



# Assurance Beyond Uncertainties

Annual Report 2012



# CARD MBA, Inc.

## Vision and Mission

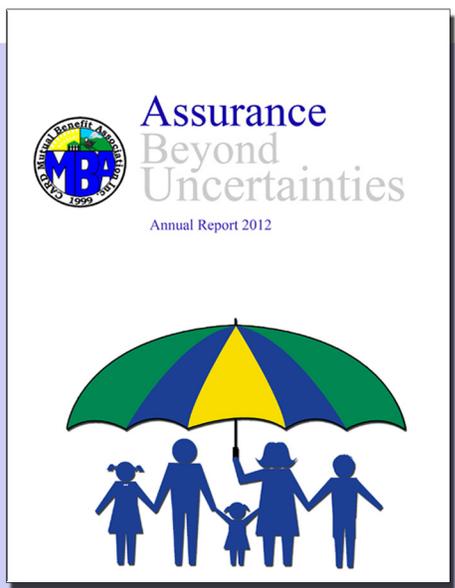
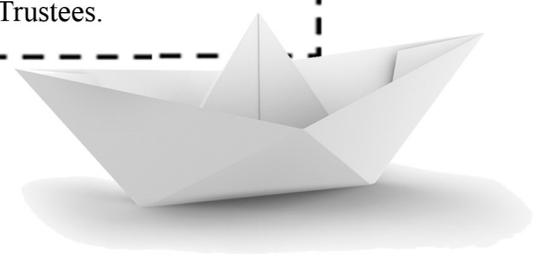


### Vision

CARD MBA is a global leader in the micro-insurance industry, owned and led by members upholding the core values of competence, family spirit, integrity, simplicity, humility, excellence and stewardship.

### Mission

1. To promote the welfare of marginalized sectors of the Philippine society and to other sectors as maybe determined by the board;
2. To extend financial assistance to its members in the form of death benefits, medical subsidy, pension and loan redemption assistance;
3. To ensure continued access to benefits/resources by actively involving the members in the direct management of the association that will include implementation of policies and procedures geared towards sustainability and improved services;
4. To adopt a prudent cash management program to invest profitably all cash in excess of current disbursement through a majority vote of its Board of Trustees.



### About the cover

CARD MBA, Inc., has been giving its clients the assurance they need during uncertain times. Just like an umbrella, it aims to protect not only its members, but also their families.

By virtue of legal relationship, CARD MBA, Inc. is the microinsurance provider of the financial institutions of the CARD Mutually Reinforcing Institutions (CARD MRI). It is, however, a separate legal entity which is owned and managed by the CARD MRI members, who by the definition of a mutual benefit, are called “members of the association”. CARD MBA, Inc. has been serving its members since September 9, 1999.

# Message from the CARD MRI Managing Director

It is our fervent hope for all poor Filipino families to have access to insurance. We understand though that this is not an easy goal to achieve because Insurance, ever since, had only been made accessible to those who are able to pay. Hence, our goal was marked by the great obstacle that the sectors we serve are those who are not even capable of providing basic needs for their families.

But the CARD MBA, Inc. battled all obstacles it has met along the way. In the recent years, the institution had several significant successes which had contributed much to the growth of the whole industry. One of these is the Build Operate and Transfer Program. This enables small cooperatives to learn about microinsurance so that in the period of at least three years, they can also provide their members with microinsurance products and services.

We are all the more pleased to mention that CARD MBA, Inc. provided its best fit and affordable microinsurance products and services to 7.9 Million individuals, which is nearly 10% of the country's population. Further, almost 100% of the PhP 519 Million amount of claim to 300,000 individuals was disbursed within 1, 3, or 5 days.

At CARD Mutually Reinforcing Institutions (CARD MRI), we believe in a holistic approach to development. Aside from microinsurance, CARD MBA, Inc. also offers non-financial services including mass weddings to encourage our clients to seek the legality of their union. As well, education is a key part of us. CARD MBA, Inc. developed a module on microinsurance which is being discussed during Credit with Education sessions in center meetings. This is being done so that our members will be well-informed of what the MBA has to offer. The module also contains policies of the association.

One of the things I am also proud about CARD MBA, Inc. is it being our members' fortress in uncertain times. We have seen different calamities hitting our country. Many of our fellowmen were affected by the typhoon Ondoy and the monsoon rains in 2012. In a snap, when emergency called, the CARD MBA Inc. spearheaded the CARD MRI Relief Assistance Program (CDRAP) which provided our affected members and their families with basic needs such as food and medicines. CARD MRI also handed out relief assistance to non-members who are residing in the affected areas we operated. Our relief assistance totaled to more than 52.8 Million Pesos for 2012 alone.

CARD MBA, Inc. is always forward looking. Despite the challenges it faced this year, the association learned lessons which gave them room for improvement. After 13 years, it is still taking initial steps towards fulfilling its goals to provide assurance for the poor. It will, as it always has been, continue to strive to give the best microinsurance services for the Filipino poor.



  
**Dr. Jaime Aristotle B. Alip**  
CARD MRI Founder and Managing Director



## Message from the CARD MBA President



CARD MBA, Inc. celebrates its 13 years of unending and extraordinary services to its clients, the "Nanays", this 2012. I am one of the many "Nanays" that CARD MBA, Inc. extended its services to, welcoming me to another family.

For the past one year, I saw two keys which made CARD MBA, Inc. strong and successful. First is its members who keep on supporting and showing love to the institution. They serve as the strong foundation on which the institution stands.

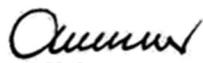
Second are its officers and staff who willingly give their talents and skills just to serve the members. Being transparent and always open in receiving comments and suggestions are just for the qualities they are armed with. The guidance of Dr. Jaime Aristotle B. Alip, the Managing Director of CARD MRI, the management of the institution, and the Board of Trustees also contributed greatly to the achievements of CARD MBA, Inc. for the year.

As the President of the Board of Trustee, I give all my best with all my heart to do tasks that are set before me in order for me to not disappoint those who became part of this journey I am taking and as well as not to break the good start this institution is taking care of. With this experience, I joined various seminars and meetings which helped me gain additional knowledge and understand what the institution really is and what it is eyeing for.

As a CARD MBA, Inc. member as well, my family and I are very lucky and are assured that even in the coming years we are in good hands. We made the right choice, indeed!

Together, let us continue to hold each other's hand for nothing is impossible to a heart that is willing.

Again, a salute to all of you! Thank you and God bless us all.

  
**Ms. Nilda B. Basilan**  
CARD MBA President

# Message from the CARD MBA General Manager



Disasters are inevitable; it can happen anytime and anywhere. We at CARD MBA, Inc. hope to provide our members with an assurance that despite these uncertainties, their future can still be certain.

Insurance used to be only offered to those who could afford it. This incapacitated the poor to avail of insurance. In 1999, we took a risk and tried to make insurance available even for the poor.

This year, 2012, CARD MBA, Inc. disbursed Php 51.52 Million worth of relief goods to 165,295 CARD MRI members and their families especially during the onslaught of the monsoon rains and typhoon Pablo. Immediate assistance to their basic needs was provided. This is what we are proud of, our CARD MRI Disaster Relief Assistance Program (CDRAP) which is just one of the other things CARD MBA, Inc. does differently.

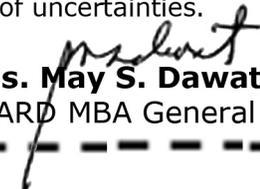
Two also of the benefit extensions that are most unique in CARD MBA, Inc. are the enhanced Life Insurance Benefit and Eligibility for Refund which opens the door even to those members less than 3 years of membership.

2012 was also a year of learning for CARD MBA, Inc. We took the initial step towards providing our members with health insurance through the Daily Hospitalization Income Benefit (DHIB). However, with the experience we had with the benefit, we realized that we can still improve it and provide a more suitable hospitalization benefit package in the future. Our experience with DHIB will serve as a valuable input in conceptualizing a more appropriate health insurance for our members.

CARD MBA, Inc. also responds to the other needs of our members. Knowing that a number of our members have the willingness to be bound in marriage but had no means, we organized a mass wedding project. In total, 64 members and their live-in partners were married through our mass wedding project.

Another program we have is the provision of educational assistance to the Build Operate And Transfer (BOAT) partners. This year, we provided 14 educational assistance to beneficiaries of partner cooperatives such as USWAG, LAMPCO, Naguillan, and BINHI.

In 2012, we are proud that we have more than 7.9 Million individuals insured. We are aiming towards giving an assurance to more Filipino families in the years ahead. CARD MBA, Inc. will remain what we have always been—the poor's hero in times of uncertainties.

  
**Ms. May S. Dawat**  
CARD MBA General Manager



Our **team** ensures that  
our members get  
only the **best benefits.**

## The Board of Trustees

(Elected September 9, 2012)



**Back row from the left:** Teodorica C. Cabling, 39, Quezon Province, Treasurer (2012-2013); Lucy S. Gonzales, 43, Masbate; Evelyn B. Austero, 63, Albay; Ma. Therese Jane F. Perdito, 35, Cavite, Secretary (2012-2013); Atty. Jomer H. Aquino, 43, Independent Trustee; Maricel A. Ramos, 42, Marinduque; Letecia G. Del Corro, 54, Cebu; Emmylou S. Onyot, 38, Misamis Oriental **Front row from the left:** Celenia B. Lazo, 57, North Cotabato; Remia C. Vaquez, 46, Oriental Mindoro, Vice-President (2012-2013); Arlette A. Umali, 64, Independent Trustee; Nilda B. Basilan, 52, Metro Manila, President (2012-2013); Genelyn C. Chavez, 35, Iloilo; Añiana A. Añil, 49, Oriental Mindoro; Patricia M. Pelera, 57, Agusan del Norte

As of December 2012, we have 260 staff in our 41 Provincial Offices.

## The Management Committee



**Back row from the left:** Edison R. Reyes (Cluster Manager - Visayas 1), Mr. Oliver M. Reyes (Deputy Director for Operations - Mindanao), Michael Kelvin N. Junos (In-House Actuary), Roselito A. Magpantay (Deputy Director for Operations - Luzon), Mauricio B. Maur (Deputy Director for Operations - Visayas), Gerardo H. Batarlo (Cluster Manager - Luzon 1), Solomon A. Aramil (Senior Administrative Manager), Francis R. Montilla (Cluster Manager - Visayas 2), Michael Salazar (IT Head- OIC) **Front row from the left:** Arlene R. Umandap (Program and Relations Manager), Jennifer O. Redublo (Compliance Officer), Janet D. Canco (Deputy Director for Finance), May S. Dawat (General Manager), Ma. Joyce M. Alimagno (Cluster Manager - Luzon 4), Nemie G. Mendoza (Cluster Manager - Luzon 3), Carla Fe A. Lanoy (Cluster Manager - Mindanao 1). **Not in the Photo:** Rona R. Nava (Cluster Manager - Luzon 2)

# The Management Advisory Committee



Ms. Deverna Briones  
CARD MRI  
Chairperson



Ms. Cherry Boncajes  
CARD SME BANK, INC.



Ms. Glenda Magpantay  
CARD BANK, INC.



Ms. Juliana De Leon  
CARD, INC.



Mr. Edzel A. Ramos  
CARD-MRI Development  
Institute, Inc.



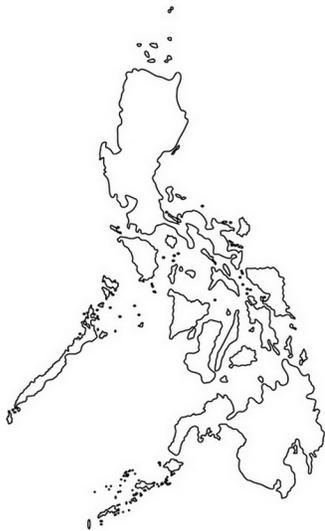
Ms. Cynthia Baldeo  
CARD SME BANK, INC.



Ms. Glenda Atabay  
CARD, INC.



Ms. Marlyn Marudo  
CARD BANK, INC.



We ensure that we can deliver our services even to **hard-to-reach places.**

Pangasinan | Benguet | Ilocos | Nueva Vizcaya | Cagayan | Tarlac | Bataan  
Bulacan | Cavite | Palawan | Metro Manila | Laguna | Batangas | Oriental  
Mindoro | Occidental Mindoro | Quezon | Camarines Sur | Camarines Norte  
Marinduque | Albay | Leyte | Southern Leyte | Samar | Bohol | Cebu | Masbate  
Negros Oriental | Iloilo | Capiz | Davao | South Cotabato | North Cotabato  
Zamboanga del Norte | Misamis Oriental | Agusan Del Norte | Surigao  
Davao del Norte

We partner with organizations who share the same **goal of assuring the poor of a certain future.**

San Roque MPC | Caunayan | Malaya MPC | Naguilian MPC | LOBEMCO |  
KALIKASAN | SIPSIPIN MPC | Timgas MPC | SAN JULIAN MPC | USWAG  
| BINHI | LAMPCO | HONFACRECO

We ensure that we deliver only the **best results.**

14 Educational Assistance to 4 Build Operate And Transfer (BOAT) partners

**CARD MBA, Inc.**  
Performance Update for 2012



**CARD MBA, Inc. Operation Status**

| PARTICULAR                      |                        | NUMBER / AMOUNT         |                         |
|---------------------------------|------------------------|-------------------------|-------------------------|
| No. Provincial Office           |                        | 41                      |                         |
| No. Of Institutional Partner    |                        | 13                      |                         |
| No. Of Staff                    |                        | 260                     |                         |
| No. of MBA Coordinator          |                        | 945                     |                         |
| No. of Trustee                  |                        | 15                      |                         |
| No. of Active Members           |                        | 1,583,326               |                         |
| No. of Insured Individual       |                        | 7,916,630               |                         |
| Number of Claims Paid           | Life Insurance         | 18,402                  |                         |
|                                 | Retirement             | 26                      |                         |
|                                 | AKAP CARD              | 34,267                  |                         |
|                                 | DHIB                   | 9,873                   |                         |
|                                 | Loan Redemption        | 3,542                   |                         |
|                                 | Refund of Contribution | Life Insurance          | 44,080                  |
|                                 |                        | Retirement              | 199,401                 |
| Amount of Claims Paid           | Life Insurance         | 245,022,987.66          |                         |
|                                 | Retirement             | 79,733.05               |                         |
|                                 | AKAP CARD              | 67,447,058.59           |                         |
|                                 | DHIB                   | 8,815,800.00            |                         |
|                                 | Loan Redemption        | 33,762,099.45           |                         |
|                                 | Refund of Contribution | Life Insurance          | 68,446,542.35           |
|                                 |                        | Retirement              | 96,391,676.56           |
| <b>TOTAL</b>                    |                        | <b>519,965,897.66</b>   |                         |
| Amount of Contribution          | Life Insurance         | 998,775,000.00          |                         |
|                                 | Retirement             | 332,801,487.48          |                         |
|                                 | Loan Redemption        | 170,354,128.96          |                         |
|                                 | <b>TOTAL</b>           |                         | <b>1,501,930,616.44</b> |
| Excess of Revenue Over Expenses |                        | <b>205,942,801.00</b>   |                         |
| Total Fund Balance              |                        | <b>1,055,129,296.00</b> |                         |
| Total Assets                    |                        | <b>4,703,816,523.00</b> |                         |



CARD MBA has a total of 945 CARD MBA, Inc. Coordinators for 2012.

**USWAG  
LAMPCO  
Naguillan  
BINHI**



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

**CONSOLIDATED 1-3-5 DAY TARGET AS OF DECEMBER 2012**

| PER TYPE OF BENEFIT         | 1 DAY  | 2 DAYS | 3 DAYS | 4 DAYS | 5 DAYS | RECONSIDERED CLAIMS | TOTAL  |
|-----------------------------|--------|--------|--------|--------|--------|---------------------|--------|
| <b>MEMBER</b>               |        |        |        |        |        |                     |        |
| DEATH                       | 4,596  | 52     | 23     | 13     | 23     | 20                  | 4,727  |
| Rating for Members          | 97.23% | 1.10%  | 0.49%  | 0.28%  | 0.49%  | 0.42%               |        |
| MVAH                        | 1,254  | 230    | 137    | 84     | 223    | 297                 | 2,225  |
| Rating for Members          | 56.37% | 10.32% | 6.16%  | 3.78%  | 10.02% | 13.35%              |        |
| <b>LEGAL DEPENDENTS</b>     |        |        |        |        |        |                     |        |
| DEATH                       | 7,903  | 1,434  | 942    | 535    | 945    | 837                 | 12,596 |
| Rating for Legal Dependents | 62.74% | 11.38% | 7.48%  | 4.25%  | 7.50%  | 6.64%               |        |
| MVAH                        | 1,028  | 204    | 183    | 119    | 261    | 330                 | 2,125  |
| Rating for Legal Dependents | 48.38% | 9.60%  | 8.61%  | 5.60%  | 12.28% | 15.53%              |        |
| <b>OVERALL RATING</b>       | 14,781 | 1,920  | 1,285  | 751    | 1,452  | 1,484               | 21,673 |
|                             | 68.20% | 8.86%  | 5.93%  | 3.47%  | 6.70%  | 6.85%               |        |
|                             |        |        |        | 93.15% |        |                     |        |



**CARD MRI Disaster Relief Assistance Program (CDRAP) Update**

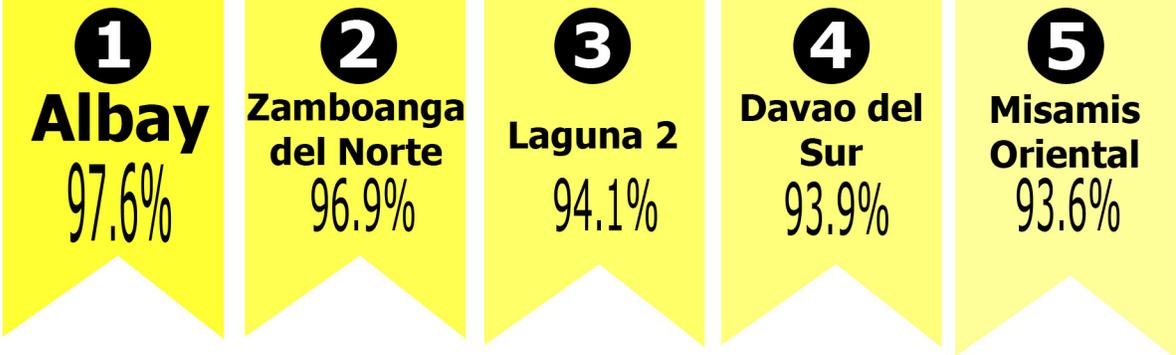
| Product            | Number         | Amount (in Pesos)    |
|--------------------|----------------|----------------------|
| Typhoon            | 59,769         | 19,003,889.06        |
| Flood              | 120,281        | 33,088,424.56        |
| Fire and Lightning | 775            | 469,671.57           |
| Tidal Wave         | 3              | 1,275.65             |
| Twister            | 8              | 1,819.60             |
| Earthquake         | 1,103          | 299,599.50           |
| Landslide          | 1              | 300.00               |
| <b>TOTAL</b>       | <b>181,940</b> | <b>52,864,979.94</b> |



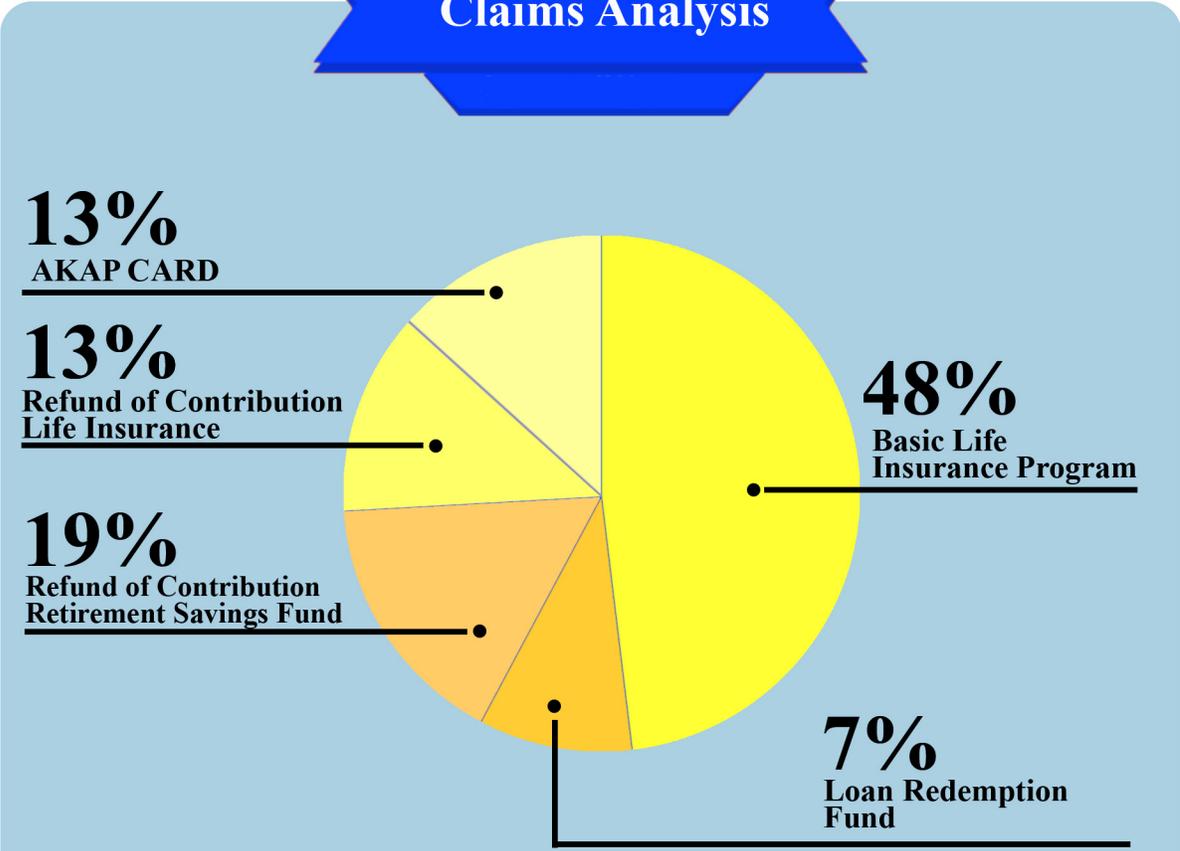
**64 couples were wed in the Mass Wedding Project of CARD MBA, Inc.**

# We ensure that our performance meets **global standards.**

## 2012 Audit Ratings of Top 5 CARD MBA Provincial Offices



### Claims Analysis



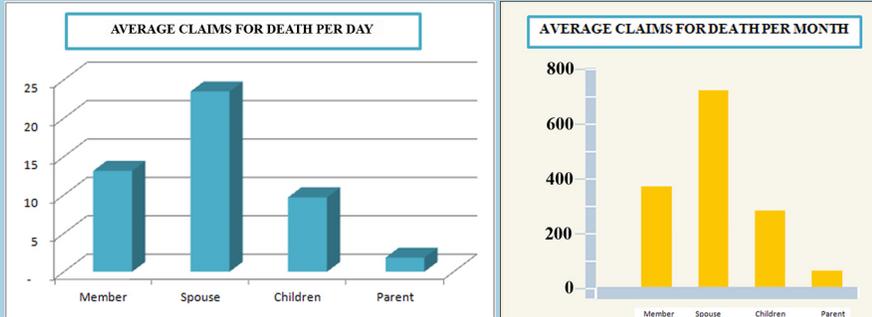
| Product                  | Amount of Claims in Peso |
|--------------------------|--------------------------|
| Life Insurance           | 245,022,987.66           |
| Retirement               | 79,733.05                |
| AKAP CARD                | 67,447,058.59            |
| DHIB                     | 8,815,800.00             |
| Loan Redemption          | 33,762,099.45            |
| Refund of Life Insurance | 68,446,542.35            |
| Contribution Retirement  | 96,391,676.56            |

Many of the claims paid by CARD MBA, Inc. is from the Life Insurance Program. The products under this program are Death, Motor Vehicular Accident Hospitalization (MVAH), and Total and Permanent Disability (TPD).

# Claims Analysis

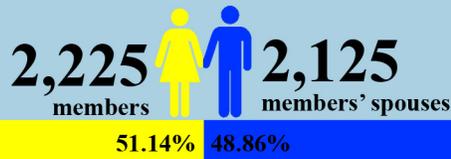
## Death

| INSURED      | Benefit       | Donation     | Total         | AVERAGE      |           |
|--------------|---------------|--------------|---------------|--------------|-----------|
|              |               |              |               | PER MONTH    | PER DAY   |
| Member       | 4,727         | 0            | 4,727         | 394          | 13        |
| Spouse       | 6,587         | 1,867        | 8,454         | 705          | 23        |
| Children     | 2,018         | 1,468        | 3,486         | 291          | 10        |
| Parent       | 608           | 48           | 656           | 55           | 2         |
| <b>Total</b> | <b>13,940</b> | <b>3,383</b> | <b>17,323</b> | <b>1,444</b> | <b>48</b> |

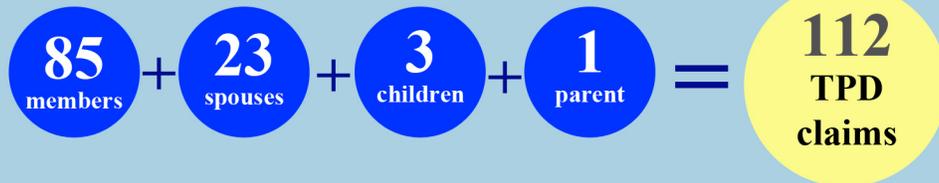


On the average, CARD MBA, Inc. receives 1,444 death claims monthly. Of the 1,444 claims, 49 percent are the members' spouses.

## Motor Vehicular Accident Hospitalization Benefit (MVAH)



## Total and Permanent Disability (TPD)



## Donation Benefits

| Donation Benefits |              |                     |
|-------------------|--------------|---------------------|
| Donation          | Number       | Amount              |
| Donation Member   | 432*         | 1,007,500.00        |
| Donation Spouse   | 1,367        | 2,687,000.00        |
| Donation Live-In  | 500          | 501,000.00          |
| Donation Child    | 1,468        | 1,471,000.00        |
| Donation Parent   | 48           | 48,000.00           |
| <b>TOTAL</b>      | <b>3,383</b> | <b>5,714,500.00</b> |

\*432 Donation Members already included in the number of claims

# We ensure that in every occasion, we have the chance to uphold our mission.

JANUARY

**Gabi ng Parangal at Pasasalamat sa mga Tagapagtaguyod ng Microinsurance**  
January 31, 2012  
Philippine International Convention Center



MAY

**Mass Wedding**  
May 3, 2012  
Catarman Unit



## Special Events 2012

JUNE

**Opening of Metro Manila 2 Provincial Office**  
June 26, 2012  
Marikina, Metro Manila



AUGUST

**General Provincial Managers' Meeting**  
August 4, 2012  
CARD-MRI Development Institute, Bay, Laguna



**Issuance of License for 2012-2013**  
August 28, 2012  
Insurance Commission



**Lakbay Aral of MBA Coordinators**  
August 2012  
CARD-MRI Development Institute, Bay, Laguna



Special Events 2012

SEPTEMBER

**Annual General Membership Meeting**  
September 6 - 7, 2012  
CARD-MRI Development Institute, Bay, Laguna



**Launching of Daily Hospitalization Income Benefit (DHIB)**  
September 7, 2012  
CARD-MRI Development Institute, Bay, Laguna



NOVEMBER

**Opening of Batangas 2 Provincial Office**  
November 9, 2012  
Palanas Lemery, Batangas



# We ensure that we provide hope in times of uncertainties.

CARD MRI Disaster Relief Assistance Program (CDRAP)  
Repacking and Distribution 2012

AUGUST

**Laguna 2 Area**  
August 8 - 11, 2012 (Habagat)



**Bulacan Area**  
August 8 - 11, 2012 (Habagat)



SEPTEMBER

**Distribution of Relief Goods at LGUs**  
September 5 - 6, 2012  
Taytay, Rizal and Paete, Laguna



### Davao del Norte Provincial Office

December 7 - 13, 2012 (Typhoon Pablo)



## Hope after the storm

CDRAP is more than a relief assistance project; it is the embodiment that the family spirit among CARD MRI and the community still lives on.

