFACIO
	16	TUDELA
	17	SINDANGAN
	18	TAMPILISAN
	19	DAPITAN 1
	20	ALORAN
	21	POLANCO
	22	Dipolog
	23	PAGADIAN 2
	24	RIZAL
	25	PLARIDEL
	26	KATIPUNAN
	27	OROQUIETA
	28	Manukan
	29	TUDELA
	30	SINDANGAN
	31	DUMALINAO
	32	MOLAVE
	33	AURORA
	34	CLARIN
	35	PAGADIAN 1
	36	DAPITAN
	37	CALAMBA
	38	OZAMIS
	39	OROQUIETA
	40	Dipolog
	41	PLARIDEL
	42	PINAN
	43	DAPITAN
	44	KATIPUNAN
	45	RIZAL
	46	Manukan
	47	TANGUB
	48	POLANCO

# *Sa* **CARD MRI** *Matatag and Bukas*

# **CARD MRI**

Center for Agriculture and Rural Development  
Mutually Reinforcing Institutions





*“Todo-todong Benepisyo at Paglaki ng Pondo ay  
Kayang-kaya kung Tayo ay Sama-sama”*



**CARD MBA**

**CARD Mutual Benefit Association, Inc.**

*“A member of CARD Mutually Reinforcing Institutions”*

CARD MBA Bldg., Colago Ave., San Pablo City

Telefax No. (049) 5622-878 E-mail: [cardmba9999@cardbankph.com](mailto:cardmba9999@cardbankph.com)