

Keeping the

# Spirit

CARD Mutual Benefit Association  
Annual Report 2013





## Our Vision

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

## Our 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 is an institution owned and led by the members. Its continuous growth and success can be attributed to good governance. CARD MBA is responsive to the present and future needs of the organization and its members. The leaders, who are guided by CARD MRI staff, uphold accountability and transparency.

The cover also identifies our definition of independence. CARD MBA upholds an environment which allows the person to carry-out his/her work freely and objectively.



## The CARD MBA BOT President's Message

Being given the chance to lead this association is truly an incomparable achievement. The trust and sense of belongingness that the members and management have given me re-affirmation in my belief that CARD MBA is more than just an institution; it is a family.

As the President of the Board of Trustees, I have developed a profound respect and passion for CARD MBA. Respect that stemmed from the association's genuine care for the welfare of members and passion that is rooted from the dynamic energy of the officers and staff who believes in my capacity to lead.

Let me take this opportunity to thank my co-members, the "Nanays," for putting their faith in me. You and I are the reason why this association is created and we will remain the reason why CARD MBA will prosper and sustain. The members remind me that my responsibility is about an unfaltering commitment to what CARD MBA will be every day. This is an attitude that must drive our culture as one team.

I am also grateful for the officers and staff who accepted me and made me realize that I can do more. The optimism you gave me fueled my desire to serve the members even more. I thank all of you for the support and encouragement that you always give me.

This year, I joined seminars and conferences that helped my understanding of our association's programs. I was able to meet like-minded individuals who are also passionate about empowering women. These experiences reminded me of our role in society and I can say that I am now forever changed because of this.

More power to CARD MBA!



Virginia D. Baldo  
BOT President



## The General Manager's Report

“CARD MBA is owned and managed by the members” has been our mantra since day one and we will continue to uphold this in the years to come. We take pride in sharing that we place the members and their best interest at the heart of everything we do.

Because the members govern this association, we are sure that our governance is guided by the CARD MRI core values. Although all the CARD MRI values are evident in CARD MBA, certain values truly define who we are. These are the values of stewardship, humility, simplicity, and excellence.

We always hold the value of stewardship by using our resources with great care and knowing that these belong to our members. By being good stewards of the association's resources, we are also taking good care of our members. With proper resource management, we can implement product enhancements without additional contributions from the members.

As CARD MBA has been a major player in the field of microinsurance in the Philippines, we have transferred our technology to other microinsurance provider here and abroad. We are happy to say that we have become a model in microinsurance in the Southeast Asian Region. We constantly send our staff to other organizations to provide technical assistance in our expertise.

Our team continuously strengthen our partnerships with other organizations. Locally, we have CARD Pioneer Microinsurance, Inc. (CPMI), RIMANSI, and our Build, Operate And Transfer (BOAT) Program partners. Currently, we help nine cooperatives in the BOAT Program and we are looking forward to expanding and helping more cooperatives in the coming year.

Despite the difficulties and challenges we experienced during the aftermath of Typhoon Yolanda, we realized our strength as an institution and our capacity to rise above situations like this. We came out better and stronger because of CARD MRI's untiring support.

Beyond all our achievements, we remain humble and we never forget the real purpose of our existence. We always remain simple in all aspects of the association - from the policies we implement, the products we offer, and in the way we treat our members. We stay



May S. Dawat  
General Manager



### Responding to needs

CARD MBA is responsive to the changing demands of our members. We always keep the best interest of members in mind. This year, we implemented product enhancements without having to ask for additional contributions from the members. We decided to re-evaluate the Daily Hospitalization Income Benefit (DHIB) and enhanced the Basic Life Insurance instead.

We have established 42 provincial offices nationwide to serve our members. We have rolled out the CARD MBA System to 93% of the offices to ensure faster enrolment and claims settlement for our members. The remaining 7% will be rolled out by February 2014. With these developments, we are challenged to train our staff in analyzing the data being generated by the system.

As we continuously learn from our members and our experiences, CARD MBA strengthened the BOT election process this year.

### Extending a helping hand

Our group played a major part in the disaster response efforts of CARD MRI when Typhoon Yolanda and other calamities hit the country. CARD MBA provided immediate relief and assistance to our members from different affected areas.

This year, we insured a total of 9,253,075 individuals. We paid a total of 335,684 claims with the amount of PhP 599,287,803.60—all reaching our 1-3-5 day target.

### Stronger partnerships

This year, CARD MBA hosted the ICMIF-AOA Development Seminar in which practitioners from all over the world gathered together to share the best practices in microinsurance.

We also started a joint venture with Pioneer which paved way to CARD MRI's 12th institution - the CARD Pioneer Microinsurance, Inc (CPMI). While majority of the ownership still belongs to Pioneer, CARD MBA holds a significant amount of stake in the partnership.



We also started an international partnership with Union Life - a Thai commercial insurance company. Here, we are given the chance to teach and learn about microinsurance. We believe that this partnership will be CARD MBA's participation in the forthcoming 2015 ASEAN Integration.

### Value of learning

Members of the board were also sent to trainings to enhance their skills and capacities. These trainings include Governance Workshop (local and international), Orientation on Basic Financial Statements, and Social Graces. The development of our team's capacity was also hastened through the team building workshop and salesmanship training.

### Preparing for the future

To protect our members, we are planning to implement reinsurance. We can do this by partnering with other insurance companies. Implementing reinsurance is a way to mitigate risks from unforeseen circumstances and protect the institution as well.

CARD MBA will continuously be responsive to our members, improve and innovate our products and services, and strengthen partnerships and collaborations with other organizations.



## Affiliations

RIMANSI Organization For Asia and the Pacific

International Cooperative and Mutual Insurance Federation (ICMIF)

Asia and Oceania Association (AOA)

Association of Insurers and Reinsurers of Developing Countries (AIRDC)

## BOAT Partners

San Roque Multi-purpose Cooperative

Malaya Development Cooperative

Naguilian Christian Multi-purpose Cooperative

Los Baños Employees Multi-purpose Cooperative

Sipsipin Multi-Purpose Cooperative

Caunayan Multipurpose Cooperative

Tinabangay sa Igsoong Mag-uuma Gasa ni San Isidro

Multi-purpose Cooperative

USWAG Development Foundation

San Julian Multi-purpose Cooperative

Bukidnon Integrated Network of Home Industries, Inc.

Los Arcos Multi-purpose Cooperative



## Our Areas of Coverage

### Luzon

[ 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 ]

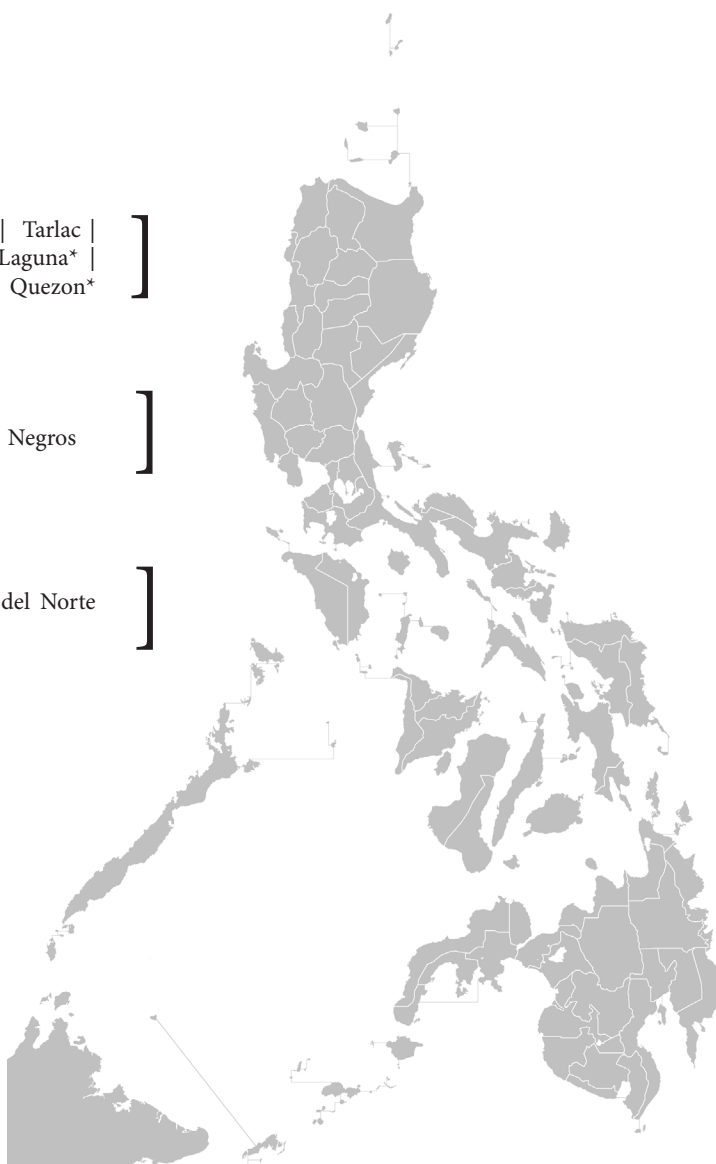
### Visayas

[ Leyte | Southern Leyte | Samar | Bohol | Cebu | Masbate | Negros Oriental | Iloilo | Capiz | Eastern Samar ]

### Mindanao

[ Davao | South Cotabato | North Cotabato | Zamboanga del Norte Misamis Oriental | Agusan Del Norte | Agusan del Sur | Davao del Norte ]

\*Two provincial offices are located in this area





## Our Team



### The Management Committee

May S. Dawat  
General Manager

Roselito A. Magpantay  
Deputy Director for Operations (Luzon)

Mauricio B. Maur  
Deputy Director for Operations  
(Visayas)

Oliver M. Reyes  
Deputy Director for Operations  
(Mindanao)

Janet D. Caneo  
Deputy Director for Administration  
and Finance

Arlene R. Umandap  
Senior Program Manager

Solomon A. Aramil  
Senior Admin Manager

Jennifer O. Redublo  
Compliance Officer

Michael Kelvin N. Junos  
In-house Actuary

Michael Salazar  
IT Head

Gerardo H. Batarlo  
Manager (Luzon 1)

Rona R. Nava  
Cluster Manager (Luzon 2)

Nemie G. Mendoza  
Cluster Manager (Luzon 3)

Ma. Joyce M. Alimagno  
Cluster Manager (Luzon 4)

Edison R. Reyes  
Cluster Manager (Visayas 1)

Francis R. Montilla  
Cluster Manager (Visayas 2)

Carle Fe. A. Lanoy  
Cluster Manager (Mindanao 1)





## Our Team



### Board of Trustees

Virginia D. Baldo  
President

Remia C. Vasquez  
Vice President

Charito L. Rivera  
Secretary

Adoracion C. Balmonte  
Treasurer

Arlette A. Umali  
Independent Trustee

Atty. Jomer H. Aquino  
Independent Trustee

Angelita D. Ismael  
Member

Letecia G. Del Corro  
Member

Celenia B. Lazo  
Member

Lucy S. Gonzales  
Member

Emmylou S. Onyot  
Member

Genelyn C. Chavez  
Member

Genalyn P. Rivadeniera  
Member

Edna B. Royo  
Member

Patricia M. Pelera  
Member





## Our Team

### Advisory Committee



Deverna dT. Briones  
Chairperson  
Senior Director for Support  
Services Group  
CARD MRI

Edzel A. Ramos  
Institute Director, CMDI



Cynthia B. Baldeo  
Executive Vice-President,  
CARD SME Bank, Inc.



Cherry A. Boncajes  
Assistant Vice President for  
Operations,  
CARD SME Bank, Inc.



Marlyn M. Marudo  
Assistant Vice President,  
CARD Bank, Inc.



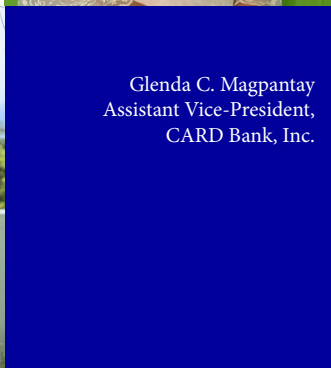
Glenda H. Atabay  
Operations Director,  
CARD, Inc.



Juliana B. De Leon  
Senior Operations Director,  
CARD, Inc.



Glenda C. Magpantay  
Assistant Vice-President,  
CARD Bank, Inc.





## Disaster response and validation of claims

CARD MBA led the CARD MRI  
Disaster Relief Assistance Program  
(CDRAP) operation and validation of  
claims after the onslaught of  
Typhoon Yolanda (Haiyan).







## 14th Annual General Membership Meeting

The Annual General Membership Meeting was held at CMDI, Brgy. Tranca, Bay, Laguna last September 9-10, 2013.



## Conferences and Seminars

CARD MBA participated in the following conferences:

- ICMIF Biennial Conference
- 17th Insurance Congress of Developing Countries (ICDC)
- ICMIF-AOA Development (Microinsurance) Network Seminar







## Mass Wedding

Last February 14, 2013, CARD MBA initiated a mass wedding to 51 couples from the B'laan Tribe of South Cotabato.



## Partnership and collaboration

CARD MBA strengthened its collaboration with local and international partners.





## Capacity Building Program

CARD MBA supports the capacity-building of staff through higher education, trainings, and other activities that promote their growth and development.





## Financial Statements

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## INDEPENDENT AUDITORS' REPORT

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

### Report on the Financial Statements

We have audited the Association's 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, 2013 and 2012, and the 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, 2013 and 2012, 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 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 15-2010 in Note 28 to the financial statements 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.

*Bernalette L. Ramos*

Bernalette L. Ramos

Partner

CPA Certificate No. 0091096

SEC Accreditation No. 0926-AR-1 (Group A),

April 15, 2013, valid until April 14, 2016

Tax Identification No. 178-486-666

BIR Accreditation No. 08-001998-81-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4225205, January 2, 2014, Makati City

March 31, 2014

## **INDEPENDENT AUDITORS' REPORT TO ACASSOCIATION INCOME TAX RETURN**

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

We have audited the financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. (the Association) for the year ended December 31, 2013, on which we have rendered the attached report dated March 31, 2014.

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

SYCIP GORRES VELAYO & CO.



Bernalette L. Ramos

Partner

CPA Certificate No. 0091096

SEC Accreditation No. 0926-AR-1 (Group A),

April 15, 2013, valid until April 14, 2016

Tax Identification No. 178-486-666

BIR Accreditation No. 08-001998-81-2012,

June 19, 2012, valid until June 18, 2015

PTR No. 4225205, January 2, 2014, Makati City

March 31, 2014

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

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

We have audited in accordance with Philippine Standards on Auditing, the financial statements of Center for Agriculture and Rural Development (CARD) Mutual Benefit Association, Inc. as at and for the years ended December 31, 2013 and 2012 and have issued our report thereon dated March 31, 2014. Our audits were made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Association's schedules of all the effective standards and interpretations under PFRS as of December 31, 2013 and reconciliation of retained earnings available for dividend declaration are the responsibility of the Association's management. These schedules are presented for the purpose of complying with Securities Regulation Code Rule 68, As Amended (2011) and are not part of the basic financial statements. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, fairly states, in all material respects, the information required to be set forth therein in relation to the basic financial statements taken as a whole.



Bernalette L. Ramos

Partner

CPA Certificate No. 0091096

SEC Accreditation No. 0926-AR-1 (Group A),  
April 15, 2013, valid until April 14, 2016

Tax Identification No. 178-486-666

BIR Accreditation No. 08-001998-81-2012,  
June 19, 2012, valid until June 18, 2015

PTR No. 4225205, January 2, 2014, Makati City

March 31, 2014



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

**STATEMENTS OF FINANCIAL POSITION**

		<b>December 31</b>	<b>January 1</b>
		2012	2012
		(As restated	(As restated
	<b>2013</b>	Note 2)	Note 2)
<b>ASSETS</b>			
<b>Cash and Cash Equivalents</b>			
(Notes 6, 23 and 25)	<b>₱642,567,435</b>	₱829,704,731	₱224,701,716
<b>Short-term Investments</b> (Notes 7 and 25)	<b>72,922,025</b>	70,384,177	86,625,758
<b>Financial Assets</b>			
Held-to-maturity investments			
(Notes 11, 25 and 27)	<b>3,741,083,915</b>	3,128,634,363	2,813,579,926
Available-for-sale financial assets			
(Notes 10 and 25)	<b>514,082,289</b>	472,312,231	330,449,702
Loans and receivables (Notes 8 and 25)	<b>227,184,389</b>	80,672,118	106,655,969
Financial Assets at fair value through			
profit or loss (Notes 9 and 25)	<b>21,040,000</b>	20,260,000	20,480,000
<b>Property and Equipment</b> (Note 12)	<b>139,431,853</b>	68,708,142	30,755,854
<b>Investments in Associates</b> (Note 13)	<b>288,066,224</b>	25,447,653	20,419,847
<b>Other Assets</b> (Notes 14)	<b>8,238,374</b>	7,693,108	8,698,322
	<b>₱5,654,616,504</b>	₱4,703,816,523	₱3,642,367,094

**LIABILITIES AND FUND BALANCE**

**Liabilities**

Accounts payable and accrued expenses			
(Notes 15, 24 and 25)	<b>₱70,602,938</b>	₱163,591,076	₱53,839,248
Insurance contract liabilities (Note 16)	<b>2,751,822,296</b>	2,247,913,405	1,766,423,705
Retirement savings fund (Note 17)	<b>1,580,623,648</b>	1,236,694,881	963,749,991
Net pension liability (Notes 24)	<b>33,621,946</b>	27,990,241	14,176,700
<b>Total Liabilities</b>	<b>4,436,670,828</b>	3,676,189,603	2,798,189,644

**Fund Balance**

Appropriated fund balance (Notes 11 and 27)	<b>217,349,164</b>	193,909,179	170,995,819
Unappropriated fund balance	<b>989,991,384</b>	835,716,838	651,745,343
Other comprehensive income (Note 10)	<b>10,605,128</b>	(1,999,097)	21,436,288
<b>Total Fund Balance</b>	<b>1,217,945,676</b>	1,027,626,920	844,177,450
	<b>₱5,654,616,504</b>	₱4,703,816,523	₱3,642,367,094

*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 COMPREHENSIVE INCOME**

	<b>Years Ended December 31</b>	
		2012 (As restated Note 2)
	<b>2013</b>	
<b>REVENUE</b>		
Gross premiums on insurance contracts (Note 18)	<b>₱1,343,002,574</b>	₱1,173,156,469
Interest income (Notes 6, 7, and 11)	<b>167,003,125</b>	179,933,784
Dividend income (Note 10)	<b>26,351,243</b>	10,097,497
Surrender charge	<b>14,715,550</b>	—
Equity in net earnings of associates (Note 13)	<b>4,409,184</b>	2,027,806
Bad debts recovery (Note 8)	<b>1,136,911</b>	—
Fair value gains from financial assets at fair value through profit or loss (Note 9)	<b>780,000</b>	—
Contribution income – AKAP	<b>374,770</b>	5,542,740
Realized gain on investment in mutual funds (Note 10)	<b>—</b>	30,518,460
Others (Note 22)	<b>798,733</b>	15,182,457
<b>Other revenue</b>	<b>215,569,516</b>	243,302,744
<b>TOTAL REVENUE</b>	<b>1,558,572,090</b>	1,416,459,213
<b>BENEFITS, CLAIMS AND EXPENSES</b>		
Gross change in insurance contract liabilities (Note 16)	<b>503,908,891</b>	487,904,840
Gross insurance contract benefits and claims paid	<b>510,203,495</b>	423,494,487
<b>Insurance benefits claims</b>	<b>1,014,112,386</b>	911,399,327
Direct expenses (Note 20)	<b>818,452</b>	1,552,093
General and administrative expenses (Note 21)	<b>264,266,082</b>	260,416,180
Fair value losses from financial assets at fair value through profit or loss (Note 9)	<b>—</b>	220,000
<b>Expenses</b>	<b>265,084,534</b>	262,188,273
<b>TOTAL BENEFITS, CLAIMS AND EXPENSES</b>	<b>1,279,196,920</b>	1,173,587,600
<b>EXCESS OF REVENUE OVER EXPENSES</b>	<b>279,375,170</b>	242,871,613
<b>PROVISION FOR FINAL TAX</b>	<b>(33,400,624)</b>	(35,986,757)
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	<b>245,974,546</b>	206,884,857