When the Philippines was struck by typhoons, floods and other calamities, many of our fellowmen were distraught, leaving some of them homeless but not hopeless. CARD MBA paid Php 52.86 million worth of relief assistance to 181,940 CARD MRI members. CARD staff and members repacked food, medicines, and other necessities hand-in-hand to respond to the cry of help from the affected families.

# We ensure that we build our staff's capacities.

## Seminars and Trainings 2012

### INTERNATIONAL SEMINARS

**AOA Forum**  
September 26 - 29, 2012  
Tokyo, Japan



**The 6th ICMIF Development Network Seminar on Improving Access to Insurance**  
November 1 - 2, 2012  
Nairobi Safari Club, Kenya



**The 8th International Microinsurance Conference**  
November 6 - 8, 2012  
Dar Es Salaam, Tanzania



### LOCAL TRAININGS

**Corporate Governance and Anti-Money Laundering Act (AMLA) Workshop**  
November 22-23, 2012  
Mandaluyong City



### REFRESHER COURSES

**PM Refresher Course**  
November 28, 2012  
CARD-MRI Development Institute, Bay, Laguna



REFRESHER COURSES

**CP Refresher Course**  
April 21 - 27, 2012  
May 28 - June 1, 2012  
CARD-MRI Development Institute, Bay, Laguna



**IP Refresher Course**  
April 21 - 27, 2012  
May 28 - June 1, 2012  
CARD-MRI Development Institute, Bay, Laguna



**BK Refresher Course**  
May 28 - June 1, 2012  
October 12 - 13, 2012  
CARD-MRI Development Institute, Bay, Laguna



CMS PILOT-TEST TRAINING

**Ilocos** August 22-25, 2012  
**Pangasinan** August 22-25, 2012  
**Bataan** September 17-19, 2012  
**Tarlac** September 20-22, 2012  
**Nueva Vizcaya** October 16-18, 2012  
**Misamis Oriental** November 12-14, 2012



Seminars and Trainings 2012

## Seminars and Trainings Attended by BOT

| # | Seminar/Training  | Date Held                     | Place                      | Participants                                   |
|---|---|-------------------------------|----------------------------|--|
| 1 | Management Course   | May 13-18, 2012               | Manchester, United Kingdom | Jocelyn C. Decipeda and Mary Ann P. Rodriguez  |
| 2 | AOA Forum   | September 26-29, 2012         | Tokyo, Japan               | Elizabeth S. Makayan and Conchita C. Tamayo    |
| 3 | ICMIF Development Seminar Workshop and Microinsurance Workshop and Conference | October 30 – November 9, 2012 | Kenya and Tanzania         | Aniana A. Añil and Ma. Therese Jane F. Perdito |
| 3 | AMLA and Good Governance  | November 22-23, 2012          | Mandaluyong City           | All Board of Trustees Officers and Members     |

## Board of Trustees Schedule of Meetings and Attendance

| Name                        | Position                   | 14-Jan-12 | 10-Mar-12 | 10-May-12         | 14-Jul-12 | 7-Sep-12 | 10-Nov-12  | Special Meeting 20-Dec-12 | % of Attendance |
|-----------------------------|----------------------------|-----------|-----------|-------------------|-----------|----------|------------|---------------------------|-----------------|
| Jocelyn C. Decipeda         | President (2011-2012)      | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Mary Ann P. Rodriguez       | Vice-President (2011-2012) | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Lydia A. Mendoza            | Secretary (2011-2012)      | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Elizabeth S. Makayan        | Treasurer (2011-2012)      | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Conchita C. Tamayo          | Member                     | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Leonisa L. Dizon            | Member                     | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Vivina D. Rapsing           | Member                     | ✓         | ✓         | ✓                 | ✓         | ✓        | term ended |                           | 5/5             |
| Maricel A. Ramos            | Member                     | ✓         | ✓         | ✓                 | ✓         | ✓        | ✓          | ✓                         | 7/7             |
| Ma. Therese Jane F. Perdito | Secretary (2012-2013)      | ✓         | ✓         | ✓                 | ✓         | ✓        | ✓          | ✓                         | 7/7             |
| Añana A. Añil               | Member                     | ✓         | ✓         | ✓                 | ✓         | ✓        | ✓          | ✓                         | 7/7             |
| Nilda B. Basilan            | President (2012-2013)      |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Remia C. Vasquez            | Vice-President (2012-2013) |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Teodorica C. Cabling        | Treasurer (2012-2013)      |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Evelyn B. Austero           | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Letecia D. Del Corro        | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Genelyn C. Chavez           | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Lucy S. Gonzales            | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Patricia M. Pelera          | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Emmylou S. Onyot            | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Celenia B. Lazo             | Member                     |           |           | not yet elected   |           |          | ✓          | ✓                         | 2/2             |
| Arlette A. Umali            | Independent Trustee        | ✓         | ✓         | ✓                 | ✓         | ✓        | ✓          | ✓                         | 7/7             |
| Atty. Jomer H. Aquino       | Independent Trustee        |           |           | not yet appointed |           |          |            | ✓                         | 1/1             |

## Audit Committee Schedule of Meetings and Attendance

| Name                              | 14-Jan-12 | 11-Feb-12 | 10-Mar-12 | 14-Apr-12 | 10-May-12 | 9-Jun-12 | 14-Jul-12 | 11-Aug-12 | 5-Sep-12 | 13-Oct-12 | 10-Nov-12 | 8-Dec-12 | Total |
|-----------------------------------|-----------|-----------|-----------|-----------|-----------|----------|-----------|-----------|----------|-----------|-----------|----------|-------|
| Arlette A. Umali<br>(Chairperson) | ✓         | ✓         | ✓         | ✓         | ✓         | ✓        | ✓         | ✓         | ✓        | ✓         | ✓         | ✓        | 12/12 |
| Devema dT. Briones                | X         | ✓         | ✓         | ✓         | ✓         | ✓        | ✓         | ✓         | ✓        | ✓         | ✓         | X        | 10/12 |
| Jocelyn D. Dequito                | ✓         | ✓         | ✓         | ✓         | ✓         | ✓        | X         | ✓         | ✓        | ✓         | ✓         | X        | 10/12 |
| May S. Dawat                      | ✓         | ✓         | ✓         | ✓         | ✓         | ✓        | ✓         | X         | ✓        | ✓         |           |          | 9/10  |
| Lydia A. Mendoza                  | ✓         | ✓         | ✓         | ✓         | ✓         | ✓        | ✓         | ✓         | ✓        |           |           |          | 9/9   |
| Juliana B. De Leon                |           |           |           |           |           |          |           |           |          |           | ✓         | ✓        | 2/2   |
| Ma. Therese Jane F.<br>Perdito    |           |           |           |           |           |          |           |           |          | ✓         | ✓         | ✓        | 3/3   |

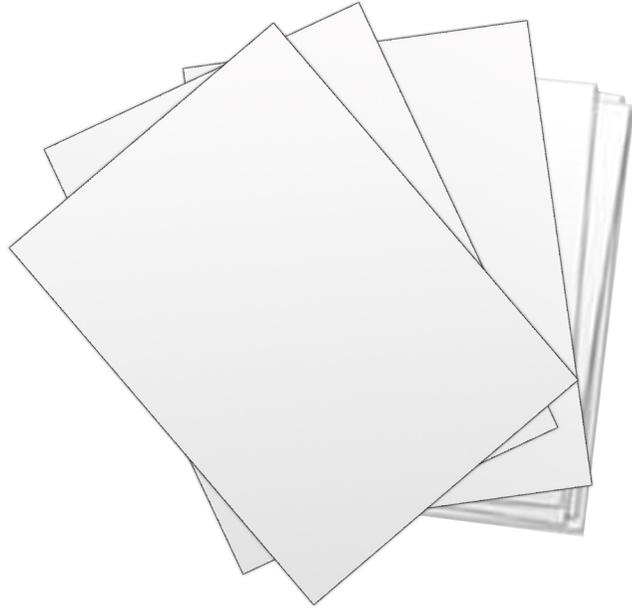
Ms. Lydia A. Mendoza was replaced by Ms. Ma. Therese Jane F. Perdito starting on October 2012 as the new set of Board of Trustees was elected. Likewise, Ms. May S. Dawat was replaced by Ms. Juliana B. De Leon starting on November 2012.

## Declaration of Independence

CARD MBA complies with the Code of Corporate Governance on the qualifications, nomination and election of independent trustee. Each elected independent trustee of CARD MBA is not an officer or employee of the association or subsidiaries, he /she has no business or other relationship with the association which would interfere with the exercise of independent judgment in carrying out the responsibilities of a trustee.

# Financial Statements

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SyCip Gorres Velayo & Co.  
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Fax: (632) 819 0872  
www.sgv.com.ph

BOA/PRC Reg. No. 0001,  
December 28, 2012, valid until December 31, 2015  
SEC Accreditation No. 0012-FR-3 (Group A),  
November 15, 2012, valid until November 16, 2015

## 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, 2012 and 2011, 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.





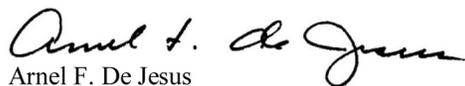
*Opinion*

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, 2012 and 2011, and its financial performance and its cash flows for the years then ended in accordance with Philippine Financial Reporting Standards.

**Report on the Supplementary Tax 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 28 and 29 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.

  
Arnel F. De Jesus  
Partner

CPA Certificate No. 43285  
SEC Accreditation No. 0075-AR-3 (Group A),  
February 14, 2013, valid until February 13, 2016  
Tax Identification No. 152-884-385  
BIR Accreditation No. 08-001998-15-2012,  
June 19, 2012, valid until June 18, 2015  
PTR No. 3669673, January 2, 2013, Makati City

March 9, 2013



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

**STATEMENTS OF FINANCIAL POSITION**

|   | December 31           |                |
|---|-----------------------|----------------|
|   | 2012                  | 2011           |
| <b>ASSETS</b>   |                       |                |
| <b>Cash and Cash Equivalents</b> (Notes 6, 23 and 25)                     | <b>₱829,704,731</b>   | ₱224,701,716   |
| <b>Short-term Investments</b> (Notes 7 and 25)                            | <b>70,384,177</b>     | 86,625,758     |
| <b>Financial Assets</b>   |                       |                |
| Financial Assets at fair value through profit or loss<br>(Notes 9 and 25) | <b>20,260,000</b>     | 20,480,000     |
| Available-for-sale financial assets (Notes 10 and 25)                     | <b>472,312,231</b>    | 330,449,702    |
| Held-to-maturity investments (Notes 11, 25 and 27)                        | <b>3,128,634,363</b>  | 2,813,579,926  |
| Loans and receivables (Notes 8, 23 and 25)                                | <b>80,672,118</b>     | 106,655,969    |
| <b>Property and Equipment</b> (Note 12)                                   | <b>68,708,142</b>     | 30,755,853     |
| <b>Investments in Associates</b> (Note 13)                                | <b>25,447,653</b>     | 20,419,847     |
| <b>Other Assets</b> (Notes 14 and 25)                                     | <b>7,693,108</b>      | 8,698,322      |
| <b>Net Pension Asset</b> (Notes 24)                                       | <b>—</b>              | 1,311,845      |
|   | <b>₱4,703,816,523</b> | ₱3,643,678,938 |
| <b>LIABILITIES AND FUND BALANCE</b>                                       |                       |                |
| <b>Liabilities</b>  |                       |                |
| Accounts payable and accrued expenses (Notes 15, 23 and 25)               | <b>₱163,591,077</b>   | ₱53,839,248    |
| Insurance contract liabilities (Note 16)                                  | <b>2,247,913,405</b>  | 1,766,423,705  |
| Retirement savings fund (Note 17)   | <b>1,236,694,881</b>  | 963,749,991    |
| Net Pension liability (Notes 24)  | <b>487,864</b>        | —              |
| Total Liabilities   | <b>3,648,687,227</b>  | 2,784,012,944  |
| <b>Fund Balance</b>   |                       |                |
| Appropriated fund balance (Notes 11 and 27)                               | <b>193,909,179</b>    | 170,995,819    |
| Unappropriated fund balance   | <b>835,139,083</b>    | 652,109,642    |
| Other comprehensive income (Note 10)                                      | <b>26,081,034</b>     | 36,560,533     |
| Total Fund Balance  | <b>1,055,129,296</b>  | 859,665,994    |
|   | <b>₱4,703,816,523</b> | ₱3,643,678,938 |

*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>2012</b>                    | <b>2011</b>    |
| <b>REVENUE</b>   |                                |                |
| Gross premiums on insurance contracts (Note 18)  | <b>₱1,173,156,469</b>          | ₱1,082,933,160 |
| Interest income - net of final tax (Notes 6, 7, 8 and 11)                                      | <b>143,947,027</b>             | 81,554,256     |
| Contribution income - AKAP   | <b>5,542,740</b>               | 16,050,071     |
| Equity in net earnings of associates (Note 13)   | <b>2,027,806</b>               | 3,340,706      |
| Realized gain on investment in mutual funds (Note 10)  | <b>30,518,459</b>              | -              |
| Dividend income  | <b>10,097,497</b>              | 3,600,000      |
| Fair value gains (loss) from financial assets at fair value<br>through profit or loss (Note 9) | <b>(220,000)</b>               | 480,000        |
| Others   | <b>15,182,458</b>              | 10,053,346     |
| <b>Other revenue</b>   | <b>207,095,987</b>             | 115,078,379    |
| <b>TOTAL REVENUE</b>   | <b>1,380,252,456</b>           | 1,198,011,539  |
| <b>BENEFITS, CLAIMS AND EXPENSES</b>   |                                |                |
| Gross change in insurance contract liabilities (Note 16)                                       | <b>487,904,840</b>             | 509,618,041    |
| Gross insurance contract benefits and claims paid  | <b>423,494,488</b>             | 311,841,746    |
| <b>Insurance benefits claims</b>   | <b>911,399,328</b>             | 821,459,787    |
| Direct expenses (Note 19)  | <b>54,244,292</b>              | 44,396,432     |
| General and administrative expenses (Note 21)  | <b>208,666,035</b>             | 171,098,458    |
| <b>Expenses</b>  | <b>262,910,327</b>             | 215,494,890    |
| <b>TOTAL BENEFITS, CLAIMS AND EXPENSES</b>   | <b>1,174,309,655</b>           | 1,036,954,677  |
| <b>EXCESS OF REVENUE OVER EXPENSES</b>   | <b>205,942,801</b>             | 161,056,862    |
| <b>OTHER COMPREHENSIVE INCOME</b>  |                                |                |
| Fair value gains on available-for-sale<br>financial assets (Note 10)                           | <b>20,038,961</b>              | 14,661,898     |
| Transfers to profit or loss (Notes 10)   | <b>(30,518,460)</b>            | -              |
| <b>TOTAL COMPREHENSIVE INCOME</b>  | <b>₱195,463,302</b>            | ₱175,718,760   |

See accompanying Notes to Financial Statements.



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

**STATEMENTS OF CHANGES IN FUND BALANCE**

|  | Appropriated<br>Fund Balance<br>(Notes 27) | Unappropriated<br>Fund Balance | Reserve for<br>Fluctuation<br>in Value of<br>Available-for-<br>Sale Financial<br>Assets<br>(Note 10) | Total                 |
|--|--|--------------------------------|--|-----------------------|
| As of January 1, 2012                              | ₱170,995,819                               | ₱652,109,642                   | ₱36,560,533  | ₱859,665,994          |
| Appropriation during the year<br>(Notes 11 and 27) | 23,500,000                                 | (23,500,000)                   | -  | -                     |
| Reversal of appropriation                          | (586,640)                                  | 586,640                        | -  | -                     |
| Excess of revenue over expenses                    | -  | 205,942,801                    | -  | 205,942,801           |
| Other comprehensive income (Note 10)               | -  | -                              | (10,479,499)   | (10,479,499)          |
| Total comprehensive income                         | -  | 205,942,801                    | (10,479,499)   | 195,463,302           |
| <b>Balance at December 31, 2012</b>                | <b>₱193,909,179</b>                        | <b>₱835,139,083</b>            | <b>₱26,081,034</b>   | <b>₱1,055,129,296</b> |
| As of January 1, 2011                              | ₱126,899,923                               | ₱535,148,676                   | ₱21,898,635  | ₱683,947,234          |
| Appropriation during the year<br>(Notes 11 and 27) | 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           |
| Balance at December 31, 2011                       | ₱170,995,819                               | ₱652,109,642                   | ₱36,560,533  | ₱859,665,994          |

*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**

|  | Years Ended December 31 |                      |
|--|-------------------------|----------------------|
|  | 2012                    | 2011                 |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                         |                      |
| Excess of revenue over expenses  | ₱205,942,801            | ₱161,056,862         |
| Adjustments for:   |                         |                      |
| Increase in aggregate reserves (Note 16)   | 487,904,840             | 509,618,041          |
| Provision for impairment losses (Note 8)   | 1,560,570               | 10,181,653           |
| Depreciation (Note 12)   | 6,191,876               | 2,753,822            |
| Fair value loss (gains) from financial assets at fair value<br>through profit or loss (Note 9) | 220,000                 | (480,000)            |
| Interest income  | (143,947,027)           | (94,748,930)         |
| Realized gain on investments in mutual funds (Note 10)   | (30,518,460)            | –                    |
| Equity in net earnings of an associate (Note 13)   | (2,027,806)             | (3,340,706)          |
| Cash generated from operations before changes in<br>working capital                            | 525,326,794             | 585,040,742          |
| Changes in operating assets and liabilities:   |                         |                      |
| Decrease (increase) in:  |                         |                      |
| Net pension asset  | 1,799,709               | 1,663,300            |
| Loans and receivables  | (6,797,200)             | 7,029,565            |
| Increase in:   |                         |                      |
| Retirement savings fund  | 272,944,890             | 251,555,626          |
| Accounts payable and accrued expenses  | 103,336,689             | 41,568,428           |
| Net cash flows provided by operating activities  | 896,610,882             | 886,857,661          |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                         |                      |
| Acquisitions of:   |                         |                      |
| Investments in associates (Note 13)  | –                       | (13,900,000)         |
| Financial assets at fair value through profit or loss (Note 9)                                 | –                       | (20,000,000)         |
| Held-to-maturity investments (Note 11)   | (662,757,592)           | (1,062,054,737)      |
| Available-for-sale financial assets (Note 10)  | (171,080,805)           | (162,000,000)        |
| Property and equipment (Note 12)   | (44,707,265)            | (21,845,475)         |
| Short-term investments (Note 7)  | (9,251,552)             | (223,791,703)        |
| Proceeds from sale/maturities of:  |                         |                      |
| Held-to-maturity investments (Note 11)   | 388,876,922             | 127,627,312          |
| Available-for-sale financial assets (Note 10)  | 49,257,237              | –                    |
| Short-term investments   | 25,493,133              | 243,376,712          |
| Loans receivable (Note 8)  | 20,000,000              | –                    |
| Property and equipment   | 563,100                 | –                    |
| Interest received  | 113,993,741             | 40,869,331           |
| Decrease in other assets   | (1,994,786)             | (2,819,798)          |
| Net cash flows used in investing activities  | (291,607,867)           | (1,094,538,358)      |
| <b>NET INCREASE (DECREASE) IN CASH AND CASH<br/>EQUIVALENTS</b>                                | <b>605,003,015</b>      | <b>(207,680,697)</b> |
| <b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>  | <b>224,701,716</b>      | <b>432,382,413</b>   |
| <b>CASH AND CASH EQUIVALENTS AT END<br/>OF YEAR (Note 6)</b>                                   | <b>₱829,704,731</b>     | <b>₱224,701,716</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.

The accompanying financial statements of the Association were authorized for issue by the Board of Trustees on March 9, 2013.

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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 and presentation currency. All amounts are rounded to the nearest peso, unless otherwise indicated.

Statement of Compliance

The financial statements of the Association 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 years except for the adoption of the following amended PFRSs which became effective beginning January 1, 2012.

\* SGVMG100510 \*

- PFRS 7 (Amendments), *Financial Instruments: Disclosures - Transfers of Financial Assets*  
The amendments require additional disclosures about financial assets that have been transferred but not derecognized to enhance the understanding of the relationship between those assets that have not been derecognized and their associated liabilities. In addition, the amendments require disclosures about continuing involvement in derecognized assets to enable users of financial statements to evaluate the nature of, and risks associated with, the entity's continuing involvement in those derecognized assets. The amendments do not affect disclosures and have no impact on the Association's financial position or performance since the Company is not involved in these types of transfers of financial assets.
- PAS 12 (Amendments), *Income Taxes - Deferred Tax: Recovery of Underlying Assets*  
This amendment clarifies the determination of deferred tax on investment property measured at fair value. The amendment introduces a rebuttable presumption that the carrying amount of investment property measured using the fair value model in PAS 40, *Investment Property*, will be recovered through sale and, accordingly, requires that any related deferred tax should be measured on a 'sale' basis. The presumption is rebutted if the investment property is depreciable and it is held within a business model whose objective is to consume substantially all of the economic benefits in the investment property over time ('use' basis), rather than through sale. Furthermore, the amendment introduces the requirement that deferred tax on non-depreciable assets measured using the revaluation model in PAS 16, *Property, Plant and Equipment*, always be measured on a sale basis of the asset. The amendment did not have an impact on the Association's financial position or performance since the Association has no investment property and its property and equipment are carried at cost.

#### Future Changes in Accounting Policies

The Association will adopt the following new and amended standards and Philippine Interpretations of International Financial Reporting Interpretations Committee (IFRIC) interpretations enumerated below when these become effective. Except as otherwise stated, the Association does not expect the adoption of these new and amended PFRS and Philippine Interpretations to have significant impact on the financial statements.

#### *Effective 2013*

- PAS 1 (Amendments), *Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income or OCI*  
The amendments to PAS 1 change the grouping of items presented in other comprehensive income (OCI). Items that can be reclassified (or "recycled") to profit or loss at a future point in time (for example, upon derecognition or settlement) will be presented separately from items that will never be recycled. The amendments affect presentation only and have no impact on the Association's financial position or performance. The amendment becomes effective for annual periods beginning on or after July 1, 2012. The amendments will be applied retrospectively and will result to the modification of the presentation of items of OCI.
- PFRS 7 (Amendments), *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities*  
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.

The amendments to PFRS 7 are to be retrospectively applied and are effective for annual periods beginning on or after January 1, 2013. The amendments affect disclosures only and have no impact on the Association's financial position or performance.

- PFRS 10, *Consolidated Financial Statements*  
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. The standard becomes effective for annual periods beginning on or after January 1, 2013.
- PFRS 11, *Joint Arrangements*  
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 using proportionate consolidation. Instead, jointly controlled entities that meet the definition of a joint venture must be accounted for using the equity method. The standard does not apply to the Association since the Association has not entered into any joint arrangements.
- PFRS 12, *Disclosure of Interests in Other Entities*  
PFRS 12 includes all of the disclosures related to consolidated financial statements that were previously in PAS 27, as well as all the disclosures that were previously included in PAS 31 and PAS 28, *Investments in Associates*. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. A number of new disclosures are also required. The standard becomes effective for annual periods beginning on or after January 1, 2013. The adoption of PFRS 12 will affect disclosures on "Investment in Associates" only and have no impact on the Association's financial position or performance.

- PAS 27 (as revised in 2011), *Separate Financial Statements*  
As a consequence of the issuance of the new PFRS 10, *Consolidated Financial Statements*, 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 the separate financial statements. The adoption of the amended PAS 27 will not have a significant impact on the separate financial statements of the entities in the Association. The amendment becomes effective for annual periods beginning on or after January 1, 2013.
- PAS 28 (as revised in 2011), *Investments in Associates and Joint Ventures*  
As a consequence of the issuance of the new PFRS 11, *Joint Arrangements*, and PFRS 12, *Disclosure of Interests in Other Entities*, 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. The amendment becomes effective for annual periods beginning on or after January 1, 2013. The adoption of the amended PAS 28 will not have an impact on the Association's financial statements since the Association is already accounting for its investments in associates using the equity method and the Association does not have existing investments in joint ventures.
- PFRS 13, *Fair Value Measurement*  
PFRS 13 establishes a single source of guidance under PFRSs 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. This standard should be applied prospectively as of the beginning of the annual period in which it is initially applied. Its disclosure requirements need not be applied in comparative information provided for periods before initial application of PFRS 13. The standard becomes effective for annual periods beginning on or after January 1, 2013.  
  
The Association does not consider that the definition of fair value that is applied in PFRS 13 differs in a material way from its current approach and consequently anticipates there will not be any impact from this standard on its financial position. However, PFRS 13 does expand the disclosure requirements in respect of fair value measurement.
- PAS 19 (Revised), *Employee Benefits*  
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 rewording. The revised standard also requires new disclosures such as, among others, a sensitivity analysis for each significant actuarial assumption, information on asset-liability matching strategies, duration of the defined benefit obligation, and disaggregation of plan assets by nature and risk. The amendments become effective for annual periods beginning on or after January 1, 2013.

The Association reviewed its existing employee benefits and determined that the amended standard has significant impact on its accounting for retirement benefits. The Association obtained the services of an external actuary to compute the impact to the financial statements upon adoption of the standard. The effects are detailed below:

*Statements of Financial Position*

|                            | <b>As of December<br/>31, 2012</b> | As at January 1,<br>2012 |
|----------------------------|------------------------------------|--------------------------|
| Increase (decrease) in:    |                                    |                          |
| Pension asset              | <b>(₱15,124,245)</b>               | (₱5,296,045)             |
| Other comprehensive income | <b>(10,376,134)</b>                | (5,296,045)              |
| Retained earnings          | <b>(4,748,111)</b>                 | -                        |

*Statement of Income*

|                         | <b>For the year<br/>ended December<br/>31, 2012</b> |
|-------------------------|---|
| Increase (decrease) in: |   |
| Pension expense         | <b>(₱547,934)</b>                                   |

- Philippine Interpretation IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*  
This interpretation applies to waste removal costs (“stripping costs”) that are incurred in surface mining activity during the production phase of the mine (“production stripping costs”). If the benefit from the stripping activity will be realized in the current period, an entity is required to account for the stripping activity costs as part of the cost of inventory. When the benefit is the improved access to ore, the entity should recognize these costs as a noncurrent asset, only if certain criteria are met (“stripping activity asset”). The stripping activity asset is accounted for as an addition to, or as an enhancement of, an existing asset. After initial recognition, the stripping activity asset is carried at its cost or revalued amount less depreciation or amortization and less impairment losses, in the same way as the existing asset of which it is a part. The interpretation is not relevant to the Association as the Association is not involved in mining activities.

*Annual Improvements to PFRSs (2009-2011 cycle)*

The annual improvements to PFRSs (2009-2011 cycle) contain non-urgent but necessary amendments to PFRSs. The amendments are effective for annual periods beginning on or after January 1, 2013 and are applied retrospectively. Earlier application is permitted.

- PFRS 1, *First-time Adoption of PFRS - Borrowing Costs*  
The amendment clarifies that, upon adoption of PFRS, an entity that capitalized borrowing costs in accordance with its previous generally accepted accounting principles, may carry forward, without any adjustment, the amount previously capitalized in its opening statement of financial position at the date of transition. Subsequent to the adoption of PFRS, borrowing costs are recognized in accordance with PAS 23, *Borrowing Costs*. The amendment does not apply to the Association as it is not a first-time adopter of PFRS.
- PAS 1, *Presentation of Financial Statements - Clarification of the requirements for comparative information*  
The amendments clarify the requirements for comparative information that are disclosed voluntarily and those that are mandatory due to retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements. An

entity must include comparative information in the related notes to the financial statements when it voluntarily provides comparative information beyond the minimum required comparative period. The additional comparative period does not need to contain a complete set of financial statements. On the other hand, supporting notes for the third balance sheet (mandatory when there is a retrospective application of an accounting policy, or retrospective restatement or reclassification of items in the financial statements) are not required.

The amendment will not have significant impact on the Association's financial statements since the comparative information disclosures are in accordance with the requirements of PAS 1.

- *PAS 16, Property, Plant and Equipment - Classification of servicing equipment*  
The amendment clarifies that spare parts, stand-by equipment and servicing equipment should be recognized as property, plant and equipment when they meet the definition of property, plant and equipment and should be recognized as inventory if otherwise. The amendment will not have any significant impact on the Association's financial position or performance.
- *PAS 32, Financial Instruments: Presentation - Tax effect of distribution to holders of equity instruments*  
The amendment clarifies that income taxes relating to distributions to equity holders and to transaction costs of an equity transaction are accounted for in accordance with PAS 12, *Income Taxes*. The Association expects that this amendment will not have any impact on its financial position or performance.
- *PAS 34, Interim Financial Reporting - Interim financial reporting and segment information for total assets and liabilities*  
The amendment clarifies that the total assets and liabilities for a particular reportable segment need to be disclosed only when the amounts are regularly provided to the chief operating decision maker and there has been a material change from the amount disclosed in the entity's previous annual financial statements for that reportable segment. The amendment affects disclosures only and has no impact on the Association's financial position or performance.

#### *Effective 2014*

- *PAS 32 (Amendments), Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities*  
These amendments are to be retrospectively applied 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. The Association is currently assessing the impact of the amendments to PAS 32.

#### *Effective 2015*

- *PFRS 9, Financial Instruments: Classification and Measurement*  
PFRS 9, as issued in 2010, reflects the first phase of the work 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. The Association will quantify the effect in conjunction with the other phases, when issued, to present a more comprehensive picture.

- **Philippine Interpretation IFRIC 15, *Agreements for the Construction of Real Estate***  
This Philippine Interpretation covers accounting for revenue and associated expenses by entities that undertake the construction of real estate directly or through subcontractors. This Philippine 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. The SEC and the Financial Reporting Standards Council (FRSC) have deferred the effectivity of this interpretation until the final Revenue standard is issued by International Accounting Standards Board (IASB) and an evaluation of the requirements of the final Revenue standard against the practices of the Philippine real estate industry is completed.

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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 months or less from dates of placement and that are subject to an insignificant risk of changes in value

##### Short-term Investments

Short-term investments are short-term, highly liquid investments that are readily convertible to known amounts of cash with original maturities of more than three months but less than one year from dates of placement. These earn interests at the respective short-term investment rates.

##### 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 trade date.

#### *Initial recognition of financial instruments*

Financial instruments are initially recognized at fair value of the consideration given (in case of an asset) or received (in case of a liability). Except for financial instruments 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: held-to-maturity (HTM) investments, AFS investments, FVPL investments and receivables. The Association classifies its financial liabilities into financial liabilities at FVPL and other financial liabilities. 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 investments at initial recognition and, where allowed and appropriate, re-evaluates such designation at every end of the reporting period.

#### *Determination of fair value*

The fair value for financial instruments traded in active markets at the end of the reporting period 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 ask 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, options pricing models, and other relevant valuation models.

#### *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.

#### *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.

#### *Loan and 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 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.

*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.

*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.

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, 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 “Provision for impairment losses” included under “Operating expenses” in the Association’s statement of income.

As of December 31, 2012, AFS financial assets include investment in mutual fund and equity investment in preferred shares of San Miguel Corporation and CARD Bank, Inc. Investments in mutual fund is initially recorded at fair value and revalued at year end in reference to published net asset value. The investments in quoted and unquoted preferred shares are initially recorded at cost, being the fair value of the investment at the time of acquisition. The investment in unquoted preferred shares 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. The investments in quoted preferred shares are carried at their market values.

#### *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.

#### *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.

#### Offsetting

Financial assets and financial liabilities are offset and the net amount is reported in the statement of financial position 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.

#### 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.

#### 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 right 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 right 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 right 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, cancelled or has 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.

#### 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 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.

#### Investments in Associates

Investments in CARD MRI Information Technology, Inc. (CMIT) and BotiCARD, Inc. (BotiCARD), 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, are 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

The Association assesses at each end of the reporting period whether there is an indication that property and equipment may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Association makes an estimate of the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's 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. Where the carrying amount of an asset exceeds its recoverable amount, the asset 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.

An assessment is made at each end of the reporting period 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. That 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 profit or loss unless the asset is carried at revalued amount, in which case, the reversal is treated as a revaluation increase. After such reversal the depreciation charge is adjusted in future periods 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 pertains to the contribution received for the health care program introduced by the Association in which the members are given the privilege to use the facilities of affiliated hospitals. This is valid for one (1) year and the Association assumes the risk of funding the member's healthcare services and related administrative costs. Contributions received 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.

#### *Other income*

Income from other sources is recognized when earned.

### Insurance Contract Liabilities

#### *Life insurance contract liabilities*

Life insurance contract 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.

#### *Loan redemption contract liabilities*

Loan redemption contract liabilities are recognized when the contracts are entered into and the premiums are recognized. The reserve for loan redemption contracts is calculated on the basis of a prudent prospective actuarial valuation method where the assumptions used are based on 60% of gross premiums of the Association for the year.

#### *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.

### 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.

### Expense Recognition

Expenses are decreases in economic benefits during the accounting period in the form of outflows or decrease of assets or incurrence of liabilities that result in decrease in equity, other than those relating to distributions to equity participants.

#### *Benefits and claims*

Life insurance claims reflect the cost of all claims arising during the year, including claims handling costs. Death claims and surrenders are recorded on the basis of notifications received. Maturities and annuity payments are recorded when due. Benefits recorded are then accrued as liabilities.

Claims handling costs include internal and external costs incurred in connection with the negotiation and settlement of claims. Internal costs include all direct expenses of the claims department and any part of the general and administrative expenses directly attributable to the claims function.

### *Service fees*

Fees charged to the Association in exchange for collecting contribution to members by its collecting institution are recognized as expense when services are rendered.

### *General and administrative expenses*

Expenses consist of costs of administering the business. These are recognized as expenses as incurred.

### Pension Cost

Pension cost is actuarially determined using the projected unit credit method. This method reflects services rendered by employees up to the date of valuation and incorporates assumptions concerning employees' projected salaries. Actuarial valuations are conducted with sufficient regularity, with option to accelerate when significant changes to underlying assumptions occur. Pension cost includes current service cost, interest cost, actuarial gains and losses and the effect of any curtailment or settlement.

The net pension asset recognized by the Association in respect of the defined benefit pension plan is the lower of: (a) the fair value of the plan assets less the present value of the defined benefit obligation at the end of reporting date, together with adjustments for unrecognized actuarial gains or losses that shall be recognized in later periods; or (b) the total of any cumulative unrecognized net actuarial losses and past service cost and the present value of any economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan.

The defined benefit obligation is calculated annually by independent actuary using the projected unit credit method. The present value of the defined benefit obligation is determined by using risk-free interest rates of long-term government bonds that have terms to maturity approximating the terms of the related pension liability or applying a single weighted average discount rate that reflects the estimated timing and amount of benefit payments.

Actuarial gains and losses is recognized in profit or loss if the cumulative unrecognized actuarial gains and losses at the end of the previous reporting period exceeded the greater of 10% of the present value of defined benefit obligation or 10% of the fair value of plan assets. These gains and losses are recognized over the expected average remaining working lives of the employees participating in the plan.

### 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.

#### *Association 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 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.

#### *Association as a lessor*

Leases where the Association retains substantially all the risks and benefits of ownership of the asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same bases as rental income. Contingent rents are recognized as revenue in the period in which these are earned.

#### 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 End of the Reporting Period

Any post period year-end event that provides additional information about the Association's position at the end of the reporting period (adjusting event) is reflected in the financial statements. Any post year-end event that is not adjusting event, is disclosed when material to the financial statements.

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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 maturities 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 ₱3,128.63 million and ₱2,813.58 million as of December 31, 2012 and 2011, respectively (Note 11). As of December 31, 2012 and 2011, the fair market value of HTM investments amounted to ₱3,355.71 million and ₱3,012.76 million, respectively (Note 11).

### *Operating leases - Association as lessee*

The Association has entered into lease agreements related to various properties for its head office and provincial offices. The Association has determined that the lessors retain all significant risks and rewards of ownership of these properties and thus accounts for these as operating leases.

### *Operating leases - Association as lessor*

The Association has entered into commercial property leases. The Association has determined that it retains all the significant risks and rewards of ownership of these properties which are leased out on operating leases.

### *Classification of financial assets*

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 ₱143.13 million and ₱127.50 million as of December 31, 2012 and 2011, 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:

|                                   | 2012               | 2011        |
|-----------------------------------|--------------------|-------------|
| <b>Financial assets</b>           |                    |             |
| Financial assets at FVPL (Note 9) | <b>₱20,260,000</b> | ₱20,480,000 |
| AFS financial assets (Note 10)    | <b>472,312,231</b> | 330,449,702 |

The fair values of the Association's financial instruments follow (Note 25):

|                       | 2012                  | 2011           |
|-----------------------|-----------------------|----------------|
| Financial assets      | <b>₱4,829,047,849</b> | ₱3,781,988,249 |
| Financial liabilities | <b>174,381,361</b>    | 65,204,549     |

### 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, 2012 and 2011, 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):

|                          | 2012               | 2011        |
|--------------------------|--------------------|-------------|
| Property and equipment   | <b>₱68,708,142</b> | ₱30,755,853 |
| Accumulated depreciation | <b>13,201,744</b>  | 8,245,568   |

#### *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 ₱80.67 million and ₱106.66 million as of December 31, 2012 and 2011, respectively (Note 8). Allowance for impairment losses amounted to ₱2.62 million and ₱3.49 million as of December 31, 2012 and 2011, 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 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, 2012 and 2011, the fair value of AFS financial assets amounted to ₱472.31 million and ₱330.45 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% 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, 2012 and 2011, the Association has unrecognized net actuarial losses amounting to ₱27.15 million and ₱15.12 million, respectively (Note 24).

*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 25 for the key assumptions used in the estimation of provision for reserves.

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**6. Cash and Cash Equivalents**

This account consists:

|                     | 2012                | 2011                |
|---------------------|---------------------|---------------------|
| Cash on hand        | ₱3,148,181          | ₱2,510,724          |
| Cash in banks       | 40,859,704          | 40,161,117          |
| Short-term deposits | 785,696,846         | 182,029,875         |
|                     | <b>₱829,704,731</b> | <b>₱224,701,716</b> |

\* SGVMG100510 \*

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 banks earned interest ranging from 1.00% to 3.00% in 2012 and in 2011. Short-term deposits earned interest ranging from 3.00% to 4.00% and 2.75% to 4.00% in 2012 and 2011, respectively.

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**7. Short-term Investments**

Short-term investments amounted to ₱70,384,177 and ₱86,625,758 as of December 31, 2012 and December 31, 2011, respectively.

Short-term investments are money market placements that bear annual interest at rates that ranged from 1.00% to 6.00% in 2012 and in 2011. Interest income earned from these investments amounted to ₱7.62 million and ₱16.32 million in 2012 and 2011, respectively.

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**8. Loans and receivables**

This account consists of:

|                                      | 2012               | 2011         |
|--------------------------------------|--------------------|--------------|
| Accrued interest receivable          | ₱46,531,776        | ₱35,311,295  |
| Accounts receivable (Note 23)        | 24,531,048         | 37,673,508   |
| Loans receivable (Note 23)           | 10,000,000         | 30,000,000   |
| Other receivables                    | 2,225,157          | 7,159,571    |
|                                      | <b>83,287,981</b>  | 110,144,374  |
| Less allowance for impairment losses | 2,615,863          | 3,488,405    |
|                                      | <b>₱80,672,118</b> | ₱106,655,969 |

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

|   | 2012              | 2011              |
|---|-------------------|-------------------|
| At January 1                              | ₱3,488,405        | ₱6,007,321        |
| Provision for impairment losses (Note 21) | 1,560,570         | 10,181,653        |
| Amounts written off                       | (2,433,112)       | (12,700,569)      |
| <b>At December 31</b>                     | <b>₱2,615,863</b> | <b>₱3,488,405</b> |

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

Accounts receivable are generally on 1 to 30 day terms. Receivables from related parties represent premiums collected by related parties from the Association's members (Note 23).

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. The outstanding loan balance as of December 31, 2012 amounting to ₱10 million was paid in full by CMIT on March 1, 2013.

Other receivables consist of cash advances of officers and employees, commissions and claims paid for in behalf of CARD MRI insurance agency (CAMIA).

As of December 31, 2012 and 2011, allowance for impairment losses for receivables determined on a specific basis follows:

|                                 | Accounts<br>Receivable | Other<br>Receivables | Total              |
|---------------------------------|------------------------|----------------------|--------------------|
| At January 1, 2011              | ₱5,419,070             | ₱588,251             | ₱6,007,321         |
| Provision for impairment losses | 6,788,413              | 3,393,240            | 10,181,653         |
| Amounts written off             | (12,051,053)           | (649,516)            | (12,700,569)       |
| At December 31, 2011            | <b>156,430</b>         | <b>3,331,975</b>     | <b>3,488,405</b>   |
| Provision for impairment losses | <b>1,513,057</b>       | <b>47,513</b>        | <b>1,560,570</b>   |
| Amounts written off             | <b>(8,445)</b>         | <b>(2,424,667)</b>   | <b>(2,433,112)</b> |
| <b>At December 31, 2012</b>     | <b>₱1,661,042</b>      | <b>₱954,821</b>      | <b>₱2,615,863</b>  |

#### 9. Financial Assets at FVPL

As of December 31, 2012, financial assets at FVPL consist of San Miguel Corporation preferred shares. The rollforward of these investments follows:

|   | 2012               | 2011        |
|---|--------------------|-------------|
| At January 1                                      | <b>₱20,480,000</b> | ₱-          |
| Acquisition cost                                  | -                  | 20,000,000  |
| Fair value gain (loss) from FVPL financial assets | <b>(220,000)</b>   | 480,000     |
| At December 31                                    | <b>₱20,260,000</b> | ₱20,480,000 |

#### 10. Available-for-Sale Financial Assets

This account consists of:

|                                   | 2012                | 2011         |
|-----------------------------------|---------------------|--------------|
| Quoted securities - at fair value |                     |              |
| Mutual funds                      | <b>₱254,189,856</b> | ₱202,949,702 |
| Preferred shares                  | <b>74,997,375</b>   | -            |
|                                   | <b>329,187,231</b>  | 202,949,702  |
| Unquoted securities - at cost     |                     |              |
| Preferred shares                  | <b>143,125,000</b>  | 127,500,000  |
|                                   | <b>₱472,312,231</b> | ₱330,449,702 |

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

|                             | Quoted Equity<br>Securities | Unquoted<br>Equity<br>Securities | Investments in<br>Mutual Funds | Total               |
|-----------------------------|-----------------------------|----------------------------------|--------------------------------|---------------------|
| At January 1, 2011          | P—                          | P67,500,000                      | P86,287,804                    | P153,787,804        |
| Additions                   | —                           | 60,000,000                       | 102,000,000                    | 162,000,000         |
| Fair value gains            | —                           | —                                | 14,661,898                     | 14,661,898          |
| At December 31, 2011        | —                           | <b>127,500,000</b>               | <b>202,949,702</b>             | <b>330,449,702</b>  |
| Additions                   | <b>74,997,375</b>           | <b>15,625,000</b>                | <b>80,458,430</b>              | <b>171,080,805</b>  |
| Fair value gains            | —                           | —                                | <b>20,038,961</b>              | <b>20,038,961</b>   |
| Disposals                   | —                           | —                                | <b>(49,257,237)</b>            | <b>(49,257,237)</b> |
| <b>At December 31, 2012</b> | <b>P74,997,375</b>          | <b>P143,125,000</b>              | <b>P254,189,856</b>            | <b>P472,312,231</b> |

Investments in quoted securities pertain to the Association's investments in San Miguel Corporation preferred shares. In 2012, the Association purchased 999,955 shares of San Miguel Corporation preferred shares amounting to P75 million. This cost also represents the fair value of the shares as of December 31, 2012.

Investments in unquoted preferred shares pertain to the Association's investments in CARD Bank and Responsible Investment for Solidarity and Empowerment (RISE) Financing Company, Inc.

The Association purchased additional 78,125 and 300,000 preferred shares of CARD Bank, Inc., an affiliated Microfinance-Oriented Rural Bank, in 2012 and 2011, amounting to P15.63 million and P60.00 million, respectively. The Association owns 678,125 and 600,000 preferred shares of CARD Bank, Inc. amounting to P135.63 million and P120.00 million, as of December 31, 2012 and 2011, respectively.

The Association owns 1,000 shares of Responsible Investment for Solidarity and Empowerment (RISE) Financing Company, Inc. preferred shares amounting to P7.50 million as of December 31, 2012 and 2011.

The Association acquired 46,528,423 and 32,684,416 shares of Sun Life Prosperity Bond Fund shares in 2012 and 2011 amounting to P102.00 million and P80.46 million, respectively. As of December 31, 2012 and 2011, the Association's investments in mutual funds amounted to P254.19 million and P202.95 million, respectively.

The reserve for fluctuation in value of the investments in mutual funds amounted to P26.08 million and P36.56 million in 2012 and 2011, 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:

|  | 2012                | 2011        |
|--|---------------------|-------------|
| Beginning balance  | <b>P36,560,533</b>  | P21,898,635 |
| Transfer to profit or loss                                 | <b>(30,518,460)</b> | —           |
| Other comprehensive income                                 |                     |             |
| Fair value gains on available-for-sale<br>financial assets | <b>20,038,961</b>   | 14,661,898  |
|  | <b>P26,081,034</b>  | P36,560,533 |

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## 11. Held-to-Maturity Investments

As at December 31, 2012 and 2011, HTM investments include government securities classified as guaranty fund amounting to ₱126.90 million and ₱127.49 million, respectively (Note 27). 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, 2012 and 2011, the carrying amounts and fair values of these securities follow:

|                       | 2012                  |                       | 2011           |                |
|-----------------------|-----------------------|-----------------------|----------------|----------------|
|                       | Carrying Value        | Fair Value            | Carrying Value | Fair Value     |
| Fixed treasury notes  | <b>₱2,075,523,742</b> | <b>₱2,216,433,998</b> | ₱1,554,367,699 | ₱1,631,565,995 |
| Retail treasury bonds | <b>559,774,540</b>    | <b>617,409,174</b>    | 526,311,190    | 561,893,156    |
| Government bonds      | <b>116,146,828</b>    | <b>127,245,849</b>    | 393,988,308    | 440,389,869    |
| Corporate bonds       | <b>250,288,574</b>    | <b>256,660,717</b>    | 211,425,410    | 246,400,216    |
| Guaranty fund         | <b>126,900,679</b>    | <b>137,964,854</b>    | 127,487,319    | 132,514,008    |
|                       | <b>₱3,128,634,363</b> | <b>₱3,355,714,592</b> | ₱2,813,579,926 | ₱3,012,763,244 |

These investments bear annual interest rates ranging from 4.54% to 12.00% in 2012 and 3.75% to 12.00 % in 2011 and will mature between one (1) and ten (10) years from the statements of financial position date. Interest income from these investments amounted to ₱154.89 million and ₱77.65 million in 2012 and 2011, respectively.

The carrying value of HTM investments follows:

|                               | 2012                  | 2011           |
|-------------------------------|-----------------------|----------------|
| At January 1                  | <b>₱2,813,579,926</b> | ₱1,860,584,197 |
| Additions                     | <b>662,757,592</b>    | 1,053,454,804  |
| Amortization of bond discount | <b>41,173,767</b>     | 27,168,237     |
| Maturities                    | <b>(388,876,922)</b>  | (127,627,312)  |
| <b>At December 31</b>         | <b>₱3,128,634,363</b> | ₱2,813,579,926 |

## 12. Property and Equipment - net

The composition and movements in this account follow:

|  | 2012               |                          |                               |                               |                   | Total              |
|--|--------------------|--------------------------|-------------------------------|-------------------------------|-------------------|--------------------|
|  | Land               | Transportation Equipment | Computer and Office Equipment | Office Furniture and Fixtures | Building          |                    |
| <b>Cost</b>                                      |                    |                          |                               |                               |                   |                    |
| At January 1                                     | <b>₱15,634,765</b> | <b>₱3,814,232</b>        | <b>₱13,920,307</b>            | <b>₱639,590</b>               | <b>₱4,992,527</b> | <b>₱39,001,421</b> |
| Additions  | <b>36,210,485</b>  | <b>3,831,895</b>         | <b>4,340,947</b>              | <b>323,938</b>                | <b>-</b>          | <b>44,707,265</b>  |
| Disposals  | <b>-</b>           | <b>(1,353,184)</b>       | <b>(445,616)</b>              | <b>-</b>                      | <b>-</b>          | <b>(1,798,800)</b> |
| At December 31                                   | <b>51,845,250</b>  | <b>6,292,943</b>         | <b>17,815,638</b>             | <b>963,528</b>                | <b>4,992,527</b>  | <b>81,909,886</b>  |
| <b>Accumulated Depreciation and Amortization</b> |                    |                          |                               |                               |                   |                    |
| At January 1                                     | <b>-</b>           | <b>1,812,343</b>         | <b>6,076,459</b>              | <b>356,766</b>                | <b>-</b>          | <b>8,245,568</b>   |
| Depreciation                                     | <b>-</b>           | <b>1,207,947</b>         | <b>4,262,588</b>              | <b>222,089</b>                | <b>499,252</b>    | <b>6,191,876</b>   |
| Disposals  | <b>-</b>           | <b>(890,000)</b>         | <b>(345,700)</b>              | <b>-</b>                      | <b>-</b>          | <b>(1,235,700)</b> |
| At December 31                                   | <b>-</b>           | <b>2,130,290</b>         | <b>9,993,347</b>              | <b>578,855</b>                | <b>499,252</b>    | <b>13,201,744</b>  |
| <b>Net Book Value</b>                            | <b>₱51,845,250</b> | <b>₱4,162,653</b>        | <b>₱7,822,291</b>             | <b>₱384,673</b>               | <b>₱4,493,275</b> | <b>₱68,708,142</b> |

\* SGVMG100510 \*

|  | 2011               |                          |                               |                               |                   |                    |
|--|--------------------|--------------------------|-------------------------------|-------------------------------|-------------------|--------------------|
|  | Land               | Transportation Equipment | Computer and Office Equipment | Office Furniture and Fixtures | Building          | Total              |
| <b>Cost</b>                                      |                    |                          |                               |                               |                   |                    |
| At January 1                                     | ₱2,101,835         | ₱5,486,396               | ₱10,802,475                   | ₱558,900                      | ₱-                | ₱18,949,606        |
| Additions  | 13,532,930         | 86,000                   | 3,119,796                     | 114,222                       | 4,992,527         | 21,845,475         |
| Retirements                                      | -                  | (1,758,164)              | (1,964)                       | (33,532)                      | -                 | (1,793,660)        |
| At December 31                                   | 15,634,765         | 3,814,232                | 13,920,307                    | 639,590                       | 4,992,527         | 39,001,421         |
| <b>Accumulated Depreciation and Amortization</b> |                    |                          |                               |                               |                   |                    |
| At January 1                                     | -                  | 2,609,313                | 4,407,379                     | 268,714                       | -                 | 7,285,406          |
| Depreciation                                     | -                  | 961,194                  | 1,671,044                     | 121,584                       | -                 | 2,753,822          |
| Retirements                                      | -                  | (1,758,164)              | (1,964)                       | (33,532)                      | -                 | (1,793,660)        |
| At December 31                                   | -                  | 1,812,343                | 6,076,459                     | 356,766                       | -                 | 8,245,568          |
| <b>Net Book Value</b>                            | <b>₱15,634,765</b> | <b>₱2,001,889</b>        | <b>₱7,843,848</b>             | <b>₱282,824</b>               | <b>₱4,992,527</b> | <b>₱30,755,853</b> |

Fully depreciated property and equipment amounting to ₱7.82 million and ₱4.67 million as of December 31, 2012 are still in active use.

Depreciation expense charged against operations amounted to ₱6.19 million ₱2.75 million in 2012 and 2011, respectively. (Note 21)

### 13. Investments in and advances to Associates

Details of the Association's investments in associates follow:

|          | 2012               |             | 2011               |             |
|----------|--------------------|-------------|--------------------|-------------|
|          | Amount             | Percentage* | Amount             | Percentage* |
| CMIT     | <b>₱17,756,568</b> | <b>30%</b>  | ₱16,472,026        | 39%         |
| BotiCARD | <b>7,691,085</b>   | <b>40%</b>  | 3,947,821          | 30%         |
|          | <b>₱25,447,653</b> |             | <b>₱20,419,847</b> |             |

\*Percentage ownership of the Association in the total outstanding number of shares of the company.

The details of the CMIT investment follow:

|                                     | 2012               | 2011               |
|-------------------------------------|--------------------|--------------------|
| Acquisition cost:                   |                    |                    |
| At January 1                        | <b>₱11,500,000</b> | ₱1,500,000         |
| Placements                          | -                  | 10,000,000         |
| At December 31                      | <b>11,500,000</b>  | 11,500,000         |
| Accumulated equity in net earnings: |                    |                    |
| At January 1                        | <b>4,972,026</b>   | 1,679,141          |
| Equity in net earnings              | <b>1,284,542</b>   | 3,292,885          |
| At December 31                      | <b>6,256,568</b>   | 4,972,026          |
|                                     | <b>₱17,756,568</b> | <b>₱16,472,026</b> |

The Association purchased 15,000 and 100,000 common shares of CMIT in 2012 and 2011 amounting to ₱10.00 million and ₱1.50 million, respectively.

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The undistributed accumulated equity in CMIT's net earnings of ₱6.26 million and ₱4.97 million as of December 31, 2012 and 2011, respectively, which were included in the Association's unappropriated fund balance, are not available for dividend declaration until these are actually received.

As of December 31, 2012 and 2011, the Association's investment in CMIT amounted to ₱17.76 million and ₱16.47 million, respectively.