(Forward)

	<b>Years Ended December 31</b>	
		2012
	2013	(As restated Note 2)
<b>NET EXCESS OF REVENUE OVER EXPENSES</b>	<b>₱245,974,546</b>	<b>₱206,884,856</b>
<b>OTHER COMPREHENSIVE INCOME</b>		
<b>Items that will be reclassified to profit or loss in subsequent periods (Note 10)</b>		
Fair value gains on available-for-sale financial assets	<b>13,703,658</b>	20,038,961
Transfer to profit or loss	–	(30,518,460)
<b>Items that will not be reclassified to profit or loss in subsequent periods (Note 24)</b>		
Remeasurement loss on defined benefit plan	<b>(1,099,433)</b>	(12,955,886)
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>₱258,578,771</b>	<b>₱183,449,471</b>

*See accompanying Notes to Financial Statements.*

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

**STATEMENTS OF CHANGES IN FUND BALANCE**

	Appropriated Fund Balance (Notes 27)	Unappropriated Fund Balance	Reserve for Fluctuation in Value of Available-for- Sale Financial Assets (Note 10)	Remeasurement of Actuarial gains/losses	Total
<b>At January 1, 2013</b>					
As previously reported	₱193,909,179	₱835,139,084	₱26,081,034	₱—	₱1,055,129,297
Effect of adoption of revised PAS 19 (Note 2)	—	577,754	—	(28,080,131)	(27,502,377)
<b>At January 1, 2013 as restated</b>	<b>₱193,909,179</b>	<b>₱835,716,838</b>	<b>₱26,081,034</b>	<b>(₱28,080,131)</b>	<b>₱1,027,626,920</b>
Appropriation during the year (Notes 11 and 27)	91,700,000	(91,700,000)	—	—	—
Reversal of appropriation	(68,260,015)	—	—	—	(68,260,015)
Excess of revenue over expenses	—	245,974,546	—	—	245,974,546
Other comprehensive income (Note 10)	—	—	13,703,658	(1,099,433)	12,604,225
Total comprehensive income	—	245,974,546	13,703,658	(1,099,433)	258,578,771
<b>Balance at December 31, 2013</b>	<b>₱217,349,164</b>	<b>₱989,991,384</b>	<b>₱39,784,692</b>	<b>(₱29,179,564)</b>	<b>₱1,217,945,676</b>
<b>At January 1, 2012</b>					
As previously reported	₱170,995,819	₱652,109,642	₱36,560,533	₱—	₱858,937,394
Effect of adoption of revised PAS 19 (Note 2)	—	(364,300)	—	(15,124,245)	(14,759,945)
<b>At January 1, 2012 as restated</b>	<b>₱170,995,819</b>	<b>₱651,745,342</b>	<b>₱36,560,533</b>	<b>(₱15,124,245)</b>	<b>₱844,177,449</b>
Appropriation during the year (Notes 11 and 26)	23,500,000	(23,500,000)	—	—	—
Reversal of appropriation	(586,640)	586,640	—	—	—
Excess of revenue over expenses	—	206,884,856	—	—	206,884,856
Other comprehensive income (Note 10)	—	—	(10,479,499)	(12,955,886)	(23,435,385)
Total comprehensive income	—	206,884,856	(10,479,499)	(12,955,886)	183,449,471
<b>Balance at December 31, 2012</b>	<b>₱193,909,179</b>	<b>₱835,716,838</b>	<b>₱26,081,034</b>	<b>(₱28,080,131)</b>	<b>₱1,027,626,920</b>

*See accompanying Notes to Financial Statements.*

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

**STATEMENTS OF CASH FLOWS**

	<b>Years Ended December 31</b>	
	<b>2013</b>	<b>2012</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Excess of revenue over expenses	<b>₱279,375,170</b>	<b>₱242,871,613</b>
Adjustments for:		
Increase in aggregate reserves (Note 16)	<b>503,908,891</b>	<b>487,904,840</b>
Depreciation (Note 12)	<b>5,521,528</b>	<b>6,191,876</b>
Loss on disposal of asset	<b>253,262</b>	<b>—</b>
Realized gain on investments in mutual funds (Note 10)	<b>—</b>	<b>(30,518,460)</b>
Fair value loss (gains) from financial assets at fair value through profit or loss (Note 9)	<b>(780,000)</b>	<b>220,000</b>
Provision (reversal of provision) for bad debts (Note 8)	<b>(1,136,911)</b>	<b>1,560,570</b>
Equity in net earnings of an associate (Note 13)	<b>(4,409,185)</b>	<b>(2,027,806)</b>
Amortization	<b>(5,634,562)</b>	<b>(41,173,767)</b>
Interest income	<b>(167,003,125)</b>	<b>(179,933,784)</b>
Cash generated from operations before changes in working capital	<b>610,095,068</b>	<b>485,095,082</b>
Changes in operating assets and liabilities:		
Decrease (increase) in:		
Loans and receivables	<b>(146,318,492)</b>	<b>13,202,800</b>
Other assets	<b>(545,266)</b>	<b>(1,994,786)</b>
Increase (decrease) in:		
Retirement savings fund	<b>343,928,767</b>	<b>272,944,890</b>
Net pension liability	<b>4,532,272</b>	<b>857,655</b>
Accounts payable and accrued expenses	<b>(92,988,139)</b>	<b>103,336,689</b>
Utilization of appropriation	<b>(68,260,015)</b>	<b>—</b>
Net cash flows provided by operating activities	<b>650,444,195</b>	<b>873,442,330</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Interest received	<b>167,946,256</b>	<b>191,154,264</b>
Cash dividends received	<b>3,274,510</b>	<b>—</b>
Acquisitions of:		
Held-to-maturity investments (Note 11)	<b>(832,256,047)</b>	<b>(662,757,592)</b>
Investments in associates (Note 13)	<b>(261,483,896)</b>	<b>—</b>
Property and equipment (Note 12)	<b>(76,498,499)</b>	<b>(44,707,265)</b>
Available-for-sale financial assets (Note 10)	<b>(35,566,400)</b>	<b>(171,080,805)</b>
Short-term investments (Note 7)	<b>(2,537,848)</b>	<b>(9,251,552)</b>
Proceeds from sale/maturities of:		
Held-to-maturity investments (Note 11)	<b>225,441,057</b>	<b>388,876,922</b>
Available-for-sale financial assets (Note 10)	<b>7,500,000</b>	<b>49,257,237</b>
Property and equipment	<b>—</b>	<b>563,100</b>
Short-term investments (Note 7)	<b>—</b>	<b>25,493,133</b>
Taxes paid	<b>(33,400,624)</b>	<b>(35,986,757)</b>
Net cash flows used in investing activities	<b>(837,581,491)</b>	<b>(268,439,315)</b>
<b>NET INCREASE (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	<b>(187,137,296)</b>	<b>605,003,015</b>
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR</b>	<b>829,704,731</b>	<b>224,701,716</b>
<b>CASH AND CASH EQUIVALENTS AT END OF YEAR (Note 6)</b>	<b>₱642,567,435</b>	<b>₱829,704,731</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 May 31, 2014.

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### **2. Basis of Preparation**

The Association's 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).

### 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, 2013.

- PFRS 7, *Financial instruments: Disclosures - Offsetting Financial Assets and Financial Liabilities* (Amendments)

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, *Financial Instruments: Presentation*. 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 did not have an impact on the Association's financial position or performance since the Association did not have financial instruments that are set off in accordance with criteria in PAS 32.

- 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 amendments did not have an impact on the Association's financial position or performance since the Association does not have control on its affiliates.

- *PFRS 11, Joint Arrangements*  
It replaces PAS 31, *Interests in Joint Ventures* and SIC-13, *Jointly-controlled Entities – Nonmonetary Contributions by Venturers*. It also removes the option to account for jointly controlled entities (JCEs) using proportionate consolidation. Instead, JCEs that meet the definition of a joint venture must be accounted for using the equity method. The standard does not apply to the Association since the Association has not entered into any joint arrangements.
- *PFRS 12, Disclosure of Interest in Other Entities*  
It 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. These disclosures relate to an entity's interests in subsidiaries, joint arrangements, associates and structured entities. The amendments affect disclosures only and have no impact on the Association's financial position or performance (see Note 13).
- *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 amendments affect disclosures only and have no impact on the Association's financial position or performance since the Association does not have financial assets or liabilities measured at fair value.
- *PAS 1, Presentation of Financial Statements - Presentation of Items of Other Comprehensive Income (OCI) (Amendments)*  
The amendments to PAS 1 change the grouping of items presented in 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 amendment is applied retrospectively and resulted to the modification of the presentation of items of OCI.
- *PAS 19, Employee Benefits (Revised)*  
On January 1, 2013, the Association adopted the Revised PAS 19 Employee Benefits. For defined benefit plans, the Revised PAS 19 requires all actuarial gains and losses to be recognized in other comprehensive income and unvested past service costs previously recognized over the average vesting period to be recognized immediately in the statement of comprehensive income when incurred.

Prior to adoption of the Revised PAS 19, the Association recognized actuarial gains and losses as income or expense when the net cumulative unrecognized gains and losses for each individual plan at the end of the previous period exceeded 10% of the higher of the defined benefit obligation and the fair value of the plan assets, and recognized unvested past service costs as an expense on a straight-line basis over the average vesting period until the benefits become vested. Upon the adoption of the revised PAS 19, the Association changed its accounting policy to recognize all actuarial gains and losses in other comprehensive income and all past service costs in profit or loss in the period they occur.

The Revised PAS 19 replaced the interest cost and expected return on plan assets with the concept of net interest on defined benefit liability or asset which is calculated by multiplying the net balance sheet defined benefit liability or asset by the discount rate used to measure the employee benefit obligation, each as at the beginning of the annual period.

The Revised PAS 19 also amended the definition of short-term employee benefits and requires employee benefits to be classified as short-term based on expected timing of settlement rather than the employee's entitlement to the benefits. In addition, the Revised PAS 19 modifies the timing of recognition for termination benefits. The modification requires the termination benefits to be recognized at the earlier of when the offer cannot be withdrawn or when the related restructuring costs are recognized.

Changes to definition of short-term employee benefits and timing of recognition for termination benefits do not have any impact to the Association's financial position and financial performance.

The changes in accounting policies have been applied retrospectively. The effects of adoption on the financial statements are as follows:

	<b>December 31</b>	January 1
Increase (Decrease) in:	<b>2012</b>	2012
<u>Statements of Financial Position</u>		
Net pension liability	<b>₱27,502,377</b>	₱15,488,545
Other comprehensive income	<b>(28,080,131)</b>	(15,124,245)
Retained earnings	<b>577,754</b>	(364,300)
Increase (Decrease) in:	<b>2012</b>	
<u>Statements of comprehensive income</u>		
Pension expense	<b>₱942,054</b>	
Net income	<b>942,054</b>	
Total comprehensive income	<b>(12,995,886)</b>	

The adoption did not have an impact on the Association's statements of cash flows.

#### *Change of presentation*

Upon adoption of the Revised PAS 19, the presentation of the statement of comprehensive income was updated to reflect these changes. Net interest is now shown under the interest expense line item (previously under salaries, wages and employee benefits). This presentation better reflects the nature of net interest since it corresponds to the compounding effect of the long-term net defined benefit liability. In the past, the expected return on plan assets reflected the individual performance of the plan assets, which were regarded as part of the operating activities.

- PAS 27, *Separate Financial Statements* (as revised in 2011)  
As a consequence of the issuance of the new PFRS 10 and PFRS 12, what remains of PAS 27 is limited to accounting for subsidiaries, JCEs and associates in the separate financial statements. The amendment did not have an impact on the Association's financial position or performance.

- PAS 28, *Investments in Associates and Joint Ventures* (as revised in 2011)  
As a consequence of the issuance of the new PFRS 11 and PFRS 12, PAS 28 has been renamed and describes the application of the equity method to investments in joint ventures in addition to associates. The amendment affects disclosures only and has no impact on the Association's financial position or performance (see Note 13).
- 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"). The interpretation is not relevant to the Association as the Association is not involved in mining activities.

The Annual Improvements to PFRS (2009-2011 cycle) contain non-urgent but necessary amendments to PFRS. The amendments are effective for annual periods beginning 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 did not have impact on the Association's financial statements since the comparative information disclosures are already in accordance with the requirements of revised 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 did not have any impact on the Association's financial position or performance since the Association does not have this type of equipment.



- 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 amendment did not have an impact on the Association's financial position or performance since there were no transactions pertaining to distribution to holders of equity instruments.
- 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 did not have any significant impact on the Association's financial position or performance since it is not required to issue interim financial statements nor any segment information.

#### Standards Issued but not yet Effective

Enumerated below are standards issued but not yet effective up to the dates of issuance of the Association's financial statements. The Association will adopt the relevant standards when they become effective. The Association does not expect the adoption of these new and amended PFRS to have significant impact on its financial statements.

#### *Effective 2014*

- PAS 19, *Employee Benefits – Defined Benefit Plans: Employee Contributions* (Amendments)  
The amendments apply to contributions from employees or third parties to defined benefit plans. Contributions that are set out in the formal terms of the plan shall be accounted for as reductions to current service costs if they are linked to service or as part of the remeasurements of the net defined benefit asset or liability if they are not linked to service. Contributions that are discretionary shall be accounted for as reductions of current service cost upon payment of these contributions to the plans.
- PAS 32, *Financial Instruments: Presentation - Offsetting Financial Assets and Financial Liabilities* (Amendments)  
The amendments 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.
- PAS 36, *Impairment of Assets - Recoverable Amount Disclosures for Non-Financial Assets* (Amendments)  
These amendments remove the unintended consequences of PFRS 13 on the disclosures required under PAS 36. In addition, these amendments require disclosure of the recoverable amounts for the assets or cash-generating units (CGUs) for which impairment loss has been recognized or reversed during the period.
- Amendments to PAS 39, *Financial Instruments: Recognition and Measurement - Novation of Derivatives and Continuation of Hedge Accounting*  
These amendments provide relief from discontinuing hedge accounting when novation of a derivative designated as a hedging instrument meets certain criteria.

- *Investment Entities* (Amendments to PFRS 10, PFRS 12 and PAS 27)  
These amendments are effective for annual periods beginning on or after January 1, 2014. They provide an exception to the consolidation requirement for entities that meet the definition of an investment entity under PFRS 10. The exception to consolidation requires investment entities to account for subsidiaries at fair value through profit or loss.
- Philippine Interpretation IFRIC 21, *Levies* (IFRIC 21)  
The interpretation clarifies that an entity recognizes a liability for a levy when the activity that triggers payment, as identified by the relevant legislation, occurs. For a levy that is triggered upon reaching a minimum threshold, the interpretation clarifies that no liability should be anticipated before the specified minimum threshold is reached.

#### Annual Improvements to PFRSs (2010-2012 cycle)

The Annual Improvements to PFRSs (2010-2012 cycle) contain non-urgent but necessary amendments to the following standards:

- PFRS 2, *Share-based Payment – Definition of Vesting Condition*  
The amendment revised the definitions of vesting condition and market condition and added the definitions of performance condition and service condition to clarify various issues. The amendment will not have any impact on the Association's financial statements.
- PFRS 3, *Business Combinations – Accounting for Contingent Consideration in a Business Combination*  
The amendment clarifies that a contingent consideration that meets the definition of a financial instrument should be classified as a financial liability or as equity in accordance with PAS 32. Contingent consideration that is not classified as equity is subsequently measured at fair value through profit or loss whether or not it falls within the scope of PFRS 9 (or PAS 39, if PFRS 9 is not yet adopted). The Association shall consider this amendment for future business combinations.
- PFRS 8, *Operating Segments – Aggregation of Operating Segments and Reconciliation of the Total of the Reportable Segments' Assets to the Entity's Assets*  
The amendments require entities to disclose the judgment made by management in aggregating two or more operating segments. This disclosure should include a brief description of the operating segments that have been aggregated in this way and the economic indicators that have been assessed in determining that the aggregated operating segments share similar economic characteristics. The amendments also clarify that an entity shall provide reconciliations of the total of the reportable segments' assets to the entity's assets if such amounts are regularly provided to the chief operating decision maker. The amendments affect disclosures only and have no impact on the Association's financial position or performance.
- PFRS 13, *Fair Value Measurement – Short-term Receivables and Payables*  
The amendment clarifies that short-term receivables and payables with no stated interest rates can be held at invoice amounts when the effect of discounting is immaterial.
- PAS 16, *Property, Plant and Equipment – Revaluation Method – Proportionate Restatement of Accumulated Depreciation*  
The amendment clarifies that, upon revaluation of an item of property, plant and equipment, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:

- a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated depreciation at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
- b. The accumulated depreciation is eliminated against the gross carrying amount of the asset.

The amendment will not have any impact on the Association's financial position or performance.

- *PAS 24, Related Party Disclosures – Key Management Personnel*  
The amendments clarify that an entity is a related party of the reporting entity if the said entity, or any member of a group for which it is a part of, provides key management personnel services to the reporting entity or to the parent Association of the reporting entity. The amendments also clarify that a reporting entity that obtains management personnel services from another entity (also referred to as management entity) is not required to disclose the compensation paid or payable by the management entity to its employees or directors. The reporting entity is required to disclose the amounts incurred for the key management personnel services provided by a separate management entity. The amendments affect disclosures only and have no impact on the Association's financial position or performance.
- *PAS 38, Intangible Assets – Revaluation Method – Proportionate Restatement of Accumulated Amortization*  
The amendments clarify that, upon revaluation of an intangible asset, the carrying amount of the asset shall be adjusted to the revalued amount, and the asset shall be treated in one of the following ways:
  - a. The gross carrying amount is adjusted in a manner that is consistent with the revaluation of the carrying amount of the asset. The accumulated amortization at the date of revaluation is adjusted to equal the difference between the gross carrying amount and the carrying amount of the asset after taking into account any accumulated impairment losses.
  - b. The accumulated amortization is eliminated against the gross carrying amount of the asset.

The amendments also clarify that the amount of the adjustment of the accumulated amortization should form part of the increase or decrease in the carrying amount accounted for in accordance with the standard. The amendments have no impact on the Association's financial position or performance since it is not using revaluation method.

#### Annual Improvements to PFRSs (2011-2013 cycle)

The Annual Improvements to PFRSs (2011-2013 cycle) contain non-urgent but necessary amendments to the following standards:

- *PFRS 1, First-time Adoption of Philippine Financial Reporting Standards – Meaning of 'Effective PFRSs'*  
The amendment clarifies that an entity may choose to apply either a current standard or a new standard that is not yet mandatory, but that permits early application, provided either standard is applied consistently throughout the periods presented in the entity's first PFRS financial statements. This amendment is not applicable to the Association as it is not a first-time adopter of PFRS.
- *PFRS 3, Business Combinations – Scope Exceptions for Joint Arrangements*  
The amendment clarifies that PFRS 3 does not apply to the accounting for the formation of a joint arrangement in the financial statements of the joint arrangement itself.

- *PFRS 13, Fair Value Measurement – Portfolio Exception*  
The amendment clarifies that the portfolio exception in PFRS 13 can be applied to financial assets, financial liabilities and other contracts. The amendment has no significant impact on the Association's financial position or performance.
- *PAS 40, Investment Property*  
The amendment clarifies the interrelationship between PFRS 3 and PAS 40 when classifying property as investment property or owner-occupied property. The amendment stated that judgment is needed when determining whether the acquisition of investment property is the acquisition of an asset or a group of assets or a business combination within the scope of PFRS 3. This judgment is based on the guidance of PFRS 3. The amendment has no significant impact on the Association's financial position or performance since it has no investment property.