The details of the BotiCARD investment as of December 31, 2012 follow:

|                                     | 2012              | 2011       |
|-------------------------------------|-------------------|------------|
| Acquisition cost                    |                   |            |
| At January 1                        | ₱3,900,000        | ₱-         |
| Placements                          | -                 | 3,900,000  |
| Advances for stock subscription     | 3,000,000         | -          |
| At December 31                      | <b>6,900,000</b>  | 3,900,000  |
| Accumulated equity in net earnings: |                   |            |
| At January 1                        | 47,821            | -          |
| Equity in net earnings              | 743,264           | 47,821     |
| At December 31                      | <b>791,085</b>    | 47,821     |
|                                     | <b>₱7,691,085</b> | ₱3,947,821 |

In 2011, the Association purchased 780,000 common shares of BotiCARD Inc. (BotiCARD) representing 39% ownership amounting to ₱3.90 million. In 2012, the Association deposited ₱3 million to BotiCARD which will be used to subscribe to fixed number of common shares of 600,000 at ₱5 par value, pending SEC approval.

The undistributed accumulated equity in BotiCARD's net earnings of ₱0.80 million and ₱0.05 million as of December 31, 2012 and 2011, which were included in the Association's unappropriated fund balance, are not available for dividend declaration until these are actually received.

As of December 31, 2012 and 2011, the Association's investment in BotiCARD amounted to ₱7.69 million and ₱3.95 million, respectively.

Financial information of the Association's associates follow:

|                   | 2012        | 2011         |
|-------------------|-------------|--------------|
| CMIT              |             |              |
| Total assets      | ₱80,775,554 | ₱134,158,799 |
| Total liabilities | 21,550,804  | 87,609,204   |
| Net income        | 3,211,355   | 10,976,284   |
| BotiCARD          |             |              |
| Total assets      | 21,403,965  | 7,986,710    |
| Total liabilities | 11,620,800  | 2,326,093    |
| Net income        | 2,477,548   | 122,617      |

#### 14. Other Assets

This account consists of:

|                           | 2012              | 2011       |
|---------------------------|-------------------|------------|
| Refundable deposits       | <b>₱4,300,000</b> | ₱4,300,000 |
| Prepaid rent              | <b>1,027,027</b>  | 917,302    |
| Supplies inventory        | <b>984,434</b>    | 2,097,654  |
| Deferred acquisition cost | <b>818,452</b>    | 818,452    |
| Others                    | <b>563,195</b>    | 564,914    |
|                           | <b>₱7,693,108</b> | ₱8,698,322 |

Refundable deposits pertain to deposits of the Association to Philam Care and Cocolife for AKAP CARD Health Benefits. These health benefits are given to its members with the privilege of using the facilities of affiliated hospitals with services. Benefits include medical consultation, hospitalization, annual physical exam and medical emergency needs. In February 2012, the Association decided to discontinue the benefit to its members due to unfavorable result in the operation of the Association. The deposits made by the Association will be refunded upon the expiration of the terms of AKAP CARD Health benefits which is in February 2013.

#### 15. Accounts Payable and Accrued Expenses

The movement in this account follows:

|                                       | 2012                | 2011        |
|---------------------------------------|---------------------|-------------|
| Collection fee payable (Note 23)      | <b>₱151,018,956</b> | ₱18,930,163 |
| Accrued expenses                      | <b>5,300,724</b>    | 16,974,285  |
| Accounts payable - CAMIA (Note 23)    | <b>4,298,227</b>    | 14,387,864  |
| Funds Held in trust - CAMIA (Note 23) | <b>2,604,576</b>    | 3,498,282   |
| Others                                | <b>368,594</b>      | 48,654      |
|                                       | <b>₱163,591,077</b> | ₱53,839,248 |

Collection fee payable pertains to payable of the Association to its members due to cancellation of Daily Hospitalization Income Benefit and payable of the Association to its collecting institution. These 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 funds held in trust - CAMIA both represent premiums collected from policyholders in behalf of CAMIA. Funds held in trust pertains to unremitted collections to CAMIA for payments of Packaged Assistance in Case of Disaster (PAID) Plan awaiting receipt of accomplished return stubs. The funds held in trust will be transferred to accounts payable - CAMIA upon the receipt of the return stubs. It is non-interest-bearing and is payable on demand.

## 16. Insurance contract liabilities

This account consists of:

|                                      | 2012                  | 2011           |
|--------------------------------------|-----------------------|----------------|
| Life insurance contract liabilities  | <b>₱2,134,530,394</b> | ₱1,649,482,360 |
| Loan redemption contract liabilities | <b>102,212,477</b>    | 99,355,671     |
| Unearned contribution income - AKAP  | <b>380,250</b>        | 6,220,273      |
| Claims payable                       | <b>10,790,284</b>     | 11,365,401     |
|                                      | <b>₱2,247,913,405</b> | ₱1,766,423,705 |

The movements in life insurance contract liabilities as follow:

|   | 2012                  | 2011           |
|---|-----------------------|----------------|
| At January 1:   | <b>₱1,649,482,360</b> | ₱1,166,662,766 |
| Premiums received   | <b>599,265,000</b>    | 564,776,020    |
| Liability released for payments of death,<br>maturity and surrender benefits and claims | <b>(114,216,966)</b>  | (81,956,426)   |
| At December 31  | <b>₱2,134,530,394</b> | ₱1,649,482,360 |

;This account represents provisions for reserve liabilities for life 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.

The movements in loan redemption contract liabilities as follow:

|                                      | 2012                | 2011        |
|--------------------------------------|---------------------|-------------|
| At January 1:                        | <b>₱99,355,671</b>  | ₱72,557,224 |
| 60% of increase in premiums received | <b>2,856,806</b>    | 26,798,447  |
| At December 31                       | <b>₱102,212,477</b> | ₱99,355,671 |

This account represents provisions for reserve liabilities for loan redemption insurance computed on the basis of a prudent prospective actuarial valuation method where the assumptions used are based on 60% of gross premiums of the Association for the year.

The loan redemption insurance covers the outstanding loan balance of members from Center for Agriculture and Rural Development (CARD) Inc., CARD SME Bank, CARD Bank and Rizal Rural Bank in case of death of a member-borrower. The Association also records provision for reserve liabilities on loan redemption insurance. As of December 31, 2012 and 2011, loans covered by the Association's loan redemption insurance amounted to ₱22.84 billion and ₱22.37 billion, respectively.

The movements in unearned contribution income - AKAP as follow:

|   | 2012               | 2011              |
|---|--------------------|-------------------|
| At January 1:   | <b>₱6,220,273</b>  | ₱5,377,110        |
| Premiums received   | -                  | 843,163           |
| Liability released for payments of death,<br>maturity and surrender benefits and claims | <b>(5,840,023)</b> | -                 |
| <b>At December 31</b>   | <b>₱380,250</b>    | <b>₱6,220,273</b> |

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

The rollforward analysis of claims payable follows:

|                             | Claims payable     |
|-----------------------------|--------------------|
| At January 1, 2011          | ₱3,167,185         |
| Arising during the year     | 11,365,401         |
| Paid/utilized               | 3,167,185          |
| At December 31, 2011        | ₱11,365,401        |
| Arising during the year     | <b>10,767,531</b>  |
| Paid/utilized               | <b>11,342,648</b>  |
| <b>At December 31, 2012</b> | <b>₱10,790,284</b> |

#### 17. Retirement Savings Fund

The retirement savings fund represents contributions of members of the Association to the provident fund, net of administrative expenses. The provident fund is being administered by the Association and is intended for the retirement of its members and it can be availed of at the age of 65 and has completed a minimum of five (5) consecutive years of membership in the Association. The contributions are invested and the interests thereon are credited to the provident fund. If a member decides to retire prior to age of 65 and has completed a minimum of three (3) consecutive years of membership in the Association, the member shall be entitled to an equity value equivalent to 100.00% of the member's total contributions.

The rollforward of retirement savings fund follows:

|                       | 2012                  | 2011                |
|-----------------------|-----------------------|---------------------|
| At January 1          | <b>₱963,749,991</b>   | ₱712,194,365        |
| Contribution          | <b>332,801,487</b>    | 305,870,245         |
| Interest              | <b>43,270,842</b>     | 41,903,590          |
| Claims and expenses   | <b>(103,127,439)</b>  | (96,218,209)        |
| <b>At December 31</b> | <b>₱1,236,694,881</b> | <b>₱963,749,991</b> |

The allocation of interest income for retirement savings fund is equivalent to 4% of the beginning balance of the account plus contribution from members during the year. The actual interest income earned reduced by the computed amount of interest in retirement saving fund is allocated to interest income account.

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## 18. Gross premiums on insurance contracts

The gross earned premiums consist of the following:

|  | 2012                  | 2011           |
|--|-----------------------|----------------|
| Gross earned premiums on insurance contracts |                       |                |
| Life insurance premiums                      | <b>₱998,775,000</b>   | ₱917,340,375   |
| Loan insurance premiums                      | <b>170,354,129</b>    | 165,592,785    |
| Daily health income benefits                 | <b>4,027,340</b>      | -              |
|  | <b>₱1,173,156,469</b> | ₱1,082,933,160 |

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. The member's contribution is ₱15 every week.

The loan redemption insurance covers the outstanding loan balance of members to CARD Micro-finance institutions namely: CARD Inc, CARD Bank, CARD SME Bank and Rizal Rural Bank in case of death. Under this program, the member contributes 1.5% per annum of his/her outstanding loan balance to be recognized by the Association as gross premiums.

The daily health income benefits pertains to new benefit introduced by the Association during the last quarter of 2012. This pertains to hospitalization benefit of the member for a maximum of ₱2,000 or 10 days of hospital confinement per year, and up to a maximum of ₱20,000 or 100 hospital confinement days for the entire duration of membership. The member's contribution is ₱10 every week. Although, the benefit was recently introduced, at the end of December 2012, the management decided to discontinue due to claims from its members that reduces the Association's capability to operate efficiently.

## 19. Direct expenses

These accounts consist of the following:

|                                    | 2012               | 2011        |
|------------------------------------|--------------------|-------------|
| Service fees (Note 20)             | <b>₱52,692,199</b> | ₱43,317,326 |
| Commission and network access fees | <b>1,552,093</b>   | 1,079,106   |
|                                    | <b>₱54,244,292</b> | ₱44,396,432 |

Commission and network access fees pertains to fees paid by the Association to Philam Care and Cocolife for AKAP CARD Health Benefits in which the members are given the privilege to use the facilities of affiliated hospitals. This is valid for one (1) year and the Association assumes the risk of funding the member's healthcare services and related administrative costs.

## 20. Service fees

This account pertains to contract service agreements with collecting institutions such as CARD Bank, CARD SME Bank, CARD Inc. and Rizal Rural Bank, where the Association is charged service fees for these institutions' services rendered in collecting the contribution of members in different locations. The amount charged to the Association is 4% of collections of contributions

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for life, loan redemption fund and daily hospitalization benefit of the Association.

| 2012                      |                           |                         |  |                    |
|---------------------------|---------------------------|-------------------------|--|--------------------|
|                           | Life<br>insurance<br>fund | Loan redemption<br>fund | Daily health<br>hospitalization<br>benefit | Total              |
| Amount of collection      | ₱998,775,000              | ₱170,354,129            | ₱148,175,840                               | ₱1,317,304,969     |
| Percentage                | 4%                        | 4%                      | 4%   | 4%                 |
| <b>Total Service fees</b> | <b>₱39,951,000</b>        | <b>₱6,814,165</b>       | <b>₱5,927,034</b>                          | <b>₱52,692,199</b> |

| 2011                      |                           |                         |  |                    |
|---------------------------|---------------------------|-------------------------|--|--------------------|
|                           | Life<br>insurance<br>fund | Loan redemption<br>fund | Daily health<br>hospitalization<br>benefit | Total              |
| Amount of collection      | ₱917,340,375              | ₱165,592,785            | ₱-   | ₱1,082,933,160     |
| Percentage                | 4%                        | 4%                      | 4%   | 4%                 |
| <b>Total Service fees</b> | <b>₱36,693,615</b>        | <b>₱6,623,711</b>       | <b>₱-</b>                                  | <b>₱43,317,326</b> |

## 21. General and administrative expenses

This account consists of:

|  | 2012                | 2011                |
|--|---------------------|---------------------|
| Donation and contribution                | ₱59,507,427         | ₱50,663,732         |
| Salaries and allowances                  | 43,605,258          | 26,670,662          |
| Transportation and travel                | 21,184,121          | 14,648,409          |
| Program, monitoring and evaluation       | 11,413,611          | 13,257,644          |
| Professional fees                        | 11,306,730          | 20,743,193          |
| Training and development                 | 10,766,654          | 3,543,129           |
| Supplies                                 | 10,111,200          | 8,533,913           |
| Depreciation (Note 12)                   | 6,191,876           | 2,753,822           |
| Pension expense (Note 24)                | 5,927,408           | 3,846,400           |
| Communication                            | 5,252,405           | 2,480,219           |
| Rental                                   | 5,132,132           | 3,786,626           |
| Meetings and seminars                    | 4,683,812           | 3,083,170           |
| Insurance                                | 3,787,403           | 1,406,443           |
| Security and janitorial services         | 2,330,517           | 2,019,831           |
| Provision for impairment losses (Note 8) | 1,560,570           | 10,181,653          |
| Repairs and maintenance                  | 1,542,274           | 954,229             |
| Light and water                          | 1,482,313           | 1,084,561           |
| Membership dues                          | 950,297             | 177,867             |
| Interest expense and bank charges        | 787,726             | 561,355             |
| Taxes and licenses                       | 790,600             | 448,753             |
| Entertainment, amusement and recreation  | 308,983             | 188,184             |
| Research and documentation               | 10,430              | 39,458              |
| Miscellaneous                            | 32,288              | 25,205              |
|  | <b>₱208,666,035</b> | <b>₱171,098,458</b> |

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## 22. Lease Commitments

### Operating leases - Association as lessee

In 2012, the Association and its provincial offices entered into a six months to one (1) year operating lease agreement with numerous lessor. Rent expense included in the statement of comprehensive income for the years ended December 31, 2012 and 2011 amounted to ₱5.12 million. As of December 31, 2012, the amount of future minimum lease payable for the existing contract is ₱1.29 million.

### Operating leases - Association as lessor

The Association entered into lease agreements with its related parties. These leases generally entered into a six months to one (1) year operating lease agreement with numerous lessee. Rent income included in the statement of comprehensive income for the years ended December 31, 2012 and 2011 amounted to ₱0.35 million. As of December 31, 2012, the amount of future minimum lease receivable for the existing contract is ₱0.23 million.

## 23. Related Party Transactions

Parties are related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions, and the parties are subject to common control or common significant influence. Related parties may be individuals or corporate entities.

The significant transactions of the Association with related parties in the normal course of business are as follow:

### December 31, 2012

|  | Amount      | Outstanding | Terms                           | Conditions               |
|--|-------------|-------------|---------------------------------|--------------------------|
| <b>CARD MRI Insurance Agency, Inc. - Common control</b>      |             |             |                                 |                          |
| (1) Accounts receivable                                      | ₱61,635,376 | ₱11,497,365 | On-demand; non-interest bearing | Unsecured; no impairment |
| (2) Accounts payable   | 62,590,055  | 4,298,227   | On-demand; non-interest bearing | Unsecured                |
| (3) Held in trust  | 7,851,782   | 2,604,576   | On-demand; non-interest bearing | Unsecured                |
| (4) Rental income  | 120,000     | —           | On-demand; non-interest bearing | Unsecured; no impairment |
| <b>CARD MRI Development Institute, Inc. - Common control</b> |             |             |                                 |                          |
| (1) Accounts receivable                                      | 65,784      | —           | On-demand; non-interest bearing | Unsecured; no impairment |
| (2) Accounts payable   | 88,878      | 88,878      | On-demand; non-interest bearing | Unsecured                |
| <b>CARD, Inc. - affiliate</b>                                |             |             |                                 |                          |
| (1) Accounts receivable                                      | 775,056,338 | 1,496,060   | On-demand; non-interest bearing | Unsecured; no impairment |
| (2) Accounts payable   | 93,664,976  | 1,969,433   | On-demand; non-interest bearing | Unsecured                |
| (Forward)  |             |             |                                 |                          |

|   | Amount        | Outstanding | Terms  | Conditions               |
|---|---------------|-------------|--|--------------------------|
| <b>CARD Bank, Inc. - Common control</b>                 |               |             |  |                          |
| (1) Cash and cash equivalents                           | 1,238,386,672 | 5,596,806   | On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit% | Unsecured; no impairment |
| (2) Accounts receivable                                 | 174,483,801   | 179,854     | On-demand; non-interest bearing  | Unsecured; no impairment |
| (3) Accounts payable                                    | 19,047,979    | 54,832      | On-demand; non-interest bearing  | Unsecured                |
| (4) Interest income                                     | 4,779,028     | 1,949,798   | On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit% | Unsecured                |
| <b>CARD MRI Information Technology, Inc - Associate</b> |               |             |  |                          |
| (1) Accounts receivable                                 | 296,815       | —           | On-demand; non-interest bearing  | Unsecured; no impairment |
| (2) Loans receivable                                    | 10,000,000    | 10,000,000  | Interest at 6% per annum   | Unsecured; no impairment |
| (3) Accounts payable                                    |               | 179,200     | On-demand; non-interest bearing  | Unsecured                |
| (4) Rental income                                       | 180,000       | —           | On-demand; non-interest bearing  | Unsecured                |
| <b>CARD SME - Common control</b>                        |               |             |  |                          |
| (1) Cash and cash equivalents                           | 153,968,514   | 158,647     | On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit  | Unsecured; no impairment |
| (2) Accounts receivable                                 | 48,466,984    | 140,570     | On-demand; non-interest bearing  | Unsecured; no impairment |
| (3) Accounts payable                                    | 1,043,474     | 328,476     | On-demand; non-interest bearing  | Unsecured                |
| (4) Interest income                                     | 1,008,704     | —           | On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit  | Unsecured                |
| <b>CARD BDSFI - Common control</b>                      |               |             |  |                          |
| (1) Accounts receivable                                 | 17,182        | —           | On-demand; non-interest bearing  | Unsecured; no impairment |
| (2) Accounts payable                                    | 5,800         | 5,800       | On-demand; non-interest bearing  | Unsecured                |
| <b>BotiCARD – Associate</b>                             |               |             |  |                          |
| (1) Accounts receivable                                 | 108,222       | 100,911     | On-demand; non-interest bearing  | Unsecured; no impairment |
| (2) Accounts payable                                    | 2,388,400     | 2,388,400   | On-demand; non-interest bearing  | Unsecured; no impairment |
| <b>CARD EMPC - Common control</b>                       |               |             |  |                          |
| Accounts receivable                                     | 5,062         | 1,600       | On-demand; non-interest bearing  | Unsecured; no impairment |

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December 31, 2011

|   | Amount        | Outstanding | Terms   | Conditions               |
|---|---------------|-------------|---|--------------------------|
| CARD MRI Insurance Agency, Inc. - Common control      |               |             |   |                          |
| (1) Accounts receivable                               | ₱37,076,650   | ₱8,909,960  | On-demand; non-interest bearing   | Unsecured; no impairment |
| (2) Accounts payable                                  | 46,714,162    | 11,153,143  | On-demand; non-interest bearing   | Unsecured                |
| (3) Held in trust                                     | 7,636,162     | 3,498,282   | On-demand; non-interest bearing   | Unsecured                |
| (4) Rental income                                     | 120,000       | —           | On-demand; non-interest bearing   | Unsecured; no impairment |
| CARD MRI Development Institute, Inc. - Common control |               |             |   |                          |
| (1) Accounts receivable                               | 4,073,326     | —           | On-demand; non-interest bearing   | Unsecured; no impairment |
| (2) Accounts payable                                  | 6,100,000     | 3,039,441   | On-demand; non-interest bearing   | Unsecured                |
| CARD, Inc. - Common control                           |               |             |   |                          |
| (1) Accounts receivable                               | 553,828,373   | —           | On-demand; non-interest bearing   | Unsecured; no impairment |
| (2) Accounts payable                                  | 13,536,727    | 3,323,688   | On-demand; non-interest bearing   | Unsecured                |
| CARD Bank, Inc. - Common control                      |               |             |   |                          |
| (1) Cash and cash equivalents                         | 1,071,986,375 |             | On-demand; interest at 2.00% for regular savings deposit and 8.00% to 10.00% for time deposit | Unsecured; no impairment |
| (2) Accounts receivable                               | 242,266,293   | —           | On-demand; non-interest bearing   | Unsecured; no impairment |
| (3) Accounts payable                                  | 13,252,070    |             | On-demand; non-interest bearing   | Unsecured                |
| (4) Interest income                                   | 1,987,730     | 3,686,251   | On-demand; interest at 2.00% for regular savings deposit and 8.00% to 10.00% for time deposit | Unsecured                |
| CARD MRI Information Technology, Inc - Associate      |               |             |   |                          |
| (1) Accounts receivable                               | 156,206       |             | On-demand; non-interest bearing   | Unsecured; no impairment |
| (2) Loans receivable                                  | 30,000,000    | 30,000,000  | Interest at 6% per annum  | Unsecured; no impairment |
| (3) Rental income                                     | 180,000       | —           | On-demand; non-interest bearing   | Unsecured                |

(Forward)

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|                               | Amount     | Outstanding | Terms  | Conditions               |
|-------------------------------|------------|-------------|--|--------------------------|
| CARD SME.- Common control     |            |             |  |                          |
| (1) Cash and cash equivalents | 21,993,282 | 3,785,668   | On-demand; interest at 2.00% for regular savings deposit and 4.25% to 4.50% for time deposit | Unsecured                |
| (2) Accounts receivable       | 56,534,291 |             | On-demand; non-interest bearing  | Unsecured; no impairment |
| (3) Accounts payable          | 8,445      |             | On-demand; non-interest bearing  | Unsecured                |
| (4) Interest income           | 1,417,374  | —           | On-demand; interest at 2.00% for regular savings deposit and 4.25% to 4.50% for time deposit | Unsecured                |
| BotiCARD – Associate          |            |             |  |                          |
| (1) Accounts receivable       | 1,206      | —           | On-demand; non-interest bearing  | Unsecured; no impairment |
| CARD EMPC.- Common control    |            |             |  |                          |
| Accounts receivable           | 1,300      | —           | On-demand; non-interest bearing  | Unsecured; no impairment |

#### 24. 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 nine (9) 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:

|                                   | 2012   | 2011   |
|-----------------------------------|--------|--------|
| Discount rate                     | 6.24%  | 7.08%  |
| Expected rate of return on assets | 5.00%  | 5.00%  |
| Future salary increases           | 12.00% | 12.00% |

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

|   | 2012              | 2011              |
|---|-------------------|-------------------|
| Current service cost                          | ₱4,140,248        | ₱1,522,700        |
| Interest cost                                 | 1,651,070         | 907,600           |
| Net actuarial loss recognized during the year | 581,465           | 197,200           |
| Expected return on plan assets                | (457,175)         | (363,200)         |
| Vested past service cost                      | —                 | 1,570,300         |
| Amortization of past service cost             | 11,800            | 11,800            |
|   | <b>₱5,927,408</b> | <b>₱3,846,400</b> |

\* SGVMG100510 \*

The movements in the net pension asset (liability) follow:

|                       | 2012              | 2011              |
|-----------------------|-------------------|-------------------|
| At January 1          | P1,311,845        | P2,975,145        |
| Pension expense       | (5,927,408)       | (3,846,400)       |
| Actual contributions  | 4,127,699         | 2,183,100         |
| <b>At December 31</b> | <b>(P487,864)</b> | <b>P1,311,845</b> |

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

|                                     | 2012              | 2011              |
|-------------------------------------|-------------------|-------------------|
| Fair value of plan assets           | P14,745,659       | P9,143,500        |
| Present value of pension obligation | (42,735,900)      | (23,320,200)      |
| Deficiency                          | (27,990,241)      | (14,176,700)      |
| Unamortized of past service cost    | 352,500           | 364,300           |
| Net unrecognized actuarial loss     | 27,149,877        | 15,124,245        |
|                                     | <b>(P487,864)</b> | <b>P1,311,845</b> |

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

|                       | 2012               | 2011              |
|-----------------------|--------------------|-------------------|
| At January 1          | P9,143,500         | P7,263,500        |
| Contribution          | 4,127,699          | 2,183,100         |
| Expected return       | 457,175            | 363,200           |
| Benefits paid         | -                  | (1,234,500)       |
| Transfer to plan      | 352,636            | 201,100           |
| Actuarial gain        | 664,649            | 367,100           |
| <b>At December 31</b> | <b>P14,745,659</b> | <b>P9,143,500</b> |

The movements in the present value of pension obligation follow:

|                       | 2012               | 2011               |
|-----------------------|--------------------|--------------------|
| At January 1          | P23,320,200        | P9,584,400         |
| Current service cost  | 4,140,248          | 1,522,700          |
| Interest cost         | 1,651,070          | 907,600            |
| Past service cost     | -                  | 1,946,400          |
| Benefits paid         | -                  | (1,234,500)        |
| Transfer to plan      | 352,636            | 201,100            |
| Actuarial loss        | 13,271,746         | 10,392,500         |
| <b>At December 31</b> | <b>P42,735,900</b> | <b>P23,320,200</b> |

Transfer to plan pertains to the employee benefits of certain employees of various CARD institutions that were transferred to the Association upon the employee's transfer to the Association.

The movements in the net pension asset (liability) follow:

|                       | 2012               | 2011        |
|-----------------------|--------------------|-------------|
| At January 1          | <b>₱1,311,845</b>  | ₱2,975,145  |
| Pension expense       | <b>(5,927,408)</b> | (3,846,400) |
| Actual contributions  | <b>4,127,699</b>   | 2,183,100   |
| <b>At December 31</b> | <b>(₱487,864)</b>  | ₱1,311,845  |

The rollforward of unrecognized actuarial losses follows:

|                           | 2012                 | 2011          |
|---------------------------|----------------------|---------------|
| At January 1              | <b>(₱15,124,245)</b> | (₱5,296,045)  |
| Actuarial gain (loss) on: |                      |               |
| Plan assets               | <b>664,649</b>       | 367,100       |
| Pension obligation        | <b>(13,271,746)</b>  | (10,392,500)  |
| Actuarial loss recognized | <b>581,465</b>       | 197,200       |
| <b>At December 31</b>     | <b>(₱27,149,877)</b> | (₱15,124,245) |

The plan assets consist of the following:

|                        | 2012               | 2011       |
|------------------------|--------------------|------------|
| Government securities  | <b>₱3,956,590</b>  | ₱3,944,206 |
| Time deposit           | <b>9,930,015</b>   | 3,000,991  |
| Savings account        | -                  | 301,013    |
| Prime Commercial Paper | <b>477,360</b>     | -          |
| Mutual Fund            | <b>381,694</b>     | -          |
| Others                 | -                  | 1,897,290  |
|                        | <b>₱14,745,659</b> | ₱9,143,500 |

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 ₱1.12 million and ₱0.73 million for the years ended December 31, 2012 and 2011, respectively.

The Association is required to contribute ₱15.1 million to the fund in 2013.

Amounts of the current and previous periods follow:

|   | 2012                | 2011         | 2010        | 2009       |
|---|---------------------|--------------|-------------|------------|
| Fair value of plan assets                   | <b>₱14,745,659</b>  | ₱9,143,500   | ₱7,263,500  | ₱5,920,400 |
| Present value of defined benefit obligation | <b>(42,735,900)</b> | (23,320,200) | 9,584,400   | 4,290,600  |
| Surplus (deficit)                           | <b>(27,990,241)</b> | (14,176,700) | (2,320,900) | 1,629,800  |
| Experience adjustments on plan liabilities  | <b>13,271,746</b>   | 10,392,500   | 4,632,000   | 1,140,514  |
| Experience adjustments on plan assets       | <b>664,649</b>      | 367,100      | (35,000)    | (696,908)  |

\* SGVMG100510 \*

25. **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, 2012 and 2011, the Association’s MOS based on its calculations amounted to ₱891 million and ₱637 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:

|                      | <b>2012</b>           | 2011           |
|----------------------|-----------------------|----------------|
| Admitted assets      | <b>₱4,509,697,128</b> | ₱3,441,226,269 |
| Admitted liabilities | <b>3,473,437,753</b>  | 2,712,588,022  |
| Net worth            | <b>₱1,036,259,375</b> | ₱728,638,247   |

As of December 31, 2012 and 2011, 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:

|                           | 2012                | 2011               |
|---------------------------|---------------------|--------------------|
| Cash and cash equivalents | ₱772,053,352        | ₱12,765,210        |
| Property and equipment    | 63,829,792          | 2,284,713          |
| Other assets              | 17,307,337          | 81,762,795         |
|                           | <b>₱853,190,481</b> | <b>₱96,812,718</b> |

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, 2012 and 2011, the Association has a total of ₱126.90 million and ₱127.49 million, respectively, representing guaranty fund which is deposited with the IC (Notes 11 and 27).

*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:

|                             | 2012                | 2011         |
|-----------------------------|---------------------|--------------|
| Minimum statutory net worth | <b>₱500,000,000</b> | ₱350,000,000 |

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, 2011. As of December 31, 2012 and 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.

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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:

|                 | 2012                  | 2011         |
|-----------------|-----------------------|--------------|
| Member's equity | <b>₱1,057,605,962</b> | ₱859,665,994 |
| RBC requirement | <b>351,439,323</b>    | 310,231,042  |
| RBC Ratio       | <b>300.94%</b>        | 277.11%      |

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.

**2012**

|                                    | <b>Increase of 1.00%<br/>on discount rate<br/>and decrease<br/>of 25.00% on<br/>mortality rate</b> | <b>Increase of 1.00%<br/>on discount rate<br/>and decrease<br/>of 25.00% on<br/>mortality rate</b> |
|------------------------------------|--|--|
| Increase (decrease) on liabilities | <b>₱515,062,184</b>  | <b>(₱515,062,184)</b>  |
| Increase (decrease) on revenue     | <b>(515,062,184)</b>   | <b>515,062,184</b>   |

**2011**

|                                    | Increase of 1.00%<br>on discount rate<br>and decrease<br>of 25.00% on<br>mortality rate | Increase of 1.00%<br>on discount rate<br>and decrease<br>of 25.00% on<br>mortality rate |
|------------------------------------|---|---|
| Increase (decrease) on liabilities | (₱433,813,861)  | ₱398,020,094  |
| Increase (decrease) on revenue     | 433,813,861   | (398,020,094)   |

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, 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, 2012 and 2011:

|                                       | 2012                  |                       | 2011           |                |
|---------------------------------------|-----------------------|-----------------------|----------------|----------------|
|                                       | Carrying Value        | Fair Value            | Carrying Value | Fair Value     |
| <b>Financial Assets</b>               |                       |                       |                |                |
| Loans and receivables                 |                       |                       |                |                |
| Cash and cash equivalents             | <b>₱829,704,731</b>   | <b>₱829,704,731</b>   | ₱224,701,716   | ₱224,701,716   |
| Short-term investments                | <b>70,384,177</b>     | <b>70,384,177</b>     | 86,625,758     | 86,625,758     |
| Receivables                           |                       |                       |                |                |
| Accrued interest receivable           | <b>46,531,776</b>     | <b>46,531,776</b>     | 35,311,295     | 35,311,295     |
| Accounts receivables                  | <b>22,870,006</b>     | <b>22,870,006</b>     | 33,340,832     | 33,340,832     |
| Loans receivable                      | <b>10,000,000</b>     | <b>10,000,000</b>     | 30,000,000     | 30,000,000     |
| Other receivables                     | <b>1,270,336</b>      | <b>1,270,336</b>      | 8,316,702      | 8,316,702      |
| Financial assets at FVPL              | <b>20,260,000</b>     | <b>20,260,000</b>     | 20,480,000     | 20,480,000     |
| AFS financial assets                  |                       |                       |                |                |
| Quoted                                | <b>329,187,231</b>    | <b>329,187,231</b>    | 202,949,702    | 202,949,702    |
| Unquoted                              | <b>143,125,000</b>    | <b>143,125,000</b>    | 127,500,000    | 127,500,000    |
| HTM investments                       | <b>3,128,634,363</b>  | <b>3,355,714,592</b>  | 2,813,579,926  | 3,012,762,244  |
|                                       | <b>₱4,601,967,620</b> | <b>₱4,829,047,849</b> | ₱3,582,805,931 | ₱3,781,988,249 |
| <b>Financial Liabilities</b>          |                       |                       |                |                |
| Accounts payable and accrued expenses | <b>₱174,381,361</b>   | <b>₱174,381,361</b>   | ₱65,204,649    | ₱65,204,649    |

Due to the short-term nature of transactions, the carrying amounts of financial instruments such as cash and cash equivalents, short-term investments, receivables, refundable deposits, financial assets at FVPL, quoted equity securities classified as AFS financial assets, 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 net asset 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.

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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:

|                                   | 2012                |           |           | Total               |
|-----------------------------------|---------------------|-----------|-----------|---------------------|
|                                   | Level 1             | Level 2   | Level 3   |                     |
| <b>AFS Financial Assets</b>       |                     |           |           |                     |
| Listed equity securities          |                     |           |           |                     |
| Preferred shares                  | ₱74,997,375         | ₱-        | ₱-        | ₱74,997,375         |
| Investments in mutual fund        | 254,189,856         | -         | -         | 254,189,856         |
| <b>Total AFS financial assets</b> | <b>₱329,187,231</b> | <b>₱-</b> | <b>₱-</b> | <b>₱329,187,231</b> |

|                            | 2011         |         |         | Total        |
|----------------------------|--------------|---------|---------|--------------|
|                            | Level 1      | Level 2 | Level 3 |              |
| AFS Financial Assets       |              |         |         |              |
| Investments in mutual fund | ₱202,949,702 | ₱-      | ₱-      | ₱202,949,702 |

As of December 31, 2012 and 2011, the Company classifies AFS financial assets under Level 1 of the fair value hierarchy, except for the unlisted equity securities that do not have quoted market prices in an active market which are measured at cost and hence, not included above. During the reporting period ended December 31, 2012 and 2011, there were no transfers between Level 1 and Level 2 fair value measurements, and no transfers into and out of Level 3 fair value measurements.

#### 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:

- a. 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.
- b. 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.
- c. 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.

|   | 2012                  | 2011           |
|---|-----------------------|----------------|
| <b>Financial Assets</b>   |                       |                |
| Loans and receivables   |                       |                |
| Cash and cash equivalents (excluding cash on hand amounting ₱3.15 million and ₱2.51 million in 2012 and 2011, respectively) | <b>₱826,556,549</b>   | ₱222,190,992   |
| Short-term investments  | <b>70,384,177</b>     | 86,625,758     |
| Receivables   |                       |                |
| Accrued interest receivable   | <b>46,531,776</b>     | 35,311,295     |
| Accounts receivables  | <b>22,870,006</b>     | 33,340,832     |
| Loans receivable  | <b>10,000,000</b>     | 30,000,000     |
| Other receivables   | <b>1,276,336</b>      | 8,316,702      |
| Financial assets at FVPL  | <b>20,260,000</b>     | 20,480,000     |
| AFS financial assets  |                       |                |
| Quoted  | <b>329,187,231</b>    | 202,949,702    |
| Unquoted  | <b>143,125,000</b>    | 127,500,000    |
| HTM investments   | <b>3,128,634,363</b>  | 2,813,579,926  |
|   | <b>₱4,598,825,438</b> | ₱3,580,295,207 |

The credit risk is concentrated on the following:

|                   | 2012                  | 2011           |
|-------------------|-----------------------|----------------|
| Related parties   | <b>₱58,316,649</b>    | ₱149,947,983   |
| Unrelated parties | <b>4,540,508,789</b>  | 3,430,347,224  |
|                   | <b>₱4,598,825,438</b> | ₱3,580,295,207 |

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, 2012 and 2011.

**2012**

|                             | 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   | ₱ 826,556,549                 | ₱-                   | ₱-                    | ₱826,556,549          |
| Short-term investments      | 70,384,177                    | -                    | -                     | 70,384,177            |
| Receivables                 |                               |                      |                       |                       |
| Accrued interest receivable | 46,531,776                    | -                    | -                     | 46,531,776            |
| Accounts receivables        | 22,870,006                    | -                    | 1,661,042             | 24,531,048            |
| Loans receivable            | 10,000,000                    | -                    | -                     | 10,000,000            |
| Other receivables           | -                             | 1,270,336            | 954,821               | 2,225,157             |
| Financial assets at FVPL    | 20,260,000                    | -                    | -                     | 20,260,000            |
| AFS financial assets        |                               |                      |                       |                       |
| Quoted                      | 329,187,231                   | -                    | -                     | 329,187,231           |
| Unquoted                    | 143,125,000                   | -                    | -                     | 143,125,000           |
| HTM investments             | 3,128,634,363                 | -                    | -                     | 3,128,634,363         |
|                             | <b>₱4,597,549,102</b>         | <b>₱1,270,336</b>    | <b>₱2,615,863</b>     | <b>₱4,601,435,301</b> |

\* SGVMG100510\*

2011

|                             | Neither Past-Due nor Impaired |                      | Past Due and Impaired | Total                 |
|-----------------------------|-------------------------------|----------------------|-----------------------|-----------------------|
|                             | Investment Grade              | Non-investment Grade |                       |                       |
| Financial Assets            |                               |                      |                       |                       |
| Loans and receivables       |                               |                      |                       |                       |
| Cash and cash equivalents   | P222,190,992                  | P-                   | P-                    | P222,190,992          |
| Short-term investments      | 86,625,758                    | -                    | -                     | 86,625,758            |
| 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            |
| 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             | 2,813,579,926                 | -                    | -                     | 2,813,579,926         |
|                             | <b>P3,571,665,645</b>         | <b>P8,316,702</b>    | <b>P3,488,405</b>     | <b>P3,583,470,752</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's 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.

\* SGVMG100510 \*

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:

**2012**

|                                       | Up to<br>one year     | 1-3 years             | 3-5 years           | Over 5 years          | No term             | Total                  |
|---------------------------------------|-----------------------|-----------------------|---------------------|-----------------------|---------------------|------------------------|
| <b>Financial assets</b>               |                       |                       |                     |                       |                     |                        |
| <b>Loans and receivables</b>          |                       |                       |                     |                       |                     |                        |
| Cash and other cash items             | ₱826,556,549          | ₱-                    | ₱-                  | ₱-                    | ₱-                  | ₱826,556,549           |
| Short-term investments                | 68,769,102            | 1,615,075             | -                   | -                     | -                   | 70,384,177             |
| <b>Receivables</b>                    |                       |                       |                     |                       |                     |                        |
| Accrued interest receivable           | 46,531,776            | -                     | -                   | -                     | -                   | 46,531,776             |
| Accounts receivables                  | 24,531,048            | -                     | -                   | -                     | -                   | 24,531,048             |
| Loans receivables                     | 10,000,000            | -                     | -                   | -                     | -                   | 10,000,000             |
| Other receivables                     | 2,225,157             | -                     | -                   | -                     | -                   | 2,225,157              |
| Financial assets at FVPL              | 20,260,000            | -                     | -                   | -                     | -                   | 20,260,000             |
| AFS financial assets                  | -                     | -                     | -                   | -                     | 472,312,231         | 472,312,231            |
| HTM investments                       | 191,402,544           | 1,077,649,251         | 329,268,248         | 1,530,314,320         | -                   | 3,128,634,363          |
|                                       | <b>₱1,190,276,176</b> | <b>₱1,079,264,326</b> | <b>₱329,268,248</b> | <b>₱1,530,314,320</b> | <b>₱472,312,231</b> | <b>₱44,601,435,301</b> |
| <b>Financial liabilities</b>          |                       |                       |                     |                       |                     |                        |
| <b>Other financial liabilities</b>    |                       |                       |                     |                       |                     |                        |
| Collection fee payable                | ₱151,018,956          | ₱-                    | ₱-                  | ₱-                    | ₱-                  | ₱151,018,956           |
| Claims payable                        | 10,790,284            | -                     | -                   | -                     | -                   | 10,790,284             |
| <b>Unearned contribution income –</b> |                       |                       |                     |                       |                     |                        |
| AKAP                                  | 380,250               | -                     | -                   | -                     | -                   | 380,250                |
| Accounts payable - CAMIA              | 4,298,227             | -                     | -                   | -                     | -                   | 4,298,227              |
| Accrued expenses                      | 5,300,724             | -                     | -                   | -                     | -                   | 5,300,724              |
| Held in trust - CAMIA                 | 2,604,576             | -                     | -                   | -                     | -                   | 2,604,576              |
|                                       | <b>₱174,393,017</b>   | <b>₱-</b>             | <b>₱-</b>           | <b>₱-</b>             | <b>₱-</b>           | <b>₱174,393,017</b>    |

**2011**

|                                       | Up to<br>one year   | 1-3 years           | 3-5 years           | Over 5 years          | No term             | Total                 |
|---------------------------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|-----------------------|
| <b>Financial assets</b>               |                     |                     |                     |                       |                     |                       |
| <b>Loans and receivables</b>          |                     |                     |                     |                       |                     |                       |
| Cash and other cash items             | ₱222,190,992        | ₱-                  | ₱-                  | ₱-                    | ₱-                  | ₱222,190,992          |
| Short-term investments                | 66,125,758          | 20,500,000          | -                   | -                     | -                   | 86,625,758            |
| <b>Receivables</b>                    |                     |                     |                     |                       |                     |                       |
| Accrued interest receivable           | 35,311,295          | -                   | -                   | -                     | -                   | 35,311,295            |
| Accounts receivables                  | 33,184,402          | -                   | -                   | -                     | -                   | 33,184,402            |
| Loans receivables                     | -                   | 30,000,000          | -                   | -                     | -                   | 30,000,000            |
| Other receivables                     | 11,648,677          | -                   | -                   | -                     | -                   | 11,648,677            |
| Financial assets at FVPL              | 20,480,000          | -                   | -                   | -                     | -                   | 20,480,000            |
| AFS financial assets                  | -                   | -                   | -                   | -                     | 330,449,702         | 330,449,702           |
| HTM investments                       | 400,821,000         | 417,765,434         | 865,220,285         | 1,129,773,207         | -                   | 2,813,579,926         |
|                                       | <b>₱789,762,124</b> | <b>₱468,265,434</b> | <b>₱865,220,285</b> | <b>₱1,129,773,207</b> | <b>₱330,449,702</b> | <b>₱3,583,470,752</b> |
| <b>Financial liabilities</b>          |                     |                     |                     |                       |                     |                       |
| <b>Other financial liabilities</b>    |                     |                     |                     |                       |                     |                       |
| Collection fee payable                | ₱18,930,163         | ₱-                  | ₱-                  | ₱-                    | ₱-                  | ₱18,930,163           |
| Claims payable                        | 11,365,401          | -                   | -                   | -                     | -                   | 11,365,401            |
| <b>Unearned contribution income –</b> |                     |                     |                     |                       |                     |                       |
| 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>₱71,376,268</b>  | <b>₱-</b>           | <b>₱-</b>           | <b>₱-</b>             | <b>₱-</b>           | <b>₱71,376,268</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:

- a. 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.
- b. 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.
- c. 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.

|                        | 2012                       |                 | 2011                       |                 |
|------------------------|----------------------------|-----------------|----------------------------|-----------------|
|                        | U.S. Dollar <sup>(1)</sup> | Peso Equivalent | U.S. Dollar <sup>(1)</sup> | Peso Equivalent |
| Cash in bank           | \$7,949                    | ₱326,319        | \$2,710                    | ₱118,806        |
| Short-term investments | 5,376                      | 220,686         | 5,327                      | 233,536         |

<sup>(1)</sup> The exchange rate used was ₱41.05 to US\$ 1.00 in 2012 and ₱43.84 to US \$1.00 in 2011.

*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 |
|------|----------|---|------------------|
| 2012 | USD      | +2.44%                                      | ₱9,328           |
|      |          | -2.44%                                      | (9,328)          |
|      | Currency | Increase (decrease) in Philippine Peso rate | Effect on Profit |
| 2011 | USD      | +1.95%                                      | ₱6,858           |
|      |          | -1.95%                                      | (6,858)          |

*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, 2012 and 2011 that are exposed to fair value interest rate risk presented by maturity profile.

### 2012

|   | Range of interest rate | Up to a year          | Over one (1) year     |
|---|------------------------|-----------------------|-----------------------|
| Cash and cash equivalents-regular deposit | 1.00% to 3.00%         | ₱44,007,885           | ₱-                    |
| Cash and cash equivalents-time deposits   | 3.13% to 3.90%         | 785,696,846           | 1,615,075             |
| Short-term investments                    | 1.00% to 6.00%         | 70,384,177            | -                     |
| HTM investments                           | 4.63% to 12.00%        | 191,402,544           | 2,937,231,819         |
| <b>Total financial assets</b>             |                        | <b>₱1,091,491,452</b> | <b>₱2,938,846,894</b> |

### 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 6.00%         | 86,627,758          | -                     |
| HTM investments                           | 3.75% to 12.00%        | 400,821,000         | 2,412,758,926         |
| <b>Total financial assets</b>             |                        | <b>₱712,150,474</b> | <b>₱2,412,758,926</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)<br>in fair value | Impact on<br>fund balance                |
|-------------|---------------------|--------------------------------------|--|
| <b>2012</b> | <b>₱254,189,859</b> | <b>+10.12%</b><br><b>-10.12%</b>     | <b>25,731,429</b><br><b>(25,731,429)</b> |
|             | Amount              | Increase (decrease)<br>in fair value | Impact on<br>fund balance                |
| 2011        | ₱202,949,702        | +7.84%<br>-7.84%                     | 15,911,930<br>(15,911,930)               |

\* SGVMG100510 \*

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## 26. 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, 2012 and 2011, 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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## 27. Appropriated Fund Balance

The Association's BOT approved the appropriation of the following:

|                         | 2012                | 2011         |
|-------------------------|---------------------|--------------|
| Guaranty fund (Note 11) | <b>₱126,900,679</b> | ₱127,487,319 |
| AKAP CARD               | <b>18,508,500</b>   | 18,508,500   |
| CDRAP                   | <b>26,000,000</b>   | 15,000,000   |
| MAHP                    | <b>22,500,000</b>   | 10,000,000   |
|                         | <b>₱193,909,179</b> | ₱170,995,819 |

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 ₱125.00 million. In 2012, the Association reversed ₱0.59 million of the appropriated guaranty fund. Accordingly, the Association appropriated a portion of guaranty fund amounting to ₱0.59 million and ₱44.10 million in 2012 and 2011, respectively (Note 11).

The Association appropriated ₱11.00 million in 2012 and ₱15.00 million in 2011 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 ₱12.00 million in 2012 and ₱10.00 million in 2011 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.

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.

## 28. Supplementary Tax 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 2012 is as follows:

|  |                |
|--|----------------|
| Earned premiums on insurance contracts | ₱1,173,156,469 |
| Contribution income - AKAP             | 5,542,740      |
|  | ₱1,178,699,209 |

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

|                                |              |
|--------------------------------|--------------|
| Increase in aggregate reserves | ₱487,904,840 |
| Claims                         | 356,047,429  |
| AKAP healthcare benefits       | 67,447,059   |
|                                | ₱911,399,328 |

- c. Non-operating income and other non-taxable income amounted to ₱14,116,012.

- d. The itemized deductions of the Association in 2012 are as follows:

|   |              |
|---|--------------|
| Donation and contribution               | ₱59,507,427  |
| Service fees                            | 52,692,199   |
| Salaries and allowances                 | 43,605,258   |
| Transportation and travel               | 21,184,121   |
| Program, monitoring and evaluation      | 11,413,611   |
| Professional fees                       | 11,306,730   |
| Training and development                | 10,766,654   |
| Supplies                                | 10,111,200   |
| Depreciation                            | 6,191,876    |
| Pension expense                         | 5,927,408    |
| Communication                           | 5,252,405    |
| Rental                                  | 5,132,132    |
| Meetings and seminars                   | 4,683,812    |
| Insurance                               | 3,787,403    |
| Security and janitorial services        | 2,330,517    |
| Commission and network access fees      | 1,552,093    |
| Repairs and maintenance                 | 1,542,274    |
| Light and water                         | 1,482,313    |
| Membership dues                         | 950,297      |
| Interest expense and bank charges       | 787,726      |
| Taxes and licenses                      | 790,600      |
| Entertainment, amusement and recreation | 308,983      |
| Research and documentation              | 10,430       |
| Miscellaneous                           | 32,288       |
|   | ₱261,349,757 |

\* SGVMG100510 \*

e. 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 | ₱760,825    |
| Documentary stamp taxes | 29,775      |
|                         | <hr/>       |
|                         | ₱790,600    |
|                         | <hr/> <hr/> |

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29. **Supplementary Tax Information Required Under Revenue Regulations 15-2010**

The Association reported and/or paid the following types of taxes in 2012:

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 | ₱760,825    |
| Documentary stamp taxes | 29,775      |
|                         | <hr/>       |
|                         | ₱790,600    |
|                         | <hr/> <hr/> |

e. Withholding Taxes

Details consist of the following:

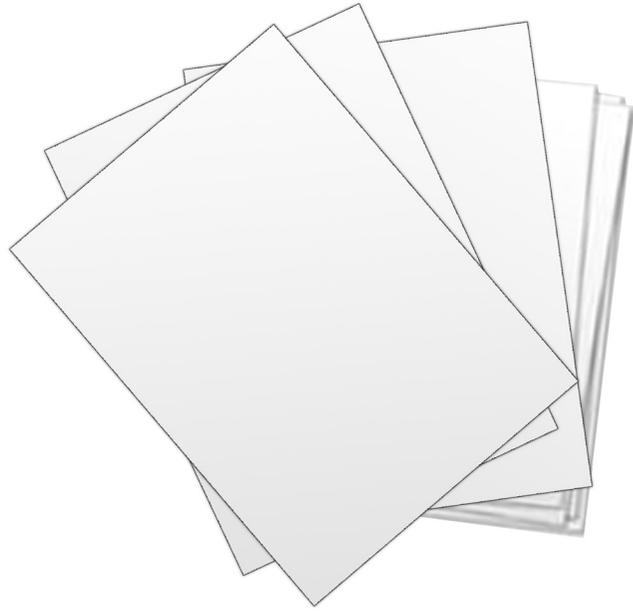
|  |            |
|--|------------|
| Withholding taxes on compensation and benefits | ₱1,177,174 |
| Expanded withholding taxes                     | 169,205    |
|  | <hr/>      |
|  | ₱1,346,379 |
|  | <hr/>      |

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.

# Annexes

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# Directory of Head Office-Based CARD MBA Staff

| <b>Main Office Staff</b>        |                               |
|---------------------------------|-------------------------------|
| <b>Name of Staff</b>            | <b>Position</b>               |
| Brul, Sheryl Rose Ann Villegas  | Senior Accounting Officer-OIC |
| Tuico, Edison Pisano            | DCC Officer                   |
| Reyes, Ronald Brillante         | DCC Senior Officer            |
| Salazar, Michael Gallego        | IT Head-OIC                   |
| Abrenica, Sherwin Maquirang     | Senior IT Officer-OIC         |
| Comia, Christopher Evangelista  | Marketing Officer             |
| Badillo, Roselle Cabugayan      | Claims Settlement Officer     |
| Bonilla, Kathryn Joyce Montemor | Finance Officer-OIC           |
| Macalalad, Nice Cornelia        | Cluster Accountant-OIC        |
| Almirol, Mirasol Solis          | Cluster Accountant-OIC        |
| Elpa, Melanie Tubigan           | Executive Assistant           |
| Tarzona, Avegail Palma          | Admin Assistant               |
| Deza, Aimee Espinili            | Accounting Assistant          |
| Saltorio, Vincent Moresca       | Finance Assistant             |
| Abrigo, Renalyn Escondo         | Insurance Processor           |
| Calabia, Sarah Jane Villaos     | Bookkeeper                    |
| Ampeloquio, Leni Abuan          | Claims Processor              |
| Mirando, Jaymee Alina           | Cashier                       |
| Fuentes, Danica Maghirang       | Bookkeeper                    |
| Atendido, Ivan Babiera          | Insurance Processor           |
| Guitang, Helena de Lara         | Claims Processor              |
| Punongbayan, Dhana Mae Ramos    | Bookkeeper                    |

| <b>Support Unit Staff</b>       |                                 |
|---------------------------------|---------------------------------|
| <b>Name of Staff</b>            | <b>Position</b>                 |
| Cabe, Rodalice Paetan           | Corporate Legal Officer         |
| Coronel, Rommel Delloza         | Personnel Manager               |
| Viajante, Melany Grecia         | Research Unit overall-OIC       |
| Masa, Jennifer Pereras          | Senior Internal Auditor Manager |
| Gupo, Jeddalyn Abarquez         | Senior Org & Admin Officer      |
| Maghirang, Mico Dumagan         | Treasury Assistant              |
| Ticson, Anne Michelle Santander | Internal Auditor                |
| Orlain, Jennifer Natividad      | Internal Auditor                |
| Labao, Ma. Bella Lajos          | Internal Auditor                |
| Sarmiento, Allan Rey Lanip      | MaHP Manager                    |
| Mahinay, Janice Magbagay        | MaHP Assistant                  |
| Anenias, Almira Aliorde         | MaHP Assistant                  |
| Doria, Maricris Dumaraos        | MaHP Assistant                  |
| dela Cruz, Mary Jean Almodiel   | MaHP Assistant                  |
| Agorilla, Sedfrey Tamayo        | MaHP Assistant                  |
| Bicomong, Marie Elaine Delivag  | MaHP Assistant                  |
| Talaboc, Vanessa Obiano         | MaHP Assistant                  |
| Mamparo, Christian Lagoc        | MaHP Assistant                  |
| Basas, Remy Gelotin             | MaHP Assistant                  |
| Mercado, Danny Rey Gonzaga      | MaHP Assistant                  |
| Lim, Mary Grace Magallanes      | MaHP Assistant                  |
| Bartocillo, Mae Marie Danogo    | MaHP Assistant                  |
| Salcedo, Myla Bulahan           | MaHP Assistant                  |
| Verano, Fennie May Paig         | MaHP Assistant                  |
| Duran, Joseph Levi Gentapa      | MaHP Assistant                  |
| Cabidog, Maria Kristine Corral  | MaHP Assistant                  |
| Caro, Rona Solidarios           | MaHP Assistant                  |
| Atienza, Hazel Oliveros         | MaHP Assistant                  |
| Maala, Pamela Jeanne Remalla    | MaHP Assistant                  |
| Lipit, April Ramos              | MaHP Assistant                  |
| Germedia, Jesh Jerome Pineda    | MaHP Assistant                  |
| Perfecto, Penid Jr Balesteros   | MaHP Assistant                  |
| Fabro, Kristine Silawan         | MaHP Assistant                  |
| Flores, Ana Patricia Dionisio   | MaHP Assistant                  |
| Clacio, Alenn Jay Paguio        | MaHP Assistant                  |
| Lumbo, Irene Q.                 | MaHP Assistant                  |