#### *Interpretation with Deferred Effectivity Date*

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

#### *No effective date yet*

- *PFRS 9, Financial Instruments*  
PFRS 9, as issued, reflects the first and third phases of the project to replace PAS 39 and applies to the classification and measurement of financial assets and liabilities and hedge accounting, respectively. Work on the second phase, which relate to impairment of financial instruments, and the limited amendments to the classification and measurement model is still ongoing, with a view to replace PAS 39 in its entirety. PFRS 9 requires all financial assets to be measured at fair value at initial recognition. A debt financial asset may, if the fair value option (FVO) is not invoked, be subsequently measured at amortized cost if it is held within a business model that has the objective to hold the assets to collect the contractual cash flows and its contractual terms give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding. All other debt instruments are subsequently measured at FVPL. All equity financial assets are measured at fair value either through OCI or profit or loss. Equity financial assets held for trading must be measured at FVPL. For liabilities designated as at FVPL using the fair value option, the amount of change in the fair value of a liability that is attributable to changes in credit risk must be presented in OCI. The remainder of the change in fair value is presented in profit or loss, unless presentation of the fair value change relating to the entity's own credit risk in OCI would create or enlarge an accounting mismatch in profit or loss. All other PAS 39 classification and measurement requirements for financial liabilities have been carried forward to PFRS 9, including the embedded derivative bifurcation rules and the criteria for using the FVO. The adoption of the first phase of PFRS 9 will have an effect on the classification and measurement of the Company's financial assets, but will potentially have no impact on the classification and measurement of financial liabilities.

On hedge accounting, PFRS 9 replaces the rules-based hedge accounting model of PAS 39 with a more principles-based approach. Changes include replacing the rules-based hedge effectiveness test with an objectives-based test that focuses on the economic relationship between the hedged item and the hedging instrument, and the effect of credit risk on that economic relationship; allowing risk components to be designated as the hedged item, not only for financial items, but also for non-financial items, provided that the risk component is separately identifiable and reliably measurable; and allowing the time value of an option, the forward element of a forward contract and any foreign currency basis spread to be excluded from the designation of a financial instrument as the hedging instrument and accounted for as costs of hedging. PFRS 9 also requires more extensive disclosures for hedge accounting.

PFRS 9 currently has no mandatory effective date. PFRS 9 may be applied before the completion of the limited amendments to the classification and measurement model and impairment methodology.

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#### 4. Summary of Significant Accounting Policies

##### 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.



### *Fair Value Measurement*

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Association.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Association uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Association determines whether transfers have occurred between Levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### *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 comprehensive income. 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 comprehensive 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 comprehensive 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 comprehensive 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, including 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 comprehensive 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 comprehensive 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 comprehensive income.

As of December 31, 2013, AFS financial assets include investment in mutual fund and investment in unquoted and quoted preferred shares. 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 intension 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 comprehensive 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 comprehensive 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 comprehensive 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 comprehensive 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 comprehensive income, is transferred from equity to the statement of comprehensive income. Reversals in respect of equity instruments classified as AFS financial assets are not recognized in the statement of comprehensive income. Reversals of impairment losses on debt instruments are reversed through the statement of comprehensive 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 comprehensive 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 has 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 risks 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 comprehensive 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 comprehensive income. The unamortized acquisition costs are shown as DAC in the Assets Section of the statement of financial position.

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 comprehensive income.

#### Investments in Associates

Investments in CARD MRI Information Technology, Inc. (CMIT), BotiCARD, Inc. (BotiCARD), and CARD Pioneer Microinsurance Inc. (CPMI), 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 comprehensive income reflects the Association's share of the results of the operations of the investee. Unrealized gains arising from inter Association 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 comprehensive income.

#### 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 statement of comprehensive income 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 when collected. When premiums are recognized, actuarial liabilities are computed, with the result that benefits and expenses are matched with such revenue. The Association collects its premiums through the following affiliates that are considered collecting institutions: (a) CARD BANK, (b) CARD Inc., (c) CARD SME Bank and (d) Rizal Rural Bank.

*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.

*Surrender charge*

Surrender charge pertains to the fee imposed by the Association for the cancellation of the member's policy. This is intended for the administration costs incurred by the Association. Surrender charge is recognized when earned.

*Interest income*

Interest on interest-bearing placements and securities are recognized based on the accrual accounting using the effective interest rate (EIR).

*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 comprehensive 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.

### *General and administrative expenses*

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

### Defined benefit plan

The net defined benefit liability or asset is the aggregate of the present value of the defined benefit obligation at the end of the reporting period reduced by the fair value of plan assets (if any), adjusted for any effect of limiting a net defined benefit asset to the asset ceiling. The asset ceiling is 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 cost of providing benefits under the defined benefit plans is actuarially determined using the projected unit credit method.

Defined benefit costs comprise the following:

- Service cost
- Net interest on the net defined benefit liability or asset
- Remeasurements of net defined benefit liability or asset

Service costs which include current service cost, past service cost and gains or losses on non-routine settlements are recognized as expense in profit or loss. Past service costs are recognized when plan amendment or curtailment occurs. These amounts are calculated periodically by independent qualified actuaries.

Net interest on the net defined benefit liability or asset is the change during the period in the net defined benefit liability or asset that arises from the passage of time which is determined by applying the discount rate based on government bonds to the net defined benefit liability or asset. Net interest on the net defined benefit liability or asset is recognized as expense or income in the statement of comprehensive income.



Remeasurements comprising actuarial gains and losses, return on plan assets and any change in the effect of the asset ceiling (excluding net interest on defined benefit liability) are recognized immediately in other comprehensive income in the period in which they arise. Remeasurements are not reclassified to profit or loss in subsequent periods.

Plan assets are assets that are held by a long-term employee benefit fund or qualifying insurance policies. Plan assets are not available to the creditors of the Group, nor can they be paid directly to the Association. Fair value of plan assets is based on market price information. When no market price is available, the fair value of plan assets is estimated by discounting expected future cash flows using a discount rate that reflects both the risk associated with the plan assets and the maturity or expected disposal date of those assets (or, if they have no maturity, the expected period until the settlement of the related obligations). If the fair value of the plan assets is higher than the present value of the defined benefit obligation, the measurement of the resulting defined benefit asset is limited to the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to 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 asset 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.

#### *The 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 comprehensive 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.

#### *The 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 ₱3,741.08 million and ₱3,128.63 million as of December 31, 2013 and 2012, respectively (Note 11). As of December 31, 2013 and 2012, the fair value of HTM investments amounted to ₱3,957.89 million and ₱3,355.71 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. The rental income is included in "Others" in statement of comprehensive income.

*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 value of AFS financial assets not quoted in an active market amounted to ₱171.19 million and ₱143.13 million as of December 31, 2013 and 2012, 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:

	2013	2012
<b>Financial assets</b>		
Financial assets at FVPL (Note 9)	<b>₱21,040,000</b>	₱20,260,000
AFS financial assets (Note 10)	<b>514,082,289</b>	472,312,231

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

	2013	2012
Financial assets	<b>₱5,436,773,085</b>	₱4,829,047,849
Financial liabilities	<b>70,602,938</b>	174,381,361

## 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, 2013 and 2012, 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):

	2013	2012
Property and equipment	<b>₱139,431,853</b>	₱68,708,142
Accumulated depreciation	<b>17,965,055</b>	13,201,744

### *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 ₱227.18 million and ₱80.67 million as of December 31, 2013 and 2012, respectively (Note 8). Allowance for impairment losses amounted to ₱1.09 million and ₱2.62 million as of December 31, 2013 and 2012, 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, 2013 and 2012, the fair value of AFS financial assets amounted to ₱514.08 million and ₱472.31 million, respectively (Note 10).

### *Retirement and other employee benefits*

The cost of defined benefit pension plans and other post employment benefits as well as the present value of the pension obligation are determined using actuarial valuations. The actuarial valuation involves making various assumptions. These include the determination of the discount rates, future salary increases, mortality rates and future pension increases. Due to the complexity of the valuation, the underlying assumptions and its long-term nature, defined benefit obligations

are highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date. The net pension liability amounted to ₱33.62 million and ₱27.99 million as at December 31, 2013 and 2012, respectively. Further details are provided in Note 24.

In determining the appropriate discount rate, management considers the interest rates of government bonds that are denominated in the currency in which the benefits will be paid, with extrapolated maturities corresponding to the expected duration of the defined benefit obligation.

The mortality rate is based on publicly available mortality tables for the specific country and is modified accordingly with estimates of mortality improvements. Future salary increases and pension increases are based on expected future inflation rates for the specific

#### *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:

	2013	2012
Cash on hand	<b>₱3,405,995</b>	₱3,148,181
Cash in banks	<b>194,469,154</b>	40,859,704
Short-term deposits	<b>444,692,286</b>	785,696,846
	<b>₱642,567,435</b>	₱829,704,731

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 1.25% to 2.00% and 1.00% to 3.00% in 2013 and 2012 respectively. Short-term deposits earned interest ranging from 1.00% to 4.00% and 3.00% to 4.00% in 2013 and 2012, respectively. Interest income earned from this cash and cash equivalent amounted to ₱0.61 million and ₱0.66 million in 2013 and 2012, respectively.



## 7. Short-term Investments

Short-term investments amounted to ₱72.92 million and ₱70.38 million as of December 31, 2013 and 2012, respectively.

Short-term investments are money market placements that bear annual interest at rates that ranged from 0.75% to 1.00% in 2013 and in 2012. Interest income earned from these investments amounted to ₱6.60 million and ₱7.62 million in 2013 and 2012, respectively.

## 8. Loans and receivables

This account consists of:

	2013	2012
Receivables from related parties (Note 23)	<b>₱136,032,215</b>	₱13,416,360
Accrued interest receivable	<b>51,223,205</b>	46,531,776
Loans receivable (Note 23)	<b>38,333,333</b>	10,000,000
Accounts receivable	<b>994,279</b>	11,114,688
Other receivables	<b>1,689,919</b>	2,225,157
	<b>228,272,951</b>	83,287,981
Less allowance for impairment losses	<b>1,088,562</b>	2,615,863
	<b>₱227,184,389</b>	₱80,672,118

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

	2013	2012
At January 1	<b>₱2,615,863</b>	₱3,488,405
Provision (reversal of provision) for bad debts	<b>(1,136,911)</b>	1,560,570
Amounts written off	<b>(390,390)</b>	(2,433,112)
<b>At December 31</b>	<b>₱1,088,562</b>	₱2,615,863

Receivables from related parties pertain to premiums collected by related parties from the Association's members, commissions and claims paid on behalf of CARD MRI insurance agency (CAMIA) (Note 23). This is generally on 1-to-30 day terms.

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.

In 2013, the Association granted funding assistance to CARD Employees Multi-purpose Cooperative (EMPC) and CARD Leasing and Finance for ₱20.00 million each for use in support of their operations. EMPC and CARD Leasing and Finance loans bear 5.00% interest per annum with maturity on October 28, 2016 and November 5, 2016, respectively. The outstanding loan balance with EMPC and CLFC as of December 31, 2013 amounted to ₱18.33 million and ₱20.00 million respectively.

Accounts receivable pertains to receivables from its members due to overpayment made on the claims and benefits given by the Association.

Other receivables consist of cash advances of officers and employees.

As of December 31, 2013 and 2012, allowance for impairment losses for receivables determined based on specific identification and assessment follows:

	<b>Accounts Receivable</b>	<b>Other Receivables</b>	<b>Total</b>
At January 1, 2012	₱156,430	₱3,331,975	₱3,488,405
Provision for impairment losses	1,513,057	47,513	1,560,570
Amounts written off	(8,445)	(2,424,667)	(2,433,112)
At December 31, 2012	<b>1,661,042</b>	<b>954,821</b>	<b>2,615,863</b>
Bad debts recovery	<b>(671,358)</b>	<b>(465,553)</b>	<b>(1,136,911)</b>
Amounts written off	<b>(291,506)</b>	<b>(98,884)</b>	<b>(390,390)</b>
<b>At December 31, 2013</b>	<b>₱698,178</b>	<b>₱390,384</b>	<b>₱1,088,562</b>

#### 9. Financial Assets at FVPL

As of December 31, 2013, financial assets at FVPL consist of San Miguel Corporation preferred shares. The rollforward of these investments follows:

	<b>2013</b>	<b>2012</b>
At January 1	<b>₱20,260,000</b>	₱20,480,000
Fair value gain (loss) from FVPL financial assets	<b>780,000</b>	(220,000)
At December 31	<b>₱21,040,000</b>	₱20,260,000

There were no acquisitions of financial assets at FVPL in 2013 and 2012.

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

This account consists of:

	<b>2013</b>	<b>2012</b>
Quoted securities - at fair value		
Mutual funds	<b>₱266,743,554</b>	₱254,189,856
Preferred shares	<b>76,147,335</b>	74,997,375
	<b>342,890,889</b>	329,187,231
Unquoted securities - at cost		
Preferred shares	<b>171,191,400</b>	143,125,000
	<b>₱514,082,289</b>	₱472,312,231

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

	<b>Quoted Equity Securities</b>	<b>Unquoted Equity Securities</b>	<b>Investments in Mutual Funds</b>	<b>Total</b>
At January 1, 2012	₱—	₱127,500,000	₱202,949,702	₱330,449,702
Additions	74,997,375	15,625,000	80,458,430	171,080,805
Fair value gains	—	—	20,038,961	20,038,961
Disposals	—	—	(49,257,237)	(49,257,237)
<b>At December 31, 2012</b>	<b>74,997,375</b>	<b>143,125,000</b>	<b>254,189,856</b>	<b>472,312,231</b>
Additions	—	35,566,400	—	35,566,400
Fair value gains	1,149,960	—	12,553,698	13,703,658
Disposals	—	(7,500,000)	—	(7,500,000)
<b>At December 31, 2013</b>	<b>₱76,147,335</b>	<b>₱171,191,400</b>	<b>₱266,743,554</b>	<b>₱514,082,289</b>

Investments in quoted securities pertain to the Association's investments in San Miguel Corporation preferred shares amounting to ₱75 million as of December 31, 2013 and 2012.

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

The Association received 31,479 stock dividend preferred shares of CARD Bank, Inc., an affiliated Microfinance-Oriented Rural Bank, in 2013 amounting to ₱6.29 million. The Association owns 818,457 and 678,125 preferred shares of CARD Bank, Inc. amounting to ₱163.69 million and ₱135.63 million as of December 31, 2013 and 2012, respectively.

The Association owns 1,000 shares of Responsible Investment for Solidarity and Empowerment (RISE) Financing Association, Inc. preferred shares amounting to ₱7.50 million as of December 31, 2013 and 2012.

The reserve for fluctuation in value of the investments in mutual funds amounted to ₱39.78 million and ₱26.08 million in 2013 and 2012, respectively. This is presented as "Other comprehensive income" in the statements of financial position.

In 2013 and 2012, the Association received dividends amounting to ₱133.6 million and ₱143.9 million, respectively.

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

	<b>2013</b>	<b>2012</b>
Beginning balance	<b>₱26,081,034</b>	₱36,560,533
Transfer to profit or loss	—	(30,518,460)
Other comprehensive income		
Fair value gains on available-for-sale financial assets	<b>13,703,658</b>	20,038,961
	<b>₱39,784,692</b>	₱26,081,034

## 11. Held-to-Maturity Investments

As of December 31, 2013 and 2012, the carrying amounts and fair values of these securities follow:

	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Fixed treasury notes	<b>₱2,588,058,867</b>	<b>₱2,708,194,402</b>	₱2,075,523,742	₱2,216,433,998
Retail treasury bonds	<b>732,268,086</b>	<b>799,036,375</b>	559,774,540	617,409,174
Government bonds	<b>86,713,610</b>	<b>94,284,682</b>	116,146,828	127,245,849
Corporate bonds	<b>207,142,673</b>	<b>219,122,617</b>	250,288,574	256,660,717
Guaranty fund	<b>126,900,679</b>	<b>137,250,308</b>	126,900,679	137,964,854
	<b>₱3,741,083,915</b>	<b>₱3,957,888,384</b>	₱3,128,634,363	₱3,355,714,592

These investments bear annual interest rates that ranged from 1.625% to 9.00% in 2013 and 4.54% to 12.00% in 2012 and will mature between one (1) and ten (10) years from the statements of financial position date. Interest income from these investments amounted to ₱126.39 million and ₱154.89 million in 2013 and 2012, respectively.

The carrying value of HTM investments follows:

	2013	2012
At January 1	<b>₱3,128,634,363</b>	₱2,813,579,926
Additions	<b>832,256,047</b>	662,757,592
Amortization of bond discount	<b>5,634,562</b>	41,173,767
Maturities	<b>(225,441,057)</b>	(388,876,922)
<b>At December 31</b>	<b>₱3,741,083,915</b>	₱3,128,634,363

As at December 31, 2013 and 2012, HTM investments include government securities classified as guaranty fund amounting to ₱126.90 million (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.

## 12. Property and Equipment - Net

The composition and movements in this account follow:

	2013				
	Land	Transportation equipment	Computer and office equipment	Office furniture and fixtures	Building
<b>Cost</b>					
At January 1	₱51,845,250	₱6,292,944	₱17,815,639	₱963,528	₱4,992,527
Additions	64,786,657	211,315	1,665,127	488,067	—
Disposals	—	(695,385)	(298,095)	(18,000)	—
At December 31	116,631,907	5,808,874	19,182,671	1,433,595	4,992,527
<b>Accumulated Depreciation and Amortization</b>					
At January 1	—	2,130,290	9,993,347	578,855	1,076,453
Depreciation	—	1,313,874	3,154,643	475,810	499,252
Disposals	—	(695,276)	(74,458)	11,515	577,201
At December 31	—	2,748,888	13,073,532	1,066,180	—
<b>Net Book Value</b>	<b>₱116,631,907</b>	<b>₱3,059,986</b>	<b>₱6,109,139</b>	<b>₱367,415</b>	<b>₱3,916,074</b>
					<b>₱9,347,332</b>
					<b>₱139,431,853</b>

	2012				
	Land	Transportation equipment	Computer and office equipment	Office furniture and fixtures	Building
<b>Cost</b>					
At January 1	₱15,634,765	₱3,814,232	₱13,920,307	₱639,590	₱4,992,527
Additions	36,210,485	3,831,895	4,340,947	323,938	—
Disposals	—	(1,353,184)	(445,616)	—	—
At December 31	51,845,250	6,292,943	17,815,638	963,528	4,992,527
<b>Accumulated Depreciation and Amortization</b>					
At January 1	—	1,812,343	6,076,459	356,766	—
Depreciation	—	1,207,947	4,262,588	222,089	499,252
Disposals	—	(890,000)	(345,700)	—	—
At December 31	—	2,130,290	9,993,347	578,855	499,252
<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>₱—</b>
					<b>₱68,708,142</b>

Fully depreciated property and equipment with total cost of to ₱2.24 million and ₱7.82 million as of December 31, 2013 and 2012, respectively, are still in active use. Depreciation expense charged against operations amounted to ₱5.52 million and ₱6.19 million in 2013 and 2012, respectively. (Note 21)



### 13. Investments in and Advances to Associates

Details of the Association's investments in associates follow:

	2013		2012	
	Amount	Percentage*	Amount	Percentage*
CMIT	<b>₱20,357,933</b>	40.00%	₱17,756,568	30%
BotiCARD	<b>9,363,100</b>	39.00%	7,691,085	39%
CPMI	<b>258,345,191</b>	47.00%	—	—
	<b>₱288,066,224</b>		<b>₱25,447,653</b>	

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

The details of the CMIT investment follow:

	2013	2012
Acquisition cost:		
At January 1	<b>₱11,500,000</b>	₱11,500,000
Placements	<b>3,500,000</b>	—
At December 31	<b>15,000,000</b>	11,500,000
Accumulated equity in net earnings:		
At January 1	<b>6,256,568</b>	4,972,026
Equity in net earnings	<b>2,375,874</b>	1,284,542
Dividends received	<b>(3,274,509)</b>	—
At December 31	<b>5,357,933</b>	6,256,568
	<b>₱20,357,933</b>	<b>₱17,756,568</b>

The Association purchased 35,000 common shares of CMIT in 2013 amounting to ₱3.50 million.