# Directory of CARD MBA New Offices in 2012

| Cluster          | Name of Provincial Office | Date Established  | Contact Person           | Who Managed the Opening |
|------------------|---------------------------|-------------------|--------------------------|-------------------------|
| <b>LUZON 2</b>   | <b>Metro Manila 2</b>     | June 26, 2012     | Rosalie Martecion        | Nemie Mendoza           |
|                  | <b>Batangas 1</b>         | January 30, 2012  | John Paulin P. Icarro    |                         |
|                  | <b>Batangas 2</b>         | November 09, 2012 | Arnold S. Joya           |                         |
| <b>LUZON 4</b>   | <b>Marinduque</b>         | May 21, 2012      | Rexon B. Borrueal        | Edison R. Reyes         |
| <b>VISAYAS 2</b> | <b>Negros Oriental</b>    | January 27, 2012  | Froilan James D. Cabales | Oliver M. Reyes         |
| <b>MINDANAO</b>  | <b>North Cotabato</b>     | April 24, 2012    | Archie Menchavez         | Ely B. Rodriguez        |

## Directory of Provincial Office-Based CARD MBA Staff

| LUZON CLUSTER 1                |                        |
|--------------------------------|------------------------|
| GERARDO H. BATARLO             | Cluster Manager        |
| <b>Pangasinan</b>              |                        |
| Montejo, Jaypee Matabalan      | Provincial Manager-OIC |
| Facunla, Joel Ramos            | Marketing Officer      |
| Tulagan, Mandrake Payopay      | Claims Processor       |
| Pingot, Bonifacio Bongabong    | Bookkeeper             |
| Taberdo, Rufelyn Mandigma      | Insurance Processor    |
| <b>Benguet</b>                 |                        |
| Alcantara, Leo Baddal          | Marketing Officer      |
| Alvarado, Eleanor Moralde      | Bookkeeper             |
| Pagoy, Veronica Somlano        | Insurance Processor    |
| Catalino, Sofie Amlos          | Insurance Processor    |
| <b>Ilocos</b>                  |                        |
| Caringal, Jayson Nido          | Provincial Manager-OIC |
| Tabuyo, Princess Ann Tiri      | Claims Processor       |
| Asuncion, Harold Pizarro       | Insurance Processor    |
| Rapisura, Bea Flor Alconis     | Insurance Processor    |
| Velasquez, Jhune Victoria      | Bookkeeper             |
| <b>Nueva Vizcaya</b>           |                        |
| Pagaduan, Sheilalyn Echalar    | Provincial Manager     |
| Baldo, Angielicah Arzadon      | Claims Processor       |
| Borromeo, JulieAnn Marayag     | Insurance Processor    |
| Leaño, Karen Joy Daguro        | Bookkeeper             |
| Ampoon, Mari Jane Palattao     | Insurance Processor    |
| <b>Cagayan</b>                 |                        |
| Lumaban, Glenda Dawat          | Bookkeeper             |
| Lubbui, Angelina Culcul        | Claims Processor       |
| Joson, Jaypee Tadeo            | Insurance Processor    |
| Alcalde, Ivy Tambis            | Insurance Processor    |
| <b>Tarlac</b>                  |                        |
| Alega, Preciousa Alza Banaag   | Provincial Manager-OIC |
| Bonifacio, Abigail Sta. Ana    | Claims Processor       |
| Bunag, Glecly Mendoza          | Insurance Processor    |
| Corse, Maria Cristina Hangdaan | Bookkeeper             |
| <b>LUZON CLUSTER 2</b>         |                        |
| RONA R. NAVA                   | Cluster Manager        |
| <b>Bataan</b>                  |                        |
| Reyes, Nico Endrenal           | Provincial Manager-OIC |
| Ortiz, Gladies Valdez          | Claims Processor       |
| Panta, Ace Domingo             | Insurance Processor    |
| Torres, Marie Flor Robillos    | Bookkeeper             |
| Bragas, Jamesly Quipay         | Insurance Processor    |
| <b>Palawan</b>                 |                        |
| Luna, Janice Amesqua           | Provincial Manager-OIC |
| Torio, Lovely Joy Dobra        | Marketing Officer-OIC  |
| Asandy, Aila Marie Catingub    | Insurance Processor    |
| Usop, Mechelle Olio            | Insurance Processor    |
| <b>Bulacan</b>                 |                        |
| Castillo, Fidela Pullan        | Provincial Manager-OIC |
| Javilona, Cyrin Barrozo        | Bookkeeper             |
| Olivarez, Nathaniel Anlacan    | Claims Processor       |
| Sigua, Ma. Hazel Limson        | Claims Processor       |
| Quicson, Eunice Grace Panolino | Insurance Processor    |
| <b>Cavite</b>                  |                        |
| Martecion, Rosalie Buhat       | Provincial Manager     |
| Verde, Jessabel Latusa         | Bookkeeper             |
| Aniel, Buddy Aniel             | Claims Processor       |
| Indap, Trisha May Villanueva   | Insurance Processor    |
| Betoy, Nerissa Iris A.         | Insurance Processor    |
| <b>Metro Manila 1</b>          |                        |
| Abata, Gina Cucal              | Provincial Manager     |
| Bacuyag, Gerlie Ordillo        | Bookkeeper             |
| Bae, Ricky Roxas               | Claims Processor       |
| Arias, Cecilia Oberes          | Insurance Processor    |
| <b>Metro Manila 2</b>          |                        |
| Jamolin, Allan Tigno           | Provincial Manager     |
| Macalino, Mary Anne Lacson     | Bookkeeper             |
| Caabay, Jonah Maru             | Claims Processor       |
| Elinon, Rainier Lopez          | Insurance Processor    |
| Baldestamon, Eric Panerqo      | Insurance Processor    |

| LUZON CLUSTER 3                     |                        |
|-------------------------------------|------------------------|
| NEMIE G. MENDOZA                    | Cluster Manager        |
| <b>Oriental Mindoro</b>             |                        |
| Lasac, Bernadette Ortiz             | Provincial Manager-OIC |
| Jacinto, Retsy Jean Oirada          | Bookkeeper             |
| Villena, Maygielyn Lucas            | Claims Processor       |
| Roldan, Anna Morena Vilar           | Insurance Processor    |
| Sena, Joefren Lecaroz               | Insurance Processor    |
| <b>Occidental Mindoro</b>           |                        |
| Patricio, Boy Nazher Zabala         | Provincial Manager     |
| Isorina, Marilou Diosay             | Bookkeeper             |
| Villamin, Anna Crichelle De Jesus   | Claims Processor       |
| Villaluna, Maria Lourice Digap      | Insurance Processor    |
| <b>Occidental Mindoro</b>           |                        |
| Patricio, Boy Nazher Zabala         | Provincial Manager     |
| Isorina, Marilou Diosay             | Bookkeeper             |
| Villamin, Anna Crichelle De Jesus   | Claims Processor       |
| Villaluna, Maria Lourice Digap      | Insurance Processor    |
| <b>Batangas 1</b>                   |                        |
| Icaro, John Paulin Panapanaan       | Provincial Manager-OIC |
| Villanueva, Anthony Kinaadman       | Marketing Officer-OIC  |
| Vergara, Herminia Mercene           | Bookkeeper             |
| Alimuin, Jennilyn Dionisio          | Insurance Processor    |
| Palomares, Dianne Penales           | Claims Processor       |
| <b>Batangas 2</b>                   |                        |
| Joya, Arnold Sulian                 | Marketing Officer      |
| Panganiban, Maurice Albert Lirio    | Insurance Processor    |
| Binay, Joanne Manalo                | Bookkeeper             |
| <b>Laguna 1</b>                     |                        |
| Castro, Aileen Bartolome            | Provincial Manager-OIC |
| Angeles, Annam Venus Alcantara      | Claims Processor       |
| Llamas, Jean Rosalie Logatoc        | Claims Processor       |
| Turiano, Ritchel Liza Lopez         | Bookkeeper             |
| Saway, Ronald Sapunto               | Marketing Officer      |
| de Ramos, Aaron Justin Galiza       | Insurance Processor    |
| <b>Laguna 2</b>                     |                        |
| Almanza, Maribel Monterola          | Provincial Manager     |
| America, Reynel Sanchez             | Bookkeeper             |
| Medina, Jaussen Ola                 | Claims Processor       |
| Mendoza, Jenny Saez                 | Claims Processor       |
| Marticio, Aljun Abragante           | Insurance Processor    |
| <b>LUZON CLUSTER 4</b>              |                        |
| MA. JOYCE ALIMAGNO                  | Cluster Manager        |
| <b>Quezon 1</b>                     |                        |
| Velina, Pabito Barba                | Provincial Manager     |
| Folloso, Kathrina Cabangon          | Bookkeeper             |
| Perocho, Rachel Calubayan           | Claims Processor       |
| Cantos Jovelyn Decena               | Insurance Processor    |
| Potentado, Irish Bernadette Montaño | Insurance Processor    |
| <b>Quezon 2</b>                     |                        |
| Brofar, Napoleon Brosas             | Provincial Manager     |
| Jumento, Jayson Banico              | Marketing Officer-OIC  |
| Postrado, Janice Rodriguez          | Claims Processor       |
| Laguna, Darlene Hetomo              | Insurance Processor    |
| Escuret, Aprilyn Yumang             | Insurance Processor    |
| <b>Cam Sur</b>                      |                        |
| Alarcon, Maria Shyna Prado          | Marketing Officer-OIC  |
| Anzorandia, Estefani Teoxon         | Bookkeeper             |
| Mendoza, Loreto Jr. Agaton          | Claims Processor       |
| Urrete, Jennalyn Jonos              | Insurance Processor    |
| <b>Albay</b>                        |                        |
| Patay, Catherine Mojica             | Provincial Manager     |
| Cledera, Hazel Talaran              | Claims Processor       |
| Canuel, Niña Babia                  | Bookkeeper             |
| Avila, Donnabel Sarcon              | Insurance Processor    |
| Ordinanza, Joana Marie Villaruel    | Insurance Processor    |
| <b>Camarines Norte</b>              |                        |
| Par, Allan Napao                    | Provincial Manager     |
| Escano, Mariane Gordula             | Bookkeeper             |
| de la Cruz, Jackelyn Bellawelo      | Insurance Processor    |
| Zara, Joey Baquio                   | Insurance Processor    |

# Directory of Provincial Office-Based CARD MBA Staff

| Marinduque                       |  |
|----------------------------------|--|
| Borrue, Rexon Diaz               | Provincial Manager                           |
| Pereda, Michael Monterey         | Claims Processor                             |
| Arche, Mary Joy Leonado          | Insurance Processor                          |
| Maaliw, Cherrie Ann Suanke       | Bookkeeper                                   |
| VISAYAS CLUSTER 1                |  |
| <b>EDISON R. REYES</b>           | <b>Cluster Manager</b>                       |
| Leyte                            |  |
| Navera, Chito Creo               | Provincial Mngr                              |
| Kierulf, Glaiza Duquiatan        | Marketing Officer-OIC                        |
| Labarda, Gelyn Gerez             | Bookkeeper                                   |
| Oliverio, John Rhebo Marchadesch | Claims Processor                             |
| Dandan, Ritzchel Tadeffa         | Insurance Processor                          |
| Samar                            |  |
| Pia, Rory Bactul                 | Provincial Manager-OIC                       |
| Ramos, Janelle Verecio           | Bookkeeper                                   |
| Pueblos, Jacklyn Oliva           | Claims Processor                             |
| Docena, April Joy Peñalfor       | Insurance Processor                          |
| Yacap, Anthony Busante           | Insurance Processor                          |
| Bohol                            |  |
| Rapsing Jr., Eduardo Dones       | Provincial Manager-OIC                       |
| Seroy, Ronaldo Ando              | Claims Processor                             |
| Torreon, Candy Shane Varquez     | Insurance Processor                          |
| Castolo, Mirafior, Doroy         | Bookkeeper                                   |
| Southern Leyte                   |  |
| Nadonza, Miralay Cabilogan       | Provincial Manager-OIC                       |
| Samson, Mechelle Gabriela        | Marketing Officer-OIC                        |
| Segarino, Tetchie Boholst        |  |
| Caig, Marik Dave Mayao           | Insurance Processor                          |
| Baquino, Ruthlyn Pusa            | Claims Processor                             |
| VISAYAS CLUSTER 2                |  |
| <b>MAURICIO B. MAUR</b>          | <b>Asst. Mngr. for Operation-Visayas OIC</b> |
| Cebu                             |  |
| Yutiga, Roy Medina               | Provincial Manager                           |
| Barnuevo, Gemma Balatayo         | Bookkeeper                                   |
| Albarida, Annabel Marcelino      | Insurance Processor                          |
| Dadol, Malyn Dilao               | Claims Processor                             |
| Masbate                          |  |
| Buenaobra, Marivic Bensurto      | Provincial Manager                           |
| Venancio, Erwin Gonzales         | Marketing Officer                            |
| Castillo, Darlin Tugbo           | Claims Processor                             |
| Magallanes, Felix Jr. Bongabong  | Insurance Processor                          |
| Perez, Ma. Key E.                | Bookkeeper                                   |
| Iloilo                           |  |
| Montilla, Francis Ramones        | Prov. Mngr-OIC                               |
| Juanites, Robecel Pagsuguiron    | Insurance Processor                          |
| Santiago, Myla Gabumpa           | Insurance Processor                          |
| Bernantes, Amy Gadayan           | Claims Processor                             |
| Amande, May Catino               | Bookkeeper                                   |
| Capiz                            |  |
| Lobaton, Marry Rose Vegafria     | Provincial Manager-OIC                       |
| Germina, Rochelle Misola         | Marketing Officer                            |
| Fernandez, Sarah Ibañez          | Bookkeeper                                   |
| Balinton, Jorelyn Baling         | Insurance Processor                          |
| Negros Oriental                  |  |
| Cabales, Froilan James dela cruz | Provincial Manager-OIC                       |
| Torres, Babyiou Pioneta          | Insurance Processor                          |
| Angot, Eugenio Luntayao Jr.      | Claims Processor                             |
| MINDANAO CLUSTER                 |  |
| <b>Ely B. Rodriguez</b>          | <b>Cluster Manager</b>                       |
| Davao                            |  |
| Lanoy, Carla Fe Aballe           | Provincial Manager                           |
| Cebulleros, Roselyn Garcia       | Claims Processor                             |
| Briones, Grechen Traya           | Insurance Processor                          |
| Bongcac, Arlyn Papas             | Bookkeeper                                   |
| Abecia, Mark Roldan Jason P.     | Insurance Processor                          |
| Misamis Oriental                 |  |
| Bautista, Rosenie Jimenez        | Provincial Manager                           |
| Dionaldo, Monalie Lagutin        | Bookkeeper                                   |
| Marababon, Jaycel Gabule         | Claims Processor                             |
| Geromo, Ma. Stephany Sumalpong   | Insurance Processor                          |
| Jalapan, Abelyn Tangkihay        | Insurance Processor                          |
| Catulong, Francis Ann M.         | Insurance Processor                          |
| Rabago, Raissa Gold C.           | Insurance Processor                          |

| Zamboanga del Norte              |                         |
|----------------------------------|-------------------------|
| Nacua, Janicekith Embajador      | Provincial Manager -OIC |
| Sagario, Julie Anne Magdolot     | Marketing Officer-OIC   |
| Paglinawan, Marycres Comendador  | Claims Processor        |
| Bertulfo, Messy Ortega           | Bookkeeper              |
| Torsiende, Lucky Nieva Saguindan | Insurance Processor     |
| Idjirani, Sukarno Sawpi          | Insurance Processor     |
| Davao del Norte                  |                         |
| Priete, Kitty Cabilogan          | Provincial Manager-OIC  |
| Gracia, Joel Leones              | Claims Processor        |
| Jaramillo, June Enanoria         | Insurance Processor     |
| Gomez, Honevel Porquiado         | Bookkeeper              |
| Castro, Jancetien L.             | Insurance Processor     |
| South Cotabato                   |                         |
| Nisnisan, Rey Robles             | Provincial Manager      |
| Ca-ay Jr, Robinson Daquiao       | Claims Processor        |
| Gomez Nerlyn Idjao               | Bookkeeper              |
| Lantaca, Marissa A.              | Insurance Processor     |
| Agusan del Sur                   |                         |
| Jabonan, Roy Palao               | Provincial Manager      |
| Marquez, Jelly Ann Pechon        | Bookkeeper              |
| Retobalde, Jovani Gempero        | Claims Processor        |
| Cacho, Km Albia                  | Insurance Processor     |
| Agusan del Norte                 |                         |
| Pondevida, Catherine Emuy        | Provincial Manager-OIC  |
| Magallanes, Ann Jaraine Exchaure | Bookkeeper              |
| Cortez, Bonibie Gepitulan        | Insurance Processor     |
| Trosa, May Leonidas G.           | Insurance Processor     |
| Luntayao, Lelanie Q.             | Insurance Processor     |
| North Cotabato                   |                         |
| Menchavez, Archie Villacruz      | Provincial Manager      |
| Velasquez, Elyn Amoroto          | Claims Processor        |
| Gallaron, Richell Hidalgo        | Bookkeeper              |
| Saladar, Jacquelen Lebrita       | Insurance Processor     |
| Lindio, Genalyn S.               | Insurance Processor     |



# Directory of CARD MBA Coordinators

## Luzon

### Luzon 1

#### Pangasinan

| Pangasinan 1 |                     |
|--------------|---------------------|
| Asingan      | Morita D. Ramirez   |
| Alcala       | Rudella Mariano     |
| Rosales      | Richelle Pregeliana |
| Tayug        | Jennifer Nacalaban  |

| Pangasinan 2 |                    |
|--------------|--------------------|
| Pozorrubio   | Rosario E. Velasco |
| Binalonan    | Donna Biado        |
| Sison 1      | Ernie Tucay        |
| Sison 2      | Zosima Olod        |
| San Manuel   | Gilda Pote         |

| Pangasinan 3 |                         |
|--------------|-------------------------|
| Mangaldan 1  | Paz Petrona             |
| Mangaldan 2  | Alicia Montemayor       |
| San Fabian 1 | Paz Valdez Frianeza     |
| San Fabian 2 | Shirley Obispo          |
| San Jacinto  | Precela S. Salvado      |
| Manaog       | Josie Pajarillo Marquez |

| Pangasinan 5 |                            |
|--------------|----------------------------|
| San Carlos 1 | Araceli Balbiran Dela Cruz |
| Dagupan 1    | Lalaine Rosal              |
| Sta. Barbara | Imelda Argaoza             |
| San Carlos 2 | Rizza Dela Cruz Salinas    |
| Calasiao     | Nancy Victorino Santiago   |
| Dagupan 2    | Lorielyn N. Arzadon        |

| Pangasinan 7 |                          |
|--------------|--------------------------|
| Malasiqui 2  | Shirley Sanchez          |
| Bayambang 1  | Mary Jane Emilio         |
| Malasiqui 1  | Adelina Seráfica         |
| Camiling     | Lucrecia Bumatay         |
| Bayambang 1  | Merlita Galletes Bergado |
| Urbiztondo   | Jhoy G. Esteban          |

| Benquet       |                    |
|---------------|--------------------|
| La Union 2    |                    |
| San Juan L.U. | Padua, Begida      |
| Bacnotan      | Charlyn C. Ursua   |
| Bangar        | Zenaida Villanueva |
| Luna          | Bactad, Lolita     |

| La Union 1 |                   |
|------------|-------------------|
| Bauang 1   | Marissa D. Gapuz  |
| Bauang 2   | Bancifra, Melinda |

| La Trinidad   |                        |
|---------------|------------------------|
| La Trinidad 1 | Sanchez, Shaynee Lynne |
| La Trinidad 3 | Bangwa, Juanita        |
| La Trinidad 6 | Baon, Rita             |
| La Trinidad 7 | Fanwa, Julia           |
| La Trinidad 8 | Madarang, Janice       |

| Baguio   |                    |
|----------|--------------------|
| Baguio 2 | Supsupin, Jessica  |
| Baguio 3 | Ronelyn B. Antonio |
| Aringay  | Padilla, Herminia  |
| Rosario  | Salting, Elizabeth |
| Ago      | Dollaga, Maydie    |

| Ilocos   |                        |
|----------|------------------------|
| Ilocos 1 |                        |
| Laoag 1  | Ronalyn Diego          |
| Laoag 2  | Aida B. Bielza         |
| Pasquin  | Luzviminda L. Martinez |
| Bacarra  | Lorna Gamiao           |
| Vintar   | Edna Dalere            |

| Ilocos 2    |                            |
|-------------|----------------------------|
| San Nicolas | Vanessa Pagud              |
| Batac 1     | Ligaya Marie P. Villanueva |
| Batac 2     | Romelyn Sicat              |
| Paopao      | Emma Galimba               |
| Pinili      | Irene Curameng             |
| Badoc       | Ma. Esperanza M. Asuncion  |

| Ilocos 3  |                      |
|-----------|----------------------|
| Solsona 1 | Marilyn T. Malvar    |
| Solsona 2 | Marilyn I. Neri      |
| Marcos    | Myrna Dain           |
| Dingras   | Maries T. Dela Cruz  |
| Bingay    | Mary Rose A. Raspado |
| Sarrat    | Teresta D. Rasgado   |

| Ilocos 4    |                          |
|-------------|--------------------------|
| Cabugao     | Neldie Ibea              |
| San Juan    | Mary Jane Lazo           |
| Magsingal   | Marlou G. Go             |
| Sto Domingo | Ma. Cristina P. Portugal |
| Vigan       | Melanie Lazo             |

| Ilocos 5  |                   |
|-----------|-------------------|
| Bantay    | Conchita Valdez   |
| Narvacan  | Joan C. Rosete    |
| Sta Maria | Delia A. Cabotaje |

| Ilocos 6 |                       |
|----------|-----------------------|
| Pidigan  | Marites C. Villanueva |
| Bucay    | Rowena Barbosa        |
| La Paz   | Jocelyn T. Adriatico  |
| Tayum    | Rhochele Reyes        |
| Dolores  | Vicky C. Barbosa      |

| Ilocos 7  |                  |
|-----------|------------------|
| Candon 1  | Marilou Viaje    |
| Candon 2  | Nora Gapasin     |
| Sta Cruz  | Cristeta Magpali |
| Tagudin 1 | Lolita Fajardo   |
| Tagudin 2 | Agnes P. Balcac  |

#### Nueva Vizcaya

| Isabela 2 |                       |
|-----------|-----------------------|
| Alicia    | Corazon Gomez         |
| Echague   | Carmelita A. Magudang |
| Jones     | Josephine M. Porca    |
| Ramon     | Imelita D. Domingo    |
| San Mateo | Gina G. Sinagub       |

| Isabela 3 |                      |
|-----------|----------------------|
| Quezon    | Rita Pamittan        |
| Cabatuan  | Victorina M. Hidalgo |
| Burgos    | Clarita O. Carriño   |

| Quirino     |                    |
|-------------|--------------------|
| Cabarroguis | Fely V. Labitoria  |
| Diffun      | Joy M. Aquino      |
| Nagtipunan  | Merly Gervacio     |
| Maddela     | Agnes S. Baculanta |

| Nueva Vizcaya 1 |                 |
|-----------------|-----------------|
| Bagabag         | Josie W. Rivera |
| Solano          | Aleli P. Birco  |

| Nueva Vizcaya 2 |                      |
|-----------------|----------------------|
| Bambang         | Emma G. Zamora       |
| Dupax Del Norte | Arceli Rumbawa Estil |

| Ifugao |                      |
|--------|----------------------|
| Lamut  | Helen P. Dacumos     |
| Lagawe | Veronica D. Bumolyad |

| Mountain Province |                 |
|-------------------|-----------------|
| Bauko             | Joanna K. Gomez |

#### Agapayan Valley

| Cagayan 1       |                       |
|-----------------|-----------------------|
| Alcala          | Nenita D. Cabaruan    |
| Iguig           | Josephine A. Alcoy    |
| Solana 2        | Imee Bagayan Cabaddu  |
| Tuguegarao City | Marissa N. Tungcul    |
| Penablanca      | Michelle D. Balderrey |
| Solana 1        | Myrna N. Durian       |

| Cagayan 2     |                     |
|---------------|---------------------|
| Gattaran      | Marlene Amores      |
| Lal-Lo        | Norma Cristobal     |
| Aparri        | Ma. Corazon A. Ong  |
| Gonzaga       | Marivic R. Casipag  |
| Sta. Teresita | Charlene P. Balanon |
| Lasam         | Edwina Jove         |

| Cagayan 3    |                      |
|--------------|----------------------|
| Allacapan    | Evangelina C. Trocio |
| Ballesteros  | Celia S. Arzaga      |
| Sanchez Mira | Julita R. Pacluguen  |
| Abulug       | Wilma Pascua         |

| Isabela 1    |                    |
|--------------|--------------------|
| Tumauini     | Susana Tumolva     |
| Ilagan       | Sarah M. Antonio   |
| Gamu         | Annalisa Cabia     |
| Cauayan City | Petronila Balmores |
| Naguilian    | Marites B. Lungub  |

| Tarlac        |                    |
|---------------|--------------------|
| Tarlac 1      |                    |
| Capas         | Jelica D. Halli    |
| Concepcion    | Nimfa Santos       |
| Sta. Ignacia  | Flordeluna Hidalgo |
| Tarlac City 1 | Estrella Taban     |
| Tarlac City 2 | Marivic Fajardo    |
| Tarlac City 3 | Nelcita Banta      |

| Tarlac 2   |                       |
|------------|-----------------------|
| Gerona     | Julietta B. Asuncion  |
| Lapaz      | Rosemarie Alperex     |
| Paniqui    | Gloria T. Santos      |
| San Manuel | Amalia Parocha        |
| Victoria   | Ma. Noemi Grace Deang |
| Moncada    | Rowena Viray          |

| Pangasinan 4 |                        |
|--------------|------------------------|
| Aguilar      | Adoracion E. Balmonte  |
| Bimmaley     | Marita R. Bautista     |
| Bugallon     | Bernadette B. Malicdem |
| Lingayen 1   | Johnnylen V. De Leon   |
| Lingayen 2   | Alma Valdez            |

| Pangasinan 6 |                   |
|--------------|-------------------|
| Alaminos     | Aurelia Sison     |
| Anda         | Maricel Catabay   |
| Agno         | Alma U. Nilo      |
| Bani         | Minerva Orila     |
| Sual         | Valentina Mostajo |
| Bolinao      | Edna Puda         |

### Luzon 2

#### Bataan

| Pampanga 1     |                      |
|----------------|----------------------|
| Guagua         | Cristina M. Capati   |
| Florida Blanca | Windilina M. Pillone |
| San Fernando 1 | Janette S. Gomez     |
| Mabalacat      | Imelda O. Quinto     |
| Lubao          | Aurora B. Vitug      |

| Pampanga 2     |                      |
|----------------|----------------------|
| San Fernando 2 | Sylvia B. Suliva     |
| Angeles 1      | Jo-Ann D. Eisma      |
| Angeles 2      | Cristina C. Samia    |
| San Simon      | Mary Grace G. Rivera |

| Pampanga 3 |                      |
|------------|----------------------|
| Arayat     | Marisol N. Luciano   |
| Magalang   | Rhudelene S. Limpin  |
| Mexico     | Leilani Q. Pamintuan |

| Bataan      |                        |
|-------------|------------------------|
| Dinalupihan | Gertrudes P. Natividad |
| Orion       | Victoria Reyes         |
| Orani       | Cherrie Albo           |

| Zambales    |                      |
|-------------|----------------------|
| Olongapo    | Ligva F. Mallari     |
| Subic       | Rosalita R. Knudtson |
| San Narciso | Cristina R. Villamor |
| Iba         | Arlene E. Camuyong   |
| Palauig     | Catalina B. Vicente  |