In 2013, the Association received dividends amounting to ₱3.27 million. The undistributed accumulated equity in CMIT's net earnings amounted to ₱5.36 million and ₱6.26 million as of December 31, 2013 and 2012, respectively, which are included in the Association's unappropriated fund balance, and are not available for dividend declaration until actually received.

As of December 31, 2013 and 2012, the Association's investment in CMIT amounted to ₱20.36 million and ₱17.76 million, respectively.

The details of the BotiCARD investment as of December 31, 2013 follow:

	2013	2012
Acquisition cost		
At January 1	<b>₱6,900,000</b>	₱3,900,000
Advances for stock subscription	—	3,000,000
At December 31	<b>6,900,000</b>	6,900,000
Accumulated equity in net earnings:		
At January 1	<b>791,085</b>	47,821
Equity in net earnings	<b>1,672,015</b>	743,264
At December 31	<b>2,463,100</b>	791,085
	<b>₱9,363,100</b>	<b>₱7,691,085</b>

In 2012, the Association deposited ₱3 million to BotiCARD which will be used to subscribe to 600,000 common shares at ₱5 par value. As of December 31, 2013, The Securities and Exchange Commission (SEC) has not yet approved BotiCARD's request for increase in authorized capital stock.

The undistributed accumulated equity in BotiCARD's net earnings of ₱2.46 million and ₱0.80 million as of December 31, 2013 and 2012, which are included in the Association's unappropriated fund balance, are not available for dividend declaration until these are actually received.

As of December 31, 2013 and 2012, the Association's investment in BotiCARD amounted to ₱9.36 million and ₱7.69 million, respectively.

The details of the CARD Pioneer Micro insurance Incorporated (CPMI) investment as of December 31, 2013 follow:

	<b>2013</b>
Acquisition cost	
At January 1	<b>₱-</b>
Placements	<b>257,983,896</b>
At December 31	<b>257,983,896</b>
Accumulated equity in net earnings:	
At January 1	-
Equity in net earnings	<b>361,295</b>
At December 31	<b>361,295</b>
	<b>₱258,345,191</b>

On July 16, 2013, the Association entered into a purchase agreement with CARD Pioneer Micro insurance Inc. (CPMI), formerly named as Pioneer Asia Insurance Corporation (PAIC) for the purchase of 2,303,428 shares or 47.00% of CPMI. On September 30, 2013, the consideration paid by Association for its investment in CPMI amounted to ₱257.98 million.

	<b>CPMI</b>
Fair value of net assets	<b>₱548,901,906</b>
Proportionate ownership in the associate	<b>47%</b>
Consideration paid	<b>₱257,983,896</b>

No goodwill was recognized since the consideration paid is equal to the proportionate ownership in CPMI.

Financial information of the Association's associates follow:

	2013	2012
<b>CMIT</b>		
Total assets	<b>₱13,209,957</b>	₱80,775,554
Total liabilities	<b>28,476,222</b>	21,550,804
Net income	<b>5,939,686</b>	3,211,355
<b>BotiCARD</b>		
Total assets	<b>28,727,725</b>	21,403,965
Total liabilities	<b>21,537,616</b>	11,620,800
Net income	<b>4,287,219</b>	2,477,548
<b>CPMI</b>		
Total assets	<b>555,975,944</b>	307,357,311
Total liabilities	<b>11,764,731</b>	12,776,896
Net income *	<b>19,243,126</b>	11,176,071

\*CPMI net income from September to December 2013 amounted to ₱768,714

#### 14. Other Assets

This account consists of:

	2013	2012
Refundable deposits	<b>₱4,300,000</b>	₱4,300,000
Supplies inventory	<b>1,958,704</b>	984,434
Prepaid rent	<b>1,416,477</b>	1,027,027
Deferred acquisition cost	—	818,452
Others	<b>563,193</b>	563,195
	<b>₱8,238,374</b>	₱7,693,108

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 one year after the expiration of the terms of AKAP CARD Health benefits which is in 2014.

#### 15. Accounts Payable and Accrued Expenses

The movement in this account follows:

	2013	2012
Collection fee payable (Note 23)	<b>₱50,440,961</b>	₱151,018,956
Accounts payable - CAMIA (Note 23)	<b>10,537,230</b>	4,298,227
Accrued expenses	<b>7,242,227</b>	5,300,724
Funds held in trust - CAMIA (Note 23)	<b>801,740</b>	2,604,576
Others	<b>1,580,780</b>	368,593
	<b>₱70,602,938</b>	₱163,591,076



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 for its contribution to its collecting institution (CARD Inc., CARD SME Bank, CARD Bank and Rizal Rural Bank) . 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 on behalf of CAMIA. Funds held in trust pertain 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.

Other payables are obligations of the Associations to government agencies. This account includes Withholding taxes payable, SSS loan and contribution payable, PAG –IBIG loan and contribution payable, Medicare contribution and Pangarap Savings.

## 16. Insurance contract liabilities

This account consists of:

	2013	2012
Life insurance contract liabilities	<b>₱2,614,321,720</b>	₱2,134,530,394
Loan redemption contract liabilities	<b>122,174,234</b>	102,212,477
Claims payable	<b>15,326,342</b>	10,790,284
Unearned contribution income – AKAP	–	380,250
	<b>₱2,751,822,296</b>	₱2,247,913,405

The movements in life insurance contract liabilities follow:

	2013	2012
At January 1	<b>₱2,134,530,394</b>	₱1,649,482,360
Premiums received	<b>683,627,310</b>	599,265,000
Liability released for payments of death, maturity and surrender benefits and claims	<b>(203,835,984)</b>	(114,216,966)
At December 31	<b>₱2,614,321,720</b>	₱2,134,530,394

This account represents reserves 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 follow:

	2013	2012
At January 1	<b>₱102,212,477</b>	₱99,355,671
60% of increase in premiums received	<b>19,961,757</b>	2,856,806
At December 31	<b>₱122,174,234</b>	₱102,212,477

This account represents reserves 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 reserves on loan redemption insurance. As of December 31, 2013 and 2012, loans covered by the Association's loan redemption insurance amounted to ₱27.41 billion and ₱22.84 billion, respectively.

The movements in unearned contribution income - AKAP follow:

	2013	2012
At January 1	<b>₱380,250</b>	₱6,220,273
Liability released for payments of death, maturity and surrender benefits and claims	<b>(380,250)</b>	(5,840,023)
At December 31	<b>₱—</b>	₱380,250

Unearned contribution income - AKAP represents proportion of written premiums, gross of commissions payable that are attributable to subsequent periods. In February 2012, the Association decided to discontinue the sale of the product due to its unfavorable performance. The deposits made by the Association will be refunded one year after the expiration of the terms of AKAP CARD Health benefits in 2014.

The rollforward analysis of claims payable follows:

	Claims payable
At January 1, 2012	₱11,365,401
Arising during the year	10,767,531
Paid/utilized	(11,342,648)
At December 31, 2012	<b>10,790,284</b>
Arising during the year	<b>15,889,110</b>
Paid/utilized	<b>(11,353,052)</b>
<b>At December 31, 2013</b>	<b>₱15,326,342</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. It can be availed of at the age of 65 if the member 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 retirement savings 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:

	2013	2012
At January 1	<b>₱1,236,694,881</b>	₱963,749,991
Contribution	<b>379,797,402</b>	332,801,487
Interest	<b>64,214,577</b>	43,270,842
Claims and expenses	<b>(100,083,212)</b>	(103,127,439)
<b>At December 31</b>	<b>₱1,580,623,648</b>	₱1,236,694,881

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 savings fund is allocated to interest income account.

## 18. Gross premiums on insurance contracts

The gross earned premiums consist of the following:

	2013	2012
Gross earned premiums on insurance contracts		
Life insurance premiums	<b>₱1,139,378,850</b>	₱998,775,000
Loan insurance premiums	<b>203,623,724</b>	170,354,129
Daily health income benefits	—	4,027,340
	<b>₱1,343,002,574</b>	₱1,173,156,469

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 benefit pertains to a 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 introduced at the end of December 2012, the management decided to discontinue the benefit due to claims from its members that reduce the Association's capability to operate efficiently.

## 19. Interest income

This account consists of:

	2013	2012
Interest income on:		
Held-to-maturity investments (Note 11)	<b>₱157,993,139</b>	₱169,584,130
Short term investments (Note 7)	<b>4,172,114</b>	3,616,869
Long term investments (Note 8)	<b>4,074,039</b>	5,907,036
Cash and cash equivalents (Note 6)	<b>763,833</b>	825,749
	<b>₱167,003,125</b>	₱179,933,784

## 20. Direct expenses

This pertains to Commission and Network access fees amounting to ₱0.81 million and ₱1.55 million in 2013 and 2012 respectively.

Commission and network access fees pertain 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.

## 21. General and administrative expenses

This account consists of:

	2013	2012
Transportation and travel	<b>₱78,866,752</b>	₱73,876,319
Salaries and allowances	<b>57,342,335</b>	43,605,258
Donation and contribution	<b>39,203,478</b>	59,507,427
Program, monitoring and evaluation	<b>11,330,196</b>	11,413,611
Pension expense (Note 24)	<b>10,598,057</b>	4,985,354
Supplies	<b>10,585,563</b>	10,111,200
Training and development	<b>7,521,663</b>	10,766,654
Interest expense and bank charges	<b>6,904,277</b>	787,726
Professional fees	<b>6,153,469</b>	11,306,730
Rental (Note 22)	<b>5,612,219</b>	5,132,132
Depreciation (Note 12)	<b>5,521,528</b>	6,191,876
Communication	<b>5,498,717</b>	5,252,405
Meetings and seminars	<b>3,930,418</b>	4,683,812
Taxes and licenses	<b>3,488,756</b>	790,600
Insurance	<b>3,349,207</b>	3,787,403
Security and janitorial services	<b>2,934,664</b>	2,330,517
Repairs and maintenance	<b>1,998,528</b>	1,542,274
Light and water	<b>1,547,995</b>	1,482,313
Membership dues	<b>1,196,890</b>	950,297

(Forward)



	2013	2012
Entertainment, amusement and recreation	369,446	308,984
Research and documentation	8,860	10,430
Provision for impairment losses (Note 8)	–	1,560,570
Miscellaneous	303,064	32,288
	<b>₱264,266,082</b>	<b>₱260,416,180</b>

## 22. Lease Commitments

### Operating leases - Association as lessee

In 2012, the Association entered into operating lease agreements with various lessors. Rent expense included in the statements of comprehensive income in 2013 and 2012 amounted to ₱5.61 million and ₱5.13 million, respectively. As of December 31, 2013, the future minimum rentals payable for the existing contracts amounted to a total of ₱0.48 million and are payable within one year.

### Operating leases - Association as lessor

The Association entered into operating lease agreements with its related parties. Rent income included in the statements of comprehensive income under “Other income” account in 2013 and 2012 amounted to ₱0.28 million and ₱0.35 million, respectively. As of December 31, 2013, the minimum rentals receivable for the existing contracts amounted to a total of ₱0.97 million and are due within one year.

## 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, 2013

	Amount	Outstanding	Nature	Terms	Conditions
<b>Accounts payable</b>					
(1) CARD MRI Insurance Agency, Inc. - Common control	₱85,462,879	₱10,537,230	Premiums uncollected from CAMIA products	On-demand; noninterest-bearing	Unsecured
(2) CARD MRI Development Institute, Inc. - Common control	278,873	278,873	Unpaid expenses for administration and training cost of staffs	On-demand; noninterest-bearing	Unsecured
(3) CARD, Inc. - affiliate	149,297,624	23,507,396	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured

(Forward)

	Amount	Outstanding	Nature	Terms	Conditions
(4) CARD MRI Information Technology, Inc. – Associate	₱179,260	₱60	Unpaid services provided in maintaining the Association's system	On-demand; noninterest-bearing	Unsecured
(5) CARD SME - Common control	3,567,118	3,519,400	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured
(6) CARD BDSFI - Common control	1,057,580	1,052,490	Unpaid administration and training incurred	On-demand; noninterest-bearing	Unsecured
(7) BotiCARD – Associate	2,309,565	2,309,565	Unpaid medicines and administrative expenses incurred	On-demand; noninterest-bearing	Unsecured; no impairment
(8) CARD EMPC - Common control	14,800	—	Unpaid administrative expenses incurred for Association's staff	On-demand; noninterest-bearing	Unsecured
(9) Rizal Rural Bank- Common control	4,628	—	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured
(10) CARD Leasing & Finance (LFC)– Common control	314,758	46,778	Unpaid expenses incurred in leasing Association's equipment	On-demand; noninterest-bearing	Unsecured; no impairment
(11) CARD, Inc. - affiliate	4,373,287	79,233	Unpaid claims and expenses incurred	On-demand; noninterest-bearing	Unsecured
<b>Total</b>		<b>41,331,025</b>			

**Accounts receivable**

(1) CARD, Inc. - affiliate	293,745,744	18,343,131	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(2) CARD MRI Insurance Agency, Inc. - Common control	142,714,950	105,530,386	Claims unpaid to members who avail CAMIA products	On-demand; noninterest-bearing	Unsecured; no impairment
(3) CARD MRI Development Institute, Inc. - Common control	283,369	—	Unremitted collection of members (CARD MRI Staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(4) CARD, Inc. - affiliate	580,016,156	12,174,571	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment

(Forward)

	Amount	Outstanding	Nature	Terms	Conditions
(5) CARD MRI Information Technology, Inc – Associate	₱96,350	₱367	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(6) CARD SME - Common control	118,758,596	—	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(7) CARD BDSFI - Common control	4,583,184	7,874	Unpaid collection of members (CARD BDSFI staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(8) BotiCARD – Associate	41,519	16,325	Unpaid collection of members (BOTICARD staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(9) CARD EMPC - Common control	119,392	3,811	Unpaid collection of members (CARD EMPC staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(10) Rizal Rural Bank- Common control	12,431,517	2,157	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(11) CARD Leasing & Finance (LFC)– Common control	25,023	24,593	Unremitted collection of members (CARD LFC staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
<b>Total</b>		<b>₱136,103,215</b>			

**Held in trust**

(1) CARD MRI Insurance Agency, Inc. - Common control	3,795,686	801,740	Premiums uncollected without return stub	On-demand; noninterest-bearing	Unsecured
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**Rental income**

(1) CARD MRI Insurance Agency, Inc. - Common control	95,000	—	Income received from office space rental	On-demand; noninterest-bearing	Unsecured; no impairment
(2) CARD MRI Information Technology, Inc – Associate	142,500	—	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured
(3) BotiCARD – Associate	50,000	—	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured
<b>Total</b>	<b>287,500</b>				

(Forward)



	Amount	Outstanding	Nature	Terms	Conditions
<b>Cash and cash equivalents</b>					
(1) CARD MRI Development Institute, Inc. - Common control	₱1,435,351,950	₱240,999,684	Various	On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit%	Unsecured; no impairment
(2) CARD MRI Information Technology, Inc – Associate	318,680,445	90,823,806	Various	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured; no impairment
(3) Rizal Rural Bank- Common control	33,405,262	21,076,207	Various	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured; no impairment
<b>Total</b>		<b>352,899,697</b>			

<b>Loan receivable</b>					
(1) CARD Leasing & Finance (LFC)– Common control	20,000,000	20,000,000	Loans made by CARD LFC	Interest at 5% per annum	Unsecured; no impairment
(2) CARD EMPC - Common control	20,000,000	18,333,333	Loan made by EMPC	On-demand; interest at 5.00% per annum	Unsecured; no impairment
<b>Total</b>		<b>38,333,333</b>			

<b>Interest income</b>					
(1) Rizal Rural Bank- Common control	628,121	—	Income from deposits made (included in cash and cash equivalents)	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured
(2) CARD SME - Common control	982,478	—	Income received from office space rentals	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured

(Forward)

	Amount	Outstanding	Nature	Terms	Conditions
				On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit%	
(3) CARD, Inc. - affiliate	₱5,283,709	₱—	Income from deposits (included in cash and cash equivalents)		Unsecured
	6,894,308				

December 31, 2012

	Amount	Outstanding	Nature	Terms	Conditions
Accounts payable					
(1) CARD MRI Insurance Agency, Inc. - Common control	₱62,590,055	₱4,298,227	Premiums uncollected from CAMIA products	On-demand; noninterest- bearing	Unsecured
(2) CARD MRI Development Institute, Inc. - Common control	88,878	88,878	Unpaid expenses for administration and training cost of staffs	On-demand; noninterest- bearing	Unsecured
(3) CARD, Inc. - affiliate	93,664,976	1,969,433	Unpaid claims and expenses incurred	On-demand; noninterest- bearing	Unsecured
(4) CARD MRI Information Technology, Inc – Associate	—	179,200	Unpaid services provided in maintaining the Association's system	On-demand; noninterest- bearing	Unsecured
(5) CARD, Inc. - affiliate	19,047,979	54,832	Unpaid claims and expenses incurred	On-demand; noninterest- bearing	Unsecured
(6) CARD SME - Common control	1,043,474	328,476	Unpaid claims and expenses incurred	On-demand; noninterest- bearing	Unsecured
(7) CARD BDSFI - Common control	5,800	5,800	Unpaid administration and training incurred	On-demand; noninterest- bearing	Unsecured
(8) CARD BDSFI - Common control	2,388,400	2,388,400	Unpaid medicines and administrative expenses incurred	On-demand; noninterest- bearing	Unsecured; no impairment
Total		9,313,246			

Accounts receivable					
(1) CARD MRI Insurance Agency, Inc. - Common control	61,635,376	11,497,365	Claims unpaid to members who avail CAMIA products	On-demand; noninterest- bearing	Unsecured; no impairment
(2) CARD MRI Development Institute, Inc. - Common control	65,784	—	Unremitted collection of members (CARD MRI Staff) contribution	On-demand; noninterest- bearing	Unsecured; no impairment

(Forward)

	Amount	Outstanding	Nature	Terms	Conditions
(3) CARD, Inc. - affiliate	₱775,056,338	₱1,496,060	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(4) CARD MRI Information Technology, Inc – Associate	174,483,801	179,854	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(5) CARD SME - Common control	296,815	–	Unremitted collection of members contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(6) CARD BDSFI - Common control	48,466,984	140,570	Unpaid collection of members (CARD BDSFI staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
	17,182	–	Unpaid collection of members (BOTICARD staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
(7) CARD EMPC - Common control	108,222	100,911	Unpaid collection of members (CARD EMPC staff) contribution	On-demand; noninterest-bearing	Unsecured; no impairment
	5,062	1,600			
<b>Total</b>		<b>13,416,360</b>			

Held in trust

(1) CARD MRI Insurance Agency, Inc. - Common control	7,851,782	2,604,576	Premiums uncollected without return stub	On-demand; noninterest-bearing	Unsecured
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Cash and cash equivalents

(1) CARD SME - Common control	153,968,514	158,647	Various	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured; no impairment
(2) CARD, Inc. - affiliate	1,238,386,672	5,596,806	Various	On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit%	Unsecured; no impairment
<b>Total</b>		<b>41,331,025</b>			

Loan Receivables

(1) CARD MRI Information Technology, Inc – Associate	10,000,000	10,000,000	Loans made by CMIT	Interest at 6% per annum	Unsecured; no impairment
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(Forward)

	Amount	Outstanding	Nature	Terms	Conditions
Rental income					
(1) CARD MRI Information Technology, Inc – Associate	₱180,000	₱–	Income received from office space rentals	On-demand; noninterest-bearing	Unsecured
(2) CARD MRI Insurance Agency, Inc. - Common control	120,000	–	Income received from office space rentals	On-demand; noninterest-bearing g	Unsecured; no impairment
Total	300,000				

Interest income					
(1) CARD SME - Common control	1,008,704	–	Income received from deposits (included in cash and cash equivalents)	On-demand; interest at 2.00% for regular savings deposit and 4.00% for time deposit	Unsecured
(2) CARD, Inc. - affiliate	4,779,028	₱1,949,798	Income from deposits (included in cash and cash equivalents)	On demand; interest at 2% for regular savings deposit and 5% to 6% for time deposit%	Unsecured
Total	₱5,787,732				

## 24. Employee Benefits

The Association maintains. The plan has a projected unit cost format and is financed by the Association. The plan complies with the requirement of Republic Act No. 7641 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.

Under the existing regulatory framework, Republic Act 7641 requires a provision for retirement pay to qualified private sector employees in the absence of any retirement plan in the entity, provided however that the employee's retirement benefits under any collective bargaining and other agreements shall not be less than those provided under the law. The law does not require minimum funding of the plan. The Association also provides additional post employment healthcare benefits to certain senior employees.

Changes in net defined benefit liability of funded funds are as follows:

[illegible]



2012

	2012												
	Net benefit cost in statement of comprehensive income				Remeasurements in other comprehensive income								
	At January 1	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Transfer to plan	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumption	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	₱23,320,200	₱4,140,248	₱—	₱1,651,070	₱5,791,318	₱—	₱352,636	₱—	₱—	₱13,271,746	₱13,271,746		₱42,735,900
Fair value of plan assets	(9,143,500)	—	—	(805,964)	(805,964)	—	(352,636)	(315,860)	—	—	(315,860)	(4,127,699)	(14,745,659)
	₱14,176,700	₱4,140,248	₱—	₱845,106	₱4,985,354	₱—	₱—	(₱315,860)	₱—	₱13,271,746	₱12,955,886	(₱4,127,699)	₱27,990,241

At January 1, 2012

	Net benefit cost in statement of comprehensive income					Remeasurements in other comprehensive income							
	At January 1	Current service cost	Past service cost	Net interest	Subtotal	Benefits paid	Transfer to plan	Return on plan assets (excluding amount included in net interest)	Actuarial changes arising from changes in demographic assumption	Actuarial changes arising from changes in financial assumptions	Subtotal	Contribution by employer	At December 31
Present value of defined benefit obligation	₹9,584,400	₹1,522,700	₹1,946,400	₹907,600	₹4,376,700	₹ (1,234,500)	₹201,100	₹—	₹—	₹10,392,500	₹10,392,500	₹—	₹23,320,200
Fair value of plan assets	(7,263,500)	—	—	—	—	1,234,500	₹(201,100)	(730,300)	—	—	(730,300)	(2,183,100)	(9,143,500)
	₹2,320,900	₹1,522,700	₹1,946,400	₹907,600	₹4,376,700	₹—	₹—	₹(730,300)	₹—	₹10,392,500	₹9,662,200	₹(2,183,100)	₹14,176,700

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

	December 31	January 1
	2013	2012
	(As restated)	(As restated)
Discount rate	6.38%	6.24%
Salary increase rate	12.00%	12.00%

The fair value of net plan assets by each class is as follows:

	31-Dec 2013	31-Dec 2012	1-Jan 2012
<b>Assets</b>			
Cash and cash equivalents	₱12,158,098	₱9,930,015	₱3,302,004
Equity investments	141,295	477,360	—
Debt investments Government bonds	8,172,682	3,956,590	3,944,206
Mutual Funds	309,504	381,694	—
Loans	1,386,037	—	—
Other (Market Gains / Losses, Accrued Receivables, etc. )	260,162	—	1,897,290
Fair value of plan assets	₱22,427,778	₱14,745,659	₱9,143,500

The sensitivity analysis below has been determined based on reasonably possible changes of each significant assumption on the defined benefit obligation as of the end of the reporting period, assuming if all other assumptions were held constant:

	December 31, 2013	Effect on defined pension plan
	Increase (decrease)	
Discount rates	+250 basis points	(26,114,399)
	+100 basis points	16,743,553
Future salary increases	+200 basis points	34,155,612
	+100 basis points	(11,799,726)

The Association expects to contribute ₱13.32 million to the defined pension plan in 2014.

The average duration of the defined benefit obligation at the end of the reporting period is 29.3 years

Shown below is the maturity analysis of the undiscounted benefit payments:

	December 31, 2013
Less than 1 year	₱—
More than 1 year to 5 years	—
More than 5 years to 10 years	—
More than 10 years to 15 years	7,281,406
More than 15 years to 20 years	10,495,617
More than 20 years	₱4,806,356,607



## 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, 2013 and 2012, the Association's MOS based on its calculations amounted to ₱782 million and ₱891 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:

	2013	2012
Admitted assets	<b>₱5,222,492,464</b>	₱4,509,697,128
Admitted liabilities	<b>4,363,057,699</b>	3,473,437,753
Net worth	<b>₱859,434,765</b>	₱1,036,259,375

As of December 31, 2013 and 2012, 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:

	2013	2012
Cash and cash equivalents	<b>₱278,729,703</b>	₱772,053,352
Property and equipment	<b>4,078,363</b>	63,829,792
Other assets	<b>8,238,377</b>	17,307,337
	<b>₱291,046,443</b>	₱853,190,481

If an insurance Association 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, 2013 and 2012, the Association has a total of ₱125.6 million and ₱126.90 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 Association, the minimum statutory net worth and minimum paid-up capital requirements vary. The minimum paid-up capital is pegged at 25% 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:

	2013	2012
Minimum statutory net worth	<b>₱1,000,000,000</b>	₱500,000,000

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, 2013 and 2012, the Association has complied with this requirement.

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

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

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

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

	2013	2012
Member's equity	₱1,224,580,095	₱1,057,605,962
RBC requirement	351,439,323	351,439,323
RBC Ratio	348.94%	300.94%

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.

### 2013

	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>
Increase (decrease) on liabilities	<b>₱660,835,831</b>	<b>(₱781,110,171)</b>
Increase (decrease) on revenue	<b>(660,835,831)</b>	<b>718,110,171</b>

### 2012

	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>	<b>Increase of 1.00% on discount rate and decrease of 25.00% on mortality rate</b>
Increase (decrease) on 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>

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, 2013 and 2012:

	2013		2012	
	Carrying Value	Fair Value	Carrying Value	Fair Value
<b>Financial Assets</b>				
Loans and receivables				
Cash and cash equivalents	<b>₱642,567,435</b>	<b>₱642,567,435</b>	₱829,704,731	₱829,704,731
Short-term investments	<b>72,922,025</b>	<b>72,922,025</b>	70,384,177	70,384,177
Receivables				
Accrued interest receivable	<b>51,223,205</b>	<b>51,223,205</b>	46,531,776	46,531,776
Accounts receivables	<b>137,026,494</b>	<b>137,026,494</b>	22,870,006	22,870,006
Loans receivable	<b>38,333,333</b>	<b>38,333,333</b>	10,000,000	10,000,000
Other receivables	<b>1,689,919</b>	<b>1,689,919</b>	1,270,336	1,270,336
Financial assets at FVPL	<b>21,040,000</b>	<b>21,040,000</b>	20,260,000	20,260,000
AFS financial assets				
Quoted	<b>342,890,889</b>	<b>342,890,889</b>	329,187,231	329,187,231
Unquoted	<b>171,191,400</b>	<b>171,191,400</b>	143,125,000	143,125,000
HTM investments	<b>3,741,083,915</b>	<b>3,957,888,385</b>	3,128,634,363	3,355,714,592
	<b>₱5,219,968,615</b>	<b>₱5,436,773,085</b>	₱4,601,967,620	₱4,829,047,849
<b>Financial Liabilities</b>				
Accounts payable and accrued expenses	<b>₱70,602,938</b>	<b>₱70,602,938</b>	163,591,076	163,591,076

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.

As of December 31, 2013 and 2012, the fair value of the Available for Sale financial assets of the Association amounted to ₱342,890,889 and ₱329,187,231, respectively.



The Association 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, 2013 and 2012, 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.

	2013	2012
<b>Financial Assets</b>		
Loans and receivables		
Cash and cash equivalents (excluding cash on hand amounting ₱3.41 million and ₱3.15 million in 2013 and 2012, respectively)	<b>₱639,161,440</b>	₱826,556,549
Short-term investments	<b>72,922,025</b>	70,384,177
Receivables		
Accrued interest receivable	<b>51,223,205</b>	46,531,776
Accounts receivables	<b>137,026,494</b>	22,870,006
Loans receivable	<b>38,333,333</b>	10,000,000
Other receivables	<b>1,689,919</b>	1,276,336
Financial assets at FVPL	<b>21,040,000</b>	20,260,000
AFS financial assets		
Quoted	<b>342,890,889</b>	329,187,231
Unquoted	<b>171,191,400</b>	143,125,000
HTM investments	<b>3,741,083,915</b>	3,128,634,363
	<b>₱5,216,562,620</b>	₱4,598,825,438

The credit risk is concentrated on the following:

	2013	2012
Related parties	<b>₱711,196,409</b>	₱58,316,649
Unrelated parties	<b>4,505,366,211</b>	4,540,508,789
	<b>₱5,216,562,620</b>	₱4,598,825,438

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, 2013 and 2012.

### 2013

	Neither Past-Due nor Impaired		Past Due and Impaired	Total
	Investment Grade	Non-investment Grade		
<b>Financial Assets</b>				
Loans and receivables				
Cash and cash equivalents	<b>₱639,161,440</b>	₱ –	₱ –	<b>₱639,161,440</b>
Short-term investments	<b>72,922,025</b>	–	–	<b>72,922,025</b>
Receivables				
Accrued interest receivable	<b>51,223,205</b>	–	–	<b>51,223,205</b>
Accounts receivables	<b>136,328,316</b>	–	698,178	<b>137,026,494</b>
Loans receivable	<b>38,333,333</b>	–	–	<b>38,333,333</b>
Other receivables	–	1,299,535	390,384	<b>1,689,919</b>
Financial assets at FVPL	<b>21,040,000</b>	–	–	<b>21,040,000</b>
AFS financial assets				
Quoted	<b>342,890,889</b>	–	–	<b>342,890,889</b>
Unquoted	<b>171,191,400</b>	–	–	<b>171,191,400</b>
HTM investments	<b>3,741,083,915</b>	–	–	<b>3,741,083,915</b>
	<b>₱5,214,174,523</b>	<b>₱1,299,534</b>	<b>₱1,088,562</b>	<b>₱5,216,562,620</b>



2012

	Neither Past-Due nor Impaired		Past Due and Impaired	Total
	Investment Grade	Non-investment Grade		
Financial Assets				
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
	₱4,597,549,102	₱1,270,336	₱2,615,863	₱4,601,435,301

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.

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:

## 2013

	Up to 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	₱639,161,440	₱—	₱—	₱—	₱—	₱639,161,440
Short-term investments	72,922,025	—	—	—	—	72,922,025
Receivables						
Accrued interest receivable	51,223,205	—	—	—	—	51,223,205
Accounts receivables	137,026,494	—	—	—	—	137,026,494
Loans receivables	18,333,333	20,000,000	—	—	—	38,333,333
Other receivables	1,689,919	—	—	—	—	1,689,919
Financial assets at FVPL	21,040,000	—	—	—	—	21,040,000
AFS financial assets	—	—	—	—	514,082,289	514,082,289
HTM investments	255,926,308	1,023,881,956	1,545,232,159	916,043,492	—	3,741,083,915
	<b>₱1,197,322,724</b>	<b>₱1,043,881,956</b>	<b>₱1,545,232,159</b>	<b>₱916,043,492</b>	<b>₱514,082,289</b>	<b>₱5,216,562,620</b>
<b>Financial liabilities</b>						
<b>Other financial liabilities</b>						
Collection fee payable	₱50,440,961	₱—	₱—	₱—	₱—	₱50,440,961
Claims payable	15,326,342	—	—	—	—	15,326,342
Unearned contribution income – AKAP	—	—	—	—	—	—
Accounts payable - CAMIA	10,537,230	—	—	—	—	10,537,230
Accrued expenses	7,242,228	—	—	—	—	7,242,228
Held in trust - CAMIA	801,740	—	—	—	—	801,740
	<b>₱84,348,501</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱—</b>	<b>₱84,348,501</b>

## 2012

	Up to 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
Receivables						
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	2,225,156	—	—	—	—	2,225,156
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>₱4,601,435,301</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
Unearned contribution income – 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>

## 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:

- 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.
- 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.
- 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.

	2013		2012	
	U.S. Dollar <sup>(1)</sup>	Peso Equivalent	U.S. Dollar <sup>(1)</sup>	Peso Equivalent
Cash in bank	\$11,517	₱511,530	\$7,949	₱326,319
Short-term investments	5,426	240,980	5,376	220,686
Total	\$16,943	₱752,510	\$13,325	₱547,005

<sup>(1)</sup> The exchange rate used was ₱44.41 to US\$ 1.00 in 2013 and ₱41.05 to US\$ 1.00 in 2012.

#### *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
2013	USD	+2.05	₱15,426
		-2.05	(₱15,426)
2012	USD	+1.72	₱9,408
		-1.72	(₱9,408)

#### *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, 2013 and 2012 that are exposed to fair value interest rate risk presented by maturity profile.

### 2013

	Range of interest rate	Up to a year	Over one (1) year
Cash and cash equivalents-regular deposit	1.25% to 2.00%	₱197,875,149	₱-
Cash and cash equivalents-time deposits	1.00% to 4.00%	444,692,286	-
Short-term investments	0.75% to 1.00%	72,922,025	-
HTM investments	1.625% to 9.00%	255,926,308	3,485,157,607
Total financial assets		₱971,415,768	₱3,485,157,607

### 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
Total financial assets		₱1,091,491,452	₱2,938,846,894

### *Price risk*

The Association's price risk exposure at year-end relates to financial assets whose values will fluctuate as a result of changes in market prices, principally, AFS investments. Such investment securities are subject to price risk due to changes in market values of instruments arising either from factors specific to individual instruments or their issuers or factors affecting all instruments traded in the market.

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

### *Sensitivity analysis*

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

	Amount	Increase (decrease) in fair value	Impact on fund balance
2013	₱363,930,889	+9.00%	23,573,787
		-9.00%	(23,573,787)
2012	₱254,189,859	+10.12%	25,731,429
		-10.12%	(25,731,429)

## 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 Association's financial statements. As of December 31, 2013 and 2012, 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.

## 27. Appropriated Fund Balance

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

	<b>Guaranty fund (Note 11)</b>	<b>CDRAP</b>	<b>AKAP CARD</b>	<b>MAHP</b>	<b>TOTAL</b>
As at January 1, 2012	₱127,487,319	₱15,000,000	₱18,508,500	₱10,000,000	₱170,995,819
Appropriation	—	11,000,000	—	12,500,000	23,500,000
Reversal of appropriation	(586,640)	—	—	—	(586,640)
As at December 31, 2012	<b>126,900,679</b>	<b>26,000,000</b>	<b>18,508,500</b>	<b>22,500,000</b>	<b>193,909,179</b>
Appropriation	—	<b>91,700,000</b>	—	—	<b>91,700,000</b>
Utilization of appropriation	—	<b>(27,251,515)</b>	<b>(18,508,500)</b>	<b>(22,500,000)</b>	<b>(68,260,015)</b>
As at December 31, 2013	<b>₱126,900,679</b>	<b>₱90,448,485</b>	<b>₱—</b>	<b>₱—</b>	<b>₱217,349,164</b>

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, whichever is higher. In 2012, the Association reversed ₱0.59 million of the appropriated guaranty fund.

The Association appropriated ₱91.7 million in 2013 and ₱11.00 million in 2012 for CARD MRI Disaster Relief Assistance Program (CDRAP) aimed at providing relief assistance to its members and dependents during calamities and other disasters in the form of cash or relief goods.

The Association appropriated nil and ₱12.00 million in 2013 and 2012 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.

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## 28. Supplementary Tax Information Required Under Revenue Regulations 15-2010

The Association reported and/or paid the following types of taxes in 2013:

### 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 'Taxes and Licenses' under the 'General and Administrative Expenses' section in the Association's statements of income.

Details consist of the following:

License and permit fees	₱1,917,443
Documentary stamp taxes	1,571,313
	<u>₱ 3,488,756</u>

- e. Withholding Taxes

Details consist of the following:

Withholding taxes on compensation and benefits	₱2,154,244
Expanded withholding taxes	241,972
	<u>₱2,396,216</u>

- f. Tax Assessments and Cases

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



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

**SUPPLEMENTARY SCHEDULE REQUIRED UNDER  
SECURITIES REGULATOR CODE RULE 68, AS AMENDED (2011)  
DECEMBER 31, 2013**

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>Framework for the Preparation and Presentation of Financial Statements</b> Conceptual Framework Phase A: Objectives and qualitative characteristics		✓		
<b>PFRSs Practice Statement Management Commentary</b>			✓	
<b>Philippine Financial Reporting Standards</b>				
<b>PFRS 1 (Revised)</b>	First-time Adoption of Philippine Financial Reporting Standards	✓		
	Amendments to PFRS 1 and PAS 27: Cost of an Investment in a Subsidiary, Jointly Controlled Entity or Associate			✓
	Amendments to PFRS 1: Additional Exemptions for First-time Adopters			✓
	Amendment to PFRS 1: Limited Exemption from Comparative PFRS 7 Disclosures for First-time Adopters			✓
	Amendments to PFRS 1: Severe Hyperinflation and Removal of Fixed Date for First-time Adopters			✓
	Amendments to PFRS 1: Government Loans			✓
<b>PFRS 2</b>	Share-based Payment			✓
	Amendments to PFRS 2: Vesting Conditions and Cancellations			✓
	Amendments to PFRS 2: Group Cash-settled Share-based Payment Transactions			✓
<b>PFRS 3 (Revised)</b>	Business Combinations			✓
<b>PFRS 4</b>	Insurance Contracts	✓		
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
<b>PFRS 5</b>	Non-current Assets Held for Sale and Discontinued Operations			✓

PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013		Adopted	Not Adopted	Not Applicable
PFRS 6	Exploration for and Evaluation of Mineral Resources			✓
PFRS 7	Financial Instruments: Disclosures	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets - Effective Date and Transition	✓		
PFRS 7	Amendments to PFRS 7: Improving Disclosures about Financial Instruments	✓		
	Amendments to PFRS 7: Disclosures - Transfers of Financial Assets	✓		
	Amendments to PFRS 7: Disclosures – Offsetting Financial Assets and Financial Liabilities	Not early adopted		
	Amendments to PFRS 7: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
PFRS 8	Operating Segments			✓
PFRS 9	Financial Instruments	Not early adopted		
	Amendments to PFRS 9: Mandatory Effective Date of PFRS 9 and Transition Disclosures	Not early adopted		
PFRS 10	Consolidated Financial Statements	Not early adopted		
PFRS 11	Joint Arrangements			✓
PFRS 12	Disclosure of Interests in Other Entities	Not early adopted		
PFRS 13	Fair Value Measurement	Not early adopted		
Philippine Accounting Standards				
PAS 1 (Revised)	Presentation of Financial Statements	✓		
	Amendment to PAS 1: Capital Disclosures	✓		
	Amendments to PAS 32 and PAS 1: Puttable Financial Instruments and Obligations Arising on Liquidation			✓
	Amendments to PAS 1: Presentation of Items of Other Comprehensive Income	Not early adopted		
PAS 2	Inventories			✓
PAS 7	Statement of Cash Flows	✓		
PAS 8	Accounting Policies, Changes in Accounting Estimates and Errors	✓		