#### Bulacan

| Bulacan 1            |                      |
|----------------------|----------------------|
| Marilao              | Evangelina N. Cuenca |
| Meycauayan           | Evelyn G. Valenzuela |
| Norazaray            | Jemilyn T. Pasco     |
| San Jose Del Monte 1 | Jamela R. Castro     |
| Sta. Maria           | Hermilina P. Cataban |
| San Jose Del Monte 2 | Marilyn E. Capa      |

| Bulacan 2     |                           |
|---------------|---------------------------|
| Baliuag       | Catalina A. Escaner       |
| Bustos        | Carolyn D. Beltran        |
| Pullian       | Yolanda G. Marasigon      |
| San Ildefonso | Liezal L. Aragon          |
| Plaridel      | Nelia B. Osing            |
| San Miguel    | Esperanza M. Garchitorena |

| Bulacan 3 |                       |
|-----------|-----------------------|
| Bocae     | Charito L. Rivera     |
| Hagonoy   | Maria Nieves Trinidad |
| Malolos   | Marita D. Rico        |
| Gaiguinto | Rosana C. Dela Cruz   |

| Camaranava 1 |                      |
|--------------|----------------------|
| Valenzuela 1 | Irene R. De Leon     |
| Valenzuela 2 | Nancy M. De Jesus    |
| Malabon 1    | Hean D. Rosales      |
| Malabon 2    | Adoracion S. Garcia  |
| Navotas 1    | Soniviv O. Advincula |
| Navotas 2    | Carmencita M. Ramos  |

| Camaranava 2   |                       |
|----------------|-----------------------|
| Caloocan East  | Mera T. Dixon         |
| Caloocan South | Rodelyn O. Sambrano   |
| Caloocan North | Fredisminda V. Apngol |
| Novaliches 1   | Memos V. Maquinto     |
| Novaliches 2   | Elvira A. Galon       |

| Cavite       |                       |
|--------------|-----------------------|
| Cavite 2     |                       |
| Dasmariñas 4 | Isabelita P. Lentijas |
| Dasmariñas 6 | Bernadette P. Matubis |
| Imus 2       | Edna L. Luyao         |
| Imus 1       | Leela P. Leis         |
| Bacoar 2     | Rowena P. Dominia     |
| Bacoar 3     | Maricris E. Ariza     |

| Cavite 3       |                       |
|----------------|-----------------------|
| Bacoar 1       | Teresita Espiritu     |
| Novleta        | Marilyn Almazan       |
| Rosario Cavite | Christy Esparraguerra |
| Cavite City 1  | Anabella T. Rivera    |
| Cavite City 2  | Rosalinda Lemos       |
| Kawit          | Olivia G. Aguilar     |

| Cavite 4   |                      |
|------------|----------------------|
| Tanza 1    | Jean G. Del Pilar    |
| Tanza 2    | Magdalena B. Escario |
| Naic       | Melanie M. Nito      |
| Indang 1   | Erlinda Medina       |
| Indang 2   | Leonida D. Hermoso   |
| Alfonso    | Cecilia L. Lacopia   |
| Maragondon | Gloria A. Padal      |

| SME Tagaytay    |                        |
|-----------------|------------------------|
| Tagaytay Unit 1 | Benilda Ferma Peñafiel |
| Tagaytay Unit 2 | Marilyn C. Romilla     |
| Silang Unit 2   | Felisa B. Reyes        |
| Silang Unit 3   | Pinky R. Genesis       |
| Silang Unit 4   | Bernadette A. Reyes    |
| Gma 1-A         | Susan T. Purificacion  |
| Gma 1-B         | Fe S. Chan             |
| Dasma 1-A       | Whilalyn D. Sambajon   |
| Dasma 1-B       | Marisol R. Brusas      |
| Dasma 2-A       | Virginia A. Sayson     |
| Dasma 2-B       | Gemma Bening           |

#### Palawan

| Palawan 1         |                      |
|-------------------|----------------------|
| Puerto Princesa 1 | Lolita A. Calupcupan |
| Puerto Princesa 2 | Phoebe F. Garandang  |
| Puerto Princesa 3 | Carlita M. Namuco    |
| Puerto Princesa 4 | Maricel Cugaid       |
| Puerto Princesa 5 | Marilyn V. Antioquia |

| Palawan 2 |                         |
|-----------|-------------------------|
| Narra 1   | Nelia A. Puno           |
| Narra 2   | Elizabeth E. Apolinario |
| Narra 3   | Bacabac, Ronalie        |
| Aborlan   | Sharon Castro           |
| Rizal     | Margarita Cansino       |
| Quezon    | Betty San Juan          |

| Palawan 3        |                      |
|------------------|----------------------|
| Bataraza 1       | Noemi G. Guardian    |
| Bataraza 2       | Ma. Jasin Millares   |
| Brooke'S Point 2 | Joessina A. Parcarey |

| Palawan 4   |                    |
|-------------|--------------------|
| Roxas 1     | Ravima Manzano     |
| Roxas 2     | Lilian N. Samperoy |
| San Vicente | Agnes Gonzales     |
| Taytay 1    | Marlie N. Parcon   |

| BOAT     |            |
|----------|------------|
| Taytay 2 | Juno Molid |

| Palawan 5 |                         |
|-----------|-------------------------|
| Coron 1   | Flozerfida B. Altarejos |
| Busuanga  | Desiree G. Yala         |

#### Metro Manila

| NCR 1A       |                      |
|--------------|----------------------|
| Muntinlupa 1 | Lailanie E. Andres   |
| Muntinlupa 2 | Rosario L. Mendaña   |
| Muntinlupa 3 | Yolanda B. De Guzman |
| Pateros      | Emily Rapsing        |
| Pateros      | Olaira S. Agir       |
| Taguig 2     | Amelia Duco          |

| NCR 1B      |                      |
|-------------|----------------------|
| Parañaque 1 | Merced Z. Legurpa    |
| Parañaque 2 | Florencia S. Malasig |
| Pasay 3     | Lerma Tanao Tanao    |

| Las Piñas               |                           |
|-------------------------|---------------------------|
| Caa 1                   | Melanie Buenafe           |
| Caa 2                   | Meryln C. Barin           |
| Caa 3                   | Imalu T. Tecio            |
| Las Piñas 2 & Almazan 2 | Jenistrel Soneja Regalado |
| Las Piñas 3 & Talon 4   | Resurreccion Pantan       |
| Las Piñas 6 & Talon 3   | Concepcion Piston         |
| Plp 1                   | Liberty Gabriel Returbar  |
| Plp 2                   | Mylene S. Sotta           |

| Makati   |                |
|----------|----------------|
| Makati 3 | Thelma Herrera |

| Mandaluyong   |               |
|---------------|---------------|
| Mandaluyong 1 | Modesta Lucas |

#### Metro Manila 2

| NCR 2      |                        |
|------------|------------------------|
| Marikina 1 | Estrellita H. Pallarca |
| Marikina 2 | Leonica Lamac          |
| Pasig 1    | Florida Andeo          |
| Pasig 2    | Jocelyn F. Roquero     |
| San Juan   | Maria Zamora           |

| NCR 3          |                    |
|----------------|--------------------|
| Commonwealth 1 | Elnor V. Magculang |
| Quirino        | Gladys Famorcan    |

| NCR 4     |                           |
|-----------|---------------------------|
| Paco      | Mary Ann V. Bartoline     |
| Sampaloc  | Jessica Bona              |
| Sta. Ana  | Presentacion Modina       |
| Sta. Cruz | Marilyn P. Macabuhay      |
| Sta. Mesa | Maria Theresa V. Baloghob |

| Rizal 1      |                         |
|--------------|-------------------------|
| Cainta 1     | Alejandra M. Capistrano |
| Cainta 2     | Bernarda G. Guay        |
| Binangonan 1 | Nancy D. Balagoza       |
| Angono       | Emily M. Hermosa        |

| Rizal 3    |                            |
|------------|----------------------------|
| Antipolo 1 | Vina Maglalang             |
| Antipolo 3 | Violeta Magaling           |
| San Mateo  | Gina M. Balde              |
| Montalban  | Nora R. Magallanes         |
| Antipolo 2 | Eclar, Eufrocina Angela A. |

| RIZAL RURAL BANK, Inc. |                      |
|------------------------|----------------------|
| Taytay 1               | Jocelyn T. Arguelles |
| Taytay 2               | Precky Butin         |

**Luzon 3**

| Laguna 1    |                    |
|-------------|--------------------|
| San Pablo 1 |                    |
| San Pablo 1 | Margarita de Luna  |
| San Pablo 2 | Ofelia Diamante    |
| San Pablo 3 | Carmen Avanzado    |
| San Pablo 4 | Merlita Rodergerio |
| San Pablo 5 | Michel Villanueva  |

| San Pablo 2 |                       |
|-------------|-----------------------|
| San Pablo 7 | Zenaida M. Reyes      |
| San Pablo 8 | Rosemarie A. Puntanar |
| San Pablo 9 | Merly A. Baliton      |
| Alaminos 1  | Virginia D. Baldo     |
| Alaminos 2  | Imelda Ignacio        |

| Nogcarlan |                    |
|-----------|--------------------|
| Rizal     | Vivian Eroles      |
| Liliv     | Marivel P. General |

| Dolores            |                       |
|--------------------|-----------------------|
| Dolores 1          | Raquel S. Luzon       |
| Dolores 2          | Necitas C. Mortel     |
| Tiaong 2           | Maria M. Sumadsad     |
| Tiaong 3           | Delia M. Dimaculangan |
| Tiaong 4 & 5       | Elena D. Andal        |
| San Antonio 1 Unit | Leonisa Guerra        |
| San Antonio 2 Unit | Mary Ann C. Mauricia  |

| Bay                 |                       |
|---------------------|-----------------------|
| Pila                | Mervic Pecaña         |
| Calauan 1           | Teresa M. Constantino |
| Calauan 2           | Julietta D. Panergayo |
| Victoria            | Marita M. Villarín    |
| Los Baños South & 5 | Myrna O. Liwanagan    |

| Laguna 4    |                        |
|-------------|------------------------|
| Calamba 1   | Pablita Borbon         |
| Calamba 2   | Daisy R. Abueme        |
| Calamba 3   | Dionisia D. Vanguardia |
| Calamba 4   | Rowena N. Magpantay    |
| Calamba 5   | Marilyn P. Mirasol     |
| San Pedro 2 | Minda L. Reyes         |

| Laguna 5    |                            |
|-------------|----------------------------|
| Biñan 2     | Juana Maranan              |
| Biñan 4     | Millette Jane M. Malayanon |
| Sta. Rosa 2 | Mila M. Sagsayan           |
| Cabayao 2   | Wilma P. Entredicho        |

| Laguna 2   |                       |
|------------|-----------------------|
| Paete      | Ma. Eva T. Madridejos |
| Mabitac    | Teodora Aclan         |
| Siniloan   | Emereciana Realiza    |
| Famy       | Annie Fe L. Rabe      |
| Lumban     | Marilyn Bulan         |
| Sta. Maria | Florentina Pabia      |

| Laguna 3    |                   |
|-------------|-------------------|
| Sta. Cruz 1 | Emelita Mercado   |
| Sta. Cruz 2 | Lanie G. Zambalez |
| Pagsanjan   | Zenaida Javlinar  |
| Magdalena   | Lorna B. Orphanio |
| Majayjay    | Marilou Buen      |
| Cavinti     | Hilaria Blasco    |

| Rizal 2      |                     |
|--------------|---------------------|
| Morongon     | Mia E. Silayan      |
| Binangonan 1 | Emily d. Balagoza   |
| Binangonan 2 | Nancy Salgado       |
| Jalajala     | Yolanda L. Magsalín |
| Pillilla     | Clarissa Flores     |
| Tanay 1      | Roda Reyes          |

| Quezon 6      |                    |
|---------------|--------------------|
| Infanta 1     | Mary Ann F. Cuervo |
| Infanta 2     | Myia B. Marquez    |
| Infanta 3     | Sheilla M. Chua    |
| Real 2        | Delilah Soriano    |
| General Nakar | Lucia A. Gama      |

| Batangas 1   |                          |
|--------------|--------------------------|
| Sto. Tomas 1 | Maria Dennis D. Dimayuga |
| Sto. Tomas 2 | Felisa Lapidan           |
| Sto. Tomas 3 | Zenaida Sancebuche       |
| Sto. Tomas 4 | Flora P. Siman           |
| Sto. Tomas 5 | Jocelyn A. Gementiza     |
| Tanauan 1    | Emelita A. Bringas       |

| Sto. Tomas 2 |                    |
|--------------|--------------------|
| Tanauan 2    | Gregoria V. Rimas  |
| Tanauan 3    | Yolanda M. Mercado |
| Talisay      | Liza Panganiban    |
| Malvar       | Ma. Celina Ramilo  |
| Laurel       | Agripina Disepeda  |

| Lipa 1       |                      |
|--------------|----------------------|
| Lipa 2       | Zenaida M. Montuano  |
| Rosario B    | Anna Marie B. Tejada |
| Padre Garcia | Norma Mendoza        |
| Rosario A    | Maria A. Manguiat    |
| San Jose     | Ely L. Adajar        |

| Lipa 2 |                  |
|--------|------------------|
| Lipa 3 | Jesepine Palo    |
| Lipa 4 | Imelda Dacula    |
| Lipa 5 | Lorna B. Pesa    |
| Lipa 7 | Tita C. Macuha   |
| Lipa 8 | Brigilda Martija |
| Cuenca | Nora S. Mauleon  |

| Batangas 2      |                       |
|-----------------|-----------------------|
| Batangas City 1 | Lilia C. Cortiguerra  |
| Batangas City 3 | Luzviminda C. Sanchez |
| Lobo            | Juanita T. Celajes    |

| Batangas 2  |                       |
|-------------|-----------------------|
| Bauan 1     | Rosalinda I. Marquez  |
| Bauan 2     | Bienvenida C. Cruz    |
| San Pascual | Nerilina A. Valderama |

| Batangas 4 |                        |
|------------|------------------------|
| Lemery 1   | Estelita R. Endrinal   |
| Lemery 2   | Ederlinda L. Fernandez |
| Calaca     | Catalina Luce          |
| Taal       | Rosalie B. Manuel      |
| Balayan 2  | Mary Jane G. Ruta      |

| Batangas 5 |                         |
|------------|-------------------------|
| Lian       | Rosalina Cabadin        |
| Calatagan  | Sherly M. Maquiling     |
| Nasugbu 2  | Charito P. Rodriguez    |
| Nasugbu 1  | Ma. Concepcion V. Nioko |
| Tuy        | Ednalisa Seña           |
| Balayan 1  | Melanie P. Catapang     |

| Oriental Mindoro |                      |
|------------------|----------------------|
| Calapan 1        | Welhemenia S. Babon  |
| Calapan 2        | Tita V. Marquez      |
| Calapan 3        | Isabel N. Bautista   |
| Calapan 4        | Rhea M. Bacay        |
| Baco 1           | Evangelina Jusi      |
| Comunal          | Liz Marie Luzon      |
| Barcenaga        | Mary Jane M. Pelaez  |
| Naujan 2         | Joyce M. Austria     |
| Victoria 1       | Gemma Felix          |
| Victoria 2       | Evangelina A. Orallo |

| Pinamalayan   |                             |
|---------------|-----------------------------|
| Pinamalayan 1 | Cionedel M. Macailao        |
| Pinamalayan 2 | Ma. Rubirosa J. Constantino |
| Gloria        | Leonora P. Medina           |
| Pola 1        | Neneth A. Tabay             |
| Pola 2        | Haydee J. Soriano           |
| Socorro       | Maricel G. Morillo          |
| Bansud        | Bella S. Baluyot            |

| Roxas       |                        |
|-------------|------------------------|
| Bongabong 2 | Edna Rubio             |
| Bongabong 1 | Maribelle F. Demontaño |
| Bongabong 3 | Jasmin S. Zoleta       |
| Roxas 1     | Maria G. Deomampo      |
| Roxas 2     | Roseilyn Amar          |
| Mansalay    | Imelda Q. Villaluna    |

| Puerto Galera   |                  |
|-----------------|------------------|
| San Teodoro     | Emerila Ilagan   |
| Puerto Galera 1 | Beverly G. Binay |
| Puerto Galera 2 | Emylie Maunder   |

| Occidental Mindoro |                         |
|--------------------|-------------------------|
| San Jose 1         | Marianne Arlene Bodegas |
| San Jose 2         | Angelita Ismael         |
| San Jose 3         | Jocelyn L. Silanga      |
| San Jose 4         | Cherry Madriaga         |
| San Jose 5         | Lornalyn Rivera         |

| San Jose 2  |                      |
|-------------|----------------------|
| Calintaan   | Wilma Padilla        |
| Magsaysay 1 | Jennifer V. Gumasing |
| Magsaysay 2 | Emelie S. Magan      |
| Rizal 1     | Gloria F. Bautista   |
| Rzal 2      | Digna B. Valdevieso  |

| Sablayan 2 |                     |
|------------|---------------------|
| Sablayan 2 | Miravilla V. Urieta |
| Ligaya     | Ruth E. Nocelo      |

| Mamburao    |                     |
|-------------|---------------------|
| Mamburao 1  | Lina R. Peji        |
| Mamburao 2  | Merlinda T. Insigne |
| Abra        | Wenaly Alvarez      |
| Paluan      | Eloisa T. Vicente   |
| Sta. Cruz 1 | Florabel A. Morales |
| Sta. Cruz 2 | Imelda H. Espiritu  |

**Luzon 4**

| Quezon 1  |                      |
|-----------|----------------------|
| Gumaca 1  | Mirabel M. Puso      |
| Gumaca 2  | Mercedita A. Hanaban |
| Macalelon | Edilmira A. Dionlay  |
| Pitogo    | Nenith D. Arambulo   |
| Gen. Luna | Nela Garcia          |

| Gumaca 2    |                       |
|-------------|-----------------------|
| Buenavista  | Analiza P. Castillo   |
| Calauag 1   | Elma M. Malabatuan    |
| Calauag 2   | Melinda V. Silvestre  |
| Lopez       | Cresencia M. Valencia |
| Lopez 2     | Emma C. Foloso        |
| Guinayangan | Minerva E. Nograls    |

| Atimonan   |                        |
|------------|------------------------|
| Atimonan 1 | Rosenda R. Marfil      |
| Atimonan 2 | Rosemarie V. Estrope   |
| Plaridel   | Maria Angela L. Noriel |

| Quezon |                    |
|--------|--------------------|
| Alabat | Matet Arandela     |
| Quezon | Imelda C. Caperina |

| Tagkawayan   |                     |
|--------------|---------------------|
| Tagkawayan 1 | Analiza P. Regodon  |
| Tagkawayan 2 | Vicenta A. Gonzales |
| Del Gallego  | Ofelia C. Segui     |

| Mulanay       |                      |
|---------------|----------------------|
| Mulanay 1     | Karen D. Atabay      |
| Mulanay 2     | Rowena P. Atabay     |
| Catanauan 1   | Rosemarie F. Real    |
| Catanauan 2   | Generosa Z. Pernia   |
| San Narciso 1 | Estrella I. Imperial |
| San Narciso 2 | Lorena D. Jimena     |
| San Andres    | Mergene B. Corales   |

| Quezon 2     |                      |
|--------------|----------------------|
| Lucena 1     | Jocelyn Sacdalan     |
| Lucena 2     | Gina Reselloza       |
| Lucena 3     | Daisy Barrantes      |
| Lucena 4     | Emilia Del Mundo     |
| Lucena 5     | Marissa Gabad        |
| Lucena 6     | Consuelo Cabangon    |
| Lucena 7     | Benigna Rodlilo      |
| Pagbilao 1   | Hanna Hazel Lusterio |
| Pagbilao 2   | Teresita Patriarca   |
| Padre Burgos | Oliva Aguilar        |
| Agdangan     | Melchora Amparo      |
| Unisan       | Luzviminda Caeg      |

| Lucban   |                  |
|----------|------------------|
| Lucban   | Melisa Sales     |
| Tayabas  | Julie Mendoza    |
| Sampaloc | Josephine Salayo |
| Mauban   | Vivian Landicho  |

| Candelaria   |                     |
|--------------|---------------------|
| Candelaria 1 | Marjory Pantoja     |
| Candelaria 2 | Wilma E. Sumague    |
| Candelaria 3 | Juliana Suarez      |
| Candelaria 4 | Luzfil Ortiz        |
| San Juan 2   | Erlistina Montealto |
| San Juan 5   | Teressita Landicho  |
| Sariaya 1    | Cresencia de Torres |
| Sariaya 2    | Marjorie Acunin     |
| Sariaya 4    | Nora Closa          |
| Sariaya 5    | Jocelyn de Guzman   |

| Camarines Sur |                     |
|---------------|---------------------|
| Pili 1        | Myrna S. Diana      |
| Bula 1        | Salve T. Dante      |
| Bula 2        | Rexelda G. Jardinel |
| Ocampo 1      | Lourdes P. Nacion   |
| Ocampo 2      | Gina K. Tabayag     |

| Naga         |                    |
|--------------|--------------------|
| Naga 1       | Ludy C. Mendoza    |
| Naga 2       | Nellie M. Jeremias |
| Camaligan    | Michelle P. Galan  |
| San Fernando | Nilda P. Floriano  |
| Milaor       | Elma C. Ferrer     |
| Minalabac    | Rosaina G. Paja    |
| Calabanga 1  | Jane P. Buela      |
| Calabanga 2  | Belen B. Palaad    |

| GOA        |                     |
|------------|---------------------|
| Tinambac 1 | Belenda A. Begino   |
| Tinambac 2 | Agnes D. Borela     |
| Tinambac 3 | Salve T. Belga      |
| Tigaon 2   | Edwina E. Magnosay  |
| Sagñay     | Aryen P. Tria       |
| Goa        | Annabelle D. Cereno |
| Lagonoy    | Rosario L. Pacho    |
| Tigaon 1   | Yvonne O. Obias     |
| San Jose   | Emily F. De Luna    |
| Goa 2      | Edna B. Royo        |

| Camarines Norte |                         |
|-----------------|-------------------------|
| Sipocot         |                         |
| Sipocot 1       | Estrellita S. Cortezano |
| Sipocot 2       | Rowena De Una           |
| Sipocot 3       | Josephine M. Bollosa    |
| Sipocot 4       | Canas, Eufemia C.       |
| Ragay           | Isabel B. Castillo      |

| Daet       |                      |
|------------|----------------------|
| Daet 1     | Tenorio, Julieta D.  |
| Daet 2     | Abante, Jade D       |
| Labo       | Adelaida D. Aceron   |
| Basud      | Tejeresas, Angela S. |
| Paracale   | Welma V. Aranas      |
| Panganiban | Balce, Daisy M.      |
| Sta. Elena | Sureta, Ginalyn T.   |

| Libmanan |                      |
|----------|----------------------|
| Libmanan | Maricris A. Avernido |
| Pasacao  | Pamela O. Bautista   |
| Pamplona | Agnes B. Ascaño      |

| Marinduque |                    |
|------------|--------------------|
| Mogpog     |                    |
| Mogpog 1   | Agnes O. Pizarra   |
| Mogpog 2   | Emma M. Naranjo    |
| Boac 1     | Irish Marie Baisas |
| Boac 2     | Elsa S. Magturo    |

| Gasan      |                |
|------------|----------------|
| Gasan 1    | Myracle Soleta |
| Gasan 2    | Heidi Guevarra |
| Buenavista | Meriam Mayorga |

| Sta. Cruz   |                        |
|-------------|------------------------|
| Sta. Cruz 1 | Genalyn P. Rivadeniera |
| Sta. Cruz 2 | Lourdes Recaña         |
| Sta. Cruz 3 | Myrabel M. De Galicia  |
| Sta. Cruz 4 | Maribel D. Medina      |

| Torrjos   |                     |
|-----------|---------------------|
| Torrjos 1 | Gina M. Tan         |
| Torrjos 2 | Marites M. Postrado |

| Albay        |                     |
|--------------|---------------------|
| Legazpi      |                     |
| Legazpi      | Melani A. Abejuro   |
| Daraga 1     | Vivian C. Saberon   |
| Daraga 2     | Jean Bustamante     |
| Bacacay      | Rosa Bordonada      |
| Tabaco       | Michelle Q. Casitas |
| Sto. Domingo | Mary Ann Balane     |
| Pilar        | Imelda O. Leosala   |

| Nabua   |                   |
|---------|-------------------|
| Nabua 1 | Janita Aguado     |
| Nabua 2 | Carolina Atian    |
| Iriga 1 | Janita B. Dorosan |
| Iriga 2 | Mary Barquin      |
| Buhi    | Marina Ababa      |
| Baao    | Gina Briñas       |

| Ligao   |                     |
|---------|---------------------|
| Ligao 1 | Eden R. Dela Torre  |
| Ligao 2 | Imelda O. Miranda   |
| Ligao 3 | Marilyn Olleta      |
| Camalig | Pacita G. Lomangaya |

| Bicol 5B   |                    |
|------------|--------------------|
| Polangui 1 | Juanita Federico   |
| Polangui 2 | Serena Rubianes    |
| Bato       | Carolina Agrabante |
| Oas        | Henely Racho       |