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>PAS 10</b>	Events after the Reporting Period	✓		
<b>PAS 11</b>	Construction Contracts			✓
<b>PAS 12</b>	Income Taxes			✓
	Amendment to PAS 12 - Deferred Tax: Recovery of Underlying Assets	✓		
<b>PAS 16</b>	Property, Plant and Equipment	✓		
<b>PAS 17</b>	Leases	✓		
<b>PAS 18</b>	Revenue	✓		
<b>PAS 19</b>	Employee Benefits	✓		
	Amendments to PAS 19: Actuarial Gains and Losses, Group Plans and Disclosures	✓		
<b>PAS 19 (Amended)</b>	Employee Benefits	<i>Not early adopted</i>		
<b>PAS 20</b>	Accounting for Government Grants and Disclosure of Government Assistance			✓
<b>PAS 21</b>	The Effects of Changes in Foreign Exchange Rates	✓		
	Amendment: Net Investment in a Foreign Operation			✓
<b>PAS 23 (Revised)</b>	Borrowing Costs			✓
<b>PAS 24 (Revised)</b>	Related Party Disclosures	✓		
<b>PAS 26</b>	Accounting and Reporting by Retirement Benefit Plans			✓
<b>PAS 27</b>	Consolidated and Separate Financial Statements			✓
<b>PAS 27 (Amended)</b>	Separate Financial Statements	<i>Not early adopted</i>		
<b>PAS 28</b>	Investments in Associates	✓		
<b>PAS 28 (Amended)</b>	Investments in Associates and Joint Ventures	<i>Not early adopted</i>		
<b>PAS 29</b>	Financial Reporting in Hyperinflationary Economies			✓
<b>PAS 31</b>	Interests in Joint Ventures			✓
<b>PAS 32</b>	Financial Instruments: Disclosure and Presentation	✓		
	Amendments to PAS 32 and PAS 1: Puttable			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
	Financial Instruments and Obligations Arising on Liquidation			
	Amendment to PAS 32: Classification of Rights Issues			✓
	Amendments to PAS 32: Offsetting Financial Assets and Financial Liabilities	<i>Not early adopted</i>		
<b>PAS 33</b>	Earnings per Share			✓
<b>PAS 34</b>	Interim Financial Reporting			✓
<b>PAS 36</b>	Impairment of Assets	✓		
<b>PAS 37</b>	Provisions, Contingent Liabilities and Contingent Assets	✓		
<b>PAS 38</b>	Intangible Assets			✓
<b>PAS 39</b>	Financial Instruments: Recognition and Measurement	✓		
	Amendments to PAS 39: Transition and Initial Recognition of Financial Assets and Financial Liabilities	✓		
	Amendments to PAS 39: Cash Flow Hedge Accounting of Forecast Intragroup Transactions			✓
	Amendments to PAS 39: The Fair Value Option			✓
	Amendments to PAS 39 and PFRS 4: Financial Guarantee Contracts	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets	✓		
	Amendments to PAS 39 and PFRS 7: Reclassification of Financial Assets – Effective Date and Transition	✓		
	Amendments to Philippine Interpretation IFRIC–9 and PAS 39: Embedded Derivatives			✓
	Amendment to PAS 39: Eligible Hedged Items			✓
<b>PAS 40</b>	Investment Property			✓
<b>PAS 41</b>	Agriculture			✓
<b>Philippine Interpretations</b>				
<b>IFRIC 1</b>	Changes in Existing Decommissioning, Restoration and Similar Liabilities			✓
<b>IFRIC 2</b>	Members' Share in Co-operative Entities and Similar Instruments			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>IFRIC 4</b>	<i>Determining Whether an Arrangement Contains a Lease</i>			✓
<b>IFRIC 5</b>	Rights to Interests arising from Decommissioning, Restoration and Environmental Rehabilitation Funds			✓
<b>IFRIC 6</b>	<i>Liabilities arising from Participating in a Specific Market - Waste Electrical and Electronic Equipment</i>			✓
<b>IFRIC 7</b>	<i>Applying the Restatement Approach under PAS 29 Financial Reporting in Hyperinflationary Economies</i>			✓
<b>IFRIC 8</b>	<i>Scope of PFRS 2</i>			✓
<b>IFRIC 9</b>	Reassessment of Embedded Derivatives			✓
<b>IFRIC 9</b>	Amendments to Philippine Interpretation IFRIC-9 and PAS 39: Embedded Derivatives			✓
<b>IFRIC 10</b>	<i>Interim Financial Reporting and Impairment</i>			✓
<b>IFRIC 11</b>	PFRS 2- Group and Treasury Share Transactions			✓
<b>IFRIC 12</b>	Service Concession Arrangements			✓
<b>IFRIC 13</b>	Customer Loyalty Programmes			✓
<b>IFRIC 14</b>	The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction			✓
	Amendments to Philippine Interpretations IFRIC-14, Prepayments of a Minimum Funding Requirement			✓
<b>IFRIC 16</b>	Hedges of a Net Investment in a Foreign Operation			✓
<b>IFRIC 17</b>	Distributions of Non-cash Assets to Owners			✓
<b>IFRIC 18</b>	Transfers of Assets from Customers			✓
<b>IFRIC 19</b>	Extinguishing Financial Liabilities with Equity Instruments			✓
<b>IFRIC 20</b>	Stripping Costs in the Production Phase of a Surface Mine			✓
<b>SIC-7</b>	Introduction of the Euro			✓
<b>SIC-10</b>	Government Assistance - No Specific Relation to Operating Activities			✓
<b>SIC-12</b>	Consolidation - Special Purpose Entities			✓
	Amendment to SIC - 12: Scope of SIC 12			✓

<b>PHILIPPINE FINANCIAL REPORTING STANDARDS AND INTERPRETATIONS Effective as of December 31, 2013</b>		<b>Adopted</b>	<b>Not Adopted</b>	<b>Not Applicable</b>
<b>SIC-13</b>	Jointly Controlled Entities - Non-Monetary Contributions by Venturers			✓
<b>SIC-15</b>	Operating Leases - Incentives			✓
<b>SIC-25</b>	Income Taxes - Changes in the Tax Status of an Entity or its Shareholders			✓
<b>SIC-27</b>	Evaluating the Substance of Transactions Involving the Legal Form of a Lease			✓
<b>SIC-29</b>	Service Concession Arrangements: Disclosures.			✓
<b>SIC-31</b>	Revenue - Barter Transactions Involving Advertising Services			✓
<b>SIC-32</b>	Intangible Assets - Web Site Costs			✓





## Annexes

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## Directory of CARD MBA Coordinators Luzon

### Benguet

#### La Trinidad

La Trinidad 1	Shayenne Lynne A. Sanchez
La Trinidad 2	Mildred G. Paleng
La Trinidad 7	Julia C. Fanwa

#### Baguio

La Trinidad 4	Rebecca D. Balacdao
La Trinidad 5	Lydia D. Pagnas
La Trinidad 8	Janice B. Madarang
Baguio 2	Jessica B. Supsupin
Baguio 1	Ronaliza B. Vilorio
Naguilian	Elizabeth Martinez
Agoo	Gloria O. Llavore
Aringay	Herminia N. Padilla
Rosario	Nieves S. Lubongan

#### La Union 1

San Fernando	Jennifer Flores
Bauang	Maylene G. Farinas
Tubao	Carolina C. Rivera

#### La Union 2

San Juan	Begilda Padua
Balaoan	Josephine M. Oliveras
Luna	Lolita L. Bactad

### Cagayan

#### Cagayan 1

Alcala	Nenita D. Cabaruan
Baggao	Caren S. Bribon
Iguig	Josephine A. Alcoy
Tuguegarao	Remedios I. Tugad
Penablanca	Michelle D. Balderey
Solana	Myrna N. Durian
Solana 2	Patricia Bega

#### Cagayan 2

Gonzaga	Marivic R. Cusipag
Aparri	Venus S. Nolasco
Lal-Lo	Haydee C. Antonio
Sta. Teresita	Charlene P. Balanon
Lasam	Edwina U. Jove

#### Cagayan 3

Claveria	Elizabeth R. Calumpit
Sanchez Mira	Julita R. Paculguen
Abulug	Wilma Pascua
Ballesteros	Celia S. Arzaga
Allacapan	Evangelina C. Trocio

#### Isabela 1

Tumauini	Susana S. Tumolva
Ilagan	Sarah M. Antonio
Gamu	Annalisa Cabia
Cauayan City	Petronila M. Balmores
Naguilian	Marites B. Lungub

### Ilocos

#### Ilocos 1

Laoag 1	Rona- Lyn Diego
Laoag 2	Maricel Romo
Bacarra	Lorna Gamiao
Pasquin	Flordelie Dancel
Vintar	Edna Dalere

#### Ilocos 1

Batac 1	Sheila Marie Gaoat
Batac 2	Romelyn Sicut
San Nicolas	Elcrisa Burigsay
Paoay	Josephine Sado
Badoc	Salome Rin
Pinili	Irene Curameng

#### Ilocos 3

Dingras	Marites Dela Cruz
Solsona 1	Marilyn Malvar
Solsona 2	Ma. Jesusa Andeca
Sarrat	Teresita Rasgado
Banna	Mary Rose Rupisan
Marcos	Myna Dalan

#### Ilocos 4

Vigan 1	Melanie Lazo
Sto. Domingo	Rhodilyn Antonio
Magsingal	Sherry Ann Parbo
San Juan	Elizabeth Valle
Cabugao	Neldie Ibea

#### Ilocos 5

Bantay	Conchita Valdez
Sta. Maria	Delia Cabotaje
Santiago	Saturnina Gabong

#### Ilocos 6

Bangued	Emma Bano
Bucay	Rowena Barbosa
Pidigan	Marcela Budiao
Tayum	Marilyn Tagura
La Paz	Zenaida Martinez

#### Ilocos 7

Candon 2	Nora Gapasin
Sta Cruz	Lorelie Sagara
Tagudin 2	Agnes Balcac

### Nueva Vizcaya

#### Isabela 2

Alicia	Corazon Gomez
Echague	Carmelita Magudang
Santiago	Cristelita E. Navarette
Jones	Josephine M. Porca
Ramon	Florida I. Cabuyadao

#### Isabela 3

Quezon	Gemma Requilman
San Mateo	Mary Grace B. Lacuata
Burgos	Adalaida B. Ayap
Roxas	Madelyn A. Macaranas

#### Quirino

Cabarroguis	Milagros H. Ayudoc
Nagtipunan	Merly Gervacio
Cordon	Arsenia A. Garcia
Maddela	Remedios G. Barroga

#### Nueva Vizcaya

Bambang	Emma Zamora
Aritao	Vilma V. Fernandez
Kasibu	Lonelyn L. Ramel

#### Ifugao

Bagabag	Helen P. Dacumos
Bagabag	Josie W. Rivera
Solano	Rubylyn B. Serquina
Villa Verde	Edna S. Urban
Lagawe	Veronica D. Bumolyad
Banaue	Amara N. Daen

#### Mountain Province

Bontoc	Faith Dulay
Sagada	Brenda K. Labiang
Bauko	Olivia B. Desierto
Buguan	Olivia Tagtag



### Tarlac

#### Tarlac 1

Capas	Beatriz C. Dela Cruz
Sta. Ignacia	Jinalyn M. De Leon
Tarlac City 1	Rosemarie Alperéz
Lapaz	Rima G. Panlilio

#### Tarlac 2

Gerona	Mindaluz B. Fontanes
Moncada	Juliet Ma. Theresa Padilla
Paniqui	Gloria T. Santos
San Manuel	Amalia Parocha
Victoria	Ma. Noemi Grace Deang

#### Pangasinan 4

Aguilar	Juvilyn Garcia
Bugallon	Maria Fe Marayag
Binmaley	Rosie Dela Cruz Delen
Mangatarem	Khaty Lyn Vigilla
Lingayen 1	Johnnylen V. De Leon
Lingayen 2	Cherylen P. Viray

#### Pangasinan 6

Anda	Virginia Ganchero
Bani	Minerva Orila
Sual	Valentina Mostajo
Bolinao	Edna Puda

#### Nueva Ecija

Guimba	Eliza L. Manalang
Sta. Rosa	Rosita M. Santiago

### Pangasinan

#### Pangasinan 1

Asingan	Herminia C. Almienda
Alcala	Rudelia Mariano
Tayug	Jennifer Nacalaban
Urdaneta 2	Merlita L. Torres

#### Pangasinan 2

Pozorrubio	Lani G. Ugay
Binalonan	Evelyn Batin
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	Vivian Quiamson
San Fabian 2	Shirley Obispo
San Jacinto	Precela S. Salvado
Manaoag	Cynthia Fajarito

#### Pangasinan 5

Dagupan 1	Lalaine Rosal
Sta. Barbara	Marites Tulao
San Carlos 2	Verna A. Navarro

#### Pangasinan 7

Malasiqui 2	Shirley Sanchez
Bayambang 2	Crisanta Untalan
Malasiqui 1	Adelina Serafica
Camiling	Petronila Julian
Bayambang 1	Sonia Junio
Urbiztondo	Maribel Morales

### Bulacan

#### Bulacan 1

Marilao	Evangeline N. Cuenca
San Jose Del Monte 1	Rowena D. Bullock
Norzagaray	Jemielyn T. Pasco
Sta. Maria	Herminia P. Catahan
San Jose Del Monte 2	Marilyn E. Capa

#### Bulacan 2

Baliuag	Lilibeth C. Doria
Bustos	Carolyn D. Beltran
San Ildefonso	Lucila R. Rodriguez
Plaridel	Ruby I. Garcia
	Esperanza M. Garchitorea
San Miguel	

#### Bulacan 3

Bocaue	Lucidel R. Libunao
Calumpit	Ma. Lorna G. Adriano
Hagonoy	Marissa L. Santiago
Malolos	Marita D. Rico
Guiguinto	Rosana C. Dela Cruz

#### Camanava 1

Valenzuela 1	Irene R. De Leon
Valenzuela 2	Nancy M. De Jesus
Malabon 1	Zenaida A. Sangeles
Malabon 2	Adoracion S. Garcia
Navotas 1	Sonivic O. Advincula
Navotas 2	Gay C. Atienza

#### Camanava 2

Caloocan East	Mera T. Dizon
Caloocan South	Rodelyn O. Sambrano
Caloocan North	Fredisminda V. Apongol
Novaliches 1	Nineta Rivera
Novaliches 2	Elvira A. Galon
Del Monte 2	Lotus L. De Castro

### Cavite

#### Cavite 3

Bacoor 3	Nory Felizardo
Tanza 1	Jean Del Pilar
Tanza 2	Rosario Alano
Plaridel	Nelia B. Osing
San Miguel	Esperanza M. Garchitorea
Bacoor 2	Ma. Neriza A. Vargas

#### Cavite 4

Naic	Melanie M. Nito
Indang 1	Maureen Nery
Alfonso	Mercy Hernandez
Indang 2	Leonida D. Hermoso
Maragondon	Norma Tamayo

#### SME Cavite

Noveleta	Eileen Alvarico
Kawit	Merlyn B. Lariba
Rosario	Christy Esparraguerra
Cavite City 2	Maryjane M. Noceda

#### SME Tagaytay

Dasma 2A	Virginia A. Sayson
Dasma 2B	Gemma Bening
Dasma 1A	Marisol R. Brutas
Dasma 1B	Whilalyn Sambajon
Gma 1A	Concepcion Millares
Gma 1B	Rovilla G. Cabigao
Gma 2	Marieta Bautizado
Silang 1	Jovita C. Generoso
Silang 3	Pinky Genesis
Silang 4	Bernadette A. Reyes
Tagaytay 1	Chanita Hierco
Tagaytay 2	Marilyn Romilla

#### SME Dasma

Dasmariñas 4	Isabelita Lentijas
Dasmariñas 6	Bernadette Matubis
Imus 1	Leela Lelis
Imus 2	Perla C. Reboquiao



# Directory of CARD MBA Coordinators

## Luzon

### Metro Manila 1

#### NCR 1A

Muntinlupa 1	Lailanie E. Andres
Pateros	Olaira S. Agir
Taguig 1	Lualhati L. Morales
Taguig 2	Arlene N. Muyargas

#### NCR 1B

Parañaque 1	Justa Emina I. Olimberio
Parañaque 2	Engenita L. Mariscal
Parañaque 3	Marissa B. Dimayuga

#### CARD Bank Las Piñas Area 1 & 2

Caa 2	Regina Silamor Palconit
Caa 3	Gladys Ann N. Nadnaden
Las Piñas 3	Mary Grace C. Luba
Plp 1	Liberty G. Returbar
Plp 2	Mylene S. Sotta
Pilar	Jenistrel S. Regalado
Plp 3	Isabelita F. Angeles

#### CARD Bank Makati

Makati 1	Ma. Liza Tuya Macario
Makati 2	Darlina F. Molon
Makati 3	Jessica L. Lawena

#### CARD Bank Mandaluyong

Mandaluyong 1	Marieta C. Quilantang
Mandaluyong 2	Clarita S. Rivera

#### CARD Bank Pasay

Pasay 1	Marilyn A. Carinan
Pasay 2	Lerma C. Tanao Tanao

### Metro Manila 2

#### NCR 2

Marikina 2	Magdalena B. Salazar
Pasig 1	Remedios B. Molleno
Pasig 2	Jocelyn F. Roquero
Pasig 3	Loida D. Estanislao
San Juan	Rhoda M. Salamares

#### NCR 3

Commonwealth 1	Elnor V. Magculang
Quirino	Gladys Famorcan
Commonwealth 2	Maria Lovella O. Barbosa
Tandangsoa	Juvy P. Tejada

#### NCR 4

Paco	Estrella E. Rontale
Sampaloc	Neonita Calubaquib
Sta. Ana	Perlita A. Balceta
Del Monte 1	Salvacion G. Penuela
Sta. Mesa	Maria Theresa V. Balogbog

### Rizal Rural Bank

Cainta 1	Alejandra M. Capistrano
Angono	Nancy M. Hermosa
Taytay 1	Jocelyn T. Arguelles
Taytay 2	Precy Butin
San Mateo	Catherine B. Dela Cruz
Montalban	Nora R. Magallanes
Antipolo 2	Eclar, Eufrocina Angela A.