# Directory of CARD MBA Coordinators

## Visayas

### Visayas 1

| Leyte          |                   |
|----------------|-------------------|
| <i>Leyte 1</i> |                   |
| Tanauan        | Eliza Tizon       |
| Palo           | Lea Baqueros      |
| Alang-Alang    | Rosemarie Tulod   |
| Dagami         | Ma. Suzette Irony |
| Sta. Fe        | Beatriz V. Goles  |

|                |                             |
|----------------|-----------------------------|
| <i>Leyte 2</i> |                             |
| Biliran        | Crisdel B. Dimakiling       |
| Naval          | Terেসita Caparro            |
| Kawayan        | Anna Lou De los Reyes Ramos |
| Capoocan       | Remedios Ibañez             |
| Carigara       | Ma. Beth Arpon              |

|                |                    |
|----------------|--------------------|
| <i>Leyte 6</i> |                    |
| Ormoc 1        | Evangeline Asis    |
| Ormoc 2        | Juliet Bazarte     |
| Palompon       | Rachel D. Pelicano |
| Villaba        | Yolinda Benettz    |
| Isabel         | Wences A. Laurito  |
| Kananga        | Felina Rojas       |

|                    |                        |
|--------------------|------------------------|
| <i>CB Tacloban</i> |                        |
| Tacloban 1         | Lucresia B. Simbajon   |
| Tacloban 2         | Lilia Yman             |
| Tacloban 3         | Rosela Acerden         |
| Tacloban 4         | Zalavarrta Consolacion |
| Tacloban 5         | Rizalie Ministerio     |
| Tacloban 7         | Marilyn Vergara        |
| Babatngon          | Thelma Daven Tuldac    |

| Southern Leyte |                       |
|----------------|-----------------------|
| <i>Leyte 3</i> |                       |
| Bato           | Normelyn Boroy        |
| Bontoc         | Carmelita Garvez      |
| Maasin         | Ma. Lina Dela Cruz    |
| Matalom        | Analya A. Del Rosario |
| Padre Burgos   | Christine D. Alforque |

|                |                       |
|----------------|-----------------------|
| <i>Leyte 4</i> |                       |
| Albuera        | Ester P. Camugao      |
| Baybay 1       | Daria Asilom          |
| Baybay 2       | Percedita G. Hinandoy |
| Baybay 3       | Julietta M. Israel    |
| Hilongos       | Carmela Zabala        |
| Inopacan       | Jessica Cavite        |

|                |                  |
|----------------|------------------|
| <i>Leyte 5</i> |                  |
| Liloan         | Erlinda Maceda   |
| Hinunangan     | Helen P. Suan    |
| San Juan       | Zenaida Berongoy |
| Sogod          | Joanne Reyes     |

|                |                  |
|----------------|------------------|
| <i>Leyte 7</i> |                  |
| Abuyog         | Haide Siega      |
| Dulag          | Rowena Advincula |
| Mac Arthur     | Mila M. Morante  |
| Tolosa         | Evelyn Perez     |

| Samar          |                       |
|----------------|-----------------------|
| <i>Samar 1</i> |                       |
| Catarman       | Angelina Comahig      |
| San Jose       | Anaflor S. Olarte     |
| San Roque      | Rosa D. Cebujano      |
| Laoang         | Nerissa L. Romero     |
| Catubig        | May Harriette Berunio |

|                |                      |
|----------------|----------------------|
| <i>Samar 2</i> |                      |
| Calbayog 1     | Imelda T. Amameo     |
| Calbayog 2     | Leticia O. Faro      |
| Sta. Margarita | Elizabeth M. Trocino |
| San Isidro     | Rufina D. Bactad     |
| Allen          | Flordeliza P. Tan    |

|                |                  |
|----------------|------------------|
| <i>Samar 3</i> |                  |
| Cathologan     | Asuncion V. Dote |
| Gandara        | Azucena F. Nueva |
| Calbiga        | Milagros Iquiña  |

|                |                      |
|----------------|----------------------|
| <i>Samar 4</i> |                      |
| Basey 2        | Evelyn Desantores    |
| Balangiga      | Preciosa L. Aquino   |
| Quinapondan    | Natividad N. Jababao |

|                |                      |
|----------------|----------------------|
| <i>Samar 5</i> |                      |
| Guluan 1       | Anna Grace D. Omlang |
| Salcedo        | Maxima P. Ranoco     |
| Llorente       | Wilma C. Fua         |

|                |                         |
|----------------|-------------------------|
| <i>Samar 6</i> |                         |
| Taft           | Ma. Lani L. Acain       |
| Borongon       | Jeanne B. Abelgas       |
| Dolores        | Bernadette U. Villaflor |
| Oras           | Helen C. Balagasay      |

| Bohol          |                   |
|----------------|-------------------|
| <i>Bohol 1</i> |                   |
| Baclayon       | Jeanette J. Talo  |
| Balilihan      | Liza Danila       |
| Dausi          | Zelona N. Tubiano |
| Tagbilaran 1   | Damiana H. Garcia |
| Tagbilaran 2   | Wilma A. Reserva  |

|                |                     |
|----------------|---------------------|
| <i>Bohol 2</i> |                     |
| Clarín         | Anecita O. Lomosbog |
| Getafe         | Policarpia Cempron  |
| Trinidad       | Wilma Reyes         |
| Ubay           | Evelyn Pasicolan    |

|                 |                    |
|-----------------|--------------------|
| <i>Bohol 3</i>  |                    |
| Bilar           | Nena Q. Estar      |
| Carmen          | Cristita B. Unajan |
| Loboc           | Dionisia T. Acuna  |
| Sierra Bullones | Zenaida N. Alolino |

|                |                     |
|----------------|---------------------|
| <i>Bohol 4</i> |                     |
| Dimiao         | Elnora B. Japos     |
| Valencia       | Alicia M. Macaranas |

|                |                      |
|----------------|----------------------|
| <i>Bohol 5</i> |                      |
| Maribojoc      | Agnes J. Villaceran  |
| Antequerá      | Aida B. Villareal    |
| Loon           | Virginia M. Requeron |
| Calape         | Marilyn D. Dumali    |
| Tubigon        | Cleofe A. Libutan    |

### Visayas 2

| Cebu          |                     |
|---------------|---------------------|
| <i>Cebu 1</i> |                     |
| Cordova       | Luisa T. Fernandez  |
| Lapu-Lapu 1   | Miriam M. Hernandez |
| Mandaue 1     | Alecia D. Largo     |
| Talamban      | Sylvia A. Cesa      |

|               |                     |
|---------------|---------------------|
| <i>Cebu 2</i> |                     |
| Cebu 1        | Juvy M. Ahig        |
| Cebu 2        | Cynthia R. Balio    |
| Mabolo        | Jovencia E. Amay    |
| Minglanilla   | Filomena P. Caballa |
| Talisay 1     | Noemi P. Padernal   |
| Talisay 2     | Teresita L. Sasa    |

|               |                   |
|---------------|-------------------|
| <i>Cebu 3</i> |                   |
| Borbon        | Arnely D. Bascon  |
| Camotes       | Conchita M. Oral  |
| Carmen        | Ligaya P. Ramos   |
| Danao         | Felicitas Olivar  |
| Liloan        | Gemmar Tundag     |
| Catmon        | Zenaida D. Abayon |

|               |                      |
|---------------|----------------------|
| <i>Cebu 4</i> |                      |
| Bantayan 1    | Annaliza Sevillejo   |
| Bantayan 2    | Rowena B. Franco     |
| Bogo          | Josephine O. Albuero |
| Daan Bantayan | Genevy Dayday        |
| Medellin      | Isabelita Soriano    |

|               |                       |
|---------------|-----------------------|
| <i>Cebu 5</i> |                       |
| Barili        | Ma. Agnes F. Cubar    |
| Carcar        | Marivic L. Ariar      |
| Dumanjug      | Hermelida D. Sagaysay |
| Moaiboa       | Fritzchelyn S. Gador  |
| Naga 1        | Mila M. Vildisola     |
| Naga 2        | Juanita V. Dolorico   |

|               |                          |
|---------------|--------------------------|
| <i>Cebu 7</i> |                          |
| Balamban      | Genalyn Miñoza           |
| Lutopan       | Fe Criselda P. Torralba  |
| Pinamungajan  | Rosemarie Gorres         |
| Toledo        | Kessa A. Pansacala       |
| Tuburan       | Evangeline M. Lahaylahay |

| Masbate          |                  |
|------------------|------------------|
| <i>Masbate 1</i> |                  |
| Masbate 1        | Julia Baay       |
| Masbate 2        | Marilou Esquillo |
| Masbate 3        | Jocelyn Bejo     |

|                  |                    |
|------------------|--------------------|
| <i>Masbate 2</i> |                    |
| Batuan           | Kathleen A. Gelit  |
| San Jacinto      | Sarah A. Espenilla |
| Mobo 1           | Sonny C. Dellosa   |

|                   |                        |
|-------------------|------------------------|
| <i>Dimasalang</i> |                        |
| Uson 1            | Robielyn G. Llamazares |
| Cawayan 2         | Beverly D. Lacson      |
| Dimasalang        | Nenita Ygrubay         |
| Palanas           | Jona E. Arpon          |

|                  |                 |
|------------------|-----------------|
| <i>Cataingan</i> |                 |
| Cataingan        | Maria L. Galupo |
| Placer 1         | Estela Quirante |
| PVC              | Eva Baybayon    |
| Esperanza        | Elvira R. Soria |

|               |                        |
|---------------|------------------------|
| <i>Aroroy</i> |                        |
| Aroroy 1      | Ronnice T. Arevalo     |
| Aroroy 2      | Christine R. Labastida |
| Baleno        | Lucy P. Balbuena       |

| Negros Oriental          |                         |
|--------------------------|-------------------------|
| <i>Negros Oriental 1</i> |                         |
| Dumaguete                | Monalie F. Ebo          |
| Sibulan                  | Lucila Ablay Doctora    |
| Amlan                    | Stephanie Rose J. Catan |
| Tanjay                   | Judy C. Cabug-Os        |
| Bacong                   | Hazel P. Sendan         |
| Valencia                 | Jocelyn M. Flores       |

|                          |                      |
|--------------------------|----------------------|
| <i>Negros Oriental 2</i> |                      |
| Bais                     | Emma Encirto         |
| Pamplona                 | Winnie D. Arabis     |
| Manjuyod                 | Jannette P. Cabual   |
| Bindoy                   | Ma. Cheryl H. Caygan |
| Ayungon                  | Jenie M. Medez       |

|                          |                    |
|--------------------------|--------------------|
| <i>Negros Oriental 3</i> |                    |
| Zamboanguita             | Pacita G. Trumata  |
| Siaton                   | Emelita Quinol     |
| Sta. Catalina            | Teresita S. Mamigo |
| Basay                    | Maricel L. Abong   |
| Bayawan                  | Gina M. Vidal      |

|                 |                     |
|-----------------|---------------------|
| <i>Siquijor</i> |                     |
| Siquijor        | Ardine M. Eleo      |
| Larena          | Emma Pausal         |
| Lazi            | Jessie Duhaylungsod |

|               |                      |
|---------------|----------------------|
| <i>Cebu 6</i> |                      |
| Dalaguete     | Methosela B. Ybanez  |
| Sibonga       | Ma. Genelyn Ordeniza |
| Argao         | Criselda Retiza      |
| Oslob         | Amada N. Gubaton     |
| Ginatlan      | Delsa Anggong        |

| Iloilo          |                      |
|-----------------|----------------------|
| <i>San Jose</i> |                      |
| Bugasong        | Concepcion Vio       |
| Sibalom         | Adelaida A. Cordova  |
| San Jose Main   | Maria Merle C. Sison |
| Hamtic          | Marife V. Siesa      |
| Dao             | Leonora O. Ocario    |
| Anini-y         | Regina T. Nicolasora |

|                |                    |
|----------------|--------------------|
| <i>Miag-Ao</i> |                    |
| Miag-Ao Main   | Edna T. Castro     |
| Guimbal        | Edilyn G. Geaga    |
| Leon           | Hilaria C. Ventura |
| Igaras         | Neneth E. Eluzo    |

|               |                      |
|---------------|----------------------|
| <i>Iloilo</i> |                      |
| Pavia 1 and 2 | Evangeline Francisco |
| Mandurrao     | Corazon Soluta       |
| Dumangas      | Sally Dichoson       |
| Lapaz         | Gemma A. Acuna       |
| Arevalo       | Jinky Baldoval       |
| Molo 1 and 2  | Grace Hechanova      |
| Jordan        | JimJim Prudente      |
| Iloilo Main   | Tessie Nava          |
| Buenavista    | Annabelle Gabito     |
| Oton 1 and 2  | Evelyn Java          |

|                |                 |
|----------------|-----------------|
| <i>BOAT</i>    |                 |
| San Julian MPC | Liza D. Fischer |

| Capiz        |                       |
|--------------|-----------------------|
| <i>Roxas</i> |                       |
| Roxas 1 Main | Rosine B. Aguirre     |
| Pontevedra   | Gina B. Matalubos     |
| Panitan      | Mercy B. Kollian      |
| Roxas 3      | Jennifer "Jen" Saxon  |
| Ivisan       | Catherine A. Villaruz |
| Maayon       | Elma D. Delfin        |
| Panay        | Rose Lyn B. Avaricio  |
| Pres. Roxas  | Nilda P. Belonio      |
| Sigma        | Joy V. Arcelis        |
| Mambusao     | Genalyn Horario       |

|                 |                  |
|-----------------|------------------|
| <i>Estancia</i> |                  |
| Carles          | Telly B. Ladio   |
| Estancia        | Rose D. Durana   |
| Balasan         | Gloria A. Anggot |
| Sara            | Lorna L. Oro     |

|              |                       |
|--------------|-----------------------|
| <i>Passi</i> |                       |
| Passi Main   | Lorna L. Ballos       |
| Pototan      | Imelda M. Agravante   |
| San Enrique  | Marilyn B. Barrientos |
| Dumalag      | Honey Lea F. Ansag    |
| Dumarao      | Leonila C. Samelo     |

|               |                     |
|---------------|---------------------|
| <i>Culasi</i> |                     |
| Culasi Main   | Susan D. Alon       |
| Barbaza       | Merrylyn C. Tamolin |
| Nabas         | Lucia O. Macinas    |
| Barbaza       | Rebecca Palma       |
| Laua-An       | Nenita B. Magbato   |
| Boracay       | Glenda A. Temple    |
| Caticlan      | Linda C. Manikan    |
| Pandan        | Judith Villanueva   |

|              |                    |
|--------------|--------------------|
| <i>USWAG</i> |                    |
| Altavas      | Sheila V. Malijan  |
| Lezo         | Loreta A. Tabornal |
| Kalibo       | Sandra P. Cualing  |
| Banga        | Pepito N. Inaudito |

# Directory of CARD MBA Coordinators

## Mindanao

### Mindanao

| Davao Del Norte |                   |
|-----------------|-------------------|
| <i>Davao 2A</i> |                   |
| Tagum 1         | Fe L. Macias      |
| Tagum 2         | Illuminda Monreal |
| Kapalong        | Jonalyn Pineda    |
| Maco            | Roberto Echavez   |
| Asuncion        | Leriam C. Javines |
| Mawab           | Alemyr M. Tumala  |

|                 |                    |
|-----------------|--------------------|
| <i>Davao 2B</i> |                    |
| Panabo 1        | Merlita O. Nocos   |
| Carmen          | Josephine T. Ocon  |
| Tagum 3         | Zenaida B. Aparece |
| Bunawan         | Gemma T. Guerra    |

|                 |                        |
|-----------------|------------------------|
| <i>Davao 4A</i> |                        |
| Gov.Generoso    | Dorfe Pagunsan         |
| Lupon           | Leila R. Austria       |
| Pantukan        | Felisa B. Honor        |
| San Isidro      | May Flor M. Masillones |

|                 |                   |
|-----------------|-------------------|
| <i>Davao 4B</i> |                   |
| Manay           | Nelie F. Racsa    |
| Mati 2          | Leah Borja        |
| Caraga          | Pureza Labasano   |
| Baganga         | Lorraine S. Terio |

|               |                          |
|---------------|--------------------------|
| <i>ComVal</i> |                          |
| Nabunturan 1  | Lita B. Gucor            |
| Nabunturan 2  | Hermogena A. Dayon       |
| Montevista    | Nida Labastera           |
| Monkayo       | Claricille L. Rosas      |
| Maragusan     | Marlyna V. Guisingmadali |
| Compostela    | Judith B. Balaod         |
| New Bataan    | Lita P. Igong-Igong      |

| Davao           |                       |
|-----------------|-----------------------|
| <i>Davao 1A</i> |                       |
| Toril           | Vita S. Benabese      |
| Calinan         | Ma. Theresa U. Timbal |
| Matina 1        | Corazon P. Reoyan     |
| Talomo          | Mirasol Sharief       |
| Tugbok          | Susan Bigno           |

|                 |                      |
|-----------------|----------------------|
| <i>Davao 1B</i> |                      |
| Matina 2        | Bernadine M. Agustin |
| Samal 1         | Ellena Taporoc       |
| Tibungco        | Crisanta E. Garcia   |
| Buhangin 1      | Edna Dingal          |
| Buhangin 2      | Marilou T. Duque     |
| Samal 2         | Lorna J. Omapas      |

|                 |                      |
|-----------------|----------------------|
| <i>Davao 3A</i> |                      |
| Digos 1         | Fedelina Bejoc       |
| Digos 2         | Gemma Theresa A. Roa |
| Sta. Cruz       | Lyneth Salazar       |
| Bansalan        | Elena P. Mendoza     |
| Matanao         | Nelly E. Capariño    |

|                 |                     |
|-----------------|---------------------|
| <i>Davao 3B</i> |                     |
| Hagonoy         | Restina N. Lanticse |
| Malalag         | Estrella G. Fuentes |
| Padada          | Marilou F. Matura   |
| Sulop           | Ofelia Reponte      |
| Malita          | Kristtina Capuno    |

|                   |                     |
|-------------------|---------------------|
| <i>CB Davao A</i> |                     |
| Agdao 1           | Ma. Jun Gonzales    |
| Agdao 2           | Aileen C. Natividad |
| Agdao 4           | Rose C. Abarca      |
| Bajada            | Benjie Sosmena      |

|                   |                         |
|-------------------|-------------------------|
| <i>CB Davao B</i> |                         |
| Bangkerohan 1     | Gilda G. Paco           |
| Bangkerohan 2     | Edna V. Encallado       |
| Boulevard         | Sarah V. Yap            |
| Almendras         | Jasmin Rhodora Bagtasos |
| Bucana            | Elizabeth J. Geogangco  |

| Misamis Oriental  |                       |
|-------------------|-----------------------|
| <i>Bukidnon 1</i> |                       |
| Malaybalay        | Babyllinda L. Badilla |
| Valencia          | Mary Ann Trasmonte    |
| Maramag           | Violeta C. Tomogol    |
| Aglayan           | Antonina C. Jamago    |

|                   |                    |
|-------------------|--------------------|
| <i>Bukidnon 2</i> |                    |
| Quezon            | Adelina T. Lansoy  |
| Don Carlos        | Ofelia V. Loking   |
| Kibawe            | Rebecca T. Dolotin |
| Damulog           | Norma Neri         |

|                           |                       |
|---------------------------|-----------------------|
| <i>Misamis Oriental 1</i> |                       |
| Cagayan De Oro 2          | Agrecia C. Tac-An     |
| Cagayan De Oro 1          | Tanguamos C. Davidica |
| El Salvador               | Geraldine A. Maria Fe |

|                           |                      |
|---------------------------|----------------------|
| <i>Misamis Oriental 2</i> |                      |
| Gusa                      | Gina D. Serino       |
| Tagoloan                  | Saavedra Rosario     |
| Villanueva                | Valueba O. Emmalinda |
| Jasaan                    | Jocelyn Z. Rico      |
| Balingasag                | Elena D. Asis        |

|                 |                       |
|-----------------|-----------------------|
| <i>Camiguin</i> |                       |
| Mahinog         | Feniza J. Eden        |
| Catarman        | Lantaca A. Teresa     |
| Mambajao        | Josephine S. Gultiano |

|                        |                      |
|------------------------|----------------------|
| <i>Lanao del Norte</i> |                      |
| Iligan                 | Ruby Rosa O. Porras  |
| Iligan li              | Serante B. Karen     |
| Initao                 | Pabayo M. Berselwyn  |
| Manticao               | Marilou P. Espenilla |

|                         |                      |
|-------------------------|----------------------|
| <i>South Cotabato A</i> |                      |
| Koronadal 1             | Elaine M. Dequilla   |
| Koronadal 2             | Luzviminda E. Corpuz |
| Tantangan               | Maryloe Lizarde      |
| Tampakan                | Ma. Neda Godmaling   |
| Tupi                    | Mercedes R. Espiritu |

|                         |                      |
|-------------------------|----------------------|
| <i>South Cotabato B</i> |                      |
| Banga                   | Nilda Villaflor      |
| Sto. Niño               | Marilou A. Borjel    |
| Surallah 1              | Bernily B. Dela Cruz |
| Surallah 2              | Edna A. Blanca       |
| Tboli                   | Teresa F. Ramos      |

| Agusan del Sur          |                      |
|-------------------------|----------------------|
| <i>Agusan del Sur 1</i> |                      |
| Sanfrancisco            | Baños, Ma. Rowena G. |
| Bunawan                 | Loreta R. Daraman    |
| Sta. Josefa             | Montes, Illuminda    |
| Trento                  | Mila D. Flojo        |

|                         |                       |
|-------------------------|-----------------------|
| <i>Agusan del Sur 1</i> |                       |
| Talacogon 1             | Songcuya, Irene       |
| Talacogon 2             | Embon, Marilyn        |
| Bayugan 2               | Letecia H. Casamayor  |
| Bayugan 1               | Jacqueline C. Alipayo |
| Esperanza               | Irene B. Cunanan      |

|                          |                     |
|--------------------------|---------------------|
| <i>Surigao del Sur 1</i> |                     |
| Barobo                   | Cabigas, Elizabeth  |
| Bislig 1                 | Loida T. Reveche    |
| Liang                    | Thelma C. Sumangang |
| Lingig                   | Carmencita P. Avila |
| Hinatuan 1               | Maraon, Monica      |
| Hinatuan 2               | Sapi-An, Crisanta   |

|                          |                    |
|--------------------------|--------------------|
| <i>Surigao del Sur 2</i> |                    |
| Aras-Asan                | Jilma M. Mantala   |
| San Agustin              | Emeline Marticion  |
| Tandag                   | Magdalena Suyman   |
| Tago                     | Juliet O. Ramirez  |
| Madrid                   | Ma. Susan G. Plaza |
| Carrascal                | Lydia Lebarios     |

| Agusan del Norte          |                           |
|---------------------------|---------------------------|
| <i>Misamis Oriental 3</i> |                           |
| Gingog 2                  | Pantaleona Bagayo Cabanos |
| Balingoan                 | Alma Cabisada Padla       |
| Magsaysay                 | Merlyn Cadavero Apolinar  |
| Medina                    | Marilou A. Cagalawan      |
| Gingog 1                  | Virgie Salio Estocquia    |
| Salay                     | Letecia Mitchaler Galeon  |

|                         |                         |
|-------------------------|-------------------------|
| <i>Agusan del Norte</i> |                         |
| Cabadbaran li           | Leonora Simene Lasco    |
| Cabadbaran I            | Cristina S. Lido        |
| Butuan I                | Helenita Lusterio Reyes |
| Butuan li               | Adela Dingcong Pelipog  |
| Butuan Lili             | Felisa Bantugan Moral   |
| Buenavista              | Ruby Sabanal Olaguer    |
| Nasipit                 | Amelyn Esclamado Quiban |

|                          |                         |
|--------------------------|-------------------------|
| <i>Surigao del Norte</i> |                         |
| Surigao                  | Lolita Maligmat         |
| Placer                   | Vivian Plaza Comandante |
| Mainit                   | Daylinda Paramo Casana  |
| Kitcharao                | Sharie G. Latoja        |
| San Francisco            | Lolita Siez Elardo      |
| Gigaquit                 | Fatima Cuyong Gumapac   |

|                        |                 |
|------------------------|-----------------|
| <i>Dianogad Island</i> |                 |
| San Jose               | Evelyn A. Hilig |

|                       |                        |
|-----------------------|------------------------|
| <i>Siargao Island</i> |                        |
| Dapa                  | Maybeth Gorillo Apanto |
| Del Carmen            | Mirasol Enoya Escanan  |

| North Cotabato          |                      |
|-------------------------|----------------------|
| <i>North Cotabato A</i> |                      |
| Kidapawan 1             | Gina G. Nabautan     |
| Kidapawan 2             | Floramie D. Prospero |
| Makilala 1              | Susan B. Peralta     |
| Makilala 2              | Gloria E. Dublan     |
| Pres. Roxas             | Helen G. Altamarino  |

|                         |                        |
|-------------------------|------------------------|
| <i>North Cotabato B</i> |                        |
| Kabacan                 | Leah H. Matullano      |
| M'Lang 1                | Ferdinandina B. Sarsua |
| M'Lang 2                | Nelly C. Barraca       |
| Tulunan                 | Chusseth D. Contayoso  |
| Matalam                 | Richel L. Obra         |
| Carmen                  | Corazon R. Vergara     |

|                         |                         |
|-------------------------|-------------------------|
| <i>North Cotabato C</i> |                         |
| Midsayap 1              | Melvin Fatima V. Tayuan |
| Midsayap 2              | Helen C. Villaceran     |
| Alamada                 | Rewena D. Morin         |
| Libungan                | Virlee D. Gonzaga       |
| Pigcawayan              | Ofelia D. Valenzuela    |

|                    |                    |
|--------------------|--------------------|
| <i>Maguindanao</i> |                    |
| Cotabato 1         | Evelyn V. Erlano   |
| Cotabato 2         | Ruby D. Satar      |
| Parang             | Eleanor B. Arsenio |
| Datu Odin          | Guanesa A. Sakal   |

|                       |                      |
|-----------------------|----------------------|
| <i>Sultan Kudarat</i> |                      |
| Tacurong 1            | Risma R. Dela Fuente |
| Tacurong 2            | Analyn P. Cortel     |
| Buluan                | Onomisalam Abdul     |
| Pres. Quirino         | Erlinda Narciso      |
| Isulan                | Ofelia C. Maquiling  |

| Zamboanga        |                      |
|------------------|----------------------|
| <i>ZaNorte 1</i> |                      |
| Dipolog          | Cheryl R. Porlas     |
| Dapitan          | Violeta N. Empeynado |
| Piñan            | Maridel M. Belleno   |
| Polanco          | Rosanna E. Ocupe     |

|                  |                    |
|------------------|--------------------|
| <i>ZaNorte 2</i> |                    |
| Katipunan        | Josefina O. Panama |
| Manukan          | Maricel A. Cabrera |
| Sindangan        | Hilda U. Sumalinog |
| Tampilisan       | Merla B. Daarol    |
| Liloy            | Jucel F. Raji      |

|                             |                     |
|-----------------------------|---------------------|
| <i>Misamis Occidental 1</i> |                     |
| Oroquieta                   | Melyn N. Abuhon     |
| Aloran                      | Josephine V. Mandao |
| Calamba                     | Ma. Luisa A. Erasga |
| Jimenez                     | Elgin S. Cotingio   |

|                             |                   |
|-----------------------------|-------------------|
| <i>Misamis Occidental 2</i> |                   |
| Clarín                      | Eminda S. Paredes |
| Tudela                      | Sarah E. Cambi    |
| Bonifacio                   | Lorna B. Martinez |

|                 |                    |
|-----------------|--------------------|
| <i>ZamboSur</i> |                    |
| Molave          | Gina B. Saniel     |
| Dumalinao       | Merita B. Vailoces |

|             |                    |
|-------------|--------------------|
| <i>ARMM</i> |                    |
| Bongao      | Leni P. Salapuddin |

|                |                   |
|----------------|-------------------|
| <i>Lanao 2</i> |                   |
| Maigo          | Audrey G. Estrada |

| South Cotabato  |                       |
|-----------------|-----------------------|
| <i>Sargen 1</i> |                       |
| Geansan 1       | Shirley J. Isidro     |
| Gensan 3        | Rosemarie Teroñez     |
| Gensan 5        | Ma. Josefa S. Empal   |
| Gensan 6        | Melylor S. Del Carmen |
| Polomolok       | Melisa T. Alipio      |

|                 |                     |
|-----------------|---------------------|
| <i>Sargen 3</i> |                     |
| Alabel          | Roselyn Villa       |
| Glan            | Rhodora A. Sison    |
| Malapatan       | Deborah Almaray     |
| Malungon 1      | Mary Jane Pactao-In |

|                 |                       |
|-----------------|-----------------------|
| <i>Sargen 2</i> |                       |
| Gensan 2        | Cresencia M. Arisgado |
| Gensan 4        | Ma. Lanie Abucay      |
| Kiamba          | Juliet A. Briz        |
| Maasim          | Dulce L. Asentista    |
| Maitum          | Jessica L. Corpuz     |



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