### Palawan

#### Palawan 1

Puerto Princesa 1	Maru, Marites
Puerto Princesa 2	Shierly O. Pachieco
Puerto Princesa 4	Maricel Cugaid
Puerto Princesa 5	Marilyn V. Antioquia

#### Palawan 2

Narra 1	Wilinda A. Caabay
Narra 2	Mercedita D. Moncatar
Narra 3	Lenen C. Bacabac
Quezon	Betty San Juan

#### Palawan 3

Brooke'S Point 1	Jasmin Mutia
Bataraza 1	Orieta P. Del Monte
Bataraza 2	Ma. Jasmin Millares
Rizal	Margarita Cansino
Española	Nita V. Cabeza

#### Palawan 4

Roxas 1	Madelyn A. Gapulao
Roxas 2	Ernelie D. Paalan
Taytay 2	Geraldine Reyes
El Nido	Shiela Thompson

#### Palawan 5

Coron 1	Flozerfida B. Altarejos
Busuanga	Desiree G. Yala

### Batangas 1

#### SME Sto. Tomas Area 1

Sto tomas 1	Josefina C. Carpio
Sto tomas 2	Susana Malipol
Sto tomas 3	Josephine R. Gonzales
Sto tomas 4	Nena M. Padilla
Sto tomas 5	Maria Elma Abasta
Tanauan 1	Grace G. Eustaquio

#### SME Sto. Tomas Area 2

Tanauan 2	Gregoria V. Rimas
Tanauan 4	Cristina Del Rosario
Tanauan 3	Aida Medrana
Talisay 1	Ma. Teresa Morata
Malvar	Jacqueline De Villa
Laurel 2	Ma. Teresa Natanauan
Laurel 1	Ma.Lina Landicho

### SME Lipa Area 1

Lipa 1	Luz H. Magnaye
Lipa 2	Gorgonia M. Borjal
Rosario B	Anna Marie B. Tejada

### SME Lipa Area 2

Lipa 3	Rosalinda La Rosa
Lipa 4	Imelda Dacula
Lipa 6	Elenita Pasana
Cuenca	Ma. Lourdes D. Rosales

### Batangas 2

#### SME Batangas Area 1

Batangas City 1	Norberta L. Gupo
Batangas City 3	Lurinda N. Macatangay
Batangas 4	Mary Ann M. Manimtim
Lobo	Juanita T. Celajes
Bauan 1	Ruth G. Basilan
Bauan 2	Gina C. Daza
San Pascual	Nerilina A. Valderama
Lemery 1	Estelita R. Endrinal
Lemery 2	Gina V. Mortel
Taal	Gemma C. Aguzar

#### SME Balayan Area 2

Agoncillo	Richelle D.S. Anuran
Balayan 1	Maricel P. Vida
Balayan 2	Venancia L. Hernandez
Calaca	Catalina Luce
Calatagan	Victoria C. Agdeppa
Lian	Rosalina Cabadin
Nasugbu 1	Marilyn C. Sevilla
Nasugbu 2	Catherine P. Santiso
San Luis	Catherine Panganiban
Tuy	Ednalisa Seña





## Directory of CARD MBA Coordinators Luzon

### Laguna 1

#### San Pablo 1

San Pablo 1	Eloisa Narvaez
San Pablo 2	Gemma G. Manlangit
San Pablo 3	Siony L. Perez
San Pablo 4	Merlita Rodegerio
San Pablo 5	Michel Villanueva
San Pablo 6	Merly E. Medrano

#### San Pablo 2

San Pablo 7	Fortunata M. Ostaco
Alaminos	Imelda Ignacio

#### Nagcarlan

Rizal	Arlinda Medrano
Nagcarlan 1	Maria Irish B. Dorado
Nagcarlan 2	Ligaya T. Del Mundo
Nagcarlan 4	Arlene Calangian
Liliw	Marivel P. General

#### Dolores

Dolores 1	Estelita R. Marana
Dolores 2	Necitas C. Mortel

#### Tiaong

Tiaong 1	Anicia Tolica
Tiaong 3	Delia M. Dimaculangan
San Antonio 1 Unit	Leonisa Guerra
San Antonio 2 Unit	Mary Ann C. Mauricia

#### Bay

Bay 1	Cristina G. Del Valle
Bay 2	Abundia Manabes
Victoria	Mervic Pecaña
Calauan-1	Marlene Coronacion
Calauan-2	Rosemarie A. Villa
Los Baños North	Violeta G. Aquino
Los Baños East	Trinidad M. Tamisin

#### Laguna 4

Calamba 1	Pablita Borbon
Calamba 2	Daisy R. Abueme
Calamba 3	Andrea Ramiro
Calamba 4	Rowena N. Magpantay
Calamba 5	Marilyn P. Mirasol
San Pedro 2	Leigh Eden U. Son

#### Laguna 5

Biñan 1	Rosalinda M. Dionisio
Biñan 2	Juana Maranan
Biñan 4	Millette Jane M. Malanyaon
Sta. Rosa 1	Joan N. Nuarez
Sta. Rosa 2	Alma H. Almocera
Cabuyao 1	Susan P. Aliparo
Cabuyao 2	Rechilda Macario

### Laguna 2

#### Laguna 2

Paete	Heromarie Casiano
Mabitac	Amalia H. Bacacao
Siniloan	Corazon Soterio
Famy	Jocelyn G. Lagura
Lumban	Marilyn Bulan

#### Rizal 2

Morong	Nicetas Berdan
Binangonan 2	Nancy Salgado
Jalajala	Divincia C. Salazar
Pililia	Ofelia R. Clemente
Tanay 1	Aileen B. Dela Rosa

#### Quezon 6

Infanta 1	Venus A. Coralde
Infanta 2	Myla B. Marquez
Infanta 3	Sheila M. Chua
Real 1	Babylyn C. Almonte
Real 2	Delilah Soriano
General Nakar	Lucia A. Gama

#### Laguna 3

Sta. Cruz 1	Eleanor D. Kakilala
Pagsanjan	Zenaida Javilinar
Magdalena	Lorna B. Orphiano
Majayjay	Leona Breganza
Cavinti	Noralyn Judilla

### Occidental Mindoro

#### San Jose Area 1

	Marianne Arlene
San Jose 1	Bodegas
San Jose 4	Cherry Madriaga
San Jose 5	Rowena Gayo

#### San Jose Area 2

Calintaan	Regine Valerio
Calintaan 2	Vilma Padilla
Magsaysay 1	Jennifer V. Gumasing
Magsaysay 2	Cherry Resurreccion
Rizal 1	Vilma Dizon
Rzal 2	Aileen Joy A. Laurel

#### Sablayan

Sablayan 1	Ma. Lanie Bermudo
Sablayan 2	Emily Legaspi
Ligaya	Salvacion Gulapa
Pag-Asa	Generosa Bulda

### Mamburao

Mamburao 1	Delma Yaming
Mamburao 2	Merlinda T. Insigne
Abra	Corazon Firme
Paluan	Eloisa T. Vicente
Sta. Cruz 1	Glorilyn Vidal
Sta. Cruz 2	Imelda H. Espiritu

### Oriental Mindoro

#### Calapan

Calapan Main	Perla P. Cruzat
Lazareto	Tita V. Marquez
Sta. Isabel	Isabel N. Bautista
Aurora	Rhea M. Bacay
Baco 1	Teresita Villanueva
Baco 2	Rosalie V. Songco
Comunal	Julia L. Viaña
Barcenaga	Mary Jane M. Pelaez
Victoria 2	Evangeline A. Orallo
	Beauty Evangeline Z. Yanes
Barcenaga 2	

#### Pinamalayan

	Ma. Rubirosa J. Constantino
Pinamalayan 2	
Gloria	Emma A. Mitra
Pola 2	Sherlyn Loro
Socorro	Alicia Duro

#### Roxas

Bongabong 1	Beverly S. Las Pinas
Mansalay	Imelda Q. Villaluna

#### Puerto Galera

San Teodoro	Teresa Castor
Puerto Galera 1	Raquel F. Reyes
Puerto Galera 2	Ofelia P. Evangelista



## Directory of CARD MBA Coordinators Luzon

### Albay

#### CARD Bank Legazpi

Legazpi 1	Lucila P. Alarzar
Daraga 2	Jean B. Bustamante
Pilar	Elvie R. Tolosa
Daraga 1	Vivian C. Saberon
Sto. Domingo	Gene F. Rodriguez
Bacacay	Rosa B. Bordanada
Tabaco	Eder V. Barbacena
Tiwi	Maria Antonia P. Valenzuela

#### CARD Bank Nabua A

Nabua 1	Janita L. Aguado
Nabua 2	Glenda L. Platilla
Bato	Carolina B. Agravante
Balatan	Maria Ana P. Baran

#### CARD Bank Nabua B

Iriga 1	Lydia T. Taturan
Iriga 2	Corazon D. Tebelin
Buhi	Marina P. Ababa
Baao	Gina O. Briñas

#### CARD Bank Ligao

Ligao 1	Eden R. Dela Torre
Guinobatan 1	Karen O. Cortez
Camalig	Pacita G. Lomangaya
Polangui 1	Juanita M. Federico
Polangui 2	Eunice R. Largosa
Oas	Dolores C. Brijuega

#### CARD Bank Sorsogon

Gubat	Grace F. Espenida
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### Camarines Norte

#### Daet

Daet 1	Mabeza, Yolanda M
Daet 2	Florendo, Genelita B.
Daet 3	Tenorio, Julieta D.
Basud	Dolatre, Lorna
Labo 1	Clacio, Ester M.
Labo 2	Rojo, Eden
Panganiban	Guiriba, Gina M.
Paracale	Villaflores, Arlene
Sta. Elena	Sureta, Ginalyn T.

#### Sipocot

Sipocot 1	Garcia S. Lydia
Sipocot 2	Benita Peñano
Sipocot 3	Marvida, Jean r.
Sipocot 4	Importa, Marites P.
Ragay	Cruzado, Maria Excel

#### Libmanan

Libmanan	Marjury M. Felizardo
Pasacao	Pamela O. Bautista
Pamplona	Agnes B. Ascaño

#### Tagkawayan

Tagkawayan 1	Obligado, Nelia L.
Tagkawayan 2	Mary Ann Ulan
Del Gallego	Ofelia Segui

### Camarines Sur

#### CARD Bank Naga

Naga 2	Elisa Maranilla
Camaligan	Milagros Alawin
Minalabac	Mercy T. Balderama
Calabanga 1	Dalisay Barcelá
Calabanga 2	Belen P. Palaad
Milaor	Nilda Floriano

#### CARD Bank Pili

Pili 1	Myrna S. Diana
Pili 2	Celerena G. Cleopas
Bula 1	Salve T. Dante
Bula 2	Rexelda G. Jardinel
Ocampo 2	Niña Bermillo

#### CARD Bank Goa

Tinambac 1	Belenda A. Begino
Tinambac 2	Agnes D. Borela
Goa	Evelyn B. Ignacio
Lagonoy	Rosario L. Pacho
Tigaon 1	Yvonne O. Estrella

### Marinduque

#### Mogpog

Mogpog 1	Cesarian Erma F. Ola
Mogpog 2	Thelma M. Magculang
Boac 1	Imelda C. Nabos
Boac 2	Bernadette Jamilla

#### Gasán

Gasán	Shirley S. Aguarino
Buenavista	Meriam E. Mayorga

#### Sta. Cruz

Sta. Cruz 1	Delia Ricohermoso
Sta. Cruz 2	Geronima .Pardilla
Sta. Cruz 3	Leonila Reig

#### Torrijos

Torrijos 1	Anelie F. Rosales
Torrijos 2	Marites M. Postrado







# Directory of CARD MBA Coordinators

## Luzon

### Quezon 1

#### **Gumaca Area A**

Gumaca 1	Mirabel M. Puso
Gumaca 2	Mercedita A. Hanaban
Macalelon	Edilmira A. Dionlay
Pitogo	Nenith D. Arambulo
Gen Luna	Lilibeth Manzano

#### **Gumaca Area B**

Buenavista	Nenita B. Merca
Calauag 1	Elma M. Malabatuan
Lopez 1	Cresencia M. Valencia
Lopez 2	Marife G. Argote
Guinayangan	Minerva E. Nograles

#### **Atimonan**

Atimonan 1	Patricia Amparo
Atimonan 2	Odessa A. Marasigan
Plaridel	Teresita Aguilar

#### **Quezon**

Alabat	Renalyn Galvo
Quezon	Lorna Beltran

#### **Mulanay**

Mulanay 1	Isabel Asia
Mulanay 2	Ruth Dela Cruz
Catanauan 1	Flora A. Lava
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**

Lucena 1	Eleonor Lobusta
Lucena 2	Jocelyn Sacdalan
Lucena 4	Amor Trinidad
Lucena 5	Remedios Mabazza
Lucena 6	Mercedes Bautista
Lucena 7	Jocelyn Percol
Pagbilao 1	Hanna Hazel Lusterio
Pagbilao 2	Portento, Myrna
Padre Burgos	Noemi Camacho
Agdangan	Marissa, Rubianes
Unisan	Luzviminda Caeg

#### **Lucban**

Lucban	Melisa Sales
Sampaloc	Nerissa Jubelea
Mauban	Estrella Ibarra

#### **Candelaria**

Candelaria 1	Remedios Veñales
Candelaria 2	Vilma Sumague
Candelaria 3	Jocelyn Roque
Candelaria 4	Luzfil Ortiz
San Juan 1	Rowena Senado
San Juan 2	Marites Plandez
Sariaya 1	Rowena Obispo
Sariaya 2	Marjorie Acunin
Sariaya 3	Marife Grimaldo
Sariaya 4	Lorelie Say



# Directory of CARD MBA Coordinators Visayas

## Bohol

### Bohol 1

Baclayon	Lucila Salamat
Balilihan	Liza H. Danila
Dauis	Zelona N. Tubiano
Tagbilaran 1	Damiana H. Garcia
Tagbilaran 2	Rosalina Bulasa

### Bohol 2

Clarín	Anecita O. Lomosbog
Getafe	Estrella Lugo
Trinidad	Macaria Tacmoy
Ubay	Evelyn A. Pasicolan

### Bohol 3

Bilar	Nena Q. Estar
Carmen	Annalyn B. Sanchez
Loboc	Buenaventurada B. Jumawid
Sagbayan	Violeta L. Lazo
Sierra Bullones	Zenaida N. Alolino

### Bohol 4

Candijay	Florencia C. Piquero
Dimiao	Elnora B. Japos
Jagna	Teofila Bajao
Valencia	Alicia M. Macaranas

### Bohol 5

Maribojoc	Agnes J. Villaceran
Antequera	Emerita Moreno
Loon	Virginia M. Requeron
Calape	Zosima Chinchuntic
Tubigon	For Orientation

## Leyte

### Leyte 1

Tanauan	Geraldine De Veyra
Alang-alang	Meriam G. Naupan
Dagami	Leah C. Almenario
Sta. Fe	Beatriz V. Goles

### Leyte 2

Biliran	Nenita Villacorte
Naval	Martina S. Vaporoso
Kawayan	Anna Lou De los Reyes Ramos
Capoocan	Remedios Ibañez
Carigara	Riza A. Aruta

### Leyte 6

Ormoc 1	Evangeline Asis
Palompon	Rachel D. Pelicano
Villaba	Yolinda Benetiz
Isabel	Wencesla A. Laurito
Kananga	Marife V. Olan-olan

### CARD Bank Tacloban

Tacloban 1	Jocelyn L. Toribio
Tacloban 2	Jacinta D. Gloria
Tacloban 8	Marilyn Vergara
Babaton	Candelaria C. Tiña

## Southern Leyte

### Leyte 3

Bato	Julia Cabrera
Maasin	Ma. Lina Dela Cruz
Matalom	Pia, Gemalyn
Padre Burgos	Christine D. Alforque
Bontoc	Yaras, Jonah

### Leyte 4

Baybay 1	Daria Asilom
Baybay 2	Percedita G. Hinandoy
Baybay 3	Sosmeña, Helen G.
Albuera	Ester P. Camugao
Inopacan	Jessica Cavite
Hilongos	Carmela Zabala

### Leyte 5

Liloan	Erlinda Maceda
Hinunangan	Helen P. Suan
San Juan	Zenaida Berongoy
Sogod	Joanne Reyes

### Leyte 7

Abuyog	Haide Siega
Dulag	Rowena Advincula
Mac Arthur	Mila M. Morante
Tolosa	Evelyn Perez
Mahaplag	Josephine Ompoy

## Eastern Samar

### Samar 4

Basey 1	Tita B. Gundran
Sta. Rita	Almare E. Vergara
Quinapondan	Godaberta C. Lim-It
Balangiga	Vilma L. Demillo

### Samar 5

Guiuan 1	Norma M. Malforte
Guiuan 2	Rosario D. Salamida
Salcedo	Veronica B. Catugda
Gen Mac.	Fe L. Candido
Llorente	Madeline C. Bienes

### Samar 6

Taft	Ma. Lani L. Acain
Sulat	Flor C. Necesito
Borongan	Nena G. Tingson
Dolores	Bernadette U. Villafior
Oras	Helen C. Balagasay

## Samar

### Samar 1

Catarman	Otelia M. Agripa
San Jose	Eda Camposano
San Roque	Rosa D. Cebujano
Laoang	Eugenia B. Sorio
Catubig	Basilisa M. Turbanada

### Samar 2

Calbayog 1	Imelda T. Amameo
Calbayog 2	Leticia O. Faro
San Isidro	Rufina D. Bactad
Allen	Haydee G. Eulin

### Samar 3

Catbalogan 2	Nora P. Tizon
Paranas	Jenelyn C. Cuazon
Calbiga	Lourdes Bacsas
San Jorge	Julita A. Pasulot
Catbalogan 1	Merlita G. Aragon



# Directory of CARD MBA Coordinators Visayas

## Cebu

<b>Cebu 1</b>	
Cordova	Luisa T. Fernandez
Lapu-Lapu 1	Miriam M. Hernandez
Mandaue 1	Alicia D. Largo
Talamban	Justina B. Jor

<b>Cebu 2</b>	
Busay	Ma. Liza D. Villaraza
Talisay 1	Elvira L. Igloria
Talisay 2	Elsa Nadela

<b>Cebu 3</b>	
Camotes	Eden Ramirez
Carmen	Guiroy S. Lowella
Danao	Felicitas Olivar
Consolacion	Melona P. Judilla
Liloan	Lanie Along
Catmon	Helen D. Roldan

<b>Cebu 4</b>	
Bantayan 1	Mirasol N. Taytayan
Bantayan 2	Rowena B. Franco
Borbon	Arnely D. Bascon
Bogo	Josephine O. Alburo
Daan Bantayan	Genevy Dayday
San Remegio	Falconeri S. Millor

<b>Cebu 5</b>	
Barili	Ma. Agnes F. Cubar
Carcar	Clarita Zapanta
Dumanjug	Alicia D. Payao
Moalboal	Vilma M. Cantila
Minglanilla	Visitacion Insong

<b>Cebu 6</b>	
Dalaguete	Victoria H. Zaragoza
Argao	Criselda Retiza
Oslob	Amada N. Gubaton
Ginatilan	Ruthzel O. Fernandez

<b>Cebu 7</b>	
Naga 1	Emmalyn C. Consul
Naga 2	Marla M. Kuizon
Balamban	Genalyn Miñoza
Pinamungajan	Lolita M. Villarin
Toledo	Neriza M. Apurado

## Capiz

<b>Roxas City</b>	
Pontevedra	Gina B. Merez
Roxas 2	Edna A. Andrada
Roxas 3	Edna D. Bejo
Ivisan	Catherine A. Villaruz
Maayon	Evangeline V. Degala
Pres. Roxas	Nilda P. Belonio
Sigma	Gina Lencio
Mambusao	Rosemarie L. Lapso

<b>Estancia</b>	
Carles	Telly B. Ladio
Estancia	Margie Dela Cruz
Balasan	Gloria A. Anggot
Ajuy	Chris Jean Joy Arroyo

<b>Culasi</b>	
Culasi Main	Geralyn J. Salazar
Caticlan	Linda C. Manikan

<b>USWAG</b>	
Altavas	Sheila V. Malijan
Ibajay	Nilda G. Dalisay
Lezo	Pepito N. Inaudito
Malay	Diana G. Salibio
Kalibo	William Z. Nanit

## Iloilo

<b>Iloilo</b>	
Arevalo	Jinky Baldove
Buenavista	Romilyn Gallo Solas
Dumangas	Virgie M. Biaca
Iloilo Main A	Charito Chavez
Jordan	Jay Ann T. Buenasalbas
Lapaz	Gemma Acuna
Oton	Vilma N. Magrare
Jaro	Lilibeth G. Labordo

<b>Iloilo</b>	
Arevalo	Jinky Baldove
Buenavista	Romilyn Gallo Solas
Dumangas	Virgie M. Biaca
Iloilo Main A	Charito Chavez
Jordan	Jay Ann T. Buenasalbas
Lapaz	Gemma Acuna
Oton	Vilma N. Magrare
Jaro	Lilibeth G. Labordo

<b>Miag-Ao</b>	
Igbaras	Neneth Eluzo
Miag-Ao Main	Edna Castro

<b>San Jose</b>	
Anini-Y	Regina Nicolasora
Bugasong	Anecita S. Collante
Dao	Cecil Joy A. Naig
San Jose Main	Maria Merle Sison
Sibalom	Adelaida Cordova

<b>Passi</b>	
Passi Main	Mercy F. French
Pototan	Maribeth Dimzon
San Enrique	Teresita Burcag
Dumalag	Honey Lea F. Ansag
Dumarao	Jocely F. Villa

<b>San Julian MPC</b>	
San Julian MPC	Liza Fischer



## Directory of CARD MBA Coordinators

### Visayas

#### Masbate

##### **Masbate 1**

Masbate 1 & 3 Merge	Julia Baay
Masbate 2	Marilou Esquillo
Masbate 3	Jocelyn Bejo
Milagros 1	Rosalinda Oliva
Milagros 2	Mariel E. Guanzon

##### **Masbate 2**

Balud	Crisdalyn Pajinado
Batuan	Nelsie M. Grutas
San Fernando	Viren R. Sanchez
San Jacinto	Cynthia D. Pulletan

##### **Dimasalang**

Uson 1	Robielyn G. Llamazares
Cawayan 1	Lilibeth Alberio
Cawayan 2	Beverly D. Lacson
Dimasalang	Susan Apalla
Palanas	Rosario Antonio

##### **Cataingan**

Cataingan	Maria Curaraton
Placer	Estela Quirante
Pvc	Argie M. Esnardo

##### **Aroroy**

Aroroy 1	Jona G. Dela Pina
Aroroy 2	Christine R. Labastida
Baleno	Amy Dela Cruz
Mandaon 1	Lorema B. Dalanon

#### Negros Oriental

##### **Negros 1**

Sibulan	Lucila Ablay Doctora
Amlan	Annabelle S. Palallos
Tanjay	Judy C. Cabug-Os
Bais	Emma Encierto
Pamplona	Winny D. Arabis

##### **Negros 2**

Manjuyod	Jannette P. Cabual
Bindoy	Natividad H. Flores
Ayungon	Jennie M. Medez

##### **Negros 3**

Zamboangita	Vilma R. Inoferio
Siaton	Amelia R. Egera
Sta. Catalina	Ruby Kay M. Poblacion
Basay	Janice E. Bolinggo
Bayawan	Arlene S. Cristuta

##### **Occidental 1**

Himamaylan	Charin A. Pille
Kabankalan	Ma. Luz A. Emperado
Binalbagan	Ma. Elisa A. Villaluz
Cauayan	Pinky N. Meri
Mabinay	Rogelia S. Amada

##### **Occidental 2**

Hinigaran	Rosario L. Flores
La Carlota	Violeta L. Baran

##### **Siquijor**

Siquijor	Praperda B. Bation
Larena	Emma Pausal
Lazi	Helen R. Sumagang
Valencia	Joselyn M. Flores
Bacong	Ofelia Y. Erolon



# Directory of CARD MBA Coordinators Mindanao

## Davao

<b>Davao 1A</b>	
Toril	Vita S. Benabese

<b>Davao 1B</b>	
Samal 1	Leah Mae Q. Canillo

<b>Davao 3A</b>	
Digos 2	Gemma Theresa A. Roa
Sta. Cruz	Lyneth Salazar
Bansalan	Elena P. Mendoza
Matanao	Nelly E. Capariño

<b>Davao 3B</b>	
Malalag	Estrella G. Fuentes
Padada	Marilou F. Matura
Sulop	Ofelia Reponte

<b>CARD Bank Magallanes A</b>	
Agdao 1	Elsa V. Navarro
Agdao 1	Leonora Aguanta
Agdao 4	Norma C. Javilles

<b>CARD Bank Magallanes B</b>	
Boulevard	Isabelita Abuda

<b>CARD Bank Buhangin</b>	
Buhangin 1	Elizabeth C. Sabucido
Buhangin 2	Josephine D. Fernan

<b>CARD Bank Matina</b>	
Matina 1	Rodes M. Ayao

## Davao del Norte

<b>Davao 2A</b>	
Tagum 1	Fe L. Macias
Tagum 2	Eva T. Panangcad
Kapalong	Jonalyn Pineda
Maco	Roberto Echavez
Mawab	Aleymyr M. Tumala

<b>Davao 2B</b>	
Panabo	Mary Jane J. Hermosilla
Carmen	Josephine T. Ocon
Sto. Tomas	Mirasol C. Lintuan
Tagum 3	Zenaida B. Aparece
Bunawan	Gemma T. Guerra
Tibungco	Crisanta E. Garcia

<b>Davao 4A</b>	
Lupon	Leila R. Austria
Pantukan	Felisa B. Honor
Banay-Banay	Mary Jane M. Tee
San Isidro	Mary Flor Masillones

## Davao 4B

Manay	Maribeth T. Magalso
Mati 1	Enemecia G. Padullar
Baganga	Lorraine S. Terio

## ComVal

Nabunturan 1	Lita B. Gucor
Nabunturan 2	Hermogena A. Dayon
Montevista	Nida Labastera
Montevista	Judith B. Balaod
Monkayo	Claricille L. Rosas
Maragusan	Marlyna V. Guisingmadali

## South Cotabato

### Sargen 1

Gensan 1	Shirley J. Isidro
Gensan 5	Clarita Salutan
Gensan 6	Nida B. Eria
Polomolok	Maricel Asia

### Sargen 2

Gensan 2	Daisy Panginahog
Kiamba	Emelinda Arapoc
Maasim	Melanie Alcordo
Maitum	Fe Montero

### Sargen 3

Alabel	Roselyn Villa
Malapatan	Deborah Almaray
Malungon 1	Mary Jane Pactao-In
Malungon 2	Jean Constantino

## South Cotabato A

Koronadal 1	Elaine M. Dequilla
Koronadal 2	Luzviminda E. Corpuz
Tampakan	Lourdes Barnuevo
Tupi	Anita B. Mallari

## South Cotabato B

Banga	Aileen Lansita
Surallah 1	Emma Dolorfino
Surallah 2	Edna A. Blanca
Sto. Niño	Harrit Alair
T'Boli	Rizza Lind L. Evangelio

## North Cotabato

### North Cotabato A

Kidapawan 1	Gina G. Nabautan
Makilala 1	Susan B. Peralta

### North Cotabato B

Kabacan	Haydie B. Garcia
M'Lang 1	Ferdinandina B. Sarsua
M'Lang 2	Nelly C. Barraca
Matalam	Richel L. Obra

### North Cotabato C

Midsayap 1	Teresita O. Jabanero
Midsayap 2	Helen C. Villaceran
Alamada	Rowena D. Morin
Libungan	Virlee D. Gonzaga
Pigcawayan	Ofelia D. Valenzuela

### ARMM 2

Cotabato 2	Evelyn V. Erlano
Parang	Eleanor B. Arsenio
Datu Odin	Guianesa A. Sakal



## Directory of CARD MBA Coordinators Mindanao

### Agusan del Norte

#### Agusan del Norte

Butuan 1	Helenita L. Reyes
Butuan 2	Adela D. Pelipog
Butuan 3	Marichu E. Cillo
Buenavista	Evangeline R. Yonson
Cabadbaran 1	Cristina S. Llido
Cabadbaran 2	Medel M. Prollo

#### Surigao del Norte

Gigaquit	Fatima C. Gumapac
Kitcharao	Sharie Rose G. Latoja
Mainit	Daylinda P. Casaña
Placer	Vivian P. Comandante
San Francisco	Jaide C. Lizada
Surigao	Lolita P. Malignat

#### Misamis Oriental 4

Gingog 1	Nenita P. Llego
Magsaysay	Dimple E. Carmona
Medina	Julie-Ann C. Balagot
Nasipit	Emey T. Doromal

#### Siargat Island

Dapa	Celia E. Mantua
Del Carmen	Ellenor L. Relosa
San Isidro	Evelyn D. Gloria
Socorro	Aida M. Gelsano
San Jose	Evelyn A. Hilig
Libjo	Fe T. Francisco

### Agusan del Sur

#### Agusan del Sur 1

San Francisco	Bañas, Ma. Rowena G.
Lianga	Pagas, Mahalh P.
Barobo	Cabigas, Elizabeth
Bunawan	Daraman, Loreta R.
Trento	Flojo, Mila D.
Sta Josefa	Copiat, Gloria B.

#### Agusan del Sur 2

Talacogon 1	Miranda, Gerlina M.
Talacogon 2	Mondejar, Shelly Ellen G.
Bayugan 2	Casamayor, Letecia H.
Bayugan 1	Pabillore, Maria Noeta B.

#### Surigao del Sur 1

Bislig 1	Reveche, Loida T.
Bislig 2	Andalisa, Lilia D.
Lingig	Avila Carmencita P.
Hinatuan 1	Maraon, Monica
Hinatuan 2	Rosalita Lapora

### Surigao del Sur 2

Tandag	Derigay, Imelda L.
Carrascal	Guarte, Fritzie B.
Madrid	Nazareno, Vilma G.
Tago	Sillano, Natividad C.
Aras Asan	Mantala, Jilma M.

### Misamis Oriental

#### Bukidnon 1

Malaybalay	Babyinda L. Badilla
Valencia	Josephine D. Esios
Maramag	Violeta C. Tomogol
Aglayan	Antonina C. Jamago

#### Bukidnon 2

Quezon	Annabelle V. Tapdasan
Don Carlos	Ofelia V. Loking
Kibawe	Marinyl S. Tambonan
Damulog	Norma Neri

#### Misamis Oriental 1

CDO 1	Tanguamos C. Davidica
El Salvador	Geraldine A. Maria Fe
Bulua	Joni-Lynn T. Jabla
Laguindingan	Mira M. Lumahang
Initao	Pabayo M. Bersely

#### Misamis Oriental 2

Gusa	Shirly R. Curaza
Tagoloan	Saavedra Rosario
Villanueva	Valcueba O. Ermelinda
Jasaan	Mary Ann T. Dajan
CDO 2	Agrecia C. Tac-An

#### Camiguin Province

Catarman	Lantaca A. Teresa
Mambajao	Josephine S. Gultiano
Balingasag	Elena D. Asis
Balingoan	Marites R. Baldonado
Salay	Cherry M. Labucana

#### Lanao del Norte

Iligan 1	Serate B. Karen
Iligan 2	Marilou C. Yaneza
Maigo	Audrey G. Estrada
Manticao	Mary Jane T. Nob
Tubod	Alma Tagbo

#### BINHI

Manolo	Flordeliza Camino
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### Zamboanga del Norte

#### Zamboanga del Norte 1

Dipolog	Cheryl R. Porlas
Piñan	Bende A. Ontoy
Dapitan	Violeta N. Empeynado
Rizal	Susan L. Curay
Katipunan	Teresa F. Angayan

#### Zamboanga del Norte 2

Manukan	Maricel A. Cabrera
Sindangan	Hilda U. Sumalinog
Tampilisan	Merla B. Daarol

#### Misamis Occidental 1

Calamba	Ruth C. Itum
Plaridel	Fe Bayon-on
Oroquieta	Melyn N. Abuhon
Jimenez	Elgin S. Cotingio
Tudela	Jean O. Revelo

#### Misamis Occidental 2

Clarín	Eminda S. Paredes
Tangub	Lorna B. Martinez
Molave	Gilda S. Saniel
Dumagat	Vernelyn Topia

#### Lanao del Norte 2

Pagadian	Fidela P. Guillermo
Dumaliniao	Merita B. Vailoces
Kapatagan	Chona Gador

#### ARMM 1

Isabela	Yolanda S. Savariz
Bongao	Leni P. Salapuddin
Siasi	Nurkima M. Halikon
Jolo	Hja. Edwina P. Wadjad





## Board of Trustees Schedule of Meetings and Attendance

2013	ATTENDANCE					
	12-Jan-13	9-Mar-12	10-May-13	29-Jun-13	9-Sep-13	29-Oct-13
Nilda Bue Basilan	✓	✓	✓	✓	✓	✓
Remia Catipay Vasquez	✓	✓	✓	✓	✓	✓
Ma. Therese Jane F. Perdito	✓	✓	✓	✓	✓	✓
Teodorica Calvendra Cabling	✓	✓	✓	✓	✓	✓
Maricel A. Ramos	✓	✓	✓	✓	✓	✓
Añana Alvarez Añil	✓	✓	✓	✓	✓	✓
Evelyn Bonafe Austero	✓	✓	✓	✓	✓	✓
Letecia de Gracia Del Corro	✓	✓	✓	✓	✓	✓
Genelyn Crudo Chavez	✓	✓	✓	✓	✓	✓
Lucy Seguros Gonzales	✓	✓	✓	✓	✓	✓
Patricia Monte Pelera	✓	✓	✓	✓	✓	✓
Emmylou Sobradil Onyot	✓	✓	✓	✓	✓	✓
Celenia Belvis Lazo	✓	✓	✓	✓	✓	✓
Arlette Aquino Umali	✓	✓	✓	✓	✓	✓
Atty. Jomer H. Aquino	✓	✓	✓	✓	✓	✓
Newly Elected						
Virginia D. Baldo	not yet elected				✓	✓
Charito L. Rivera	not yet elected				✓	✓
Adoracion C. Balmonte	not yet elected				✓	✓
Genalyn P. Rivadeneira	not yet elected				✓	✓
Angelita D. Ismael	not yet elected				✓	✓
Edna B. Royo	not yet elected				✓	✓



## Nomination Committee Meetings

CLUSTER 1	
Venue :	Tarlac City, Tarlac
Date of Meeting :	4-Jun-13
Members of CNC:	
Deputy Director for Operation	Roselito A. Magpantay
Cluster Manager	Gerardo H. Batarlo
Provincial Manager	Precious Aiza A. Molo
Regional Director	Feliciano Blanco
Area Manager	Aldrin Mendoza
Former Board of Trustee	Lydia Mendoza
Former Board of Trustee	Fely Chan

CLUSTER 2	
Venue:	Pasay City , Manila
Date of Meeting :	3-Jun-13
Members of CNC:	
Deputy Director for Operation	Roselito A. Magpantay
Cluster Manager	Rona R. Nava
Provincial Manager	Gina C. Abata
Provincial Manager	Rosalie B. Martecion
Provincial Manager	Fidela P. Castillo
Former BOT	Leonisa Dison
Former BOT	Doris Peralta

CLUSTER 3	
Venue:	San Pablo City, Laguna
Date of Meeting :	29-May-13
Members of CNC:	
Deputy Director for Operation	Roselito A. Magpantay
Cluster Manager	Nemie G. Mendoza
Provincial Manager	Maribel M. Almanza
Provincial Manager	Aileen B. Castro
Regional Director	Jonel Rapera
Area Manager	Bevic Lualhati
Former Board of Trustee	Adela Rivadeneira
Former Board of Trustee	Lina Barretto

CLUSTER 4	
Venue:	Gumaca, Quezon
Date of Meeting :	6-Jun-13
Members of CNC:	
Deputy Director for Operation	Roselito A. Magpantay
Cluster Manager	Ma. Joyce M. Alimagno
Provincial Manager	Napoleon Brofar
Provincial Manager	Rexon B. Borruel
Provincial Manager	Catherine M. Patay
Provincial Manager	Pablito B. Velina
Regional Director	Raquel Zaragoza
Area Manager	Jenelyn Decillo
Area Manager	Carina Manooos
Former Board of Trustee	Beatriz Janda



## Audit Committee Attendance List

### January 12, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito

#### Excused:

Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Laarne D. Paje  
Mr. Federico B. Pepillo Jr.  
Ms. Jennifer P. Masa

### February 9, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Laarne D. Paje  
Mr. Federico B. Pepillo Jr.  
Ms. Jennifer P. Masa

### March 11, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Laarne D. Paje  
Mr. Federico B. Pepillo Jr.  
Ms. Jennifer P. Masa

### April 8, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon

#### Absent:

Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Laarne D. Paje  
Mr. Federico B. Pepillo Jr.  
Ms. Jennifer P. Masa

### May 3, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Laarne D. Paje  
Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### June 10, 2013

Ms. Arlette A. Umali  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Excused:

Ms. Jocelyn A. Dequito

#### Others Present:

Ms. May S. Dawat  
Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### July 8, 2013

Ms. Arlette A. Umali  
Ms. Jocelyn A. Dequito  
Ms. Ma. Therese Jane F. Perdito  
Ms. Juliana B. De Leon  
Ms. Deverna dT. Briones

#### Others Present:

Ms. May S. Dawat  
Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### August 5, 2013

Ms. Arlette A. Umali  
Ms. May S. Dawat  
Ms. Ma. Therese Jane F. Perdito  
Mr. Josef M. Leron

#### Others Present:

Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### September 2, 2013

Ms. Arlette A. Umali  
Ms. Ma. Therese Jane F. Perdito  
Mr. Josef M. Leron

#### Others Present:

Ms. May S. Dawat  
Ms. Jennifer P. Masa

### October 7, 2013

Ms. Arlette A. Umali  
Ms. Charito L. Rivera  
Ms. Edna B. Royo  
Ms. Genalyn P. Rivadeniera  
Mr. Josef M. Leron

#### Others Present:

Ms. May S. Dawat  
Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### November 6, 2013

Ms. Arlette A. Umali  
Ms. Charito L. Rivera  
Ms. Edna B. Royo  
Ms. Genalyn P. Rivadeniera  
Mr. Josef M. Leron

#### Others Present:

Ms. Janet D. Caneo  
Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa

### December 2, 2013

Ms. Arlette A. Umali  
Ms. Charito L. Rivera  
Ms. Edna B. Royo  
Ms. Genalyn P. Rivadeniera  
Mr. Josef M. Leron

#### Others Present:

Ms. Jennifer O. Redublo  
Ms. Jennifer P. Masa



## 2013 Audit Ratings Awardees

### Top Awardees (Old Provincial Offices)

	Name of PO	Audit Rating
1st Place	Masbate	96.9%
2nd Place	Zamboanga del Norte	95.6%
3rd Place	Cebu	95.3%
	Laguna 1	95.3%

### Top Awardee (New Provincial Office)

Name of PO	Audit Rating
Metro Manila 2	93.6%

### Most Improved Audit Rating

Name of PO	Audit Rating
Occidental Mindoro	From 56.70% to 90.20%



## Board of Trustees Seminars and Trainings

Title	Date Held	Place	Participants
AOA & ICMIF Development Network Seminar	September 18-20, 2013	Makati	All Board of Trustees
17th Insurance Congress of Developing Countries	September 29-October 2, 2013	Colombo, Sri Lanka	Nilda B. Basilan
Social Grace Training	May 9, 2013 & October 21, 2013	Bay, Laguna	All Board of Trustees
Basic Financial Management	October 22, 2013	Bay, Laguna	Pres. Virginia D. Baldo; Sec. Charito L. Rivera; Tres. Adoracion C. Balmonte; Edna D. Royo; Genalyn P. Rivadeniera; Angelita D. Ismael
MOU Signing Ceremony	October 23, 2013	Bangkok, Thailand	Virginia D. Baldo
International Cooperative Micro Insurance Federation Biennial Conference	November 3-10, 2013	Capetown South Africa	Virginia D. Baldo
Trip Tour in Thailand and Cambodia	November 11-16, 2013	Thailand and Cambodia	All Board of Trustees



PARTICULARS			NUMBER/AMOUNT
Number of provincial offices			42
Number of institutional partners			11
Number of staff			274
Number of MBA coordinators			922
Number of trustees			15
Number of active members			1,850,615
Number of insured individuals			9,253,075
Number of claims paid	Life Insurance		25,013
	Retirement		52
	AKAP CARD		2,874
	DHIB		7,641
	Loan Redemption		4,057
	Refund of Contribution	Life Insurance	140,059
		Retirement	155,988
Amount of claims paid	Life Insurance		PhP 342,858,505.00
	Retirement		PhP 162,872.06
	AKAP CARD		PhP 8,725,764.51
	DHIB		PhP 7,009,700.00
	Loan Redemption		PhP 40,557,328.00
	Refund of Contribution	Life Insurance	PhP 115,208,006.00
		Retirement	PhP 84,765,628.03
	TOTAL		PhP 599,287,803.60
Amount of contribution	Life Insurance		PhP 1,139,378,850.00
	Retirement		PhP 379,797,402.00
	Loan Redemption		PhP 203,623,724.00
	TOTAL		PhP 1,722,799,976.00



## Non-Financial Program Status

### CDRAP Update for 2013

TYPE OF CALAMITY	NO. OF AFFECTED MEMBERS	AMOUNT (PhP)
Typhoon	256,520	100,878,476.38
Flood	41,596	12,060,366.60
Fire and Lightning	1,225	673,110.77
Twister	124	47,800.10
Earthquake	19,555	4,001,800.46
Landslide	3	667.90
<b>Total*</b>	<b>319,023</b>	<b>117,662,222.21</b>

\*This figure is based on audited financial statement

### Number of Scholars

BOAT PARTNERS	NO. OF SCHOLARS
USWAG	5
BINHI	4
LAMPCO	4
NAGUILLIAN	5
<b>Total</b>	<b>18</b>

### Mass Wedding

YEAR	NO. OF COUPLES
2002	59
2003	94
2004	116
2008	40
2009	85
2010	24
2012	64
2013	118
<b>TOTAL</b>	<b>600</b>



**CARD Mutual Benefit  
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A member of CARD MRI

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